



THE REPUBLIC OF UGANDA

REPORT OF THE AUDITOR GENERAL TO PARLIAMENT
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2021

OFFICE OF THE AUDITOR GENERAL
UGANDA

DECEMBER, 2021

TABLE OF CONTENTS

LIST OF ACRONYMS	ix
GLOSSARY OF TERMS	xi
FOREWORD BY THE AUDITOR GENERAL	xii
PART 1: INTRODUCTION AND PURPOSE OF THE REPORT	1
1.0 INTRODUCTION AND PURPOSE	1
1.1 General Introduction	1
1.2 Purpose	1
1.3 Summary of Audit Results.....	2
1.3.1 General Performance	2
1.3.2 Summary of Opinions.....	3
PART 2: CONSOLIDATED FINANCIAL STATEMENTS.....	4
2.0 REPORT OF THE AUDITOR GENERAL ON THE CONSOLIDATED FINANCIAL STATEMENTS	4
2.1 REPORT AND OPINION OF THE AUDITOR GENERAL ON THE GOVERNMENT OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 TH JUNE 2021	4
Opinion.....	4
Basis for Opinion.....	4
Key Audit Matter	4
2.1.1. Implementation of the approved budget	4
2.1.2. COVID 19 expenditure	11
2.1.3. Compensations/Acquisition of Right of Way for Selected Transmission Lines Projects.....	14
Emphasis of Matter.....	16
Other Matter	17
2.1.4. Tax policy.....	17
2.1.5. Audit of public debt	19
2.1.6. Management of ICT in government.....	25
2.1.7. Audit of public investments	27
2.1.8. Continued expenditure off the IFMS – UGX. 695,372,792,876.....	30
Other Information	31
Responsibilities of Management for the Consolidated Financial Statements	31
Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements.....	32
Other Reporting Responsibilities	33

Report on the Audit of Compliance with Legislation	33
2.1.9. Use of prior financial years unspent funds	33
2.2 REPORT AND OPINION OF THE AUDITOR GENERAL ON THE GOVERNMENT OF UGANDA	
CONSOLIDATED FINANCIAL STATEMENTS OF THE LOCAL GOVTS FOR THE YEAR ENDED 30 TH JUNE 2021 ...	35
Opinion	35
Basis for Opinion.....	35
Key Audit Matters	35
2.2.1. Payroll management in Local Governments.....	35
Other Matter.....	40
2.2.2. Implementation of the approved budget	40
2.2.3. Operationalization of New Cities.....	44
2.2.4. Capitation Grant for Printing of Home Study Materials	44
2.2.5. Un-Accounted for Funds	45
2.2.6. Irregular payment of Salary and Salary arrears to staff in Apac DLG	45
2.2.7. Failure to submit Financial Statements for consolidation	46
2.2.8. Implementation of UgIFT project activities	47
Other Information	49
Management Responsibilities for the Financial Statements.....	49
Auditor’s Responsibilities for the Audit of the Financial Statements.....	49
Other Reporting Responsibilities	51
Report on the Audit of Compliance with Legislation	51
2.3 REPORT OF THE AUDITOR GENERAL ON THE CONSOLIDATED SUMMARY STATEMENT OF FINANCIAL	
PERFORMANCE OF PUBLIC CORPORATIONS AND STATE ENTERPRISES FOR THE YEAR ENDED 30 TH JUNE 2021	
.....	52
2.3.1. Review of the Consolidated Summary Statement of Financial Performance of Public Corporations and	
State Enterprises	52
2.4.1 Review of Financial Performance of Public Corporations and State Enterprises	54
PART 3: SECTORAL AND LOCAL GOVERNMENTS CROSS CUTTING FINDINGS	60
3.1. PUBLIC SECTOR MANAGEMENT	60
3.1.1. Government readiness to implement the programmatic approach	60
3.1.2. Limited efforts to build the capacity of planning units within Government.....	61
3.2. SECURITY SECTOR.....	62
3.2.1. Monitoring and Supervision of Government Programmes under Office of the President	62
3.3. AGRICULTURE SECTOR	62
3.3.1. Mainstreaming of Agriculture Sector agencies.....	62
3.3.2. Over dependence on the Public Private Partnership in the Cotton sector	63
3.3.3. Management of Foot and Mouth Disease (FMD) Outbreaks in the Country.....	64

3.4.	JUSTICE LAW AND ORDER SECTOR	65
3.4.1.	Management of cases and Case backlog	65
3.4.2.	Operationalisation of the Joint Venture Agreement	66
3.5.	INFORMATION COMMUNICATION TECHNOLOGY SECTOR	67
3.5.1.	Absence of a National IT Governance/Oversight System	67
3.5.2.	Failure by MDAs to Pay for National Backbone Infrastructure Services	67
3.5.3.	Uncollected Revenue from Media Operators	67
3.5.4.	Lack of a Communications Tribunal	68
3.6.	ACCOUNTABILITY SECTOR	69
3.6.1.	Approval of supplementary funding without matching revenue.....	69
3.6.2.	Underperformance in Revenue Collection	69
3.6.3.	Performance of the collaborating institutions under the Tax Registration and Expansion Programme ..	69
3.6.4.	Overstay of projects in the Public Investment Plan (PIP)-UGX.39.01Tn	69
3.6.5.	Un recovered Advances; UGX.2,819,193,074.....	70
3.6.6.	Absence of a monitoring and evaluation framework for impact assessment for tax exemptions	70
3.7.	ENERGY SECTOR	71
3.7.1.	Capitalization of Uganda National Oil Company and its Subsidiary Companies	71
3.7.2.	Implementation of the Electricity Connection Policy(ECP)	71
3.7.3.	Vandalism and Theft of UETCL Grid Assets	72
3.7.4.	Deemed Energy Purchases: UGX.87.7 Billion and Power Evacuation Losses UGX.15.29 Billion.....	72
3.7.5.	Delayed Commissioning of Karuma HPP	73
3.7.6.	Bottlenecks in the Compensation of Project Affected Persons(PAPs) under Transmission Line Projects	74
3.8.	GENDER AND SOCIAL DEVELOPMENT SECTOR	75
3.8.1.	Labour Externalization Inadequacies	75
3.8.2.	Implementation of the Uganda Women Entrepreneurship Programme	76
3.9.	LAND SECTOR	77
3.9.1.	Management of Government Land Matters	77
3.10.	EDUCATION SECTOR	77
3.10.1.	Management of Bilateral Scholarships.....	77
3.10.2.	Management of Research Grants by Public Universities in Uganda	78
3.11.	WATER & ENVIRONMENT SECTOR	80
3.11.1.	Afforestation and Restoration of Selected Central Forest Reserves (CFRS) by the (NFA)	80
3.12.	WORKS SECTOR	81
3.12.1.	Uganda National Roads Authority	81
3.12.2.	Ministry of Works and Transport.....	82

3.12.3.	Uganda Railways Corporation	83
3.12.4.	Uganda Civil Aviation Authority	83
3.13.	HEALTH SECTOR	85
3.13.1.	Mulago National Referral Hospital	85
3.13.2.	National Drug Authority	86
3.14.	SCIENCE, TECHNOLOGY AND INNOVATION SECTOR.....	86
3.14.1.	Closure of the Ministry of Science, Technology and Innovation	86
3.14.2.	Un-deployed Staff upon the abolition of the Ministry	87
3.14.3.	Progress on the COVID-19 Vaccine, Diagnostics and Treatment Projects	87
3.15.	TRADE SECTOR	88
3.16.	TOURISM SECTOR	89
3.17.	HIGHLIGHTS FROM THE AUDIT OF LOWER LOCAL GOVERNMENTS FOR THE PERIOD 2019/2020	90
3.17.1.	Under staffing	90
3.17.2.	Budget implementation in sample LLGs for FY 2018/2019 and 2019/2020	91
3.17.3.	Quality of Financial Statements	92
3.17.4.	Land Management in Local Governments	92
3.17.5.	Lack of Urban Physical Planning Committees.....	93
4.0.	HIGHLIGHTS FROM THE ENGINEERING AUDITS.....	94
4.1.	Value for Money Audit of Urban Infrastructure projects implemented by 22 Municipal Councils	94
4.2.	Value for Money audit and assessment of Infrastructure projects under the UgIFT Program	95
4.3.	Engineering Audit of Selected Road and Building Projects in Kampala Capital City Authority (KCCA)	98
5.0.	INFORMATION SYSTEMS AUDITS.....	100
5.1.	Information Systems Audit of Civil Aviation Authority	100
5.2.	Information Systems Audit of the Academic Management Information System (AIMS)	102
5.3.	Information Systems Audit of Uganda National Land Information System (Ug-NLIS).....	105
6.0.	SPECIAL VERIFICATIONS.....	108
6.1.	Verification of Assets and Liabilities for Uganda Telecom (In-Administration)	108
6.2.	Verification of Terminal Benefits/Pension of former Employees UPTC	109
7.0.	HIGHLIGHTS OF VALUE FOR MONEY AUDIT RESULTS	111
7.1.	Value for Money Audit on the Management of Government Investments by UDC	111
7.2.	A Value for Money Audit on The Afforestation and Restoration of Selected Central Forest Reserves (CFRs) by the National Forestry Authority (NFA)	113
7.3.	A Value for Money Audit on the Implementation of the Uganda Women Entrepreneurship Programme	115
7.4.	A Value for Money Audit Report on the Management of Research Grants by Public Universities	117

7.5. Value for Money Audit on The Management Of MATIP-1 Markets by Municipalities 121

7.6. Prevention and Response to Incidents of Fire by Uganda Police Force. 122

7.7. Value for Money Audit on the Performance of the Agriculture Cluster Development Project 125

7.8. Follow up on the Value for Money Audit on the Compensation of Project Affected Persons under the Refinery Project by the Ministry of Energy and Mineral Development..... 126

7.9. VFM Audit on the Implementation of the Uganda Reproductive Maternal and Child Health Services Improvement Project (URMCHSIP) 127

ANNEXURES..... 129

ANNEXURE I: SUMMARY OF ENTITY FINDINGS AND OPINIONS FOR MDAs, COMMISSIONS, STATUTORY CORPORATIONS AND STATE ENTERPRISES AND PROJECTS 129

ANNEXURE II: SUMMARY OF ENTITY FINDINGS AND OPINIONS FOR LOCAL GOVERNMENTS 316

ANNEXURE III: REPORTS AND CONSOLIDATED GOVERNMENT OF UGANDA FINANCIAL STATEMENTS 445

LIST OF TABLES

Table 1: Status of audit performance for audit year 2021	2
Table 2: Summary of Current Year Opinions	3
Table 3: Trend of Opinions for MDAs, Higher Local Governments for the last three years	3
Table 4: Tax arrears	19
Table 5: Debt portfolio analysis	20
Table 6: Total revenue ratio	22
Table 7: Tax to GDP ratio.....	23
Table 8: Noncompliance with the 70% capital threshold	28
Table 9: Absorption of fund.....	29
Table 10: Showing Level of Absorption for Wage, Pension and Gratuity	36
Table 11: Entities with unsupported expenditure.....	45
Table 12 Un-consolidated local governmentsSn.....	46
Table 13: Status of implementation of UgIFT projects	47
Table 14: UgIFT projects without land titles.....	48
Table 15: Entities not Consolidated, but Disclosed in summary statement	53
Table 16: Entities neither reported nor Disclosed in the consolidated summary statement	53
Table 17: Entities not assessed.....	54
Table 18: Profitability of Public Corporation and State Enterprises	55
Table 19: Returns on Assets.....	56
Table 20: Enterprise Liquidity	57
Table 21: Liquidity assessment for financial institutions	58
Table 22: Loans and Advances performance	59
Table 23: Enterprises' ability to service loan obligations.....	59
Table 24: Comparison of consolidated quantities of production inputs.....	63
Table 25: Information Systems within the JLOS Sector	65
Table 26: Understaffing in Lower Local Government.....	90
Table 27: Performance of Central Government Grant.....	91
Table 28: Performance of Local Revenue.....	91
Table 29: Unjustified Payments and Overpayments	99
Table 30: Creditors Verified	108
Table 31: Summary of claims presented for Verification.....	110
Table 32: Summary of Verified claims payable	110
Table 33: Challenges of Project Implementation	112

LIST OF ACRONYMS

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

UCF	Uganda Consolidated Fund
UDC	Uganda Development Corporation
UETCL	Uganda Electricity Transmission Company Limited
UGX	Uganda Shillings
URA	Uganda Revenue Authority
USD	United States Dollars
USMID	Uganda Support for Municipal Infrastructure Development
WMD	Wetlands Management Department
YIGs	Youth Interest Groups
YLP	Youth Livelihood Programme

GLOSSARY OF TERMS

Term	Definition
Classified Expenditure	The expenses and commitments incurred by an authorised agency for the collection and dissemination of information related to national security interests
Contingent Liability	A potential liability that may occur depending on the outcome of an uncertain future event.
Domestic Arrears	Domestic arrears refer to short-term debts incurred by Governments against unpaid procurement invoices for supply of goods and services during the financial year
External Debt	Portion of a country's debt that was borrowed from foreign lenders including commercial banks, Governments or international financial institutions.
Garnishee order	A form of enforcing a judgment debt against a creditor to recover money.
Nugatory Expenditure	Expenditure that does not achieve any result
Off-budget financing	Off-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) and the National Audit Act, 2008, I hereby present to you the Annual Audit Report on the Consolidated Public Accounts of Uganda; Local Government; and Summary Statement of Financial Performance of Public Corporations, and State Enterprises and Companies in which Government has a controlling interest.

In delivering my mandate, I audited financial statements for 128 MDAs, 107 Statutory Corporations 145 Local Governments and 2048 Lower Local Governments. In addition, I undertook four (4) thematic audits covering, Management of Covid-19 pandemic intervention, compensations of Project Affected Persons, implementation of the approved budget, and Payroll and Pension payments.

The Office reviewed its audit process to comply with the Covid-19 guidelines from the Ministry of Health and Ministry of Public Service, by conducting some critical meetings virtually and coping with a lean staff. In addition, Stakeholders have increased their call to strengthen accountability in the wake of the Pandemic triggering special audits and investigations relating to Covid-19 expenditure.

Due to the impact of the Pandemic, some audits were not conducted as planned, but we are committed to continuously adding value to society by making recommendations that enhance accountability and improved service delivery through audit services.

I extend my gratitude to the Government of Uganda and all other stakeholders for the support rendered to my office during the audit year. I also thank my staff for their unwavering commitment during this challenging period.



John F.S. Muwanga
AUDITOR GENERAL

31st December 2021

PART 1: INTRODUCTION AND PURPOSE OF THE REPORT

1.0 INTRODUCTION AND PURPOSE

1.1 General Introduction

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

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

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

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

1.2 Purpose

The purpose of this report is to provide:

- (i) A summary of audit results and opinions for audits done in the year
- (ii) A report and Opinion of the Auditor General on the;
 - Consolidated Financial Statements of the Government of the Republic of Uganda for the year ended 30th June 2021
 - Consolidated Financial Statements of Local Governments for the year ended 30th June 2021
 - The Consolidated Summary Statement of Financial Performance of Public Corporations and State Enterprises for the year ended 30th June 2021
- (iii) A summary of audit results from audit of thematic and focus areas

- (iv) Sectoral and cross cutting findings, implications and recommendations from the audit of Ministries, Departments, Agencies, Commissions, Statutory Corporations and Local Governments and other specialised audit findings. For the first time, a summary of IT Audit findings have been included in the report under Part 4 of the report.
- (v) A summary of findings of completed audits which include opinions from the audit of Ministries, Departments, Agencies, Commissions, Statutory Corporations (Annexure I) and Local Governments (Annexure II).

1.3 Summary of Audit Results

1.3.1 General Performance

During the current year, I planned to undertake 4,165 audits. I was able to undertake 2,692 audits which made up 88.1% of the annual approved budget of Government. The summary is in Table 1 below and details are in Annexure I, II.

A total of 1,473 audits, of which 50% are schools and tertiary institutions, could not be undertaken due to the effects of Covid-19 pandemic and resource constraints. This significantly affected the flow of work from the entities and within the offices. The summary is shown in Table 1 below.

The forensic investigations and special audit reports have been issued to the respective stakeholders who requested for them.

Table 1: Status of audit performance for audit year 2021

Type of Entity/Audit	Planned Audits for the audit year 2021	Revised Planned Audits for the year 2021	Actual Performance as at December 31, 2021	Audits deferred during the year
MDAs	123	170	128	42
Funds	3	3	3	0
Classified entities	13	13	0	13
International Audits	2	2	2	0
Commissions, Statutory Authorities and State Enterprises	95	121	107	14
Projects	167	257	146	111
PSAs	4	8	4	4
Districts	135	135	115	20
Municipal Councils and Cities	41	41	24	17
Lower Local Governments for 18/19 and 19/20	1,662	2,291	2,048	243
Regional Referral hospitals	14	14	6	8
Schools/Tertiary institutions	379	746	0	746
Forensics/Special Audit	71	71	8	63
VFM Studies	20	41	8	33
Engineering Audits	230	240	90	150
IT Audits	10	12	3	9
TOTAL	2,969	4,165	2,692	1,473

1.3.2 Summary of Opinions

Of the financial audits concluded (MDA, Commissions, Statutory Authorities and State Enterprises, Projects, Districts and Municipalities), 502 (95%) entities had unqualified opinions while twenty-seven (27) entities had qualified opinions. Table 2 and figure 1 below provides the summary of the Opinions:

Table 2: Summary of Current Year Opinions

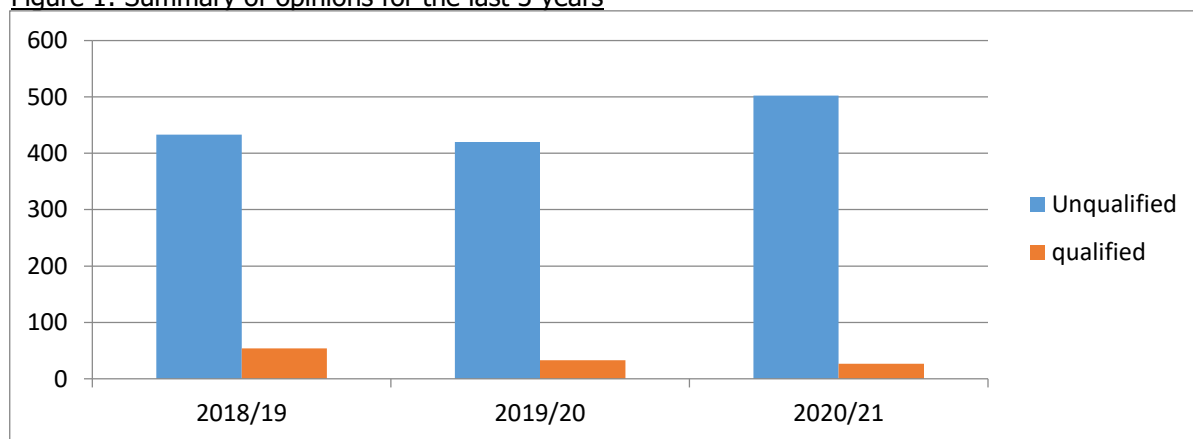
Category of Audited entities	Type of Opinions				Total
	Unqualified	Qualified	Adverse	Disclaimer	
Ministries, Departments and Agencies	116	12	0	0	128
Commissions, Statutory Authorities and State Enterprises	100	7	0	0	107
Projects	144	2	0	0	146
Districts Local Governments	110	5	0	0	115
Regional Referral hospitals	6	0	0	0	6
Municipal Councils and Cities	23	1	0	0	24
Funds	3	0	0	0	3
TOTAL	502	27	0	0	529

*The table above excludes Lower Local Governments

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

Type of Opinion	2020/21	2019/20	2018/19
Unqualified	502	420	433
Qualified	27	33	54
Adverse	0	0	0
Disclaimer	0	0	0
Total	529	453	487

Figure 1: Summary of opinions for the last 3 years



PART 2: CONSOLIDATED FINANCIAL STATEMENTS

2.0 REPORT OF THE AUDITOR GENERAL ON THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 REPORT AND OPINION OF THE AUDITOR GENERAL ON THE GOVERNMENT OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

THE RT. HON. SPEAKER OF PARLIAMENT

Opinion

I have audited the accompanying Consolidated Financial Statements of the Government of the Republic of Uganda for the year ended 30th June 2021. These financial statements comprise of the Consolidated Statement of Financial Position as at 30th June 2021, the Consolidated Statement of Financial Performance, and Consolidated Cash Flow Statement together with other accompanying statements, notes, and accounting policies.

In my opinion, the Consolidated Financial statements of the Government of the Republic of Uganda for the financial year ended 30th June 2021 are prepared, in all material respects, in accordance with Section 52 of the Public Finance Management Act, 2015 and the Financial Reporting Guide, 2018.

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement's 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 Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants (Parts A and B), the International Organization of Supreme Audit Institutions (INTOSAI) Code of Ethics 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 qualified opinion.

Key Audit Matter

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

2.1.1. Implementation of the approved budget

On the 24th April 2020, Parliament approved the annual budget for MDAs and LGs that contained the specific resource envelope allocated to each vote to implement agreed on

outputs. Subsequently, the PS/ST issued a Budget Execution Circular that communicated the budget strategy, policy, and administrative issues to guide the budget implementation for the financial year 2020/2021.

During my overall risk assessment exercise, I noted that MDAs and LGs are still experiencing challenges in implementing the budgets approved by parliament and policy guidance's issued by PS/ST, which has continued to affect the performance and credibility of the budget negatively. These challenges include; lack of strategic plans that are aligned to the National Development Plans, underperformance of revenue, implementation of off-budget activities, under absorption of funds, insufficient quantification of outputs, partial and non-implementation of outputs, diversion of funds and challenges in budget monitoring and reporting of performance.

I am aware that the Covid-19 Pandemic continues to significantly affect the implementation of several activities. Consequently, a number of activities were not implemented due to budget cuts and lockdown measures instituted to control the spread of the pandemic. It is against this background that the implementation of the budget was again considered a key audit area during the office-wide planning for the current audit year.

Consequently, I developed procedures to address the performance of the budget of the entity (Detailed reports are provided in individual entity reports).

From the procedures undertaken, I noted the following;

SN	Finding	Recommendation																																				
a)	<p><u>Revenue performance</u></p> <p>A review of the approved budget estimates of the Government of Uganda for the financial year ended 30th June 2021 revealed that the initial approved budget (resource envelope) for the financial year 2020/21 was UGX.45,493.69 Bn. The funding was later revised to UGX.48,726.77 Bn, following approval for additional domestic financing of UGX.3,234 Bn. It was estimated that Tax and Non Tax revenue amounted to UGX.22,024.66 Bn, domestic borrowing would finance UGX.6,794 Bn while external financing would provide grants of UGX.1,719.91Bn and loans of UGX.10,702.10Bn.</p> <p>The table below summaries the performance of revenue by source;</p> <table border="1"> <thead> <tr> <th>Funding source</th> <th>Approved Budget (Bn) - UGX</th> <th>Revised budget (Bn)-UGX</th> <th>Actual (Bn) - UGX</th> <th>Variance (Bn) - UGX</th> <th>Performance (%)</th> </tr> </thead> <tbody> <tr> <td colspan="6">Domestic Resources</td> </tr> <tr> <td>Taxes</td> <td>20,218.68</td> <td>20,218.68</td> <td>18,252</td> <td>1,966.68</td> <td>90</td> </tr> <tr> <td>Non-Tax</td> <td>1,805.98</td> <td>1,805.98</td> <td>1,648</td> <td>157.98</td> <td>91</td> </tr> <tr> <td>Domestic financing</td> <td>3,560.32</td> <td>6,794</td> <td>6,794</td> <td>-</td> <td>100</td> </tr> <tr> <td>Domestic refinancing</td> <td>7,486.1</td> <td>7,486.1</td> <td>7,420</td> <td>66.1</td> <td>99</td> </tr> </tbody> </table>	Funding source	Approved Budget (Bn) - UGX	Revised budget (Bn)-UGX	Actual (Bn) - UGX	Variance (Bn) - UGX	Performance (%)	Domestic Resources						Taxes	20,218.68	20,218.68	18,252	1,966.68	90	Non-Tax	1,805.98	1,805.98	1,648	157.98	91	Domestic financing	3,560.32	6,794	6,794	-	100	Domestic refinancing	7,486.1	7,486.1	7,420	66.1	99	<p>I advised the Secretary to the Treasury to devise means of ensuring that all budgeted revenue is always collected to fund the budget as approved.</p>
Funding source	Approved Budget (Bn) - UGX	Revised budget (Bn)-UGX	Actual (Bn) - UGX	Variance (Bn) - UGX	Performance (%)																																	
Domestic Resources																																						
Taxes	20,218.68	20,218.68	18,252	1,966.68	90																																	
Non-Tax	1,805.98	1,805.98	1,648	157.98	91																																	
Domestic financing	3,560.32	6,794	6,794	-	100																																	
Domestic refinancing	7,486.1	7,486.1	7,420	66.1	99																																	

1 Includes Appropriation in Aid of UGX 215 billion.

SN	Finding	Recommendation																																																
	<table border="1"> <thead> <tr> <th colspan="6">External Resources</th> </tr> <tr> <th colspan="6">Budget support</th> </tr> </thead> <tbody> <tr> <td>Grants</td> <td>133.56</td> <td>133.56</td> <td>62.85</td> <td>70.71</td> <td>47</td> </tr> <tr> <td>Loans</td> <td>2,773.12</td> <td>2,773.12</td> <td>3,134.13</td> <td>-361.01</td> <td>113</td> </tr> <tr> <th colspan="6">Project support</th> </tr> <tr> <td>Grants</td> <td>1,586.35</td> <td>1,586.35</td> <td>1,026.04</td> <td>560.31</td> <td>65</td> </tr> <tr> <td>Loans</td> <td>7,928.98</td> <td>7,928.98</td> <td>6,822.23</td> <td>1,106.75</td> <td>86</td> </tr> <tr> <td>Grand Total</td> <td>45,493.09</td> <td>48,726.77</td> <td>45,159.25</td> <td>1,667.06</td> <td>93</td> </tr> </tbody> </table> <p>Actual funding for the budget during the financial year was UGX. 45,159.25Bn (93%) against a revised revenue budget of UGX. 48,726.77Bn, indicating a shortfall of UGX. 3,567.52Bn. The details of each funding source are provided below.</p> <ul style="list-style-type: none"> <p>Taxes</p> <p>The total tax revenue collected during the year was UGX. 19,697.7Bn, representing 90% of the approved estimates.</p> <p>Non-tax revenue</p> <p>A total of UGX.1,605.42Bn was realised from this source against a target of UGX.1,805.98Bn representing a performance of 89%. Budgeting for NTR remains a challenge at the Treasury, as the figures included in the revenue estimates are not agreed with individual votes, and a number of entities do not reflect NTR in their budgets.</p> <p>Budget support</p> <p>Government planned to raise a total of UGX.2,906.68 Bn for budget support of which 5% was grants while 95% was from loans. Grants underperformed by 52% while Government acquired loans of UGX.361 Bn in excess of what was planned translating into a 113% performance. The increase in loans for budget support related to additional borrowing that was secured in light of COVID -19 disruptions.</p> <p>Project support</p> <p>A total of UGX.9,515.33 Bn (20%) of the approved budget was planned for project support of which grants and loans were UGX.1,586.35 Bn and UGX.7,928.98 Bn respectively. Grants underperformed by 60% (UGX.1,026.04 Bn) while UGX.6,822.23 Bn (83%) was realised from the loans.</p> <p>Domestic refinancing</p> <p>Government planned to pay back maturing Treasury Instruments by borrowing afresh from the market (domestic refinance) to a tune of UGX.7,486.1 Bn, of which UGX.7,420Bn (99%) was realised.</p> <p>Management attributed the Tax and Non tax Revenue shortfall mainly to the lockdown measures that were instituted by government to curb the spread of the COVID 19 that constrained revenue major sources and the slow Economic growth which is a major contributor to taxes that declined from the projected 6.4% to 3.1%. Deficits</p>	External Resources						Budget support						Grants	133.56	133.56	62.85	70.71	47	Loans	2,773.12	2,773.12	3,134.13	-361.01	113	Project support						Grants	1,586.35	1,586.35	1,026.04	560.31	65	Loans	7,928.98	7,928.98	6,822.23	1,106.75	86	Grand Total	45,493.09	48,726.77	45,159.25	1,667.06	93	
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	<p>were registered in CIT, VAT, excise duty and Corporation Tax since companies were not working. The EFRIS has now been rolled out and Digital stamps implementation is under way to revive revenue collection.</p> <p>Management also indicated that NTR Budget estimates books have been revised and the budget process for NTR enhanced to incorporate Universities fees collection which was a major challenge in terms of providing the right estimates. The NTR Budget consultation process for FY 2022/23 had been concluded for all Votes and a realistic target set for NTR collections.</p>																															
b)	<p><u>Unfunded approved budget</u></p> <p>During the year under review, Government budgeted to spend a total of UGX.45,439 Bn, which was later revised to UGX.51,625 Bn. An analysis of warrants approved revealed that a total of UGX.46,657 Bn was approved against the budgeted amounts, thus representing 90% performance. A sum of UGX.4,968 Bn was not availed for expenditure. See table below;</p> <table border="1" data-bbox="337 856 1154 1199"> <thead> <tr> <th data-bbox="345 856 467 940">Entity</th> <th data-bbox="475 856 573 940">Percentage</th> <th data-bbox="581 856 735 940">Total Revised Budget – UGX(bn)</th> <th data-bbox="743 856 979 940">Total warrants - UGX(bn)</th> <th data-bbox="987 856 1149 940">Variance- UGX(bn)</th> </tr> </thead> <tbody> <tr> <td data-bbox="345 951 467 993">Central Govt</td> <td data-bbox="475 951 573 993">73.42%</td> <td data-bbox="581 951 735 993">37,904.70</td> <td data-bbox="743 951 979 993">35,717.10</td> <td data-bbox="987 951 1149 993">2,187.7</td> </tr> <tr> <td data-bbox="345 1003 467 1045">Local Govt</td> <td data-bbox="475 1003 573 1045">8.38%</td> <td data-bbox="581 1003 735 1045">4,327.80</td> <td data-bbox="743 1003 979 1045">4,218.40</td> <td data-bbox="987 1003 1149 1045">109.4</td> </tr> <tr> <td data-bbox="345 1056 467 1098">Local Revenue</td> <td data-bbox="475 1056 573 1098">0.42%</td> <td data-bbox="581 1056 735 1098">217.4</td> <td data-bbox="743 1056 979 1098">115.3</td> <td data-bbox="987 1056 1149 1098">102.0</td> </tr> <tr> <td data-bbox="345 1108 467 1150">Project Financing</td> <td data-bbox="475 1108 573 1150">17.77%</td> <td data-bbox="581 1108 735 1150">9,176.00</td> <td data-bbox="743 1108 979 1150">6,606.80</td> <td data-bbox="987 1108 1149 1150">2,569.2</td> </tr> <tr> <td data-bbox="345 1161 467 1203">Total</td> <td data-bbox="475 1161 573 1203"></td> <td data-bbox="581 1161 735 1203">51,626.00</td> <td data-bbox="743 1161 979 1203">46,657.60</td> <td data-bbox="987 1161 1149 1203">4,968.4</td> </tr> </tbody> </table> <p>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. Notably, there was a significant variance in project financing which is explained by under absorption by the various implementing MDAs.</p> <p>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.</p> <p>The Secretary to Treasury indicated that the funds releases to Votes are in line with the available resources issued in quarterly expenditure limits which are supported by actual revenue collections from URA and also indicated that Ministry of finance provides guidance by way of circulars to all Votes to fund only critical activities within the work plans in line with the available resources.</p> <p>The Secretary to Treasury committed to improving releases as</p>	Entity	Percentage	Total Revised Budget – UGX(bn)	Total warrants - UGX(bn)	Variance- UGX(bn)	Central Govt	73.42%	37,904.70	35,717.10	2,187.7	Local Govt	8.38%	4,327.80	4,218.40	109.4	Local Revenue	0.42%	217.4	115.3	102.0	Project Financing	17.77%	9,176.00	6,606.80	2,569.2	Total		51,626.00	46,657.60	4,968.4	I advised the PSST to provide guidance to MDAs in regard to the prioritization of activities to the levels of availed resources in cases of shortfalls.
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	revenue collections improve with the economy recovering from the current economic shocks.																																																																						
c)	<p><u>Unspent warrants/under absorption of funds UGX .3,018.44Bn</u></p> <p>Section 45 (3) of the Public Finance Management Act, 2015 states that an Accounting Officer shall enter into an annual budget performance contract with the Secretary to the Treasury which shall bind the Accounting Officer to deliver on the activities in the work plan of the vote for a Financial year.</p> <p>It was observed that warrants worth UGX.46,657.6 billion were approved in respect of various entities for which only UGX.43,639.2 billion was paid out leaving UGX.3,018.4 billion (6.5% of approved warrants) unspent. The details are indicated in the table below;</p> <table border="1" data-bbox="337 695 1156 936"> <thead> <tr> <th rowspan="2"></th> <th colspan="3">Approved Warrants (UGX' billion)</th> <th colspan="3">Total Payments (UGX' billion)</th> <th colspan="3">Unspent funds (UGX' billion)</th> </tr> <tr> <th>Wage</th> <th>Non - Wage</th> <th>Development</th> <th>wage</th> <th>Non - Wage</th> <th>Development</th> <th>wage</th> <th>Non-Wage</th> <th>Dev</th> </tr> </thead> <tbody> <tr> <td>ENTITTY</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>CG</td> <td>2,710</td> <td>23,647</td> <td>15,771</td> <td>2,637</td> <td>21,32</td> <td>15,725</td> <td>73</td> <td>2,327</td> <td>45</td> </tr> <tr> <td>Missions</td> <td>28</td> <td>149</td> <td>18</td> <td>28</td> <td>149</td> <td>17.9</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>LG</td> <td>2,271</td> <td>1,071</td> <td>992.1</td> <td>2,151</td> <td>1,025</td> <td>586</td> <td>119</td> <td>46</td> <td>406</td> </tr> <tr> <td>TOTAL</td> <td>5,009</td> <td>24,867</td> <td>16,781</td> <td>4,816</td> <td>22,494</td> <td>16,329</td> <td>193</td> <td>2,373</td> <td>452</td> </tr> </tbody> </table> <p>From the above, it can be seen that 79% of the unspent funds related to non-wage expenditure while wage and development expenditure posted underperformance of 6% and 15% respectively.</p> <p>98% of the unspent funds under non-wage related to Vote 130 (Treasury Operations) and were meant to settle interest costs and treasury bills and Bonds redemptions. The occurrence has an implication of increasing financing costs incurred by the government since the interest costs and redemptions are done by Bank of Uganda which in turn charges the treasury for the advance.</p> <p>Most of the unspent funds under wage related to pension payments casting doubt on the existence of the said pensioners.</p> <p>Under absorption negatively affects service delivery since some of the planned projects and activities are not undertaken.</p> <p>The Secretary to Treasury indicated that GoU operates a Cash budget which is based on actual inflows. The year under audit experienced cash shortfalls arising from, Domestic revenue shortfall as a result of the Covid -19 pandemic , late disbursements from IMF ,which came in on 30 June 2021 & Non disbursement from Afri-Exim Bank and African Development Fund. The occurrence contributed to delay in implementation of planned activities hence the under absorption of funds.</p>		Approved Warrants (UGX' billion)			Total Payments (UGX' billion)			Unspent funds (UGX' billion)			Wage	Non - Wage	Development	wage	Non - Wage	Development	wage	Non-Wage	Dev	ENTITTY										CG	2,710	23,647	15,771	2,637	21,32	15,725	73	2,327	45	Missions	28	149	18	28	149	17.9	-	-	-	LG	2,271	1,071	992.1	2,151	1,025	586	119	46	406	TOTAL	5,009	24,867	16,781	4,816	22,494	16,329	193	2,373	452	I advised the Secretary to the Treasury to strengthen the cash forecasting function to avoid issuing warrants that cannot be financed.
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d)	<p><u>Approval of supplementary funding without matching revenue</u></p> <p>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</p>	I await the outcome of the new measures.																																																																					

SN	Finding	Recommendation
	<p>shall not exceed 3% of the total approved budget for that financial year, without the approval of Parliament.</p> <p>It was established that during the financial year ended 30th June 2021, supplementary funding totalling UGX.6.13Tn was granted by the Minister of Finance, Planning and Economic Development. 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 affecting implementation of plans/ activities by the affected votes. I noted that, although the budget was increased to UGX.51.625Tn, it was only funded to the tune of UGX.46.6Tn (90%funding).</p> <p>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.</p> <p>The Secretary to Treasury responded that for the Financial Year 2022/23, the Ministry of Finance was using zero based budgeting approach to prioritize critical activities and expenditures to avoid supplementary requests during execution. The budget for 2022/23 is being used as a launchpad for restricting supplementary budgets to stabilize GoU budget execution going forward.</p>	
e)	<p><u>Budgeting for Non-Tax Revenue</u></p> <p>Section 6 of the Budget Execution Circular for the FY 2020/21 provides that all work plans and Budgets for FY2020/21 are prepared and approved using the Program Budgeting System (PBS). All Budgets, irrespective of the source of financing (GoU, NTR/AIA, Donor or LG Revenue), will be migrated and loaded into the Integrated Financial Management System (IFMS) to facilitate Budget Implementation and reporting.</p> <p>According to the approved budget estimates for the FY2020/21, it was projected that a total of UGX.1.590 Tn would be collected as NTR. Review of the Performance Budgeting System(PBS) tool used by the Government and IFMS records revealed that that NTR Budgets for the respective MDAs were neither uploaded on PBS nor IFMS. The budgeting tool only had details regarding expenditure, and no revenue was included. I further noted that several Accounting Officers disowned the figures incorporated in the NTR Estimates book, indicating that they had not been consulted in arriving at the estimates incorporated therein.</p> <p>As a result, I was unable to compare respective entity budget figures with the URA NTR collections that totalled to UGX.1.605Tn. The absence of revenue estimates for each entity undermines transparency, affects motivation of staff, and hampers performance assessment.</p> <p>Management responded that for the budget of FY 2022/23,</p>	<p>I advised the PSST 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.</p>

SN	Finding	Recommendation
	<p>respective MDAs had been requested to submit their NTR estimates which will be uploaded and reflected on the PBS as had been done in the NTR estimates booklets. PBS has been upgraded to include the NTR budgets for Votes. The approved estimates will also be uploaded on the IFMS for follow up on monthly performance reports.</p>	
f)	<p><u>Quantification of activities and Implementation of planned outputs</u></p> <p>Section 13 (15, b) of the PFMA 2015 states that a policy statement submitted by a vote shall contain the annual and three months' work plans, outputs, targets and performance indicators of the work plans. Regulation 11 (3) of PFMR 2016 requires that a vote prepares a work plan that indicates the outputs of the vote for the financial year; the indicators to be used to gauge the performance of the outputs and funds allocated to each activity.</p> <p>I sampled 94 entities for purposes of assessing the extent of quantification and implementation of planned outputs I noted that out of the 1,681 outputs worth UGX.9.8tn sampled for review, 1,151 outputs (68.5%) worth UGX.6.8tn were fully quantified, 307 outputs (18.3%) worth UGX.2.1tn were partially quantified while 223 out puts (13.2%) worth UGX.902Bn were not quantified at all.</p> <p>Out of a total of 1,151 quantified out-puts worth UGX.6.8tn assessed, 465 (40.4%) output worth UGX.2.5tn were fully implemented, 592 outputs (51.4%) worth UGX.4.1tn were partially implemented, while 94 (8.2%) out-puts worth UGX.146bn were not implemented at all. The graph below shows the extent of implementation;</p> <p>Failure to fully quantify the planned activities makes the assessment of implementation difficult.</p> <p>The Accounting Officers indicated that the outbreak of the Covid-19 Pandemic affected the implementation of the 2019/2020 budget, especially activities in the last half of the financial year.</p>	<p>I advised the PSST to follow up the matter with the Accounting Officers of the various MDAs to ensure that there is full quantification of activities and outputs.</p>
g)	<p><u>Existence of Strategic plans that are aligned to NDP-III</u></p> <p>Paragraph 5 of the budget execution circular for the financial year 2020/2021 cites poor alignment of Government Budgets with the National Development Plans. The PS/ST urged Accounting Officers to ensure that all activities for Financial Year 2020/2021 are aligned with NDP III and implemented accordingly. Regulation 26 (1) of the National Planning Authority (development of Plans) regulations require entities to submit to NPA their five-year development plans for certification before approval.</p> <p>This being the first year of implementation of the NDP-III, MDAs were expected to prepare strategic plans aligned to NDP III and ensure that these plans are certified by NPA before approval. These plans would then be the basis for preparation of the entity annual</p>	<p>I advised the PSST to follow up the matter with NPA and ensure that the entities have strategic plans that are aligned to NDP-III and certified by NPA.</p>

SN	Finding	Recommendation
	<p>plans.</p> <p>From the procedures undertaken I noted that out of 94 entities sampled, 75 were supposed to prepare strategic plans that were aligned to NDPII. However, out of 75 only 25 (33%) had their strategic plans certified by NPA. The balance of 50 representing 67% were not certified by NPA. There is a risk that activities implemented by these entities during the financial year 2020/2021 were not aligned to the NDP-III which negatively affects the achievement of NDP-III objectives.</p>	
h)	<p><u>Off Budget Financing/Receipts</u></p> <p>Section 43 (1) of the PFMA 2015 states that all expenditure incurred by the government on externally financed projects in a financial year shall be appropriated by parliament. Paragraph 29 of the Budget Execution Circular for the Financial year states that if an external agency provides funds in the course of implementation of the budget or any funds remain unspent at the expiry of an appropriation, these must be declared and a supplementary issued in line with the Public Finance Management Act 2015.</p> <p>I noted that 30 entities received off-budget financing to a tune of UGX.627.124Bn, which was never declared to the PS/ST and was also not appropriated by Parliament. As such, no supplementary appropriation was issued as guided by the PS/ST. These funds were received directly from development partners for undertaking activities not budgeted for. Off-budget financing distorts planning, may result in duplication of activities, contrary to Section 43(1) of the PFMA 2015 and the budget execution guidelines.</p> <p>The Accounting Officers explained that this was due to limitations of the PBS system which has no provision for inputting such receipts and in some cases funds are received during the year which were not expected at the time of planning.</p>	<p>I advised the Accounting Officers to comply with the law and guidance given by the PSST and ensure that in future, all funds received outside the approved budget are appropriated by way of a supplementary.</p>

2.1.2. COVID 19 expenditure

The emergence of the Global Covid-19 pandemic presented a social and economic threat to many countries in the world, including Uganda. In response, the Government of Uganda developed and instituted several interventions to control and avert the effects of the pandemic on the economic and social wellbeing of its citizens. The interventions included instituting a total lockdown, closure of airports, restriction of cross boarder movements, and increased surveillance among others which in turn necessitated additional funding. Mobilisation of revenue was also negatively affected due to low economic activity.

In addition to the local revenue raised by the Government to support the budget, Government proceeded to secure additional funding to facilitate the efforts and interventions

being undertaken to manage and control COVID-19 and its effects on the economy and the society in general.

In a letter dated 09th August 2021, the PSST advised me that the total amount released for COVID expenditure in the FY 2020/21 was UGX.2,371Bn of which a total of UGX.677Bn was disbursed for the settlement of domestic arrears.

During the audit, I designed and performed procedures that I considered appropriate under the circumstances to enable me to gather evidence to address the specific objectives listed below;

- i) Confirm whether the funds received by Treasury were fully appropriated by parliament.
- ii) Establish whether funds appropriated and allocated were received by the different votes
- iii) Establish whether the appropriated funds were utilised for the purpose for which they were approved.
- iv) Assess the existence and effectiveness of internal control systems.
- v) Assess the extent of achievement of planned output by the different entities
- vi) Establish whether all funds disbursed were properly accounted for and value for money was attained.
- vii) Make appropriate recommendations to strengthen accountability and transparency.

From the procedures undertaken the following summarised key findings were noted, the detailed report was issued separately as the COVID 19 thematic report;

Summary of key findings

- USD 345million received by GoU in respect of support to Bank of Uganda for Balance of Payment was confirmed received and banked intact in Citi bank New York to enhance the Country's foreign reserves.
- A total of UGX 676Bn was allocated and disbursed to various MDAs to settle domestic arrears with a view of improving liquidity within the local business community. I noted that 90% of funds used appropriately for the intended purpose; however, I noted diversion of funds to pay for unrelated expenditure worth UGX 4.897Bn (0.7%), unsupported domestic arrears of UGX 27.38Bn(4%), and Payment for contested/rejected domestic arrears of UGX.1.245Bn(0.2%). I also noted that UGX 33.8Bn (5%) was used to settle international obligations thus did not contribute to the stated objective since the funds were externalised.
- UGX 260Bn allocated for the Emyooga programme was disbursed to Microfinance Support Centre with a goal of transforming household incomes by increasing employment opportunities and access to financial services to the rural areas. Audit confirmed that UGX 219.40Bn (84%) had so far been disbursed to 6,326 EMYOOGA SACCOs. It was, however, noted that the SACCOs were in the process of obtaining operational licenses; no MoUs had been entered into between the disbursing entity and the beneficiary SACCOs; UGX.34,716,666,049 (1.3%), though disbursed, remained unaccessed by the beneficiary SACCO.

- A total of UGX.56.8Bn was disbursed to MSc to increase the funds available for on-lending to different businesses. I noted that MSc lacked capacity at zonal offices to appraise loans which was also manifested in the unbalanced approach for loan appraisals. A total of UGX 13b (23%) was disbursed to applicants without MSC finalising the perfection of securities for the collaterals. UGX.2.5Bn (4%) was irregularly advanced to applicants contrary to the credit policy. A total of UGX 3.149Bn (6%) was advanced to applicants with no collateral.
- A total of UGX.31.033Bn was disbursed to the Ministry of Science Technology and innovation to support 23 selected projects of scientists and innovators engaged in CoVID-I9 scientific research, including the procurement of specialized machinery and equipment, development of vaccines, drug diagnostics, and other operational costs. The funds were divided into UGX.15.787Bn for purchase of Equipment and UGX.15.245Bn for Operational Costs. An MOU was entered with Presidential Scientific Initiative on Epidemics (PRESIDE) to provide technical and administrative oversight at an operational level. It was noted that most projects were progressing well. It was also noted that due to the general weaknesses identified, there was a need to provide more guidance to the beneficiaries on how to account for Government funds.
- Out of UGX 558.68Bn appropriated, 531.8Bn was disbursed to Uganda Development Bank for recapitalization, leaving UGX 26.87Bn unremitted by the Ministry of Finance and Economic Development. From the amount disbursed, funds worth UGX 234bn had been paid out to various beneficiaries; by the time of the audit, the balance of UGX 292.66Bn was still deposited in commercial banks.
- Of the amounts paid out, UGX95bn was sent to financial institutions and SACCOs following MoUs entered into by UDB and the financial Institutions, for the latter to on lend to stated beneficiaries.
- Euros 1,602,370 (equivalent to UGX.7,136,910,000) received by UDBL from the European Union for the Tourism Sector. As at 10th June 2021, 25 applications worth UGX 9.55 Bn had been approved, and grant disbursements worth UGX 4.34 Bn. had been processed to 14 projects.
- Furthermore, the Ministry of Finance and Economic Development disbursed UGX.126.9Bn to Uganda Development Corporation, to finance projects aimed at supporting the private sector to avert the effects of Covid-19. I noted that the capitalisation grants to UDC are assigned to specific projects thereby nullifying the internal appraisal processes of UDC. 54% of the funds remained unutilised as the projects were not ready for investment.
- UGX 253.59bn was released and received by the Ministry of Health. MoH used the money to procure medical supplies, 282 motor vehicles, pay allowances to medical workers, masks, intensive care equipment and build modular houses at 6 border points. All the planned activities were undertaken amidst many challenges. I noted a diversion of funds totalling UGX 7.98Bn. Though funds were paid for the acquisition of vaccines, there were delays in the delivery of the vaccines due to the global demand. There was a delay in the installation of intensive care equipment in Gulu, Mbarara, Bombo, and Lacor hospitals due to building inadequacies.
- Whereas medical workers requested to be given UGX.150,000 per day as risk allowance, this was not possible and they were instead paid UGX.80,000 per day. They made a

request to parliament to have this amount exempted from taxes, but the issue was never resolved. In the meantime, UGX.2.2Bn meant for PAYE was not deducted from the allowances paid to medical workers in the period under review.

Key Recommendations

- Management should ensure that compensating controls are put in place in times where conventional controls cannot be implemented.
- Sensitisation of private individuals and organisations to whom public resources are entrusted should be done prior to disbursement of the funds.
- The PS/ST should clearly communicate the intentions of given initiatives before funds are disbursed to implementing agencies to avoid a mismatch between the intended objectives and actual outputs.
- Government entities and projects should be assessed for capacity to implement given tasks before funds are disbursed to them.

2.1.3. Compensations/Acquisition of Right of Way for Selected Transmission Lines Projects

The Government, through the Ministry of Energy and Minerals Development, is responsible for provision of policy guidance in the development and exploitation of the energy resources, creation of an enabling environment to attract investment, and provision and utilization of energy resources.

Currently, UETCL's network consists of 2,989.2Km of high voltage lines distributed as; 1,008km of 220kv, 1,946km of 132kv and 35km of 66kv , with 25 substations with a total transformation capacity of 2829.5 MVA. However, this is still low, given that Uganda still has one of the lowest per capita electricity consumption in the world with 215 KWh per capita per year, given that the Sub-Saharan Africa's average is 552Kwh².

Government has spent significant amounts in compensation of Projected Affected Persons. In a period of 5 years, financial years between 2016/17 to 2019/20, a total of UGX.564.57Bn has been spent in compensations of PAPs.

The delays in undertaking the construction of the transmission lines has been largely attributed to inadequacies in the compensation of Project Affected Persons. The challenges faced in "Acquisition of the Right of Way (ROW)" have led to delayed implementation of a number of projects in the Energy Sector.

Owing to concerns over the progress of the implementation of the transmission infrastructure under UETCL, the Office of the Auditor General undertook an audit on the compensation of PAPs under selected transmission line projects. The overall objective of the audit was to ascertain whether the compensation process of the Project Affected Persons (PAPs) was implemented in accordance with the Compensation Guidelines and other Government Legal Frameworks to enable efficient and effective service delivery.

The scope of the audit included the Grid Extension and Reinforcement Project (GERP) and the Mputa Transmission lines. The following are the summary of the key findings and recommendations made, and the details are in the thematic report on compensations;

² Uganda energy situation-energypedia.

Summary of Key Findings:

- 56% of the PAPs for GERP and Mputa projects were not properly identified, and this resulted in a mismatch between the number of PAPs appearing on the payment files and the survey reports and Valuation Reports prepared by the Chief Government Valuer.
- The valuation process was marred with a number of irregularities, which included; the use of un-updated district compensation rates; and unverified legal interests in the land; resulting in unnecessary revaluations and litigation which in turn delayed the RAP processes, thus affecting timely project completion.
- The budgeting, disbursement, and absorption of compensation funds were not properly managed. There are seemingly budget slacks. Although the Survey and Valuation Reports are supposed to guide the budgeting for compensations, management prepared budget estimates which were not supported, this resulted in over budgeting to the tune of UGX.111.3Bn.
- I noted that of the released compensation amount of UGX.21.5Bn for both GERP and Mputa Projects, only UGX.5.86Bn (27%) was paid to PAPs, thus resulting in unspent funds to the tune of UGX.15.64Bn (73%). This mostly affected the GERP Project which had UGX.13.17Bn not utilized, while Mputa had UGX.1.66Bn.
- I also noted significant delays in compensation of PAPs. 1,109 PAPs (52.2%) for Mputa and 821 (35%) for the GERP Transmission Line remained unpaid by the time of concluding the audit (November, 2021). This was mainly caused by outstanding grievances whereby 52% and 15% of the grievances remained unresolved for GERP and Mputa Projects, respectively. Relatedly, Compensations in kind also delayed whereby out of 149 PAPs identified, only 93 were resettled, leaving 56 PAPs not resettled.
- I noted a number of inadequacies in the construction of the resettlement houses which included; irregular payments to contractors, delayed progress of works, discrepancies in drawing specifications and BOQs, poor materials used for construction, and a number of defects which were not rectified.

Key Recommendations

- Management should always ensure that the RAP consultants thoroughly validate the preliminary information obtained during social survey and valuation processes, to enable accurate justification of PAPs
- The District Land Boards should ensure compensation rates are regularly updated and communicated to the CGV, to enable appropriate valuation of the land and properties.
- Management should streamline its RAP processes, including proper identification of PAPs, clear valuation processes, and timely submission of PAP documentation, among others.
- Management should ensure proper supervision and monitoring of construction works.

Emphasis of Matter

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

- Government Loans (Borrowings) – UGX 69.6Tn

As disclosed in the statement of financial performance, the government Loans have increased from UGX.56.9Tn, in 2020 to UGX UGX 69.6Tn in 2021 constituting an increase of UGX 12,718Bn (22.4%) increase. This position reflects the country's increased borrowing to combat the effects of the Covid19 pandemic.

- Domestic arrears – UGX 4.65Tn

As disclosed in the statement of financial performance, the domestic arrears have increased from UGX.3.83Tn in 2020 to UGX 4.65Tn in 2021 constituting a 21% increase. The amount represents 9% of the revised budget of government of Uganda for the financial year 2020/21. This is an indication of the failed commitment control system. The growth trend appears unsustainable and on the rise. This could also be as a result of approving supplementary budgets with no matching funding.

The PS/ST explained that government is currently implementing a Domestic Arrears Strategy to clear significant amounts of the verified arrears.

- Contingent Liabilities – UGX 160Tn

As disclosed in the statement of contingent liabilities, Government contingent liabilities have increased to UGX160Tn up from UGX.11.5Tn reported in the previous year, representing a 1,290% increase. Most of the contingent Liabilities are arising out of court awards and compensations. The trend continues to appear unsustainable in the event that a significant percentage crystallises into liabilities.

- Classified Expenditure – UGX 840.8 Bn

As disclosed under note 8, a total of UGX 840.8 Bn relates to classified expenditure. In compliance with Section 24 of the Public Finance Management Act, 2015 (Classified Expenditure), this expenditure is to be audited separately and a separate audit report issued.

- Non-Consolidation of Subventions

It should be noted that this opinion excludes the details of expenditure worth UGX. 955Bn for subventions whose financial statements are not consolidated in the financial statements of the parent votes. Separate opinions were given on the individual financial Statements of the subventions.

Other Matter

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

2.1.4. Tax policy

a) Absence of clear policies to guide the Tax Exemptions and other Investor Incentives

Audit observed that there is no clear policy guideline for the issuance, management, and monitoring of the different tax benefits and incentives issued by the Government to different individuals. The absence of a clear mechanism and framework exposes the scheme to mismanagement and abuse.

For example, there were inconsistencies in the grant of tax benefits to the various beneficiaries, and some conflicted with earlier policy decisions that were made by Government. A review of the letter of undertaking/commitment signed by the Minister of Finance relating to an Industrial park establishment revealed that Government was taking over import duty and VAT on all materials and machinery imported by the beneficiary with the exception of steel items. However, a review of the Memorandum of understanding signed by the GoU and an Industrial park company investor revealed that there was no exception relating to steel.

It was also established that Government had offered a 10 year tax holiday to the steel sector with the aim of promoting the growth of the sector as well as boosting employment.

In light of the above, there is conflict in policy as presented in the above agreements and commitments. The Government may not achieve the objectives for having granted the 10 year tax holiday for the steel sector.

It was also noted that there is no mechanism in place for evaluating and or assessing the impact of the benefits granted. I noted 20 beneficiaries whose benefit period has since expired without follow up.

In the absence of a monitoring framework, Government is not in position to assess the impact of the tax benefits granted to the various beneficiaries. Government is bound to lose revenues that would have accrued if the beneficiaries were effecting payments and this may also cause unfair competition in the market.

Management indicated that the issue at hand would be solved by the ongoing development and implementation of the tax governance framework.

The PS/ST is advised to develop a comprehensive framework to guide the identification of beneficiaries/criteria, the nature of benefits to be granted, the duration of the grant and assessment mechanisms.

b) Continued loss of revenue due to Failure by Government to meet contractual obligations

The Government of Uganda (GOU), through the Ministry of Finance Planning and Economic Development, entered an agreement on 4th April, 2003 with Oil Refinery company for the development of oil palm industry in Uganda. Under Article 5(7) of the Agreement, GOU was required to pay VAT on the products of the all companies envisaged under the project from the first year of the project activities and ending after a period of eleven (11) years from the year of handing over the 26,500 hectares of land. It was agreed that the company would then refund (subject to clause 3 of article 4) the VAT paid by the Government with interest over a period of eight (8) years in eight equal installments, including accrued interest starting in the twelfth (12th) year.

However, Government has breached the contract by failing to provide the balance of the 10,000 hectares of land as agreed. There is no documentation to show that the Ministry has made any follow-up on this matter.

Due to Government's failure to provide the balance of the required land, the Ministry of Finance, Planning and Economic Development has continued to settle all tax obligations on behalf of the Company. In the financial year 2019/20, the Minister wrote off a total of UGX.194Bn in line with the Tax Procedures Code Act (2019), being arrears as at 30th June 2019 and also a total of UGX.79.8Bn was accumulated in the year under audit in arrears. Under the circumstances, it is apparent that instead of paying for 11 years, Government has so far paid for 17 years and is still continuing while the chances of recovery appear to be slim.

The continued failure to provide land continues to affect the Uganda Revenue Authority in its revenue collection efforts and also affects Government of Uganda revenue performance.

Management explained that Government has provided additional Land in Sango Bay bringing the total land provided to 22,500 hectares. The balance of 4,000 hectares is being sought in collaboration with Ministry of Agriculture Animal Industry and Fisheries. Once this is completed, the Company shall start refunding GoU taxes accumulated accordingly. The Ministry has further written to the Attorney General seeking advice on how the agreement can be amended.

I advised the Accounting Officer to liaise with the responsible agencies and ministries to expeditiously address the land issue. In the meantime, the PS/ST should also follow up with the Attorney General on the possibility of reviewing the terms of the agreement.

c) Continued build up of Government tax arrears; UGX.212.747Bn

Article 17 of the 1995 Constitution of the Republic of Uganda (as amended) provides that it is the duty of every Citizen to pay taxes. Article 152(1) provides that no tax shall be imposed except under the authority of an Act of Parliament. The same Article provides that where a law enacted under the provision of the Article empowers any person to waive or vary a tax imposed by that law, that person or authority shall report to parliament periodically on the exercise of those powers as is provided for by the law.

The tax procedures Code Act (as amended in 2019) provides that the Minister shall pay taxes due and payable by the Government arising from any commitment made by the

Government to pay taxes on behalf of a person, or owing from the Government through the acquisition of goods and services. In addition, Section 40A (2) of the same Act provides that all unpaid taxes by Government as at 30th June 2019 are written off. The Minister was tasked with gazetting the list of all taxes waived under the provision of Section 40A(2).

In compliance with the provision of the Tax procedure Code Act, the Minister issued a list of beneficiaries of the said tax waivers totalling UGX.809.734Bn. This was gazetted in the Uganda Gazette of 13th March 2020. The write-off in question affected the tax heads and in amounts as summarised in table 4below;

Table 4: Tax arrears

Nature of Tax	Total Amount written off (UGX)
Value Added tax (VAT)	348,986,568,013
Stamp Duty	8,460,910,000
Pay As You Earn (PAYE)	158,293,699,210
Import Duty	98,569,989,826
Excise Duty	52,685,114,511
Income Tax	114,133,374,978
Withholding Tax	28,604,598,593
Total	809,734,255,131

It has however been noted, that one year later, a total of UGX.212.747Bn has already been accumulated at the Ministry of Finance, Planning and Economic Development in tax arrears as 30th June 2021. The occurrence is a manifestation that a tax write off is not the solution for the issue at hand. The tax arrears build up continues to negatively affect the revenue collection efforts of Uganda Revenue Authority.

Management responded that the writing off of tax arrears by the minister was consistent with the law, specifically Article 152 (1) of the Constitution and Section 40 of the Tax procedures Code Act. This discretionary power is useful because it addresses strategic circumstances which merit government interventions that were not provided for in the tax acts. Exercise of this discretion by the minister is reported to parliament every end of the quarter.

I advised the Accounting Officer to review the practice and come up with a lasting solution in respect of companies to which tax incentives and other benefits a granted.

2.1.5. Audit of public debt

a) Public Debt Portfolio Analysis

The reported total public debt as at 30th June, 2021 stood at UGX.69,600 Bn, of which Domestic Debt Stock was UGX.25,288 Bn and the External Debt Stock was valued at UGX.44,312 Bn. This is an increase of UGX.13,429 Bn, equivalent to 23.9% when compared to the debt stock of UGX.56,892 Bn reported as at 30th June 2020. The table below shows the details;

Table 5: Debt portfolio analysis

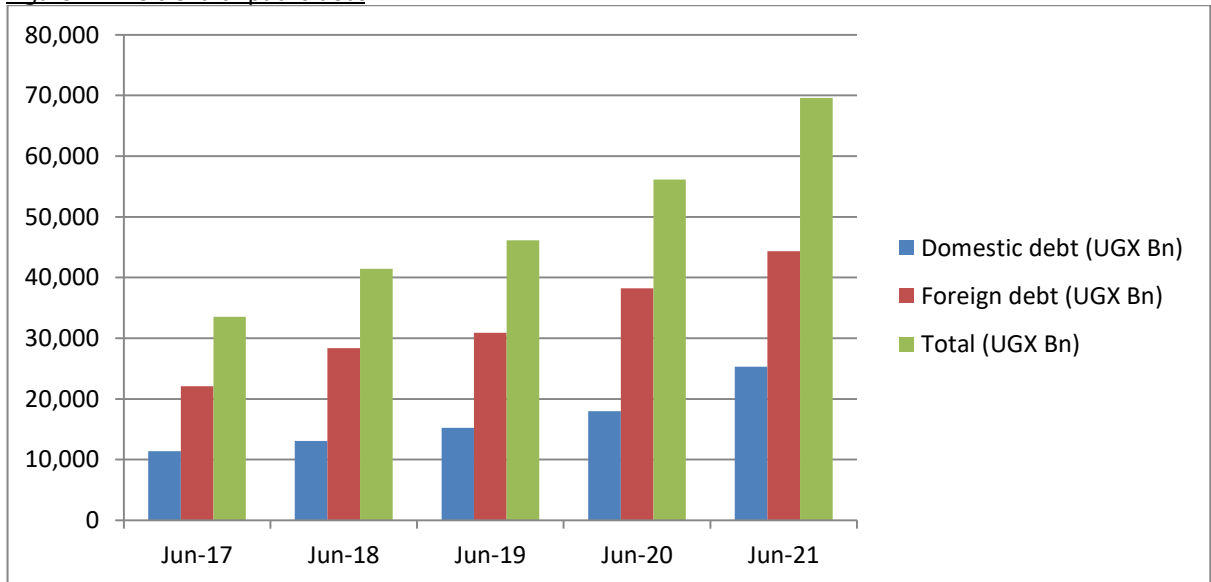
Financial year ended	Domestic debt (UGX Bn)	Foreign debt (UGX Bn)	Total (UGX Bn)	% change
June 21	25,288	44,312	69,600	23.90%
June 20	17,975	38,196	56,171	23.50%
June 19	15,221	30,905	46,126	11.10%
June 18	13,059	28,386	41,445	23.60%
June 17	11,407	22,102	33,509	

Source: Audited financial statements of Vote 130

From the above, I noted that there was a consistent increase in the total debt and from financial year 19/20 to 20/21, there was an increment of UGX. 13,429Bn (23.90%). 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.

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, new borrowings for various development projects and foreign exchange loss arising from the depreciation of Ugandan Shilling against stronger currencies. The graph below illustrates the trend of public debt stock by type over the past five years;

Figure 2: The trend of public debt



Although government has developed a domestic revenue mobilisation strategy, this appears not to be in harmony with the spending, raising concerns of sustainability.

Management indicated that revenue Mobilization had recently been affected by reduced economic activity as a result of restrictions imposed to slowdown the spread of COVID 19. COVID 19 has also led to additional expenditure pressures, which necessitated increased borrowing. Going forward, Government will focus on reducing expenditure and increasing revenues in a bid to bridge the fiscal gap and reduce the rate of debt accumulation. These commitments have been clearly spelt out in the Charter for Fiscal Responsibility, which is

awaiting Parliamentary approval. Further to the above, Government is finalising the Public Investment Financing Strategy (PIFS) that will improve alignment of government programmes and projects to suitable financing options. The Strategy will in turn enhance the efforts in resources allocation, utilisation and address issues on debt sustainability.

I await implementation of the Charter for Fiscal Responsibility.

b) Assessment of debt sustainability

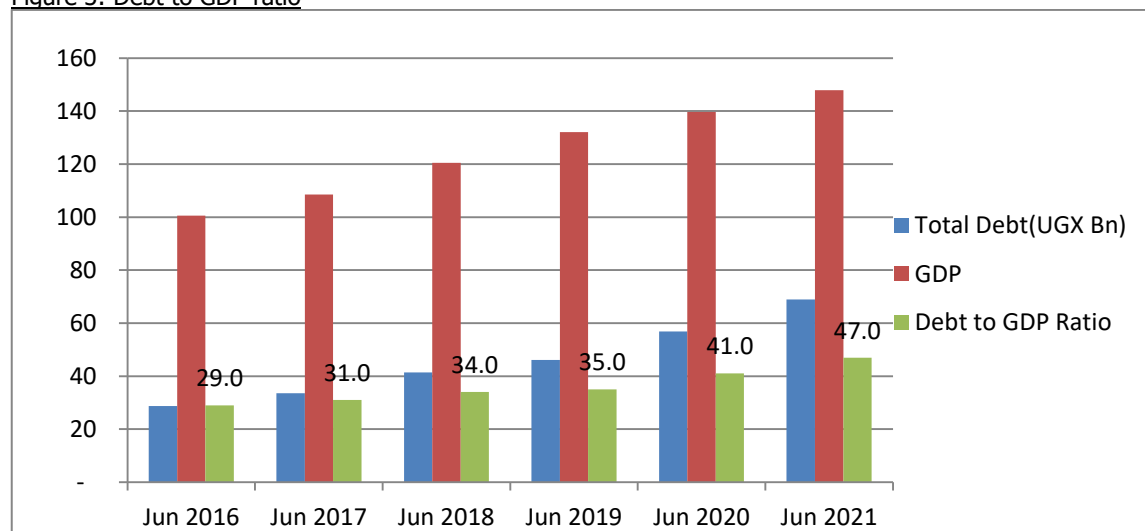
- Debt to GDP Ratio

Debt to GDP ratios is a measure that compares what a country owes (total debt) and what it produces (manufactures or a service). 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 debts and may lead creditors to seek higher interest rates when lending due to the low credit rating of the country that pushes its lending risk high.

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 review of Uganda’s Debt to GDP revealed a 6% increase from 41% last year to 47% in the year under review. The graph below illustrates the movement;

Figure 3: Debt to GDP ratio



From the above, it can be seen that though Uganda’s GDP has been increasing over the years since 2013/14, its debt position has also increased. The rate of increase of debt is higher than the rate of increment in the GDP levels, which creates a risk of reaching unsustainable levels in the future.

Management attributed the increased debt levels to Government’s ambitious infrastructure program under National Development Plans I and II that were particularly focused on the energy (dams and power lines) and transport sectors. In addition, the need to expedite

commercial production of our oil resources has also necessitated the development of infrastructure which will aid the production process.

It was also indicated that the onset of the COVID-19 pandemic had led to a contraction in economic activity and shortfalls in domestic revenue collections while at the same time creating additional spending areas to mitigate the pandemic impact. To maintain debt at sustainable levels, Government had embarked on a fiscal consolidation strategy aimed at accelerating implementation of the Domestic Revenue Mobilisation Strategy and expenditure rationalisation.

I advised the PSST to consider exploring ways of reducing dependence on debt and expediting the implementation of strategies to enhance revenue generation for the country and/or reducing/rationalising government expenditures.

- 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. Government set the ceiling to be 12.5% in its debt strategy. The table 6 below shows the assessment of the benchmark over the years;

Table 6: Total revenue ratio

Financial year	Total domestic Revenue - UGX	Total Interest - UGX	% of Interest to revenue	Benchmark
2020/21	20,199,013,110,066	3,118,535,556,062	15.4	< 12.5
2019/20	17,453,981,414,553	2,475,531,497,733	14.2	< 12.5
2018/19	17,128,743,726,614	2,005,380,900,988	11.71	< 12.5
2017/18	15,219,588,786,381	1,937,371,886,367	12.73	< 12.5

It has been established that the interest to revenue benchmark has been breached as evidenced above. Almost 15% of the revenue being collected is going into servicing interest payments. This is gradually reducing the funds available for funding other critical government expenditures, given that 25% goes to salaries and wages.

Management indicated that efforts were being made to reduce the interest to revenue ratio by taking steps to reduce the level of domestic borrowing a view to attaining the operational ceiling of 1% of GDP and also working to increase domestic revenues through the operationalization of the Domestic Revenue Mobilization Strategy (DRMS). The implementation of the DRMS had stalled in the last two years due to the pandemic-induced shocks. The DRMS aims to increase to tax to GDP ratio by 0.5 percentage points every year largely through the improvement of revenue administration.

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

- Low Tax to GDP ratio

Section 2.1 (i) Public Debt and other Financial Liabilities Management Framework for the FY2018/19 to FY2022/23 provides that the Government of Uganda shall work towards

raising its tax-to-GDP ratio to the Sub-Sahara Africa's (SSA) average of 15.1% as part of Uganda's Financing Strategy to limit on borrowing.

Audit reviewed the Country's tax collections and its Gross Domestic Product (GDP) and noted that from the start of the implementation of the framework in the FY2018/19, Uganda had made an improvement and currently stands at 13%; however, more strides have to be made to make it to 15% and more. Refer to the table 7 below;

Table 7: Tax to GDP ratio

Financial year	GDP at Current Prices (UGX) Billions	TAX collections (UGX) Billions	Tax/GDP
2020/21	147,962	18,594	13%
2019/20	139,689	16,042	11%
2018/19	132,090	16,146	12%

The continued failure to collect sufficient revenue will imply more borrowing and creates a risk that the Country may not achieve the World Bank Sustainable Development Goals by 2030.

Management indicated that the Ministry's tax expenditure analysis revealed that government was losing up to 1 to 2 percentage points of GDP per year, besides the fact that Government of Uganda informal economy is close to 50% of GDP. In addition, a VAT gap analysis carried out discovered a 40% compliance gap. The Ministry is implementing tax administration measures as part of the measures within the Domestic revenue mobilization strategy to improve tax to GDP ratio that include Automation of URA revenue collection systems through EFRIS, Digital Tax Stamps, Enhancement of ICT infrastructure, Installation of scanners at all customers border entry points, Improved Tax payer education, Implementation of a project to improve record-keeping by SMEs for improving compliance.

Management through URA also committed to ensuring increased tax compliance.

I advised the PSST to formulate policies that will further enhance domestic revenue mobilization. In the meantime, government should consider limiting its expenditure to within the limits of sustainable financing.

c) Continued securing of High cost Temporary advance from Bank of Uganda

Section 36 (3) of the PFMA 2015, stipulates that the Minister of Finance may raise a loan by issuing Government bills, bonds or stock or using any other method the Minister may deem expedient, including a fluctuating overdraft.

Ministry of Finance, Planning and Economic Development requested for a temporary advance of UGX.2.1 Trillion from Bank of Uganda in line with the Public finance Management Act, 2015. The advance was granted on 1st October 2020, the Bank of Uganda granted the request based on an average interest rate of the 272 day Treasury bill rate of 9.999%. Government paid an amount of UGX.98,770,218,774 as interest for the temporary advance due to delayed pay back.

The Accounting Officer indicated that the Ministry had embarked on negotiation with the central bank to adjust the interest rate to a fairer benchmark, though this still has to be in line with the Bank of Uganda Act which stipulates use of a market rate.

I await the outcome of the negotiations.

d) Absence of Policy to manage Interest rate risk

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. Audit noted that the Treasury did not have a policy to manage interest rate risk. Without a Policy, there are no streamlined and institutionalized interventions that foster proper safe guards of public resources.

It was noted that the country continues to engage in the acquisition of debt with floating interest rates from Bilateral countries and Commercial Banks that use the 'Libor' and 'Eurobor' interest rates and thus the need for safeguards to be imposed.

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.

I noted that Government entered into a SWAP arrangement with two commercial banks towards the repayment a loan. A review of interest movements on the LIBOR revealed that Government has since made a financial loss of UGX.65,627,696,205 and has not yet benefited from the SWAP agreements with the two banks.

The Accounting Officer responded that the conclusion of the 15-year Interest Rate Swap transaction in June 2016 was a risk mitigating action against possible increases in US\$ LIBOR which was made on the basis of historical US\$ LIBOR rates. It could not take into account the ramifications of the CoVID-19 pandemic and the associated interventionist changes in US Monetary policy; as they were not evident in 2016. Current Indications are that restoration of market based interest rates will occur in the near future and hence pointing to the necessity to keep the SWAP in place as insurance against likely future interest rate increases. Government is currently undertaking a midterm review of the Public Debt Management Framework (PDMF) 2018. The proposed measure will therefore be considered and appropriate policy actions will be instituted for the remaining period of the framework and the longer term.

I advised management is to develop a policy on management of interest rate risk to minimise the exposure.

e) Failed on-lending scheme

Government of Uganda has over the years, secured funds for on-lending to various ministries, departments and agencies to undertake various projects. Whereas MDAs signed the on-lent loan agreements, there was an inability by some of the MDA's to actually re-pay the on-lent loans. It was oserved that only Four(4) out of the Thirteen(13) MDA's were found to be compliant with the repayment of the loans.

It was further noted that;

- There were no criteria in place to assess which MDAs to lend to.
- There was no record of assessment/ feasibility studies undertaken to establish whether the choice of on-lent financing was the best modality to finance the infrastructure projects.
- I noted that Government used non-concessional loans for on-lending, which attracted higher interest rates and shorter grace periods for the loan repayments as compared to the concessional loans which made it very costly. Some MDAs have had challenges with absorption and thus repayment.

Without a clear policy in place, the above shortcomings will continue to occur. This is causing a strain on government as funds are diverted to pay the loan obligations.

The Accounting Officer noted the observation and indicated that some of the beneficiary agencies that were not servicing the loans were taking various steps to have the issues resolved including seeking cancellations, write off loans by Government, and conversion of loan into equity among others.

Government should develop a clear on-lending policy if it continues to use the above option as a channel for funding projects.

2.1.6. Management of ICT in government

a) Failure to rationalize IT investments

Audit observed that there is massive duplication of IT systems and projects by the different MDAs attributable to implementation of IT initiatives in silos by the different MDAs. This has the effect of resulting into wastage of resources.

The isolated implementation of ICT initiatives also has the effect of compromising the standard of ICT infrastructure used by Government, which has the effect of compromising service delivery and wasteful expenditure on ICT systems that are not to be used.

Audit noted that several MDAs have procured several systems with the same functionality, established data centers, server rooms and disaster recovery sites to which the government has spent billions of shillings and the same continue claiming an annual maintenance fee. The major challenges, however, are that due to rapid technological changes, the investments require frequent upgrade infrastructure.

Audit noted that whereas the ICT strategy gives guidelines on the budgeting and acquisition of ICT systems including the involvement of the Ministry of ICT and NITA in ensuring standardization of systems and prevention of duplication of government systems, the continued individual actions by some MDAs has resulted in uncoordinated budgets and procurements of systems.

It is important to standardize, streamline and harmonize the budgeting, acquisition, deployment and disposal of IT services in Government to eliminate duplication; enhance information sharing and interoperability of e-government applications.

Management explained that rationalization of IT investments has been an ongoing activity spearheaded by NITAU. This activity resulted in a report which is still under discussion. Despite the desire by NITAU to rationalize IT investments, it is true that some Government Ministries, Departments and other Agencies have continued to procure own systems and Infrastructure. However, with the ongoing discussion, it is expected that rationalization of government's investments in IT systems will be achieved.

I advised Government to expedite the ongoing rationalization and also streamline the budgeting and procurement of different ICT systems through seeking concurrence of the Ministry responsible for ICT and NITAU before funds for system acquisition are included in the budgets of MDAs.

b) Weaknesses in management of recoveries arising out of anti-corruption cases

Section 10(4) of the Anti-corruption Act, provides that in addition to any other penalty imposed upon conviction on a person order that person to make good the loss occasioned to the property; and the value of the property or damage to the property shall constitute a civil debt from the person to the Government or public body concerned and shall be recoverable from that person.

A review of decisions from the Anti-corruption Division of the High Court revealed that on several instances, the court has made orders as to refund of proceeds of corrupt practices by persons convicted. The following were observed;

- A sample of the cases reviewed revealed that a total of UGX.24,734,116,888 is outstanding as a result of decisions of the courts for refund of proceeds of corrupt practices but these are not provided for in the consolidated accounts as receivable.
- In my 2019/20 report for the DPP, I also observed that a total of UGX.18,940,206,109 remained uncollected in spite of the setup of a department within the Office of the DPP responsible for enforcing the recovery of compensation orders.
- The gaps in the collection were partly attributed to the lack of a clear mandate to the DPP, especially in so far as recoveries of compensation would require civil processes which are outside the mandate of the criminal mandate of the Office of the DPP.
- Whereas the mandate of recovery would be a reserve of the Attorney General who is vested with the mandate to litigate civil matters, it was noted that the ODDP has in place a unit for recovery of funds arising out of prosecutions in DPP while IGG also has another.

Failure to enforce the recovery of court orders, denies government the funds that should have been generated and undermine the objective of recovering losses incurred by the government due to corrupt practices.

It is therefore important that the Government comes up with a regulatory framework that addresses the inadequate legislation on recovery of proceeds of crime, provide for: civil asset recovery, detailed procedures in conviction based recovery, asset management and

disposal, recovery of consequential benefits, and how to apply the recovered proceeds, among others.

The Accounting Officer responded that the Ministry had initiated consultations with the Office of DPP, IGG and Attorney General for establishment of comprehensive procedures for recovery of proceeds of crime, provide for civil asset recovery, provide for detailed guidelines in conviction based recovery, provide for asset management and disposal, recovery of consequential benefits including application of the recovered proceeds.

I await the outcome of the consultations.

2.1.7. Audit of public investments

a) Failure to Appraise Projects before funding - UGX.643,434Bn

Section 3.18 of the Development Committee Guidelines provides that assessment of the project viability shall be measured by the following key indicators including: The Financial Cost Benefit Ratio (CBR), the financial Net Present Value (NPV) and the financial Internal Rate of Return (IRR).

The guide further requires that all new Projects requiring funding should undergo four levels of approvals before they can be admitted into the Public Investment Plan (PIP). The four levels include; preparing a project concept in line with NDP (II), preparing a Project Profile demonstrating Key results, undertaking a prefeasibility study and undertaking feasibility study.

Review of the Public Investment Plan for the year ended 30th/06/2021, revealed that out of a sample of 371 projects, 245 projects (66%) with total Project values of UGX.643,434 Bn did not have feasibility studies undertaken.

Failure to conduct feasibility studies may lead to the projects failing to achieve the desired project output, duplication or conflicting Government interventions thus causing wasteful expenditure.

Management committed that going forward all projects will be appraised before inclusion in the PIP. In addition, the DC guidelines were being revised to take into consideration other exceptions, such as social projects, IT solutions among others.

I await the outcome of the commitment.

b) Non-compliance with the 70% Capital Threshold

Section 2.2: Scope and Institutional arrangements of the Development Committee guidelines requires that Public investments admissible into the PIP shall be limited to public spending to acquire or establish physical assets necessary to facilitate production and delivery of economic, social and administrative services. Interventions that can be undertaken in the recurrent budget shall not be accommodated in the PIP. In this regard, for a project to be admitted into the PIP, its capital component shall account for at least 70% of the total project cost. It further states that interventions that can be undertaken in the recurrent budget shall not be accommodated in the PIP.

Audit reviewed the Public Investment Plan for the year ending 30th June 2021 and noted that 125 projects in the PIP with total budgets of UGX.4,410Bn did not meet the requirement of 70% capital intervention. The aggregate project expenditure on administrative functions was 75% while the aggregate capital expenditure requirements were only 25% of the entire total budget. I noted that some projects had 100% administrative expenditure. Refer to the table 8 below;

Table 8: Noncompliance with the 70% capital threshold

No. of projects	Total Budget - UGX	Capital Expenditure - UGX	Administrative expenditure - UGX	% of administrative expenditure
125	4,410,809,884	1,087,332,424	3,323,477,460	75%

If this remains unchecked by the development committee, the government runs a risk of spending project funds on recurrent expenditure and thus failing to meet the targets set in the National Development Plan III.

In addition, it was noted that the Development Committee does not consider software and intellectual properties as assets. This implies that any innovations in the ICT sector will continue to be unfunded, despite their potential to generative substantial returns.

Management explained that Section 2.2 applies to new projects to be admitted into the PIP and the budget. This requirement is fully adhered to by the DC but as projects continue into execution, recurrent costs can go higher, depending on the requirements between OPEX and CAPEX. The current DC guidelines are currently under review to provide for among others social projects, Grants, software investments and intangible assets, among others.

I advised the PS/ST to review the guidelines taking into account the project lifecycle and classification of assets to include intangible assets.

c) Overstay of projects in the PIP - UGX.39,011Bn

The Public Investment Management Reform Strategy provides that projects are supposed to be delivered on budget and on time in order to achieve the desired goals and objectives.

Audit observed that in the sample of 371 projects, 342 projects (92.2%) with budgets totalling to UGX.39,011Bn had gone past their planned exit periods, that date as far back as the FY2010/11, with some projects having been extended for more than 12 years. Audit noted that the projects continued to receive DC approval for continued stay on the PIP It was noted that only 40% of the projects in the Public Investment Plan (PIP) were still within their expected time period.

This was attributed to lack of adequate planning and readiness, delays in procurements, late acquisition of right of way, poor contract management and inadequate capacity to implement and evaluate ongoing projects, and unauthorized change in the scope, among others.

This has caused delays in the completion of key projects, cost overruns and high commitment fees on foreign debt on account of low absorption and failure to complete projects on time.

Management attributed the overstay to implementation challenges which often lead to extensions in the PIP. Management also informed me that the Ministry had now adopted the resolution not to admit any project into the PIP and budget before completion of all required feasibility studies and ensuring that challenges that often lead to project extensions such as delays in acquisition of right of way, Environmental and Social impact assessment, among others are fulfilled before project commencement. In addition, the Ministry's leadership had directed that all old projects which continue to face implementation challenges either be cancelled and or renegotiated with the respective funders.

I advised the PS/ST to devise a mechanism to improve the efficiency with which projects are implemented by ensuring that the causes identified above are addressed.

d) Under absorption of funds by projects

According to the approved Budget estimates of the FY2020/21, the Resource Envelope of Financial year 2020/21 approved by Parliament totals UGX.45,493.7Bn of which External Financing consists of Project Support of UGX.9,515.3Bn and General Budget Support UGX.2,906.7Bn.

Audit obtained and reviewed cash inflows and expenditures of externally funded projects and noted poor absorption/performance of externally funded projects. Out of UGX.9,515.3Bn that was appropriated by Parliament, only UGX.4,516.5Bn (47%) was released. Relatedly, absorption of externally funded projects further declined in the year under audit. Out of the UGX.4,516.5Bn Disbursed for donor-funded projects, only UGX.2,937Bn was spent, representing 65.0% as compared to the 71% observed in the FY2019/20. The table 9 refers to;

Table 9: Absorption of fund

External financing Budget (UGX)Bn	Release (UGX) Bn	Expenditure (UGX)Bn	Release Variance (UGX) Bn	Expenditure Variance (UGX) Bn	%of funds not released (UGX) Bn	%of funds not Absorbed (UGX) Bn
9,515.30	4,516.50	2,937	4,998.80	1,579.50	53%	35%

The under absorption of externally funded projects in the FY2020/21 was mainly due to the following;

- Implementation of unready projects, unrealistic conditions precedent to disbursements of funds which constrains decision making during project execution;
- Covid-19 restrictions that affected implementation of projects
- Delayed land acquisition;
- Failure to quantify counterpart funding requirements at the time of project appraisal and;
- Cumbersome procurement processes as well as failure to undertake a comprehensive appraisal of projects.

Continued underutilization of external financing may lead to an increase in commitment charges and disadvantage other projects that could have utilized those resources efficiently.

Management explained that a number of measures have been introduced to improve project absorption as follows;

- i) All projects to have feasibility studies before commencement and entry into the PIP,
- ii) Only sign loan agreements when conditions precedent have been fulfilled.
- iii) All readiness conditions including acquisition of right of way, availability of adequate financing etc. as stipulated in the Project Selection criteria should be met before admission into the PIP and budget,
- iv) Enforce and enhance contract management through adhering to procurement regulations and training of contract managers.
- v) A project management module in the Integrated Bank of Projects has been developed that will flag delay in a milestone and remind project managers on the required steps to facilitate expenditure.

- vi) The Ministry is encouraging that Project management and implementation is undertaken by certified Project Management Professionals (PMP) who have the right skills, professionals and belong to a body that updates management knowledge. In this way project managers will be charged for underperformance which leads to low absorption.
- vii) Training of staff involved in loan and contract negotiations,
- viii) Undertake continuous training of staff in project appraisal, selection, execution, and ex-post evaluation,
- ix) Establish a Project Preparation Fund to support preparation of feasibility studies and provide resources for preliminary activities.
- x) Enforce the use of the Integrated Bank of Projects (IBP) for submission, preparation, execution and ex-post evaluation of projects,
- xi) Adjusting to alternative strategies and approaches for project execution in light of Covid -19 restrictions and protocols e.g. virtual platforms, shifts for workers, embracing mass vaccination among others,
- xii) Fast track approval of the revised PPDA regulations, train staff on timely initiation of procurement processes and execution of contracts,
- xiii) Applying sanctions and rewards to efficient and inefficient Accounting Officers, respectively.

I await the outcome of the above measures.

2.1.8. Continued expenditure off the IFMS – UGX. 695,372,792,876

The government of Uganda introduced the IFMS with a core objective of ensuring accurate, reliable and complete financial information for Government Ministries, Departments, Agencies and Local Authorities as well as an increase in the transparency of public spending.

From a sample of ministries, it was observed that several entities which are already on the IFMS system, continue to send huge block figures outside the system after charging expenditure codes on the system; however, the ultimate expenditure cannot be restricted to what was charged. It was also noted that a number of entities post these funds to commercial bank accounts a practice that was stopped many years back.

It was also noted that a number of projects run by the various Ministries, departments and agencies are all spending off the IFMS. Although some of the bank accounts are held at Bank of Uganda, there are challenges of monitoring expenditure.

Management explained that whereas a significant amount of projects and subventions have been set up on IFMS either directly through being converted into Votes, the remaining subventions and Institutions are undergoing rationalization which will reduce the number of agencies off the IFMS. As explained, GoU is also undertaking a re-implementation of the IFMS which will have all projects aligned to departments under the parent Ministry.

The Ministry was to progressively set up the remaining agencies and stations as the exercise is ongoing coupled with resource availability to finance the IFMS rollout.

I advised the PS/ST to ensure that all government expenditure is made on the IFMS and also provide a road map to ensure integration of all projects onto the IFMS.

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.

Responsibilities of Management for the Consolidated Financial Statements

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated 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 judgment and maintain professional skepticism throughout the audit. I also;

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the government's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the government's ability to deliver its mandate. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the government to fail to deliver its mandate.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.

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

I also provide the Accounting Officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with him/her all relationships and other

matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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

Other Reporting Responsibilities

In accordance with Section 19(1) of the National Audit Act, 2008, I report to you, based on my work described on the audit of the 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;

2.1.9. Use of prior financial years unspent funds

Article 154(1)(b) of the 1995 Constitution of the Republic of Uganda (as amended), provides that no monies shall be withdrawn from the Consolidated Fund except where the issue of those monies has been authorised by an Appropriation Act, a Supplementary Appropriation Act or as provided under clause (4) of this article. The Article further provides that no monies shall be withdrawn from any public fund of Uganda other than the Consolidated Fund, unless the issue of those monies has been authorised by law.

Section 17(3) of the Public Finance Management Act requires Votes which return funds to consolidated fund to revise their annual work plan, procurement plan and recruitment plan to take into account the unexpended money and the Minister responsible for the vote shall submit, as part of the budget for the preceding year, the revised work plan, procurement plan and recruitment plan.

In the FY 20/21, it was observed that a total of UGX.26,098,586,831 was repaid into the consolidated funds from unspent monies from different votes. The said funds were however consequently utilized by the GOU without any form of appropriation.

The spending of funds by the GOU without appropriation of the said funds is irregular.

I advised the PSST to always seek supplementary approval from Parliament before using returned funds.

A handwritten signature in black ink, appearing to read 'John F. S. Muwanga', with a long horizontal flourish extending to the right.

John F. S. Muwanga
AUDITOR GENERAL

31st December, 2021

2.2 REPORT AND OPINION OF THE AUDITOR GENERAL ON THE GOVERNMENT OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS OF THE LOCAL GOVERNMENTS FOR THE YEAR ENDED 30TH JUNE 2021

THE RT. HON. SPEAKER OF PARLIAMENT

Opinion

I have audited the accompanying consolidated financial statements of Local Governments, which comprise the Consolidated Statement of Financial Position as at 30th June 2021, the Consolidated Statement of Financial Performance, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, together with other accompanying Consolidated statements for the year then ended, and notes to the Consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Key Audit Matters

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

2.2.1. Payroll management in Local Governments

Over the years, several reforms have been implemented in payroll management including salary, pension and gratuity payroll management decentralisation. Despite these reforms, challenges have persisted in the management of payroll in the Local Governments (LGs).

As a result, I considered payroll management in Local Governments as a Key Audit Matter and identified crosscutting risks including; unrealistic budgeting for employees and pension costs, under absorption of wage funds, delayed access

to the payroll, over payment of salaries, non-payment of salary and pension arrears, among others.

The wage and Pension Payrolls of UGX.2,586.47 Bn constituted 46.1% of the overall Local Governments budget for 2020/2021 of UGX.5,615.86 Bn.

I am aware that the Covid-19 Pandemic continues to significantly affect the implementation of payroll management activities. A number of Local Governments did not carry out planned recruitments resulting into huge unspent balances.

Consequently, I designed procedures to address the risks in the payroll management in Local Governments. (Detailed findings are provided in individual entity reports)

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

No	Observations	Recommendations																								
a)	<p><u>Payroll management in Local Governments</u> Absorption of the released funds for payroll I reviewed funds absorption in 100 LGs and noted an under absorption of UGX79.62Bn. Out of the total receipts of UGX.1,539.37Bn, UGX.1,459.79Bn (94.8%) was absorbed. The unabsorbed balance was subsequently returned to the Consolidated Fund account as shown in the Table below.</p> <p><u>Table 10: Showing Level of Absorption for Wage, Pension and Gratuity</u></p> <table border="1"> <thead> <tr> <th>Category</th> <th>Approved Estimates (UGX) Bn</th> <th>Releases (UGX) Bn</th> <th>Expenditure (UGX) Bn</th> <th>Variance (UGX) Bn</th> <th>%age Absorption</th> </tr> </thead> <tbody> <tr> <td>Wage</td> <td>1,327.65</td> <td>1,337.68</td> <td>1,272.10</td> <td>65.57</td> <td>95.1</td> </tr> <tr> <td>Pension/ gratuity</td> <td>204.20</td> <td>201.69</td> <td>187.63</td> <td>14.05</td> <td>93.0</td> </tr> <tr> <td></td> <td>1,531.85</td> <td>1,539.37</td> <td>1,459.73</td> <td>79.62</td> <td>94.8</td> </tr> </tbody> </table> <p>Source: OAG analysis The under absorbed funds, denied the use of funds for other deserving service delivery areas. The under absorption was mainly attributed to Covid-19 pandemic and the lockdown, especially in the education sector. There was delayed deployment or non-recruitment of secondary school teachers for seed schools that had been recently constructed under the UgIFT projects.</p>	Category	Approved Estimates (UGX) Bn	Releases (UGX) Bn	Expenditure (UGX) Bn	Variance (UGX) Bn	%age Absorption	Wage	1,327.65	1,337.68	1,272.10	65.57	95.1	Pension/ gratuity	204.20	201.69	187.63	14.05	93.0		1,531.85	1,539.37	1,459.73	79.62	94.8	<p>I advised the Accounting Officers to liaise with the relevant authorities and rollover the un-implemented activities to the subsequent period.</p>
Category	Approved Estimates (UGX) Bn	Releases (UGX) Bn	Expenditure (UGX) Bn	Variance (UGX) Bn	%age Absorption																					
Wage	1,327.65	1,337.68	1,272.10	65.57	95.1																					
Pension/ gratuity	204.20	201.69	187.63	14.05	93.0																					
	1,531.85	1,539.37	1,459.73	79.62	94.8																					
b)	<p><u>Management of Payroll Deductions</u></p> <p>i) <u>Under/delayed remittance of Deduction</u> Out of a sample of 84 LGs, I noted that whereas UGX 259.65 Bn was deducted from employees' salaries to be remitted to URA, UCLA/UBA and other beneficiaries, I noted that contrary to</p>	<p>I advised the Accounting Officers to ensure that necessary payroll changes are made timely before payments are effected.</p>																								

Paragraph B-a(17) of the Uganda Public Standing Orders, 2010 there were:

- Over remittances of UGX 2.16 Bn and
 - Under remittances of UGX 7.33 Bn
- as shown in table below.

Table 11: Showing over and under remittance of deductions

Details	Over remittance		Under remittance	
	Number of Entities with over remittance	Amount (UGX) Bn	Number of Entities with under remittance	Amount (UGX) Bn
PAYE	13	0.92	65	5.76
UCLA/ UBA	27	0.92	48	1.15
LST	33	0.27	41	0.20
Others	31	0.50	49	0.22
Total		2.16		7.33

Source: OAG Analysis

In addition, 85 LGs (79.4%) out of 107 delayed to remit the funds to UCLA/UBA, contrary to the requirement that payroll deductions are remitted concurrently with salary payments. The extreme delays were noted in the districts shown in the table below.

Table 12: Average delay in remittance to UCLA

Vote Number	Vote Name	Average Delay (in Days)
564	Amolatar DLG	38
604	Napak dlG	35
623	Nabilatuk dlG	46
610	Buhweju DLG	41
629	Obongi DLG	55
556	Yumbe DLG	35
633	Madi-Okollo DLG	35
572	Oyam DLG	36

Source: OAG Analysis

I further noted that 48 LGs (45%) out of 107 delayed to remit the funds to URA, contrary to the requirement that withholding agents remit to URA any tax that has been withheld or that should have been withheld within fifteen days after the end of the month in which the payment subject to withholding tax was made by the withholding agent. The extreme delays were noted in Mbarara MC, Kaberamaido DLG, Buyende DLG and Buhweju DLG of 8, 9, 8 and 11 months respectively.

Delayed/ non remittance of deductions to UCLA/UBA could lead to delays in up-dating loan status with the various financial institutions causing un-necessary default charges on employees while delayed remittance of PAYE attracts fines and penalties from the Revenue Authority. It further led to accumulation of arrears that had not been paid by 30th June 2021.

I further advised the Accounting Officers to initiate strategies that ensure timely remittances of payroll deductions and the over remittances should be recovered.

	<p>The Accounting Officers did not provide satisfactory explanations to justify the over remittances. For the under payments, the Accounting Officers attributed it mainly to suspension of staff salaries due to disciplinary issues, delayed removal of staff from the payroll and delays in resolving issues such as abscondment where payments were withheld. For delays in remittance of deductions, the Accounting Officers attributed it to delays in reconciliation of interface deduction files.</p>	
	<p>ii) <u>Un-authorized loans deductions</u> I noted that 48 LGs made unauthorised loans deductions totaling UGX 11.10 Bn. The deductions were from 6,835 employees that lacked letters of consent/ undertaking. I further noted that out of the 48 LGs, 23 LGs (48%) registered 1,916 employees with deductions totaling to UGX 3.77 Bn that did not exist in the Payroll Deduction Management System (PDMS), operated by PCA-Payroll Consults Africa.</p> <p>There is a risk of making deductions from staff that have no loans, which deprives them of their earnings. The inconsistencies in the PDMS undermine the relevance of the system and affect the integrity of the data therein.</p> <p>The Accounting Officers acknowledged the shortcoming and explained that letters of undertaking were being signed although file copies were not being retained for future reference. They further explained that the inconsistencies in the PDMS data were attributed to PCA who largely control and manage the system.</p>	<p>I advised Government through MoPS to ensure that PCA makes the necessary data reconciliation and update the information on the PDMS regarding the deductions. I further advised the Accounting Officers to ensure that all loan applications are backed by letters of undertaking and approved through the PDMS.</p>
<p>c) <u>Access to Payrolls</u> i) <u>Delayed access to salary payroll</u></p>	<p>I noted that 2,178 newly recruited employees in 75 LGs delayed to access payroll, with delays ranging from 1-34 months. I further noted that 407 employees in 17 LGs had not yet accessed the payroll by the close of the financial year.</p> <p>Delayed access to payroll leads to demotivation of the affected staff and accumulation of salary arrears.</p> <p>The Accounting Officers attributed the shortcoming mainly to delayed submission of key personnel documents and data mismatch between IPPS & NIRA.</p>	<p>I advised the Accounting Officers to sensitise the newly recruited employees on the timely submission of the key documents. I further urged the Accounting Officers to ensure timely validation of the newly recruited employees and to liaise with the relevant authorities to improve effectiveness and reliability of the MoPS/NID interface.</p>
	<p>ii) <u>Delayed access to pension payroll</u> I noted that 780 pensioners delayed to access the pension payroll, with delays ranging from 1 to 24 months in 83 LGs (78%) out of 107 Local Governments. There were instances of extreme delays in 09 LGs extending over two years to 26 years. I further noted that 146 pensioners in 21 LGs had not yet accessed the pension payroll by the close of the financial year.</p>	<p>I advised the Accounting Officers to liaise with MoPS to initiate strategies of rectifying the inconsistencies with NIRA interface and to cause the beneficiaries</p>

	<p>Delayed access to the pension payroll leads to poor wellbeing of the affected retirees as well as accumulation of pension arrears.</p> <p>The Accounting Officers attributed the shortcoming to mainly mismatch of data between NIRA and IPPS interfaces such as wrong dates of birth, delayed submission of documents and inadequate budget allocation to cater for all retirees hence phased access to the pension payroll.</p>	<p>to submit the essential documents in time. I further advised PS/ST to ensure adequate allocation of pension and gratuity funds.</p>
d)	<p><u>Delayed deletion of staff from the salary payroll</u> I noted that in 78 LGs, a total of UGX 1.13 Bn was paid to 635 staff who had either retired, transferred, absconded or died. These were payment for services that were not rendered to the LGs, hence loss of funds to Government.</p> <p>This was mainly attributed to delayed communication from supervisors of the affected staff as well as failure to delete affected staff due to lack of validation on the MoPS/ NID interface.</p>	<p>I advised the Accounting Officers to sensitise all supervisors on when and how to communicate such cases so as to ensure prompt removal of staff from the payroll. I further urged the Accounting Officers to ensure that all staff are validated on the MoPS/ NID interface. I also advised MoPS to automate the deletion of retirees on mandatory grounds.</p>
e)	<p><u>Misclassification of salary, pension and gratuity expenditure</u> UGX 3.60 Bn in 33 LGs was charged on account codes other than those prescribed for salary, pension and gratuity.</p> <p>Misclassification of funds distorts budget performance and monitoring as well as the credibility of the financial statements.</p> <p>The Accounting Officers attributed the misclassification to insufficient budget provisions for pensions and gratuity. I advised the Accounting Officers to liaise with MoFPED to ensure that sufficient budget provisions are made.</p>	<p>I advised the Accounting Officers to ensure that wage, pension and gratuity expenditure is charged on the appropriate codes.</p>
f)	<p><u>Effectiveness and reliability of the IPPS/NID interface</u> I reviewed the effectiveness and reliability of the IPPS/NID staff/pensioner/beneficiaries' verification interface and made the following observations;</p> <ul style="list-style-type: none"> • There was in-adequate sensitization and training in the use and navigation of the system • System was not reliable and effective • Operational challenges were encountered, including; <ul style="list-style-type: none"> ❖ Un-reliable network ❖ Failure to reflect changes in updated staff information ❖ Mismatches of names that take long to be corrected by NIRA ❖ Some information on the NIRA interface is sometimes not visible/available for instance date of birth and the 	<p>I advised the Accounting Officers to engage MoPS and NIRA to have trainings conducted as well as resolve the system challenges.</p>

	photo which delays the verification exercise.	
	The ineffectiveness of the system may affect the integrity of the IPPS payroll.	
	The Accounting Officers noted the finding.	

Other Matter

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

2.2.2. Implementation of the approved budget

A review of the Local Governments approved budgets of UGX 5,615.86Bn out of which UGX 4,328.01 Bn was warranted/ availed by the end of the financial year. The total expenditure for the year was UGX 4,147.90 Bn out of which UGX 2,853.55Bn was spent on employee costs and transfers to other units implying that only UGX.1,294.35 Bn was available for implementation of service delivery outputs.

From the procedures undertaken, I noted the following significant observations

No	Observations	Recommendations
	<p><u>Existence of Strategic plans that are aligned to NDP-III</u></p> <p>Paragraph 5 of the budget execution circular for the financial year 2020/2021 cites poor alignment of Government Budgets with the National Development Plans. The PS/ST urged Accounting Officers to ensure that all activities for Financial Year 2020/2021 are aligned with NDP III and implemented accordingly. Regulation 26 (1) of the National Planning Authority (development of Plans) regulations require entities to submit to NPA their five-year development plans for certification before approval.</p> <p>This being the first year of implementation of the NDP-III, LGs were expected to prepare a strategic plan aligned to NDP III and ensure that these plans are certified by NPA. These plans would then be the basis for preparation of the entity annual plans.</p> <p>From the procedures undertaken I noted that out of 86 entities sampled, none had prepared a strategic plan that was aligned to NDP-III and certified by NPA. There is a risk that activities implemented by these entities during the financial year 2020/2021 were not aligned to the NDP-III which negatively affects the achievement of NDP-III objectives.</p>	<p>I advised the Accounting Officers to follow up the matter with NPA and ensure that the entities have strategic plans that are aligned to NDP-III and certified by NPA.</p>

2.1	<p>a) <u>Absorption of released funds</u> Out of the total receipts for the financial year of UGX 4,328.01 Bn, UGX 4,147.90 Bn (95.8%) was spent by the Local Governments resulting in an unspent balance of UGX 180.11 Bn (4.2%). The unspent balance at the end of the financial year was remitted back to the consolidated fund account.</p> <p>Under absorption of released funds results in non-implementation of planned activities and negates the purpose for which funds were disbursed, thereby affecting the achievement of the objectives in the NDPIII. For example, implementation of USMID projects in Municipal Councils and UgIFT projects in DLGs was not undertaken.</p> <p>The Accounting Officers attributed failure to utilise funds to COVID-19 which affected the recruitment exercise, late release of USMID funds and delays in the procurement process and lotting policy of contract works under UgIFT.</p>	<p>I advised the Accounting Officer to liaise with line Ministries to revoke the funds, roll over the activities and ensure they are subsequently implemented.</p>
	<p>b) <u>Revenue Performance</u> i) <u>Local Revenue performance</u> The local governments budgeted to receive UGX 217.38 Bn (revised) as total revenue for the year. However, only UGX 96.28 Bn representing 44.29% of their revised budgets was received performance.</p> <p>Under collection of local revenue results in non-implementation of planned activities which affects service delivery. The Accounting Officers of the respective local government votes attributed the shortfall in local revenue to COVID 19 effects.</p> <p>The Accountant General explained that Government of Uganda (GoU) had provided some interventions including vaccination and funding to revive the economy for activities to resume and stimulate revenue collection.</p>	<p>I await the outcome of the interventions instituted by GoU to stimulate revenue collection.</p> <p>In addition, I urged the respective Accounting Officers to make budget revisions based on realistic forecasts in such unforeseen circumstances.</p>
	<p>ii) <u>Revenue from External financing</u> The Local Governments budgeted to receive UGX 413.94 Bn as external/donor financing, out of which UGX 57 Bn (13.8%), was received Revenue shortfalls affect the implementation of planned activities. The Accounting Officer attributed this to the fact that the Local governments did not receive indicative planning figures from the donors for proper and realistic budgeting for the Financial Year under review.</p>	

	<p>iii) <u>Off Budget Financing/Receipts</u></p> <p>Section 43 (1) of the PFMA 2015 states that all expenditure incurred by the government on externally financed projects in a financial year shall be appropriated by parliament. Paragraph 29 of the Budget Execution Circular for the Financial year states that if an external agency provides funds in the course of implementation of the budget or any funds remain unspent at the expiry of an appropriation, these must be declared and a supplementary issued in line with the Public Finance Management Act 2015.</p> <p>I noted that 17 of the 86 LGs sampled received off-budget financing to a tune of UGX 14.20 Bn, which was never declared to the PS/ST and was also not appropriated by parliament. As such, no supplementary appropriation was issued as guided by the PS/ST. These funds were received directly from development partners for undertaking activities not budgeted for. Off-budget financing distorts planning, may result in duplication of activities, contrary to Section 43(1) of the PFMA 2015 and the budget execution guidelines issued by the PS/ST.</p> <p>The Accounting Officers explained this was due to limitations of the PBS system which has no provision for inputting such receipts and in some cases funds are received during the year which were not expected at the time of planning.</p>	<p>I advise Government through the Ministry of Finance to negotiate and mainstream Donor funding in the Local Governments Budgeting Process.</p>
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	<p>iv) <u>Quantification of activities and Implementation of planned outputs</u></p> <p>Section 13 (15, b) of the PFMA 2015 states that a policy statement submitted by a vote shall contain the annual and three months' work plans, outputs, targets and performance indicators of the work plans. Regulation 11 (3) of PFMR 2016 requires that a vote prepares a work plan that indicates the outputs of the vote for the financial year; the indicators to be used to gauge the performance of the outputs and funds allocated to each activity.</p> <p>I sampled 86 entities for purposes assessing the extent of quantification and implementation of planned outputs I noted that out of the 850 outputs worth UGX 254 Bn sampled for review, 675 outputs (79%) worth UGX 182 Bn were fully quantified, 58 outputs (7%) worth UGX 34 Bn were partially quantified while 117 out puts (14%) worth UGX 38 Bn were not quantified at all.</p> <p>Out of a total of 675 quantified out-puts worth UGX.182 Bn assessed, 475 (70.4%) output worth UGX 90.10 Bn were fully implemented, 172 outputs (25.5%) worth UGX 86.70 Bn were partially implemented, while 28 (4%) out-puts worth UGX 4.90 Bn were not implemented at all. The graph below shows the extent of implementation;</p> <div data-bbox="459 972 1107 1442" data-label="Figure"> <p>The pie chart illustrates the extent of implementation for quantified outputs. The largest segment is 'Fully Implemented' at 70%, followed by 'Partially Implemented' at 26%, and 'Not implemented' at 4%.</p> <table border="1"> <thead> <tr> <th>Implementation Status</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Fully Implemented</td> <td>70%</td> </tr> <tr> <td>Partially Implemented</td> <td>26%</td> </tr> <tr> <td>Not implemented</td> <td>4%</td> </tr> </tbody> </table> </div> <p>The Accounting Officers explained that implementation of activities was affected by the restrictions in movement imposed by government to curb the spread of Covid-19 and the fact that staff at the entities were working at 30% staffing levels. Failure to fully quantify the planned activities makes the assessment of implementation difficult while failure to implement planned activities denies citizens services.</p>	Implementation Status	Percentage	Fully Implemented	70%	Partially Implemented	26%	Not implemented	4%	<p>I advised the Accounting Officers to ensure that work plans and budgets are fully quantified and ensure that un-implemented activities are rolled over to the subsequent periods for implementation.</p>
Implementation Status	Percentage									
Fully Implemented	70%									
Partially Implemented	26%									
Not implemented	4%									

2.2.3. Operationalization of New Cities

During the FY 2019/20 Government made a pronouncement upgrading ten (10) Municipal Councils (MCs) to City status effective 1st July 2020. These include; Arua, Mbarara, Gulu, Jinja Fort portal, Mbale, Masaka, Soroti, Hoima and Lira

During my audit of the above cities for the F/Year 2020/21, I noted the following;

- i) Government did not provide funding in the budgets of the newly created entities to enable them operate as cities. I noted that they continued to operate using the budgets of MCs.
- ii) The High Court in Masaka was petitioned by some individuals to review the guidelines issued by the Minister of Local Governments for the new cities on grounds that they contravened the procedures set out in the Local Government Act.
- iii) The cities lacked establishment structures against which the recruitment of the required human resource could be undertaken.
- iv) There was no guidance on the allocation/sharing of assets. This has become a contentious matter between the councils of the newly created cities and those of the hosting districts.

As a result of the above, the high expectations of both the local political leadership and the general public have not been met.

I advise Government to ensure that the new cities are fully operationalised.

2.2.4. Capitation Grant for Printing of Home Study Materials

The Government through MoES released UGX 23 Bn for printing of home study materials to facilitate home learning during the COVID 19 lockdown.

However, I noted that the study materials were not procured and the districts were advised to send the money to the school bank accounts with a condition that they should not spend until instructed to do so.

At the time of writing this report, the home study materials had not been printed and the funds were either used or lying idle on the schools' bank accounts. Consequently, the objective of ensuring that learners continued to learn during the lockdown was not achieved.

The Accounting Officers explained that no instructions were given as indicated by the MoES.

I advise Government through MoES to always provide timely guidance and coordination in such events that require urgent government interventions.

I also recommend that schools are given guidance on the utilization of the funds.

2.2.5. Un-Accounted for Funds

Section 43(2) of the of the Local Governments Financial and Accounting Regulations, 2007 require administrative advances to council employees to be authorized by the executive and accounted for within a month.

I noted expenditure of UGX 3.37 Bn paid out for implementation of various activities in the LGs remained unaccounted at year-end as shown below

Table 11: Entities with unsupported expenditure

Sn	Entity	Amount (UGX) Bn
1.	ABIM DLG	1.41
2.	BUGWERI DLG	0.25
3.	BUKEDEA DLG	0.01
4.	Hoima MC	0.06
5.	Kikuube DLG	0.07
6.	Kiryandongo DLG	0.01
7.	KOLE DLG	0.26
8.	MADI-OKOLLO DLG	0.05
9.	MOROTO DLG	0.03
10.	MOROTO MC	1.19
11.	OYAM DLG	0.03
12.	Total	3.37

In the circumstances, it was not possible to confirm that the funds were used for the intended purposes.

I advised the Accounting Officers to ensure that funds are either accounted for or else be recovered from the responsible officers.

2.2.6. Irregular payment of Salary and Salary arrears to staff in Apac DLG

I reviewed the payroll data (IPPS) and the IFMS payments of Apac District Local Government and noted that the district irregularly paid out UGX 0.57 Bn to 25 individuals and to the estate of the deceased staff as salary and salary arrears without any supporting documentation. The amounts were irregularly expended leading to the overstatement of salary expenditure.

I observed that much as there were no payroll deductions made for Apac Municipal Council, Apac Sub County, Chegere Sub County, Ibuje Sub County and Akokoro Sub County, the district transferred a total UGX 0.06 Bn from the wage provisions to the same entities with no justification.

An interview with the Human Resource Officer revealed that these payments were not generated by the Human Resource Department.

The Accounting Officer explained that investigations were going on by CID Headquarters.

In the meantime, I have instituted a forensic audit on the matter.

2.2.7. Failure to submit Financial Statements for consolidation

Section 52(1)(b) of the Public Finance Management Act (PFMA), 2015 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 consolidated annual accounts of the local governments.

A review of the consolidated financial statements of Local Governments revealed that 3 District Local Governments and 6 Municipal Councils with a total actual expenditure of UGX 163.08 Bn were not submitted for consolidation by the respective Accounting Officers as shown table below:

Table 12 un-consolidated local governments

SN	Entity	Category	Approved/revised Budget(UGX) Bn	Actual Expenditure (UGX) Bn
1	Arua	DLG	71.71	52.29
2	Butaleja	DLG	31.68	29.84
3	Bududa	DLG	25.82	24.61
4	Arua	MC	23.50	21.85
5	Ntungamo	MC	8.41	6.68
6	Mityana	MC	8.38	8.10
7	Kumi	MC	6.11	5.72
8	Ibanda	MC	11.00	10.25
9	Nebbi	MC	6.08	3.74
Total			192.69	163.08

Source: Consolidated financial statements and schedules

The Accountant General explained that without any justification, the above entities failed to submit the financial statements contrary section 51 of the PFMA, 2015. These accounts were therefore not quality checked for compliance by the Accountant General.

Failure to include all individual local government votes in the consolidated financial statements means that the consolidated balances of revenue, expenditure, assets and liabilities do not represent the actual Local Government consolidated position.

I advised the Accountant General to identify and address the specific challenges that prevented the entities from submitting their Financial Statements for consolidation.

2.2.8. Implementation of UqIFT project activities

a) Status of completion of projects

I undertook audit inspections of civil works in 24 Seed Schools and 41 Health Centre IIs located in a sample of 62 Districts and Municipal Councils and noted that 53 projects (80%) had not been completed, 11 projects (17%) had been completed while 01 project (2%) was not implemented. Notably, Amolatar, Oyam, Luwero, Sironko, Kamwenge and Kanungu Districts completed the construction of the seed schools and Health Centres.

The inspection results are summarised in the table below;

Table 13: Status of implementation of UqIFT projects

SN.	Sector	Status of implementation	No. of projects	%age Status	Commencement period
1	Education	Completed	2	8.3%	Previous financial year(s)
		Completed and handed over	1	4.2%	Previous financial year(s)
		Incomplete	20	83.3%	Previous financial year(s)
			1	4.2%	2020/2021
	Subtotal		24	100%	
2	Health	Completed	3	7.3%	Previous financial year(s)
			3	7.3%	2020/2021
		Completed and handed over	1	2.4%	Previous financial year(s)
			1	2.4%	2020/2021
		Incomplete	19	46 %	Previous financial year(s)
			13	32%	2020/2021
		Not implemented	1	2.4%	Not started
Subtotal		41	100%		
Grand Total			65		

Source: OAG analysis

I further noted that out of the 53 incomplete projects, 36 projects had exceeded their planned completion dates by an average of 11 months.

The Accounting Officers attributed the delays in project completion to;

- a) The Covid-19 lockdown measures which limited the movement of materials and labour,
- b) The contractors abandoning the sites,
- c) Funds not being re-voted to the entities in time,
- d) Delayed hybrid procurements,
- e) Late release of funds,
- f) Poor terrain leading to impassable roads to some projects sites,
- g) Low capacity of the contractor in terms of manpower, machinery, and multiple projects.

Consequently, the projects planned to be completed within the year were not completed, and as such the intended beneficiaries were denied services.

I advised the Accounting Officers to liaise with the sector Ministries to ensure that the implementation bottlenecks identified above are addressed.

b) Land Ownership

The Circular issued by the MoFPED in May 2018 requested all Local Governments to ensure that all Government projects are constructed on land with proof of ownership or a Memorandum of Understanding (MOU) with landowners;

I observed 4 projects that did not have titles or MOUs for the land on which the seed schools and health centers were constructed as shown in the table below:

Table 14: UgIFT projects without land titles

SN	District/ Municipal Council	Name of project	Contract price (UGX) Bn	Amount spent (UGX) Bn	Status
1	Kamwenge DLG	Construction of Bwizi Seed school	2.02	1.92	Completed and handed over
2	Mityana DLG	Upgrade of Busunjju HC II to HC III	0.66		Incomplete
3	Kyotera DLG	Upgrade of Nyangoma HC II to HC III	0.66	0.28	Incomplete
4	Moroto DLG	Construction of Rupa Seed secondary school	1.94	1.70	Incomplete
Total			5.28	3.90	

Source: OAG analysis

Lack of land titles exposes the projects to disputes.

I advised the Accounting Officers to acquire land titles or MoUs for all the UgIFT projects.

c) Procurement of ICT equipment, Laboratory kits, and chemical reagents

The guidance on procurement of ICT equipment, science kits, and chemical reagents for seed schools by the Ministry of Education and Sports to all Accounting Officers on 28th August 2020 referenced EPD 192/335/01; which required the procurement to be conducted after successful completion and handover of the facilities.

I noted that ICT equipment, Science kits and chemicals were procured for seed schools that had not been completed. The equipment were instead being kept in inappropriate storage facilities exposing them to a risk of obsolescence.

The Accounting Officers pledged to engage the contractors to ensure that construction works on the laboratories are completed.

I advised the Accounting Officers to ensure that procurements for the equipment are only effected when the construction works have been

completed. I also urged the Accounting Officer to ensure that items are properly stored.

Other Information

The Accounting Officer is responsible for the other information. The other information comprises the statement of responsibilities of the Accounting Officer; the commentaries by the Head of Accounts and the Accounting Officer; 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, the Accounting Officer is accountable to Parliament for the funds and resources of the local governments.

The Accounting Officer is also responsible for the preparation of financial statements in accordance with the requirements of the Public Finance Management Act, 2015 and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

In preparing the financial statements, the Accounting Officer is responsible for assessing the local government's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Accounting Officer has a realistic alternative to the contrary.

The Accounting Officer is responsible for overseeing the local governments' financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements 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 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 scepticism 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 local governments' 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 local 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 local 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, 2008, I report to you, based on my work described on the audit of Financial Statements, that; except for the matters raised in compliance with legislation section below, and whose effect has been considered in forming my opinion on the financial statements, the activities, financial transactions and information reflected in the 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

There were no material findings in respect of the compliance with legislation.



John F.S. Muwanga
AUDITOR GENERAL

19th December, 2021

2.3 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 2021

2.3.1. 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 2021, and noted the following;

a) Completeness of the Consolidated Summary Statement of Performance

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.

I noted that 46 public corporations and state enterprises were supposed to be consolidated in accordance with Section 52 (1c) of the Public Finance Management Act (PFMA), 2015. However, I noted that seven (7) entities were not consolidated in the consolidated summary statement submitted by the Accountant General.

Furthermore, Government shareholding in twelve (12) Public Corporations and State Enterprises was not disclosed in the consolidated summary statement of performance. This was caused by the absence of a comprehensive register of Public Corporations and State Enterprises.

In the absence of a complete register of all consolidating public corporations and state enterprises, I was not able to ascertain the completeness of the submitted consolidated summary statement of financial performance of public corporation and state enterprises.

I advised the Accountant General to establish a comprehensive register of all Public Corporations and State Enterprises with detailed information required for consolidation.

b) Failure to submit financial statements for consolidation

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.

A review of the consolidated summary statement of performance of Public Corporations and State Enterprises revealed that two (2) entities did not submit performance returns to the Accountant General for consolidation as indicated in the table 15 below;

Table 15: Entities not Consolidated, but Disclosed in summary statement

S/N	Enterprise	Government Holding
1.	Uganda Air Cargo Corporation	Not ascertained
2.	Uganda Refinery Holding Co	Not ascertained

c) Missing Entities in the consolidated summary statement

Section 52(1) c of PFMA 2015 as amended requires the Accountant General within three months after the end of each financial year to prepare and submit to the Minister and the Auditor General a consolidated summary statement of the financial performance of public corporations and state enterprises and Companies where Government has a controlling interest.

I noted that three (3) entities were neither reported nor disclosed in the consolidated summary statement of performance. (Table 16 below refers).

Table 16: Entities neither reported nor Disclosed in the consolidated summary statement

S/N	Enterprise	Remarks
1	Uganda National Oil Company Limited	Not reported in the previous year
2	Nakivubo War Memorial Stadium	Not reported in the previous year
3	Uganda Crane Industries Ltd.	Not reported in the previous year

This implies that the consolidated summary statement of financial performance of public corporations and state enterprises does not reflect the accurate status of government ownership and interest and as such I was unable to assess and conclude on their performance.

I advised the Accountant General to issue comprehensive guidelines in respect of all Public Corporations and state Enterprises to be consolidated to enable assessment of financial performance.

2.4.1 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, long-term debt, and interest cover 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, where applicable.

Out of the 46 Public Corporations and State Enterprises, seven (7) entities were not assessed because they had not submitted audited accounts at the time of writing my report. Table 17 below refers;

Table 17: Entities not assessed

S/N	Entity	Government Stake
1.	Uganda National Oil Company Limited	100%
2.	Nakivubo War Memorial Stadium	100%
3.	National Housing and Construction Company Limited	51%
4.	Uganda Telecom Limited	Not known
5.	The Micro Finance Support Centre Ltd	100%
6.	Uganda Seeds Limited	100%
7.	Uganda Livestock Industry	100%

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

a) Profitability of Enterprises

I noted that thirteen (13) out of the twenty-six (26) Public Corporation and State Enterprises analysed made profits/surplus in the year under review, with Uganda Electricity Transmission Company Limited (UETCL), Uganda Electricity Generation Company (UEGCL) and National Water and Sewerage Corporation (NWSC) posting profits of UGX 112Bn, UGX 91.9Bn and UGX 47.8Bn, respectively. Table 18 below refers.

Table 18: Profitability of Public Corporation and State Enterprises

No	Entity	Profit After Tax / Surplus for the year (UGX in Bn)		Increase/ Decrease
		2020/21	2019/20	
1.	Uganda Electricity Transmission Company Limited (UETCL)	112.00	54.02	57.97
2.	Uganda Electricity Generation Company (UEGCL)	91.93	2.80	89.14
3.	National Water and Sewerage Corporation (NWSC)	47.79	27.44	20.35
4.	Kira Motors Corporation	26.09		26.10
5.	Uganda Development Bank Limited	22.11	10.14	11.97
6.	Housing Finance Bank Limited	20.69	22.50	(1.80)
7.	Pride Micro Finance (Dec 2020)	12.69	12.79	(0.98)
8.	Post Bank Uganda Limited (Dec 2020)	10.07	8.38	1.69
9.	Uganda Printing and Publishing Corporation	6.25	4.22	2.033
10.	NEC Luwero	3.68	3.38	0.30
11.	Insurance Training college	2.42	0.015	2.42
12.	Uganda Wildlife Conservation education Centre	1.44	1.74	(0.30)
13.	Mandela National Stadium	1.08	(0.23)	1.38
14.	Uganda Property Holdings Limited	0.85		0.85
15.	Uganda Development Corporation (Group)	0.63	(7.32)	7.95
16.	NEC UZIMA	0.15	0.26	(0.12)
17.	Nile Hotel International Limited	0.08	1.24	(1.16)
18.	Uganda Energy Credit Capitalization Co. Ltd	(0.87)	(0.59)	(0.28)
19.	Kilembe Mines Limited	(0.91)	(2.81)	(1.10)
20.	New Vision Printing and Publishing Company Limited	(7.11)	2.66	(9.76)
21.	Uganda Electricity Distribution Company Limited (UEDCL)	(10.90)	(10.12)	(0.78)
22.	Uganda Broadcasting Corporation	(19.32)	(7.62)	(11.71)
23.	Uganda Civil Aviation Authority (UCAA)	(27.50)	(13.74)	(13.78)
24.	Uganda Railways Corporation	(37.78)	(61.39)	23.60
25.	Uganda Wildlife Authority (UWA)	(45.05)	5.54	(50.59)
26.	Uganda National Airlines Company Limited	(164.60)	(102.45)	(62.12)

The general performance of some of the Public Corporations and State enterprises slightly improved compared to the previous year with companies such as Uganda Electricity Transmission Company Limited (UETCL), Uganda Electricity Generation Company (UEGCL) and National Water and Sewerage Corporation (NWSC) posting more than double the profits of the previous year. This was mainly attributed to government efforts to ease several COVID-19 restrictions, allowing certain businesses to reopen and government intervention of revamping the economy.

I further noted that entities including Uganda Railways Corporation, Kilembe Mines Limited, Uganda Civil Aviation Authority (UCAA) and Uganda National Airlines Company Limited made losses as at the end of the financial year. However, it should be noted that this is the second year of operation of Uganda National Airlines in a highly competitive industry.

I advised the entities to develop clear strategies to improve operations and adopt efficient financial management practices to lower operating costs and increase revenue generation. Government should also consider recapitalizing the most affected entities to revamp their operations.

b) Return on Assets

The Return on Assets (ROA) shows the percentage of how a company's assets are generating revenue. It measures management's efficiency in using the enterprise's assets to generate earnings. Although companies that require large initial investments will generally have lower return on assets, ROAs below 5% are generally considered inadequate.

Apart from eleven (11) companies, which include; Uganda Wildlife Conservation education Centre, Uganda Electricity Transmission Company Limited, Kira Motors Corporation, Uganda Printing and Publishing Corporation, Insurance Training College, NEC Constructions Construction Works and Engineering Limited, NEC Uzima, NEC Luwero, Insurance Regulatory Authority of Uganda and National Drug Authority which posted a favourable ROA, the rest of the entities where the ratio is applicable, registered a poor performance on ROA of below 5%.

Table 19: Returns on Assets

No.	Entity	Return on Asset (%)	
		2019/20	2020/21
1.	Uganda Wildlife Conservation education Centre	49.9	48.1
2.	Kira Motors Corporation	41	43
3.	NEC Constructions Construction Works and Engineering Limited	10.8	31
4.	Uganda Electricity Transmission Company Limited	26.2	26.4
5.	Uganda Printing and Publishing Corporation	2.16	22.06
6.	NEC UZIMA	6.3	12.1
7.	NEC Luwero	12.5	10
8.	Pride Micro Finance (Dec 2020)	4	3.3
9.	Uganda Development Bank Limited	3.16	2.91
10.	Housing Finance Bank Limited	2.9	2.5
11.	Post Bank Uganda Limited (Dec 2020)	2.57	2.25
12.	Uganda Development Corporation (Group)	-405.4	1.8
13.	Uganda Post Limited	1	1
14.	Uganda Electricity Generation Company	0.69	0.79
15.	Mandela National Stadium	-0.16	0.6
16.	Uganda Property Holdings Limited	0.4	0.33
17.	National Water and Sewerage Corporation	1.45	0.26
18.	Nile Hotel International Limited	0.67	0.04
19.	New Vision Printing and Publishing Company Limited	5.28	-0.4
20.	Uganda Electricity Distribution Company Limited	-0.56	-0.56
21.	Uganda Railways Corporation	-1.66	-1.03
22.	Uganda Civil Aviation Authority	0.48	-2.4

23.	Uganda Broadcasting Corporation	-2.5	-5.88
24.	Kilembe Mines Limited	-6.72	-10
25.	Uganda National Airlines Company Limited	-12.2	-13.1
26.	Uganda Wildlife authority	6.84	-21.75
27.	Soroti Fruits Limited	-1513	-1590.2

c) Dividends

I noted that, only Uganda Property Holdings Limited and Housing Finance Bank Limited proposed a dividend pay-out of, UGX 400,000,000 and UGX 1,495,222,000, respectively, in the year under review, Nile Hotel International Limited, Uganda Development Corporation (Group) and Housing Finance Bank Limited paid out dividends declared for the previous year totalling UGX. 2,269,944,381.

I further noted that although some companies were making significant amount of profits, they were not paying dividends to Government.

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

I advised the Accountant General to ensure that profit making enterprises provide a share of government dividend.

d) Liquidity Assessment

I analysed the ability of Public Corporations and State enterprises to meet their short-term financial obligations by comparing the current assets and current liabilities using the Current Ratio analysis. Generally, the ratio of Current Assets to Current Liabilities between 1.5 and 2 is desirable, although acceptable current ratios vary between different industries or sectors.

I noted that eighteen (18) entities were above the ideal threshold, implying that they are able to meet their liabilities as they fall due. three (3) entities had ratios below 1.0 and may have a challenge of paying their obligations as and when they fall due. The table 20 below refers.

Table 20: Enterprise Liquidity

No	Entity	Current Ratio	
		2020/21	2019/20
1.	Nile Hotel International Limited	26.24	9.9
2.	Soroti Fruits Limited	25.7	122.38
3.	NEC Luwero	11.9	5.1
4.	NEC AGRO	11.4	2.7
5.	Uganda Development Corporation (Group)	9.3	4.3
6.	Uganda Electricity Distribution Company Limited	6.9	7.4

7.	Uganda Property Holding	3.9	2.5
8.	Uganda National Airlines Company Limited	2.7	6.2
9.	Uganda Printing and Publishing Corporation	2.64	1.77
10.	New Vision Printing and Publishing Company Limited	2.6	2.68
11.	Uganda Railways Corporation	2.6	3.09
12.	NEC UZIMA	2.3	0.8
13.	Uganda Electricity Transmission Company Limited	1.9	1.66
14.	NEC Constructions Construction Works and Engineering Limited	1.4	1.3
15.	National Water and Sewerage Corporation	1.37	1.18
16.	Uganda Wildlife Conservation education Centre	1.3	1.12
17.	Uganda Post Limited	1.1	1.2
18.	Uganda Wildlife authority	1.09	1.93
19.	Mandela National Stadium	0.73	0.49
20.	Kilembe Mines Limited	0.56	1.3
21.	Uganda Electricity Generation Company	0.43	0.53

In addition, I noted that the customer deposits in the four banking institutions grew to an average of UGX.344Bn up from UGX.264 Bn in the prior year. Relatedly, the loan to deposit ratio averaged to 66% up from 64% which is still desirable at individual bank rating. The Table 21 below refers;

Table 21: Liquidity assessment for financial institutions

SN	Institution Bank	Liquidity assessment for banking institutions							
		Current ratio		Customer Deposits/loans		Net liquid assets		Loan to deposit	
1.	Housing Finance Bank	1.45	1.44	654.1	559.8	35%	31%	84.10%	98%
2.	Pride Micro Finance	1.62	1.56	174.37	140.82	0	0	105%	80%
3.	Post Bank	1.11	1.13	0	0	0	0	74.50%	77%
4.	Uganda Development Bank	6.3	4.42	547	354	0	0	0	0
	Total	10	9	1375	1055	35%	31%	264%	255%
	Average	3	2	344	264	9%	8%	66%	64%

I further noted that despite the low activity during the COVID-19 period, Loans and advances to customers increased on average from UGX.336Bn to UGX.405Bn in the current year.

Table 22: Loans and Advances performance

SN	Bank	Prior period (UGX-Billions)	Current period (UGX-Billions)
1	Housing finance bank	550.60	553.50
2	Pride Micro Finance	171.76	183.39
3	Postbank	267.00	334.70
4	Uganda Development Bank	354.00	547.00
	Average	335.84	404.65

The performance of the 4 institutions was commendable.

e) Interest cover

I analysed the interest cover of Public Corporations and State enterprises that had taken loans to establish their ability to service the loans through payment of interest. Interest cover looks at how many times a Company's operating profits exceed its interest payable. A cover of two (2) times and above is usually considered to be safe, depending on the nature of industry. The implication is that a company is most likely to meet its interest payments.

I noted that of the 3 companies/enterprises which were financing loans, two (2) (NWSC and the Insurance Training College) were better placed to meet their interest obligations, while the New Vision Printing and Publishing Company Limited was not. The Table 23 below refers.

Table 23: Enterprises' ability to service loan obligations

No.	Entity	Profit Before Interest	Interest (Financing cost)	Interest Cover (No. of times) (2020/21)	Interest Cover (No. of times) (2019/20)
1	National Water and Sewerage Corporation	18.68	6.95	2.7	28.3
2	New Vision Printing and Publishing Company Limited	(0.34)	0.59	-0.6	28.2
3	Insurance Training college	2.42	1.06	2.30	0.001

Overall Conclusion/Recommendation

Whereas government policy to invest in critical sectors of the economy is commendable, it is important to ensure that such investments are operating efficiently and effectively to meet sector objectives. There is need for government to strengthen the supervision and monitoring of these entities.

Although government efforts to ease several COVID-19 restrictions, allowing certain businesses to reopen improved performance of certain enterprises, the COVID 19 pandemic affected operations of a number of entities, and Government needs to assess its impact on the critical enterprises and corporations and provide the necessary guidance and assistance.

PART 3: SECTORAL AND LOCAL GOVERNMENTS CROSS CUTTING FINDINGS

This part contains cross cutting key findings noted in the respective sectors and cross cutting service delivery issues in Local Governments.

3.0. Sectoral Key Findings

3.1. PUBLIC SECTOR MANAGEMENT

3.1.1. Government readiness to implement the programmatic approach

Government with effect from 1st July 2020 started the implementation of NDP III as a successor plan to the NDP II. The overall objective of the NDP III is to increase household income and improving the quality of life of Ugandans. This plan is implemented using the programme approach to planning, budgeting, implementation and results reporting. This programme was also designed to address challenges faced in implementation of prior national development programmes which included uncoordinated planning, weak harmonization, limited sequencing of programmes, and poor linkages between outcomes and outputs.

I reviewed the readiness of government to effectively implement the NDP III in order to achieve the desired outcomes. From the procedures undertaken, I noted that significant strides have been made towards effective implementation of the plan.

Areas of commendable performance include; provision of guidelines to entities to facilitate transitioning to programme approach, development of the Programme Implementation Action Plans (PIAPs) for all programmes, development of strategic plans that are aligned to the NDP III by a number of entities in government, operationalization of Programme Working Groups (PWGs) to coordinate programme activities and development of guidelines for the programme working groups.

Despite these achievements, there are a number of areas that need government attention if the NDP III overall objective is to be achieved. These include;

- a) The shift from sector to programme planning and budgeting requires tracking progress towards attainment of results. This therefore implies that accountability and oversight processes should be re-aligned towards achievement of results as defined in the NDP III framework. This realignment has however not been fully attained.
- b) The shift from sector to programme planning and budgeting also requires a shift of the current government statistical processes to processes that are capable of delivering outcome statistics as defined in the NDP III. The current data systems therefore have to be revised so that they produce results data rather than output data. In addition, surveys and production of key results statistics need to be aligned to the NDP III M&E processes to enable real time capture of data and monitoring of the achievement of programme results.
- c) The shift from sector to programme planning and budgeting also implies that government annual performance reporting will now be based on programmes rather than sectors. The challenge however is that a number of programme

working groups are still struggling to constitute themselves in order to do effective programme reporting which is likely to affect effective coordination and supervision of programme activities.

- d) The shift from sector to programme planning and budgeting also implies that budgets of MDAs and LGs are now developed and approved at programme level although appropriation and spending remain at vote level. However, a number of MDAs are grappling with understanding the new system.

With 2 years into the implementation of NDP III, a number of MDAs and LGs have not fully transitioned their operations to the new programme based planning and budgeting and this is likely to affect the achievements of the NDP III objectives.

Government should support the National Planning Authority in capacity building of MDAs and LGs staff such as planners, monitoring and evaluation officers among others to equip them with the necessary skills to track and evaluate the implementation of entity plans in line with the NDP III PIAPs.

3.1.2. Limited efforts to build the capacity of planning units within Government

Section 7 (2) (d) provides that in pursuance of its primary planning functions, the Authority shall support local capacity development for national planning and, in particular, provide support and guidance to the national and local bodies responsible for the decentralized planning process.

I have noted over the years that MDAs and Local Governments face significant challenges in planning, implementing, monitoring and reporting performance due to low capacity of their planning units. I however noted that although the mandate of the Authority provides for supporting the development of local capacity in planning, the Authority had not effectively executed this mandate. No trainings for planners had been undertaken by the Authority in the past three (3) years as a deliberate strategy to build planning capacity both at national and local levels.

Failure to build planning capacity within the Government implies that there will be persistent challenges in the development, implementation, monitoring and reporting of performance in relation to the approved budgets, which affects service delivery and the credibility of the budgets both at entity and government-wide level.

The Accounting Officer explained that the Authority developed a National Capacity Enhancement Project for strengthening planning capacity at decentralized level in 2017 however no funds were availed and the activity has persistently remained as an unfunded priority.

I advised Government to have this critical activity funded, especially with the implementation of the roll out of the new NDP III which has taken effect.

3.2. SECURITY SECTOR

3.2.1. Monitoring and Supervision of Government Programmes under Office of the President

The Office of the President is mandated to follow up implementation of government programmes across the Country. However, the Office has staffing as well as office accommodation challenges which has limited adequate monitoring and supervision of the implementation of the programmes. The Office has a staffing gap of 80 positions of Senior Presidential Advisors, Resident District Commissioners and Deputy Resident District Commissioners.

In addition to the staffing gap, the RDCs lack enough accommodation. During the year under review, the Office of the President had a deployment of 146 RDCs in Districts and 10 RCCs in newly created cities out of which 107 are renting and 24 lack offices.

In order to address the above challenge, the Office envisioned an idea of constructing at least 10 RDC offices per annum in a phased approach starting with FY 2008/09. This idea was not fulfilled because government could not fund the capital budget as anticipated. This has necessitated the Office of the President to revert to constructing only one RDC office per annum as the case is currently and renting office space for the rest. Under this approach, the Office will take 107 years to construct offices for all RDCs and spend approximately UGX.445Million on rent annually.

I have advised Government to ensure that the RDCs and RCCs are recruited and also develop an action plan for construction of offices in a phased manner to minimise the high operation costs.

3.3. AGRICULTURE SECTOR

3.3.1. Mainstreaming of Agriculture Sector agencies

Government is still in the process of rationalizing agencies and public expenditure (RAPEX) under the Agricultural Sector which include Cotton Development Organisation, Uganda Coffee Development Authority, Coordinating Office for Control of Trypanosomiasis and Dairy Development Authority. These entities have had challenges of attracting staff to undertake activities. The respective Accounting Officers attributed this challenge to the following:

- Some successful candidates did not take up the job offers because the contract period was limited to only 18 months as recommended by Ministry of Public Service.
- The Ministry of Public Service and Solicitor General guided that recruitment of staff for the agencies affected by rationalization should only be for a period up to June 2023.
- The employment contracts should contain a disclaimer clause to the effect that the employment can be terminated any time without recourse.
- There is no guarantee of retention of the workforce.

The above situation has affected the agencies also in other areas of planning, execution of activities and implementation of the new NDP III strategic plans.

I advised Government to fast-track implementation of the policy with a view of ensuring that the on-going rationalization activities are finalized in the shortest time possible to avoid further disruptions in the operations.

3.3.2. Over dependence on the Public Private Partnership in the Cotton sector

Section 5 (i) of the Cotton Development Organisation Act, vests the duty to facilitate cotton production, cotton research and extension through the Ministry responsible for agriculture to CDO. CDO's mandate is to promote production, monitor marketing and processing of cotton and represent all aspects of the cotton subsector.

Over the last 11 years, the Private Sector (Ginners) under their umbrella body Uganda Ginners and Cotton Exporters Association (UGCEA), have been supporting cotton production activities under the Cotton Production Support Program through a Memorandum of Understanding that is signed annually between CDO and UGCEA. The Program, using funds pooled voluntarily by UGCEA members into the Cotton Development Fund (CDF), supports a variety of activities which aim to assist cotton farmers in Uganda to increase cotton production and productivity through; provision of inputs, farmer mobilization and sensitization, extension services and agricultural mechanization.

It was noted that UGX.19.649Bn was budgeted to cater for the cotton marketing season 2020/21 out of which, UGX.15.154Bn was budgeted towards provision of planting seed and production inputs. Government was able to contribute only UGX.8.6Bn leaving the balance for the private partner intervention. This is an indication that government is relying more on the ginners to fund the cotton sector.

Despite the intervention by the private sector, there were shortages in provision of inputs to farmers. From table below, 866 Mt of planting seed, 374.6 Mt of fertilizers and 2,260 spray pumps were not provided as projected in the strategic plan despite the support from the Ginners which directly affected the performance of the sector in achieving the desired cotton production targets.

Table 24: Comparison of consolidated quantities of production inputs

	Planting seed	Pesticides	Fertilizers	Spray pumps	Herbicides
Production inputs needed(Strategic Plan) A	3,200 Mt	222,000 liters	415 Mt	7,000	0
Planned Quantities (MOU-Ginners) B	2,500Mt	224,000 liters	746 Mt	3,000	7,500 liters
Actual Quantities provided (Reports) C	2,334 Mt	287,102 liters	40.4 Mt	4,740	6,616 liters
Difference A - C	866 Mt	(65,102)	374.6 Mt	2,260	(6,616) Liters

Source: OAG analysis of CDO Strategic Plan 2020/21-20, MOU, quarterly reports

Dependency on the Private sector for a key production activity such as provision of seed for planting and production inputs, risks the sustainability of the sector and enables the private sector to exercise influence over farmers through paying of low prices for the farmers' crops. Further, inadequate Government funding limits CDO's interventions in key aspects such as targeted extension services for mobilizing farmers and training them on cotton agronomical practices using demonstration gardens established at village/parish level.

Management explained that limited government has affected the cotton production in the past 2 years. There was a drop in cotton production from 173,457 bales of lint in FY 2019/20 to 50,709 bales in the year under review largely as a result of heavy rains, meagre funds for procurement and distribution of production inputs as well as provision of extension services. The calamity of drop in the cotton production was brought to the attention of both the Ministry of Agriculture, Animal Industry & Fisheries and the Ministry of Finance, Planning & Economic Development and a request for a supplementary budget of UGX.5 billion was made.

I advised the Accounting officer to continue liaising with the line Ministry and MoFPED to forge a way forward for the sector.

3.3.3. Management of Foot and Mouth Disease (FMD) Outbreaks in the Country

It is the Mandate of MAAIF to regulate and control the prevalence of FMD within the country. Accordingly, Government intervened by procuring FMD vaccines from Kenya Veterinary Vaccines Production Institute (KEVEVAPI) and Botswana Vaccines Institute (BVI) which were distributed to farmers across the country especially in the areas where FMD has been reported previously.

In June 2021, the country was informed of unprecedented outbreaks of FMD along the cattle corridor. A review of management of the outbreak revealed failure of timely interventions as a result of challenges faced in the procurement of vaccines despite the availability of funds. Furthermore, the following shortcomings were noted;

- a) During the financial year 2019/2020, 700,000 doses of FMD were procured in November 2019, however, only 500,000 (70%) of the consignment was delivered and significantly late by 4 months.
- b) 2,311,000 doses were planned to be procured in 2019/2020 however the supplier failed to deliver despite emergency situation and sensitivity of the disease.
- c) Although the supplier later delivered 1,700,000 doses (52%) during the year 2020/2021, and 2021/2022 financial year, the balance of 611,000 doses (24%) were still outstanding at the time of writing this report. The deliveries have not been made even after several delivery extensions to the supplier.

The continued presence of the FMD and the inadequate response in terms of vaccine availability has denied Ugandans opportunities to export livestock and livestock products to the international market and significantly curtails the Ministry's ability to achieve its mandate.

I advised the Accounting Officer to effectively and efficiently monitor such disease outbreaks within the Country so as to curb the spread and prevent further loss to the Community. Further, research collaborations with NARO should be enhanced for development of a local intervention.

3.4. JUSTICE LAW AND ORDER SECTOR

3.4.1. Management of cases and Case backlog

Various stakeholders in the Justice Law and Order Sector (JLOS) have implemented a number of management information systems as indicated in the table 25 below.

Table 25: Information Systems within the JLOS Sector

SN	Information system	Purpose	Entity	Cost (Bn)
1	Prosecution Case Management Information System (PROCAMIS)	Record and collect information pertaining to cases, and rapidly transfer case details from law enforcement across the DPP offices.	ODPP	26.188
2	Court Administration Case System (CCAS)	Receiving and allocating cases to different Judicial officers for further management.	Judiciary	No information
3	The Electronic Court Case Management Information System (ECCMIS)	Manage case records, e-filing. The system tracks all aspects of a case life cycle from initial filing through disposition up to appeal.	Judiciary	9.277
4	Prisoners Management Information System (PMIS)	Recording and classifying of all prisoner related information across all the prisons.	Prisons	0.501
5	Crime Records Management System (CRMS)	Automate all paper based processes of case management.	Uganda Police Force	0.5
6	Suspect profiling systems	Capture profiles of suspects such as bio data, photographs, and thumbprints among other features, to help in quick identification of suspects.	Uganda Police Force	No information
	TOTAL			36.466

Institutions require quick access to accurate, and reliable information in order to function well and promote the objectives of equitable justice for all. In pursuance on the goals of criminal justice, various entities within the sector have acquired computerised information management systems to enable them attain their mandate.

Although Government has invested a sum of UGX.36.46Bn in four of the systems for the administration of Justice across the JLOS sector, I noted that the systems are stand-alone and decentralized without being integrated to enable information sharing across the sector.

The lack of systems' integration inter-linking the various entities such as the Police, Directorate of Prosecution, Judiciary and Prisons implies that the transfer of case details between stakeholders for the quick resolution of cases in the pursuit of Justice cannot be achieved. The absence of shared or integrated management systems may also result in inefficient allocation of resources, higher costs of procurement for IT hardware, network equipment and application software as well as duplications in the nature of service support from the suppliers/vendors of the applications and the hardware.

I also observed that the implementation or setup of some of the systems is still ongoing in various entities. For instance, the Crime Records Management System in Uganda Police, the Prisoner's Information Management System in the Uganda Prisons, the Electronic Court Case Management Information System in Judiciary, the Suspect Profiling System in Uganda Police were still at the pilot testing stage or were yet to be fully rolled out and operationalised across all the regional offices countrywide.

This may have resulted in the non-optimal use of the information assets held on the systems.

The JLOS sector should review the existing systems and their functionality vis-à-vis the sector-wide needs with a view of achieving an integrated approach to information management within the sector, in order to avoid the duplication of data, delays in processing cases, and achieving efficiency in resource allocation across the sector so as to attain the goals of criminal justice administration.

3.4.2. Operationalisation of the Joint Venture Agreement

In 2017 the Government of Uganda entered into a Joint Venture Agreement resulting in the formulation of the Uganda Securities Printing Company (USPC) for the exclusive production and supply of all security documents for the Government of Uganda, including National Identity Cards and Birth and Deaths Certificates. This venture had delayed to be operationalised and as a result a number of challenges were identified;

- a) NIRA was expected to order a minimum of 4,500,000 national ID cards annually, starting with the financial year 2020/2021. However, no order was placed for the financial year under review due to lack of budget provisions for this activity. This is a breach of the contract agreement, which may result in the payment of fines for breach of contract.
- b) USPC was yet to supply IT systems and equipment to support the National ID system and the birth and death registration system. The system in use for Identification Information was supplied by M/S Mühlbauer Uganda Limited, whose contract had expired and was not renewed. There is a risk that NIRA will operate without system support from the system vendor of the legacy (existing) system for an unspecified time.

The Accounting Officer explained that the Authority has been engaging USPC to resolve all the issues relating to the Joint Venture Agreement (JVA) and an Adhoc committee had been put in place comprising of all Permanent secretaries, including the Ministry of Internal Affairs, whose objective is to review the status of implementation of the JVA every quarter.

I advised Government to design a clear road map and strategy to ensure compliance with the terms of the Joint Venture Agreement, including developing support systems to avoid the stalling of operations of the entity.

3.5. INFORMATION COMMUNICATION TECHNOLOGY SECTOR

3.5.1. Absence of a National IT Governance/Oversight System

I noted that Government did not have a national IT governance framework that establishes a proper IT governance structure and system.

The objective of an IT Governance system is to enable Government to; provide for strategic direction for ICT investments; prioritise and ensure strategic alignment of IT and e-government investments across Government; mitigate risks associated with the use and/or investments in ICT such as duplication of IT systems and wasteful expenditure; and optimise the use of ICT and e-government services, among others.

As a result, there is a lack of strategic insight in IT investments, and the Government may fail to optimise the use of existing ICT infrastructure. In addition, the Country lacks competitiveness in harnessing opportunities in ICT.

I advised Government to consider establishing a national IT Governance Framework and structure to oversee investments in information and communication technologies.

3.5.2. Failure by MDAs to Pay for National Backbone Infrastructure Services

NITA-U provides NBI/EGI services to MDAs and Local Governments whose ICT budgets have been either consolidated or not consolidated under NITA-U's ICT budget. Currently, fifty-four (54) entities whose ICT budget is consolidated under the ICT sector budget, while the ICT budget for 72 entities are not consolidated. Out of seventy-two (72) entities, only ten (10) entities have honoured their obligations. This has led to the accumulation of domestic arrears totalling UGX.22.96Bn as of 30th June 2021.

The arrears largely relate to the costs of expanding the national backbone/e-Government infrastructure (NBI/EGI). Notably, domestic arrears accounted for 14% of the annual GoU budget for the Authority, which is not only unsustainable but may lead to difficulties in the provision and extension of e-government services throughout the Country.

I advised management to liaise with MoFPED in consultation with MDAs to ensure that the ICT budgets are consolidated under the ICT Sector budget.

3.5.3. Uncollected Revenue from Media Operators

I noted that UCC stopped invoicing government bodies, namely: Uganda Telecom Limited (in-Administration), Uganda Broadcasting Corporation and Uganda Post Limited, for licensing and other charges. A review of the financial statements of these Government agencies revealed an un-invoiced amount of UGX.50.9 Bn. Management attributed it to the financial distress of these companies and the URA's tax policy of invoicing for VAT based on invoices raised by taxpayers, whether paid or not.

I noted that UCC did not issue invoices worth UGX.421.9Million to 15 operators (4 television operators and 11 FM broadcasting stations) during the period under review, contrary to its financial regulations.

Relatedly, UCC has not enforced the payment of a 2% gross annual levy on the licensed Television and FM radio operators gazetted in 2017, contrary to Section 68(1) of the UCC Act 2013. Management explained that the operators had appealed to the Minister of Information, Communication Technology & National Guidance.

I advised management to engage all stakeholders and collect the levies due.

3.5.4. Lack of a Communications Tribunal

During the audit, I observed that the Commission does not have a Tribunal contrary to Sections 60(1 & 2) and 64(1) of the Uganda Communications Act, 2013. The tribunal would have jurisdiction to hear and determine all matters relating to communications services arising from decisions made by the Commission or the Minister under this Act.

In the absence of the tribunal, the Commission lacks jurisdiction to hear and determine matters arising from decisions made by the Commission or the Minister under this Act. Currently, the matters are being heard by the Minister and the Commission, which creates a conflict of interest.

The Accounting Officer explained that the responsibility to appoint the tribunal does not reside with the Commission and that the tribunal is to be appointed by the President on the recommendation of the Judicial Service Commission, and that the matter had been brought to the attention of the Minister of ICT and National Guidance.

I advised management and the Board of Directors to liaise with the relevant authorities to constitute the Communications Tribunal.

3.6. ACCOUNTABILITY SECTOR

3.6.1. Approval of supplementary funding without matching revenue

It was established that during the financial year ended 30th June 2021, supplementary funding totalling UGX.6.13Tn was granted by the Minister of Finance, Planning and Economic Development. It was however, noted that the source of 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 affecting the implementation of plans/activities by the affected votes. Although the budget was raised from UGX.45.495Tn to UGX.51.625Tn, only UGX.46.6Tn was realised, resulting in unfunded activities worth UGX.4.98Tn.

3.6.2. Underperformance in Revenue Collection

I observed that, URA had a total revenue collection target of UGX.22.04Tn for the financial year 2020/21 and collected total gross revenue of UGX.19.65Tn (89%) hence a shortfall of UGX.2.39Tn (11%). Under collection of revenue affects cash flow performance of Government and realisation of the planned service delivery targets. In addition, it may increase the national debt burden as the Country may fail to honour its obligations and borrow more to address revenue shortfalls. Management attributed the performance to the adverse impact of the COVID-19 pandemic.

I advised management to continue implementing strategies to enhance revenue collection.

3.6.3. Performance of the collaborating institutions under the Tax Registration and Expansion Programme (TREP)

During the financial year 2020/2021, the collaborating institutions under the Tax Registration and Expansion Programme (TREP) registered only 167,211 taxpayers against a target of 436,869 taxpayers representing 38.27% registration success a shortfall of 61.7%. In revenue terms, although TREP had a revenue target of UGX.124.58 Bn in FY 2020/21, it had only collected UGX.49.93Bn by 30th June 2021, representing a 40% performance rate. In addition, the Ministry of Local Government had planned to implement activities worth UGX.4.4Bn under TREP activities but only implemented activities worth UGX.3.3Bn, leaving un-implemented activities worth UGX.1.1Bn despite receiving full funding. As a result, the e-LogRev objective of simplifying and strengthening the local revenue collection systems for Local Governments may not be achieved in time.

The paltry performance was attributed to the effects of the COVID-19 pandemic that has set back many businesses, political riots and limited staff at the various stations because URA TREP officers had been laid off, thus resulting in limited staff capacity to conduct enforcement.

I advised the project management to review their strategies to enhance performance by agreeing on improvement plans to meet the project target.

3.6.4. Overstay of projects in the Public Investment Plan (PIP)-UGX.39.01Tn

The Public Investment Management Reform Strategy provides that projects are supposed to be delivered on budget and on time in order to achieve the desired goals and objectives.

Audit observed that in the sample of 371 projects, 342 projects with budgets totalling to UGX.39Tn had gone past their planned exit periods that date as far back as the FY2010/11, with some projects having been extended for more than 12 years. The audit noted that the projects continued to receive Development Committee approval for a continued stay on the PIP. It was noted that only 40% of the projects in the PIP were still within their expected time period.

As a result, this has caused delays in the completion of key projects, cost overruns and high commitment fees on foreign debt on account of low Absorption and failure to complete projects on time. It should also be noted that the effectiveness of some projects dwindles as time goes by.

The PS/ST was advised to critically review the justification for maintaining certain projects within the Country's Public Investment Plan.

3.6.5. Un recovered Advances; UGX.2,819,193,074

MoFPED introduced a policy to advance funds to entities before actual collection of Appropriation in Aid on the condition that these funds will be recovered after collection. The policy failed in the FY2018/19 and 2019/20 due to failure to recover funds fully.

During the financial year 2018/19, entities were advanced Appropriation in Aid, of which UGX.22.16Bn remained outstanding as at year-end. During the year 19/20, UGX.21.31Bn was recovered, leaving UGX.849 million outstanding.

It was also noted that during the financial year 2020/21, a total of UGX.116.9Bn was again advanced in disregard of what had happened earlier to various Local Governments. Out of the funds advanced, UGX.114.07Bn was recovered, leaving UGX.2.81Bn outstanding.

3.6.6. Absence of a monitoring and evaluation framework for impact assessment for tax exemptions

The Government of Uganda has offered many beneficiaries' tax benefits, including tax holidays, waivers for tax payments, and refunding of various taxes as stipulated in various agreements and memorandum of understanding. The benefits are granted based on intended objectives that include promotion of economic growth, increasing employment, facilitation for extension of social services by Non-Government Organisations, among others.

It was, however, noted that there is no mechanism in place for evaluating and or assessing the impact of the benefits granted. Analysis revealed that a number of beneficiaries have since had their benefit period expired without any follow up.

In the absence of a monitoring framework, Government is not in a position to assess the impact of the tax benefits granted to the various beneficiaries.

The Accounting Officer was advised to review the tax exemption Policy and set up a monitoring mechanism to follow up all tax incentive beneficiaries.

3.7. ENERGY SECTOR

3.7.1. Capitalization of Uganda National Oil Company and its Subsidiary Companies

Uganda National Oil Company (UNOC) is charged with a mandate of representing Government of Uganda's Commercial interests in Oil and Gas Sector. The Company is strategically positioned to participate in the down-stream, middle-stream and the up-stream of the oil and gas value chain, thereby engaging in the exploration, production and commercialization activities. The Company is anticipated to fully participate in the exploration and production in the Albertine Graben; the oil refinery and the oil pipeline. As a result, UNOC has registered two flag ship Subsidiary Companies to champion its commercial interests. These include; the Uganda Refinery Holding Company for the refinery business, and the East African Crude Oil Pipeline Company to lead in the pipeline business.

I noted that despite the significant initial investment requirements by UNOC and its subsidiary companies, the government has not fully capitalized the companies to enable their full participation in the sector. The companies are consistently facing funding constraints. For the period under review, I noted that out of the Budget of UGX.76.38Bn for UNOC, only UGX.34.4Bn was availed, resulting in a funding gap of UGX41.98Bn, which is 54.96% of the budget.

After the Final Investment Decision for the Upstream and EACOP Project, which is envisaged to be undertaken in February 2022, there will be a rapid increase of oil and gas activities which will cause an exponential growth in the financing needs of the Companies.

UNOC has proposed a capitalization plan to MOFPED in its annual work programme and budget for the FY 2021/22 of UGX.914.18Bn comprising Capital expenditure (UGX.304.08Bn) and Operating expenditure (UGX.129.10Bn).

The Accounting Officer explained that he was engaging MOFPED and other stakeholders to secure finances to that magnitude, and a plan has been agreed with government on a phased approach towards capitalizing UNOC and its subsidiary companies.

I advised the Accounting Officer to fast-track their discussions with MoFPED to ensure adequate capitalization of the companies to enable government commercial participation in the strategic oil and gas sector.

3.7.2. Implementation of the Electricity Connection Policy(ECP)

The Government of Uganda established the Electricity Connections Policy (ECP), 2018 which is expected to run from 2018 to 2027. The primary objective of the policy is to increase electricity access, and provide cleaner energy to Ugandans. The policy aims at achieving the 26% rural access target by 2022, 30% national coverage target by 2020 and accelerating access after 2020 in order to achieve 60% access rate by the year 2027.

I noted from the review of the Connections Department work plans and progress reports for the year under review that out of the 97,000 annual planned connections, only 3,683 (3.7%) connections were undertaken. The dismal performance may frustrate the Government's initiatives under the Policy and NDP III of increasing electricity access to the population to 60% by 2027.

I further noted that the ECP was facing challenges in delayed procurement of connection materials, under funding of compensations for the Project Affected Persons (PAPs), vandalism of the distribution network, among others.

The Accounting Officer explained that the funding for the Connection Policy got exhausted and the Policy was first suspended by Government. However, it resumed in March 2021 to facilitate connections by utilizing materials procured with funding from African Development Bank (ADB). He further explained, that Rural Electrification Program (REP) had secured approval from AFD to utilize the grant for connections intended to benefit 45,000 customers under the result-based implementation arrangement with the expected implementation to start by March 2022, and the connection materials are expected under the TBEA/Exim Bank contract which will benefit over 172,000 customers by June 2022.

I advised the Accounting Officer to liaise with the relevant stakeholders such as MoFPED and MEMD, to devise Sustainable funding strategies and ensure that implementation of the ECP is fast tracked for the achievement of policy objectives and service delivery.

3.7.3. Vandalism and Theft of UETCL Grid Assets

Uganda Electricity Transmission Company Ltd (UETCL) is charged with bulk evacuation of power using High Voltage (220Kv and 132Kv). The Company majorly uses steel Towers for the construction of the Transmission Lines. During the year it incurred UGX.0.5Bn in purchase of Galvanized Angle bars to replace vandalized tower members. Further analysis revealed that the Company incurred UGX 1.56Bn in replacement costs on assorted transmission line items vandalized between 2017 and 2021.

The Accounting Officer explained that this was a nationwide vice that has been brought to the attention of Cabinet and Security Agencies. In addition, Management installed a pilot security system on transmission lines, however the system was itself vandalized. Nevertheless, management continues to engage security agencies and also community policing to protect UETCL installations.

Vandalism impedes continuity and reliability of electricity supply to the country and strains company resources used to replace vandalized items and associated works. In addition, energy not transmitted due to infrastructure breakdown translates into loss in revenue to the company.

I advised the Accounting Officer to continue engaging the MoFPED and MEMD in order to obtain funding for Implementation of Key Projects and follow up with the relevant stakeholders to fast-track amendment of the relevant legislation and promotion of Joint Ventures and negotiation of Commercial Partnerships.

3.7.4. Deemed Energy Purchases: UGX.87.7 Billion and Power Evacuation Losses UGX.15.29 Billion

Deemed energy refers to the electric power that is available for dispatch by an Independent Power Producer (IPP), but due to; non-existent or a weak grid infrastructure, and/ or insufficient demand, the power is not dispatched. This effectively transfers the market risk from the investors to Government, especially when the Power Purchase Agreement states so.

According to several Power Purchase Agreements (PPAs) and other implementation agreements signed between the IPPs, GOU, and UETCL; GOU committed to construct power evacuation infrastructure from the IPP's generation facilities to the distribution network upon commencement of generation and dispatch of power by IPPs. The failure to dispatch generated power constitutes deemed energy, and UETCL shall make payments to IPPs for such energy generated and not dispatched in accordance with the power purchase agreement.

I noted that UETCL continues to pay significant amounts relating to deemed energy purchases. As a result, deemed energy costs of UGX.87.7 billion in regard to thirteen (13) Power Purchase Agreements (PPAs), save for one Hydro Power Plant (HPP), were financed through the electricity tariff system, hence negatively impacting on the electricity price to the final consumer.

Similarly, I noted that UEDCL incurred an amount UGX.15.20Bn from power evacuation losses payable to UETCL for bulk power purchases. The amount is due to power evacuation losses stemming from absence of transmission lines to evacuate electricity from PA Technical, Siti 1 and Arpe Power Plants which resulted into wheeling power over a lower capacity and weaker distribution lines operated by UEDCL. These are significant losses for which the Company did not generate economic value. Payment of this amount would significantly affect the Company's cash flows.

I advised the Accounting Officer to continue engaging the Regulator and other sector players to address the infrastructural constraints in the transmission network to ensure efficient evacuation of generated power.

3.7.5. Delayed Commissioning of Karuma HPP

According to the 4th Quarter Progress Report, I noted that the completion date for Karuma Dam was further extended to 15th June 2022, resulting in a delay of 3 years and 6 months from the initial planned completion date due to unfinished works such as the spillway rehabilitation and other minor defects.

I noted that the completion of land acquisition process or the Resettlement Action Plan (RAP) for the 132kV Karuma-Lira Transmission Line and Karuma Dam Reservoir by UTECL and MEMD, respectively, remain outstanding. These when not completed will affect the commissioning of the Karuma Dam and is a breach of the employer's obligations under the EPC Contract with significant risk to the overall project completion.

The delays in Project completion are likely to result in increased supervision costs, by the supervising consultant, and increased commitment fees payable on undrawn balances of the loan, of which GoU had already paid commitment fees amounting to UGX.2.9Bn as at 30th June 2021. It also reduces the period between commissioning, commercialization and payback which may have implications on the electricity tariff structure.

I further noted Key Non-conformities by the EPC Contractor which included; 11kV switchgears installation, Units 1 to 6 ring gate leakage oil sump control box, severe damages on the various 400kV cables, damaged conic sealing surfaces, repair of the oil water separator unit, prolonged spillway operation, Outgoing Line Yard – cracks in the Control Building and absence of a Floating Boom.

There is a risk that the non-conformities will result into damages, malfunction of equipment, unreliable plant components, and significant impact on working life duration and high operation and maintenance costs, as well as, negative environmental impact. This is likely to further affect the timely and successful commissioning of the Karuma Dam.

I advised the Accounting Officer to ensure that the rectification of pending works under the Karuma Dam is expedited to enable project completion and commissioning without further delay.

3.7.6. Bottlenecks in the Compensation of Project Affected Persons(PAPs) under Transmission Line Projects

The Uganda Electricity Transmission Company Ltd (UETCL) is mandated to augment government's efforts of increasing electricity coverage and expanding the national power transmission line network. The Sustainable Development Goals (SDGs); Seven (7) and Nine (9) both aim at increased electricity access by 2030. The electricity transmission sector has been affected by delayed construction and energizing of transmission lines. The delay has contributed to the low electricity consumption rates in the country of 215 KWh per capita per year, which is below the Sub-Saharan Africa's average of 552Kwh per capita per year. The delayed construction has further more resulted into low uptake of borrowed funds, leading to increased costs, such as commitment fees paid.

The delays in undertaking the construction of the transmission lines have been majorly attributed to inadequacies in the compensation process of the Project Affected Persons (PAPs), thus leading to challenges faced in "Acquisition of the Right of Way" (ROW). This has in turn led to delayed implementation of a number of projects in the Energy Sector. A review of the compensation process under UETCL revealed the following irregularities;

- i) The budgeting, disbursement, and absorption of compensation funds were not properly managed which resulted into over budgeting to the tune of UGX.111.3Bn on GERP and Mputa projects.
- ii) The valuation process was marred with a number of irregularities, which included the use of un-updated district compensation rates; and unverified legal interests in the land; which resulted into unnecessary revaluations and ligation.
- iii) About 56% of the PAPs for GERP and Mputa projects were not properly identified, and this resulted into a mismatch between the number of PAPs appearing on the Payment files, Survey reports and Valuation Reports.
- iv) Of the released compensation amount of UGX.21.5Bn for both GERP and Mputa Projects, only UGX.5.86Bn was paid to PAPs, thus resulting into unspent funds to the tune of UGX.15.64Bn. This mostly affected the GERP Project which alone had UGX.13.17Bn not utilized, while Mputa had only UGX.1.66Bn.
- v) There were significant delays in compensation of PAPs. 1,109 PAPs (52.2%) for Mputa and 821 (35%) for the GERP Transmission Line remained unpaid by the time of concluding the audit (November, 2021). Relatedly, Compensations in kind also delayed whereby out of 149 PAPs identified, only 93 were resettled, leaving 56 PAPs not resettled.

- vi) There were inadequacies in the construction of the resettlement houses which included; irregular payments to contractors, delayed progress of works, discrepancies in drawing specifications and BOQs, poor materials used for construction, and a number of defects which were not rectified.

Timely compensations of project affected persons (PAPs) and acquisition of the right of way for electricity transmission lines would enable increased access to electricity by the citizens as envisaged in the sustainable development goals; 7 and 9. This would have a multiplier effect on industrialization which is critical for creation of employment and ultimately poverty reduction in the country.

I advised management to streamline its RAP processes, including proper identification of PAPs, clear valuation processes, proper budgeting and release of funds, timely submission of PAP documentation and proper supervision of RAP activities.

3.8. GENDER AND SOCIAL DEVELOPMENT SECTOR

3.8.1. Labour Externalization Inadequacies

Labour externalization is a process whereby government undertakes to regulate the export of labour to foreign countries. This role is under the mandate of the Ministry of Gender, Labour and Social Development (MoGLSD). This activity involves the signing of Bi-lateral Migrant Agreements (BLMA) with destination countries. I noted that the country has only 3 BLMAs with destination countries namely; Saudi Arabia, the Hashemite Kingdom of Jordan and the United Arab Emirates. However, a review of the ministry records indicated that the country was exporting labour to more than 3 countries, such as; Kuwait, Oman, Qatar, Turkey, Afghanistan, Iraq and Somalia, among others.

I noted that the Ministry had no mechanism in place to monitor the implementation of the BLMAs. Furthermore, pre-externalization checks on the working conditions, safety and health perspectives of the importing labour organizations had not been undertaken. I observed that 246 female migrant workers returned between June and December 2019 without completing their contract period of two years due to human abuse related challenges, according to the Uganda Association of External Recruitment Agencies reception Centre report on Returnee Migrant workers.

Furthermore, 548 external labour cases were registered, out of which, 48 (9%) cases remained unresolved at year end.

Accordingly, the gender equality, labour and human rights of over 103,935 Ugandan workers who have migrated to various countries to provide labour, from July 2016 to June 2021, may not be guaranteed without duly signed BLMAs.

I advised the Accounting Officer to expedite the finalization of bilateral migrant agreements with all the destination countries as this would provide clear international protocols for protection of migrant workers. In addition, the Ministry should liaise with Ugandan Missions in the destination countries and register all the Ugandan migrants for ease of follow up.

3.8.2. Implementation of the Uganda Women Entrepreneurship Programme

The Uganda Women Entrepreneurship Programme (UWEP) is an initiative of the Government for empowering women to improve their income levels and their contribution to economic development; by improving their access to financial services and equipping them with skills for enterprise growth, value addition and marketing of their products and services. The Programme has disbursed UGX.107 billion to 11,256 women groups, covering approximately 135,000 women, over the five-year period from financial year 2015/16 to 2019/20.

I carried out a Value for Money audit to assess the extent to which the Programme achieved its intended objectives, and noted a number of key improvement areas as follows;

- i) I noted that only 4,185 women had benefited from the Programme under the capacity and skills development component, which translates into 42% of the desired target (10,000 women) according to the UWEP Programme document.
- ii) There were delays in disbursement of funds to the women groups. In some cases, the delays were more than 12 months from time of approval of the applications to receipt of the funds which affected the performance and success of enterprises, specifically those in the agricultural sector, which depend on the rainy seasons for planting.
- iii) Despite the UGX.16Bn sitting on the recovery account with Bank of Uganda from the loan repayments over the five years, only UGX.963 million (6%) of the amount had been revolved. This denied the qualifying women groups timely access to funds, which were otherwise available for disbursement.
- iv) The Ministry of Gender, Labor and Social Development through the UWEP Technical Support Unit did not effectively plan and coordinate implementation of the objectives of facilitating women to access markets for their product, as well as promoting access to appropriate technologies which were not allocated funds in the budgets for the entire 5-year period. Consequently, these objectives were not fully achieved.
- v) There was underfunding of monitoring and supervision activities at the local government level which affected the frequency of monitoring of beneficiary women groups. The programme gaps at enterprise level could not be adequately identified and corrected on time. At the National level, the Technical Support Unit (TSU) undertook only 13 (43%) of the planned 30 monitoring and supervision visits to the regions throughout the five-year period. This resulted in delayed identification of performance gaps and timely remedial actions.

I advised the Accounting Officer, prioritize the capacity and skills development component of the Programme and ensure women groups are given funds after attaining the requisite skills in management of the approved enterprises. In addition, the Ministry and Local Authorities should iron out all the bottlenecks in the application approval process to ensure timely revolving of the funds to women groups.

3.9. LAND SECTOR

3.9.1. Management of Government Land Matters

The Uganda Land Commission is mandated to manage public land acquired by government both abroad and locally. I noted that the Commission does not have an inventory for all government land and properties that are either occupied by tenants, vacant, acquired under compensation (but not yet re-distributed to the bona fide occupants), or acquired and owned by other government institutions and missions abroad. This inadequacy has contributed to government losing land to fraudsters, squatters and also inadequate revenue collections from the untimely collection of the property premiums and leases.

I further noted an increase of UGX. 118.Bn (81.5%) in land compensation payables during the year, of which UGX 105.5Bn related to new compensations for land, while UGX.12.5Bn related to revaluations of land that had been previously fully compensated or had an outstanding payment. Furthermore, UGX.8.93Bn (15%) was paid to eight (8) persons out of the eight four (84) ranchers who had not been paid in the previous years. The delay to pay other ranch claimants may result into litigation and court awards that would further increase the domestic arrears. As at 30th June, 2021, the outstanding claim from ranchers was UGX.61.5Bn, and compensations to other claimants stood at UGX.188.0Bn, thus bringing total outstanding compensations in the Ministry of Lands alone to UGX.249.5Bn.

Similarly, the current landlord claims under the Uganda Land Fund, at the Uganda Land Commission, stand at UGX 194.7Bn. These also increased by UGX.7.2Bn during the current year. However, this amount is not supported by complete and appropriate documentation. The claims have been outstanding for a while due to the limited budget allocation to the Commission and the delay to fully operationalize the Land Fund which has remained operating as a budget support line in the Commission's appropriated budget.

I advised government to fully operationalize the Land Fund under the Commission and consider decentralizing all government land compensation payment claims to the Fund for proper management of government compensation processes, including mobilization of funds.

3.10. EDUCATION SECTOR

3.10.1. Management of Bilateral Scholarships

Section 42(1) of the Higher Education Students Financing Act provides that all scholarships offered by the Government of Uganda (GOU), including bilateral scholarships, existing immediately before the commencement of this Act shall vest in the Board.

Subsection (2) further provides that the central scholarship committee of the Ministry of education and Sports existing immediately before the commencement of this Act shall cease to exist on such a date as the Minister may by Statutory Instrument publish in the gazette.

Over the years, Uganda has received scholarships through various schemes from several Countries. The various types of awards include offers through bilateral cooperation, offers through multilateral cooperation and direct offers to individuals through Embassies of awarding Governments, Institutions and Agencies.

Scholarships awarded to Ugandans through Embassies of awarding Government are in most cases received on an annual basis, most of them routed through the Ministry of Foreign Affairs. The major and regular donors are; United Kingdom, India, Egypt, China, Cuba, Turkey, Algeria, New Zealand and Hungary, among others.

A review was undertaken with the objective of establishing the effectiveness in management of Bi-lateral scholarships, identifying the challenges and providing recommendations for improvement. During the analysis, a number of aspects were considered including; the extent of awareness of the scholarship programmes by Ugandans, absorption of Bilateral Scholarships, and the transparency and effectiveness of the award process. The following matters anomalies were identified;

- Management of scholarships at the Ministry of Education and Sports is not supported by a Scholarship Policy, thus the country lacks policy direction in regard to sourcing, accepting, allocation and monitoring of scholarships.
- The Ministry of Education and Sports still holds the mandate of managing Government scholarships contrary to Section 42(1) of the Higher Education Students Financing Act which revoked the Committee's mandate.
- Information on Scholarship offered at the different Missions and other Government organizations was not readily available at the Secretariat.
- Low uptake of scholarships was noted whereby out of a total of 280 scholarships offered to government in the previous three years, only 162 were filled resulting into an under absorption of 118 (42%) scholarships.

The above outlined weaknesses have resulted into the process of accessing information on scholarships not being properly streamlined and consequently leading to low utilization/absorption of the scholarships available to the Country.

I advised the Ministry of Education and Sports to ensure that the administration of scholarships in the country is streamlined for efficient and effective management.

3.10.2. Management of Research Grants by Public Universities in Uganda

Owing to the different challenges faced by public Universities in the management of research grants I undertook a value for money audit and independently assessed the management of research grants by Public Universities in 4 out of the 9 Public Universities in Uganda, these included; Makerere University, Mbarara University of Science and Technology (MUST), Kyambogo University and Busitema University. I noted the following;

- i) There is no framework to ensure collective planning, coordination and follow-up of research efforts for the different Public Universities to ensure equitable allocation of resources, efficient utilization of academic staff, and that research results contribute to National development.

- ii) I noted that key research and grant management policies/guidelines were missing at a number of Universities to guide on the efficient and effective management of research activities. Furthermore, the country lacks national regulations and guidelines for research and innovation activities including; sourcing of external grants, development and uptake of technologies and, management and commercialization of intellectual properties.
- iii) I noted inadequate administration structures for management of university grants, for example, out of the 4 Universities, only MUST had a grants office with dedicated staff to support grant activities. Busitema and Kyambogo universities did not have grants administrators at college/faculty level, while at Makerere and Mbarara only the college of Health Sciences and the faculty of medicine, respectively, had grant administrators to undertake the tasks.
- iv) I noted that the country does not have a clear research agenda to guide planning, implementation and policy matters regarding research in the Country. Some Universities lacked research agenda. For example, Mbarara and Busitema Universities did not have an approved research agenda.
- v) I noted that resource mobilization initiatives for public universities were inadequate. Out of the 4 universities, only MUK had a consolidated Research Innovation Fund (RIF) for research funds from government the other universities have not explored this initiative. All the universities have not raised any resources internally into a separate fund for research. This was attributed to government policy of remitting all internally generated revenue into the consolidated fund.
- vi) I noted monitoring and evaluation of research projects was inadequate in all the four Universities. M&E was not carried out by the university management on external research grants for the period 2017/18-2019/20. I further noted that even where M&E was undertaken by donors, recommendations were not fully implemented by the Universities.
- vii) I noted significant delays in completion of research projects. For example, 450 (88%) out of 512 Government funded Grants from MUK, Kyambogo and Busitema, were not completed in time during the period under review. Similarly, 218 (62.3%) out of 350 Donor funded Grants from the 4 universities were not completed in time.

I advised government through its various entities to consider establishing a National research agenda which should be supported by a comprehensive research management framework streamlined throughout the entities. In addition, Government should consider establishing a research fund at each public university in which both government and donor research funds could be collected and effectively managed.

3.11. WATER & ENVIRONMENT SECTOR

3.11.1. Afforestation and Restoration of Selected Central Forest Reserves (CFRS) by the National Forest Authority (NFA)

The National Forestry Authority (NFA) was established under section 52 of the National Forestry and Tree Planting Act, 2003 (NFTPA) with an objective of managing the Central Forest reserves. The country's forest cover reduced from 24% (4,933,271ha) in 1990 to 9% (1,956,664ha) in 2015, with a slight increase of up to 12.3% (2,025,192ha) in 2017. The forest cover loss over the years from 1990 to the last biomass study in 2017 was estimated at 58.9%. Similarly, the CFR forest cover under NFA's jurisdiction alone dropped from 62.5% (791,240ha) of the NFA forest cover to 45.8% (579,257ha) in the same period. This trend was contrary to Sustainable Development Goal 15 which required governments to ensure the restoration of forests and increase forest cover in line with obligations under international agreements by 2020.

I carried a value for money audit to evaluate the effectiveness of the measures put in place by the NFA towards the restoration and establishment of new plantations in the central forest reserves, between the period of 2016 and 2020, and noted the following;

- i) Although management achieved 11,173ha (78%) of their planned outputs (14,277ha) for both restoration planting and establishment of new tree plantations, this only contributed a total of only 0.88% to the NFA forest cover (1,265,742ha) over the four-year period. This dismal performance was attributed to a number of inadequacies in the Planning; Budgeting; Land management; Monitoring and Inspections; and Collaboration management, resulting into the failure by NFA to meet its desired targets towards increasing the national forest cover.
- ii) A number of stakeholders in the forest sector, with different projects across MDAs supporting forestry restoration activities, were not adequately coordinated under a single mandate. In addition, there are inconsistencies in the national, sector and NFA strategic plans, there is a lack of specific outputs per stakeholder in the plan together with matching funding for the activities met to achieve the planned outputs. These inadequacies in coordination and planning at NFA, the Forest sector and national level have contributed to the limited National forest coverage of 12.3% and NFA forest cover of 45.8%.
- iii) I that out of the expected 16 monitoring reports in the four-year period ending 30th June, 2020, only 4 (25%) were prepared in the entire four-year period. In addition, NFA budgeted to receive UGX.320m for monitoring in the four years under review, but only UGX.91.8million (29%) was released, and the entity spent UGX 88.8million over the period on monitoring activity. Furthermore, there were limitations in discussing and implementing monitoring report recommendations, and as a result, there were instances in which management did not demarcate the area as recommended by the M&E report before restoring the forest. This led to destruction of the newly restored forests by encroachers.

I established that seventeen (17) MOUs were signed with different government agencies, out of the planned twenty (20), representing an 85% performance. Although these collaborations contributed to the restoration and establishment of new plantations, there were inadequacies in providing the planned quantity of seedlings. In addition, twenty (20) out twenty-eight (28) Collaborative Forest management (CFM) agreements were signed with forest edge communities.

I advised the Accounting Officer to improve on the Planning, Budgeting, Coordination and Collaborations, Monitoring aspects, and prioritization of fixed resources required in the restoration and establishment of forest cover in the country.

3.12. WORKS SECTOR

3.12.1. Uganda National Roads Authority

a) Loss of funds in interest on delayed payment of contractors

The Authority incurred wasteful expenditure to a tune of UGX.17Bn in form of interest and penalties due to delayed settlement of invoices from contractors. This was a loss to Government. The Accounting Officer explained that interest costs arise due to inadequate funding for the road development and maintenance projects that UNRA is managing. I advised the Accounting Officer to enhance the Authority cash flow management by rationalizing available resources, especially reduction of advances payments to settle outstanding claims and to improve the Authority's budgeting process and liaison with relevant authorities such Parliament and Ministry of Finance for adequate financial resource allocation.

b) Delayed road projects and accumulation of commitment fees

By 30th June 2021, 35 road projects under UNRA with a total contract value of USD.398,427,063.99 and UGX.149,739,813,845 had been delayed. These 35 projects were to be completed during the year were behind schedule as per their work programme still on-going by the close of the year. The delays which ranged from 64 days (about two months) to 1,072 days (about two months three years) days were majorly attributed to: inadequate mobilization by some contractors, abnormal rains, delayed acquisition of Right of Way and the effects of COVID-19 that resulted into nationwide lockdown. I computed commitment fees on only two projects (Busega-Mpigi-UGX.7,1140,345,245) and RSSPV (UGX.3,079,241,588) and observed an accumulation of total commitment fees amounting to UGX.10,219,586,833 in only one year alone.

The Accounting Officer explained that the delay to complete the projects was due to a number of factors that included; inadequate mobilization by some contractors, abnormal rains, delayed acquisition of Right of Way and the effects of COVID-19 that resulted into nationwide lockdown. I advised the Accounting Officer to always ensure that projects are completed within the agreed timelines.

c) Delayed compensation for Project Affected Persons and Acquisition of Right of Way for Road Projects (Projects- Kampala Jinja Expressway, Hoima Wanseko)

I observed delays in compensation of Project Affected Persons and hence Acquisition of the Right of Way. The majority of Project Affected Persons are compensated beyond the stipulated six-month period after approval of the Valuation Reports by the Chief Government Valuer. For the KJE Project, the construction works are planned to commence in January 2022. However, 21% of the approved compensation amount worth UGX.92,571,144,970 has not yet been paid, with less than 6 months to the scheduled commencement date which is likely to impede timely handover of the project corridor and timely commencement of works. In addition, compensation for properties within volume 5 comprising Kasokoso area had not yet been assessed.

The Accounting Officer explained that a number of issues caused the delays for compensations, such as; lack of proper ownership documents, for example; sales agreements, letters of administration, ownership disputes especially for untitled interests like Kibanja or customary land, absentee landlords, and; rejection of compensation awards by PAPs that lead to review of the complaint to ascertain validity. I advised the Accounting Officer to consider using escrow accounts with district local governments for the absentee landlords and PAPs where funds may be deposited so as to aid fast land acquisition.

3.12.2. Ministry of Works and Transport

a) Failure to maintain district road equipment

The inspection of the Ministry's Regional Mechanical Workshops during August and September 2021 revealed that 21 units of district road equipment which are key in opening and maintaining district roads were left unused in the workshops' yards for more than a year without repair. The equipment included: thirteen (13) motor graders of different models; four (4) bulldozers; One (1) pickup; two (2) dump trucks, and one (1) wheel loader. This means that the districts that own the said equipment could not maintain their roads and deliver such critical service to the country as planned. In addition, the cost of repair may escalate as other parts also become faulty when the equipment is grounded for a long time.

The Accounting Officer explained that the amount budgeted and received to maintain road equipment represents 30% of the total funds required for equipment maintenance. I advised the Accounting Officer to liaise with the responsible authorities to obtain the necessary funding for the full maintenance of the equipment so that the equipment operates and serves the Districts.

b) Delayed acquisition of land for the Right of Way for the Standard Gauge Railway project (Ministry of Works and Transport)

The SGR project was to acquire 5,200 acres of land free of encumbrances at an estimated cost of UGX 534.6 bn for the Right of Way (ROW) for the construction of the Kampala – Malaba SGR route by October 2016. However, by September 2021 only 1,296 acres (25%) had been acquired at a cost of UGX 95.3 bn. Additionally, the project had not obtained titles for the acquired land. There are risks of subsequent compensation for the land already paid for and failure to acquire all the land needed for the full realization of the project.

The Accounting Officer explained that currently, land acquisition is one of the core activities of the project. He further explained that the releases however have been going down in comparison to the annual budgets. I advised the Accounting Officer to obtain and transfer land titles to Government for the land paid for and expedite the acquisition of all the land needed for the project.

3.12.3. Uganda Railways Corporation

a) Procurement, supply, delivery, training and commissioning of four (4) used locomotives

URC contracted M/S GRP Leasing Africa for the supply, delivery, training and commissioning of four (4) used locomotives under procurement reference; URC/SUPLS/2020-11/0001 at UGX.41,323,768,935. However, I noted that the bidder did not comply with some requirements within the bid document which were supposed to be the basis of evaluation. Despite the non-compliance, the bid was evaluated without following the evaluation criteria for Technical stage contrary to the regulations. Non-compliance with the evaluation criteria may have led to delivery of unsuitable locomotives at an inflated cost. Important to note was that the locomotives could not turn at the existing turning points in the country. Therefore, the Corporation will incur un-planned costs of providing turning points for the locomotives.

The Accounting Officer further explained that the limiting turning curvature for the 98 class locomotives is 26 degrees whereas the existing railway triangle had some sections with sharper curvature of less than 26 degrees presumably because the existing triangle design considered the existing locomotive fleet prior to purchase of the new locomotives with different design specifications to safely change direction at the triangle. The physical constraints of the triangle including 2 bridges over Nakivubo channel, high voltage electricity transmission line pylon and the Kampala Flyover Project Right of Way have limited any possible improvements in the triangle alignment to relax the limiting curvature. I advised the Accounting Officer to always ensure that Evaluation Committees check for bids' responsiveness to the criteria set in the bid documents and recommend only fully responsive bids for award of contracts.

b) Lack of Land titles - UGX 91,832,636,500

I noted that Uganda Railways Corporation land worth UGX.91,832,636,500 lacked land titles as evidence of URC's rights to own and use the property. Management's efforts to secure the land titles appear remote. Lack of land titles led to the Corporation's land to have been heavily encroached upon and grabbed as was observed during field inspection.

The Accounting Officer explained that Management was pursuing the titling of land in various locations. I advised the Accounting Officer to expedite the completion of Management interventions and processing of titles for all URC land.

3.12.4. Uganda Civil Aviation Authority

a) Delayed revision of the Financing Agreement for the Exim Bank loan for Upgrading and Expansion of the Entebbe International Airport (EIA) Phase I Project

UCAA entered into an agreement with China Communications Construction Company (CCCC) on 8th October 2014 for the upgrading and expansion of the EIA Phase I. To obtain funding for this project, the Government of Uganda (GoU) represented by Ministry of Finance Planning and Economic Development (MoFPED) entered into a 20 years' concessional loan agreement not exceeding Japanese Yuan One Billion, two hundred and sixty million (¥ 1,260,000,000), equivalent to USD Two Hundred Million (\$200,000,000) with the Export-Import (EXIM) Bank of China on 31st March 2015.

Subsequently, MoFPED entered into an on-lending agreement with the UCAA which transferred the following loan obligations to the Authority: -

- a) Semi-annual loan repayment within 13 years after the grace period of 7 years at an interest rate of 2% p.a on the principal amount drawn for the actual number of days elapsed from a 360-day year.
- b) Payment of a management fee on the aggregate amount of the facility equal to ¥ 3,150,000 (USD 500,000) in one lump sum within 30 days after the effective date of the agreement with EXIM Bank but not later than the first disbursement.
- c) Semi-annual payment of commitment fees calculated at 0.25% per annum during the loan availability period.

Other terms of the agreements relating to the loan included:

- a) The Repayment Reserve account shall be used to maintain the minimum amount of balance as a debt service reserve required by the lender.
- b) Banking of Revenue collections on Escrow Accounts, and ensuring that withdrawals are based on approvals of the lender.
- c) Budgeting and Approval of Annual budgets by the lender for funds on Escrow Accounts.
- d) Paying semi-annually to the lender a commitment fee calculated at the rate set forth in concessional loan agreement (which is 0.25%) on the undrawn and un-cancelled balance of the facility.

Because UCAA was not prepared to meet the terms and conditions of the loan agreement, several meetings were held with the MoFPED and the MoWT and a resolution was made to have a Ugandan team headed by Uganda's Ambassador to China, to engage Exim bank for a renegotiation of the loan terms and conditions. At the time, the Exim Bank had halted payments to the Contractor.

The Accounting officer explained that as per the Attorney Generals guidance dated 5th November 2021, in his opinion none of the clauses in the agreement require amendment.

I advised the Accounting Officer to engage the relevant authorities on the clarity of the consequences of non-compliance with the terms and conditions that directly affect UCAA's operations, and on the possibility of transferring the loan liability from UCAA's books to MoFPED.

b) Ratio analysis and financial performance of Uganda Civil Aviation Authority

The Authority made a loss for the year under review amounting to UGX 29,321,645,000. On review of the operating margin, I observed that the costs before considering interest and taxes exceeded revenue for the year. I also observed that due to the loss incurred, the Authority generated a negative return on assets of 5%. Further, the Authority could not cover interest accrued on its long-term loans in view of its earnings. Along with the lack of potential to cover loan interest, the Authority had a significant long term liabilities portfolio on its balance sheet, which majorly comprised of the loan from Exim of China to finance the upgrading and expansion of Entebbe International Airport.

The Authority's loss and the ratios computed are an indication that Uganda Civil Aviation Authority did not perform well in terms of profitability and ability to sustain provision of services without further Government intervention for funding and Management strategies to improve revenue generation. The Accounting Officer explained that the performance results during the period were severely impacted by the COVID-19 situation that affected the airport operations of the Authority.

I advised the Accounting officer to ensure that strategies are devised to improve the revenue generating potential of the Authority, while putting in place cost cutting mechanisms. I also advised the Accounting Officer to engage Government on further financing including clearance of the debt held by Government agencies, to be able to cover the current operating costs as they devise strategies to improve the earning potential of the Authority.

3.13. HEALTH SECTOR

3.13.1. Mulago National Referral Hospital

a) Status of key medical equipment

I carried out an assessment of key medical equipment in the hospital. The assessment focused on the functionality and availability of medical equipment in seven key hospital departments, that is; CSSD, radiology, nuclear medicine, ICU, Laundry, clinical laboratories and accidents and emergencies. I noted that some vital medical equipment was in poor working condition, while others were fully not functional and required replacement. The equipment included: autoclaves in the central sterile service department; patient monitors in the accident and emergency surgical unit; blood coagulation machine in the clinical laboratory unit; ICU beds in the intensive care unit, and CT machine in the Radiology department.

Management attributed the poor state of medical equipment in the Hospital to the limited funding provided under the capital development budget of the Hospitals. Absence of such essential medical equipment presents a daunting task for the medical workers in the effective execution of their duties. The efficiency of the medical workers is compromised.

I advised the Accounting Officer to liaise with the MoFPED and development partners to ensure that the funding gaps are covered to have the essential medical equipment provided to the hospital units.

b) Delayed Construction of 150 housing units

I observed delays in the construction 150 housing units at Mulago Hospital. The contract was awarded on 20th June 2020 at UGX.30,228,600,856 for a duration of thirty-six (36) months. One year and half down the road, the contractor had not yet completed the foundation of the first block out of the three blocks expected.

The Accounting Officer indicated that the UGX. 4bn cap on the hospital capital expenditure budget creates challenges in undertaking high value capital projects since the absence of funding leads to delays in achievement of project milestones leading to project cost overruns. The Accounting Officer further explained that they have received funds in this Financial Year Budget to pay the contractor and it is expected that by the end of June 2022, the progress of construction shall be at a desirable level.

I advised the Accounting Officer to follow up with contractor to ensure that the construction of the above staff houses is expedited.

3.13.2. National Drug Authority

a) Delayed Construction of the Laboratory Tower

NDA is undertaking a Laboratory Tower Construction project at a total contract sum of UGX. 35,849,057,474. The start for the works was 11th October 2019 and the original completion date was 11th October 2021. The completion was revised to 07th March 2022 because of delays. By the time of inspection, UGX 11,847,043,442 had been paid to the contractors. The implementation of the contract was not sufficiently managed leading to delayed works.

I also noted that changes were made to the original building plans to cater for the adjustments to the outdoor and building basement parking and though the Contract Management Team and the Authority (NDA) had approved the adjustments and works had commenced by the time of audit in August 2021, the amended building plans had not yet been approved by the Metropolitan Physical Planning Authority. Implementation of unapproved building plans poses a risk of loss of the NDA funds in case the responsible Authority (Metropolitan Authority /KCCA) rejects the plans and directs demolition of the works.

The Accounting Officer explained that the delays in the completion of works were due to the COVID-19 lockdown that took two phases in 2020 and 2021 which interrupted staff movement, manufacturing of inputs globally and transportation. The Accounting Officer also explained that the consultant submitted the revised drawings on 3rd August 2020 and no response had come through despite numerous follow-ups including that of 15th April 2021. Management promised to continue reminding KCCA to approve the submitted adjusted plans.

I advised the Accounting Officer to liaise with the contractors to scale up project works to ensure that the project is completed within reasonable timelines. I advised the Accounting Officer to follow up with the Physical Planning Authority/KCCA to ensure that the building plans are approved as soon as possible.

3.14. SCIENCE, TECHNOLOGY AND INNOVATION SECTOR

3.14.1. Closure of the Ministry of Science, Technology and Innovation

The GoU established the Ministry of Science Technology and Innovation in 2016, and it started its operations in 2017/2018 as Vote 023, with a mandate to oversee the overall contribution of the Science Technology and Innovation Sector towards attaining key objectives focused on mainstreaming Science, Technology, and Innovation in the development process of Uganda.

At the time of the transfer, the Ministry had the following subventions and independent projects in pursuit of its objectives;

- i) Uganda National Council for Science and Technology (UNCST);
- ii) The Presidential Initiative on Banana Industrial Development (PIBID); and
- iii) Kiira Motors Corporation (KMC).
- iv) Uganda Industrial Research Institute (Vote 110), an agency under the ST&I Sector and self-accounting.
- v) The commercialisation of sericulture Technologies and Innovations (TRIDI)
- vi) Presidential Scientific initiative on Epidemics (PRESIDE) is an umbrella organisation for multiple scientific research organisations.

The Ministry was later abolished effective 1st July 2021, and its operations were transferred to the President's Office. The Ministry's closure may slow down the developments in the above entities during re-organisation.

I noted that there were also no transition plans for the merger and continuity of operations of the subventions. Lack of transition arrangements could delay research projects, loss of assets and critical human resources.

3.14.2. Un-deployed Staff upon the abolition of the Ministry

The Ministry had a structure with a total staff establishment of 154 positions, of which 136 positions had been filled and had a recruitment plan for another fifteen (15) staff of different cadres.

As a result of the closure of the Ministry, the staff were rendered redundant and had not received their emoluments by the end of November 2021. In addition, 48 common cadre staff had been transferred back to the Ministry of Public Service, as the technical and support staff employed by the Ministry await their fate.

I noted that some staff were living under uncertainty, which may lead to redundancy escalation and high costs to the Government.

Management explained that the Ministry of Public Service is reviewing the structure, and once it is approved, a validation exercise will be undertaken to determine those who fit in. Those that will not be absorbed will be handled in line with the public service standing orders.

3.14.3. Progress on the COVID-19 Vaccine, Diagnostics and Treatment Projects

The Ministry of Science, Technology and Innovation (MOSTI) was appropriated supplementary funding of UGX.31.033Bn, which was meant to support 23 selected projects of scientists and innovators engaged in CoVID-I9 scientific research, including the procurement of specialised machinery and equipment, development of vaccines, drug diagnostics and other operational costs. The funds were divided into the purchase of Equipment (UGX.15.787Bn) and Operational Costs (UGX.15.787Bn).

As of 30th June 2021, the Ministry had received 86.5% of the Operational funds and 100% of the Equipment Funds.

Of the 23 projects, five were for Diagnostics, four for the development of Vaccines, nine for the development of treatments, and five for material support to existing projects. Of the 23 projects initially selected and funded, 19 progressed while others stalled. Their progress was slowed down by the merger of the Ministry without transition plans and subsequent delays in funding.

These delays affect the overall intention of the emergency initiative of averting the adverse effects of COVID-19 on the population.

3.15. TRADE SECTOR

3.15.1. Under Absorption of funds by UDC

UDC received UGX 263.47Bn, from the Government of Uganda, of which only UGX 119.29Bn, (45.3%), was spent by the entity during the year resulting in an unspent balance of UGX. 144.18Bn, (46%)

Out of the total funds received, UGX.126.2Bn was for Covid-19related interventions, and only UGX.55.9Bn (44.3%) was spent.

This may be partly attributed to the release of funds before completion of feasibility studies, the release of funds tagged to specific projects in disregard of UDC project appraisals and the un-timely release of funds, among others.

Under-absorption undermines the intention of Government funding for import substitution and export promotion strategies spearheaded by the Corporation and averting the effects of Covid-19.

3.15.2. Extent of Implementation of Planned Development Projects by UDC:

I noted that out of the 17 development project activities planned to be implemented over the year, 15 were funded under the Covid-19 supplementary budget. Two development projects, namely: Soroti Fruit Factory and Feasibility studies & Business Plans, were funded under the normal budget.

A review of the extent of implementation revealed that;

- Only (3) three development projects were fully implemented, i.e., shareholder's loan to Atiak Sugar Factory; Acquisition of shares in Mabale Tea Factory; and Acquisition of shares in Bukoona Agro Processors Limited.
- Five (5) development projects were partially implemented.
- Eleven (11) projects were not implemented at all.

This was attributed to the conditional release of funds tied to specified development projects and inadequate institutional capacity to appraise and implement investment projects.

Under-absorption undermines government effort in attaining its goals.

3.15.3. UNBS Inadequate Capacity in Testing and Enforcing Commodity Standards

Section 3(1) of the UNBS Act spells out the functions of the Bureau which, among others, include providing for the testing of locally manufactured or imported commodities with a view to determining whether the commodities conform to the standard specification as well as making arrangements or provide facilities for the examination, testing or analysis of commodities and any material or substance from which or with which and how they may be manufactured, produced, processed or treated. However, I noted;

- UNBS released 633 consignments due to the absence of standards to test these commodities for conformity.
- The Bureau also released 366 consignments without testing product standards due to lack of capacity, which may lead to sub-standard products on the market.
- The Bureau had staff presence at only 27 out of the 170 border entry points. This was attributed to understaffing at the Bureau.

Although management explained that it had since developed the capacity to test the majority of commodities but it lacked some product standards.

3.16. TOURISM SECTOR

3.16.1. Decreasing Tourism Revenue due to Covid-19

Over the last two years, the tourism sector has been greatly hit by the unprecedented effects of the Covid-19 pandemic that has greatly affected all sectors of the economy, including the tourism sector.

I observed a significant fall in tourism revenue collections for all of the entities in the Sector whose revenue is entirely dependent on tourism. This was attributed to the countrywide restrictions on the movement of persons, including tourists, due to the Covid-19 lockdown. As a result, tourist visitor numbers reduced from 255,711 to 103,812 (40.6%)

The reduction in revenue collection has been significant and has directly affected the implementation of the planned activities across the Sector.

3.16.2. Invasive species removal in the Wildlife Conservation Areas in Uganda

I noted that most of the Protected Areas in Uganda are currently undergoing ecosystem changes as rangeland infestation by invasive and exotic plant species limits the grazing land. These plant species include; *Dichrostachys cinerea*, *Lantana camara*, *Parthenium hysterophorus*, *Opuntia vulgaris*, *Imperata cylindrica*, *Maerua cumbens*, *Caesalpinia decaputala*, *Acacia hockii*, *Tecoma Stan*, *Senna siamea* and *Thevetia peruviana*.

During my inspection of Queen Elizabeth, Lake Mburo Park, Murchison Falls, and Kidepo Valley National Parks, I noted that these plant species continue to cover large expanses of grazing land despite the Uganda Wildlife Authority's effort to eliminate them. This is reducing the populations of specific grazers such as hippos, buffalos, zebras, topis, and Uganda kobs.

This is attributed to climate change and inadequate funding to remove invasive species from the national parks.

3.16.3. Merger of entities within the Sector

On 22nd February 2021, Cabinet under minute No. 43 (CT 2021), a decision to merge Uganda Wildlife Authority with Uganda Wildlife Conservation Education Centre was undertaken. However, there were no transitional arrangements and plans to facilitate a smooth merger by the time of the audit.

Delays in mergers create uncertainties among staff, reduce sector performance and subsequently lead to misappropriation of entity assets by disgruntled staff.

3.17. HIGHLIGHTS FROM THE AUDIT OF LOWER LOCAL GOVERNMENTS FOR THE PERIOD 2019/2020

I undertook an audit of a total of 2,048 Lower Local Governments (Sub-counties, Town Councils and Divisions), covering two financial years 2018/2019 (762 LLGs) and 2019/2020 (1,286 LLGs).

I noted the following cross cutting issues;

3.17.1. Under staffing

I noted that 217 LLGs in FY 2018/2019 and 175 in FY 2019/2020 had significant staffing gaps averaging 48% and 60% shortages respectively. Details are in the table 26 below.

Table 26: Understaffing in Lower Local Government

Financial Year	Approved positions	Filled up	Shortage	Percentage shortage
2018/2019	3,847	2,008	1,842	48%
2019/2020	6,797	2,713	3,823	60%

Source: OAG analysis

Understaffing overstretches the available staff beyond their capacity, creates jobrelated stress to the fewer staff and negatively affects the level of public service delivery to the community.

The Accounting Officers explained that staffing at LLG level is a responsibility of the respective Districts and Municipal Councils.

I advised the Accounting Officers to follow up on the matter with the relevant authorities and ensure that most of the vacancies are filled.

3.17.2. Budget implementation in sample LLGs for FY 2018/2019 and 2019/2020

I sampled 627 LLGs for FY 2018/19 and 250 LLGs for FY 2019/20 to assess the implementation of the budget and noted the following significant audit findings:

3.17.2.1. Performance of Central Government Grants

The LLGs sampled budgeted to receive UGX.146,160,919,043 for FY 2018/2019 and 2019/2010 (revised) as Central Government Grants). However, UGX.134,095,135,622(92%) was received resulting into a shortfall of UGX.12,065,783,421(8%) majorly attributed to budget cuts as shown in the table below.

This affected service delivery in Lower Local Governments

Table 27: Performance of Central Government Grant

Financial Year	Revised Budget	Actual Receipts	Variance	Percentage Performance
2018/2019	92,214,094,491	87,717,635,886	4,496,458,605	95%
2019/2020	53,946,824,552	46,377,499,736	7,569,324,816	86%

Source: Financial Statements

I advised the Accounting Officer to always engage the PS/ST through their respective higher local governments to ensure that all revenue is availed to the entity as planned.

3.17.2.2. Local Revenue Performance

The LLGs sampled had approved budgeted total local revenue for the 2 financial years amounting to UGX.91,399,324,016 (revised) out of which UGX.74,615,525,633(82%) was collected resulting into a shortfall of UGX.16,783,798,383(18%), as shown in the table below:

Table 28: Performance of Local Revenue

Financial Year	Revised Budget	Actual Receipts	Variance	Percentage Performance
2018/2019	68,424,052,397	57,321,631,217	11,102,421,180	84%
2019/2020	22,975,271,619	17,293,894,416	5,681,377,203	75%

Source: OAG analysis

The Accounting Officers mainly attributed the underperformance of local revenue in the financial year 2019/2020 to the Covid19 lock down which affected several of their major sources of local revenue.

I advised the Accounting Officer to always ensure that local revenue is collected as budgeted.

3.17.3. Quality of Financial Statements

In my previous year's reports, I noted that there was still a problem with the presentation of financial statements in the Lower Local Governments. In the financial years under review, I noted that there was an improvement in the quality of financial statements with only 37 (6%) LLGs out of 627 and 22 (9%) out of 250 LLGs in financial years 2018/2019 and 2019/2020 respectively having qualified audit opinions.

I however noted the following matters; UGX 202, 282,811 was improperly accounted for in FY 2018/2019 and UGX 80,259,257 remained Un accounted for in FY 2019/2020.

The most common shortcomings were; Inconsistences in the amounts in the financial statement, Errors in Financial Statements, Incomplete financial statements and notes, wrong presentation of figures in financial statement, failure to prepare financial statements and unsupported figures in the financial statements.

Preparation of financial statements is a stewardship role in which accountability for application of resources entrusted to Accounting Officers is reported to the stakeholders. Failure to present financial statements properly impairs interpretation and analysis of entity performances.

The Accounting Officers attributed this to staff changes that were made in the middle of the financial year, difficulty in acquiring books of accounts from district stores and lack of training. I advised the Accounting Officers to liaise with responsible authorities to ensure that the staffing gaps are addressed and the necessary trainings undertaken.

3.17.4. Land Management in Local Governments

I noted that 331 (53%) Lower Local Governments out of the 627 in FY 2018/19 and 188 (75%) Lower Local Governments out of 250 in FY 2019/20 sampled respectively had land management challenges such as:

- 41 LLGs in FY 2018/19 and 24 LLGs in FY 2019/20 respectively lacked land titles, including where their headquarters are located.
- 41 LLGs in FY 2018/19 and 24 LLGs in FY 2019/20 respectively lacked Area Lands Committees or the committees were non-functional.
- In the circumstances, there is risk of persons trespassing, disputes and litigation.

Majority of Accounting Officers explained that it was the responsibility of the Districts or Municipal Councils to obtain these land titles. A number of other Accounting Officers cited insufficient funding as a cause for failure to have fully functional land committees

Government should consider taking deliberate steps to fund the survey and titling of all government land at the Local Governments. I also advised the Accounting Officers to constitute the Area land Committees.

3.17.5. Lack of Urban Physical Planning Committees

I noted that 32 Town Councils in the two financial years had no Urban Physical Planning Committees in place or the Committees were not fully functional.

Consequently, physical developments undertaken within the physical planning areas may not have been well determined and managed by the respective LLGs. This was mainly attributed to lack of sufficient funds to operationalize the physical planning committees.

I advised Government to engage the relevant stakeholders to nominate members and ensure that the committees are fully instituted and are functional.

PART 4: INFORMATION SYSTEMS, ENGINEERING, VALUE FOR MONEY AND SPECIAL AUDITS

During the financial year 2020/2021, I undertook three Information Systems audits, three Engineering audits covering 90 projects, eight Value for money audits. In addition, I undertook special and forensic audits which are reported on separately.

Below is a summary of the key findings I noted in each category, the details of which are included in individual reports issued separately.

4.0. HIGHLIGHTS FROM THE ENGINEERING AUDITS

4.1. Value for Money Audit and Assessment of Urban Infrastructure projects implemented by 22 Municipal Councils under the USMID-AF Program for projects started in the Financial year 2018/2019

For the financial year 2020/21 a total of 14 infrastructure projects procured in 2018/2019 under the World Bank funded Uganda Support to Municipal Infrastructure Development-Additional Financing (USMID-AF) Program implemented by 22 Municipal Councils namely Arua, Gulu, Kitgum, Lira, Apac, Soroti, Moroto, Mbale, Tororo, Busia, Kamuli, Jinja, Lugazi, Entebbe, Hoima, Mubende, Fort Portal, Kasese, Mbarara, Ntungamo, Kabale and Masaka were audited and assessment of the performance of these projects across the 22 municipalities carried out including a selected sample of non-USMID i.e. Uganda Road Fund (URF) funded projects, and Schools Facilities Grant (SFG)/Transitional Development Grant (TDG)/Discretionary Development Equalisation Grant (DDEG) funded projects implemented in the participating municipalities.

The total contract value of the projects assessed was UGX 192,742,021,942. 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;

- Overpayments and irregular expenditure on USMID and Non USMID projects were noted during the audit. This comprised of overpayments of UGX. 214,862,488 and UGX 459,323,494 on USMID projects and Non-USMID projects respectively. The audit assessment also revealed various questionable expenditures, irregular payments, and potential financial losses attributable to different contractual irregularities totaling to UGX. 817,571,137 on the USMID funded projects in Arua, Jinja and Mbale Municipalities.
- All the municipalities had completed their projects by the time of the audit and the entire infrastructure in the municipalities was in use with the exception of Entebbe whose project was phased. Although the projects were finally completed there were delays in completion of the projects within the stipulated contract timelines.
- During physical inspection of the municipalities of Mbale, Moroto and Lira, major defects were noted such as missing draining/emptying pipe on the

soaking tank (leads to poor drainage), Clogged manholes and missing manhole covers, potholes on roads and poor drainage leading to ponding.

- All the participating municipalities implemented environmental protection measures with the exception of Arua Municipality. Further, all the participating municipalities implemented social/safety measures except Soroti and Tororo Municipalities.
- Inadequate allocation of funds in the budget for operation and maintenance of USMID infrastructure was noted in the municipalities except for the municipalities of Lira, Hoima, Fort Portal, Masaka and Gulu.

I advised the Accounting officers of the Municipal Councils to ensure that;

- All amounts overpaid are recovered by the respective municipalities.
- Contractors have updated work programs and delays in delivery of projects within stipulated contract timelines should be penalized by invoking liquidated damages clauses
- Inspections are carried out during the DLP as some defects can only surface while the structure is in use and report on the progress of the structure during the period and have all the identified major defects rectified.
- All municipalities should plan, budget and implement operation and maintenance activities to avoid early deterioration of the facilities.

Conclusion

Owing to the challenges faced by the Municipal Councils during the delivery of USMID-AF Urban infrastructure as highlighted in this report, audit observed that these challenges notable improvements have been noted in planning, cost control enforcement of internal controls for certification, supervision and monitoring, and general contract management for the USMID Infrastructure projects, however these gains have not been translated to the Non USMID projects as URF, SFG,DDEG accordingly the Town Clerks must ensure that Non USMID projects are equally effectively monitored and supervised to ensure delivery of the works within the planned cost, quality and time requirements

4.2. Value for Money audit and assessment of Infrastructure projects implemented by 60 Local Governments under the UgIFT Program for Construction of Seed Schools and Health Facilities in the Education and Health Sectors

For the financial year 2020/21 a total of 109 infrastructure projects implemented by 60 Local Governments involving the construction of seed schools and Health centre IIs under the World Bank funded Uganda Inter-Governmental Fiscal Transfer (UgIFT) Programme for Results was audited and assessment of the performance of these projects across the 60 Local Governments municipalities carried out for the Education Sector and Health Sector.

Under the UgIFT programme, the World Bank committed the 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.

The scope of the audit and assessment covered 53 seed secondary schools' construction projects with an overall total contract sum of UGX 111,860,803,846 and 57 health centre construction projects with an overall total contract sum of UGX 33,743,610,012.

Below is a summary of the Key findings noted, the details of which are included in the consolidated audit report for the 60 Local Governments and the 60 Individual reports issued separately;

- In assessing the adequacy of the design process for the buildings, evidence of needs assessment, presence of geotechnical investigations report, design report, drawings and specifications were considered as key requirements, it was observed that detailed design reports were not availed to all local governments by the Ministry of Education.
- Overpayments and irregular expenditure amounting to UGX 3,153,351,606 was noted during payment for construction works in some of the seed schools. Furthermore, UGX 3,588,640,939 were made without providing the breakdown of work items being certified.
- During physical inspection of the Seed school infrastructure works, the participating LGs with exception of 3 LGs had defects such as honeycombing in concrete, absence of anti-sag rods, cracks in the ceilings, absence of expansion joint in the ICT blocks, exposed steel reinforcement, inadequate painting in the roof structures.

The observed defects, if not addressed, will result in increased maintenance costs for the local governments.

- In assessing the adequacy of the design process for the buildings, evidence of needs assessment, presence of geotechnical investigations report, design report, drawings and specifications were considered as key requirements. It was observed that 39 local governments did not carry out needs assessment, geotechnical investigations, produce design reports in addition work specifications were also omitted.
- Overpayments and irregular expenditure totalling to UGX 920,905,442 were noted during payment for construction works of the Health Centre IIs in LGs and municipalities. Furthermore, UGX 209,175,652 were made without providing the breakdown of work items being certified.

- Review of the status of the contractors' equipment mobilization under construction of HCs revealed that out of the 56 local governments, only the 4 local governments had evidence that the contractors mobilized all required equipment. Further, only 13 local governments had evidence that the contractors mobilized all required equipment under the construction of seed schools.
- Review of land ownership revealed that 7 local governments did not avail any evidence of acquisition or ownership of the land on which the Seed schools and health centres were constructed.

I advised the Accounting officers of the Local Governments to ensure that;

- Prior to implementation of any infrastructural projects of similar nature; all due design procedures such as needs assessment, geotechnical investigations are undertaken and documented by the local governments to facilitate adequate designs.
- Overpayments in respect of quantities certified in excess of the actual works executed worth UGX. 3,153,351,606 in the Education Sector and UGX. 920,905,442 in the Health Sector should be recovered. In addition, the technical officers should review the other items that were not part of the audit sample and have additional checks in the certification process to minimise the errors in quantification.
- Investigate the basis of payment of the questionable amounts totalling to UGX.3,588,640,939 in the Education Sector and UGX.209,175,652 in the Health Sector and take appropriate action.
- Enforce the requirement for contractors to fully mobilize adequate equipment to undertake the works. In addition, any demobilization during contract implementation should be with the written approval of the project manager/supervisor.
- All the defects/omissions observed should be corrected. Furthermore, additional inspection of the contractor's works should be undertaken and any defects identified remedied immediately.
- Fast track the process of obtaining formal ownership of the land on which the infrastructure is being constructed. Going forward, Accounting Officers should ensure that projects of similar nature are constructed on land that is formally owned by the respective local government.

Conclusion

Owing to the challenges faced by the various local governments during the delivery of UgIFT infrastructure projects in the education and health sectors as highlighted in this report, audit observed that these challenges are a result of gaps/weaknesses in the planning and costing of works, enforcement of internal controls for certification, supervision and monitoring, and general contract management.

Accordingly, the relevant stakeholders should enhance the capacities of the local governments through involvement of local governments in the planning for future projects of similar nature, organizing tailor made trainings for technical staff, review of the staff structure in the engineering department and ensure that it is adequate and appropriately staffed. The relevant ministries should develop standardized guidelines for costing of civil works and strengthen the monitoring and supervision role in local governments.

4.3. Engineering Audit of Selected Road and Building Projects in Kampala Capital City Authority (KCCA)

For the financial year 2020/21, a total of 24 public works projects (Road upgrade/rehabilitation, signalization of road junctions, and building projects) with a total contract sum/value of UGX.333.72tn were implemented by KCCA. A sample of Eight (8) projects (road, signalization and building projects) with a contract value of UGX. 276.92tn. were selected for audit. This sample represents 82.98% of the value of the 24 projects.

Eight (8) of the KCCA projects were sampled for audit comprising of three (3) road projects funded by the World Bank under the Second Kampala Institutional and Infrastructure Development Project (KIIDP 2) and five (5) projects funded by the Government of Uganda (GoU). The five projects funded by GoU comprised of three (3) road upgrading/ rehabilitation projects and two (2) building projects, the following key observations were noted on these projects

i. Delayed relocation of existing services

Delayed relocation of existing utilities for water and power for the three KIIDP road projects of Kulambira ring road 4.82Km, spur to Najjera road 0.7Km, Nakawa Ntinda road 2.8Km, Kabuusu –Bunamwaya – Lweza road 8.06Km and Lukuli road 7.71Km resulted in significant delays in execution of road works by up to 17 months. The Accounting Officer explained that public utility services by Statutory Undertakers (UMEME, NITA, UG POLICE, NWSC and UTL) in particular Kampala City are so complex that even the owners/operators do not know the exact location of their infrastructure, In addition, obtaining of shut-down permits from UMEME was always delayed as UMEME had to fit request within their planned shutdown programme.

I advised the Accounting Officer to ensure that relocation of services is implemented in time, and works executed as per the approved work programme.

ii. Unjustified and overpayments amounting to UGX 1.355Bn

It was noted that on some of the projects, payments equivalent to UGX.1.355Bn had been made for quantities of works in excess of those executed, not backed up by the necessary payment supporting documentation or contrary to the contract conditions as follows;

Table 29: Unjustified Payments and Overpayments

S/No	Project Name	Payment (UGX)	Remarks
1	Upgrading to Paved Standards of Kulambiro Ring Road (4.82km) including Spur to Najjera Road (0.7km), Reconstruction and Dualling of Nakawa Ntinda Road (2.8km) (Including Signalization of Four Junctions) and Reconstruction and Widening of Acacia Avenue (1.45km) (including Signalization of Six Junctions) – Lot 1	80,849,062	Payment of Unverified NITA Relocations
		503,716,979.38	Unaccounted for Payments of for relocation of services
		215,992,827.81	Payments for quantities of works in excess of those executed
2	Upgrading to paved standard of Kabuusu –Bunamwaya – Lweza road (8.06Km) – Lot 2	56,860,150	Irregular Payment for Costs due to Extension of Time
		348,214,079.83	Payments for quantities of works in excess of those executed
3	Upgrading of Cecila Road (1.3Km)	14,074,910	Payments for quantities of works in excess of those executed
4	Construction of Kitintale Market – Phase I	119,717,000	Payments for quantities of steel reinforcement in excess of those in the bar bending schedule
5	Reconstruction of Ntinda II Road	16,213,200	Payments for quantities of works in excess of those executed
TOTAL		1,355,638,209	

I advised the Accounting Officer to ensure that the amounts certified and paid in excess of the quantities executed, unaccounted for payments and irregular/unjustified payments are recovered from the contractors prior to concluding the contracts.

iii. Delayed Land Acquisitions for the KIIDP Road projects

There was delayed acquisition of land by the Authority for the two KIIDP road projects of Kulambiro ring road 4.82 Km, Spur to Najjera road 0.7 Km, Nakawa Ntinda road 2.8 km and Acacia Avenue 1.45 Km under Lot 1, and Kabuusu – Bunamwaya – Lweza road 8.06Km for Lot 2 resulting in delays of more than 12 months significantly affected the progress and timely completion of the works on these projects. The Accounting Officer explained that it has always been the plan of KCCA to expedite land expropriation in time and issue commencement orders for sites that are free of any encumbrances, however the delayed land acquisition was caused by absentee land lords, and unwillingness by some PAPs to accept the Chief government Valuers value of compensation.

I advised the Accounting Officer that for future projects, the entity should ensure that contractors are issued with commencement orders when the site for construction is fully accessible.

iv. Failure to undertake Ground Investigations for Building Projects

Detailed ground investigations to inform the foundation designs were not undertaken during the design of Kitintale Market and the Maternity ward at Kiswa Health Center. Such omissions can lead to inadequate designs which may compromise the safety of the buildings during usage. The Accounting Officer explained that for the Kitintale Market and Kiswa Health Center Projects, no funds were availed for geotechnical investigations

I advised the Accounting Officer to ensure that detailed ground investigations are undertaken to ensure that the constructed buildings can safely be put to usage when completed and going forward, the Accounting Officer should ensure that for projects of similar nature, detailed ground investigations are undertaken during the design phase.

5.0. INFORMATION SYSTEMS AUDITS

In accordance with Sections 13 and 22 of the National Audit Act (NAA) 2008, I am mandated to audit all the government investments and carry out special audit engagements that include information technology (IT) Audits. Accordingly, I planned and executed my audits following ISSAI 200: Fundamental Principles of Public-Sector Auditing and INTOSAI 5100 guidance.

I conducted three (2) audits namely; Information Systems Audit of Civil Aviation Authority; the Academic Information Management System (AIMS) and Uganda National Land Information System (Ug-NLIS). Below are redacted version of my key findings.

5.1. Information Systems Audit of Civil Aviation Authority

i. Disintegrated Systems/Manual Interfaces

The entity has twelve independent IT systems which are not integrated to share information. As such, information sharing was purely manual despite being explicitly provided for in the respective system requirements and contracts. This increases the risk of human errors and abuse during data extraction and re-entry. This was attributed to lack of integrated planning for IT interventions.

Failure to automate sharing of information between systems compromises the data integrity, creates opportunities for fraudulent falsification of records. In addition, maintaining multiple systems increases maintenance costs and increases man hours because of manual extraction and entry of data which would otherwise be used for other productive activities.

I advised management to comprehensively plan for IT projects. In the meantime, management may explore interfacing the systems as they plan to implement an Enterprise Resource System to ensure that various departments share data seamlessly.

ii. Lack of Integrated Revenue Systems at CAA

Despite a big shift to digitalisation and the Authority spending UGX.1.13Bn in acquiring a Passenger Tracking System with the aim of ascertaining the number and identity of passengers on a given flight, two years later, the system was not being used consistently and by-passed from time to time. As a result, the Authority has no independent mechanism to ascertain the number of passengers on each flight, but entirely depends on manual submissions from airlines to bill for revenues. There is a risk of under declaration of passengers which can lead to revenue loss. In addition, the system produces incomplete information.

Under the circumstances, there is a risk that the amounts disclosed in the financial statements were not accurate and the system does not provide reliable information.

I advised management to explore possibilities of enforcing the use of the system.

iii. Failure to capitalise Information System Intangible Assets in the Financial Statements

Despite spending UGX.4.723Bn on system development, Civil Aviation Authority (CAA) has not capitalised intangible assets. These include licenses, software, operating systems, subscriptions.

As a result, the assets value is understated in financial statements.

Management explained that they have engaged a consultant to carry out verification of all UCAA Assets; ICT Assets inclusive.

I advised management to ensure that such assets are properly recorded and disclosed in the financial statements.

iv. Failure to implement Cargo Handling IT Systems

One of the major revenue streams of CAA is cargo handling fees levied on the airline operators. Although CAA contracted two companies through concession agreements where 5% is charged on cash exports, 10% on general handling and 10% on standard charge related to aircraft and passenger handling. The Authority does not have an independent system to track and reconcile the revenue collected before charging the percentage as per the concession agreements. The information is not shared in real-time due to lack of appropriate IT systems and they rely on information provided by the contractors.

This situation poses a risk of loss of revenue as a result of under-declaration of income from cargo handling operations by the handling companies.

Management explained that they have initiated procurement for extension of the Point of Sale (POS) system to new concessionaires. The Specifications include provision for interface with the existing Cargo Management systems.

I advised management to expedite the procurement and installation of the system. Meanwhile, CAA should engage the contractors to gain read-only access to the systems and extract accurate information for monitoring and reconciliation.

v. Tenants/Concessionaires without Point of Sale (POS) machines

The Point of Sale (POS) system is being used to track sales of airport tenants to inform the rental charges, which are a percentage of the sales. However, it was noted that after ten years of implementation, only 7 out of the 18 concessioners have POS terminals installed which creates a risk of revenue loss. I also noted that even for those using the POS system, were using them selectively, hence under-declaration of sales.

In addition, there is a risk that tax-free goods are being sold to non-passengers compounding revenue losses. This results into loss of revenue both to CAA and URA.

Management explained that they had 14 concessionaire locations at the deployment of the POS system in 2013. In addition, CAA will deploy a new system to cover the new locations and the procurement has been initiated.

I advised management to fast-track the procurement and deployment of the new system.

5.2. Information Systems Audit of the Academic Management Information System (AIMS)

i. Contested Ownership of the AIMS (Source Code)

The Ministry of ICT and National Guidance through its rationalization policy of promoting locally developed information systems agreed with Kyambogo University (KYU) to enhance its E-Kampus for sharing with other Public Universities and Self Accounting Tertiary Institutions (PUSATIs). Subsequently the user requirements were reviewed, functionalities improved and the system was rebranded to AIMS.

A review of the framework contract between The Ministry of ICT and National Guidance and the supplier (Zeenode Uganda Limited) states that; the purchaser (MoICT&NG) acknowledges and agrees that the supplier and/or its licensors own all intellectual property rights in the services and the documentation. It was brought to my attention during my review that there is a disagreement of ownership of the source code and the parties are in court.

I await the outcome of the court decision.

ii. Unclear Ownership of the system

The Ministry of ICT & NG undertook the enhancement and deployment at the Public Universities and Self Accounting Tertiary Institutions (PUSATIs) of the E-Kampus into the AIMS under the innovation fund at a cost of UGX 2.1 Bn. Subsequently, the Ministry of ICT & NG procured technical support and maintenance services of the same system.

However, I noted that the "vendor" (Zeenode) was charging UGX. 30,000 per student for use of the system.

This casts doubt on the ownership of the system. I further noted that the system was switched off for two weeks December 2020 over non-payment of service and maintenance fees.

As earlier noted, the case is before Court. I await Court's decision.

iii. No right to audit provided in the contract

The contract between Ministry of ICT & NG and the supplier did not include any "right to audit by third party" clause. As a result, during the execution of the audit, I was denied access to key components of the Information system and I cannot provide assurance on their adequacy.

Management explained that it will consider including the clause on Right to Audit software, systems, data, in Contracts in collaboration with MoFPED and PPDA.

I advised management to engage all stakeholders to make a provision for providing audit assurance in the contract.

iv. Failure to update the Source Code held in Escrow

The contract between Ministry of ICT & NG and the supplier provides that any additions and inventions added by the purchaser and those that are unique to the purchaser will be documented and copyrighted to the purchaser upon installation and development.

I noted, however, that even though the AIMS has been in continuous development for the last three years, there is no evidence that the original source code held in Escrow has been updated and neither was copyrighting of all changes to the AIMS after the contract signing.

Management acknowledged the omission and stated that the source code was not periodically updated. The Ministry committed to ensure continuous periodic updates to all source code held in Escrow.

I advised management to keep the code updated in real time.

v. Data Ownership of the AIMS

A review of the AIMS operations revealed that there is no clear data owner of the universities' data. The system vendor;

- Has unlimited access to the application that is used to process the PUSATI information.
- Has control over the AIMS database and operating system environment
- Has the only Administrator privileges on the AIMS for all the PUSATIs.
- Issues access rights to the AIMS system users.

This presents a conflict of interest as well as data integrity risk when the system developer has continuous access to the production environment.

Management explained that Clause 19 (ii) of the Framework contract specifies that each PUSATI shall own its individual data and processes that they run on the System. The Ministry shall ensure that remedial action is taken as per recommendation as part of the new Policy under development.

I advised management to consider remedial action that would limit the risk of unlimited access and manipulation to both privileged and critical information of the PUSATIs

vi. No data protection after contract termination

I noted that in the framework contract signed between the MoICT & NG and the supplier, there is no provision for how the PUSATI data is to be handled at the end of the contract. Without such a provision, the PUSATIs have no way to require the third party to return institutional data or otherwise dispose of such data in a way that does not jeopardise the information security and reputation of the institutions or their affiliated institutions.

Management committed to address the matter as part of the Policy on System development for Government.

I advised management to devise means of ensuring that the data will be safely returned or destroyed in order to avoid the associated risks.

vii. Deviation from the Contract terms by ZUL

Although the Framework Contract between MoICT and the supplier stipulates that the supplier shall ensure uninterrupted and error-free services, on 12th December 2020, the supplier without consequence, denied services to all PUSATIs for a period of two weeks citing alleged non-payment by MoICT & NG. This led to loss of revenue, critical time and information loss thus delaying decision making.

Management promised to engage the vendor and ensure future contracts guard against such occurrences.

I advised management to engage the Attorney General and devise means of protecting data as they wait for the disposal of the court case.

viii. Sustainability of the AIMS

The maintenance contract with the supplier expired in December 2020 and MoICT&NG had to pay the vendor an additional UGX.1Bn to guarantee continued support and maintenance until the 30th June 2021. It was proposed that beyond that period, PUSATIs would meet their own costs at UGX.30,000 per student per year, but there was no agreement or MOU with the system provider to ensure compliance by the PUSATIs. There is a risk of non-continued use of the system despite such investments by government.

I advised management to ensure that all foreseeable costs of the system are analysed and evaluate sustainability of the project. In future, GoU should aim at outright acquisition or ownership and development of any public information system to avoid escalation of costs and ensure sustainability.

ix. Lack of Change Management Procedures

According to Section A.12.1.2 of the ISO/IEC 27001:2013, Changes to the organisation, business processes, information processing, facilities and systems that affect information security shall be controlled. I established that no change management policies were in place at either MoICT&NG or the universities in regard to the AIMS and as such, Change Requests from users and other changes deemed fit by the supplier were implemented on the live environment without any documented authorisation from either MoICT or PUSATIs management.

I advised management to integrate change management policies/procedures in project design and implementation.

5.3. Information Systems Audit of Uganda National Land Information System (Ug-NLIS)

The Government of Uganda sought assistance from the World Bank to make reforms in the Lands Sector through the Competitiveness and Enterprise Development Project (CEDP). The Modernizing of the land administration activity was implemented through a project named the "Design, Supply, Installation and Implementation of the National Land Information System Infrastructure (DeSINLISI) by the Ministry of Lands Housing and Urban Development (MLHUD). The main objective of the DeSINLISI) project was to establish a National Land Information System Infrastructure for the entire country to foster efficiency and transparency in land transactions processing as well as uphold the land tenure security.

I undertook an audit of the system with the aim of assessing its effectiveness in supporting the land registration process to achieve intended objectives.

Below are the key findings:

i. Land Registration Process

I reviewed the land registration process and noted the following gaps that have led to poor service delivery:

- Despite investing substantial amounts of money in the land system, the land registration processes are largely still manual and no transactions take place without a manual file.
- The system encourages rampant use of agents; sometimes, titles change hands four times before getting to the registrar.
- Currently, changes on land titles are effected using manual typewriters, which are prone to error and waste time due to a requirement of scanning out to capture the manual changes.
- There is no mechanism of communication to clients whose titles are ready; I noted that there are a number of duplicate copies of titles that have not been picked by clients, some as far back as 1997.
- The system does not provide for functionality to perform electronic printing and sealing of land titles as a security feature in the certificate of titles.

The above gaps have led to unjustified delays in processing of land transactions, frustrating the public.

I advised management to automate the land registration process; enhance system functionality to enable registered proprietors to create accounts to eliminate land agents (brokers) and an SMS alert system for the public to keep track of submitted applications.

ii. Subdivision of plots

The workflow process is so lengthy as it has seventeen levels of approval with duplicated roles. District physical planners as key technical players were left out of the system workflow process. The system workflow process is not flexible to allow queries at different approval levels without cancellation of the transaction. In addition, the applications involving surveys are submitted physically at the Zonal office, despite the investment in the surveyor's portal to aid the process.

The public frustration has led to unethical ways of quickening the process, thus creating fertile ground for corruption.

Management explained that it will enhance the land system functionality and workflow process to improve service delivery.

I advised management to consider a review of the subdivision and workflow process to create efficiency.

iii. Failure to Operationalise the Approved IT Staff Structure

I noted that Ug-NLIS structure has not been operationalized with all senior positions still vacant despite the criticality of system to the country. Notably, system is largely supported by temporary short term contract staff who have not been recruited into main stream public service but continue to perform critical system roles such as database administration.

The use of temporary staff to oversee and support critical IT system exposes the entire investment to high risk. Management explained that they have made submission to the Public Service Commission (PSC).

I advised management to follow up with the PSC to expedite the process.

iv. Failure by Uganda Lands Commission (ULC) to Utilise the Ug-NLIS

I reviewed the Land information system and noted that Uganda Land Commission (ULC) does not utilize the Ug-NLIS to process land transactions (leases of public land). I noted that lease transactions were manually processed outside the system.

It should be noted that ULC was involved in the development of system and user requirements and acceptance of Ug-NLIS as a solution that meets the Commission's business needs. Further, I noted that ULC acquired another system which duplicates the functionality of the Ug-NLIS at a cost of UGX.500 million.

The investment by ULC in a duplicate land registration system is deemed a wasteful expenditure. Management informed me that the Commission has commenced processing of public leases using the Ug-NLIS.

I have advised Management to ensure that all public leases processed outside the Ug-NLIS should be captured into the system as a backlog.

v. Overlapping Land Parcels

There are a number of parcels in the system whose geo-referenced coordinates were erroneously captured which created distortions in the cadastral data of the Ug-NLIS.

The errors manifest where parcels on the system stretch beyond the boundaries and overreach neighbouring parcels such as road reserves, protected areas and neighbouring plots. Where overlaps exist, the system may create delays in processing of deed plans or titles.

Management informed me that it has prioritised cadastral data cleaning.

I advised Management to institute mechanisms to ensure quality control of survey data from surveyors and input validation.

6.0. SPECIAL VERIFICATIONS

In accordance with Sections 13 and 22 of the National Audit Act, 2008, I undertook two special verifications in the telecom sector, and below is a summary of my findings;

6.1. Verification of Assets and Liabilities for Uganda Telecom (In-Administration)

In accordance with Section 13(2) and 22 of the National Audit Act 2008, I undertook a special audit, for verification of liabilities of UTL comprising preferred taxes, UCC liability, UCECPS, administration costs, creditor payments and TDB Loan and assets on a request by the Minister of Finance, Planning and Economic Development.

Below are the findings of the verification;

i. Verification of Trade Development Bank Loan

Out of the claimed USD.16.51 Million by Trade Development Bank, the verified and approved outstanding loan amounted to USD.9.31 Million. The balance of USD.7.24 Million which relates to default interest charged during the period from 22nd May 2017 to 31st May 2021 when UTL was under administration, could not be verified, as it appears to be contrary to the Ugandan Insolvency Act 2011 and the attendant regulations, which provide that interest payable in respect of any period after the commencement of a liquidation and/or insolvency shall be suspended.

Government was advised to seek the opinion of the Attorney General, before the amount relating to default interest is allowed.

ii. Verification of Other Creditors

I verified claims from the creditors as at 30th June 2021 totalling to UGX. 302.74Bn as summarised in the table 30 below;

Table 30: Creditors Verified

SN	Item	Amount - UGX
1	Consolidated Tax Liability (PAYE, Local Exercise, Withholding Tax, Value Added Tax)	9,786,780,845
2	UCC liability	62,469,304,749
3	UCECPS liability	2,353,904,321
4	Verified Creditors Liability (Pre & Post Administration period)	63,079,412,417
5	Un remitted NSSF Deductions	15,462,575,874
6	UTL Pension Liability for former UPTC employees	165,048,246,917
	Total	302,737,649,249

I noted that creditors worth UGX. 28.74Bn were not verified due to insufficient information and creditors totalling to 336.3Bn were subject to court proceedings and therefore not verified.

The Government should explore ways of settling the above liabilities to avoid litigation and associated costs.

iii. Verification of Non-Current Assets

The current estimated value of UTL Non-Current Assets is UGX.184Bn which was computed based on independent valuers reports of M/s Bageine and Company (September 2017) and Elite Realty Limited (June 2018). Adjustments were made for depreciation and disposals since the valuation date to arrive at the current estimated value. There is need for re-valuation by the Chief Government Valuer to ascertain the current market values.

In addition, UTL has a 9.13% shareholding in a company (i.e. WIOCC) which was valued between USD.146.2 – 181.2 million, by an independent valuer commissioned by WIOCC in December 2020. The Administrator further informed me of an ongoing offer by an equity investor into WIOCC, who has valued the company at USD.171 million by the time of my verification. This would imply that the UTL shareholding of 9.13% in WIOCC, could be valued at USD.15.61 Million (i.e. approximately UGX.55.45Bn exchanged at UGX.3,551.71 for one USD), as of 30th June, 2021. This would significantly increase the value of total assets of UTL.

There are disputes on ownership of 11 Properties worth UGX.57.5Bn between Uganda Telecom Limited (UTL), POSTA (U) Ltd, Uganda Broadcasting Corporation (UBC), and other entities.

Government should consider resolving the disputes before liquidating the company.

iv. Verification of Receivables

Receivables totalling to UGX.113.65Bn were presented for verification. Due to time limitations and sensitivity of the matter, I could not verify receivables, however the process of verification had commenced under the administrator. I await the outcome of the verification exercise.

6.2. Verification of Terminal Benefits/Pension of former Employees UPTC in Respect of Civil Appeal No. 230 Of 2013 And No.10 Of 2014 Of The Court Of Appeal Of Uganda

I undertook a country wide verification exercise of 1,837 former employees/ claimants of the defunct Uganda Posts and Telecommunications Corporation (UPTC) in accordance with the orders of the Court of Appeal in respect to Civil Appeal No. 230 of 2013 and No. 10 of 2014.

Below are my findings;

The claims presented for verification in the actuarial report as at 30th June 2020 and are summarized in the Table 31 below;

Table 31: Summary of claims presented for Verification

S/N	Entity	Total No. of Claimants	Claim Amounts as at 30 th June 2020 - UGX
1	UTL	1,065	200,444,057,531
2	UPL	348	35,249,791,537
3	PBUL	8	135,780,242
4	UCC	11	691,361,961
5	UPTC	71	9,638,276,645
	Total	1,503	246,159,267,916

I verified the claims presented and summarized the findings per entity as presented below;

i. Verified Claims – UGX.213,026,888,318

The total verified amount of UGX.213,026,888,318 is payable to 1,254 claimants under UTL (in-Administration), Uganda Posts Limited (UPL) and the defunct UPTC as summarised in the Table 35 below;

Table 32: Summary of Verified claims payable

S/N	Entity	Total No. of Claimants	Total claimants verified	Total Amount Verified Payable as at June 2021- UGX
1	UTL	1,065	882	165,048,246,917
2	UPL	348	337	43,233,738,001
3	UPTC	71	35	4,744,903,400
	Total	1,484	1,254	213,026,888,318

I advised the Government to make the necessary budgetary provisions to cater for settlement of the above claims.

ii. Fully Settled Claims

Although the Actuarial report from the Privatisation Unit under the Ministry of Finance, Planning and Economic Development (MoFPED) submitted included claims from former employees of Uganda Communications Commission (UCC) and Post Bank Uganda Limited (PBUL) respectively, from the verification carried out I verified that these entities had duly settled the claims of 21 beneficiaries totalling to UGX.1,124,966,993.

This verification gave assurance that the Government had fulfilled its obligation to the respective beneficiaries, thereby eliminating any risk of possible double payment of claims in this regard.

iii. Conflict between the legal representative and the beneficiaries

During the audit, I obtained information relating to the fact that a section of the claimants had a disagreement with their legal advocate, allegedly from failure to remit funds received from UTL and UPL to all the claimants. UTL in Administration and UPL transferred a total of UGX.4,184,469,245 to the lawyer as part payment of their obligations.

I advised the Ministry of Finance, Planning and Economic Development (MoFPED) and the Attorney General to take note of the conflict and ensure that the dispute is resolved before funds are disbursed to benefit the rightful claimants.

7.0. HIGHLIGHTS OF VALUE FOR MONEY AUDIT RESULTS

7.1. Value for Money Audit on the Management of Government Investments by Uganda Development Corporation

The Government of Uganda has committed over UGX.223.9Bn in various investment projects under Uganda Development Corporation (UDC) over the years 2016/17 to 2019/20. These investments which are highlighted as government priorities from National Development Plan (NDP I), through to NDP III, are meant to promote social and economic development and contribute to poverty eradication by increasing national and regional economic growth and development.

The objective of the value for money audit was to assess the effectiveness of UDC processes in the management of Government Investments through planning, implementation and monitoring of such investments.

I sampled eight (8) investment projects worth UGX. 191.5 Bn as of 30th June, 2020 including; Soroti Fruit factory, Kigezi Highland Tea factory, Kayonza Tea factory, Mabale tea factory, Luwero Fruits factory, Moroto Cement factory, Isingiro Fruit factory and Atiak Sugar Factory.

The following were the key findings;

i. Project Planning

I noted that only one out of the eight selected projects was dully subjected to the planning process representing 12.5%. The objective of the planning process is to justify investment of government funds in identified projects. As a result of ineffective planning, two projects failed to take off while there was a change of scope, cost and implementation strategy for the other five investment projects.

UDC management should ensure that all Investment projects follow the due planning and identification processes as documented in the investment guide. This will increase on the success rate for those projects that are properly planned, identified and appraised.

ii. Project Implementation

Audit noted that UDC had not been able to have five investment projects operating at full capacity as expected representing 37.5% of the eight sampled projects. The projects faced different challenges as summarised in the table 33 below;

Table 33: Challenges of Project Implementation

S/N	Project Name	Amount Invested as at 30 th June 2020 (UGX in Bn)	Challenge
01	Soroti Fruit factory	23.76	Additional machinery was procured to cater for the user needs not identified at planning stage
02	Kigezi Highland	14.03	Additional funds to support raw material uptake leading to project cost-overruns
03	Mabale Tea Factory	16.6	Change of user needs during implementation
04	Kayonza tea factory	14.06	Project performance is satisfactory however, the objective of the investment decision on the part of Government is yet to be realised.
05	Atiak Sugar factory	88.8	Inadequate inputs to match the factory capacity
Total		157.25	

Management should improve implementation processes by ensuring that guidelines are in place, and that sufficient staffing is deployed. Additionally, the institution should lobby for a 'Fund-based' financing approach of the institution, instead of 'projectised' financing where funds are sent to UDC already tagged to an investment project to be funded. This will allow flexibility during implementation of investment projects.

iii. Monitoring and Evaluation

I noted that the oversight role in all the eight sampled investment projects had not been fully undertaken and thus, the projects were not operating at full capacity as expected. This was greatly attributed to weak governance structures and non-existing/inadequate Boards in those investment projects supported as partnership ventures. This ultimately caused delays in decision making, financing and signing of contractual agreements.

UDC management should improve the monitoring and oversight role in the government investments by ensuring that the monitoring frameworks are established and followed-up at both management and Board levels.

Overall Conclusion

Government has invested over UGX.200Bn in various sectors of the economy with the objective of boosting value addition mainly in the agricultural sector. There has been a noted increase in both tea and sugar production. It should however be noted that the levels of outputs and other expected benefits are not commensurate with the investments due to challenges of budgeting and planning, lack of feasibility studies and criteria for allocation of funding, inadequate contractual arrangements to clarify roles and targets and limited oversight and monitoring of investments. There is a risk of failure to achieve the intended objectives. There is still potential for improvement by ensuring UDC staffing levels are increased to undertake the above-mentioned tasks. It is also necessary to enhance autonomy for UDC by providing capitalisation instead of project related financing, so that management is flexible in allocation and re-allocate resources where they are urgently required at the time.

7.2. A Value for Money Draft Audit Report on The Afforestation and Restoration of Selected Central Forest Reserves (CFRs) by the National Forestry Authority (NFA)

The National Forestry Authority (NFA) was established under section 52 of the National Forestry and Tree Planting Act, 2003 (NFTPA). The objective of NFA is to manage the Central Forest reserves, expand and promote partnership arrangements, ensure equitable supply of forest and non-forest products and services and enhance organisational sustainability.

The country's forest cover is managed by different stakeholders comprising; Uganda Wildlife Authority, National Forestry Authority and Privately owned forest plantations.

The forest cover loss over the years from 1990 to the last biomass study in 2017 is estimated at 58.9%. Similarly, the CFR forest cover under NFA dropped from 62.5% (791,240ha) of the NFA forest cover to 45.8% (579,257ha) in the same period. This trend was contrary to Sustainable Development Goal 15 which required governments to ensure the restoration of forests and increase forest cover in line with obligations under international agreements by 2020.

The overall objective of this audit was to evaluate the effectiveness of the measures put in place by the NFA towards the restoration and establishment of new plantations in the central forest reserves, between the period of 2016 and 2020.

The following are the key findings from the study;

i. Restoration and establishment of new plantations

Audit noted that management achieved 11,173ha (78%) of their planned outputs (14,277ha) for both restoration planting and establishing new tree plantations, which contributed to only 0.88% of the national forest cover (1,265,742ha) over the four-year period.

Considering the current rate of forest restoration, it will require 75.8 years for NFA to restore the national forest cover to 62.5% of what it was in the year 1990. Similarly, even if NFA was to meet its targets of 14,277ha in the four-year period, it would still take 59.3 years to restore the CFRs to the 1990 forest cover in Uganda.

The non-achievement of targets to restore forest cover was caused by inadequacies in the planning and budgeting process; land management; monitoring and inspections; and collaboration with institutional stakeholders.

ii. Coordination and planning in the Forest Sector

I noted weaknesses in coordination in the regulation of activities/projects under a single mandate that impact national forest cover. There are inconsistencies and inadequacies in mainstreaming initiatives to increase forest cover across government and private sector which has led to limited national forest coverage of 12.4% and NFA forest cover of 45.8%.

iii. Monitoring and Evaluation, and inspections.

It was observed that out of the expected 16 monitoring reports in the four-year period ending 30th June, 2020, only 4 (25%) were prepared in the entire four-year period. In addition, NFA budgeted to receive UGX.320m for monitoring in the four years under review, however, it received UGX.91.8million (29%) of which UGX 88.8million was spent. There was limited uptake of monitoring and evaluation recommendations which led to destruction of the newly restored forests by encroachers.

iv. NFA collaborations

It was established that seventeen (17) MOUs were signed with different government agencies, out of the planned twenty (20), representing an 85% performance. Although these collaborations contributed to the restoration and establishment of new plantations, there were inadequacies in providing the planned quantity of seedlings.

In addition, twenty (20) Collaborative Forest management (CFM) agreements were signed with forest edge communities, out of the planned twenty-eight (28) over the last three years. There were inadequacies of; staffing, limited sensitization and coordination between the CFM stakeholders. As a result, communities were sighted to be involved in encroachment of newly restored forests in some instances.

Key Recommendations

The National Forestry Authority should;

- Engage all relevant stakeholders to ensure sustainable coordination and comprehensive planning initiatives to enhance mainstreaming efforts to increase forest cover in the country.
- Improve on its collaboration and sensitization efforts with all stakeholders to protect all forest land and undertake a process of titling all gazetted forest reserves and national forests to curb illegal encroachment. The National Land Information System (NLIS) should include control measures to prevent illegal titling of gazetted forest land.
- Continue engaging the relevant Government authorities to fast-track the revision and approval of the NFA organizational structure, to enhance the institutional capacity to manage national forests.

Overall Conclusion

Whereas the National Forestry Authority has undertaken specific interventions aimed at increasing forest cover through restoration and establishing new plantations; inadequate coordination, planning, monitoring, collaboration with communities have led to a limited increase in the NFA forest cover over the years. In some instances, increased encroachment, land encumbrances through issuance of title over the NFA land, limited community sensitization and involvement, inadequate prioritization of restoration and new forest establishment have contributed to the dismal 45.8% forest cover under NFA and national cover of 12.3%.

It is hoped that despite the increased population that is exerting pressure on the rather limited national forest cover, the lessons learnt and recommendations will be applied to fulfil the objectives of the NFA, forest sector and country.

7.3. A Value for Money Audit on the Implementation of the Uganda Women Entrepreneurship Programme by the Ministry of Gender, Labour and Social Development (MGLSD)

I undertook a Value for Money to assess the extent to which the Programme achieved its intended objectives.

The Uganda Women Entrepreneurship Programme (UWEP) is an initiative of the Government of Uganda that is aimed at empowering women to improve their income levels and their contribution to economic development; by improving their access to financial services and equipping them with skills for enterprise growth, value addition and marketing of their products and services.

The Programme has disbursed UGX.107 Bn to 11,256 women groups, benefitting over 135,000 women, over the five-year period (2015/16 to 2019/20) in the first Phase. The

programme through its revolving fund recovered over UGX.16 billion from the loans disbursed to the women which funds were available for financing new women groups.

Despite the achievements registered, the audit identified the following areas that need to be addressed by the Ministry;

- I noted that 4,185 women had benefited from the Programme under the capacity and skills development component, which translates into 42% of the desired target (10,000 women) according to the UWEP Programme document.
- There were delays in disbursement of funds to the women groups. In some cases, the delays were more than 12 months from time of approval of the applications to receipt of the funds which affected the performance and success of enterprises, specifically those in the agricultural sector, which depend on the rainy seasons for planting. The delays impact on agricultural yields.
- I noted budget cuts for women groups at the MGLSD level (TSU) with some groups receiving less than budgeted funds to implement their enterprises; however, at the Local Government level, explanations for the budget revisions were not effectively communicated to the groups; which hindered implementation of activities of women groups.
- Funds to the tune of UGX 16 Bn remained idle on the recovery account in Bank of Uganda over the five years. Only 6% (UGX 963 million) of the amount had been re-disbursed; which denied the other qualifying women groups access to funds.
- The MGLSD through the UWEP Technical Support Unit did not effectively plan for and coordinate implementation of the activities to facilitate women groups to access markets for their products. In addition, access to appropriate technologies were not catered for in the project design and budgets for the entire 5-year period. The intended objective of the funds disbursed may not be fully realised.
- There was underfunding of monitoring and supervision activities at the Local Government level which affected the frequency of monitoring of beneficiary women groups. The programme gaps at enterprise level could not be adequately identified and corrected on time.
- At the National level, the Technical Support Unit (TSU) undertook only 13 (43%) of the planned 30 monitoring and supervision visits to the regions throughout the five-year period. This resulted in delayed identification of performance gaps and timely remedial actions.

Key Recommendations

I advised management to do the following;

- Prioritize the capacity and skills development component of the Programme through increased sensitization to ensure that women groups receive the required skills to

effectively implement selected enterprises. In addition, consider reviewing the funding programme requirements to make training a prerequisite for all groups venturing into value addition enterprises for the first time.

- The programme implementation guidelines should be reviewed to reduce on the time taken between approval and disbursement to improve timely access to funding to the groups. All budgetary cuts should be communicated to beneficiary women groups in time.
- The MGLSD should ensure that the funds recovered are revolved in a timely manner to benefit the intended women groups, and ensure sustainability of the Programme.
- The MGLSD should liaise with MoFPED to mobilise funds to cater for value addition, and monitoring and evaluation activities within the programme.

Overall Conclusion

UWEP exceeded its target in attracting 100,000 women beneficiaries over the five year period and managed to put in place implementation guidelines and training of beneficiaries and implementing partners.

However, utilization of funds from the programme' revolving fund and equipping beneficiaries with value addition and skills for enterprise growth was found to be unsatisfactory and merits Management's urgent intervention.

The overall prospects of the programme are promising if the challenges of rationalization of the programme funding; delayed funding of beneficiaries; limited focus on skills and capacity development; inadequate coordination of partnering institutions; are addressed.

7.4. A Value for Money Audit Report on the Management of Research Grants by Public Universities in Uganda

Research is any type of systematic investigation, testing and evaluation whose objective is to discover new facts or information and increase the stock of knowledge. It generates new knowledge, which is critical for sustained economic growth and social transformation of Nations.

According to Section 24(2)(a) of the Universities and other Tertiary Institutions Act, 2001 (as amended), a Public University has a function of provision of higher education, promotion of research and advancement of learning. Research is a costly activity and often relies on grants to supplement the existing financial resources. Research grants enable the research community within the Universities to thrive in knowledge sharing and to use research towards solving community-based problems.

Owing to the different challenges in the management of research grants at public universities which is characterised by poor rankings of the universities at continental and world level, and less innovation products from the public universities, the Office of the

Auditor General undertook an independent assessment of the management of research grants by Public Universities.

The overall audit objective was to assess the adequacy of management of research grants in achieving grant management objectives in Public Universities in Uganda. The audit adopted a case study approach whereby 4 out of the 9 Public Universities in Uganda were considered as cases for the study, these included; Makerere University, Mbarara University of Science and Technology (MUST), Kyambogo University and Busitema University. Below is a summary of key findings and recommendations, the details are found in the subsequent part of the report;

Key Findings

i. Institutional framework for coordination of research grants activities

- It was noted that all the Public Universities through their respective Councils determine the research policies, research management structures and research direction of the respective Universities. There is no framework to ensure collective planning, coordination and follow-up of research efforts for the different Public Universities to ensure equitable allocation of resources, efficient utilization of academic staff, and that research results contribute to National development.
- It was also established that key research and grant management policies/guidelines were missing at a number of Universities to guide on the efficient and effective management of research activities. Only MUST and Busitema had a grants management policy/manual to guide their grants management processes. Furthermore, the country lacks national regulations and guidelines for research and innovation activities including; sourcing of external grants, development and uptake of technologies and, management and commercialization of intellectual properties.
- Furthermore, the research committees for MUK, MUST and Kyambogo which are responsible for strategic planning and research direction focused more on graduate students' research with limited emphasis on university grants research.
- It was also noted that out of the 4 Universities, only MUST had a grants office under the DRGT with dedicated staff to support grant activities. It was further noted that Busitema and Kyambogo did not have grants administrators at college/faculty level while at MUK and MUST only the college of Health Sciences and the faculty of medicine respectively had grant administrators to undertake the tasks.
- The most funded area of the research agenda for MUK was health and health systems which accounted for over 50% of the funding with other areas of research getting smaller contributions. In addition, no operational processes were in place to ensure that external grants sourced by MUK & KYU staff are in line with the university's research agenda. MUST and Busitema University did not have an approved research agenda at University level. Furthermore, the country does not have a clear research agenda to guide planning, implementation and policy making.

ii. Resource Mobilization Initiatives

- It was found that MUK, KYU and Busitema have established processes to centrally award competitive research grants from internally generated funds or Government support as initiatives to promote research and innovation in public universities. These processes have in turn enabled staff to seek external grants through proposal writing. The processes however have challenges. MUST on the other hand has not established such processes.
- Out of the 4 universities, only MUK had a consolidated Research Innovation Fund (RIF) for research funds from government. Through continuous lobbying by MUK, government allocated UGX.30bn to the fund; the other universities have not explored this initiative. All the universities have not raised any resources internally into a separate fund for research. This was attributed to government policy of remitting all internally generated revenue into the consolidated fund and therefore appropriating funds through the annual budget process.
- It was noted that for all the 348 grants sampled from the four (4) universities, overheads/indirect costs were not deducted from the funds spent contrary to percentage requirements in the research and grant policies of the universities.

iii. Monitoring and Evaluation

- In all the four Universities, M&E was not carried out by the university management on external research grants for the period 2017/18-2019/20. 193 out of 348 (55.5%) sampled external grants were however monitored by the donors. For internal grants, only 222 grants under MUK RIF were monitored.
- It was noted that even where M&E was undertaken by donors, recommendations were not fully implemented by the Universities.
- 450 out of 512 Government funded Grants from MUK, Kyambogo and Busitema, representing 87.9% were not completed in time during the period under review. Similarly, 218 out of 350 (62.3%) Donor funded Grants from the 4 universities were not completed in time.

Key Recommendations

- The Ministry of Education and Sports should institute a committee with full representation from all public universities and supported with relevant legislation to collectively undertake strategic planning for university research in line with the National Development Plan and ensure adequate coordination between universities, follow-up of research activities, equitable allocation of resources and efficient utilization of academic staff on research.
- The NCHE should introduce a standard legal framework for evaluation of management of research activities in the universities. The Universities should then take the responsibility for mainstreaming the instituted framework into their management system. Regular audits of planned university research activities vis a vis expected outputs should be undertaken.

- The public universities should prioritize development of key research and grant management policies to guide the related processes. Benchmarking with leading universities in the region and at the continental level can be used to ease the process and ensure up-to-date policies with the changing environment.
- Government and related institutions should fast track the development of policies, strategies and guidelines to promote research, technology development and, uptake and management & commercialization of Intellectual Properties (IPs) as provided for in the NDP III.
- The public universities should have different Senate/Management committees for the different roles of governing graduate programs and students on one hand and research and innovations activities including grants management on the other hand. This would ensure adequate focus on strategic planning for research, management and follow-up of research activities at the university for timely achievement of university research objectives.
- The public universities should engage with MoPS, MoFPED and MoES for support to fill the key staffing gaps for grants management and ensure that the necessary key roles such as grants administration and M&E are undertaken.
- Government through the Ministry of Finance, Planning and Economic Development should prioritise funding/grants for research in public universities to enable focus on research which is in line with university research agendas and national priorities.
- Government and related institutions should fast track the development of the national research agenda to guide planning, implementation and policy making as provided for in the NDP III.
- The Universities' management should institute Committees to follow up and review the implementation of recommendations on project or grant monitoring and Evaluation for improvement in the management of research grants in the University.

Overall Audit Conclusion

Despite the challenges noted in the management of Research Grants, Public Universities have, achieved some notable research outputs through research grants with outstanding innovations which included; production of an electric automobile, crop protection systems, farming systems for generating biofuel, improved water treatment, low cost MakaPads for the girl child, production of energy, and secure fertilizers all at Makerere University. Mbarara University of Science and Technology (MUST) has also been able to produce traditional health care products at its Pharm-Biotechnology and traditional medicine centre, while Kyambogo produced an improved low-cost baby incubator and an online Academic Information Management System (AIMS), which is used by all public universities in the country.

There are still bottlenecks in management of Research Grants in Public Universities which have affected achievement of the university research objectives. These included; gaps in

the Institutional Framework for coordination of research grants, inadequate resource mobilization initiatives, inadequate implementation of research projects, lack of monitoring and evaluation framework, and absence of a joint organ to oversee and regulate research initiatives in public universities in the country.

It is hoped that when the recommendations in this report are implemented; the universities will effectively manage research grants, thus attaining the objectives of their research agendas.

7.5. Value for Money Audit on The Management Of MATIP-1 Markets by Municipalities

The Government of Uganda through MATIP-1 redeveloped and reconstructed seven (7) markets at a cost of USD.64.5 million to create a conducive trade environment and increase revenue collections for the municipalities. The seven (7) markets that were redeveloped were; Mpanga market, Hoima Central market, Mbale Central market, Jinja Central market, Gulu Central market, Wandegaya market and Lira central market.

This study assessed whether the municipalities had ensured that the redeveloped markets created a conducive trade environment and increased revenue collections for the municipalities.

The redevelopment of the seven (7) markets resulted in an increase in the number of vendors trading in these markets from 14,826 vendors in 2015 to 19,481 Vendors in 2021 which is a growth of 31%. In addition, market management structures comprising of staff of the Municipalities as well as vendor associations were established in all the markets and supported the Municipalities in their role of managing the markets through mobilizing vendors to participate in market activities such as trainings in running small scale businesses, market cleaning, and sensitizations in market security, trade order and hygiene.

Despite these achievements, the study noted areas that require attention if the management of these markets is to improve;

- The study revealed that the annual revenue budgets or targets of all the seven (7) markets were consistently below their revenue potential by 38%. Whereas the revenue potential for the markets was UGX.32.8Bn over the 6 years reviewed, the markets only budgeted to collect UGX.12.5Bn over the period. This was attributed to lack of a management information systems and the manner in which the municipalities develop the revenue budgets based on prior year collections instead of using actual market occupancy. Unrealistically low budgets imply that the revenue performance is likely to be below the market potential.
- Out of the budget of UGX.12.5Bn by these markets for the six-year period, only UGX.7.9Bn was collected representing a performance of 54%. This was due to lack of automated revenue management system, leaseholders who were not paying monthly market rents, unoccupied stalls and lockups, irregular subletting, and the failure to terminate tenancy of rent defaulters. Under collection of revenues has affected the

ability of these markets to meet their obligations which has resulted into accumulation of arrears totalling to UGX.1.41Bn in the seven (7) markets.

- Four (4) markets of Mbale, Gulu, Lira and Jinja were overcrowded with the vendor-occupancy exceeding the markets' design capacity by 36% due to over allocation of market spaces, illegal traders and sub-lettees, inadequate enforcement by the municipality and design deficiencies such as poor lighting in some sections, and lack of accessibility. The overcrowding has caused congestion in the markets.
- The majority of vendors all the seven (7) markets were not trading in the established zones due to insufficient space in zones, allocation of spaces to traders outside their designated zones, rejection of the stalls by vendors, and weak enforcement of zoning. This has resulted in a disorganised market environment which continues to present challenges for customers and traders.
- All the seven (7) markets had failed to maintain adequate sanitation within the markets due to overcrowding of the markets, weaknesses in the supervision of the cleaning staff and cleaning contracts, insufficient number of garbage trucks, skips, bins, garbage banks and landfills. The poor sanitation makes the markets unsightly for the customers and poses health risks for both the traders and customers such as food contamination and air pollution.
- The market infrastructure was not well maintained for all the markets. There were cases of leaking roofs, walls with old peeling paint, cracked floors, non-functioning toilets, failed water pumps, un-serviced generators and firefighting equipment, and non-functioning CCTV security equipment. Inadequate maintenance of the market infrastructure was attributed to failure to prioritize this activity by the municipalities, and failure to set aside maintenance funds as recommended in the market maintenance guidelines. Failure to maintain infrastructure has resulted in accelerated deterioration of the newly constructed markets.

In order to address the gaps identified, the municipalities should roll out automated revenue management systems in all the markets, enforce terms of tenancy agreements in relation to sub-letting, invoicing and payment of rent, modify the market structures to allow for better lighting and improved access. The municipalities should also address the issue of illegal occupants, and develop guidelines to regulate sub-letting.

The municipalities should review the current markets layout to address the challenges of zoning, and overcrowding. In addition, there is need to enhance supervision of market cleaning and prioritise the maintenance of the market structures.

7.6. Prevention and Response to Incidents of Fire by Uganda Police Force.

Directorate of Fire Prevention and Emergency Rescue Services (DFPERS) is one of the directorates in the Uganda Police Force. Its major role is to enhance capacity for prevention of emergencies and delivery of rescue services in order to deliver on its functions of fire prevention, fire suppression and emergence rescue. The directorate operates eleven (11) fire stations in Kampala Metropolitan Area and thirty-four (34) others stations across the country.

This study assessed the extent to which DFPERS has put in place measures to prevent and respond to fire outbreaks. The Directorate of Fire and Rescue services has made notable achievements over its nine years of existence as illustrated below;

Following the creation of DFPERS in 2012 the number of fire stations in the country has increased by thirty-one (31) which has improved access to fire services. In addition, coordination with stakeholders in preventing and responding to fire by DFPERS has improved and a total of 4,131 have been responded to in the last four years thus saving lives and property. Despite the achievements registered, the audit identified the following areas that need to be addressed.

- The Directorate of Fire and Rescue Services (DFPERS) undertakes activities aimed at preventing the outbreak of fire and incidents that require emergency response. The study observed that the Directorate faced challenges in preventing the occurrence of fire. These include;
 - ❖ DFPERS did not have fire and safety Act, regulations, and policies to aid the operations of the directorate in prevention. Because of this the Directorate was unable to effectively carry out risk assessment, sensitization of the public, inspection of buildings by DFPERS staff, and carry out post incident investigations as indicated below.
 - ❖ DFPERS has not undertaken any comprehensive assessment of risks relating to occurrence of fire incidents in order to develop appropriate prevention and response measures/strategies to control fire outbreaks which has affected the directorate's ability to develop appropriate fire prevention strategies.
 - ❖ DFPERS undertook only 873 (29%) out of the planned 3,020 sensitisations in the past four (4) years. This has continued to expose buildings and their occupants to fire outbreaks and limited the capacity of citizens to prevent the occurrence of such incidents.
 - ❖ DFPERS undertook only 527 (17%) out of the planned 3,080 inspections in the past four (4) years. This affects the level of compliance to fire standards which increases the probability of fire outbreaks which can lead to loss of life and damage to property.

The study also noted the following weaknesses on the side of the Fire department:

- DFPERS did not undertake post incident investigations to ascertain the cause, extent of damage or loss from the fires and lessons for prevention of re-occurrence of similar incidents on the 3,179 incidents of fire reported during the past three years due to lack of equipment and trained investigators and coordination with other government investigative bodies. This has resulted into non-conclusion of investigations hence continued public dissatisfaction on the way Uganda Police Force handles fire investigations.

- In addition to fire prevention, DFPERS responds to fire outbreaks to minimize the impact of fire on people's lives and property. The Directorate faced challenges in responding to fire outbreaks due to limited number of fire stations, inadequate staff, lack of enough equipment and non-automation of operations to respond to fires as indicated below;
- DFPERS is currently operating forty-five (45) fire stations in thirty-eight (38) districts to respond to cases of fire outbreaks across the country which is only 27% coverage of the total number of districts in the country due to the high cost of opening and operating fire stations. This has resulted into DFPERS' ineffectiveness in responding to incidents of fire across the country.
- DFPERS currently has 599 fire staff against an approved establishment of 1,081 staff representing staffing levels of 55% implying that the current fireman to population ratio in Uganda is 1:75,000 compared to the recommended international ratio of 1:2,000. The existing staff were also not well trained and lacked adequate accommodation.
- The equipment at the fire stations were inadequate in terms of quantity and functionality (not well maintained) to support effective response in the event of fire incidents. DFPERS had only 78 out of 232 equipment required to handle fire incidents representing 34% level of required equipment capacity. In addition, it was noted that firemen lacked adequate PPEs for use during fire response.
- The fire stations inspected were not automated and information was recorded in manual books there were also no computers and communication systems which affected the efficiency and coherence of DFPERS response in the event of fire outbreak.
- DFPERS coordinates with some stakeholders such as Local Governments, NWSC, DGAL, CIID, Hospital emergency units, Civil Aviation Authority and Uganda Red Cross Society however this coordination is informal and characterized by slow decision making which affects response time.

Key Recommendations

I advised DFPER to engage the Ministry of internal Affairs to develop a comprehensive fire and safety Act, policy and guidelines in consultation with key stakeholders to streamline risk assessment, sensitisation, inspection and post incident investigations. In addition, DFPERS should enhance coordination mechanisms with internal and external players to support its operations particularly post incident investigations.

DFPERS should prioritize increasing coverage of fire stations to at least 50% of the districts and develop strategies to ensure the population fire man ratio of 1:75,000 is matched to internationally recommended ratio of 1: 2,000. In addition, UPF should undertake an assessment of the current accommodation needs with a view of developing strategies to address the current inadequacies in accommodation. UPF should prioritise the acquisition of equipment, PPEs and automation of the current communication and record management systems to ensure that there is an effective

response to fire incidents enhance on the operational efficiency during responses to incidents of fire outbreaks

7.7. Value for Money Audit on the Performance of the Performance of the Agriculture Cluster Development Project

Government has implemented the Agriculture Cluster Development Project (ACDP) with an overall objective of raising on-farm productivity, production and marketable volumes of selected agricultural commodities (Maize, Beans, Cassava, Rice, and Coffee) in twelve (12) clusters in fifty-seven (57) districts across the country. The project is funded through IDA Credit worth UGX.540Bn and farmer contribution of UGX.352.8Bn and implemented through the e-voucher management system.

The intervention has resulted into distribution of 60,124 tonnes of beans, maize, and rice and 49,871 bags of cassava planting materials to 245,510 farmers/beneficiaries by the agro-dealers between 2018/2019 and 2020/2021. The intervention has also resulted into increased the marketable volumes from 11.94MT to 33.28MT in the past three years.

Despite the achievements registered, the study identified areas that need to be addressed. The following key observations were noted;

- The project delayed to commence by 20 months' due delays in obtaining the necessary approvals from cabinet and parliament (20 months) and delayed fulfilment of the project effectiveness conditions (26 months) which led to late implementation of project activities and service delivery.
- Despite the project achieving more than 70% in five (5) districts in training of Local Government Staff and farmers on system use and financial literacy, the project did not perform satisfactorily in twenty-three (23) districts where twenty-seven (27) trainings had been planned. As a consequence, a number of farmers were unable to transition from the first cropping cycle to the third cropping cycle.
- Out of the targeted 450,000 farmers, 204,490 (46%) farmers did not access inputs through the e-voucher system. With only one year left to the end of the project, the project may not achieve its intended objective.
- The inputs that were distributed to the farmers were not verified by UNBS because of absence of a streamlined quality control process. As a result, farmers reported cases where seeds did not germinate and fertilizers that "just hardened the soils" were distributed by the Agro-dealers. This has compromised the process of ensuring farmers get the best quality inputs since the department is limited in capacity to undertake this activity.
- The project did not achieve the intended targets in the three areas below in the three years of implementation.

- Only 207 Area Commodity Cooperative Enterprises (ACCEs) (69%) and 155 Rural Producer Organisations (RPOs) (5%) have been supported with value addition facilities out of the targeted 300 ACCEs and 3000 RPOs in the six-year project life span.
- Out of 1,835 farmers in the cooperatives that received matching grants for the value addition facilities, only 585 farmers (31.9%) were enrolled on the e-voucher system which made it difficult for the project to reach its targeted 450,000 farmers.
- The project had planned to rehabilitate a total of 2,827.7km planned road chokes however, only 228.1km (8%) had been rehabilitated representing 8% of the overall performance of the community access roads.

Government should ensure that for future projects of a similar nature; The necessary loan documentation is submitted by the implementing entities and loan appraisal unit at MoFPED to the approving authorities in time, trainings activities are undertaken in a timely manner, farmers are mobilized into village savings and lending associations to increase access to funding and reviewing the e-voucher subsidy rates in order to make them more affordable to farmers. The role of other partner participating agencies (in this case UNBS) regarding quality is clearly defined in future project designs.

In addition, MAAIF should ensure that evaluation of business proposals for funding of ACCEs and RPOs are done in a timely manner for the farmer groups to access funds. MAAIF should also enhance supervision in the rollout districts so that works on the road chocks are completed in the remaining project life span.

7.8. Follow up on the Value for Money Audit on the Compensation of Project Affected Persons under the Refinery Project by the Ministry of Energy and Mineral Development

The follow-up on the 2017 VFM audit on Compensation of Project Affected Persons (PAPs) under the Refinery Project by the Ministry of Energy and Mineral Development found that MEMD had made efforts to implement the Auditor General's recommendations made at the time, resulting in improved RAP implementation.

Out of the 21 key audit recommendations made in the report of 2017, 12 (57%) were fully implemented and 4 (19%) were partially implemented. The status of implementation of 5 (24%) of the recommendations can only be verified in future projects through audit of subsequent RAPs.

Specifically, after the 2017 audit, MEMD had registered the following progress in RAP Implementation:

- All PAPs houses had been occupied by the respective owners;
- Electricity had been connected to all PAP houses;
- Four boreholes were constructed for use by the PAPs and the Host Community;
- Access roads constructed in the PAPs' settlement area were completed and were motorable;
- Construction of the places of worship and a Police Post had been completed and the structures handed over to the respective authorities;
- Construction of the community centre and market stalls was on-going.

- MEMD had acquired land titles for the land occupied by the PAPs and was processing the transfer of the individual land titles into the names of the PAPs.

Some outstanding issues noted included the following: A few pending compensation payments mostly due to failure to trace the PAPs; failure by the contractor to remedy most defects identified during the 2017 audit; reports of conflicts owing to changing social dynamics as people adapt to living in congregated settlements; and long distance from the resettlement area to the boreholes. Finally, the PAPs also reported that MEMD and other responsible players rarely conduct visits to sensitise or update them on progress of pending outputs or to explain delays.

Further recommendations were then made with the aim of addressing the outstanding issues noted.

7.9. VFM Audit on the Implementation of the Uganda Reproductive Maternal and Child Health Services Improvement Project (URMCHSIP)

URMCHSIP is a USD 180 million project fully donor funded and was approved in August 2016 and is expected to close in December 2022. The target group comprises women of childbearing age, adolescents, and children under-five in all the one-hundred and thirty five (135) districts in Uganda. The Project Development Objectives (PDOs) are to: (a) to scale up reproductive, maternal, newborn, child and adolescent health (RMNCAH) services in the whole country; (b) scale-up birth and death registration (BDR) services; and (c) to strengthen disease outbreak preparedness and response.

The audit covered twelve (12) Districts benefiting from this project in the three financial years of 2017/18, 2018/19 and 2019/20. Below are the key findings of the study;

i. Status of Implementation of the Project

It was noted that out of the 22 project performance indicators considered, 13 (i.e. 60%) achieved their target for the FY 2019/20. The remaining 9 indicators (i.e. 40%) were below their 2019/20 target. Amongst the 9 are two indicators: the number of health facilities constructed and equipped, which are not reflecting any progress due to delays in implementation.

ii. The Results-Based Financing (RBF) Program

Since January 2019 to date, the URMCHSIP has rolled out the RBF program to 1,316 health facilities in one-hundred and thirty-five (135) districts across the country in three phases. However, review of timing of RBF payments made by the Ministry of Health-to-health facilities revealed delayed payments ranging from 83 to 154 days after the prescribed deadline. Consequently, timely implementation of Performance Improvement Plan (PIP) activities at these facilities was adversely impacted. The delayed payments were partly attributed to the delayed verification of health facility outputs by the District Health Management Teams (DHMTs) which was further constrained by the reliance on manual processes.

iii. Procurement of Essential RMNCAH Medicines and Supplies

The project intended to support the Ministry of Health (MoH), through National Medical Stores (NMS), to procure and distribute essential Reproductive, maternal, newborn, child and adolescent health (RMNCAH) commodities. However, there have been several delays in the procurement of these commodities under the project, leaving health facilities partly incapable of handling certain complications arising during delivery. This was partly attributed to failure by the MoH to retender certain procurements, there being no bidder that initially met the requirements.

iv. Birth and Death Notifications in Health Facilities

There were delays in implementation of various activities by National Identification and Registration Authority (NIRA) especially (i) scaling up the electronic vital records system for birth registration through the supply of laptops, MiFi's and internet data bundles to 285 HC IVs and High-volume Health centre IIIs. As a result, the project has made minimal improvement in capacity of these facilities to conduct birth and death notifications.

v. Monitoring and Evaluation of Project Activities

The monitoring and evaluation (M&E) function was found to be inadequate and this was partly attributed to the fact that there were no annual M&E work plans and the M&E specialist was only recruited in December 2019, two and a half years after the project had commenced.

Overall Audit Conclusion

The MoH is advised to continue working closely with the National Identification and Registration Authority, the District Local Governments, National Medical Stores, and the World Bank to address any capacity gaps and implementation delays that are derailing project performance. The MoH is also advised to liaise with MoFPED and other key stakeholders to guarantee the continuity of the interventions set up under this project especially the RBF Program, the increased supply of key RMNCAH medicines and supplies, the recruitment of health workers trained under URMCHSIP, so as maintain the gains made in the Health sector as a result of this project.

ANNEXURES

ANNEXURE I: SUMMARY OF ENTITY FINDINGS AND OPINIONS FOR MDAs, COMMISSIONS, STATUTORY CORPORATIONS AND STATE ENTERPRISES AND PROJECTS

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
	AGRICULTURE SECTOR	
1.	<p>Agriculture Cluster Development Project (ACDP). 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> Delays in the implementation of some project activities were noted such as provision of E-Vouchers subsidies to beneficiaries in the 12 clusters, only a total of 208,827 of beneficiaries used E-Voucher out of the targeted 400,000 and only 18 road chokes have been worked on in the 7 pilot districts against the targeted 90. The project budgeted to receive UGX 361.7Bn from development partners but only received UGX 254.8Bn, representing a performance of 70% of the budget. Similarly, the project budgeted to receive UGX 4Bn as GOU counterpart funding but only received UGX 2.6Bn (66%) resulting in a shortfall of UGX 1.4Bn which is 34% of the budget. Out the releases of funds of UGX 254.8Bn, the project remained with unspent balance of UGX 99.1Bn representing an absorption level of 61%. I sampled 12 outputs with a total of 25 activities worth UGX.324.1Bn representing 90% of the total budget and noted that 8 outputs with 17 activities worth UGX 53.7Bn were not quantified to enable measurement of performance. Furthermore, of the 4 outputs with a total of (8) quantified activities worth UGX 80.14Bn assessed; 1 output with 1 activity representing 25% was fully implemented while 3 outputs with a total of 7 activities representing 75% were partially implemented. The budget for the financial year 2020/21 was approved on 13th August 2020 (2 months into the financial year). Project funds to the tune of UGX 3.5Bn were disbursed significantly late to the districts. National Project Steering Committee (NPSC) held only one meeting as opposed to two recommended in a year. Procurements for rehabilitation of identified and approved road chokes/work in the last 29 roll-out districts had not commenced by the time of audit despite MAAIF budgeting for the activity at UGX 90Bn. Shortcomings were observed with the E-Voucher Management Agency which included, frequent breakdown of the system, lesser enrolment of beneficiaries ie 64% of the target, only 44% of the project beneficiaries were trained in Financial Literacy and Input use, the system was at 78% of its functional requirement, system installation, configuration, optimisation and commissioning reports have not been submitted. MAAIF budgeted UGX.104.9Bn to provide Electronic Voucher subsidies to 293,500 beneficiaries in 12 project clusters but only managed 118,933 (41%) beneficiaries. Farmers still had challenges in transacting using the system, managing farmer savings and use of inputs via the system. During the financial years 2019/2020 and 2020/2021, 52,089 transactions were made by users who had never logged onto the system and were accessing inputs manually. Relatedly, 2,873 user IDs initiated 7,878 payment requests

		<p>without logging onto the system.</p> <ul style="list-style-type: none"> An analysis of E-Voucher Management Agency (EVMA) system revealed that 168,086 (99%) of the farmers that accessed inputs redeemed the inputs for only one cycle without transitioning to cycles 2 and 3, 2191 (1.3%) transitioned to cycle 2 without transitioning to cycle 3, while 47 (0.03%) transitioned to cycle 3. In the year 2019/2020 and 2020/2021, 347 farmers ordered inputs during the financial year at amounts that were in excess of the recommended threshold of UGX.1,350,000 worth UGX.186,792,644.
2	<p>Agriculture Value Chain Development Programme (AVCP). 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> Out of the planned twelve (12) strategic targets/goals to be achieved by financial year 2020/2021; four (4) had been fully achieved, seven (7) were partially achieved while one (1) was not achieved at all. There was a shortfall in releases of UGX.22.84Bn which is 64% of the budget. Further, the entity remained with unspent balance of UGX.0.81Bn representing an absorption level of 94%. I reviewed fourteen (14) outputs with a total of fifty (50) activities worth UGX.33.72Bn and noted that all the 14 outputs with a total of 50 activities were fully quantified. Further, out of the 14 outputs that were fully quantified, I observed that; One (01) output with four (04) activities and expenditure worth UGX.0.547Bn was fully implemented; ten (10) outputs with forty-two (42) activities worth UGX.10.1Bn were partially implemented i.e. out of the 42 activities, 17 activities (40%) were fully implemented, 16 activities (39%) were partially implemented while 9 activities (21%) remained unimplemented. Three (03) outputs with four (04) activities were not implemented at all. Assessment of achievement of services from implemented outputs revealed that 60 artificial inseminations (AI) Kits were purchased at UGX.0.26Bn and delivered to NAGRC in June; however, management had not yet distributed them to beneficiary AIs by November 2021 implying that the equipment was not in use for more than five months. Relatedly, the project undertook the Purchase and Installation of Ultra-High Performance Liquid Chromatography (UHPLC) for analysis of various chemical food and environmental residues and related substances at UGX.0.39Bn which was delivered in June 2021 but was not functional by November due to incomplete components. There was no Steering committee sitting during the year to facilitate and ensure adherence to relevant strategies established by Government during project implementation.
3	<p>Coordinating Office for Control of Trypanosomiasis in Uganda. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> The entity had an approved strategic plan, however the plan had not been certified by NPA contrary to Regulation 26 (1) of the NPA (development of plans). All budgeted Donor revenue of UGX.0.783Bn for the financial year 2020/2021, was dully received representing performance of 100% of the target. There was a shortfall in releases amounting to UGX.0.172Bn representing 4.1% of the budget. Furthermore, the entity remained with unspent balance of UGX.0.00037Bn representing an absorption level of 99.9%. The entity received off-budget financing to a tune of UGX.0.783bn which was not appropriated as part of the entity budget contrary to the law. 4 outputs with 8 activities and expenditure worth UGX.0.324Bn were fully quantified while 5 outputs with 34 activities worth UGX.4.41Bn were

		<p>insufficiently quantified. Of the 4 outputs with all 8 quantified activities worth UGX.0.324Bn assessed; 3 outputs with 4 activities worth UGX.0.19Bn were fully implemented, while 1 output with 4 activities worth UGX.0.134 was partially implemented.</p> <ul style="list-style-type: none"> • All 4 quarterly performance reports were submitted after the quarterly deadline and I did not obtain evidence to confirm that the Accounting Officer prepared monitoring plans and reports. • Out of the approved staff number of 37 employees, 19 (51%) have been filled leaving a 18 (49%) vacant among which are key posts of Deputy Director, Accountant, Medical Officer, Entomology Officer, M&E Officer etc. • Contrary to the COCTU Human Resource Manual that requires operation of a medical insurance scheme to benefit all its employees, the entity has not operationalized any Staff Medical Insurance Policy for its staff.
4	<p>Cotton Development Organization. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • The entity cotton sub sector strategic plan had been prepared and approved; however, it was not certified by NPA to evidence its alignment to the NDP-III. • The entity budgeted to collect NTR of UGX 4.43Bn but collected UGX.1.85Bn representing a performance of 41.7% of the target. • Further, there was a shortfall in GoU releases amounting to UGX.0.015Bn representing 1.6% of the budget UGX.8.62Bn. Further, the entity remained with unspent balance of UGX.0.0179Bn representing an absorption level of 98%. • CDO received off-budget financing directly from the United Nations to a tune of UGX.36,178,924 (USD.9,923) which was not declared to treasury and, therefore not appropriated to the entity by Parliament. • I reviewed all 8 out-puts of the budget with a total of twenty one (21) activities and expenditure of UGX.8.46Bn and noted that two (2) outputs with two (2) activities and expenditure worth UGX.4.2Bn were fully quantified, four (4) outputs with a total of thirteen (13) activities and expenditure worth UGX.3.3Bn were insufficiently quantified that is out of the thirteen (13) activities, four (4) activities (30.8%) were quantified and nine (09) activities (69.2%) were not clearly quantified to enable assessment of performance while two (2) outputs with a total of six (6) activities and expenditure worth UGX.0.92Bn were not quantified at all. Further, of the 2 quantified outputs/activities assessed, 1 output with one (1) activity and expenditure of UGX.5.6Bn was fully implemented while 1 output with 1 activity worth UGX.3.6Bn was partially implemented. • Submission of performance reports for three quarters was made after the deadline dates and there was no evidence to confirm that the Accounting Officer Prepared Monitoring Plans and reports which are important in ensuring that the budget performs as expected. • It was noted that UGX.19.649Bn was budgeted to cater for the cotton marketing season 2020/21 out of which, UGX.15.154Bn was budgeted towards provision of planting seed and production inputs. Government was able to contribute only UGX.8.6Bn leaving the balance for the private partner intervention. This is an indication that government is relying more on the ginners to fund the cotton sector. Despite the intervention by the private sector, there were shortages in provision of inputs to farmers. 866 Mt of planting seed, 374.6 Mt of fertilizers and 2,260 spray pumps were not provided as projected in the strategic plan which directly affected the performance of the sector in achieving the desired cotton production

		<p>targets.</p> <ul style="list-style-type: none"> Analysis of the domestic arrears showed an increase of 198% from UGX.7,925,963 in the prior year to UGX.23,659,951 in the year under review. CDO staff structure had thirty seven (37) positions dully filled leaving a staff vacancy of ten (10) positions (21%). The positions that have remained vacant over the years include key positions of two (2) Agronomy officers, a classifier and a Personnel & Administration Officer. Withholding tax to the tune of UGX.83,142,447 from payments worth UGX.839,194,850 was not recovered for onward remittance to URA contrary to section 120(1) and 120(4) of the Income tax Act.
5	<p>National Agricultural Research Organization 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> The entity's draft strategic plan had been aligned to the NDP-III at the time of audit and was awaiting certification from NPA due to delayed approval of the Programme Implementation Action Plans (PIAPs). The entity budgeted to collect NTR of UGX.4.625Bn but collected UGX.3.053Bn representing a performance of 66% of the target. There was a shortfall in GoJ releases amounting to UGX.11.216Bn representing 10.1%. Further, the entity remained with unspent balance of UGX.0.085Bn representing an absorption level of 99.9%. The entity received off-budget financing directly from development partners to a tune of UGX.49.77Bn out of which only UGX.38.19Bn was declared to the PSST and disclosed in the entity ministerial policy statement without a supplementary appropriation for the balance of UGX.11.58Bn. I sampled 8 outputs with 35 activities and expenditure of UGX.99.59Bn and noted that 7 outputs with 18 activities and expenditure worth UGX.45.070Bn were fully quantified while 1 output with 17 activities and expenditure worth UGX.54.52Bn was insufficiently quantified, of which 5 activities (29%) were quantified while 12 activities (71%) were not clearly quantified to enable measurement of performance. Further, I observed that out of the seven (7) outputs that were fully quantified, two (2) outputs with five (5) activities and expenditure worth UGX.5.186Bn were fully implemented while Five (5) outputs with thirteen (13) activities worth UGX.39.884Bn were partially implemented i.e. four (4) activities were fully implemented, eight (8) activities were partially implemented, while one (1) activity remained unimplemented. Submission of performance reports for all the quarters was made after the deadline dates. Fourteen (14) slow progressing competitive grant scheme (CGS) projects initiated in 2018/19 with funding of UGX.1.158Bn during the financial year 2020/2021 were still on-going despite expected completion date of June 2021. Civil works and Supplies Projects worth UGX.32,051,565,938 undertaken during the financial year were not yet handed over for use. Further, inspections of NARO facilities at institutes revealed poor road networks, broken down silos at the feed mill, non-functional water pump and abandoned works. There was failure to achieve the intended service delivery for the additional Civil Works at Rwebitaba ZARDI that costed UGX.418,584,880. This was due to lack of equipment in the laboratory. Review of 9 sample procurements worth UGX.27,606,866,233 revealed an

		<p>average delay of 45 days in the procurement process due to late release of funds by MoFPED.</p> <ul style="list-style-type: none"> • The entity received Covid 19 supplementary budget of UGX.0.0134Bn for settlement of arrears which was all spent by the entity representing an absorption level of 100%. It was noted that this was inadequate for settlement of domestic arrears brought forward from the previous year 2019/20 given leaving a deficit of UGX1.69Bn (98%). • Domestic arrears increased from UGX.1.72Bn in the previous year to UGX.2.875Bn in the year under review, an increase of 67%. The arrears remained unsettled at the close of the year. Further, NARO did not budget for domestic arrears amounting to UGX.1.687Bn during the year as a paltry provision of only UGX.0.033Bn was budgeted to settle arrears of UGX.1.72Bn. • A review of NARO's land portfolio revealed that the entity had surveyed 31 pieces of land with total coverage of 4097.20364 Hectares, however it was noted that 8 pieces (3172.937 Hectares) were titled, 20 pieces of land (706.75454 Hectares) were at deed plan stage and 3 pieces of land (217.5121 Hectares) were still at survey report stage. Further, 17 parcels of land located in NaFIRRI-Jinja, Bulindi-Kibaale district, NaLIRRI- Tororo, Namayingo, Nyakyesasa, Ngetta- Kitgum and Rwebitaba-Fort-portal still had cases of encroachment by both private and public developers. • A review of the NARO staff establishment revealed that out of the approved staff number of 995 employees, 851 positions have been filled leaving a staffing gap of 144 (14.5%) staff which indicates a further reduction in staff by about 2.5% compared to the previous financial year.
6	<p>National Animal Genetics and Data Bank (NAGRIC) 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • The entity strategic plan had been aligned to the NDP-III at the time of audit but it was still in draft form awaiting certification from NPA before approval. • The entity budgeted to collect NTR of UGX.1.550Bn but collected UGX.3,872,073,899 representing a performance of 250% of the target. • There was a shortfall in GoU releases amounting to UGX.4.7Bn representing 6.21%. Further, the entity remained with unspent balance of UGX.0.47Bn representing an absorption level of 99.3%. • 41 out-puts with a total of ninety-five (95) activities representing 100% of the total budget and noted that 6 (14.6%) of the total outputs were not quantified while 7 (17%) outputs with a total of seventeen (17) activities were insufficiently quantified. Further, of the 28 quantified outputs/activities assessed, 4 outputs with eight (8) activities representing 9.7% were fully implemented; 10 outputs with 20 activities representing 24.3% were partially implemented while 14 outputs with 30 activities representing 34.1% were not implemented at all. • Submission of performance reports for all the quarters was made after the deadline dates. Furthermore, inconsistencies were noted in the reported performance where management reported procurement of poultry feeds, drugs and vaccines for poultry on NAGRC & DB Centre farms instead of the planned activity of rearing of 5,000 Indigenous poultry genetic resources sourced on Aswa ranch in Pader District. • NAGRC&DB had a COVID 19 arrears supplementary budget of UGX.0.066Bn all of which was warranted and spent representing 100% of the budget absorption. • Letters of Credit worth UGX.21.850Bn which expired on 31st December 2020 were renewed to 31st December 2021 leading to nugatory

		<p>expenditure of UGX.0.54Bn. By 30th June 2021, prior year LCs worth UGX.10.875Bn were still outstanding.</p> <ul style="list-style-type: none"> • 12 project sites whose contracts total to UGX.20.055Bn out of which UGX.6.327Bn had been paid were abandoned while 8 delayed and remained incomplete by 30th June 2021. • 34 contracts for construction of structures, procurement of land and delivery of supplies worth UGX.34.4Bn out of which UGX.11.451Bn was paid had not started. Out of the 34 contracts, 3 service providers who had been fully paid a sum of UGX.7.45Bn had not delivered. • 640 acres of planted pasture/ fodder in Kasolwe ranch had dried up adversely affecting the quality and quantity of feeds for the animals. • Domestic arrears increased by UGX.0.918Bn from UGX. 0.336Bn in the previous year to UGX.1.254Bn in the year under review. The arrears remained unsettled at the close of the year. • Out of 12 ranches managed by NAGRC & DB, 6 had been encroached on while some of the NAGRC & DB land had no land titles in the names of NAGRIC 7DB. • NAGRC & DB had an approved staff structure of 189 positions with only 105 (56%) filled leaving 84 (44%) vacant and 17 positions were filled beyond the approved structure. Further, general support staff structure of 128 positions had 310 staff resulting in an over staffing of 142 (185%).
7	<p>National Oil Palm Project 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • Out of seven (7) strategic targets to be achieved by 30th June 2021, none had been fully achieved, two (2) were partially achieved while five (5) were not achieved at all. • The Project budgeted to receive IFAD funds to a tune of UGX.39.87bn, out of which UGX.25.584bn was available representing a performance of 64% of the budget. Further, there was a shortfall in GoU releases amounting to UGX.0.035Bn representing 0.46% of the budgeted UGX.7.597Bn. • Out of the total available funding of UGX.35.528Bn during the financial year, UGX.28.415Bn was spent by the entity resulting in an unspent balance of UGX.7.113Bn representing an absorption level of 80%. • I sampled Six (6) outputs with a total of eighty one (81) activities and expenditure of UGX.21.6231Bn and noted that all six (6) outputs with 81 activities were fully quantified to enable assessment of performance. Further, assessment of the implementation of all Six (6) outputs revealed that; all six (6) outputs with eighty one (81) activities were partially implemented i.e. out of the eighty one (81) activities, thirty two (32) activities (40%) were fully implemented; thirty (30) activities (37.5%) were partially implemented, while nineteen (19) activities (12.5%) remained unimplemented. • Two (2) contracts worth UGX.12.397Bn in relation to construction of landing sites were cancelled due to delayed implementation of projects beyond 12 months from the initial intended completion date. • I noted delayed titling of 883.92 hectares of the acquired nucleus estate Land exposing it to risks of encroachment by individuals. • Review of four (4) sample procurements worth UGX.1.47Bn revealed an average delay of 140 days in the procurement process majorly as a result of delayed approval process by IFAD, contracts committee and Solicitor General.

8	<p>Strengthening National Seed Certification Service Project (SNSCS).</p> <p>2019/2020</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • Out of the planned six (6) strategic targets/goals to be achieved, none was either fully or partially achieved and one target was not even quantified to enable assessment. • SNSCS planned to receive and spend UGX.2.59bn from AGRA out of which UGX.1.099bn (42%) was received leading to a funding gap of UGX.1.49bn (58%). Further, out of the total receipts for the financial year of UGX.1.099Bn, UGX.0.05Bn was spent by the entity resulting in an unspent balance of UGX.1.049Bn representing an absorption level of 4.5%. • Out of the nine (9) outputs with a total of twenty eight (28) activities and expenditure of UGX.0.0498Bn reviewed; five (5) outputs with sixteen (16) activities and expenditure worth UGX.0.0498BN were fully quantified whereas four (4) outputs with a total of twelve (12) activities and nil expenditure were insufficiently quantified. • I assessed the implementation of the five(5) outputs that were fully quantified with a total of sixteen(16) activities worth UGX.0.0498Bn and noted that one (1) output with 5 activities worth UGX.0.0498Bn was partially implemented. Out of the 5 activities, the entity fully implemented one (1) activity (20%) while 4 activities (80%) were not implemented. Four (4) outputs with a total of eleven (11) activities and nil expenditure were not implemented at all. • Management did not prepare periodic performance reports and therefore I was unable to clearly assess the actual performance against the planned outputs.
9	<p>Strengthening National Seed Certification Service Project (SNSCS). 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • Out of the planned six (6) strategic targets/goals to be achieved by 30th June 2021, one (1) target was fully achieved, three (3) targets had been partially achieved and two (2) were not achieved at all. • The Project budgeted to receive UGX.1.184bn out of which UGX.1.049bn was received resulting into a shortfall of UGX.0.135bn, which is 11% of the budget. Further, out of the total warrants of UGX.1.049Bn received during the financial year, only UGX.0.199Bn was spent by the entity resulting in an unspent balance of UGX.0.85Bn representing absorption level of 19%. • I sampled five (5) outputs with 15 activities worth UGX.0.199Bn and noted that three (3) outputs with a total of seven (7) activities and expenditure worth UGX.0.199Bn were fully quantified; Two (2) outputs with a total of eight (8) activities were not quantified at all. Further, of the three quantified outputs assessed, one (1) output with 3 activities worth UGX.199, 045,000 was partially implemented. Out of the 3 activities, one (1) activity was partially implemented, while two (2) activities remained unimplemented. Two (2) outputs with four (4) activities worth NIL expenditure were not implemented. • AGRA amended the disbursement of Grant due to low absorption and decided to de-obligate US\$.571,167 being the total un-disbursed funds for the project thus necessity to restructure the budget and milestone delivery plan to fit within US\$.323, 450 that had been disbursed. • Contrary to the grant guidelines, unspent or un-committed grant funds remained on the project bank account and were not invested in highly liquid investments to earn income. • A number of project milestones had not been achieved by the end of the financial year exposing the Grant to a risk of failure to achieve its objectives.

10	<p>The Uganda Multi-Sectoral Food Security and Nutrition Project. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • Out of the planned fourteen (14) strategic targets/goals to be achieved by financial year 2020/2021; ten (10) (71%) had been fully achieved while four (4) (29%) were partially achieved. • There were excess receipts worth UGX.4.154Bn as a result of the project design where the withdrawal of funds from the Donor is made on a six (6) months projection which is 25% of the budgeted UGX.16.610Bn. Further, there was a shortfall of UGX.0.06Bn in GOU co-funding out of the budgeted UGX.0.755Bn which is 8% of the GOU budget. • I noted that out of the total available funds of UGX.20.764Bn, only UGX.11.267Bn was spent by the project resulting in an unspent balance of UGX.9.497Bn representing an absorption level of 54.26%. • I reviewed seven (7) outputs with a total of forty (40) activities and expenditure of UGX.11.267Bn for assessment and noted that all the 40 activities were fully quantified. Further, assessment of the implementation of the seven (7) outputs revealed that; Two (2) outputs with eight (8) activities and expenditure worth UGX.1.771Bn were fully implemented while five (5) outputs with thirty two (32) activities worth UGX.9.496Bn were partially implemented i.e. out of the thirty two (32) activities, the entity fully implemented nineteen (19) activities (59%), ten (10) activities (31%) were partially implemented, while three (3) activities (10%) remained unimplemented. • An assessment from a sample of out-puts that were implemented during the year revealed shortcomings ie funds remitted to 1500 primary schools had not been utilized since they did not procure the required inputs for planting and multiplication (seedlings), the local Micro Nutrients rich crop Planting Materials for 3000 parent group Members and Herbicides & Pesticides. • Field inspections revealed that nutrition supplements such as the Iron and Folic Acid and Zinc expired in April and December 2020 respectively before they could be utilised by the beneficiaries causing loss of Government funds hindering the achievement of the intended objective.
11	<p>The Regional Pastoral Livelihoods Resilience Project. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • Out of the planned fourteen (14) strategic targets/goals to be achieved by financial year 2020/2021; six (6) had been fully achieved, five (5) were partially achieved while three (3) were not achieved at all. • There was a shortfall in releases from the donor of UGX.13.788Bn which is 30% of the budget. The project budgeted to receive UGX.0.3Bn GOU funding all of which was availed. Further, the entity remained with unspent balance of UGX.15.172Bn representing an absorption level of 54%. • I reviewed all the eleven (11) outputs with a total of twenty six (26) activities and expenditure of UGX.17.71Bn and noted all were fully quantified. Further, assessment of the level of implementation for the 11 outputs revealed that five (5) outputs with nine (9) activities and expenditure worth UGX.0.765Bn were fully implemented while the six (6) outputs with seventeen (17) activities worth UGX.16.945Bn were partially implemented i.e. out of the seventeen (17) activities, the entity fully implemented seven (7) activities (41%); five (5) activities (29%) were partially implemented, while five (5) activities (29%) remained unimplemented. • Assessment of achievement of services from implemented outputs revealed that although the Livestock marketing Information System is in place, it lacks up to date information for the beneficiaries implying that it

		<p>may not be regularly used.</p> <ul style="list-style-type: none"> Contract works for the valley dams which are the critical infrastructure for the long term sustainability of the project are past the completion time and works are still significantly behind schedule despite contractors having been paid substantial percentages of the contract sums Shortcomings were noted on reliability of the market information data system designed to track information such as prices, tradeable volumes, diseases concerning livestock for use by famers such as failure to input market information data into the system since October 2019, lack of a designated system administrator that is responsible for managing and updating the system at the Ministry and lack of a system manual that provides standard guideline for the system use. There was no Steering committee sitting during the year to facilitate and to ensure adherence to relevant strategies established by Government during project implementation.
12	<p>Dairy Development Authority. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> DDA's dairy strategic plan had been prepared, approved and certified by NPA to evidence its alignment to the NDP-III. The entity budgeted to collect NTR of UGX.3.9Bn but collected UGX.3.9Bn representing a performance of 100% of the target and all the budgeted GOU funds worth UGX.10.02Bn were warranted, without a shortfall. The entity remained with unspent balance of UGX.2.07Bn representing an absorption level of 79.3%. DDA directly received off-budget financing to a tune of UGX.0.63Bn from Fleming fund country grant II but it was never declared to the PSST and as such not appropriated to the entity by parliament. I sampled 4 outputs for review with a total of twenty four (24) activities and expenditure of UGX.3.8Bn and noted that One (01) output with four (04) activities and expenditure worth UGX1.1Bn was insufficiently quantified, that is, one (01) activity (25%) was quantified while three (03) activities (75%) were not clearly quantified to enable assessment of performance. Three (03) outputs with a total of twenty (20) activities and expenditure worth UGX.2.7Bn were not quantified at all. Further, I assessed the implementation of one activity that was quantified and noted that the Rehabilitation of Kyegegwa and Katakwi Milk Collection Centres(MCCs) was partially implemented. Submission of performance reports for the four quarters was made after the deadline dates and there was no evidence to confirm that the Accounting Officer prepared Monitoring Plans and reports which affect timely tracking and evaluation of performance. Analysis of the domestic arrears showed new arrears incurred during the year under review to the tune of UGX.0.178Bn. Further, I noted that there was no budget provision for settlement of these arrears in the year under review. I noted that the entity lost fixed assets through theft which included fifteen (15) desktop computers, two (02) laptop computers, a projector, a router, and cameras but they were not disclosed in the financial statements. The Authority has failed to collect CESS revenue compensation from MoFPED contrary to the presidential directive requiring the same. DDA is understaffed by seventy seven (77) posts out of one hundred and forty (140) posts which is 55% understaffing. The unfilled posts include

		key positions like Head of internal audit, Director Finance and Administration, Planner, Regional managers, Principal Dairy Development Officers and Dairy inspectors. Some posts have remained vacant since 2003.
13	National Agricultural Advisory Services (NAADS). 2020/21 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • The entity had prepared the strategic plan; but there was no approval and certification of the same by NPA to evidence alignment to the NDP-III at the time of audit. • Out of the budgeted NTR of UGX.3.587Bn, the Authority collected only UGX.0.12Bn, representing a performance of 3.3% of the target. There was 100% performance in GoU releases amounting to UGX. 243.9Bn. Further, NAADS remained with unspent balance of UGX.0.06Bn representing an absorption level of 99.9%. • I sampled four (04) outputs with a total of twenty five (25) activities and expenditure of 184.4Bn and noted that two (02) outputs with a total of three (03) activities and expenditure worth UGX.43.19Bn were fully quantified while two (02) outputs with a total of twenty two (22) activities and expenditure worth UGX.141.19Bn were insufficiently quantified i.e. out of the twenty two (22) activities, fourteen (14) activities (64%) were quantified while the balance of eight (08) activities (36%) were not clearly quantified. Further, assessment of the implementation of the two (2) outputs that were fully quantified with a total of three (03) activities revealed that none was fully implemented. • Assessment of one partially implemented output revealed that out of 3,010,000 hand hoes, only 2,500,000 hand hoes were procured and distributed to the Northern parts of the country instead of the planned vulnerable rural small holder farming households across the country. • Submission of performance reports for all quarters was made after the deadline dates. Furthermore, I did not obtain evidence to confirm that the Accounting Officer Prepared Monitoring Plans and reports. • NAADS incurred huge LC charges to a tune of UGX.1.053Bn as a result of opened LCs worth UGX.71.25Bn for contracts that failed to deliver within the year. Further, I noted LCs worth UGX.23.13Bn that failed to perform for a period of more than two (2) financial years with one of UGX.2.071Bn for milk coolers outstanding for more than 4 years. • Review of the Kasese industrial park Agri-LED intervention worth UGX.3.9Bn revealed allocation of land to a bus company contrary to the set objectives and delayed payment of NWSC to connect piped water. • Review of the sugarcane production project implementation with investments of UGX.85Bn revealed shortcomings i.e.lack of feasibility assessment, lack of accruing benefits to the beneficiaries, weaknesses in the MoU signed with beneficiaries, limited information on members of the cooperatives, delays in contract completions, pending liquidated damages, and stalled activities. • I noted failure to enter into MOU's with beneficiaries of milk coolers contrary to the selection criteria of the standing orders of procedure for operation wealth creation. • There was lack of clearly identified beneficiaries from the start in the transportation and distribution of hoes intervention, lack of MOU's with delegated DLGs on distribution modalities and nugatory storage costs. • Review of the tractor strategic intervention revealed lack of assessment of potential beneficiaries and non-adherence to the terms of the MoU thus risks of beneficiaries without the capacity to manage the tractor for

		<p>farming practice or as an enterprise.</p> <ul style="list-style-type: none"> • NAADS had a Covid 19 arrears supplementary budget of UGX.17.84Bn all of which was warranted and absorbed. Further, review of utilisation revealed failure to settle long outstanding payables, appropriation in excess of requirement and diversion of Covid 19 relief funds worth UGX.10.032Bn from the settlement of domestic arrears to settlement of current year bills without seeking and obtaining the necessary approvals • A trend analysis of the domestic arrears showed an increase of UGX.7.085Bn (53.6%) from UGX.13.23Bn in the previous year to UGX.20.31Bn that remained unsettled at close of the year with arrears of UGX.0.162Bn relating to previous financial years. • Funds worth UGX.2.15Bn were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals • I noted long outstanding receivables of UGX.2.38Bn relating to cash balances and accountabilities that remained at the DLG at the time of restructuring thus casting doubt on their recoverability. • Review of the procurement function revealed shortcomings such as delayed supplies and unjustified extensions and non execution of performance security. • I noted that NAADS has an approved staff structure of 56 positions out of which 53 (94.6%) positions are filled. Key among the vacant posts is Manager Finance and Administration and Zonal Agricultural Development Officer. Further, I noted temporary appointments of six (6) staff for the sugarcane field based team for 30 months contrary to the recommended 12 months as stipulated in the regulations.
14	<p>Ministry of Agriculture, Animal, Industry and Fisheries (MAAIF). 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted that the Ministry had prepared the Agro-Industrialization (AGI) Programme as a strategic plan for 2020/21-2024/25 that is aligned to the NDP-III and according to the certificate of compliance for the FY 2020/21 annual budget, the overall Agro-industrialization programme budget was scored at 63.5% compliance to the NDP-III. • There was a shortfall in NTR collections amounting to UGX.6.82bn representing 76% and a shortfall in GOU releases amounting to UGX.24.1Bn representing 14%. Further, out of the total warrants of UGX.151.2Bn received, UGX.146.95Bn was spent by the entity resulting in an unspent balance of UGX.4.24Bn representing absorption of 97%. • The Ministry received off-budget financing to a tune of UGX.1.78Bn that was not appropriated as part of the entity budget contrary to the law. • I sampled sixty-five (65) outputs with a total of one hundred and sixty-seven (167) activities and expenditure of UGX.98.2Bn for assessment. I noted that; sixty-one (61) outputs with a total of one hundred and sixty (160) activities and expenditure worth UGX.89.6Bn were fully quantified while four (4) outputs with a total of seven (7) activities and expenditure worth UGX.8.6Bn were not quantified at all to enable assessment of performance. Further, I assessed all the quantified 61 outputs and noted that; 34 outputs with a total of 75 activities worth UGX.39.1Bn were fully implemented and 27 outputs with a total of 85 activities worth UGX.50.5Bn were partially implemented i.e. out of the 85 activities, the Ministry fully implemented 39 activities (46%), partially implemented 44 activities (52%) while 2 activities (2%) remained unimplemented. • I noted failure of timely interventions to combat the foot and mouth disease (FMD) outbreak as a result of challenges faced in the

		<p>procurement of vaccines despite the availability of funds. The Ministry faced challenges as only 500,000 doses were delivered out of the procured 700,000 doses from the prior year and these came 4 months after expected delivery. Further, none of the procured 2,311,000 doses procured in May 2020 were delivered within the contract period despite the emergency situation and by the time of audit, the contract had not fully performed with 611,000 doses outstanding.</p> <ul style="list-style-type: none"> • Shortcomings were noted in the management of the Ministry Public Investment Plan (PIP) Projects in regard to compliance with the Development Committee Guidelines 2016 and the budget execution circular 2020/2021. I noted incomplete approvals for Projects, non-adherence of Projects with appraisal Guidelines, ongoing projects after expiry of project duration and irregular and excessive spending on recurrent Items • Domestic arrears decreased by 14% from UGX.12.96Bn in the prior year to UGX.11.13Bn in the year under review. Further, a paltry UGX.2.42Bn budget provision was provided for settlement of domestic arrears in the current year budget. • All documents pertaining to Contingency fund activities and transfers to agricultural institutions during the year worth UGX 11.95Bn were submitted to the IGG for investigations and I was unable to confirm whether the amount involved was applied to the intended purpose. • Management did not undertake monthly wage and pension performance analysis to reconcile the payroll generated through the IPPS with the payment information from the IFMS as required resulting into delays in granting clearance to recruit, inefficient wage and pension payroll management, accumulated arrears and non-absorption of pension and gratuity budget. • Out of 919 approved staffing positions, only 595 had been filled and the rest of the positions (324) were vacant representing 35% staffing gap. Among the vacant were key positions such as directors, commissioners, assistant commissioners and principals in core directorates and noticed management's failure to undertake timely recruitments despite availability of funds.
15	<p>Uganda Development Authority (UCDA). 2020/21</p> <p>Coffee Authority</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • The entity had prepared the coffee strategy; but there was no approval and certification of the strategic plan by NPA to evidence alignment to the NDP-III at the time of audit. • Out of the budgeted NTR of UGX.27.5Bn, the Authority collected only UGX.20.1Bn, representing a performance of 73% of the target. • There was a shortfall in GoU releases amounting to UGX.5.8Bn representing 3.1% of the budgeted UGX.186.3Bn. Further, the entity remained with unspent balance of UGX.9.391Bn representing an absorption level of 94.8%. • The Authority received off-budget financing worth UGX.443M which was never declared to the PSST and as such no supplementary appropriation was issued as guided by the PSST. • I sampled eight (08) outputs with a total of sixty two (62) activities and expenditure of UGX.150.6Bn and noted that one (01) output with a total of four (04) activities and expenditure worth UGX.2.1Bn was fully quantified; three (03) outputs with a total of fifty four (54) activities and expenditure worth UGX.67.1Bn were insufficiently quantified i.e. out of the fifty four (54) activities, forty nine (49) activities (91%) were quantified while the balance of five (05) activities (9%) were not clearly

		<p>quantified and four (04) outputs with a total of four (04) activities and expenditure worth UGX.81.3Bn were not quantified at all. Further, assessment of the implementation of the one (01) output that was fully quantified with a total of four (04) activities revealed that it was partially implemented i.e. out of the four (4) activities, the entity fully implemented three (03) activities (75%) while one (1) activity (25%) remained unimplemented.</p> <ul style="list-style-type: none"> • Submission of performance reports for three quarters was made after the deadline dates. Furthermore, I did not obtain evidence to confirm that the Accounting Officer Prepared Monitoring Plans and reports. • Review of the distribution lists (form Bs) attached to the accountabilities for coffee seedlings supplied revealed that deliveries to a tune of UGX.0.213Bn were made either out of season or towards season end thus rendering the survival of the inputs nearly impossible. • Fertilizers worth UGX.2.25Bn distributed to the cooperatives were unacknowledged by the intended coffee farmers. The form F3's where the actual farmers who received the fertilisers were supposed to have acknowledged had not yet been received and verified by management and neither had the cooperatives returned the empty fertiliser bags and filled in form F4's. • 65,445 and 1880 bags of fertilisers for the western and Elgon region respectively had not yet been distributed at the time of inspection in September 2021 contrary to section 7 (a) of the fertiliser distribution guidelines that required application of fertilisers to only be done in the rainy season. • Field inspection of the procured fertilizers and materials to support the establishment of CWDR nurseries revealed several anomalies i.e. bad warehousing storage (stacked high on the floor, instead of pallets), lack of aeration and non-adherence to first in first out (FIFO) policy. Further, the nurseries for CWDR had not been setup and materials were simply kept in stores by the beneficiaries and some had started using the implements such as hoes, pangas, wheel burrows; mother gardens were poorly maintained and no labels of the lines had been added to the mother gardens. • UCDA had a Covid 19 arrears supplementary budget of UGX.73Bn all of which was warranted and absorbed 100%. Review of utilisation revealed doubtful payments, duplicated arrears on verified list and witting down of invoice amounts without supplier consent which exposes the entity to litigation • Domestic arrears showed a movement in arrears from UGX.120,383,249,500 in the previous year to UGX.23,036,904,150 by the close of the financial year 2019/20, representing a decrease of 80.8%. Out of this, amount UGX.16,699,179,350 was incurred during the year under review. • A total of UGX.80,373,239,334 (43.1% of the approved budget) was provided for settlement of domestic arrears, however, arrears worth UGX.125,407,367,170 were paid resulting in settlement of prior year domestic arrears worth UGX.45,034,127,836. • Review of the procurement function revealed several shortcomings such as delays in the procurement process with an average delay period of 2 and a half months, failure to deliver within contractual timelines, un-deducted liquidated damages, inconsistent liquidated damages clauses and deviation from Ministry of Works specifications for vehicle
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		<p>procurement leading to higher purchase and maintenance costs.</p> <ul style="list-style-type: none"> UCDA undertook new recruitments in the year which have increased staffing levels to only 147 (66%) positions leaving 77 (34%) positions vacant. Among the vacant posts are key positions i.e. Board Secretary/Director of Corporate Services, three (3) Regional managers, Accountants (2), one (1) procurement manager, thirty eight (38) regional coffee extension officers and three (3) Regional Coffee Technical officers among others. I noted irregular extension of contracts for staff at managerial level without explicit board approval contrary to section 5.3(c) of the UCDA Human Resource manual (2018) and staffs in acting capacities longer than the stipulated time periods in the Human Resource Manual i.e. not more than two terms of six (6) months.
16	<p>Uganda Seeds Limited. 2019/20</p> <p><u>Opinion</u> Qualified</p>	<ul style="list-style-type: none"> A receivable of UGX.1,147,910,181 (17% of the total assets) could not be supported as there was no evidence to confirm the accuracy, existence and completeness of the reported balance. Management of USL did not make adequate disclosures regarding what is included in the capital and revaluation reserves. UGX.11,205,053 relating to the expenses for the year ended 30th June 2020 was unsupported. I noted that a disposed of motor vehicle was still maintained in the financial statements and asset register for the period. Previously issued financial statements have been restated for the correction of material misstatement in the previous period.
	<p>JUSTICE, LAW AND ORDER SECTOR</p>	
1	<p>Directorate of Government Analytical Laboratory (DGAL). 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> Out the total receipts for the financial year of UGX.24.684Bn, only UGX.15.630Bn was spent by the entity resulting in an unspent balance of UGX.9.054Bn representing an absorption level of 63.3%. I noted that of the 39 activities worth UGX.6.23Bn assessed, only 18 activities worth UGX.1.55Bn were fully implemented, 20 activities worth UGX.4.68Bn were partially implemented and one 1 activity worth UGX.8.46Bn was not implemented. An assessment of service delivery revealed that Mbale and Moroto regional laboratories were supported with UGX.0.132Bn to carry out forensic analysis, however the performance the regional labs was assessed as low as both laboratories did not complete any cases during the year. Although, DGAL had a strategic goal to eliminate all case back-logs by 30th June 2021, the forensic case backlog had only reduced by 58.3% from 5,559 cases in June 2018 to 2,317 outstanding cases as at 30th June 2021. Despite receiving UGX.8.625Bn for the construction of a DNA databank during the year, the planned construction did not take place and UGX.8.465Bn was returned to the consolidated fund. In the financial year 2019/2020, DGAL entered into a contractual agreement for which a letter of credit worth UGX.1.475Bn was created at the request of foreign suppliers. The letter of credit remained outstanding for more than one year implying that the foreign supplier had not fulfilled

		<p>their contract obligations.</p> <ul style="list-style-type: none"> In the financial year 2019/2020, DGAL procured digital forensic tools for use to recover data on mobile phones at an estimated cost of USD.82,000 (equivalent to UGX.290,232,000). In the period since acquisition, the entity has only used the forensic tools and equipment to process and analyse just one (1) case raising the possibility that the equipment is under-utilised. Nine (9) staff positions for a Commissioner, Government Analysts and drivers in the Directorate were cleared by the Ministry of Public Service for recruitment, and the directorate received funding amounting to UGX.0.032Bn for the purpose. The recruitment process had not been finalised at the year end and the funds were returned to the consolidated fund.
2	<p>Justice Law and Order Sector JLOS-SWAP. 2019/20</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> I noted that out of the budgeted revenue of UGX. 121,683,362,209 for the financial year 2019/2020 only UGX. 104,870,934,098 (86%) was released, resulting in a shortfall of UGX. 16,812,428,111 (14%) on the overall. The largest shortfall of UGX. 10,304,157,202 (8.4%) was in respect to the Development Partners funding, A review of the JLOS SWAP disbursement of funds to implementing entities and the respective actual expenditure revealed that only UGX. 81,391,358,207 was spent out of the availed UGX.104,870,934,098, resulting in an unspent balance of UGX.31,080,004,792. The unspent balance excludes the JLOS House Project balance of UGX. 18,592,439,794, which commenced in the subsequent financial year 2020/21. I reviewed all the 43 activities under the JLOS Secretariat with a budget of UGX.23.561Bn, out of which UGX.18.027Bn was released, resulting in a shortfall of UGX.5.534Bn, which is 23.5% of the budget I further noted from the analysis of the annual performance report that some critical activities for which funds had been released had not been implemented. Out of the 43 activities with a total budget of UGX.23.561Bn, I reviewed the extent of quantification of outputs and activities and noted that a total of three (3) activities and releases worth UGX.4.076Bn were not quantified at all to enable assessment of performance. A total of forty (40) activities and releases worth UGX.13.951Bn were fully quantified. That is, all the forty (40) activities (100%) were clearly quantified to enable assessment of performance. I assessed the implementation of all the Forty (40) JLOS SWAP activities worth UGX.13.951Bn that were fully quantified and noted that Fourteen (14) activities worth UGX.12.507Bn were fully implemented. The entity implemented all the Fourteen (14) activities (100%) within the JLOS SWAP consolidated strategic outputs. Four (4) activities worth UGX.0.665Bn were partially implemented. All the Four (4) activities within the JLOS SWAP consolidated strategic outputs were not achieved 100%. Twenty-two (22) activities worth UGX0.779Bn were not implemented at all. I observed that UGX.656,905,350 advanced to various beneficiaries by four implementing agencies to execute sector activities during the COVID-19 lockdown period, i.e. between November 2019 and June 2020, lacked the necessary supporting documents such as payment vouchers, activity reports and receipts at the time of audit (November 2020) and were

		<p>submitted during the month of January 2021, implying that the funds had not been accounted for by 30th June 2020.</p> <ul style="list-style-type: none"> I noted from the review of financial statements that management did not disclose the outstanding balances as at 30th June 2019. Consequently, no provision was made to cater for domestic arrears in the financial year 2019/2020 budget. But I noted that UGX.9,145,799 was spent to settle outstanding bills in respect of conference facilities for JLOS and the supply and delivery of law reference books
3	<p>Office of the Director of Public Prosecutions. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> During the years under review, 666,620 cases were brought forward from the previous years, and 99,232 cases were registered during the year, giving a cumulative sum of 765,492 cases recorded. Of these cumulative cases, only 40,466 (5%) were cleared during the year. Over the five years only 253,596 cases representing (33%) have been concluded through conviction, acquittal, withdrawal, dismissal and closed files. ODPP continues to incur substantial annual maintenance costs of UGX.2,808,000,000 in spite of the low coverage of the system (only 41 stations out of the planned 138) and some system components like the complaint handling and processing component are not fully operational. ODPP had an approved organization structure that requires 1,336 staff however, only had 519 staff had been filled. The structure requires 833 prosecutors but is operating with only 366 (40%), and as a result, there are more magistrates than prosecutors. No budgetary provision was made for the settlement of domestic arrears, which stood at UGX.1,611,006,686 as at the beginning of the financial year 2020/2021. As at the close of 2020/2021, the Office reported domestic arrears to the tune of UGX.1,228,911,994.
4	<p>Uganda Human Rights Commission 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> I noted that the Commission did not have an approved strategic plan that was aligned to NDP III by the time of audit. The draft plan prepared by the entity had not been certified by NPA. The Commission collected over 100% of its NTR target for the year over and above the target. The Commission absorbed only 86.8% of the funds that were released by government. The Commission received off-budget financing directly from development partners to a tune of UGX.2.187Bn, which was not declared to Treasury and, therefore, not appropriated to the entity by Parliament. Management did not quantify 2 outputs with 6 activities and expenditure worth UGX 0.12Bn. Out of (11) outputs that were fully quantified with 22 activities, 3 activities worth UGX.0.44Bn were fully implemented, 18 activities worth UGX.15.54Bn were partially implemented. 1 output with 1 activity worth UGX.0.17Bn was not implemented at all. The Commission neither prepared annual budget monitoring plans nor submitted quarterly budget monitoring reports. The Commission also failed to submit all its quarterly budget performance reports in time. The UHRC had tribunal case backlog of 1,756 cases at the beginning of the financial year 2020/2021, and 71 additional cases were registered during the year, resulting in a total of 1,827 outstanding cases. Out of the 1,827 cases, only 326 (17.8%) were investigated and disposed of. The

		<p>un-cleared complaints at the tribunal level stood at 1,501 at the year-end, translating into underperformance of 82.2%.</p> <ul style="list-style-type: none"> Timeline errors continue to occur due to the limited interface between IPPS and IFMS in payroll processing. A review of the payroll register and IFMS payment file revealed that UGX.5.706 Bn was paid as per payroll register; while IFMS indicates that UGX.6.124Bn was paid, resulting in an overpayment of UGX. 0.417Bn.
5	<p>Uganda Law Reform Commission. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> I noted that the Commission did not have an approved strategic plan that was aligned to NDP III by the time of audit. The draft plan prepared by the entity had not been certified by NPA. The Commission collected only 100% of its NTR target for the year which was commendable. The Commission also absorbed only 92.4% of the funds that were released thus affecting implementation of planned activities. Out of the 8 outputs assessed with 37 activities and expenditure of UGX.7.74Bn, 6 outputs with worth UGX.4.53Bn were fully quantified. I assessed the implementation of 6 outputs with 24 activities that were fully quantified and noted that 1 output with 3 activities and expenditure worth UGX 3.43Bn was fully implemented while 5 outputs with 21 activities worth UGX.1.1Bn were partially implemented. Out of the 21 activities, the entity fully implemented 9 activities, 4 activities were partially implemented, while 8 activities remained unimplemented. The Commission neither prepared annual budget monitoring plans nor submitted quarterly budget monitoring reports. The Commission also failed to submit all its quarterly budget performance reports in time. ULRC did not have any domestic arrears brought forward from the previous year; however, the entity recorded payables worth UGX.124,626,384 under court awards and compensations in the year under audit.
6	<p>Judicial Service Commission 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> I noted that the Commission submitted a draft strategic plan to NPA for approval. The Commission budgeted for NTR of UGX.4.5bn for the financial year 2020/21, however only UGX. 788,000 was collected representing performance of 0.02% of the target. The Commission absorbed 95.7% of the funds that were released. Out of the fifteen (15) outputs sampled, ten (10) were fully quantified, while one (1) was insufficiently quantified and two (2) were not quantified at all. Out of the ten (10) outputs assessed, five (5) were fully implemented while five (5) were partially implemented. The Commission neither prepared annual budget monitoring plans nor submitted quarterly budget monitoring reports. The Commission also failed to submit all its quarterly budget performance reports in time. Out of the approved 143 staff positions, ninety-seven (97) positions were filled while forty-seven (47) positions were vacant. The commission did not remit to URA PAYE of UGX.138,219,093.
7	<p>Ministry of Justice and Constitutional Affairs. 2020/21</p>	<ul style="list-style-type: none"> At the time of audit, the entity strategic plan had not yet been submitted to NPA; management was awaiting the completion of revising

	<p><u>Opinion</u> Unqualified</p>	<p>the Governance and Security Programme.</p> <ul style="list-style-type: none"> • The entity budgeted to collect NTR of UGX.0.112Bn but collected UGX.0.233Bn representing a performance of 208% of the target. • There was a shortfall in GoU releases amounting to UGX.34.461Bn, representing 22%. • Thirteen (13) outputs with a total of twenty-nine (28) activities were quantified, while eighteen (18) outputs with a total of thirty-nine (39) activities were insufficiently quantified. Further, of the thirteen (13) quantified outputs/activities assessed, two (2) outputs with two (2) activities were fully implemented; eleven (11) outputs with 27 activities were partially implemented. • Submission of performance reports for all the quarters was made after the deadline dates. • MoJCA received COVID 19 arrears supplementary funding of UGX.18.2Bn, all of which was warranted and spent, representing 100% of the budget absorption. • Domestic arrears decreased from UGX.399.88Bn, in the previous year to UGX.381.26Bn as at 30th June 2021, representing a reduction in arrears by 4.6%. The arrears remained unsettled at the close of the year. • The unpaid Court Awards and Compensation stood at UGX. 377.43Bn as of 30th June 2021, which has accumulated over the last ten years. • I noted that the MOJCA had not put in place a documented criterion for prioritizing the settlement of Court awards. • I noted a rising trend of Government liabilities due to the following (Under budgeting for court awards and compensation across Government, Accumulation of interest, Non-disclosure of contingent liabilities by other MDAs and New developments in the law)
8	<p>The Directorate of Citizenship and Immigration Control. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • The DCIC prepared a strategic plan for 2020-2025 that was approved by the National Planning Authority on 22nd November 2021. However, following the issuance of a Certificate of Approval, management had not approved the plan for implementation. • • Out of the total receipts for the financial year of UGX.104.9Bn, only UGX.103.9Bn was spent by the entity resulting in an unspent balance of UGX.1.0Bn representing an absorption level of 99%. • I sampled seventeen (17) outputs with a total of one hundred seventeen (117) activities and expenditure of UGX.101.8Bn for assessment and noted that eleven (11) outputs with expenditure worth UGX.26.95Bn were fully quantified. Five (5) outputs with worth UGX.74.09Bn were insufficiently quantified, and One (1) output with expenditure worth UGX.0.13Bn was not quantified at all • I noted that a sum of UGX.1.02Bn was released to DCIC to settle Domestic Arrears to a supplier under Covid-19 related funding. • An assessment of service delivery revealed that DCIC takes an average of 7.7 days to process a passport and a further 7.3 days from the date of printing to issue the passport to the citizens. I further observed that although the Directorate has several regional offices for processing of passports, 97% of the applications for passports and 92% of the issuances are done at the Central Office in Kampala. • A trend analysis of the Directorate domestic arrears over the past three

		<p>years showed a decreasing trend from UGX.4.19Bn in 2018/2019 to UGX.0.32Bn in 2020/2021.</p> <ul style="list-style-type: none"> • A review of the approved budget estimates for the year revealed that only UGX.1,015,473,085 (11.4%) was budgeted and released to settle domestic arrears amounting to UGX.8,898,668,915, implying insufficient budgeting for domestic arrears. • The Directorate procured an e-visa and permit management system during the financial year. I observed a number of contract conditions, including final user acceptance testing, completion of the setup of the system workflow, training of end-users, and integration of the system to other government systems in NIRA, CAA, URSB, and URA had not yet to be achieved. • The Directorate procured a consultant for the configuration, installation and maintenance of an Integrated System for archived records and the maintenance of the electronic data management system. I observed delays in contract execution and that the entity did not have a Service Level Agreement to guide the support and maintenance of the system.
9	<p>The Court of Judicature (The Judiciary). 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • The Judiciary prepared a strategic plan and had it approved by NPA at the time of audit. • The entity budgeted to collect NTR of UGX. UGX.11.043Bn but collected UGX.5.698Bn representing a performance of 52% of the target. • There was a shortfall in GoU releases amounting to UGX.6.02Bn, representing a 3% shortfall. • Thirteen (13) outputs with a total of sixty-seven (67) activities were quantified, while seven (7) outputs with a total of twenty-seven (27) activities were insufficiently quantified, and six (6) outputs with a total of forty-five (45) activities were not quantified at all. Further, of the thirteen (13) quantified outputs/activities assessed, five (5) outputs with fourteen (14) activities were fully implemented; eight (8) outputs with fifty-three activities were partially implemented. • Submission of all performance reports for all the quarters was made after the deadline dates. • I noted the accumulation of case backlog due to delayed operationalisation of gazetted courts and a limited number of judicial officer's compared to the workload. • Judiciary had a COVID 19 arrears supplementary budget of UGX.8.66Bn, all of which was warranted and spent representing 100% of the budget absorption. • I noted an increase in receivables from UGX 661,164,656(2019/2020) to UGX 3,268,317,882 (2020/2021). This was partly due to UGX. 1,652,842,084 that was advanced to courts to undertake election petitions and remained unaccounted for at the end of the financial year under audit. Furthermore, the other receivables of UGX.320,947,170 carried forward from previous years remained outstanding with no recoveries made. • I noted that management accrued new domestic arrears totalling UGX. 4,171,245,048 during the financial year 2020/2021 compared to UGX. 2,641,109,446 new arrears accrued in 2019/2020, registering an increment of new arrears of UGX. 1,530,135,602 thus representing a 58% growth rate. • Judiciary did not budget for domestic arrears amounting to UGX.3.543Bn,

		<p>which remained outstanding in the FY 2019/20.</p> <ul style="list-style-type: none"> I noted inconsistencies in statistics reported on both pending and cases handled by the Judiciary during the period. I noted delays in the implementation of The Electronic Court Case Management Information System (ECCMIS); an overall average delay of 3 months since the Go-live had been scheduled on 7th June 2021. But, as of 11th October 2021, this has not yet been done. Data migration of the Phase 1 stations from CCAS into the new integrated ECCMIS has not been performed; the project was still at the design and development stage at the time of audit; the Change management training is still ongoing as of 6th October 2021, yet the training had been scheduled for 23rd October 2020, some planned activities were not implemented, like the migration of data for phase 1 entities from the court case administration system (CCAS) to ECCMIS.
10	<p>The Uganda Prisons Service. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> The UPS prepared a strategic plan for the period 2020-2025 and was approved by the National Planning Authority on the 23rd of July 2021. Out of the total receipts for the financial year of UGX.310.8Bn, only UGX.306.5Bn was spent by the entity resulting in an unspent balance of UGX.4.4Bn representing an absorption level of 98.6%. I sampled fourteen (14) outputs with a total of eighty seven (87) activities and expenditure of UGX.316.2Bn for assessment and noted that ten (10) outputs with a total of fifty-seven (57) activities and expenditure worth UGX.293.82Bn were fully quantified and four (4) outputs with a total of thirty (30) activities and expenditure worth UGX 22.36Bn were insufficiently quantified I noted that of the 57 quantified activities worth UGX293.82Bn assessed; 35 activities representing 61% were fully implemented, 20 activities representing 35% were partially implemented, while 2 activities representing 4% were not implemented. I noted that a sum of UGX. 40,6Bn was released to UPS for the settlement of Domestic Arrears to suppliers under Covid-19 related funding with all funds spent for settlement of arrears. A trend analysis of the Service's domestic arrears over the past three years showed a decreasing trend from UGX.65.97Bn in 2018/2019 to UGX.62.345Bn in 2020/2021. I noted that UPS was only allocated UGX.40.6Bn (67.4%) for settlement of domestic arrears worth UGX.60.2Bn and paid for arrears worth UGX.54.8Bn with the additional funds worth UGX.14.2Bn diverted from planned activities to pay for the arrears An assessment of service delivery revealed cases of overcrowding in prison cells with the congestion levels increasing from 291.5% in 2017/18 to 321.1% in 2020/2021. This compromises the welfare of the inmates and may result in a number of health risks such as the quick spread of diseases and compromising on sanitation. The existing congestion has proved a challenge for the prisons' service when implementing Standard Operating Procedures (SOPs) to reduce the spread of COVID-19. It has also posed a challenge in separating different categories of offenders to break the cyclic chain of crime and violence. I noted that a total of 33 (12.7%) prisons stations are still using the bucket system of sanitation which may turn cells into a breeding centre for diseases, resulting in the violation of the prisoners' rights I noted cases of over stay of prisoners on remand with the prisoners'

		<p>length of stay on remand increasing from 10.5 to 18.8 months for capital offenders and from 2.6 months to 3.8 months for petty offenders from 2016/17 to 2020/2021 respectively. For example out of the 32,409 prisoners on remand, a total of 13,933 prisoners had overstayed on remand</p> <ul style="list-style-type: none"> • I observed challenges of staff accommodation which currently stands at a deficit of 7,217 (65.1%) housing units with staff staying in temporary houses/shelters/not accommodated • The Service also faced challenges of under staffing where out of an approved organisation structure comprising of 49,470 staff, only 12,860 (26%) posts were filled, leaving a balance of 36,610 (74%) posts vacant. This leads to high staff prisoner ratio and causes fatigue among the few staff • I noted that sixty-seven (67) of the prison stations did not have buses to enable safe and secure transportation of prisoners to court which resulted into delayed delivery of prisoners to courts, transportation of high-risk inmates on open trucks, and prisoners and staff walking long distances to attend court. • I noted delays in completion of the Prisoners Management Information System (PMIS) which has delayed the enjoyment of anticipated benefits from the system. • I observed challenges in land management including encroachments, land disputes and encumbrances. Out of 158 pieces of land of different sizes in the different parts of the country, only 52 pieces were surveyed and titled, 17 pieces were surveyed but still not yet titled, while 89 pieces were not yet surveyed. Furthermore, the UPS did not have land surveying equipment
11	<p>The Law Development Centre. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • LDC had prepared the Strategic Plan aligned to NDP III and approved by NPA. • The entity budgeted to collect NTR of UGX 13.503Bn during the year under review. Only 12.205Bn was collected, representing a performance of 90% of the target. • LDC budgeted to receive UGX.28.16Bn out of which UGX.24.84Bn was availed, resulting in a shortfall of UGX.3.32Bn, which is 88.2% performance of the budget. • Out of the total warrants of UGX., 24.84Bn received during the financial year, UGX. 24.53Bn was spent by the entity resulting in an unspent balance of UGX.0.31Bn, representing an absorption level of 99%. • From a sample of ten (10) outputs with a total of twenty-five (25) activities and expenditure of UGX.24.53Bn, Four (4) outputs with a total of fifteen (15) activities and expenditure worth UGX.20.5Bn were fully quantified. One (1) output with a total of five (5) activities and expenditure worth UGX.0.6Bn, was insufficiently quantified, and Five (5) outputs with a total of five (5) activities and expenditure worth UGX 3.4Bn were not quantified at all. • I assessed the implementation of four (4) outputs that were fully quantified with a total of fifteen (15) activities worth UGX 20.5Bn and noted that all the five (5) activities within this output were fully implemented. Two (2) outputs with ten (10) activities worth UGX.19.2Bn were partially implemented, the entity fully implemented six (6) activities, three (3) activities were partially implemented, while one (1) activity remained unimplemented.

		<ul style="list-style-type: none"> The entity submitted all performance reports after the deadline. LDC had outstanding commitments brought forward totaling UGX. 2,697,202,827 as at 30th June 2020. During the year under review, UGX. 1,490,351,141 was paid, and UGX. 786,304,467 was accumulated, leaving an outstanding of UGX. 1,993,156,153 as at 30th June 2021.
12	<p>The Uganda Registration Services Bureau – Liquidation. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> The entity had a court appropriation of UGX.1.162Bn for the financial year 2020/2021 and an appropriation by court brought forward from the previous year 2019/2020 of UGX.0.640Bn totaling up to UGX.1.802Bn receipts. Out of the total funds available for expenditure of UGX.1.802Bn, UGX.1.277Bn was spent by the bureau resulting in an unspent balance of UGX.0.525, representing an absorption level of 70.9%. I reviewed all the outputs and noted that the outputs were all adequately quantified. Out of the six (6) outputs assessed, one (1) was fully implemented, while five (5) were partially implemented. Five (5) outputs with twenty-four (24) activities worth UGX1.061Bn were partially implemented. URSB did not prepare performance reports for liquidation. I observed that the bureau had receivables carried forward from the previous financial years amounting to UGX.6.243Bn that remained outstanding at the end of the financial year under audit.
13	<p>The Uganda Registration Services Bureau - Operations. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> The URSB strategic plan was prepared and approved by NPA. The entity budgeted to collect NTR of UGX.47.31Bn but collected UGX.41.32Bn representing a performance of 87% of the target. The URSB budgeted to receive UGX. 26.871Bn out of which UGX. 23.099Bn was availed, resulting in a shortfall of UGX.3.772Bn, which is 14% of the budget. Further, the entity remained with an unspent balance of UGX. 0.33Bn representing an absorption level of 99%. Out of the seven (7) outputs sampled, five (5) were fully quantified, while one (1) was insufficiently quantified and one (1) was not quantified at all. Out of the five (5) outputs assessed, two (2) were fully implemented while three (3) were partially implemented. Submission of all the quarterly performance reports was made after the deadline date. Also, inconsistencies were noted in the annual performance report and the system-generated reports. For example, management reported four (4) and two (2) patents to have been granted in the financial years of June 2020 and June 2021, respectively. Yet the system report analysis showed that no patent had been granted in the last two financial years. Despite a positive increase in the number of searches on the system, there was a significant decline in the performance of industrial designs registered, Local Trademarks renewed, Patents granted, and foreign trademarks registered I analysed the number of applications received and eventually registered for the Utility model, patents and industrial designs and noted a significant difference in the number of applications that materialised to actual registrations. For instance, three (3) out of nineteen (19) Utility model applications were granted, two (2) out of the fifteen (15) Patent applications were granted, seventeen (17) out of the seventy-six (76)

		<p>were granted.</p> <ul style="list-style-type: none"> I noted a decline in performance for activities planned under Civil Registration; the number of churches registered declined by 38.8%. Similarly, the number of Marriage returns FBOs, and Districts registered a decline in the performance of 17.56%. I noted shortcomings in the performance of the National Marriage registration system such as; NMRS could not internally generate reports; few staff are trained, incomplete information on certificates generated through the system, the system does not allow bulky payments, resulting in multiple bank charges to the customer, other systems of the Bureau like on base are not integrated with NMRS. URSB received COVID 19 arrears supplementary budget of UGX.0.0318Bn, all of which was spent representing 100% of the budget absorption. The Bureau had UGX.4.516Bn in domestic arrears, but it budgeted and was warranted UGX.0.032Bn, leaving a balance of UGX.4.484Bn unbudgeted. URSB effected payments totaling UGX.1.216Bn resulting in excess of UGX.1.184Bn above the approved budget. Domestic arrears increased by UGX.3.055Bn (68%) from UGX.1.466Bn to UGX.4.516Bn as at June 2021. The arrears remained unsettled at the close of the year. I reviewed the business registration system and noted the absence of an inbuilt mechanism to track and trace the movement and clearance of queries raised regarding name reservations and applications. The entity still has some processes that use manual backup. There were delays in the development of the Quality Management system ISO 9001(QMS)
14	<p>The Ministry of Internal Affairs. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> The Ministry of Internal Affairs prepared a strategic plan for 2020-2025. However, it had not been approved by the National Planning Authority at the time of audit. Out of the total receipts for the financial year of UGX.51.5Bn, only UGX.50.8Bn was spent by the entity resulting in an unspent balance of UGX.0.7Bn representing an absorption level of 99%. I sampled forty-one (41) outputs with a total of one hundred and ninety-seven (197) activities and expenditure of UGX.37.7Bn for assessment and noted that fifty-nine (59) activities with expenditure worth UGX.11.30Bn were fully quantified. one hundred thirty-seven (137) activities with worth UGX.26.1Bn were insufficiently quantified, and one (1) activity with expenditure worth UGX.0.24Bn was not quantified at all An assessment of service delivery revealed that in the financial year 2020/2021, the Ministry extended support to 299 victims of human trafficking, which is only 45% of the total victims of human trafficking as reported by the Uganda Police Force. An assessment of the Monitoring of NGOs revealed that although the Ministry had registered 2,249 NGOs, the Ministry could only carry out offsite inspections of just 145 NGOs or 1% of all registered NGOs. A trend analysis of the Ministry domestic arrears over the past three years showed an increasing trend from UGX.0.078Bn in 2018/2019 to UGX.1.45Bn in 2020/2021. The Ministry paid for repair services worth UGX.13,237,877 without being certified by the responsible technical officer to confirm receipt of the services. The Ministry also procured stores worth UGX.88,444,071, which were not recorded in the Ministry's stores records. I noted that procurements worth UGX.88,844,071 were not recorded in

		<p>the stores' ledgers nor witnessed by internal audit, making it difficult to verify the deliveries.</p> <ul style="list-style-type: none"> The Ministry of Internal Affairs has an approved structure of 224 positions, out of which 105 are filled, resulting in a shortfall of 119 (representing 47%), including critical positions such as Commissioner Compliance, Assistant Commissioner Compliance, Senior Internal Auditor, Commissioner and Assistant Commissioner for the Social Integration department were vacant.
15	<p>Uganda Police Force. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> Uganda Police Force prepared a strategic plan for the period 2020-2025. However, the plan had not yet been approved by the National Planning Authority at the time of audit . Uganda Police Force budgeted to collect NTR of UGX.24.06Bn during the year. However, by the end of the year, UPF had collected a total of UGX.33.80Bn. Out of the total GoU receipts for the financial year of UGX.1,043.5Bn, only UGX.1,040.2Bn was spent by the entity resulting in an unspent balance of UGX.3.4Bn representing an absorption level of 99.7%. As a result, I noted that of the twenty-eight (28) fully quantified activities worth UGX.207.3Bn assessed, three activities representing 11% were fully implemented, while 25 activities representing 89% were partially implemented. I noted that UPF received off-budget financing amounting to UGX.12.4Bn, which was not declared to the Treasury and therefore not appropriated to the entity by Parliament. I assessed the extent of service delivery and noted that the coverage of canine services had only reached 68 (or 43%) out of Uganda's 157 policing districts, affecting the extent of canine-related investigations and service delivery in the areas not yet covered. I assessed the progress on the investigation of crime by the Uganda Police Force and noted that the entity had only completed investigations for 331,584 (40.7%) cases, leaving a backlog of 445,976 cases. Of the 445,976 backlogs of cases, 291,060 (65%) have been pending for three (3) or more years. Although Uganda Police has completed Phase 1 and 2 of the project for the installation of CCTV cameras, I observed that the Force does not have a budget for the maintenance of the installed camera infrastructure. UPF received a sum of UGX.49.22Bn as 'Covid-19 related' funding, all of which was utilised for the purpose for which it was released. An assessment of the performance of the Express Penalty Scheme revealed that whereas tickets worth UGX.120.8Bn have been issued in the period from 2015/2016 to 2020/2021, only UGX.90.Bn has so far been collected, resulting in uncollected arrears amounting to UGX.29.98Bn. A trend analysis of domestic arrears over the past three years shows a decreasing trend from UGX.161.0Bn in 2017/2018 to UGX.114.1Bn at the close of 2020/2021. A total of 380 staff continued to receive salaries amounting to UGX.1,795,637,954 after their retirement date, as recorded in the Integrated Personnel and Payroll System (IPPS). UPF does not have an approved land management policy. In addition, a total of 408 out of the 1,078 parcels of land owned by UPF are neither

		surveyed nor titled.
16	<p>National Identification and Registration Authority (NIRA). 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> NIRA prepared a strategic plan for the period 2020-2025, which was approved by the National Planning Authority. However, the plan is yet to be approved by the Board of the Authority for implementation. NIRA budgeted to collect NTR of UGX.15.0Bn during the year. However, by the end of the year, NIRA had collected a total of UGX.3.66Bn. Out of the total GoU receipts for the financial year of UGX.55.2Bn, only UGX.53.3Bn was spent by the entity resulting in an unspent balance of UGX.1.7Bn representing an absorption level of 97%. As a result, I noted that of the twenty-four (24) fully quantified activities worth UGX.70.6Bn assessed; 10 activities representing 42% were fully implemented, 12 activities representing 50% were partially implemented, while 2 activities representing 8% were not implemented at all. I assessed the extent of service delivery and noted that only 11% of the planned 1,712,880 citizens were registered during the year, while only 30% of the planned 2,000,000 National IDs were issued. I assessed the progress on registration of births and deaths and observed that NIRA registered 90% of the planned 960,000 births and only 1.3% of the 960,000 deaths. A review of the progress of registering citizens indicated that as of December 2021, 29,713,029 applications, or 69% of all Ugandans, had applied to NIRA for registration. Of these, only 25,557,448 or 86% of the applicants had been registered, and only 16,258,521 (63.6%) have been issued with National Identity cards. Only 16.3 million cards out of the over 19 million national identity cards so far printed have been claimed, leaving over 2.7 million cards unissued or unclaimed. At the time of audit (December 2021), the Authority had over 4.3 million applications yet to be processed. Of these, 3.2 million applications were still being processed, while 1.1 million applications have been rejected. NIRA plans to register at least 28,000 aliens annually and issue them with the relevant identification cards. From 2015 to date, the entity has only received 16 applications for alien IDs, and no Alien ID has been issued. A reviewed the outcome of the initiative to register learners (or school going children within their schools) undertaken in 2017/2018 to determine whether all registered learners had been issued with NINs. I noted that records of over 1.8 million (or 19%) learners' who registered during that exercise had been rejected and thus not processed for issuance of NINs and Identification Cards. NIRA failed to procure over 4,500,000 million IDs from the Uganda Security Printing Company as the Joint Venture Agreement required. As a result, the entity has recognised a contingent liability of UGX.33.5Bn.
17	<p>Amnesty Commission 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> The entity budgeted to receive UGX.4.016Bn, out of which UGX.3.868Bn was warranted, resulting in a shortfall of UGX.0.147Bn, which is 3.7% of the budget. Out of the total receipts for the financial year of UGX.3.199Bn, all of the funds were spent by the entity representing an absorption level of 100%. As a result, I noted that of the three (3) quantified activities worth UGX.1.297Bn assessed, all of three (3) activities were partially implemented.

	SECURITY SECTOR	
1	<p>NEC AGRO SMSC LTD 2019/2020</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> Accounts receivables increased by 229% from UGX.3.080bn in the financial year 2018/19 to UGX.7.062bn in financial year 2019/20. Outstanding debtors represent idle resources which could be used in the implementation of planned activities. I noted weaknesses in the utilisation of the Corporation's tractors which include; the tractors have remained parked for a long period of time hence losing value, the entity spent a sum of UGX.8,094,000 on tractor repairs but no revenue was generated, having been acquired in 2010, these tractors are due for disposal however the disposal process had not started. I reviewed Financial Performance of NEC AGRO SMC LTD and observed the following: The Corporation had an operating margin of 6.8% which is below the recommended 15%. This implies that the subsidiary has a lower proportion of revenues covering expenses rather than profits or income. The Corporation made profits of UGX.2.061bn after tax in the year under review up from profits of UGX.0.661bn realized in the previous year (a rise of 211.5%). The Corporation had positive retained earnings of UGX.0.724bn as at the end of the financial year. This will enable the corporation to meet future contingencies or investments in growth. The return on assets for the Corporation increased to 19.1% from 13.1% recorded in the previous year which is generally considered good given that it is over 5%. The Corporation had a current ratio of 2.7 for the year under review which was above the desirable ratio of 1.5 implying that the Corporation is not efficiently using its current assets. The Corporation had a debt ratio of 35% as at the end of the financial year compared to 2.8% in the previous year implying that the majority of the Corporation assets are financed by debt. Two subsidiaries i.e. NEC Tractor Hire Scheme and NEC Tractor Project to form NEC AGRO SMC LTD were merged to form NEC AGRO SMC LTD. Although the Corporation is now in operation, it has not been approved by the Uganda Registration Services Bureau.
2	<p>NEC AGRO SMSC LTD 2020/2021</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> Receivables increased by 23.2% from UGX.6,671,059,244 in the F/Y 2019/20 to UGX.8,219,802,915 in the F/Y 2020/21 and a number of debtors had been outstanding since financial year 2018/19 to-date. NEC AGRO SMC LTD has an operating margin of 8.5% which is below the desirable 15%. This implies that the subsidiary has a lower proportion of revenues covering expenses rather than profits or income. The Corporation had a current ratio of 11.4 for the year under review which was way above the desirable ratio of 1.5. I further noted that the current ratio for the year increased by 322% from a ratio of 2.7 recorded in the previous year.
3	<p>(NEC) Farm Katonga Limited. 2019/2020</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> The Corporation had an operating margin of 2.1%, which is below 50% which implies that the Corporation is having a lower proportion of revenues covering expenses rather than profits or income. The Corporation had negative retained earnings of UGX.1,474,703,986 as at the end of the financial year. This may affect the entity's ability to

		<p>meet future contingencies or investments in growth.</p> <ul style="list-style-type: none"> The return on assets for the Corporation increased by 0.01% from 0.55% recorded in the previous year, the return was still very low. This implies that the Corporation is not making enough income from the use of its assets. The Corporation had a current ratio of 389 for the year under review which was far above the desirable range of 1.5 – 2.0. It reduced by 59% from a ratio of 938 realized in the previous year.
4	<p>(NEC) Farm Katonga Limited, 2020/2021</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> The Corporation has an operating margin of 1.2%, which is below the 50% compared to 2.1% realized in the previous year 2019/20 representing a reduction of 43% which implies that the Corporation is having a lower proportion of revenues covering expenses rather than profits or income. The Corporation made profits of UGX.32,789,541 after tax in the year under review up from profits of UGX.30,230,727 realized in the previous year representing a rise in profits of 8.5%. However the Corporation had negative retained earnings of UGX.1,441,914,445 as at the end of the financial year which may affect the entity's ability to meet future contingencies or investments in growth. The corporation posted a return on assets of only 0.4% down from 0.56% posted in the previous year, representing a reduction in ROA of 28.6%. This implies that the Corporation is not making enough income from the use of its assets. The Corporation had a current ratio of 2,123 for the year under review which was far above the desirable range of 1.5 – 2.0. The very high current ratio implies that the Corporation is not efficiently using its current assets or its short-term financing facilities. A loan advances worth UGX.808,940,140 was extended to NEC AGRO SMC LTD on 10/03/2021 after committing to pay back the short term loan in 4 weeks. It was however observed that at the time of writing this report in December 2021, the loan advance had not been repaid. It was established that NEC was involved in land disputes with various encroachers at NEC Farm Katonga which may result into loss of land if not promptly handled.
5	<p>NEC Headquarter 2019/2020</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> The Corporation had outstanding debtors amounting to UGX.1,796,916,916 some of which have been outstanding for a number of years. Continued reflection of the debtors' amount in the financial statements when their recovery seems to be remote misleads users of the accounts. The Corporation owns Plot No. 1018 which is about 10 acres of land at Kampala Industrial and Business Park in Namanve allocated to it by Uganda Investment Authority in the year 2005 which has remained undeveloped for about 15 years due to lack of an access road.
6	<p>NEC Headquarters 2020/2021</p> <p><u>Opinion</u> Qualified</p>	<ul style="list-style-type: none"> I observed that NEC Pharmaceutical investment reduced to UGX.1,118,877,451 from UGX.2,460,326,736 by the end of the financial year 2020/2021 because machinery and furniture valued at UGX.1,341,449,285 was to be disposed of. The Ministry of Works expert put the value of the machinery and furniture to be disposed of at UGX.413,720,000 implying that value for sale was overstated by UGX.927,729,285. In the FY 2017, NEC was allocated road construction and maintenance

		<p>equipment from Ministry of Works and Transport as one way of enhancing its competitiveness in the market. I however noted that the depreciation charge related to the road construction and maintenance equipment was not disclosed in the statement of profit and loss and other comprehensive income contrary to the existing financial reporting standards.</p> <ul style="list-style-type: none"> • Debtors worth UGX.757,989,660 were reported among which are sundry debtors and prepayments worth UGX.142,254,800 which have been outstanding for a period of more than one year. • Payable amounting to UGX.10,010,447 have remained outstanding for over ten years. • In 2005, Iran Agro Industries was given a lease for 17 square miles of land at NEC Farm Katonga. The initial 5-year lease elapsed without fulfilment of the lease obligations by Iran Agro Industries and the lease was terminated but the land titles were not repossessed by NEC. • It was observed that there was no Annual General Meeting held in the last five years and the entity's draft strategic plan had not been reviewed by NPA to align to NDP III for onward approval by the Board of Directors.
7	<p>NEC Luwero Industries Limited, 2019/2020</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • The Corporation had outstanding trade debtors amounting to UGX.791,065,997 at the close of the financial year 2019/2020 some of which have been outstanding for over the past three financial years. Uncollected debtors represent an idle resource that would be put to use by the entity to enhance its operations. • The Corporation had outstanding trade creditors amounting to UGX.33,967,430 some of which have been outstanding for over three financial years. Failure to settle creditors for such long periods could lead to litigation costs for the entity and impact on the going concern as the creditors may cease doing business with the entity. • NEC has established an e-waste project at 6th Street Industrial Area managed by Luwero Industries Ltd; a subsidiary of NEC and over UGX.200 million was spent on renovation of structures where the e-waste project was to be established. I noted that NEC is yet to acquire a land title for the space where this project is established. • The Corporation has an operating margin of 30%, which is below 50% compared to 3% realized in the previous year 2018/19 representing an increase of 900%. This implies that the Corporation is having a lower proportion of revenues covering expenses rather than profits or income. • I noted that the Corporation made profits of UGX.3,380,139,206 after tax in the year under review up from profits of UGX.206,028,828 realized in the previous year representing a rise in profits of 1,541%. I further noted that the Corporation had negative retained earnings of UGX.19,235,077,990 as at the end of the financial year. • I noted that although the return on assets for the Corporation increased by 11.5% from 0.95% recorded in the previous year, the return was still very low. This implies that the Corporation is not making enough income from the use of its assets. • I noted that the Corporation had a current ratio of 5.2 for the year under review which was above the desirable ratio of 1.5. I further noted that the current ratio for the year increased by 4% from a ratio of 5.0 recorded in the previous year. • The Corporation had a debt ratio of 5.3% as at the end of the financial year under review implying that majority of Corporation assets are

		<p>financed by debt. In comparison with the previous year, the debt ratio was 6.6% indicating a reduction of 1.3% in the debt over the one year period.</p>
8	<p>National Enterprise Corporation (NEC) Luwero Industries Limited. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • The entity had outstanding trade debtors amounting to UGX.491,697,278 at the close of the financial year 2020/2021, some of which have been outstanding for over the past three financial years. Uncollected debtors represent an idle resource that would be put to use by the entity to enhance its operations. • The Corporation had outstanding trade creditors amounting to UGX.744,085,592 some of which have been outstanding for over three financial years. Failure to settle creditors for such long periods could lead to expensive litigation costs for the entity and impact on the going concern as the creditors may cease doing business with the entity. • The Corporation had negative retained earnings of UGX.15,552,895,876 as at the end of the financial year. This may affect the entity's ability to meet future contingencies or investments in growth. • The corporation posted a return on assets of only 10% down from 12.5% posted in the previous year, representing a reduction in ROA of 20%. This implies that the Corporation is not making enough income from the use of its assets. • The Corporation had a current ratio of 11.9 for the year under review which was above the desirable ratio of 1.5. A very high current ratio implies that the Corporation is not efficiently using its current assets or its short-term financing facilities. • The Corporation had a debt ratio of 2.1% as at the end of the financial year under review implying that majority of Corporation assets are financed by debt.
9	<p>NEC UZIMA. 2019/2020</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted that management procured major factory materials worth UGX.1,645,898,731 without adhering to neither the existing procurement processes nor applying for accreditation of an alternative system specifying existence of unique circumstances that could have prevented adherence to the requirements of PPDA Act. • NEC UZIMA LTD has an operating margin of 5.8% which is below 15%. This compared to 1.3% realised in the previous year 2018/19 represented an increase of 346% which puts the company in an awful situation. • Despite NEC Uzima Ltd making profits, the company had negative retained earnings of UGX.231,489,309 as at the end of the financial year. If this is not improved in the future, entity's ability to meet future contingencies or investments in growth may be affected. • I noted that the return on assets for the Corporation increased to 6.3% from 2.3% recorded in the previous year which is generally considered good given that it is over 5%. • The Corporation had a current ratio of 0.55 for the year under review which was way below the desirable ratio of 1.5. The Corporation is not able to satisfy its current liabilities/short-term obligations without raising external capital. • The Corporation had a debt ratio of 61% as at the end of the financial year under review implying that majority of Corporation assets are financed by debt. This implies that the company doesn't have enough funds to meet its current debt obligations and may find it hard to pay a return on government investments.

10	<p>NATIONAL ENTERPRISE UZIMA LTD, 2020/2021</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • Payables increased from UGX.1,042,752,671 in the F/Y 18/19 to UGX.1,744,963,543 in 19/20 and further to UGX.2,052,449,538 in the year under review. The increasing trend of payables could result into an uncontrollable level of payables which greatly affects the credit worthiness of the entity. • The Corporation had negative retained earnings of UGX.88,435,269 as at the end of the financial year. This may affect the entity's ability to meet future contingencies or investments in growth. • The Corporation had a current ratio of 2.3 for the year under review which is above the desirable ratio of 1.5. The high current ratio implies that the Corporation is not efficiently using its current assets or its short term financing facilities. • The Corporation had a debt ratio of 53.5% as at the end of the financial year under review which is considered undesirable. This implies that the company does not have enough funds to meet its current debt obligations and may find it hard to pay a return on Government investment.
11	<p>NEC Construction Works and Engineering Limited, 2019/2020</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • NEC Works Ltd had outstanding trade debtors of UGX.10,074,717,689 as at the close of the financial year 2019/2020. Outstanding debtors represent an idle asset that would be put to use by the entity to enhance its operations. • National Enterprise Corporation (NEC) engaged into an MoU with Uganda Free Zone Authority (UFZA) in June 2019 for construction of the Free port zone facilities at Entebbe international airport. I observed that as at 30/06/2020, the completion status was barely at 30% with expected date of completion in June 2021. • The Corporation has an operating margin of 9%, which is below 50% compared to 12.5% realized in the previous year 2018/19 representing a reduction of 28%. This implies that the Corporation is having a lower proportion of revenues covering expenses rather than profits or income. • The Corporation made profits of UGX.2,094,813,036 after tax in the year under review up from profits of UGX.1,298,330,782 realized in the previous year representing a rise in profits of 61%. • The return on assets for the Corporation increased by 5% from 5.8% recorded in the previous year, the return was still very low. This implies that the Corporation is not making enough income from the use of its assets. • The Corporation had a current ratio of 1.3 for the year under review which was below the desirable ratio of 1.5. I further noted that the current ratio for the year increased by 12% from a ratio of 1.16 recorded in the previous year. The low current ratio implies that the Corporation has limited ability to meet short-term obligations without raising external capital. • The Corporation had a debt ratio of 79% as at the end of the financial year under review implying that majority of Corporation assets are financed by debt. This implies that the company does not have enough funds to meet its current debt obligations and may find it hard to pay a return on government investments.
12	<p>National Enterprise Corporation - Construction, Works and Engineering Ltd 2020/21</p>	<ul style="list-style-type: none"> • NEC Works Ltd had outstanding trade debtors of UGX.2,961,747,233 as at the close of the financial year 2020/2021 some of which have been outstanding for more than one year. I was not availed any recovery plans

	<p><u>Opinion</u> Unqualified</p>	<p>nor any initiatives taken by management to recover the debts.</p> <ul style="list-style-type: none"> • The Corporation had an operating margin of 11%, which is below 15% compared to 9% realized in the previous year 2019/20 representing an increase of 22%. This implies that the Corporation is having a lower proportion of revenues covering expenses rather than profits or income. • The Corporation had a current ratio of 1.4 for the year under review which was below the desirable ratio of 1.5. The low current ratio implies that the Corporation has limited ability to meet short-term obligations without raising external capital. • The Corporation had a debt ratio of 69% as at the end of the financial year under review implying that majority of Corporation assets are financed by debt.
13	<p>Uganda Air Cargo Corporation 2019/2020</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • The Corporation had outstanding debtors of UGX.8,174,344,548 as at 30th June, 2020. UGX.8,159,631,016 representing 99.8% of the debtors reported has been outstanding for a period of more than 5 years. The uncollected debtors constitute more than 65% of the total current assets. • The Corporation had outstanding trade payables amounting to UGX.25,276,330,330 as at 30th June, 2020 with over UGX.13bn having been outstanding for over three financial years. • Management budgeted to collect revenue of USD.9,750,409 from its 8 revenue streams but only USD.444,407 was realized resulting into under collection of USD.9,306,004. The under collection constituted 95% of the budgeted revenue. • In keeping in line with the Corporation's vision, major investment projects were envisaged in the 10 year plan period but a review of the entity work plans and operations revealed that none of the projects has been implemented despite being in its 5th year of implementation. • The Corporation made a loss of UGX.12.6 Bn after tax in the year under review up from a loss of UGX.3.7 Bn realized in the previous year representing a rise in losses of 238%. I further noted that the Corporation had negative revenue reserves of UGX.16.331 Bn as at the end of the financial year. This may affect the entity's ability to meet future contingencies or investments in growth. • The Corporation had a current ratio of 0.5 for the year under review which was below the desirable ratio. The low ratio implies that the Corporation has limited ability to meet short term obligations without raising external capital. • The Corporation had a debt ratio of 30.6% as at the end of the financial year under review which is below the desirable of 50% and above implying that majority of Corporation assets are financed by debt. • An audit inspection established that the Corporation did not have an operating Aircraft to do business since most of them had been grounded under different circumstances.
14	<p>Uganda Air Cargo Corporation, 2020/2021</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • MoFPED released UGX.46,048,485,223 through MoDVA for capitalisation of UACC but MoDVA transferred UGX.42,511,285,223 leaving a balance of UGX.3,537,200,000. It was observed that UACC with the approval of the Board of Directors agreed to reallocate UGX.28,647,537,490 to fund new priorities other than those for which the funds were appropriated. • A review of the ten (10) year Strategic Business and Investment Plan 2016 to 2027 revealed that out of the planned seven (7) targets/goals, one (1) had been fully achieved, three (3) were partially achieved while

		<p>three (3) were not achieved at all.</p> <ul style="list-style-type: none"> • Management created an additional position of “Principal Director” to oversee the Directorates of Flight operations and Maintenance which is not in the established structure and is contrary to The Civil Aviation Regulations 2014, section 13. • UACC is a statutory corporation that is supposed to undertake procurements in accordance with PPDA Law and its Regulations. I observed that procurements are normally undertaken as and when the aircrafts breakdown and as such did not follow the formal procurement procedures. • UACC signed a contract on 20th April, 2021 with National Enterprise Corporation (NEC) for construction of the UACC HQ offices for a sum of UGX.1.097Bn and the expected project completion date was 19th October, 2021. I observed that unsecured advances of UGX.1.04Bn (95%) of the contract sum had been paid to NEC by closure of the financial year 30th June 2021. Audit inspection carried out on 18th October, 2021 observed that construction works were behind schedule. • UACC to-date does not have an operating Aircraft to do business since most of them had been grounded or not operational under different circumstances. • The Corporation had negative retained earnings/revenue reserves of UGX.24.03Bn as at the end of the financial year. This may affect the entity’s ability to meet future contingencies or investments in growth.
15	<p>State House. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • There was a shortfall in NTR collections amounting to UGX.0.573.4bn representing 64%. • I assessed 13 outputs with a total of 45 activities and actual expenditure of UGX.345.4Bn and observed that 9 outputs were fully quantified, 3 outputs were insufficiently quantified while 1 output was not quantified at all. • I further assessed the nine (9) out puts that were fully quantified with a total of 27 activities worth UGX.242.4bn and observed that 6 outputs were fully implemented while 3 outputs were partially implemented. • In compliance with Section 24 of the Public Finance Management Act, 2015 (Classified Expenditure), expenditure of UGX.546,349,392,500 that relates to classified expenditure is to be audited separately and a separate audit report issued. • UGX.116m was budgeted for domestic arrears during the year under audit despite failure to disclose outstanding domestic arrears in the previous years. • A review of the Ministerial policy statement for the financial year 2020/21 revealed that the entity did not prepare a comprehensive vehicle utilisation report for the period as required by Section 15(h)) of the Public Finance and Management Act, 2015, as amended.
16	<p>Office of the President</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • The entity had prepared a draft strategic plan which was submitted to align the plan to NDP III upon which the certificate of compliance will be issued. • Out of the budgeted revenue of UGX.525,000,000 for the year 2020/21; UGX.423,827,920 was collected representing performance of 80% of the target. • Out of the total warrants for the financial year of UGX.202,499,917,566,

		<p>UGX.201,682,707,928 was spent by the entity resulting in an unspent balance of UGX.817,209,638 representing absorption level of 99.6%.</p> <ul style="list-style-type: none"> • I assessed the implementation of all the 19 out puts that were fully quantified with a total of 100 activities worth UGX.92.2 bn. and noted the following: • Twelve (12) outputs with a total of seventy eight (78) activities worth UGX.62.1bn were fully implemented. • Four (4) outputs with a total of fifteen (15) activities worth UGX.16.0bn were partially implemented. • Three (3) outputs with a total of seven (7) activities worth UGX.14.7bn were not implemented at all. • • Out of the planned 27 strategic targets/goals, 23 targets had been fully achieved while 4 were not achieved at all. • Out of the budgeted revenue of UGX.0.52bn for the year 2019/20; only UGX.0.20bn was collected representing performance of only 3.8% of the target. • Out of the total receipts for the financial year of UGX.2.17bn, UGX.2.11bn was spent by the entity resulting in an unspent balance of UGX.5.633bn representing an absorption level of 97.4%. • I assessed a sampled of 19 outputs with a total of 175 activities and actual expenditure of UGX.94Bn which were fully quantified by management. I observed that; 11 outputs with a total of 69 activities worth UGX.77.2Bn were fully implemented. 2 outputs with a total of 21 activities worth UGX.18.5Bn were partially implemented. • I examined supplementary funding received by the Office for COVID 19 interventions and observed anomalies which included under absorption of the funds, failure to quantify activities implemented, inappropriate procurement methods and funds not accounted for. Specifically for management of quarantine centres, I observed that items were procured at varying prices and they were not taken on charge. • Arrears totalling to UGX 30,549,780,185 remained unsettled at close of the year. Further, UGX.28,431,892,310 was provided for settlement of domestic arrears yet domestic arrears brought forward from the prior year were UGX.58,981,672,495. • Shortcomings were observed in the Ministry's fleet management which included incomplete recording of motor vehicles in the assets register, failure to use motor vehicle logbooks, lack of motor vehicle annual inspections, lack of adequate vehicles for allocation to RDCs, gaps in drivers' competences and failure to implement board of survey recommendations for disposal of motor vehicles.
17	<p>Ministry of Defence and Veteran Affairs. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • Out of the budgeted revenue of UGX.1.735Bn for the year 2020/21; UGX.1.018Bn was collected representing performance of 59% of the target. • Out of the total warrants for the financial year of UGX.5.316Tn, UGX.5.315Tn was spent by the entity resulting in an unspent balance of UGX.1.244Bn representing absorption level of 99.98%. • All the 13 outputs with a total of 26 activities and expenditure of UGX.2.843Tn sampled for assessment were not quantified to enable assessment of performance.

		<ul style="list-style-type: none"> • A budgetary allocation on Court awards and compensations of UGX.279.12M was received during the year against the outstanding claim of UGX.3.537BN resulting into a shortfall of 99.92%. • Domestic arrears over the past three years have shown a declining trend with arrears reducing by UGX.284.868Bn from 2019 to 2021. • I observed that trade creditors totalling to UGX.364.821Bn remained unsettled at close of the year with arrears totalling to UGX.194.297Bn relating to previous financial year(s). • I noted that UGX.19.711Bn paid to settle domestic arrears was diverted from the current budget. • I observed that Batuma Ivan Mbabazi was paid UGX.1.085Bn out of UGX.3.056Bn in respect of compensation for Kibanja land situated in Kihumuro village without proof of ownership. I noted the compensation value of crops worth UGX.1.885Bn paid did not provide details of crops planted and the land coverage. • I observed that a number of illegal activities were being carried out on UPDF 36 Sq Miles land in Kaweweta to include: Illegal acquisition and fencing of military land by veterans; Illegal leasehold registration; Land encroachment; Charcoal burning; Cattle grazing and construction of dams. • I noted that UGX.47BN out of the contract sum of UGX.104.77BN had been paid in relation to the construction of UPDF National Referral Hospital at Lower Mbuya. I observed during my inspections that the no single structure was complete, agreed time frame had elapsed and the site looked abandoned. • I noted during my inspection that Kaweweta Recruit Training School construction project site had been abandoned and observed the following: Abandoned water supply project; pending works on phase 2 and phase 3 projects; un finished works on road opening of the security road; pending works on tarmacking of 3kms internal road network; Abandoned dormitory blocks for female trainees and aqua-privy toilets; abandoned construction of 2 range grounds and lack of adequate accommodation. • I noted an urgent need to repair the white house building at URDCC which was found to have a leaking roof in the mess and accommodation rooms. • I observed that the UPDF Legal Training Centre which was started in 2014 funded by Netherlands Government had stalled and looked abandoned. • I observed that out of the required 5.6km concrete perimeter wall fence for land forces headquarter Bombo, only 525 meters had been covered leaving 4.6kms outstanding to complete the perimeter wall. • I noted that Land forces operation centre Bombo had been abandoned since September 2021 and the project had stalled at 75%. The pending works on the project included painting, electrical and water connections and finishing works on the toilets. • I inspected the General Military Hospital- Bombo (GMHB) and observed the following: a need for a centralised system of resource allocation at the hospital; Inadequate medical supplies; Underutilization of hospital equipment; Crowded hospital premises; Old hospital equipment and Parked staff bus. • I observed that the Marine Pier at Ntokolo Landing site Magamaga was
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		<p>affected with water levels on Lake Victoria dropping back to normal hence making it difficult for the marine boats to fully utilise the docking area due to shallow waters. I noted that only half of the docking area was utilised contrary to the original plan.</p> <ul style="list-style-type: none"> • I inspected Magamaga cantonment and observed the following issues: lack of sufficient storage space, land encroachments, inadequate water supply, poor road network, insufficient lighting system at the store premises, accommodation challenges, need to expand Health centre II to Health centre III and inadequate toilets at the store premises. • I observed inadequate Fuel supply for Air Force training as Air Force is not allocated fuel for operations. but the same fuel allocation for training is used for other operations and yet the trainers have specific performance contracts. • I noted that while there are reserve tanks in Nakasongola and Jinja that were constructed in past regimes, these have never been utilised subjecting management to buying Jet fuel from dealers at the open market pump prices and exorbitant prices. • I inspected Special Forces Command (SFC) and observed creation of 206 brigade SFC without sufficient funding. I noted lack of office furniture, storage space and CCTV cameras.
	PUBLIC SECTOR MANAGEMENT SECTOR	
1.	<p>The New Vision printing and Publishing company Limited 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • Because the company's market capitalisation of UGX 23,715 million was significantly lower than the carrying amount of the company's net assets of UGX 65,039 million as at 30th June 2021. In accordance with IAS 36 Impairment of Assets, this impairment indicator triggered impairment testing of the non-current assets of the company. The recoverable cost of UGX 57,866 estimated to be the fair value of the company. • NVPPCL incurred costs relating to a one-off discretionary retirement package comprised of cash and in-kind items to recognise long service to the company by an existing employee. Management measured and recognised costs relating to the retirement package of UGX 1,956 million and reported these as part of staff costs included in administrative expenses in the statement of comprehensive income. • The company had gross trade receivables of UGX 17,265 million (2020: UGX 27,190 million) and expected credit losses of UGX 3,202 million (2020: UGX1,428 million) to which management performed the impairment assessment of trade receivables. • In June 2020, the board resolved to move all staff from permanent employment terms to fixed-term contracts. The phased movement of staff members had commenced by August 2020. However, as at 30th April 2021, there were still two staff maintained on the payroll with payment terms similar to those in their permanent employment contracts. I further noted that these had not signed off the fixed term basis employment contracts. Management indicated that it's engaging the two concerned staff members for a resolution and contract sign off. • I noted that the board approved changes to estimated useful lives of the different items under property, plant and equipment on 25th June 2020 as part of the approval of the budget; however, these changes were not implemented timely as required by IAS 8 Accounting Policies, Changes in Accounting Estimates. • I reviewed the information system controls of the IT system and noted

		<p>the following;</p> <ul style="list-style-type: none"> • Absence of a defined information security management system • Absence of a cybersecurity incident response team • Inadequate security awareness • Vulnerability assessments not performed • Absence of data classification • Inadequate ICT vendor management
2.	<p>Markets and Agricultural Trade Improvement Project (MATIP) II 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • There was a shortfall in releases from GOU sources of UGX.0.23Bn and donors of UGX.19.763Bn. Furthermore, the project failed to absorb UGX.0.271Bn. • I reviewed 4 out-puts with a total of 16 activities worth UGX.57.7Bn representing 100% of the total expenditure and noted that two (2) outputs with six (6) activities worth UGX.38.6Bn were fully quantified. I further observed two (2) out-puts with ten (10) activities worth UGX.19.1Bn were insufficiently quantified. All the two (2) outputs that were fully quantified were partially implemented. • I observed that there was delayed completion of works on some of the markets and value addition facilities. Two (2) markets were completed by June 2021 however they had not been commissioned and operationalized by September 2021 thus affecting service delivery. • I observed that except for Entebbe market all the other markets lacked a revenue management information system to facilitate revenue management. This was also the case for the seven (7) MATIP 1 markets. I further observed that the allocation guidelines favor leaseholders who pay very little in terms of ground rent to the Municipalities. This affects revenue mobilization and impairs self-reliance and sustainability of these markets. • The beneficiary Municipalities have failed to put in place a market maintenance fund which would facilitate routine maintenance of the completed structures. This was also the case for the MATIP 1 markets. In addition, all the markets redeveloped under MATIP 1 and 2 are not insured against risks such as; fire outbreaks, electrical failures and unforeseen disasters.
3.	<p>Ministry of Public Service 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • The Ministry's five (5) year strategic plan was certified by NPA, confirming that it is aligned to the NDP III. • The Ministry collected only 57.7% of its NTR target for the year and had a shortfall in government funding of UGX.9.7Bn, which is 32.4% of the budget. The Ministry failed to absorb UGX.1.1Bn, which is 5.5% of what was released. • The Ministry had off-budget financing of UGX.0.529Bn, which was never declared to the PSST for re-voting. • Out of the thirty-five (35) outputs assessed, eight (8) were fully quantified, while five (5) were insufficiently quantified to facilitate performance measurement. The balance of two (2) outputs were not included in the Ministerial Policy Statement submitted to Parliament. • Out of the eight (8) outputs that were fully quantified, seven (7) outputs were partially implemented, while one (1) output was not implemented at all as a result of the disruptions caused by restrictions imposed due to

		<p>Covid-19.</p> <ul style="list-style-type: none"> • The Ministry delayed submitting all its quarterly performance reports to MoFPED, and similarly, I did not find evidence to confirm that monitoring plans and reports were prepared. • I observed that a number of government entities had not been filling positions of persons who had been granted leave without pay, which resulted in manpower gaps in these entities affecting their efficiency in delivering services to the citizens. • The Ministry failed to utilise up to UGX.6.5Bn of the total salary budget of UGX.17.9Bn provided by MoFPED over the past four (4) years. • The Ministry had outstanding domestic arrears of UGX 0.86Bn by the end of the financial year. • The Ministry had not put in place adequate guidance regarding the number of boards on which a civil servant is allowed to serve at any one time. This resulted in some civil servants serving on more than three (3) boards, which affects the time they allocate to their substantive jobs. • I noted some challenges in the management of recruitments into the service, such as; irregular employment of staff by Accounting Officers and the absence of a policy for the recruitment and selection of temporary staff. • I noted irregularities in the management of leave without pay for civil servants, which included; absence of a complete register of all civil servants who were away on leave without pay and irregular grant of leave without pay. • I noted irregularities in overseas training for civil servants, such as the absence of a register of all civil servants who were away on training and some Officers who went abroad for training programmes offered by the different local universities in Uganda.
3.	<p>Local Government Finance Commission 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted that the Commission did not have an approved strategic plan that was aligned to NDP III by the time of audit. The draft plan prepared by the entity had not been certified by NPA. • The Commission collected only 0.03% of its NTR target for the year and had a shortfall in government funding of 0.04Bn which is 0.75% of the budget. The Commission absorbed all the funds that were released. • Out of the five (5) out-puts assessed, one (1) output with 0.115 Bn was fully quantified, while four (4) outputs with 4.01Bn were insufficiently quantified. The one (1) output that was fully quantified was partially implemented. • The Commission neither prepared annual budget monitoring plans nor submitted quarterly budget monitoring reports. The Commission also failed to submit all its quarterly budget performance reports in time. • The Commission failed to coordinate the automation of revenue management systems. There are currently four (4) revenue management systems used by various Local Governments which are implemented in a disjointed and uncoordinated manner. This has resulted in duplication of activities associated with running these systems thus affecting service delivery. • The Commission received UGX.182,000,000 as budget support to undertake physical decentralization and service delivery. However only UGX.31,241,000 was absorbed by the Commission which significantly

		<p>affected service delivery.</p> <ul style="list-style-type: none"> I noted that by 30th June 2021 the Commission had accumulated domestic arrears of UGX.101,473,991.
4.	<p>City Wide Inclusive Sanitation (CWIS) 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> I observed that the program work plans and budgets were not sent to parliament for formal approval through the KCCA Ministerial Policy Statements The project budgeted to receive donor financing of USD 1.2M for the year under review; however, only USD 1M was received during the year. Also, the project had expected to receive USD 0.2M as GoU counterpart funds; but only USD 0.17 was received. The project under absorbed funds totaling USD 1,329,522, which is 62% of the funds that were available to the project for implementation of activities Out of the sixty-seven (67) activities assessed, forty-seven activities worth USD 609,563 were fully quantified, while twenty (20) activities worth USD 199,314 were insufficiently quantified. Out of the forty-seven (47) activities that were quantified, twenty (20) 43% activities worth USD 502,564 were fully implemented, seventeen (17) 36% activities worth USD 99,664 were partially implemented, while ten (10) 21% activities worth USD 7,335 were never implemented at all. The project accumulated arrears amounting to USD 583,742 during the year under review. The project's progress towards achieving project targets or outcomes was found unsatisfactory in some areas. The performance in some cases was below 50%, while in other areas, no activities had been implemented. This affects service delivery. The project irregularly recruited providers that KCCA or NEMA had not licensed.
5	<p>Development Response to Displacement Impacts Project 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> The Project budgeted to receive UGX.233Bn out of which UGX.185Bn was received representing 79% of the budget leaving a balance of UGX.48.1Bn as unreleased. All the funds that were released were absorbed. All the four (4) outputs with a total of thirteen (13) activities worth UGX.185Bn were fully quantified to enable assessment of performance. Out of this two (2) out puts with six (6) activities worth UGX.9.86Bn were fully implemented while the balance of two (2) out puts with seven (&) activities worth UGX.175Bn were partially implemented. I noted that the project did not utilise grant funds totalling to UGX UGX.9.6Bn. The project had not achieved its three (3) year targets in four (4) areas with performance in some cases being as low as 0% in some areas.
6	<p>National Planning Authority 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> The Authority prepared a new five (5) year strategic plan which was certified as aligned to NDP III. There was shortfall in revenue collection of up to 100% of the NTR target while government receipts were less than anticipated by UGX.1.65Bn. All the funds that were disbursed were fully absorbed. NPA received off-budget financing to a tune of UGX.15.27Bn, out of which UGX.11.4Bn was declared to Treasury and appropriated. The balance of UGX.3.87Bn was not declared to Treasury and therefore, not

		<p>appropriated to the entity by Parliament. These funds were received directly from development partners for undertaking activities not budgeted for.</p> <ul style="list-style-type: none"> • I noted that out of the 12 out-puts sampled for review, 6 (50%) were fully quantified, 5 (41%) were insufficiently quantified and 1 (9%) was not quantified at all making it impossible to measure performance. Out of the 6 out puts that were fully quantified, none was fully implemented, 4 (66%) were partially implemented while 2 (34%) were not implemented. • All the quarterly budget performance reports were submitted late by the Authority. • I noted cases of delays in approval of MDA and LG strategic plans. In addition to this seventy three (73) entities had not submitted their strategic plans for review and certification by the Authority. • The Authority had not undertaken capacity building of planners at both local and national level which affected the capacity of the planners to implement, monitor and report on the performance of the budgets in their respective entities. • I observed shortcomings in government's readiness to implement the new programme approach to planning and budgeting which included; non-alignment of the accounting and oversight processes to the new programme planning framework, non-alignment to the statistical and data collection systems to the new programme planning framework and non-functional programme working groups among others. • I also noted that the Authority had not realigned the development planning regulations from the sector approach to planning and budgeting to the new programme approach of planning and budgeting.
7	<p>Public Service Commission 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • Although the Commission had come up with a strategic plan aligned to NDP III, this plan had not been approved and certified by NPA as required by the planning regulations. • The Commission did collect NTR for the year despite having an NTR budget of UGX.2.7Bn. The Commission received 99% of its budget from Treasury and absorbed all the funds. • Out of the thirteen out-puts assessed, two (2) outputs worth 0.88Bn were fully quantified, six (6) worth 6.72Bn were partially quantified while five (5) outputs worth 1.87Bn were not quantified at all. The two (2) out-puts that were quantified were all partially implemented. • All the quarterly performance reports were submitted late by the Commission and there were no budget monitoring reports prepared by the Accounting Officer. • The Commission does not participate in the recruitment of foreign service officers in Uganda's missions and embassies abroad. • The Commission had outstanding domestic arrears amounting to UGX.48.768,099. • The Commission did not deduct PAYE from gratuity payments amounting to UGX.1Bn for its Commission members.
8	<p>Office of The Prime Minister 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted that OPM strategic plan had not been approved by NPA as aligned to NDP III. • There was under-collection of NTR by UGX.0.732Bn, which is 30% of the NTR budget, while shortfalls in Central Government releases were UGX.19.26Bn, which is 13.8% of the approved budget for central

		<p>government releases. OPM had unspent balances of UGX.2.5Bn, which were returned to the consolidated fund.</p> <ul style="list-style-type: none"> • OPM received off-budget financing amounting to UGX.53.452Bn, which Parliament never appropriated. • I noted that out of the thirty-two (32) outputs sampled for review, twenty-nine (29) (91%) were fully quantified, one (1) (3%) was partially quantified, and 2 (6%) were not quantified at all which made it impossible to measure performance. Out of the twenty-nine (29) outputs that were fully quantified, four (4) outputs (14%) were fully implemented, while twenty-five (25) outputs (86%) were partially implemented. • OPM did not prepare and submit annual budget monitoring plans and reports while submission of all the quarterly performance reports were delayed. • I observed service delivery challenges such as delayed completion of works, failure to fund micro-projects and non-functional District Disaster Management Committees. • I noted that OPM received UGX.0.25Bn as part of the COVID-19 relief interventions budget. These funds were all absorbed and used for the intended purpose. • I noted delayed resettlement of encroachers in the Apaa game reserve land. • OPM did not have a complete database of all entitled beneficiaries and those paid since 2008 under the Akasiimo gratuity scheme.
9	<p>Northern Uganda Social Action Fund (NUSAF 3) 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • This was the last year of implementation of the NUSAF 3 Project. An independent impact evaluation undertaken by Makerere University Business School highlighted achievements by the project, which included; increased income for beneficiary households, improved resilience and vulnerability to shocks, improved household welfare and progress out of poverty, improved savings and investments, increased production and income earnings and increased household food security and consumption for a number of beneficiaries. • During FY2020/2021, the project budgeted to receive UGX.38.7Bn, which was all received. Similarly, the project absorbed all this money representing 100% performance. • All the three (3) outputs with nine (9) activities worth UGX.38.8Bn sampled for verification were fully quantified. Out of these, two (2) outputs with five (5) activities worth UGX.26.72Bn were fully implemented while one (1) output with four (4) activities worth UGX.12.08Bn was partially implemented. • The project advanced funds for the construction of coffee shops in Arua, Gulu, Lira, Mbale and Tororo. At the time of audit, works were not complete in Lira, Arua and Gulu. The coffee shop in Mbale was not fully operational. • During my inspection, I noted that the beneficiary communities and districts were having sustainability challenges in maintaining project investments three (3) months after the closure of the project. These included poor maintenance of roads, low savings by farmers, among others. • Ownership of two (2) project vehicles had not reverted to government three (3) months after the closure of the project.

10	<p>Project for The Restoration of Livelihoods in the Northern Region (PRELNOR) 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • The project had a shortfall of UGX.26Bn, which is 52% and UGX.3.27Bn, which is 67% of the budget in external and government funding, respectively. The project absorbed UGX.25.65Bn, which is 88% of all the funds that were released. • All the one hundred seven (107) outputs assessed were fully quantified. Out of the one hundred seven (107), sixty-eight (68) were fully implemented, ten (10) were partially implemented, and twenty-nine (29) were never implemented. • I assessed the progress of project activities and noted that Batch A community access roads were incomplete. Similarly, the procurement process for Batch B community roads and the bulk and satellite markets had delayed, affecting service delivery. • I noted that the project faces sustainability challenges such as failure to maintain completed roads by the districts, which threatened to erode the benefits realised by the project.
11	<p>Ministry of Local Government 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • The Ministry's strategic plan (2020/2021 to 2025/2026) had not been certified by NPA to confirm that it was well aligned to NDP III at the time of the audit. • There was a shortfall in NTR collection of up to 89.9% of the target, while government receipts were less than anticipated by UGX.3.64Bn. The Ministry had unspent balances of UGX.3.94Bn by year-end. • I noted that out of the thirty-nine (39) outputs sampled for review, fifteen (15) (38%) were fully quantified, twenty (20) (51%) were insufficiently quantified, and four (4) (10%) were not quantified at all. Out of the fifteen (15) outputs that were fully quantified, one (1) output was fully implemented, while fourteen (14) outputs were partially implemented. • All the quarterly performance reports were submitted after the deadline for submission. • 2,127 motorcycles and 77,831 bicycles worth UGX.18.9Bn and UGX.24.6Bn respectively had not yet been delivered by the time of audit in November 2021, although they were due for delivery in September 2021. • The Ministry delayed disbursing funds for budget support to Local Governments. UGX.22.1Bn to various Local Governments was disbursed in the last two weeks of June 2021. • The Ministry delayed disbursing start-up costs of UGX.6.79Bn to 125 Local Governments. Most of the funds were transferred the last two weeks of June and, in some cases, as late as 29th June 2021. • The Ministry received UGX.2.86Bn for settlement of domestic arrears as part of the COVID 19 interventions, which was all absorbed and used to settle domestic arrears. • The Ministry had outstanding domestic arrears of UGX.33Bn as at June 2021.
12	<p>Kampala Capital City Authority (KCCA). 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted that the Authority's strategic plan had not been certified by NPA by the time of audit, contrary to the Planning Regulations. • The Authority received 99% of its budget from Government, and NTR performed above expectation by 21%. The Authority had unspent balances of UGX.7.64Bn, which was returned to the consolidated fund. • I noted that the Authority had unremitted off-budget financing of

		<p>UGX.18.97Bn, which Parliament never appropriated.</p> <ul style="list-style-type: none"> I noted that out of the thirty-nine (39) outputs sampled for review, two (2) outputs (5%) were fully quantified, two (2) outputs (5%) were partially quantified, and thirty-five (35) outputs (90%) were not quantified at all which made it impossible to measure performance. The two (2) outputs that were fully quantified were all fully implemented. All performance reports were submitted after the deadline. I noted that the Authority had not developed regulations to guide the collection of outdoor advertising fees, which hindered the collection of NTR. I further noted that the Authority did not undertake regular updates of the valuation rolls. The Authority has an unserviceable long-term liability of UGX.42,570,448,999 in addition to accumulated domestic arrears of UGX.62,477,592,377 as at 30th June 2021. The Authority did not remit statutory deductions to URA and NSSF amounting to UGX.1.86Bn. The Authority incurred avoidable expenditure of UGX.7.8Bn as interest due to delayed site handover for civil works constructions. noted that the Authority had not adopted the Computerized Government Financial Management Information Systems (GFMS) for management of its inventories as required by the Treasury Instructions.
13	<p>Kampala Institutional and Infrastructure Development Project (KIIDP). 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> The Project budgeted to receive UGX.8.7Bn from GOU out of which UGX.1.9Bn was released representing 21.8% of the budget leaving a balance of UGX.6.8Bn as unreleased. Similarly, the project budgeted to receive UGX.139.7Bn from World Bank however only UGX.125.2Bn (90%) was availed. UGX.49.9Bn remained un-utilized at the end of the financial year. Out of the four (4) outputs reviewed, only one (1) output (25%) was fully quantified. Three (3) outputs were not quantified at all. I observed that management did not prepare performance reports that show the status of implementation of planned outputs. I noted that there was slow progress of works, delayed relocation of utilities and delayed land acquisition which resulted in delayed service delivery. I also noted that UGX.1,323,171,260 that was garnished had not yet been refunded by Government through KCCA. I noted that ownership of one hundred forty-seven (147) pieces of land on which project roads and drainages had been constructed had not yet been transferred to KCCA.
	PUBLIC ADMINISTRATION SECTOR	<ul style="list-style-type: none">
1.	<p>Uganda Embassy in Abu Dhabi. 2019/20</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> Out of the planned 10 strategic targets/goals, 4 targets were fully achieved, 5 targets were partially achieved and 1 was not achieved at all. There was a shortfall in NTR collections amounting to UGX.1.544Bn representing 1.66% performance. I sampled 4 outputs with a total of 8 activities and actual expenditure of UGX.5.376Bn and observed that 3 outputs with a total of 7 activities and expenditure worth UGX.5.31Bn were fully quantified while 1 output with 1 activity and expenditure worth UGX 0.06Bn was not quantified. I further

		<p>observed that none of the outputs were fully implemented.</p> <ul style="list-style-type: none"> • The Mission did not prepare and submit the annual monitoring plans to MoFPED and NPA contrary to the requirement of paragraph 58 of the Budget Execution Circular for 2019/2020. I also noted that the Mission submitted performance reports for Q1, Q2, Q3 and Q4 after the elapse of the deadline given for submission of the reports. • The Mission had total collections including balance brought forward from previous year of UGX.58,817,501 out of which UGX.37,898,755 had been transferred to the Treasury for onward transfer to the Consolidated Fund leaving a balance UGX. 20,918,746 not remitted. • The Mission paid 73,400.00 AED (equivalent to UGX.73,326,600) in respect of education allowances direct to its officials instead of their respective educational institutions or schools contrary to Section (E - e) Paragraphs 19 and 20 of the Public Service Standing Orders 2010. • The Mission paid medical refunds to its staff amounting to 8,540.9 AED (equivalent to UGX.8,531,460) contrary to Section M (m-a) (14) of the Public Service Standing Orders, 2010. • The Mission has an approved staff structure of 4 staff positions out of which 3 (75%) were filled leaving 1 (25%) vacant.
2.	<p>Uganda Embassy in Abuja, 2019/20</p> <p><u>Opinion</u> Qualified</p>	<ul style="list-style-type: none"> • Out of the planned 9 strategic targets/goals, no target was fully achieved, 4 targets were partially achieved and 5 targets were not achieved at all. • There was a shortfall in NTR collections amounting to UGX.1.926Bn representing 8% performance. • Out of the total receipts for the financial year of UGX.2.821Bn, UGX.2.901Bn was spent by the entity resulting in an excess expenditure of UGX.0.081Bn representing an absorption level of 102.8%. • I sampled 3 outputs with a total of 7 activities and actual expenditure of UGX.2.901Bn and observed that all the outputs were fully quantified. I further observed that out of 7 activities, 4 activities were partially implemented while 3 activities remained unimplemented. • The entity did not prepare and submit the annual monitoring plans to MoFPED and NPA contrary to the requirement of paragraph 58 of the Budget Execution Circular for 2019/2020. I also noted that the Mission submitted performance reports for Q1, Q2, Q3 and Q4 after the elapse of the deadline given for submission of the reports. • The Mission paid NGN.4,524,060 (equivalent to UGX.43,204,725) in respect of education allowances direct to its officials instead of their respective educational institutions or schools contrary to Section (E - e) Paragraphs 19 and 20 of the Public Service Standing Orders 2010. • The Mission paid medical refunds to its staff amounting to NGN.2,418,559 (equivalent to UGX.23,097,233) contrary to Section M (m-a) (14) of the Public Service Standing Orders, 2010. • The Mission has an approved staff structure of 5 staff positions out of which 4 (80%) were filled leaving 1 (20%) vacant.
3.	<p>Uganda Embassy in Algeria 2019/20</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • All the planned 7 strategic targets/goals in the Mission charter were partially achieved. • There was a shortfall in NTR collections amounting to UGX.2.078Bn representing 0.5% performance. • Out of the total receipts for the financial year of UGX.4.16Bn, UGX.3.81Bn

		<p>was spent by the entity resulting in an unspent balance of UGX.0.35Bn representing an absorption level of 91.5%.</p> <ul style="list-style-type: none"> • I sampled 5 outputs with a total of 16 activities and actual expenditure of UGX.3.89Bn and observed that 1 output with a total of 6 activities and expenditure worth UGX.1.14Bn was fully quantified, 2 outputs with a total of 8 activities and expenditure worth UGX.2.47Bn were insufficiently quantified while 2 outputs with 2 activities and expenditure worth UGX.0.28Bn were not quantified at all. • Out of 6 activities planned, only 2 were fully implemented (33%) while 1 activity was partially implemented (17%) and 3 activities were actually not implemented (50%). • Funds to the tune of £ 890 (UGX.3,739,406) were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. • The entity did not prepare and submit annual monitoring plans to MoFPED and NPA and also did not prepare and submit quarterly monitoring reports to the Office of the Prime Minister and MoFPED contrary to Paragraph 58 of the Budget Execution Circular for 2019/20. • A review of the cumulative performance reports revealed the subsequent quarterly performance reports did not include activities implemented in the previous quarter(s) and therefore, the cumulative activities reported in the fourth quarter performance report does not include all activities implemented in the first, second and third quarters. • The Mission paid Euros.45,314 (equivalent to UGX.190,390,396) in respect of education allowances direct to its officials instead of their respective educational institutions or schools contrary to Section (E - e) Paragraphs 19 and 20 of the Public Service Standing Orders 2010. • The Mission had a fixed assets register detailing all of the Mission's assets but lacked some of the information such as date of purchase, estimated useful life, maintenance costs and the expected date of disposal making it incomplete. I further observed that a number of the entity's assets were old and due for boarding off but this had not been done.
4.	<p>Uganda Embassy in Ankara 2019/20</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> • Out of the planned 10 strategic targets/goals in the Mission charter, seven (7) targets had been fully achieved, two (2) were partially achieved, while one (1) was not achieved. • There was a shortfall in NTR collections amounting to UGX.1.456Bn representing 0.93% performance. • I sampled 5 outputs with a total of 9 activities and actual expenditure of UGX.4.792Bn and observed that 3 outputs with a total of 7 activities and expenditure worth UGX.4.702Bn were fully quantified while 2 outputs with a total of 2 activities and expenditure worth UGX.0.9Bn were insufficiently quantified. I further observed that 3 outputs with 7 activities worth UGX.4.702Bn were partially implemented. • The Mission did not prepare and submit annual monitoring plans to MoFPED and NPA and also did not prepare and submit quarterly monitoring reports to the Office of the Prime Minister and MoFPED contrary to Paragraph 58 of the Budget Execution Circular for 2019/20. • The Mission submitted performance reports for Q1, Q2, Q3 and Q4 after the deadline given for submission of the reports. • The Embassy had a capital expenditure budget of UGX.90,000,000 to cater for office equipment, ICT equipment and furniture and fittings but

		<p>management of the Embassy procured office equipment, ICT equipment and furniture and fittings worth UGX.129,698,987 resulting into a diversion of UGX.39,698,987. Furthermore, the additions in the Statement of Stores and Other Assets (physical assets) as at the end of the financial year 2019/2020 was UGX.129,698,987 but the payment file revealed that only office equipment, ICT equipment and furniture and fittings worth UGX.85,138,153 were procured implying that this statement is overstated by UGX.44,560,834.</p> <ul style="list-style-type: none"> • The Embassy made upfront payments for rent of USD.74,850 (equivalent to UGX.279,215,200) beyond the financial year but did not disclose the prepayments in the Statement of Financial Position for the year. • The Mission paid USD.35,000 (equivalent to UGX.130,725,000) in respect of education allowances direct to its officials instead of their respective educational institutions or schools contrary to Section (E - e) Paragraphs 19 and 20 of the Public Service Standing Orders 2010. • The Embassy spent USD.53,627 (equivalent to UGX.200,296,400) on refunds for medical expenses to its officers contrary to Section M (m-a) (14) of the Public Service Standing Orders, 2010. • The Mission has an approved staff structure of 8 staff positions out of which, 5 (63%) were filled leaving 3 (37%) vacant.
5	<p>Uganda Embassy in China, Beijing 2019/20</p> <p>Opinion Qualified</p>	<ul style="list-style-type: none"> • Out of the planned 8 strategic targets/goals in the Mission charter, three (3) targets had been fully achieved, three (3) were partially achieved, while two (2) was not achieved. • There was a shortfall in NTR collections amounting to UGX.4.17Bn representing 0.05% performance. • Out of the total receipts for the financial year of UGX.5.031Bn, UGX.4.276Bn was spent by the entity resulting in an unspent balance of UGX.0.755Bn representing an absorption level of 84.99%. • The Embassy received off-budget financing from the Contingency Fund as a relief fund for students locked down in Wuhan to a tune of UGX.227,318,724 which was not appropriated by Parliament. • I sampled 5 outputs with a total of 20 activities and actual expenditure of UGX.4.28Bn and observed that 1 output with a total of 20 activities and expenditure worth UGX.4.23Bn was fully quantified while 2 outputs with a total of 2 activities and expenditure worth UGX.0.05Bn were not quantified. I further noted that for the quantified outputs, 3 outputs with 20 activities worth UGX.4.23Bn were partially implemented, 9 (45%) activities were fully implemented, 2 (10%) activities partially implemented and 9 (45%) activities remained unimplemented • Funds to the tune of UGX.20,000,000 were irregularly diverted from purchase of specialized machinery and equipment for which they were budgeted to purchase of curtains without seeking and obtaining the necessary approvals. • The Mission did not prepare and submit annual monitoring plans to MoFPED and NPA and also did not prepare and submit quarterly monitoring reports to the Office of the Prime Minister and MoFPED contrary to Paragraph 58 of the Budget Execution Circular for 2019/20. • The Mission submitted performance reports for Q1, Q2, Q3 and Q4 after the deadline given for submission of the reports. • I noted 20 cases of activities that were not reported that were disclosed in quarter 2 and quarter 3 reports but not disclosed the cumulative 4th

		<p>quarter performance report of the Mission.</p> <ul style="list-style-type: none"> • The Mission had outstanding commitments to a tune of UGX.7,720,207 from the previous year but no budget was provided for settlement of domestic arrears in the current budget but the arrears were paid. • For procurements, I observed that the Mission had one member for an Evaluation Committee and there was lack involvement of the Contracts Committee in the procurement processes. • I observed that the fixed assets register maintained by the entity was not updated and not maintained in the format prescribed in the Treasury Instructions. • The Embassy spent RMB.154,898 (equivalent to UGX.81,538,197) on refunds for medical expenses to its officers contrary to the requirements of Section M (m-a) (14) of the Public Service Standing Orders, 2010. • Expenditure amounting to RMB.118,327 (equivalent to UGX.62,287,491) was incurred on staff telephone bills out of which RMB.78,885 (equivalent to UGX.41,524,994) representing 2/3 of the amount should have been recovered from staff but the recovery was not effected contrary to Section H (h-e) (12) of the Public service Standing Orders, 2010.
6.	<p>Uganda Embassy in Berlin 2019/20</p> <p>Opinion Qualified</p>	<ul style="list-style-type: none"> • The cashbook closing balance revealed an amount of Eur.8,442.77 (equivalent to UGX.35,283,771) while the bank statement closing balance revealed Eur.53,180.48 (222,250,267) resulting into un-reconciled difference of Eur.44,737.71 (equivalent to UGX.186,966,496). • Funds to the tune of EUR.22,056.39 (equivalent to UGX.92,053,888) 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 planned 21 strategic targets/goals in the Mission charter, 4 targets had been fully achieved, 11 were partially achieved, while 6 were not achieved. • There was a shortfall in NTR collections amounting to UGX.2.60Bn representing 1% performance. • I sampled 3 outputs with a total of 16 activities and actual expenditure of UGX.5.72Bn and observed that 2 outputs with 8 activities and expenditure worth UGX.5.38Bn were fully quantified while 1 output with 8 activities and expenditure worth UGX.0.34Bn was partially quantified at 50% quantification. Out of 8 activities, 3 (37.5%) activities were fully implemented, 3 (37.5%) activities were partially implemented and 2 (25%) activities were not implemented at all. • The entity submitted performance reports for Q1, Q2, Q3 and Q4 but there was no evidence for submission before elapse of the deadline. • The Embassy's assets were old and due for boarding off but action had not been taken. • The Embassy paid EUR.11,252.55 (equivalent to UGX.47,026,319) in respect of education allowances direct to its officials instead of their respective education institutions or schools contrary to Section (E - e) Paragraphs 19 and 20 of the Public Service Standing Orders, 2010. • The Embassy spent EUR.74,105.28 (equivalent to UGX.309,698,564) on refunds for medical expenses to its officers contrary to the requirements of Section M (m-a) (14) of the Public Service Standing Orders, 2010. • The Embassy paid allowances to staff in form of per diems totalling to

		<p>EUR.37,847.45 (equivalent to UGX.158,170,928) during the period when Germany was under lock down (March to June, 2020). I could not establish the genuineness of the expenditure.</p> <ul style="list-style-type: none"> The Embassy has an approved staff structure of 8 positions out of which 5 (62.5%) were filled leaving 3 (37.5%) vacant.
7.	<p>Uganda Embassy in Brussels 2019/20</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> Out of the planned 10 strategic targets/goals in the Mission charter, two (2) targets had been fully achieved while eight (8) were partially achieved. There was a shortfall in NTR collections amounting to UGX.1.445Bn representing 7.9% performance. I sampled 4 outputs with a total of 11 activities and actual expenditure of UGX.10.359Bn and observed that all the 4 outputs with a total of 11 activities and expenditure worth UGX.10.359Bn were fully quantified. I further observed that 1 output with 1 activity worth UGX.4.993Bn was fully implemented while 3 outputs with 10 activities worth UGX.5.336Bn were partially implemented. Funds to the tune of USD.1,949.02 (equivalent to UGX.7,990,982) were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. The Mission did not prepare and submit annual monitoring plans to MoFPED and NPA and also did not prepare and submit quarterly monitoring reports to the Office of the Prime Minister and MoFPED contrary to Paragraph 58 of the Budget Execution Circular for 2019/20. The entity submitted performance reports for Q1, Q2, Q3 and Q4 but there was no evidence for submission before elapse of the deadline. I noted cases of material inaccuracies and inconsistencies in the annual cumulative performance reports. The Embassy paid Euro.21,086.69 (equivalent to UGX.88,711,704) in respect of education allowances direct to its officials instead of their respective education institutions or schools contrary to Section (E - e) Paragraphs 19 and 20 of the Public Service Standing Orders, 2010. The Embassy spent Embassy spent Euro.16,297.47 (equivalent to UGX.68,563,456) on refunds for medical expenses to its officers contrary to the requirements of Section M (m-a) (14) of the Public Service Standing Orders, 2010. Euro.15,364.80 (equivalent to UGX.64,639,713) was incurred on the payments for telephone bills out of which Euro.10,243.20 (UGX.43,093,142), equivalent to (2/3) should have been recovered from the respective staff during the period but the recovery was not effected contrary to Section H (h-e) (12) of the Public service Standing Orders, 2010. The Embassy has an approved staff structure of 8 positions out of which 6 (75%) were filled leaving 2 (25%) vacant.
8.	<p>Uganda Embassy in Bujumbura 2019/20</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> Out of the planned 9 strategic targets/goals in the Mission charter, three (3) targets had been fully achieved, three (3) were partially achieved while three (3) were not achieved. There was a shortfall in NTR collections amounting to UGX.3.087Bn representing 1.68% performance.

		<ul style="list-style-type: none"> • I sampled 6 outputs with a total of 23 activities and actual expenditure of UGX.4.140Bn and observed that 4 outputs with a total of 21 activities and expenditure worth UGX.3.440Bn were fully quantified while 2 outputs with a total of 2 activities and expenditure worth UGX.0.7Bn were insufficiently quantified. I further observed that all 4 outputs with 21 activities were partially implemented. • The Mission did not prepare and submit annual monitoring plans to MoFPED and NPA and also did not prepare and submit quarterly monitoring reports to the Office of the Prime Minister and MoFPED contrary to Paragraph 58 of the Budget Execution Circular for 2019/20. • The entity submitted performance reports for Q1, Q2, Q3 and Q4 but there was no evidence for submission before elapse of the deadline. • The Mission had total collections including balance brought forward from previous year of UGX.59,804,444 out of which UGX.17,626,729 had been transferred to the Treasury for onward transfer to the Consolidated Fund leaving a balance UGX.42,177,715 not remitted • The Embassy paid USD.16,000 (equivalent to UGX.59,685,280) in respect of education allowances direct to its officials instead of their respective education institutions or schools contrary to Section (E - e) Paragraphs 19 and 20 of the Public Service Standing Orders, 2010. • BIF.452,224,651 (equivalent to UGX.863,334,000) was withdrawn from the Mission's expenditure account as cash imprest but was not adequately accounted for. • The Embassy maintains an asset register which is not in the format prescribed in the Treasury Instructions and has a number of assets that are unserviceable and need to be disposed of.
9.	<p>Uganda Embassy in Cairo, 2019/20</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • All the seven (7) targets/goals of the Mission Charter were partially achieved. • There was a shortfall in NTR collections amounting to UGX.1.999Bn representing 4.45% performance. • Out of the total receipts for the financial year of UGX.5.564Bn, UGX.4.952Bn was spent by the entity resulting in an unspent balance of UGX.0.612Bn representing an absorption level of 89%. • 4 outputs with 14 activities and expenditure worth UGX.3.176Bn were not quantified to enable assessment of performance. • The Mission did not prepare and submit annual monitoring plans to MoFPED and NPA and also did not prepare and submit quarterly monitoring reports to the Office of the Prime Minister and MoFPED contrary to Paragraph 58 of the Budget Execution Circular for 2019/20. • The entity submitted performance reports for Q1, Q2, Q3 and Q4 but there was no evidence for submission before elapse of the deadline. • The Mission had total collections including balance brought forward from previous year of UGX.238,031,600 out of which UGX.183,216,635 had been transferred to the Treasury for onward transfer to the Consolidated Fund leaving a balance UGX.54,814,965 not remitted. • UGX.90,391,294 was disclosed as unspent balances for the period 2018/19 but note 17, cash and cash equivalents indicates that the prior year closing balance was UGX.75,022,891. The variance amounting to UGX.15,368,403 was not explained. • EGP.1,015,780.00 (equivalent to UGX.229,058,390) was drawn as imprest

		<p>and spent on activities such as advances, transport and per diems which are not small incidental expenditures contrary to Instruction 17.22 of the Treasury Instructions 2017.</p> <ul style="list-style-type: none"> • The Embassy paid USD.27,419.00 (equivalent to UGX.101,998,680) in respect of education allowances direct to its officials instead of their respective education institutions or schools contrary to Section (E - e) Paragraphs 19 and 20 of the Public Service Standing Orders, 2010. • The Embassy spent Egyptian pounds.255,613 (equivalent to UGX.57,640,732) on refunds for medical expenses to its officers contrary to the requirements of Section M (m-a) (14) of the Public Service Standing Orders, 2010.
10	<p>Uganda High Commission in Canberra. 2019/20</p> <p><u>Opinion</u> Qualified</p>	<ul style="list-style-type: none"> • The High Commission made upfront payments for rent of AUD.43,096.67 (equivalent to UGX.109,469,851) beyond the financial year but did not disclose the same as prepayments in the Statement of Financial Position for the year. • The High Commission did not provide strategic performance reports and therefore, I could not undertake an assessment of the achievements of the Mission charter targets/goals. • There was a shortfall in NTR collections amounting to UGX.1.00Bn representing 0.05% performance. • I sampled 3 outputs with a total of 9 activities and actual expenditure of UGX.4.84Bn and observed that the activities were not quantified. I was therefore unable to undertake assessment of the performance of the High Commission. • The Mission did not prepare and submit annual monitoring plans to MoFPED and NPA and also did not prepare and submit quarterly monitoring reports to the Office of the Prime Minister and MoFPED contrary to Paragraph 58 of the Budget Execution Circular for 2019/20. • The entity submitted performance reports for Q1, Q2 and Q3 after the deadline given for submission. I noted cases of material inaccuracies and inconsistencies in the level of performance reported. • Assets to the tune of AUD.25,060 (equivalent to UGX.63,654,906) were procured during the year which were not disclosed in the summary statement of stores and other assets (physical assets) at the end of the year. • The High Commission had total collections including balance brought forward from previous year of UGX.59,002,072. At the closure of the period, no funds had been transferred to the Treasury for onward transfer to the Consolidated Fund thus implying UGX.59,002,072 was not remitted • The Embassy paid AUD.77,726 (equivalent to UGX.197,430,593) in respect of education allowances direct to its officials instead of their respective education institutions or schools contrary to Section (E - e) Paragraphs 19 and 20 of the Public Service Standing Orders, 2010. • The Embassy spent AUD.77,726 (equivalent to UGX.197,430,593) on refunds for medical expenses to its officers contrary to the requirements of Section M (m-a) (14) of the Public Service Standing Orders, 2010. • AUD.28,722 (equivalent to UGX.72,956,752) out of which AUD.19,148 (equivalent to UGX.48,637,835) representing 2/3 of the amount should have been recovered from the respective staff was incurred on the payments for telephone bills during the period. The recovery was not

		<p>effected.</p> <ul style="list-style-type: none"> AUD.44,725.21 (equivalent to UGX.113,605,973) was withdrawn from the High Commission's local expenditure account as cash imprest but was not adequately accounted for. Out of an approved staff structure of 7 staff positions for the Mission, six (86%) were filled leaving one (14%) vacant.
11.	<p>Uganda High Commission in Dar es Salaam. 2019/20</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> Out of the planned 30 strategic targets/goals in the Mission charter, eight(8) outputs/targets had been fully achieved, twelve (12) were partially achieved, while ten (10) were not achieved. There was a shortfall in NTR collections amounting to UGX.3.12Bn representing 0.01% performance. I sampled 5 outputs with a total of 18 activities and actual expenditure of UGX.5.277Bn and observed that 1 output with 1 activity and expenditure worth UGX.0.173 was fully quantified, 1 output with 4 activities and expenditure worth UGX.0.674Bn was partially quantified at 50% quantification while 3 outputs with 13 activities and expenditure worth UGX.4.43Bn were not quantified. I further observed that 1 output with 1 activity and expenditure worth UGX.0.173Bn was partially implemented. The entity submitted performance reports for Q1, Q2, Q3 and Q4 but there was no evidence for submission before elapse of the deadline. Prepayments amounting to TSHS.1,130,500 (equivalent to UGX.1,818,975) were made to various suppliers for services but were not disclosed in the financial statements thereby understating the assets in the Statement of Financial Position and overstating expenditure in the Statement of Financial Performance. The Embassy owns land in Dodoma on which the proposed Chancery building and official residence are to be constructed but the value of this land was not disclosed in the financial statements contrary to GOU accounting policy 'disclosure of land under non-produced assets. The Embassy paid UGX.74,506,600 in respect of education allowances direct to its officials instead of their respective education institutions or schools contrary to Section (E - e) Paragraphs 19 and 20 of the Public Service Standing Orders, 2010. The Embassy spent UGX.61,871,014 on refunds for medical expenses to its officers contrary to the requirements of Section M (m-a) (14) of the Public Service Standing Orders, 2010. UGX.15,954,192 out of which UGX.10,636,129 representing 2/3 of the amount should have been recovered from the respective staff was incurred on the payments for telephone bills during the period. The recovery was not effected. Out of an approved staff structure of 7 staff positions for the Mission, 5 (71%) were filled leaving 2 (29%) vacant.
12.	<p>Uganda High Commission in Doha. 2019/20</p> <p><u>Opinion</u> Qualified</p>	<ul style="list-style-type: none"> Prepayments amounting to QR.424,000 (equivalent to UGX.431,046,880) were made to various suppliers for services but were not disclosed in the financial statements thereby understating the assets in the Statement of Financial Position and overstating expenditure in the Statement of Financial Performance. There was a shortfall in NTR collections amounting to UGX.1.547Bn representing 1.45% performance. Out of the total receipts for the financial year of UGX.3.293Bn,

		<p>UGX.2.64Bn was spent by the entity resulting in an unspent balance of UGX.0.653Bn representing an absorption level of 80.2%.</p> <ul style="list-style-type: none"> • I sampled 5 outputs with a total of 7 activities and actual expenditure of UGX.2.64Bn and observed that 2 outputs of the 5 outputs with a total of 2 activities and expenditure worth UGX.0.06Bn were not quantified. I further observed that 1 output out of the 3 outputs with 2 activities worth UGX.2.02Bn was fully implemented 2 outputs with 3 activities worth UGX.0.56Bn were partially implemented. • The Mission did not prepare and submit annual monitoring plans to MoFPED and NPA and also did not prepare and submit quarterly monitoring reports to the Office of the Prime Minister and MoFPED contrary to Paragraph 58 of the Budget Execution Circular for 2019/20. • The Embassy submitted performance reports for Q1, Q2, Q3 and Q4 after the deadline given for submission of the reports. • The Embassy spent QR.11,481 (equivalent to UGX.11,671,814) on refunds for medical expenses to its officers contrary to the requirements of Section M (m-a) (14) of the Public Service Standing Orders, 2010. • QR.43,652 (equivalent to UGX.44,377,496) out of which (2/3) amounting to QR.29,101 (equivalent to UGX.29,584,659) should have been recovered from the respective staff was incurred on the payments for telephone bills during the period. The recovery was not effected. • I noted that all the three (3) sampled procurements were undertaken using direct procurement method but no justification was given and no contract manager was appointed to oversee these procurements. • Out of an approved staff structure of 7 staff positions for the Mission, 9 (60%) were filled leaving 6 (40%) vacant.
13	<p>Uganda High Commission in Geneva. 2019/20</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • There was a shortfall in NTR collections amounting to UGX.3.045Bn representing 3% performance. • I sampled 3 outputs with a total of 7 activities and actual expenditure of UGX.7.66Bn and observed that all the 3 outputs were fully quantified and were partially implemented. • The Mission did not prepare and submit annual monitoring plans to MoFPED and NPA and also did not prepare and submit quarterly monitoring reports to the Office of the Prime Minister and MoFPED contrary to Paragraph 58 of the Budget Execution Circular for 2019/20. • The Embassy submitted performance reports for Q1, Q2, Q3 and Q4 after the deadline given for submission of the reports. • The Mission had total collections including balance brought forward from previous year of UGX.345,130,819. At the closure of the period, UGX.146,139,671 had been transferred to the Treasury for onward transfer to the Consolidated Fund leaving a balance UGX.198,991,148 not remitted. • UGX.27,296,608 was spent on procurements outside the approved procurement plan for the financial year 2019/2020 while procurements worth UGX.294,979,327 were acquired using the wrong procurement methods. • The fixed assets register maintained by the entity was not updated as it lacks details of exact month of purchase (only the year was mentioned), maintenance cost and estimated useful life of the asset. • The Embassy paid UGX.39,320,000 in respect of education allowances

		<p>direct to its officials instead of their respective education institutions or schools contrary to Section (E - e) Paragraphs 19 and 20 of the Public Service Standing Orders, 2010.</p> <ul style="list-style-type: none"> • CHF.12,623 (equivalent to UGX.49,602,836) out of which CHF.8,415 (equivalent to UGX.33,068,557) equivalent to 2/3 should have been recovered from the respective staff was incurred on the payments for telephone bills during the period. The recovery was not effected. • Out of an approved staff structure of 7 staff positions for the Mission, six (86%) were filled leaving one (14%) vacant.
14	<p>Uganda Consulate in Guangzhou, China 2019/20</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • Out of the planned 8 strategic targets/goals in the Mission charter, six (6) outputs/targets had been fully achieved while two (2) were partially achieved. • There was a shortfall in NTR collections amounting to UGX.2.037Bn representing 2.54% performance. • UGX.4.745Bn was budgeted out of which UGX.4.545Bn was warranted, resulting in a shortfall of UGX.0.2Bn resulting in 95.8% funding of the budget. Of the received amount of UGX.4.545Bn, UGX.3.945Bn was spent resulting in an unspent balance of UGX.0.6Bn representing an absorption level of 86.8%. • I sampled 4 outputs with a total of 6 activities and actual expenditure of UGX.3.94Bn and observed that 3 outputs with a total of 4 activities and expenditure worth UGX.3.717Bn were fully quantified while 1 output with a total of 2 activities and expenditure worth UGX.0.228Bn was insufficiently quantified. I further observed that 2 outputs with 3 activities worth UGX.1.682Bn were partially implemented while 1 output with 1 activity worth UGX.2.0Bn was not implemented at all . • The Mission did not prepare and submit annual monitoring plans to MoFPED and NPA and also did not prepare and submit quarterly monitoring reports to the Office of the Prime Minister and MoFPED contrary to Paragraph 58 of the Budget Execution Circular for 2019/20. • The entity submitted performance reports for Q1, Q2 and Q3 after the deadline given for submission. I noted that the performance reports did not report on the project 1169, strengthening the consulate in Guangzhou by procurement of a utility van. • Prepayments amounting to RMB.21,000 (equivalent to UGX.11,466,000) and USD.26,406.60 (equivalent to UGX.107,743,023.20) were made to various suppliers for services but were not disclosed in the financial statements thereby understating the assets in the Statement of Financial Position and overstating expenditure in the Statement of Financial Performance. • The Embassy spent RMB.244,833.6 (equivalent to UGX.129,641,839.54) and USD.500 (equivalent to UGX.1,875,165.00) on refunds for medical expenses to its officers contrary to the requirements of Section M (m-a) (14) of the Public Service Standing Orders, 2010. • The Consulate has land located on plot no. D8 Yi Zhou Rd in Chigang District which is idle and may be repossessed by the host country. In addition, the Consulate owns a utility van whose repair and maintenance costs have escalated is due for disposal and plans were in place to procure a new one but this was not done.
15.	<p>Uganda Embassy in South Sudan. 2019/20</p>	<ul style="list-style-type: none"> • Prepayments amounting to UGX.399,145,310 were made to various suppliers for services but were not disclosed in the financial statements

	<p><u>Opinion</u> Qualified</p>	<p>thereby understating the assets in the Statement of Financial Position and overstating expenditure in the Statement of Financial Performance.</p> <ul style="list-style-type: none"> • Out of the planned 7 strategic targets/goals in the Mission charter, 2 outputs/targets had been fully achieved while 5 were partially achieved. • There was a shortfall in NTR collections amounting to UGX.2.56Bn representing 17.3% performance. • Out of the total receipts for the financial year of UGX.7.624Bn, UGX.9.11Bn was spent by the entity resulting into an over absorption of UGX.1.48Bn representing an absorption level of 119%. • I sampled 5 outputs with a total of 30 activities and actual expenditure of UGX.7.07Bn and observed that 4 outputs with a total of 18 activities and expenditure worth UGX.6.69Bn were fully quantified while 1 output with a total of 12 activities and expenditure worth UGX.0.39Bn was insufficiently quantified. For the 5 fully quantified outputs, 2 outputs with 2 activities worth UGX.2.55Bn were fully implemented while 3 outputs with 28 activities worth UGX.4.09Bn were partially implemented. • Funds to the tune of USD.17,382.29 (equivalent to UGX.64,841,678) were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. • The Mission did not prepare and submit annual monitoring plans to MoFPED and NPA and also did not prepare and submit quarterly monitoring reports to the Office of the Prime Minister and MoFPED contrary to Paragraph 58 of the Budget Execution Circular for 2019/20. • The entity submitted performance reports for Q1, Q2 and Q3 after the deadline given for submission. I noted some cases of material inaccuracies and inconsistencies in the level of performance reported. • UGX.328,779,539 reported as cash in transit has been in the books of the Embassy for more than three financial years and the funds have never been credited to the Consolidated Fund. • The Mission had total collections including balance brought forward from previous year of UGX.884,552,695 out of which UGX.180,503,771 had been transferred to the Treasury for onward transfer to the Consolidated Fund leaving a balance UGX.704,048,924 not remitted. • The Embassy paid USD.25,000.00 (equivalent to UGX.93,258,250) in respect of education allowances direct to its officials instead of their respective education institutions or schools contrary to Section (E - e) Paragraphs 19 and 20 of the Public Service Standing Orders, 2010. • USD.1,613.00 (equivalent to UGX.6,017,022) out of which USD.1,076.00 (equivalent to UGX.4,013,835) representing 2/3 of the amount should have been recovered from the respective staff was incurred on the payments for telephone bills during the period. The recovery was not effected. • Out of an approved staff structure of 6 staff positions for the Mission, 5 (83%) were filled leaving 1(17%) vacant.
16.	<p>Uganda Embassy in Khartoum. 2019/20</p> <p><u>Opinion</u></p>	<ul style="list-style-type: none"> • Out of the planned 10 strategic targets/goals in the Mission charter, 5 outputs/targets had been fully achieved while 3 were partially achieved. • There was a shortfall in NTR collections amounting to UGX.2.5Bn representing 2.01% performance. • I sampled 4 outputs with a total of 11 activities and actual expenditure of

	Unqualified	<p>UGX.4.169Bn and observed that 2 outputs with a total of 6 activities and expenditure worth UGX.0.95Bn were fully quantified, 1 output with a total of 4 activities and expenditure worth UGX.3.11Bn was insufficiently quantified while 1 output with 1 activity and expenditure worth UGX.0.11 was totally not quantified. I further observed that no output was fully implemented while 3 outputs with 10 activities worth UGX.4.09Bn were partially implemented.</p> <ul style="list-style-type: none"> • Funds to the tune of USD.4,393.04 (equivalent to UGX.15,595,150) were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. • The Mission did not prepare and submit annual monitoring plans to MoFPED and NPA and also did not prepare and submit quarterly monitoring reports to the Office of the Prime Minister and MoFPED contrary to Paragraph 58 of the Budget Execution Circular for 2019/20. • The entity submitted performance reports for Q1, Q2 and Q3 after the deadline given for submission. • The Embassy paid USD.17,500.00 (equivalent to UGX.64,925,000) in respect of education allowances direct to its officials instead of their respective education institutions or schools contrary to Section (E - e) Paragraphs 19 and 20 of the Public Service Standing Orders, 2010. • The Embassy spent USD.3,702.42 (equivalent to UGX.13,702,656.42) on refunds for medical expenses to its officer's contrary to the requirements of Section M (m-a) (14) of the Public Service Standing Orders, 2010. • USD.7,979.94 (equivalent to UGX.29,605,577) out of which USD.5,319.96 (equivalent to UGX.19,737,051) representing 2/3 of the amount should have been recovered from the respective staff was incurred on the payments for telephone bills during the period. The recovery was not affected. • Out of an approved staff structure of 5 staff positions for the Mission, 4 (80%) were filled leaving 1 (20%) vacant.
17	<p>Uganda Embassy in Kigali. 2019/20</p> <p><u>Opinion</u></p> <p>Unqualified</p>	<ul style="list-style-type: none"> • Out of the planned 10 strategic targets/goals in the Mission charter, 2 outputs/targets had been fully achieved, 2 were partially achieved while 6 were partially achieved. • There was a shortfall in NTR collections amounting to UGX.3.07Bn representing 2.3% performance. • I sampled 4 outputs with a total of 13 activities and actual expenditure of UGX.3.325Bn and observed that all the 4 outputs were not quantified. Therefore, I was unable to undertake assessment of the performance of the Mission. • The Mission did not prepare and submit annual monitoring plans to MoFPED and NPA and also did not prepare and submit quarterly monitoring reports to the Office of the Prime Minister and MoFPED contrary to Paragraph 58 of the Budget Execution Circular for 2019/20. • The entity submitted performance reports for Q1, Q2 and Q3 after the deadline given for submission. I noted that the cumulative activities reported in the fourth quarter performance report did not include all activities implemented in the first, second and third quarters. • I noted that the assets register maintained was not in the format prescribed in the Treasury Instructions and lacked details of date of purchase, cost of purchase, maintenance cost, asset code and estimated

		<p>useful life.</p> <ul style="list-style-type: none"> Out of an approved staff structure of 5 staff positions for the Mission, two (2) (40%) were filled leaving 3 (60%) vacant.
18	<p>Uganda Embassy in Kinshasa. 2019/20</p> <p><u>Opinion</u> Qualified</p>	<ul style="list-style-type: none"> UGX.241,949,940 was reported as the variance between the approved budget/warrants and the actual expenditure instead of UGX.3,564,587. The source of UGX.241,949,940 could not be established. The statement of revenue collected in the financial statements in comparison with statement of performance and the NTR estimates for the year revealed different amounts were budgeted for as NTR collections for the year UGX.700,000,000 in the Statement of Performance, UGX.2,090,000,000 in the NTR estimates book, UGX.245,514,528 in the Statement of Appropriation (based on services voted) and UGX.245,514,528 in the Statement of revenue collected during the year. This misleads the users of the financial statements. All 8 strategic targets/goals in the Mission charter were partially achieved. There was a shortfall in NTR collections amounting to UGX.1.844Bn representing 11.75% performance. I sampled 3 outputs with a total of 6 activities and actual expenditure of UGX.4.13Bn and observed that 2 outputs with a total of 4 activities and expenditure worth UGX.1.21Bn were fully quantified while 1 output with a total of 2 activities and expenditure worth UGX.2.91Bn was insufficiently quantified. Of the outputs that were fully quantified, 4 activities worth UGX.1.21Bn were partially implemented. The Mission did not prepare and submit annual monitoring plans to MoFPED and NPA and also did not prepare and submit quarterly monitoring reports to the Office of the Prime Minister and MoFPED contrary to Paragraph 58 of the Budget Execution Circular for 2019/20. The entity submitted performance reports for Q1, and Q4 after the deadline given for submission. The Embassy paid UGX.83,932,425 in respect of education allowances direct to its officials instead of their respective education institutions or schools contrary to Section (E - e) Paragraphs 19 and 20 of the Public Service Standing Orders, 2010. USD.45,232 (equivalent to UGX.168,730,287) was spent on purchases and allowances which are not small incidental expenditures such as postage and other office costs as guided by the Treasury Instructions 2017. I found this irregular. The Embassy paid allowances to staff in form of COVID Allowances totalling to USD.3,100 (equivalent to UGX.11,564,023), a period when DR Congo was under lock down (March to June, 2020) contrary to Paragraph (E-a)1 – 2 of the Public Service Standing Orders, 2010 . I noted that procurements worth UGX.54,649,335 were undertaken outside the approved procurement plan and procurement for medical insurance of staff worth UGX.71,495,505 was a direct procurement with no justification. The Embassy had a fixed asset register that lacked information such as date of purchase, estimated useful life, maintenance costs and the expected date of disposal and a number of the entity's assets were not well maintained and utilized. Out of an approved staff structure of 21 staff positions for the Mission, 18

		(85.7%) were filled leaving 3 (14.3%) vacant.
19	Uganda High Commission in Kuala Lumpur. 2019/20 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • Out of the planned 10 (ten) strategic targets/goals in the Mission charter, one (1) target had been fully achieved, three (3) were partially achieved, while six (6) were not achieved. • There was a shortfall in NTR collections amounting to UGX.2.068Bn representing 1% performance. • I sampled 3 outputs with a total of 13 activities and actual expenditure of UGX.3.57Bn and observed that 2 outputs with a total of 9 activities and expenditure worth UGX.0.87Bn were fully quantified while 1 output with a total of 4 activities and expenditure worth UGX.2.6Bn was insufficiently quantified. Of the fully quantified outputs, 1 output with 5 activities worth UGX.0.21Bn was fully implemented while 1 output with 4 activities worth UGX.0.66Bn was partially implemented. • Funds to the tune of MYR.11,209 (equivalent to UGX.9,763,039) were irregularly diverted from purchase of specialized machinery and equipment for which they were budgeted to purchase of curtains without seeking and obtaining the necessary approvals. • The Mission did not prepare and submit annual monitoring plans to MoFPED and NPA and also did not prepare and submit quarterly monitoring reports to the Office of the Prime Minister and MoFPED contrary to Paragraph 58 of the Budget Execution Circular for 2019/20. • The Mission submitted performance reports for Q2 and Q3 after the deadline given for submission of the reports. • The Embassy paid MYR.136,000 (equivalent to UGX.118,456,000) in respect of education allowances direct to its officials instead of their respective education institutions or schools contrary to Section (E - e) Paragraphs 19 and 20 of the Public Service Standing Orders, 2010. • The Mission has an approved staff structure of five (5) staff positions out of which, two (2) (40%) were filled leaving three (3) (60%) vacant. • Management of the Embassy paid salary and FSA advances to staff to the tune of MYR.185,950 (equivalent to UGX.160,995,510) which exceeded three (3) months gross pay and no authority was sought from Secretary to the Treasury. This is contrary to the Public Service Standing Orders, 2010.
20	Uganda High Commission in London. 2019/20 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • Out of the planned 9 (nine) strategic targets/goals in the Mission charter, four (4) targets had been fully achieved, three (3) were partially achieved, while two (2) were not achieved. • There was a shortfall in NTR collections amounting to UGX.1.604Bn representing 31% performance. • I sampled 4 outputs with a total of 7 activities and actual expenditure of UGX.7.32Bn and observed that all the 4 outputs with 7 activities and expenditure worth UGX.7.32Bn were not quantified to enable assessment of performance. • Funds to the tune of GBP.2,598.56 (equivalent to UGX.11,756,583) were irregularly diverted from purchase of specialized machinery and equipment for which they were budgeted to purchase of curtains without seeking and obtaining the necessary approvals. • Entities are supposed to report actual performance of the quarter as well as the cumulative activities of the previous quarter(s). I observed that cumulative performance reports did not include activities implemented in

		<p>the previous quarter(s).</p> <ul style="list-style-type: none"> • The Mission had total collections including balance brought forward from previous year of UGX.1,606,177,645 out of which UGX.706,072,607 had been transferred to the Treasury for onward transfer to the Consolidated Fund leaving a balance UGX.900,105,038 not remitted. • Payables increased from UGX.130,550,604 in the previous year to UGX.161,515,890 in the year under review, an increase of 24%. The arrears remained unsettled at the close of the year. • Management has accumulated receivable advances to the tune of UGX.105,435,937 of which UGX.79,896,783 (76%) relates to the prior year and remains unrecovered. • The Statement of Stores and Other Assets (physical assets) as at the end of the financial year 2019/2020 revealed that additions during the year relating to non-residential buildings were disclosed as UGX.465,161,335, however, the Embassy procured items amounting to GBP.107,661 (equivalent to UGX.494,777,699) implying that items worth UGX.29,616,364 were not disclosed in this statement thus understating the Statement of Stores and Other Assets (physical assets). • The Embassy had a capital expenditure budget of UGX.275,000,000 but items worth UGX.494,777,699 were procured resulting into an over expenditure of UGX.224,777,699. • The Embassy paid GBP.28,187.49 (equivalent UGX.129,541,258) in respect of education allowances direct to its officials instead of their respective education institutions or schools contrary to Section (E - e) Paragraphs 19 and 20 of the Public Service Standing Orders, 2010. • The Embassy spent GBP.14,300.09 (equivalent to UGX.65,718,929) on refunds for medical expenses to its officers contrary to the requirements of Section M (m-a) (14) of the Public Service Standing Orders, 2010. • The Mission has an approved staff structure of eight (8) staff positions out of which, 5 (63%) were filled leaving 3 (37%) vacant.
21.	<p>Uganda Embassy in Mogadishu. 2019/20</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • Out of the planned 5 strategic targets/goals in the Mission charter, all the 5 were partially achieved. • There was a shortfall in NTR collections amounting to UGX.3.14Bn representing 0% performance. • Out of the total receipts of UGX.3.78Bn, UGX.2.87Bn was spent by the entity resulting in an unspent balance of UGX.0.91Bn representing an absorption level of 76%. • I sampled 3 outputs with a total of 6 activities and actual expenditure of UGX.2.87Bn and observed that all the 3 outputs with a total of 6 activities and expenditure worth UGX.2.87Bn were not quantified at all. I was therefore unable to assess the implementation of outputs/activities of the Mission. • Funds to the tune of UGX.16,835,000 were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. • The Mission did not prepare and submit annual monitoring plans to MoFPED and NPA and also did not prepare and submit quarterly monitoring reports to the Office of the Prime Minister and MoFPED contrary to Paragraph 58 of the Budget Execution Circular for 2019/20. • The Mission submitted performance reports for Q1, Q2, Q3 and Q4 after

			<p>the deadline given for submission.</p> <ul style="list-style-type: none"> • The Mission had total collections including balance brought forward from previous year of UGX.850,244,773 out of which UGX.7,829 had been transferred to the Treasury for onward transfer to the Consolidated Fund leaving a balance UGX.850,236,944 not remitted. • USD.1,020,250 (equivalent to UGX.3,800,767,933) was withdrawn as petty cash during the year out of which USD.340,250.00 (equivalent to UGX.1,267,543,533) was withdrawn in the last quarter of the financial year (March, April, May and June), the period affected by COVID 19 lockdown which appears irregular. • The Embassy paid UGX.83,250,000 in respect of education allowances direct to its officials instead of their respective education institutions or schools contrary to Section (E - e) Paragraphs 19 and 20 of the Public Service Standing Orders, 2010.
22.	Uganda Consulate in Mombasa. 2019/20 Opinion Unqualified		<ul style="list-style-type: none"> • Out of the planned 6 strategic targets/goals in the Mission charter, 2 outputs/targets had been fully achieved while 4 were partially achieved. • There was a shortfall in NTR collections amounting to UGX.2.089Bn representing 0.01% performance. • Out of the total receipts for the financial year of UGX.1.996Bn, UGX.1.883Bn was spent by the entity resulting in an under expenditure of UGX.0.113Bn representing an absorption level of 94.34%. • UGX.12,562,792 was received as off-budget financing for a symposium held in the financial year under review but the funds were not disclosed in the financial statements. • I sampled 3 outputs with a total of 4 activities and actual expenditure of UGX.1.883Bn and observed that 1 output with a total of 2 activities and expenditure worth UGX.0.73Bn was fully quantified while 2 outputs with a total of 2 activities and expenditure worth UGX.1.15Bn were insufficiently quantified. The quantified output with all its activities with its activities and expenditure worth UGX.0.73Bn was partially implemented. • Funds to the tune of UGX.5,205,620 were charged wrongly on other expenditure item codes without obtaining the necessary approvals. • The Mission did not prepare and submit annual monitoring plans to MoFPED and NPA and also did not prepare and submit quarterly monitoring reports to the Office of the Prime Minister and MoFPED contrary to Paragraph 58 of the Budget Execution Circular for 2019/20. • Entities are supposed to report actual performance of the quarter as well as the cumulative activities of the previous quarter(s). I observed that cumulative performance reports did not include activities implemented in the previous quarter(s). • The Embassy paid UGX.44,763,960 in respect of education allowances direct to its officials instead of their respective education institutions or schools contrary to Section (E - e) Paragraphs 19 and 20 of the Public Service Standing Orders, 2010. • A number of the Consulate's assets were old and due for boarding off but were still at the Consulate resulting into loss of value and high maintenance costs.
23.	Uganda Embassy in Moscow. 2019/20		<ul style="list-style-type: none"> • Out of the planned 24 (twenty-four) strategic targets/goals in the Mission charter, thirteen (13) targets had been fully achieved, eight (8) were partially achieved, while three (3) were not achieved.

	<p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • There was a shortfall in NTR collections amounting to UGX.1.462Bn representing 6.8% performance. • I sampled 4 outputs with a total of 12 activities and actual expenditure of UGX.4.32Bn and observed that 2 outputs with a total of 8 activities and expenditure worth UGX.4Bn were fully quantified while 2 outputs with a total of 4 activities and expenditure worth UGX.0.32Bn were not quantified. The quantified outputs were partially quantified. • The Mission did not prepare and submit annual monitoring plans to MoFPED and NPA and also did not prepare and submit quarterly monitoring reports to the Office of the Prime Minister and MoFPED contrary to Paragraph 58 of the Budget Execution Circular for 2019/20. • The Mission submitted performance reports for Q1, and Q3, after the deadline given for submission • The Statement of Stores and Other Assets (physical assets) as at the end of the financial year 2019/2020 revealed that additions during the year relating to non-residential buildings were disclosed as UGX.149,778,932, however, the Embassy procured items amounting to UGX.333,509,897 implying that items worth UGX.183,730,965 were not disclosed in this statement thus understating the Statement of Stores and Other Assets (physical assets). • The Embassy had an approved budget of UGX.196,000,000 for procurement of furniture and fixtures but a sum of UGX.333,509,897 on this item resulting into an excess expenditure of UGX.137,509,987. • The Embassy procured furniture and fittings for furnishing six residencies and a Chancery worth RUB.6,795,232 (equivalent to UGX.333,509,897) but were not recorded in the Embassy asset register as well as the Board of Survey report, direct procurement method was used without justification, procurements did not undergo any evaluation of bids, contracts committee was not involved during the procurement process and contract managers were not appointed for all the procurements. • The Assets Register maintained by the Embassy was not in the format prescribed in the Treasury Instructions as it lacked details of date of purchase, cost of purchase, maintenance cost, asset code and estimated useful life. • The Embassy spent RUB.1,052,189.97 and EURO.370.37 (approximately UGX.53,187,249) on refunds for medical expenses to its officers contrary to the requirements of Section M (m-a) (14) of the Public Service Standing Orders, 2010. • Salary advances to the tune of Euro. 4,681.18 (equivalent to UGX.19,537,232) were paid to to staff which exceeded three (3) months gross and though authorised by the Accounting Officer of the Embassy, no authority was sought from Secretary to the Treasury contrary to the Public Service Standing Orders.
24.	<p>Uganda High Commission in Nairobi. 2019/20</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • Out of the planned 10 (ten) strategic targets/goals in the Mission charter, 2 (two) were partially achieved while eight (8) were not achieved. • There was a shortfall in NTR collections amounting to UGX.2.73Bn representing 12.8% performance. • Out of the total receipts for the financial year of UGX.4.94Bn, UGX.3.77Bn was spent by the entity resulting in an unspent balance of UGX.1.17Bn representing an absorption level of 76.3%. • I sampled 4 outputs with a total of 7 activities and actual expenditure of

		<p>UGX.3.77Bn and observed that all the 4 outputs with a total of 7 activities and expenditure worth UGX.3.77Bn were fully quantified but were partially implemented.</p> <ul style="list-style-type: none"> • The Mission did not prepare and submit annual monitoring plans to MoFPED and NPA and also did not prepare and submit quarterly monitoring reports to the Office of the Prime Minister and MoFPED contrary to Paragraph 58 of the Budget Execution Circular for 2019/20. • The Mission submitted performance reports for all quarters after the deadline given for submission. I also observed that cumulative performance reports revealed that the subsequent quarterly performance reports did not include activities implemented in the previous quarter(s). • Accumulated arrears of revenue to the tune of UGX.181,948,023 most of which related to the prior year remained uncollected. • The Embassy paid a sum of USD.46,950 (equivalent to UGX.174,513,150) to Toyota Kenya Limited for the acquisition of a Land Cruiser Prado but the procurement was undertaken by the High Commissioner instead of the Accounting Officer which resulted into usurping the powers of the Accounting Officer, over committing the Mission, non-compliance with Government ban on acquisition of motor vehicles, un-planned procurement, use of inappropriate procurement method and failure to involve the Contracts Committee. • The Embassy paid KES.3,360,000 (equivalent to UGX.117,633,600) in respect of education allowances direct to its officials instead of their respective education institutions or schools contrary to Section (E - e) Paragraphs 19 and 20 of the Public Service Standing Orders, 2010. • The Embassy spent KES.620,485 (equivalent to UGX.21,723,180) on refunds for medical expenses to its officers contrary to the requirements of Section M (m-a) (14) of the Public Service Standing Orders, 2010. • The Mission did not have a fixed assets register in the format prescribed in the Treasury Instructions and therefore additions and disposals to the assets could not be verified. I further observed that a number of the entity's assets were old and due for boarding off exposing the assets to loss of value and high maintenance costs. • The Mission has an approved staff structure of seven (7) staff positions out of which 5 (71.4%) were filled leaving 2 (28.5%) vacant.
25.	<p>Uganda Embassy in New Delhi. 2019/20</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • Out of the planned 6 (six) strategic targets/goals in the Mission charter, 1 (one) was fully achieved while 2 (two) were partially achieved while three (3) were not achieved. • There was a shortfall in NTR collections amounting to UGX.2.62Bn representing 0.0015% performance. • Out of the total receipts for the financial year of UGX.4.554Bn, UGX.3.732Bn was spent by the entity resulting in an unspent balance of UGX.0.822Bn representing an absorption level of 81.9%. • I sampled 3 outputs with a total of 6 activities and actual expenditure of UGX.3.732Bn and observed that all the 3 outputs were fully quantified and none was fully implemented. • Funds to the tune of INR.42,262 (equivalent to UGX.2,062,385) were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. • The Mission did not prepare and submit annual monitoring plans to

		<p>MoFPED and NPA and contrary to Paragraph 58 of the Budget Execution Circular for 2019/20.</p> <ul style="list-style-type: none"> • Cumulative performance reports did not include activities implemented in the previous quarter(s). • The Mission had total collections including balance brought forward from previous year of UGX.524,440,586 out of which UGX.160,671,521 had been transferred to the Treasury for onward transfer to the Consolidated Fund leaving a balance UGX.1,284,723,792 not remitted. • INR.38,324.24 (equivalent to UGX.1,839,564) out of which 2/3 of the amount should have been recovered from the respective staff was incurred on the payments for telephone bills during the period. The recovery was not effected. • Salary advances to the tune of USD. 98,406.39 (equivalent to UGX.369,023,963) were paid to staff during the year which exceeded three (3) months gross contrary to the Public Service Standing Orders. • The Embassy spent INR.549,516.00 (equivalent to UGX.26,376,775) on refunds for medical expenses to its officers contrary to the requirements of Section M (m-a) (14) of the Public Service Standing Orders, 2010.
26.	<p>The Uganda Embassy in New York. 2019/20</p> <p><u>Opinion</u> Qualified</p>	<ul style="list-style-type: none"> • The Embassy had a capital expenditure budget of UGX.0 but items worth UGX.665,143,450 resulting into an over expenditure of UGX.665,143,450. • I sampled 4 outputs with a total of 10 activities and actual expenditure of UGX.16.77Bn and observed that all four (4) outputs were not quantified. I was unable to assess the extent of implementation of quantified activities. • Funds to the tune of USD.16,155 (equivalent to UGX.60,182,706) were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. • The Mission did not prepare and submit annual monitoring plans to MoFPED and NPA and also did not prepare and submit quarterly monitoring reports to the Office of the Prime Minister and MoFPED contrary to Paragraph 58 of the Budget Execution Circular for 2019/20. • The entity submitted performance reports for Q1, Q2, Q3, Q4 after the deadline given for submission. • The Mission had total collections including balance brought forward from previous year of UGX.13,431,978,161 out of which UGX.3,957,841,655 had been transferred to the Treasury for onward transfer to the Consolidated Fund leaving a balance UGX. 9,474,136,506 not remitted. • The Mission had outstanding payables to a tune of UGX.208,571,725 as the end of June 2019 but details were not provided for audit verification and the arrears were paid without a budget. • The Embassy had accumulated arrears of revenue to the tune of UGX.3,801,562,591 out of which UGX.2,932,243,479 (77%) relates to revenue arrears accumulated in the prior years and remains uncollected. The details relating to the arrears were also not provided for audit verification. • The Mission paid UGX.134,726,559 in respect of education allowances direct to its officials instead of their respective educational institutions or schools contrary to Section (E - e) Paragraphs 19 and 20 of the Public Service Standing Orders 2010.

		<ul style="list-style-type: none"> The Embassy spent UGX.145,667,183 on refunds for medical expenses to its officers contrary to the requirements of Section M (m-a) (14) of the Public Service Standing Orders, 2010. The Mission prepared an approved procurement plan for the financial year 2019/2020 but procurement reports and procurement files were not availed for audit. The Mission has an approved staff structure of 9 staff positions out of which 8 (88%) were filled leaving 01 (12%) vacant.
27.	<p>Uganda High Commission in Ottawa. 2019/20</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> Out of the planned 8 (eight) strategic targets/goals in the Mission charter, four (4) were fully achieved while 2 (two) were partially achieved while two (2) were not achieved. There was a shortfall in NTR collections amounting to UGX.2.077Bn representing 0.62% performance. I sampled 3 outputs with a total of 8 activities and actual expenditure of UGX.5.63Bn and observed that all the 3 outputs were fully quantified but none was fully implemented. Funds to the tune of CAD.3,301.3 (equivalent to UGX.9,586,521) were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. The Mission did not prepare and submit the annual monitoring plans to MoFPED and NPA contrary Paragraph 58 of the Budget Execution Circular for 2019/20. The Mission had total collections including balance brought forward from previous year of UGX.2,585,956,931 out of which UGX.39,588,787 had been transferred to the Treasury for onward transfer to the Consolidated Fund leaving a balance UGX.2,546,368,144 not remitted. The Mission paid CAD.35,000.00 (equivalent to UGX.101,605,000) in respect of education allowances direct to its officials instead of their respective educational institutions or schools contrary to Section (E - e) Paragraphs 19 and 20 of the Public Service Standing Orders 2010. The Embassy spent CAD.114,255 (equivalent to UGX.331,693,168) on refunds for medical expenses to its officers contrary to the requirements of Section M (m-a) (14) of the Public Service Standing Orders, 2010.
28.	<p>Uganda Embassy in Paris. 2019/20</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> The Mission made upfront payments for rent of EUR.50,183 (equivalent to UGX.209,723,288) beyond the financial year but did not disclose the same as prepayments in the Statement of Financial Position for the year. Funds to the tune of UGX.40,504,892 were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. There was a shortfall in NTR collections amounting to UGX.2.61Bn representing 0.4% performance. Out of the total receipts for the financial year of UGX.9.59Bn, UGX.5.56Bn was spent by the entity resulting in an unspent balance of UGX.4.03Bn representing an absorption level of 58%. I sampled 4 outputs with a total of 19 activities and actual expenditure of UGX.5.56Bn and observed that 1 output (25%) with a total of 7 activities and expenditure worth UGX.1.61Bn was insufficiently quantified while 3 outputs (75%) with a total of 12 activities and expenditure worth UGX 3.95Bn were not quantified at all. I was therefore unable to undertake

		<p>assessment of implementation of outputs by the Mission.</p> <ul style="list-style-type: none"> • The Mission did not prepare and submit annual monitoring plans to MoFPED and NPA and also did not prepare and submit quarterly monitoring reports to the Office of the Prime Minister and MoFPED contrary to Paragraph 58 of the Budget Execution Circular for 2019/20. • The Mission submitted performance reports for Q1, Q2, Q3 and Q4 after the deadline given for submission. Furthermore, entities are supposed to report actual performance of the quarter as well as the cumulative activities of the previous quarter(s) but the Mission quarterly performance reports did not include activities implemented in the previous quarter(s). • The Embassy paid EUROS.30,691 (equivalent to UGX.128,071,701) in respect of education allowances direct to its officials instead of their respective education institutions or schools contrary to Section (E - e) Paragraphs 19 and 20 of the Public Service Standing Orders, 2010. • The Embassy spent EUROS.7,933 (equivalent to UGX.33,101,972) on refunds for medical expenses to its officers contrary to the requirements of Section M (m-a) (14) of the Public Service Standing Orders, 2010. • UGX.3.75Bn was released for renovation and modification of Uganda Chancery Building in Paris but the procurement was undertaken using the restricted bidding instead of open domestic bidding without proper justification. Furthermore, the implementation of the contract had not commenced by the end of the financial and the contractor is said to have had difficulty in obtaining a bank guarantee from banks because the Mission is a foreign entity which could pose challenges in contract performance. • The Mission has an approved staff structure of 7 staff positions out of which positions, 6 (86%) were filled leaving 1 (14%) vacant. • EUR.43,541.63 (equivalent to UGX.181,969,420) was paid from the Mission's imprest account to cater for official activities but EUR.15,851 (equivalent to UGX.66,244,024) was spent on activities such as, allowances, purchase of computer and household items which cannot be categorised under imprest making it irregular.
29.	<p>Uganda Embassy in Pretoria. 2019/2020</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • Out of the planned 8 (eight) strategic targets/goals in the Mission charter, two (2) were fully achieved while 4 (four) were partially achieved while two (2) were not achieved. • There was a shortfall in NTR collections amounting to UGX.2.49Bn representing 5% performance. • I sampled 4 outputs with a total of 8 activities and actual expenditure of UGX.3.62Bn and observed that three (3) outputs with a total of seven (7) activities and expenditure worth UGX.3.54Bn were fully quantified while one (1) output with one (1) activity and expenditure worth UGX.0.08Bn was not quantified. Of the quantified outputs, one (1) output with three (3) activities worth UGX.0.38Bn was fully implemented while two (2) outputs with four (4) activities worth UGX.3.16Bn were partially implemented. • Funds to the tune of RAND.35,774.08 (equivalent to UGX.7,697,509) were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. • The entity submitted performance reports for Q1, Q2, Q3, and Q4, however they were submitted after the deadline. I also observed that cumulative performance reports did not include activities implemented in

		<p>the previous quarter(s)</p> <ul style="list-style-type: none"> The Embassy paid USD.18,000.009 (equivalent to UGX.66,785,973) in respect of education allowances direct to its officials instead of their respective education institutions or schools contrary to Section (E - e) Paragraphs 19 and 20 of the Public Service Standing Orders, 2010. The Embassy spent 162,579.25 RAND (equivalent to UGX.34,982,177) on refunds for medical expenses to its officers contrary to the requirements of Section M (m-a) (14) of the Public Service Standing Orders, 2010. The Mission has an approved staff structure of 6 staff positions out of which, 5 (83%) were filled leaving 1 (17%) vacant.
30.	<p>Uganda Embassy in Riyadh 2019/2020</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> There was a shortfall in NTR collections amounting to UGX.2.088Bn representing 0.5% performance. I sampled 3 outputs with a total of 13 activities and actual expenditure of UGX.4.156Bn and observed that all the 3 outputs were fully quantified. I further observed that 1 output with 5 activities worth UGX.3.79Bn was fully implemented while 2 outputs with 8 activities worth UGX.0.36Bn were partially implemented. The Mission did not prepare and submit annual monitoring plans to MoFPED and NPA and also did not prepare and submit quarterly monitoring reports to the Office of the Prime Minister and MoFPED contrary to Paragraph 58 of the Budget Execution Circular for 2019/20. The Mission submitted performance reports for Q1, Q2, Q3 and Q4 after the deadline given for submission. The Embassy paid UGX.39,862,700 in respect of education allowances direct to its officials instead of their respective education institutions or schools contrary to Section (E - e) Paragraphs 19 and 20 of the Public Service Standing Orders, 2010. The Embassy spent SAR.132,601.64 (approximately UGX.131,036,012.44) on refunds for medical expenses to its officers contrary to the requirements of Section M (m-a) (14) of the Public Service Standing Orders, 2010. UGX.30,569,246 out of which 2/3 of the amount should have been recovered from the respective staff was incurred on the payments for telephone bills during the period. The recovery was not effected. The Mission has an approved staff structure of 5 staff positions out of which, 3 (60%) were filled leaving 2 (40%) vacant.
31.	<p>Uganda Embassy in Rome 2019/20</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> Out of the planned 8 (eight) strategic targets/goals in the Mission charter, two (2) targets had been fully achieved and six (6) were partially achieved. There was a shortfall in NTR collections amounting to UGX.1.503Bn representing 4.2% performance. Of the total receipts for the financial year of UGX.5.564Bn, UGX.4.952Bn was spent by the entity resulting in an unspent balance of UGX.0.612Bn representing an absorption level of 89%. I sampled 4 outputs with a total of 8 activities and actual expenditure of UGX.3.62Bn and observed that 3 outputs with a total of 7 activities and expenditure worth UGX.3.54Bn were fully quantified while 1 output with 1 activity and expenditure worth UGX.0.08Bn was not quantified. Of the quantified outputs, 1) output with 3) activities worth UGX.0.38Bn was fully implemented while 2 outputs with 4 activities worth UGX.3.16Bn

		<p>were partially implemented.</p> <ul style="list-style-type: none"> • The Mission did not prepare and submit annual monitoring plans to MoFPED and NPA and also did not prepare and submit quarterly monitoring reports to the Office of the Prime Minister and MoFPED contrary to Paragraph 58 of the Budget Execution Circular for 2019/20. • The Mission had total collections including balance brought forward from previous year of UGX.1,702,152,606 out of which UGX.67,884,170 had been transferred to the Treasury for onward transfer to the Consolidated Fund leaving a balance UGX.1,634,268,436 not remitted. • The Mission reported cash in transit of UGX.32,102,340 which relates to over 10 years ago which may be difficult for the Mission to trace or recover. • The Statement of Contingent Liabilities in the financial statements for the year ended 30th June, 2020, indicated an opening balance of UGX.1,141,003,975.79 instead of UGX.542,522,152.97 resulting into an overstatement of UGX.598,481,822.82. • During the year 2019/2020, management of the Mission was availed a supplementary funding of UGX.433,360,086 to cater for settlement of four (4) court cases but the Mission still remained with outstanding liabilities for settlement of court cases amounting to UGX.542,522,152 at the end of the year. • The Embassy spent Euros.8,430.75 (equivalent to UGX.35,422,471) on refunds for medical expenses to its officers contrary to the requirements of Section M (m-a) (14) of the Public Service Standing Orders, 2010. • The Embassy has an approved staff structure of 6 staff positions out of which 5 (83%) were filled leaving 1 (15%) vacant.
32.	<p>Uganda Embassy in Tokyo 2019/20 <u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • Out of the planned 17 (seventeen) strategic targets/goals in the Mission charter, nine (9) were fully achieved, 4 (four) were partially achieved while four (4) were not achieved at all. • There was a shortfall in NTR collections amounting to UGX.1.451Bn representing 8% performance. • I sampled 5 outputs with a total of 17 activities and actual expenditure of UGX.5.76Bn and observed that all the 5 outputs were not quantified. I was therefore unable to undertake assessment of performance. • Funds to the tune of JPY.730,423 (equivalent to UGX.25,352,982) were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. • The Mission did not prepare and submit the annual monitoring plans to MoFPED and NPA contrary to Paragraph 58 of the Budget Execution Circular for 2019/20. • The Mission submitted performance reports for Q1, Q2, Q3 and Q4 after the deadline given for submission. • The Mission paid JPY.3,300,000 (equivalent to UGX.115,295,400) in respect of education allowances direct to its officials instead of their respective educational institutions or schools contrary to Section (E - e) Paragraphs 19 and 20 of the Public Service Standing Orders 2010. • The Embassy spent Euros.8,430.75 (equivalent to UGX.35,422,471) on refunds for medical expenses to its officers contrary to the requirements of Section M (m-a) (14) of the Public Service Standing Orders, 2010.

		<ul style="list-style-type: none"> • JPY.2,591,132 (equivalent to UGX.89,938,192) out of which 2/3 of the amount should have been recovered from the respective staff was incurred on the payments for telephone bills during the period. The recovery was not effected. • The fixed assets register maintained by the entity was not in the format prescribed in the Treasury Instructions and lacked details of: cost of some items, maintenance cost, estimated useful life, among others and assets which had already been disposed were still in the assets register.
33.	Uganda Embassy in Washington. 2019/20 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • Funds to the tune of UGX.184,722,054 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 planned 31 strategic targets/goals in the Mission charter, 13 were fully achieved while 18 were partially achieved. • There was a shortfall in NTR collections amounting to UGX.3.64Bn representing 0.7% performance. • Out of the total receipts for the financial year of UGX.8,039,710,935, UGX.7,707,884,006 was spent by the entity resulting in an unspent balance of UGX.331,826,929 representing an absorption level of 96%. • I sampled 6 outputs with a total of 17 activities and actual expenditure of UGX.7.67Bn and observed that all 6 outputs were not quantified. I was therefore unable to undertake assessment of performance. • The Mission did not prepare and submit annual monitoring plans to MoFPED and NPA and also did not prepare and submit quarterly monitoring reports to the Office of the Prime Minister and MoFPED contrary to Paragraph 58 of the Budget Execution Circular for 2019/20. • Performance reports for Q1, Q2 and Q3 were submitted after the deadline given for submission. • The Mission paid USD.27,500 (equivalent to UGX.103,134,075) in respect of education allowances direct to its officials instead of their respective educational institutions or schools contrary to Section (E - e) Paragraphs 19 and 20 of the Public Service Standing Orders 2010. • The Embassy spent USD.21,764.99 (equivalent to UGX.81,625,894.95) on refunds for medical expenses to its officers contrary to the requirements of Section M (m-a) (14) of the Public Service Standing Orders, 2010. • USD.18,000 (equivalent to UGX.69,552,175) was paid to Embassy staff as Covid relief allowance during the financial year 2019/2020 in the last month of the financial year. This allowance is not provided for in the Public Service Standing Orders and neither was it budgeted for during the year. • JPY.2,591,132 (equivalent to UGX.89,938,192) out of which 2/3 of the amount should have been recovered from the respective staff was incurred on the payments for telephone bills during the period. The recovery was not effected. • The fixed assets register maintained by the entity was not in the format prescribed in the Treasury Instructions and lacked details of: cost of some items, maintenance cost, estimated useful life, among others and assets which had already been disposed were still in the assets register.
34.	Uganda Embassy in Teheranc. 2019/2020	<ul style="list-style-type: none"> • Out of the planned 11 (eleven) strategic targets/goals in the Mission charter, one (1) were fully achieved while 10 (ten) were partially

	<p><u>Opinion</u> Unqualified</p>	<p>achieved.</p> <ul style="list-style-type: none"> • There was a shortfall in NTR collections amounting to UGX.1.57Bn representing 0.1% performance. • I sampled 7 outputs with a total of 12 activities and actual expenditure of UGX.3.66Bn and observed that 4 outputs with a total of 6 activities and expenditure worth UGX.2.69Bn were fully quantified, 2 outputs with a total of 5 activities and expenditure worth UGX.1.73Bn were partially quantified while 1 output with 1 activity and expenditure worth UGX.0.04Bn was not quantified at all. Of the quantified outputs, 3 outputs with 3)activities worth UGX.0.38Bn were fully implemented while 1 output with 3 activities worth UGX.1.95Bn was partially implemented. • The Mission had total collections including balance brought forward from previous year of UGX.406,961,421 out of which UGX.126,522,621 had been transferred to the Treasury for onward transfer to the Consolidated Fund leaving a balance UGX.280,522,621 not remitted. • The Mission paid USD.14,000 (UGX.51,800,000) in respect of education allowances direct to its officials instead of their respective educational institutions or schools contrary to Section (E - e) Paragraphs 19 and 20 of the Public Service Standing Orders 2010. • RIALS.746,627,400 (equivalent to UGX.65,703,211) was paid to Embassy staff as contingency allowance which is not provided for in the Public Service Standing Orders, 2010 and neither was it budgeted for during the year. • RIALS.146,565,232,896 (equivalent to UGX.12,897,740,495) was paid from the Mission's imprest account to cater for official activities but was not adequately accounted for.
35.	<p>Uganda Embassy in Addis Ababa. 2019/2020</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • Out of the planned 7 strategic targets/goals, no target was fully achieved, 5 targets were fully achieved and 2 targets were partially achieved. • There was a shortfall in NTR collections amounting to UGX.1.85Bn representing 11% performance. • Out of the total receipts for the financial year of UGX.4.16Bn, UGX.3.81Bn was spent by the entity resulting in an unspent balance of UGX.0.35Bn representing an absorption level of 91.5%. • I sampled 5 outputs with a total of 9 activities and actual expenditure of UGX.3.76Bn and observed that 3 outputs with a total of 7 activities and expenditure worth UGX.3.76Bn were fully quantified while 2 outputs with a total of 2 activities were not quantified. I further observed that 2 outputs with 5 activities worth UGX.3.22Bn were fully implemented while 1 output with 2 activities worth UGX.0.674Bn was partially implemented. • Funds to the tune of Birr.304,045.69 (equivalent to UGX.23,958,820) were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. • A review of the 4 quarterly performance reports revealed that the supplementary release of UGX.0.653Bn was not captured at all making the reports inaccurate. • The Mission had total collections including balance brought forward from previous year of UGX.707,901,392 out of which UGX.236,256,209 had been transferred to the Treasury for onward transfer to the Consolidated Fund leaving a balance UGX.471,645,183 not remitted. • USD.48,129.83 and BIRR.94,144.96 (equivalent to UGX.183,940,336)

		<p>was withdrawn from the Mission's local expenditure account as cash imprest but was not adequately accounted for.</p> <ul style="list-style-type: none"> • The Mission paid USD.44,000.00 (equivalent to UGX.165,000,000) in respect of education allowances direct to its officials instead of their respective educational institutions or schools contrary to Section (E - e) Paragraphs 19 and 20 of the Public Service Standing Orders 2010. • The Mission paid medical refunds to its staff amounting to Birr.298,287.38 (equivalent to UGX.582,793,607) contrary to Section M (m-a) (14) of the Public Service Standing Orders, 2010. • The Mission maintains an assets register that is not in the format prescribed by the Treasury Instructions.
36.	<p>Uganda Embassy in Copenhagen. 2019/2020</p> <p><u>Opinion</u> Qualified</p>	<ul style="list-style-type: none"> • A sum of UGX.300,000,000 was approved by Parliament as supplementary budget for the Embassy for the financial year 2019/2020 out of which UGX.270,000,000 was subsequently released during the year. This amount was not accurately disclosed in the "Commentary on the Financial Statements by the Head of Accounts". • Receivables from security deposits reduced by UGX.53,375,046 from UGX.313,145,225 in the previous year to UGX.259,770,179 as at the end of the year 2019/2020. I was not availed with supporting records to confirm the movement. • VAT claims increased from UGX.45,636,374 in the previous year to UGX.70,11,405 in the current year. I was not provided with a ledger showing the specific VAT claims, the VAT supplier numbers, and documents to support the claims for refunds from the tax authority among others. • Monthly and end-of-year bank reconciliations were not carried out. In addition, a list of bank accounts operated by the Embassy during the year was not disclosed by the Head of Accounts in his commentary on the Financial Statements. • The Embassy's approved budget for Non-Tax Revenue was UGX.1,570,000,000. I observed that the Non-Tax Revenue budget was not reflected in the Statements of Appropriation. • The Mission paid advances to various suppliers amounting to DKK.861,578.82 (equivalent to UGX.479,037,824). Whereas the Financial Reporting Guide, 2018 requires that prepayments are reported separately in the Statement of Cash Flows – as net advances paid and in the Statement of Financial Position as receivables, I noted that these prepayments were missing in both statements. • The Embassy lost a court case and subsequently a sum of UGX.27,965,384 (DKK.49,878.51) was awarded and paid in the year 2019/2020. I noted that the Memorandum Statement of Outstanding Commitments did not disclose the details regarding this case and there was no evidence that the funds for settlement of this court case had been budgeted for during the year. • Funds amounting to DKK.399,793.77 (equivalent to UGX.225,083,893) were irregularly diverted from the activities on which they were budgeted and spent on other activities for which money had not been appropriated without seeking and obtaining the necessary approval. • Payments made to the tune of DKK.109,193.75 (equivalent to UGX.61,221,660) lacked adequate supporting documents. Consequently, I could not confirm that the amounts paid were commensurate to the

		<p>works or supplies made by the different payees.</p> <ul style="list-style-type: none"> • The Embassy had planned to refurbish the official residence and UGX.300,000,000 was released by the Ministry of Finance Planning and Economic Development (MoFPED) through a supplementary budget for the purpose. However, the refurbishment did not take place and UGX.190,000,000 was returned to the consolidated fund as required by Section 17(2) of the PFMA 2015 while UGX.110,000,000 was diverted. • Payments to the tune of DKK.171,063.61 (equivalent to UGX.95,910,234) had contradicting supporting documentation attached, payments were unbudgeted for or were incurred for activities which are not the responsibility of the Embassy. • Salary payments to locally recruited staff at the Mission to the tune of DKK.141,940.00 (equivalent to UGX.79,581,500) were made to two staff but no contract appointment letters were availed to justify them. • Out of the budgeted NTR of UGX.1,570,000,000 for the financial year 2019/2020 only UGX.33,780,671 was collected representing performance of 2.15% of the target. The entity did not remit the collected amounts to the consolidated fund by the 31st July following the closure of the financial year contrary to the requirements of the PFMA. • Out of the total receipts for the financial year of UGX.5.642Bn, UGX.5.152Bn was spent by the Mission resulting in an unspent balance of UGX.0.490Bn representing an absorption level of 91.3%. The unspent balance at the end of the financial year was not returned to the consolidated fund account by the 31st July 2020 contrary to the law. • Out of the 5 outputs with a total of 9 activities and expenditure of UGX.5.152Bn, 2 outputs with a total of 2 activities and expenditure worth UGX.0.467bn were fully quantified, 2 outputs with a total of 5 activities and expenditure worth UGX.4.828Bn were insufficiently quantified while 1 output with a total of 2 activities and expenditure worth UGX.0.372Bn was not quantified at all. Of the quantified outputs, 1 output with 1 activity worth UGX.0.167bn was fully implemented while 1 output with 1 activity worth UGX.0.300bn was partially implemented. • The Mission did not prepare and submit annual monitoring plans to MoFPED and NPA and also did not prepare and submit quarterly monitoring reports to the Office of the Prime Minister and MoFPED contrary to Paragraph 58 of the Budget Execution Circular for 2019/20. In addition, performance reports for Q1, Q2, Q3 and Q4 were submitted after the deadline for submission. • I observed that the Head of Mission and the Accounting Officer were absent from the station from March 2020 to June 2020, a period that is critical for preparation and finalisation of the Embassy financial statements. The two officers were under lock-down restrictions in Uganda due to onset of the Covid-19 pandemic. In addition the Finance Attaché was not in office for most of the financial year. This negatively impacted on the operations of the Mission during that period. • During the month of June 2020, a sum of DKK.152,700 (equivalent to UGX.85,970,100) was paid to Embassy staff for claims for trips that had been undertaken in January and February 2020. I observed that the payments were not adequately supported to justify that the trips were undertaken. • An officer of the Embassy was paid Foreign Service Allowance for the months of November and December amounting to DKK.23,375.85 (equivalent to UGX.13,160,604) and education allowance amounting to
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		<p>DKK.37,500 (equivalent to UGX.21,112,500) while on interdiction. Payment of employment benefits to staff on interdiction may be unlawful.</p> <ul style="list-style-type: none"> • The Embassy continued to pay rent for the Finance Attaché’s residence from April 2020 to September 2020 amounting to DKK.133,800.00 (equivalent to UGX.75,329,400), a period during which the residence was not occupied. • The Embassy procured 64 items for use at the Chancery and Embassy staff residences involving a sum of DKK.433,707.00 (equivalent to UGX.244,177,283). The procurements were undertaken without adherence to the procurement procedures and were not adequately accounted for. • Contrary to the provisions in the law, expenditure amounting to DKK.1,181,215.74 (equivalent to UGX.665,024,462) was irregularly incurred by the Embassy during the month of July out of the expired appropriation and before the first quarter release for the financial year 2020/2021 was received. • Prepayments amounting to DKK.566,960.83 (equivalent to UGX.319,198,947) were made to nine (9) suppliers for services including fuel, insurance, water, electricity and heating. The funds were paid before the services were received by the Embassy. • Cash amounting to DKK.37,000 (equivalent to UGX.20,831,000) was irregularly withdrawn from the Mission’s corporate bank account by Amb. Elly Kamahungye Kafeero to pay for accounting work done by a non-member of staff living outside Copenhagen. The funds were re-deposited on the Embassy account on 12th June 2020 by Amb. Elly Kamahungye Kafeero after three months because the reasons for which the funds were withdrawn had been suspended. I found it unusual for an amount of money to be set aside for an activity without confirming the total cost of the activity or following procurement procedures to identify a supplier. • During the year 2019/2020, the Finance Committee was comprised of the Head of Mission (chairperson), Deputy Head of Mission, Accounting Officer, Finance Attaché, Head of Chancery (Third Secretary) and the Administrative Attaché. I observed that the Committee did not perform its roles of reviewing and approving the budgets and work-plans, monitoring implementation of the annual work-plans and procurement plans, monitoring implementation of internal controls over financial management and ensuring that there is compliance with applicable laws and regulations.
37.	<p>Ministry of Foreign Affairs (MOFA). 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • The Ministry has an approved strategic plan for FY 2020/21- 2024/25. NPA had issued a Certificate of Compliance (CoC) to the Ministry, and Ministry Top Management had approved the plan. It is now aligned to the NDPIII. • The Ministry collected only 5.7% of its NTR target for the year and had a shortfall in government funding of UGX.19.886Bn which is 30.9% of the budget. The Ministry absorbed 92.3% of the funds that were released. • Out of the thirty-two (32) outputs sampled, ten (10) were fully quantified, seventeen (17) were insufficiently quantified and five (5) were not quantified. • Out of the ten (10) outputs assessed, seven (7) were fully implemented while three (3) were partially implemented. • The Ministry prepared and submitted the annual budget implementation plans and reports as required but failed to accurately report and submit

		<p>its quarterly budget performance reports in time.</p> <ul style="list-style-type: none"> • Analysis of the Ministry's domestic arrears over the past four years showed an increase by 34.2% from 2016/17 to 2020/21. • The Ministry had domestic arrears worth UGX.37,436,592,723 from the prior financial year but only budgeted for UGX.6,356,885,823 (17%) in the financial year under review, thus under budgeting. • The approved staff establishment of Ministry of Foreign Affairs revealed that out of the approved 362 staff positions, 344 positions representing 95% were filled while 18 positions representing 5% were vacant.
38	<p>Ministry of East African Community Affairs 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted that the Ministry only had a draft strategic plan. NPA had not issued a Certificate of Compliance (CoC) to prompt to management of the Ministry approve the strategic plan. • The Ministry budgeted for NTR of UGX.699,000,000 for the financial year 2020/21, however only UGX.12,100,000 was collected representing performance of 1.731% of the target. The ministry absorbed 85.1% of the funds that were released. • Out of the fourteen (14) outputs sampled, twelve (12) were fully quantified, while two (2) were insufficiently quantified. • Out of the twelve (12) outputs assessed, eight (8) were fully implemented while four (4) were partially implemented. • The Ministry neither prepared annual budget monitoring plans nor submitted quarterly budget monitoring reports. The Ministry also failed to submit all its quarterly budget performance reports in time. • Analysis of the Ministry's domestic arrears over the past four years showed a downward trend from 2017 to 2021. As at the close of the financial year a sum of UGX.13,002,369,510 was outstanding. • Out of the approved one hundred three (103) staff positions, seventy two (72) positions representing 70% were filled while thirty one (31) positions representing 30% were vacant.
39	<p>The Independent Electoral Commission. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • The Commission had not finalised the preparation of the strategic plan for the period 2021-2025. • The entity budgeted to collect NTR of UGX.4.483Bn during the year under review. Out of this, UGX.31.1Bn was collected, representing a performance of 694% of the target. • Out of the total warrants of UGX.671.61Bn received during the financial year, UGX.649.15Bn was spent by the entity resulting in an unspent balance of UGX.21.906Bn representing absorption level of 96.1%. • Out of the 9 outputs with a total of 40 activities and expenditure of UGX.671.61Bn assessed, 4 outputs with a total of 10 activities and expenditure worth UGX.51.838Bn was fully quantified, 3 outputs with a total of 16 activities and expenditure worth UGX.499.639Bn were insufficiently quantified while 2 outputs with a total of 14 activities and expenditure worth UGX.97.675Bn were not quantified at all. • Of the 4 out puts that were fully quantified with a total of ten (10) activities worth UGX.51.8Bn, 3 outputs with a total of 9 activities worth UGX.50.9Bn were fully implemented, while 1 output with 1 activity worth UGX.0.846Bn was partially implemented.

		<ul style="list-style-type: none"> • An assessment to establish if there has been service delivery from a sample of outputs that were implemented revealed that purchase of motor vehicles and other transport equipment was undertaken but not fully used for the purpose while the Commission continues to pay rent after fully acquiring warehousing space. • I noted inconsistencies in the reported performance where all vehicles were reported as received which was not true while reported balances in the financial statements were inconsistent with those reported in the performance reports. • I noted that funds to the tune of UGX.4,023,217,397 were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. • I noted that the Commission has been accumulating arrears in past three years and during the year 2020/2021, UGX.6.959Bn in arrears remained outstanding. • The Commission has in the past won cases and was awarded costs to the tune of UGX.336,880,920 but management has not collected these receivables. • The Commission procured Biometric Voter Verification Kit and services for the 2021 general election at a cost of UGX.82,894,881,252 and I observed that available kits were not considered while the services were not fully delivered. • The Commission entered into two contract agreements with a company to supply 10 double cabin pick-up vehicles at a cost of UGX.1,564,563,350 and 40 double cabin pick-up vehicles at UGX.7,013,387,920 for nomination of the Presidential candidates but by the time of audit, whereas the Commission had paid the full amount, only 32 double cabin vehicles out of the total 50 vehicles procured had been delivered leaving a balance of 18 vehicles. • The Commission procured for printing of ballot papers for 2021 general elections at a total cost of UGX.83.855Bn. 248 out of expected 448 pallets were delivered but the Commission had assembled vehicles to carry the entire load which rendered the vehicles redundant and this caused a loss to the Commission in form of hire fees, fuel and allowances. • The Commission was required to vacate their current premises by 30th June, 2021 and was subsequently compensated with UGX.22.14Bn by the Uganda National Roads Authority which was transferred to the consolidated fund as non-tax revenue. As a result of the continued delay to implement this critical activity of finding a new home, the Commission is already incurring losses on property acquired and is also likely to cause government to incur litigation costs through UNRA's failure to completely hand over the construction sites for roads to the contractor. • The Commission contracted two law firms for provision of legal services for Presidential petition at a cost of UGX.3,748,550,000 which had been budgeted at UGX.800Million resulting into payment of UGX.2,948,550,000 over and above the budget. Even though the planning for the elections started 3 years back, the procurement was treated as an emergency and there was no basis for the fees charged or detail of how the Commission came up with the market price for the service.
	WORKS AND TRANSPORT SECTOR	

1	<p>Ministry of Works and Transport (MoWT)</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted that the entity had prepared a strategic plan. However, this had not been approved by NPA at the end of the year under review. • The Ministry did not forecast the NTR to be collected during the year. However, a total of UGX6,995,230,920 was collected during the year. • Out of the total warrants of UGX. 1,280.322Bn received during the financial year, UGX. 1,067.967Bn was spent by the entity resulting in an unspent balance of UGX. 212.355Bn representing absorption level of 83.4% • The Ministry did not implement some of its planned activities during the year. Examples include: bridge inventory Data for BMS not collected; bridge management System (BMS) Software not procured, and; upgrading to Bitumen Standard Sebbowa road. • The Ministry had receivables worth UGX.1,570,776,843 out of which those worth UGX.623,855,947 were outstanding at the end of the previous year. There is likelihood of failure to recover the receivables that have been outstanding for over a year • Twenty-one (21) units of district road equipment had been lying in the workshops' yards for more than a year without repair. The equipment included: thirteen (13) motor graders of different models; four (4) bulldozers; One (1) pickup; two (2) dump trucks, and one (1) wheel loader. • Three (3) out of the nine (9) training aircrafts of the East African Civil Aviation Academy in Soroti were grounded due to non-repair and maintenance. The aircrafts were (registration numbers): 5X-RWE grounded due to a defective fuel injector pump; 5X-UAN grounded for mandatory structural modification and 5X -YKM grounded for a propeller overhaul. • I observed delayed compensation of PAPs for the development of the New Kampala Port in Bukasa. The valuation report for 2,378 PAPs with a total compensation sum of UGX 29.2 billion was approved by the Chief Government Valuer in October 2018. A total of 1,253 PAPs with a total compensation value of UGX.19.5 billion had been paid by 30th June 2021. As a result a total of 1,125 PAPs with a total compensation value of UGX.9.7 billion have remained unpaid for about three years. • Procurements worth UGX 1,772,908,757 which were not planned were implemented by the Ministry, while procurements worth UGX.7,465,000,000 which were planned were not implemented. • I observed delayed completion of Kayunga - Nabuganyi and Nansana – Kireka - Bbira roads construction project contracted at UGX 45,349,361,632. The contract provided that the works were to be completed by 01/07/2020. However, by the time of the audit in October 2021, one year and four months after planned completion date, the project works were not yet completed. • The acquisition of land for the Right of Way (RoW) for the SGR project has been delayed. The project plan was to acquire 5200 acres of land free of encumbrances at an estimated cost of UGX 534,600,000,000 for the construction of Kampala – Malaba SGR route by October 2016. However, only 1,295.98 (24.9%) acres of land had been acquired at a cost of UGX.95,361,767,388 (18%) as of September 2021.
2	<p>Report on Verification SGS Automotive Uganda Limited For</p>	<ul style="list-style-type: none"> • I was unable to obtain all documents relating to the procurement for my review. From the available records however, it was noted that there were significant delays in the procurement process arising from administrative

	<p>Setting Up of Vehicle Inspection Facilities Under the Contract for Provision of Mandatory Motor Vehicle Inspection Services (MVIS). Dec 2021</p>	<p>reviews and court processes. It is also important to note that the High Court had made a ruling in favour of award of the contract to SGS.</p> <ul style="list-style-type: none"> • There were delays in formulation of the statutory instrument covering revision of chargeable rates, negatively impacting on compliance by the vehicle owning public. • The responsible Government authorities did not make adequate efforts to enforce public compliance to the mandatory motor vehicle inspection. • During the first phase of the contract implementation, the Ministry delayed to formulate a comprehensive public sensitization strategy to create awareness about the mandatory motor vehicle inspection. • The stakeholder information sharing system that was required under the contract had not been set up by the time of halting of operations by Parliament and as such key stakeholders have not had the opportunity to access requisite information. • The upgrading of the upcountry stations of Mbarara, Mbale and Gulu had not yet commenced. • SGS Automotive Uganda had invested a total of UGX.109,856,594,590 in the activities relating to the contract for mandatory vehicle inspection between the SGS and Government of Uganda.
3	<p>Uganda Road Fund.</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted that the entity had prepared a strategic plan. However, this had not been approved by NPA at the end of the year under review. • URF did not forecast the NTR to be collected during the year. However, the Fund collected a total of UGX7,078,800 during the year. • Out of the total warrants of UGX. 506.507bn received during the financial year, UGX. 506.296 Bn was spent by the entity resulting in an unspent balance of UGX. 0.211Bn representing an absorption level of 99.96%. The unspent funds were swept back to the consolidated fund as required by the PFMA • The Authority did not implement some of its planned activities during the year. Examples include: Production of quarterly reports on the status and functionality of District Road Committees; Recruitment and substantive appointment of staff and; Review and calibration of the funds allocation formula. • The Fund did not collect the funds provided for under section 21 of the URF Act 2008 which mandates the Fund on recommendation by the URF Board to charge road user charges which include fuel levies, international transit fees from vehicles entering the country, road license fees, axle load fees, and bridge and road toll fees. • I noted that the fund allocation formula was last reviewed by the Secretariat in 2019. In addition, during the year, the formula was not reviewed to provide for current situations such as budget cuts and Covid-19 pandemic effects which led to disproportionate transfers to designated agencies. • Procurements worth UGX 642,234,236 had delays ranging between 1 and 93 working days. For example; the contract for provision of Motor Vehicle maintenance services under framework contract was delayed by 93 days and the contract for supply, delivery and installation of I-pads for URF Board members was delayed by 15 days. • There were inadequate monitoring Designated Agencies. Out of the 203 designated agencies supposed to be monitored, only twenty-seven (27) Agencies representing 13.3% of the total designated agencies and sub

		<p>agencies were monitored during the year.</p> <ul style="list-style-type: none"> Whereas URF had central stores under the charge and control of the Administrative Officer, the entity did not have a proper stores management system that is recommended in the Treasury Instructions.
4	<p>Uganda National Roads Authority. 2020/21</p> <p><u>Opinion</u> Qualified</p>	<ul style="list-style-type: none"> A total of UGX 124,367,095,163 representing 21.58% of the spent funds for the sampled planned outputs was diverted from the budgeted projects to other projects contrary to the above provision. There was no evidence that the reallocations/diversions of such magnitude were authorized either by Parliament or the relevant funders. The Authority over-budgeted funds for salaries. The over budgeted funds were diverted from the salary provisions to capital development activities. The diversion of funds led to a misreporting in the financial statements of UGX 4,689,704,394. I noted that the UNRA did not have an approved five year vote strategic plan by NPA to facilitate operationalization of the NDP III infrastructure sector priorities during the first year of NDP implementation. UNRA did not forecast the NTR to be collected during the year. In addition, there was no documented revenue collection plan detailing how much to be collected and revenue sources. However, UNRA collected a total of UGX3,894,306,295 during the year. I also noted that MoFPED set a target of UGX10.76bn to be collected in NTR by UNRA during the year under review; there was no reconciliation between the Ministry of Finance, Planning and Economic and Uganda National Roads Authority on the planned revenue to be collected. The UNRA budgeted to receive UGX. 3,918.151 bn out of which UGX. 3,787.289 bn was availed, resulting in a shortfall of UGX 130.863 bn, which is 3.34% of the budget. I noted that UNRA did not have unit cost estimates at activity level to provide a link between inputs, processes, outputs and intermediate outcomes realized during the year. The Authority failed to implement several planned activities during the year. Examples include: construction of 10 km - equivalents along package 6 (Karugutu - Ntoroko and Kabwoya - Buhuka); construction of 10 km - equivalents along Rwenkunya- Apac- Lira-Acholibur road; civil works for the construction of UNRA offices; works for construction of Kamdini Weigh station, and; construction of Wanseko Ferry landing site. Contrary to the Land Acquisition Act CAP 226, I noted that for the Hoima-Butiaba-Wanseko Road Project, UNRA did not submit a request to the Ministry of Lands to declare the land identified for the road project as land of interest. I observed delays in payments for Project Affected Persons on two roads audited. Out of the sampled 221 PAPs for Hoima-Wanseko, 136 PAPs with properties worth UGX 6.2 billion were paid after the specified six-month period. For KJE project, out of 234 PAPs sampled, 229 PAPs with properties worth UGX 70.2 billion were paid after the specified six-month period. According to the Kampala-Jinja Expressway Resettlement Action Plan Implementation Progress report of May 2020 – August 2021, a total of 219 PAPs required physical resettlement. It was noted by the time of the audit that 13 resettlement sites had been identified and these were being assessed for suitability. However, although the process of engaging a provider to support UNRA in developing housing options and building the

		<p>agreed resettlement houses was initially scheduled to be completed by December 2020, no contractor had been procured for this purpose by the time of the audit in September 2021, implying a delay of over 9 months.</p> <ul style="list-style-type: none"> • Significant delays in subdivision, demarcation and transfer of titles for fully acquired plots were observed on the Kampala-Jinja Expressway and Hoima-Wanseko Road projects. • The Authority had an outstanding balance of UGX 215,059,225,419 in terms of payables at the year end. This figure increased by UGX 73,885,957,262 (52.3%) from the previous year's amount of UGX 141,173,268,157. It was observed that the bulk of this amount is comprised of unpaid certificates to contractors which yield interest due to delayed payments. • Authority made payments amounting to UGX 17,078,565,465 as a result of penalties for the court cases and interest on delayed payments of advances and IPCs invoices from various projects. This is a loss to Government. • The value of the Authority's infrastructure assets at the end of the financial year was disclosed as UGX10,417,198,881,566. However, contrary to the policy requirement to revalue the assets every three years, I was not availed with any valuation report for the infrastructure assets to confirm that the assets had ever been valued. • 35 road projects with a total contract value of USD.398,427,063.99 and UGX. 149,739,813,845 that were to be completed during the year were still on – going by the close of the year. • Three civil cases with claims totaling to UGX6.991bn were brought against UNRA due to its failure to return residue land titles to the registered proprietors.
5	<p>Uganda Civil Aviation Authority. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted that the entity had prepared a strategic plan. However, this had not been approved by NPA at the end of the year under review. • UCAA budgeted to collect internal revenue of UGX 293bn during the year under review. Out of this, only UGX 114.991bn was collected, representing a performance of 39.2% of the target. • UCAA absorbed all its revenue collected, and accrued expenditure in unpaid bills that is. its actual expenditure was more than the revenue. • The Authority did not implement some of its planned activities during the year. Examples include: Capital projects for Regional Airports, KOICA Counterpart funding, and procurement of a fleet management system, updating the master plan and constructing the ground surface car park. • There was an increase in trade and other receivables of UGX. 12,279,645,000 (equivalent to 25%) from UGX. 48,854,526,000 to UGX.61,134,171,000. The delayed collection of the receivables may lead to bad debts. • Management reported an increase in trade payables of UGX 21,763,762,000 (equivalent to 47.9%) from UGX 45,470,736,000 to UGX 67,234,498,000. • The Authority had accumulated receivables of up to UGX 96,569,511,580 in the FY 2019/20 due from Government Agencies. In the year under review, there was no follow up of this debt to the Government agencies, and no amounts were cleared. • The Authority made a loss for the year under review amounting to UGX 29,321,645,000. Because of the loss, the Authority did not have capacity

		<p>to cover any potential interest accruing on its long term loans in view of its earnings. Along with the lack of potential to cover loan interest, the Authority had a significant long term liabilities portfolio on its balance sheet, which majorly comprised of the loan from Exim Bank of China.</p> <ul style="list-style-type: none"> • Prime Media’s contract ended with a debt of UGX 1,131,017,128 which was unpaid for the year before the expiry of the contract. • UCAA has multiple systems operating in different departments which are tailored for the operations in the respective departments. A review of these systems revealed that some were not functional, not interfaced with other complementary system(s) and/or some of their modules were not working. Further, the IT Point of Sale System bought for tracking of revenue from concessionaire shops was out of date. • The Exim Bank loan terms to UCAA were renegotiated and this was to be formalized into an addendum agreement, to ensure that they are manageable. However, the addendum to the contract terms had still not been made by the time of this audit.
6	<p>Uganda National Airlines Company Ltd (UNACL). 2020/21</p> <p><u>Opinion</u> Qualified</p>	<ul style="list-style-type: none"> • UGX 8,716,398,000 was disclosed as the value of the inventories in the statement of financial position. However there was no evidence that Management carried out end of year stock taking to get actual values of inventories. In addition, there were no stores ledgers for engineering stores, and although the general stores had manual ledgers, the ledgers were not capturing Goods Received Note reference numbers (GRN) against the receipts in the ledgers as a reference of the goods received. • I noted that the entity did not have a strategic / business plan aligned to NDPIII. • UNACL budgeted to collect internal revenue of UGX 304.6bn during the year under review. Out of this, only UGX 48.6bn was collected, representing a performance of 16% of the target. • The Company did not implement some of its planned activities during the year. Examples include: Procurement of spare parts for the Airbus fleet; supporting 32 pilots for A330-800 neo type training, and; supporting 60 pilots in simulator training. • The company had payables totaling UGX.47,032,043,000. All the outstanding invoices were payable to UCAA. Out of the amount, payables totaling UGX 16,065,309,363 had been due for more than 6 months. • UGX 1,127,484,315 as the value of Property Plant and Equipment In the statement of financial position and the corresponding note (Note 12) as at the close of the financial year. However, it was noted that assets were not engraved to give them an identification number for easy of identification. It was also noted that the assets could not be traced in the assets’ register due to lack of identification numbers. • I carried out financial analysis of UNACL financial performance and observed that the Company had made losses for the year 2019/2020 and 2020/2021 amounting to UGX102.442bn and UGX164.573bn respectively. On review of the operating margin, I observed that the costs before considering interest and taxes exceeded company revenues for the two years. I also observed that due to the losses incurred, the Company generated negative return on assets of 12.2% for the year 2019/2020 and 13.1% for the year 2020/2021. The Company’s revenue is still far below its assets. • UACL implemented twenty-five (25) procurements outside the approved procurement plan for the FY 2020/2021. The procurements were made in

		<p>different currencies amounting to (for each currency); Euro 1150,854.06, Kenya Shillings 61,879.2, USD 65,441.36, Tanzania Shillings 7,752,600 and UGX 346,738,939.</p> <ul style="list-style-type: none"> • A purchase Order was made for the supply of inflight equipment at a price of USD 25,694.46 (VAT Exclusive) without the approval of the Contracts Committee. • Two companies submitted bids for specialized motorized equipment used in ground handling of aircraft. The companies failed the preliminary stage (compliance), however, the Evaluation Committee did not cancel the evaluation process. The contract manager was not appointed and the delivery was not witnessed. • USD 8,620.7 vide payment voucher No PV07/21/072 was paid to DAS Air as rent for the month of April 2021. Further to the above a review of invoices revealed that DAS Air had billed Uganda Airlines a total of USD 43,103.5 for unpaid ground rent. However, Uganda Airlines had not made any tenancy agreement with the DAS air, and there was no handover report from Uganda Airlines to DAS Air. • UGX 103,532,800 (USD 28,000) was paid to the supplier vide payment voucher No. PV09/20/025 dated 4/9/2020. The vehicle was purchased through direct procurement without proper justification. • Uganda National Airlines Limited made a contract agreement with M/s Ninesun Manufacturing Limited for supply of inflight service equipment for airbus at a contract amount of USD 319,226.86. The items were said to have been delivered to DAS Air. I was not provided with evidence that the items were actually delivered, witnessed for quality and quantity and handed over to DAS Air stores. • UNACL concluded the procurement of a contractor for the provision of an Enterprise Resource Planning (ERP) software solution at a contract sum of USD 1,066,910 (VAT Exclusive) as well as the provision of an integrated Passenger Service System at a contract sum of USD 1,234,441 (VAT Exclusive). The procurements were conducted and finalized without seeking the necessary approvals from NITA-U. • The company issued a purchase order on 27/01/2021 to M/s Stelia Aerospace for Supply of critical spare parts for business class seats for A330-800 NEO at a price of USD 146,230.72. I was however not provided with the contract for the supply. • From the 20 procurements sampled, I noted that neither was there Accounting Officer's appointments of contract managers nor were there contract management files. The procurements were made in different currencies amounting to (for each currency); Euro 212,050.67, Kenya Shillings 12,253,905.74, USD 109,803,962.54 and UGX 347,242,879. • The Company did not have a Board approved staff structure and establishment to assess staff recruitment needs and staffing status, and did not have approved staff salary grades. This affected proper planning and budgeting for staff costs. As a consequence, the Company incurred excess expenditure of UGX 4,919,238,464 (USD 1,333,008) on salaries and staff expenses. • There has been delayed conclusion of suspension cases. On 21st of April 2021, some HoDs were suspended for a period of 3 months (effective 29th April, 2021) to enable the appointed committee to investigate and report on stated allegations. Review of the staff files revealed that there were no committee resolutions on the cases and as a result Management extended the suspension on 20th August 2021 for another 3 months.
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7	<p>Uganda Railways Corporation. 2020/21</p> <p><u>Opinion</u> Qualified</p>	<ul style="list-style-type: none"> • The Corporation had Non-current assets worth UGX.3,525,540,249,000 as at 30th June 2021. However, this figure included a total of UGX.6,012,000,000 in respect of Kabalega ferry (UGX.5,760,000,000) and Barbus ferry (UGX.252,000,000) which sunk under water twenty five years and sixteen years respectively. Since the ferries have been out of use under water for a long time without retrieval and cannot be disposed of while under water, it cannot be determined whether they still hold the value indicated to the Corporation. • The Corporation had GoU equipment loans amounting to UGX.22,067,482,000 at the beginning and end of the year under review. Out of this loan amount, loans totalling UGX.16,511,595,000 (other than the Spanish Government loan) were not supported and did not show any movement over the last four (4) years. • Interest arising from loans that was yet to be cleared by URC amounted to UGX.9,511,880,000. However, this balance has been outstanding over several years without any movement. The status quo still remained the same by the close of the year under review. This interest payable was not supported by any original documentation. • Trade and Other Payables increased from UGX.17,937,602,000 at the beginning of the year to UGX.21,513,931,000 at the close of the year. Out of the amount, trade and other payables worth UGX.9,753,781,407 lacked supporting documents such as LPOs, contracts, inward invoices, claims and demand notes. • The Corporation had Trade and Other Receivables of UGX.75,637,890,000 as at 30th June 2021. The figure includes UGX.69,516,000,000 due from Government in respect of the Nsambya land. This amount has remained un-paid to URC for too long despite Government having disposed of the land to the public long ago implying that the Corporation may never be compensated for its land. • URC budgeted to collect internal revenue of UGX 120.49 during the year under review. Out of this, only UGX 54.6bn was collected, representing a performance of 45.3% of the target. • The Corporation did not implement some of its planned activities during the year. Examples include: Sleeper reconditioning; Kampala Station not fencing; Tororo Station Roof Repairs and; Rehabilitation of Steel Mill Jinja siding. • The Corporation made losses for the past two years; UGX 37,783,152,000 (2020/2021) and UGX 66,151,318,000 (2019/2020). The Corporation's losses and the ratios computed are an indication that Uganda Railways Corporation is not performing well in terms of profitability and ability to sustain provision of services without further Government intervention for funding and Management strategies to improve revenue generation. • Management did not assess impairment of assets despite existence of impairment indicators. For instance, rental properties were being charged below market value. • Uganda Railways Corporation land worth UGX.91,832,636,500 lacked land titles as evidence of URC's rights to own and use the property. Management's efforts to secure the land titles appear remote. Lack of

		<p>land titles has led to heavy encroachment and grabbing of the Corporation's land.</p> <ul style="list-style-type: none"> • URC procured four (4) used locomotives at UGX.41,323,768,935. I noted that the bidder did not comply with some requirements within the bid document which were supposed to be the basis of evaluation. Despite the non-compliance at the preliminary stage, the bid was evaluated at the Technical stage without following procurement regulations. • Government signed an agreement with Mango Tree (U) Ltd for the rehabilitation and upgrade of the Pamba ferry. However, the vessel was still grounded after a year of signing the agreement. • An officer of URC irregularly signed to transfer land measuring 4.452 hectares in Lira (under FRV 220 Folio 13). The land was subdivided into plots 41-63, 52-62, 42-50 and the titles were being processed. • Jinja Municipal took part of URC land in Jinja (6.3 acres) and gave it out to 58 developers, without consultation with the Corporation.
8	<p>Busega-Mpigi Road Project (Uganda National Roads Authority) 2020</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I observed slow progress in Construction works and accumulation of loan charges. As of June 30th 2020, the contractor had only achieved physical progress of 0.13% against 12.77% planned cumulative progress. The total time lapse since commencement of the construction works was 7 months constituting 24.26% of the total contract duration yet only 0.13% construction work had been achieved. Slow progress in Construction works has led to continued accumulation of both Commitment and Service Charges that amounted to UGX 2,921,803,802 and UGX 5,802,593,707 respectively as at the reporting date. • UNRA reallocated GOU counterpart funding to other projects for the year ended 30th June, 2020. A total of UGX 320,077,550 was reallocated from the project to other projects. The reallocations delay project progress.
9	<p>Busega-Mpigi Road Project (Uganda National Roads Authority). 2021</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I observed slow progress in Construction works and accumulation of loan charges. As of June 30th 2021, the contractor had only achieved 3.42% against 29.18% planned cumulative progress. The total time lapse since commencement of the construction works was 19 months constituting 64.01% of the total contract duration yet only 3.42% construction work had been achieved. Slow progress in Construction works has led to continued accumulation of both Commitment and Service Charges that amounted to UGX 3,224,867,623 and UGX 7,140,345,245 respectively as at the reporting date. • I observed failure to procure Prefabricated Pipe Culvert Units to the project which is delaying project progress. The contractor could not progress through pipe culvert installation due to lack the culverts. • There were delays in payments to the contractor that are likely to lead to interest charges. I observed that on 2nd June 2021, the contractor issued IPC No. 3 amounting to UGX 8,303,000,336 which was unpaid by 30th June, 2021 and interest on the late payment was due to commence on 28th July 2021. • I observed delayed possession of site and land take over by the contractor. By 30th June, 2021, land acquisition was at 54.8% or 14.605 km of the main expressway where access to and possession was granted. It is to be noted that 100% access to and possession should have been formally handed over after 18 months (that is; 22nd May 2021) from commencement. • UNRA reallocated GOU counterpart funding to other projects for the year ended 30th June, 2020. A total of UGX 1,956,237,995 was reallocated

		from the project to other projects. The reallocations delay project progress.
10	<p>Kapchorwa-Suam Road Project (Uganda National Roads Authority) 2021</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> I observed delayed access and possession of site by the contractor. The last section of the road (from km 48+000 to km 073+000) was granted to the contractor on the 14th of June 2021 which is after 888 days. Further, additional land acquisition is still under progress from Km33+000 to Km73+000. Civil works from Km 46 to Km 58 have been put on hold pending additional land take especially for slope protection. It was also noted that new structures were being erected in the road reserve at Km17+692 and KM5+430. I observed delays in execution of Project civil works. UNRA engaged M/S China State Construction Engineering Corporation Ltd on the 7th May 2018 to upgrade Kapchorwa-Suam road for a period of 36 months, with effect from 1st October 2018. There was an extension of time of 4.5 months up to 15th February 2022. Based on the extension of time, the time lapse as at 30th June 2021 was 33 months that is 81.40 %. However the reported cumulative physical progress for civil works was 43.14% with no active works from Km 55 to km 73.
11	<p>Road Sector Support Project 4 – Kigumba-Masindi-Hoima-Kabwoya Road (2021) (Uganda National Roads Authority). 2021</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> I observed delayed completion of civil works on Upgrading of Bulima – Kabwoya Road (Lot2).The project commencement date was 1st December 2015, and the initial completion date was after 30 months on 31st May 2018. Successive revisions of completion dates extended the construction period by a further 22 months with the last revised completion date being 27th March 2021. A certificate of substantial completion was issued in January 2021, and the contractor allowed 12 months as the Defects Liability Period, expiring on 27th January 2022. The snag list included two main items; the construction of Hoima Town Roads and a way bridge. I observed delayed completion of civil works on Upgrading of Kigumba – Bulima Road (Lot1). The construction period was for 30 months (after commencement in March 2018), elapsing on 31st August 2020. When the Audit Team visited the site in September 2021, (42 months after commencement), the attained level of completion was approximately 95%. However, the new proposed completion date of 31st August had passed and no new completion date had been communicated. There were delays in payment of lot1 supervision fees. By the time of my audit, the Lot 1 Supervising Engineer’s unpaid invoices had accumulated to Euros 661,605 for the foreign component of the contract and UGX 1.38bn for the local component. The delays are likely to impact on the Engineer’s ability to perform the contractual obligations and in turn impact on the progress of the construction works.
12	<p>Albertine Regional Sustainable Development Project (ARSDP) (Uganda National Roads Authority). 2021</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> I observed delayed implementation of civil works (Upgrading of Kyenjojo-Kabwoya Raod – 100km). The duration of the contract was 36 months (from 5th April 2016 to 4th April 2019) excluding the Defects Liability Period. There were two extensions of time; the first one for 818 days i.e from 4th April 2019 up to 30th June 2021 and the second one for four months from 1st July 2021 to 31st October 2021. The right of way for the last section, Km 0 to Km 30 was handed over to the contractor on the 14th September 2018. However, as per the monthly report No. 63 for the month of June 2021, the progress of works was reported as 94.83% against planned of 96.27%. In addition to this, the contractor was supposed to substantially complete and hand over 30% of works within 180 days of the commencement date. However, as at 30th June 2021

		<p>(1,912 days) no section of the road was handed over and UNRA.</p> <ul style="list-style-type: none"> • There were significant defects on the road works. I observed failure of road shoulders, lined drain and a speed hump at KM88+678. It was also observed that the contractor continued to construct line drains on steep slopes without scour checks. • I also observed poor quality works on some sections of the road construction. For example: poor visibility on the right-hand side of river Nguse bridge and also inadequate protection between the end of stone pitching and the stream at the bridge; noticeable bleeding at Km 52+511, failed line drain at Km71+200 RHS and damaged guard rail at km72+921 RHS; maintenance of the completed sections was poor with overgrown grass and silted drainages especially from Km 51 to Km 100, and; pedestrian walkways were not provided for in the design of Kagadi town roads which were under construction at time of the audit. • I noted lack of adherence to the insurance contract. The ICEA Workman's Compensation Policy No 110-A2506044-18 covering the period 18th January 2021 to 17th February 2022 indicated that the number of staff insured are 181 only with neither the names nor the number of staff under each category/designation indicated but the monthly progress reports, the PAYE and NSSF returns for the period under review indicated that the contractor has over 400 staff. Further, the contract required that the insurances are in the joint names of the parties that is; UNRA and the contractor. However, the UAP Old Mutual contractor's All Risk Policy No 0000461578 and the ICEA Motor Commercial Policy No. 080-A2-105193-17 indicate that the insured was only the contractor. • Work Permits for all the foreign consultant's and contractor's staff were not provided for review. In the absence of the work permits for the foreign staff, the implication is that the expatriate staff are working irregularly in Uganda irregularly and this may lead to deportation, which will in turn affect the progress of work.
13	<p>Road Sector Support Project 5 (Upgrading of Rukungiri-Kihihi-Ishasha/Kanungu and Bumbobi-Lwakhakha Roads (Uganda National Roads Authority). 2020.</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I observed significant delays in Project implementation. During the FY 2019/20, Project disbursements from ADF amounted to UA 6,679,508.53. From the signed loan amount of UA 70,000,000, only UA 24,672,103.72 representing 35% of the signed loan amount had been cumulatively disbursed through direct payments for Project expenditures as at 30th June 2020. However, 91% of the original project implementation time had elapsed as at 30th June 2020. Civil works for the upgrade of Bumbobi-Lwakhakha 44.5km road had attained 84% physical progress as at 30th June 2020 versus time progress and planned physical progress of 91%. The financial progress stood at 83% against plan of 92% as at 30th June 2020. For the upgrade of Rukungiri-Kihihi-Ishasha/Kanungu (78.5km), 19.24% cumulative physical progress had been achieved as at 30th June 2020 although 33.4% was planned to be completed. • During the FY 2019/20, UGX 3,033,479,790 (28%) of GOU counterpart project funds were re-allocated to other Projects. Re-allocation of Project funds to other projects invalidates the approved plan for implementation of RSSP-V activities. • UGX 267,083,716 was paid as interest on delayed payments. Such costs are un-necessary and represent unbudgeted expenditures which affect funds ear-marked for implementation of planned Project activities. • UGX 226,500,820 had been paid to Government agencies (votes) including sub-counties and town councils during the FY 2019/20. These payments constitute revenue received for purpose of Government and

		<p>should have been paid directly to the Uganda Consolidated Fund.</p> <ul style="list-style-type: none"> Financing charges were accumulating due to low utilization of the loan funds. Total charges of UGX 3,912,848,969 accrued on the disbursed and undisbursed loan balances during the FY 2019/2020. This is comprised of UGX 3,079,241,588 (79%) being charges on the undisbursed loan balances during the year and UGX 833,607,381 (21%) being charges on the disbursed loan amounts.
14	<p>Road Sector Support Project 5 (Upgrading of Rukungiri-Kihihi-Ishasha/Kanungu and Bumbobi-Lwakhakha Roads (Uganda National Roads Authority). 2021</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> I observed significant delays in Project implementation. During the FY 2020/21, Project disbursements from ADF amounted to UA 10,235,407.97 resulting into cumulative disbursements of UA 34,907,511.69 (representing 49.9% of the signed amount of UA 70,000,000). Whereas the upgrading of Bumbobi-Lwakhakha (Lot2) 44.5km road had been substantially completed and the road was handed over to UNRA by the Contractor on 21st December 2020, the upgrading of Rukungiri-Kihihi-Ishasha/Kanungu (Lot1) 78.5km stretch had attained cumulative physical progress of only 42.6% completion rate against planned progress of 55.1% as at 30th June 2021. As at 30th June 2021, only 18 months (19.6%) time were left to the end of the extended Project implementation time of 31st December 2022. It is unlikely that UNRA will complete the 57.4% works outstanding (planned) for the upgrade of Rukungiri-Kihihi-Ishasha/Kanungu road in the agreed timelines. During the FY 2019/20, UGX 3,822,002,388 (36%) of GOU counterpart project funds were re-allocated to other Projects. Re-allocation of Project funds to other projects invalidates the approved plan for implementation of RSSP-V activities. UGX 150,255,638 was paid as interest on delayed payments. Such costs are un-necessary and represent unbudgeted expenditures which affect funds ear-marked for implementation of planned Project activities. Financing charges were accumulating due to low utilization of the loan funds. UGX 3,770,851,261 was accrued on the disbursed and undisbursed loan balances with ADF during the FY 2020/2021. This is comprised of UGX 2,620,478,974 (69%) being charges on the undisbursed loan balances during the year and UGX 1,150,372,287 (31%) being charges on the disbursed loan amounts. For the last two financial years (FY 2019/20 and 2020/21), total charges of UGX 7,683,700,230 had accrued on the loan balances with ADF. This is comprised of UGX 5,699,720,562 (74%) being charges on the undisbursed loan balances and UGX 1,983,979,668 (26%) being charges on the disbursed loan balances.
15	<p>Upgrading of Tirinyi-Pallisa-Kumi and Pallisa-Kamonkoli Road project (Uganda National Roads Authority). 2020</p>	<ul style="list-style-type: none"> The Authority was made to pay interest as a result of delay to pay the contractor's approved interim payment certificates (IPCs). The contractor invoked clause 14.7 and 14.8 of GCC and charged interest of UGX 373,044,074.47 for IPCs 1-6. Another interest amount of UGX 166,845,192 was paid for IPCs 11,12,13,14. The total interest paid for the delayed settlement of the IPCs amounted to UGX 539,889,266. These interest payments could have been higher if the dollar amounts had not been negotiated downwards by USD 108,262.29 due to disagreements in computations. During the FY 2019/20, UGX 892,920,000 of Project funds were re-allocated to other Projects. Re-allocation of Project funds to other projects overrides established budgeting procedures. There were delays in recruitment of the Project consultant. In the period 15th March 2018 to 26th April 2021, there was no Project consultant procured to carry out supervisory roles for upgrading the Tirinyi-Kumi-

		<p>Pallisa-Kamonkoli Road Project. In this period, the Directorate of Roads and Bridges Development of UNRA stepped in to carry out design review and supervisory roles in addition to their other activities. Recruitment of the Consultant, AECO (Abuljebain Engineering Consulting Office) delayed until 15th March 2021 and they commenced work on 26th April 2021 four months when the project physical progress was already at 92.51% and in time progress was 37.3 months (103.6%) to completion. The Consultant's first report was in the month of May 2021.</p> <ul style="list-style-type: none"> I observed delays in payment of Project Affected Persons. As of 30th June 2021 payment of PAPs was still incomplete with a total of 156 PAPs not yet paid. Tirinyi Pallisa Kumi (Lot 1) had 100 PAPs for land measuring 80.06 acres while Pallisa Kamonkoli road (Lot 2) had 56 PAPs not paid for 27.318 acres of land (by May 2021)
16	Upgrading of Tirinyi-Pallisa-Kumi and Pallisa-Kamonkoli Road project (Uganda National Roads Authority). 2021	<ul style="list-style-type: none"> There were overpayments to the contractor in interim payment certificates numbers 25 and 26 amounting to UGX 8,613,048,720 (USD 2,556,164.89). These payments were meant for supervisors who had not been recruited. During the FY 2020/21, UGX 4,083,247,683 of Project funds were re-allocated to other Projects. I did not see any revised schedule submitted to MoFPED for onward approval by Parliament. Re-allocation of Project funds to other projects overrides established budgeting procedures. In 2019/20, I noted that Management incurred interest charges of UGX 539,889,266 in respect of 10 IPCs (1,2,3,4,5,6 and 11,12,13,14). However as of 30th June 2021, there were still 14 other interim payment certificates (Nos 7,8,9,10,16-23, and 25-26) whose payments were delayed making them eligible to interest charges. There have been delays in project completion. Completion dates for project works were on 14th March 2021 for Lot 1 and 14th June 2021 for Lot 2 respectively. As of 30th June 2021, both Tirinyi-Pallisa-Kumi and Pallisa-Kamonkoli Road had not been completed as planned. Based on linear sections completed to final Asphalt surfacing, Lot 1 was 95.58% complete while Lot 2 was at 98.09%. There was no documented plan for assets (housing units) built both in Lot 1 and Lot 2 currently used by the contractors and consultants as their accommodation after they have left. These units number approximately 28 permanent houses (2 type I houses, 6 type II houses 4 type IV houses) and multiple accommodations and engineer's offices that have been constructed in land owned by UNRA. I noted delays in relocation of utilities to pave way for road works. Five sub-contractors were approved by UNRA to relocate electricity, water lines and boreholes in Pallisa, Kumi, Mukongoro and Tirinyi towns at a total cost of UGX 1,517,595,734. As of 30th June 2021, work valued at UGX 1,260,024,061 had been certified and paid. The remaining works valued at UGX 257,571,673 were not yet completed. There were disagreements between the consultant and the contractor on tests of completion on sections already handed over to the employer before certification. The disagreements are likely to cost Government interest charges if not timely resolved.
17	North Eastern Road-Corridor Asset Management Project (Uganda National Roads Authority) 2020/21	<ul style="list-style-type: none"> The Project did not have an annual work plan and budget prepared for implementation of its activities. Also, quantification of Project outputs was not done for the financial year audited. I observed delays in Project implementation. From the signed loan

		<p>amount of XDR 157,600,000 (Equivalent to USD 243,800,000), only XDR 22,916,350.66 (USD 32,780,000) representing 14.5% of the signed loan amount had been cumulatively disbursed for implementation of the project activities as at 30th June 2021. It should be noted that 65% of the project implementation time had elapsed as at 30th June 2021. Implementation of civil works (road rehabilitation, improvement and routine maintenance works) under component 1 had hardly progressed.</p> <ul style="list-style-type: none"> • There was under absorption of released project funds. Total IDA funds available during the year were USD 8,090,898.12 (being opening fund balance of USD 4,920,898.12 and additional disbursements of USD 3,170,000 on 23rd October 2020). However, only, USD 4,457,669.32 was spent on implementation of project activities representing funds absorption level of 55%. • Out of the GoU counterpart funds of UGX 3,034,260,000 released in the FY 2020/21, only UGX 765,831,419 (25%) was spent on implementation of the Project activities. The balance of UGX 2,268,428,581 (75%) was reallocated to other projects. Management did not avail the authorization used as basis to reallocate the funds to other projects. • There has been accumulation of higher financing charges due to the low utilization of the signed loan. Charges of UGX 4,703,471,276 (being service charges and commitment charges of UGX 840,691,467 and UGX 3,862,779,809 respectively) were accrued during the FY 2020/21. Cumulatively, total charges of UGX 27,201,439,219 (being service charges and commitment charges of UGX 2,734,784,077 and UGX 24,466,655,142 respectively) have been accrued since loan signature on 16th February 2015.
18	Masaka-Bukakata Road project (2021) (Uganda National Roads Authority) 2020/21	<ul style="list-style-type: none"> • Project funds to the tune of UGX 262,339,751 were reallocated from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. • I observed delayed payment of Interim Payment certificates (IPCs). IPCs 9, 12, 13, 14, 15, 17 and 18 were delayed beyond the agreed contract timelines. Delays in payment could result in nugatory expenditures in form of the interest charged by the contractor. • The contractor submitted an interest certificate in June 2021 amounting to UGX 523,120,000 in respect of interest on delayed payments of IPCs no. 1 to 9. The delayed payment of the IPCs led to wasteful expenditure of UGX523,120,000 in interest to the contractor. • In my previous year report, I noted that out of 1,282 PAPs compensated with land approx. 341.7162 Acres, none of the titles had been transferred to Government, that is; neither to the names of Uganda National Roads Authority nor to Uganda Land Commission. I observed that this key factor to land ownership had not been addressed during the year.
	LANDS SECTOR	
1	National Physical Planning Board 2020/21 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • Out of the budgeted revenue of UGX.6.0 Bn, UGX.5.29 Bn was realised, resulting in a shortfall of UGX 0.710 Bn, which is 12% of the budget, Out of the total receipts for the financial year of UGX 5.29, Bn, UGX 2.945 Bn was spent representing an absorption level of 56%. • I noted that three (03) outputs with a total of three (03) activities and planned expenditure of UGX 0.760 were fully quantified. One (01) output with five (05) activities was insufficiently quantified while (04) outputs with a total of four (04) activities whose expenditure was not established,

		<p>were not quantified at all.</p> <ul style="list-style-type: none"> • One (01) output with one (01) activity and expenditure worth UGX 0.452 Bn was fully implemented., two (2) outputs with two (02) activities worth UGX.0.308 Bn were not implemented. • I noted that out of the approved staff structure of thirty five (35) positions, no position was substantively filled. The Board had only three (3) staff on secondment and twenty six (26) on assignment of duties. •
2	<p>Ministry of Lands, Housing and Urban Development 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • Out of the budgeted NTR of UGX.5.500Bn for the financial year 2019/2020 only UGX.5.480Bn was realized, representing a performance of 99.6 % above the target. • The Ministry budgeted for UGX.74.32Bn in Government receipts, out of which UGX.71.13Bn was warranted, resulting in a shortfall of UGX.3.19Bn which is 4.29% of the budget. • Out of the total receipts of UGX.71.12Bn, UGX.69.13Bn was spent resulting into an unspent balance of UGX.1.99Bn representing an absorption level of 97.2%. The balance unspent was subsequently swept back to the consolidated fund at the end of the financial year. • I sampled 34 outputs with a total of 175 activities and expenditure of UGX 57.908Bn and noted that 15 outputs with a total of 67 activities and expenditure of UGX.12.45Bn were fully quantified. Fifteen (15) outputs with a total of 92 activities and expenditure worth UGX.42.35Bn were insufficiently quantified. Four (4) outputs with a total of 16 activities and expenditure worth UGX.3.11Bn were not quantified. • I assessed the implementation of 15 fully quantified outputs with a sample of 67 activities worth UGX.12.45Bn and noted that three (3) outputs with a total of three (3) activities worth UGX.0.456 Bn were fully implemented. Twelve (12) outputs with a total of sixty-four (64) activities worth UGX.11.99Bn were partially implemented. • I noted that the Ministry's Payables amount increased by UGX.105,145,022,390 from UGX.144,329,975,873 in the previous year to UGX.249,474,998,263 in the current year. In addition, UGX.11,593,918,200 of the new compensations related to private persons that had been included among the ranchers to be compensated, but lacked ranch title number, area of land lost and other details recorded in the domestic arrears schedule. • I noted a recognized NTR amount of UGX.1.7billion relating to proceeds from the sale of government pool housed had no proper documentation. • I noted that Parliament approved a payment of UGX.3,802,500,000, as compensation for Ndeeba Land but the payment was halted by an interim court order. • I noted that the Ministry compensated the claimant of land at Block 237 plots 29,48,56,59 and 67 at Mutungo for a sum of UGX.26.4 Bn which had earlier been purchased by Uganda Land Commission which partly paid UGX 2.4Bn. The two entities have not agreed on the ownership of the land.
3	<p>Uganda Support to Municipal Infrastructure Development, Additional Financing (USMID-AF/II)</p>	<ul style="list-style-type: none"> • To-date, the program has made available USD 140,331,745 (UGX.514,740,787,823), out of which only USD.44,938,686 (UGX.477,249,316,165) had been made available to the LGs, leading to a

	<p>Project. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<p>funds availability to LG level of 32%.</p> <ul style="list-style-type: none"> • Out of the budgeted disbursements/receipts of UGX.454,866,200,300 in the financial year, only UGX.301,529,104,089 (66.3%) was available to the project, leading to a shortfall of UGX. 153,337,096,211(33.7%). • Out of a sum of UGX.301.5 Bn available for project utilization in the year, UGX.107,162,555,328 was spent, resulting into an absorption level of only 64.5%. The low rate of absorption of funds may result into delayed attainment of project objectives. • I noted that UGX 331,131,497,751 was being held by the treasury for programme activities. This was an increase of held funds, as UGX.154,842,679,584 was held last year. This arose from inadequate funds utilisation by the LGs.
4	<p>Albertine Region Sustainable Development Project (ARSDP) – MoLHUD 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • Out of the budgeted IDA disbursement of UGX.19,514,012,776 for the year 2020/2021, only UGX.10,094,659,078 (52%) was realized leading to a shortfall of UGX.9,419,353,698 (48%). Revenue shortfall limits the implementation of planned activities which could affect the achievement of the project objectives. • Review of the Q4 Progress report revealed that many sub-projects worth USD 27.5million handed over to the Ministry of Lands, Housing and Urban Development for construction, will not be implemented due to lack of funding, yet, costs have already been incurred since all the sub-projects have been designed and Environment and Social Impact Assessment done. • The civil works for construction of three markets, namely: Biiso Market in Buliisa District, Kabaale Market in Hoima District and Buhuka Market in Kikuube District costed at UGX.9,963,228,048 were not complete despite the extension of the completion date to 31st August 2021, thus delaying service delivery to citizens.
5	<p>Competitiveness and Enterprise Development Project (CEDP) Component 1- Land Administration (IDA CREDIT AGREEMENT CR 52690-UG) PROJECT ID P130471. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • It was noted that out of the UGX.12.73Bn budget allocated for the project activities during the fiscal year 2020/2021, UGX.11.86 Bn (93%) was spent, leaving a balance of UGX.0.87Bn. • I noted that one plot of land has multiple titles while others are plotted in the middle of the road and wetlands. Such inaccurate/wrong sketches captured on the Uganda National Lands Information System (UGNLIS) may lead to land wrangles, and Government may face challenges from title holders with land titles in roads and wetlands.
6	<p>Uganda Land Commission. 2020/21</p> <p><u>Opinion</u> Qualified</p>	<ul style="list-style-type: none"> • Out of the approved budget of UGX. 71,868,574,709, only UGX. 65,793,286,529 was warranted/released resulting into a budget shortfall of UGX.6,075,288,180 representing 91.5%. • Out of the total warrants of UGX.65.79Bn received during the financial year. UGX.64.94Bn was spent by the entity resulting in an unspent balance of UGX.0.85Bn representing an absorption level of 98.71%. • Out of the twenty-one (21) outputs with a total of sixty-one (61) activities and expenditure of UGX.64.86Bn sampled, Two (2) outputs with a total of Six (6) activities and expenditure worth UGX.0.71Bn were fully quantified, Eight (8) outputs with a total of thirty (30) activities and expenditure worth UGX.32.35Bn, was insufficiently quantified. Eleven (11) outputs with a total of twenty-five (25) activities and expenditure worth UGX

		<p>31.8Bn were not quantified at all.</p> <ul style="list-style-type: none"> • Out of the two (2) fully quantified outputs, Two (2) outputs with six (6) activities worth UGX.0.71Bn were partially implemented. Out of the six (6) activities, the entity fully implemented one (1) activity; Four (4) activities were partially implemented, while one (1) activity remained unimplemented. • The balances for; payables of UGX 169,490,014,824 , Non-produced assets of UGX 212,279,181,177, and that of revenue receivables of UGX 24,760,000 as at 30th June, 2021, Could not be confirmed due to absence of adequate supporting documentation and reliable data by the commission. • A sum of UGX.1,237,717,474 was paid for outstanding arrears that related to the prior year, but were not recognized in the prior year financial statements as payables. In addition, withholding tax of UGX.22,020,000 was not deducted and paid to URA. • I noted that the court garnished the Commission’s bank Account with a balance of UGX.244,184,480 leading to the delay to clear the outstanding obligations to third parties. • It was noted that the entity obtained a supplementary of UGX 10.62Bn was received by the entity but was not requisitioned by management. There were unsupported payments of domestic arrears amounting to UGX 14.4 Bn. Payments worth UGX 6.7Bn were paid to unverified arrears. • In addition, payables to Church of Uganda amounting to UGX 15Bn, and Receivables amounting to UGX 3.966 Bn relating to the overpayment to Kampala archdiocese in the prior year were not recognised. In addition, outstanding arrears of UGX 1.2Bn related to prior year but paid during the year have not been recognised in the current year. • The Commission does not have a land inventory and database for all government land and properties under its jurisdiction that are either occupied by tenants, vacant, acquired under compensation (but not yet re-distributed to the bona fide occupants), or acquired and owned by other government institutions and missions abroad. As such tracking of lease payments and revenue arrears related to ground rent and premium could not be supported.
	ACCOUNTABILITY SECTOR	<ul style="list-style-type: none"> •
1.	<p>Uganda Communication Employees Contributory Pension Scheme. 2019/20</p> <p><u>Opinion</u> Qualified</p>	<ul style="list-style-type: none"> • Reported in the Statement of Net Assets Available for Benefits are payables and accruals of UGX.2,679,752,000, of which UGX.2,022,412,000 and UGX.442,330,000 are administrative and actuarial fees respectively. However, these were not adequately supported to confirm existence. • Eleven (11) properties disclosed as part of the non-core assets were still not valued and therefore not included in the value of Non-current assets of the Scheme. • A review and comparison made between the audited financial statements for the period ending 30th June, 2019 and the financial statements for the period ending 30th June, 2020 revealed inconsistencies in the account balances of reserves. • Receivables were not supported with any documentation and schedule to confirm the amounts and authenticity. • The reported cash and cash equivalents is misstated.

		<ul style="list-style-type: none"> • The Scheme recognized a retrenchment penalty worth UGX.11,320,160,000 as a receivable from UTL yet this amount had been written off. • I noted that out of the budgeted revenue of UGX.12,447,003,444 for the year 2019/2020, only UGX.2,264,969,444 was realised representing a performance of only 18.2% of the target. • I established that funds totaling to UGX.88,575,000 were never budgeted for, and no authority was sought from the Founder to use the current year's appropriated funds to meet this expenditure. • Diversion of members' contribution (DC) to pay defined benefits (DB) liabilities: UGX.4,550,343,000. • I noted that, whereas PAYE to a tune of UGX.35,427,298 was withheld from employees as required during the year, it was not remitted to URA in the timelines prescribed by the Income Tax Act.
2	<p>Uganda Bureau of Statistics (UBOS). 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of issues in the implementation of the approved budget such: under absorption of funds; partial or non-implementation of activities, non-quantification of activities, under performance of the NTR and government releases. • There was delayed Implementation of a number of Projects such as: UNFPA-Survey Project, Baseline Education Survey Project (WB-GPE-UTSEP) and UBOS Panel-Survey project majorly caused by effects of Covid-19 pandemic. • Out of the total approved structure of 316 staff, only 283 (90%) positions were filled, leaving 33 (10.4%) positions vacant. Staffing gaps affect the entity's capacity to effectively deliver services. • the entity lacked land titles for its land both in Entebbe and at head office, although management demonstrated its efforts in engaging Uganda Land Commission to secure land titles. • Several procurements to the tune of UGX.1.834Bn were not executed as of 30th June 2021. This was attributed to unforeseen circumstances brought about by the lock-down associated with the Covid-19 pandemic as well as budget cuts.
3	<p>URA Corporate 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • URA operated at least six operations bank accounts in commercial banks with an annual turnover of over UGX.1.1 Tn, in contravention of Section 33 (5), (6) and (7) of the Public Finance Management Act 2015. The action overrides the Government financial management controls and distorts the monetary policy. • UGX.9.6Bn was advanced to staff through their bank accounts to purchase goods, services, and other activities without following regulations. The practice is irregular and also exposes Government funds to a risk loss through misuse. • UGX.1.16Bn paid through mobile money to various suppliers for the provision of services were not adequately supported with accountability documents as required; as a result, I could not ascertain whether the funds were utilised correctly for the intended activities. • Management made cash withdrawals amounting to UGX.5.2Bn during the year, contrary to Section 11 of PFMA 2015, as well as Section 7 of the URA Cash Policy that sets the maximum insurable cash limit to UGX.20Mn. The practice has been recurring and exposes government funds to a risk of misuse of cash and loss.

		<ul style="list-style-type: none"> • The Authority awarded multi-year contracts to the tune of UGX.18.7Bn without evidence of approval of these multi-year commitments by the Parliament. This was contrary to Section 23(1) of the PFMA 2015. • Planned procurements worth UGX.25.1Bn were not implemented by 30th June 2021. This adversely affects the realisation of critical government programs. Management explained that the delays were due to various reasons, some of which are beyond their control. • During the financial year 2020/21, the collaborating institutions under the Tax Registration and Expansion Programme (TREP) registered only 167,211 taxpayers against a target of 436,869 taxpayers representing a 38.27% registration success and a shortfall of 61.7%. In revenue terms, although TREP had a revenue target of UGX.124.58 Bn in FY 2020/21, it had only collected UGX.49.93Bn by 30th June 2021, representing a 40% performance rate. The paltry performance was attributed to COVID-19 effects, riots and the political environment, that hindered field activities. • The Ministry of Local Government had planned to implement activities worth UGX.4.4Bn under TREP activities but only implemented activities worth UGX.3.3Bn, leaving un-implemented activities worth UGX.1.1Bn despite receiving all funding. As a result, the e-LogRev objective of simplifying and strengthening the local revenue collection systems for Local Governments may not be achieved in time.
4	<p>URA Revenue Collection Account 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • The Authority had a total revenue collection target of UGX.22.039Tn for the financial year 2020/21, and collected total gross revenue of UGX.19.649Tn, representing 89% hence a shortfall of UGX.2.39Tn (11%). Under collection of revenue affects cash flow performance of Government and realisation of the planned service delivery targets. Management attributed the performance to the adverse impact of COVID-19 pandemic. • I reviewed the statement of comparison of target and actual revenue collection by the tax head and noted that revenues from different sources worth UGX.86.979Bn were not budgeted for, despite collecting significant incomes on these tax heads for the past two years leading to under-budgeting. Lack of budget provisions of the tax heads conceals revenue potential, distorts revenue projections and may lead to un-appropriate performance assessments and related bonuses. • Uganda Tax/GDP ratio remained low at 12.5% in 2020/21, compared to other countries in the region and globally. This performance was similar to last year's performance. This implies that tax bases have not widened or deepened enough to tax all potential sources. • There was an increase in total Tax Arrears from UGX.3.009Tn in 2019/20 to UGX.4.519Tn in the financial year 2020/21 representing a total increase of UGX.1.492Tn or percentage increase in total Tax Arrears of 50%. The Increase denies Government the required resources to deliver more services. • The contract between the Government of Uganda (GoU) and a private company had since expired even though the Company had continued to manufacture motor vehicle registration numbers for taxpayers. Expired contracts expose the Government to the risk of loss of revenue without a remedy. • I noted that government had continued to engage only two private companies, making them monopolies in providing motor vehicle registration number plates for more than eight (8) years without opening it up for competition. The Monopoly exposes the taxpayer to high prices

		<p>for the services.</p> <ul style="list-style-type: none"> URA received a sum of UGX.279.509Bn through Bank of Uganda from Government Ministries, Departments and Agencies and Local Governments. The amount was not reconciled and receipted due to the inability to identify the tax head and the lack of IFMS and BoU Systems interface with URA systems. Collection of Revenue without receipting and charging the correct tax heads results into misstatement of revenue collected per tax head.
5	<p>Uganda Retirement Benefits Regulatory Authority. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> The entity budgeted to receive UGX.12.35Bn in the FY 2021/21. However, only UGX.11.25Bn was available for spending resulting into a shortfall of UGX.1.1Bn, which is 9% of the budget; this affected implementation of planned activities. Assessment of implementation of planned outputs revealed that Nine (9) outputs with a total of forty (40) activities worth UGX.2.89Bn were partially implemented. Out of the forty (40) activities, the entity implemented twenty-eight (28) activities (70%), while twelve (12) activities (30%) remained unimplemented. In addition, planned procurements totaling UGX.309Mn were also not implemented. Out of the approved staffing level of 61, the Authority has only 36 positions filled (59%), leaving a staffing gap of 25 positions (41%). Included in the unfilled positions are key positions of Director Finance and Accounting, Director Human Resource and Administration and the Director Research and Strategy. This affects the entity's capacity to effectively deliver its mandate.
6	<p>Bank of Uganda 2020</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> Uncertainties brought by Covid-19 could potentially led to delays by Government to refund/repay amounts due to the Bank. Audit noted that the Government capital account included in the loans, advances and drawdowns to Government increased by UGX 1,087,811 million representing 313% from UGX 347,475 million as at 30 June 2019 to UGX 1,435,286 million as at 30 June 2020. The assessment of the possible outcome of the appeal (Crane Bank - Civil Appeal No. 252 of 201) and the amount of any resulting potential obligations, if any, involves significant judgement by the directors. I noted that, as at June 30, 2020, the core capital of the Bank was below the minimum required capital by UGX.453,331 million (2019: UGX.671,712 million)
7	<p>Housing Finance Bank Limited 2020</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> I noted that Management has estimated impairment provisions for loans and advances to customers collectively for homogenous loan portfolios using statistical methods on the basis of risk parameters using historical data taking into account forward looking information on expected macroeconomic conditions including considerations made for possible effects from the COVID-19 pandemic. As at 31 December 2020, a total of 1184 customers with loans worth UGX. 159.8 billion had applied and been granted loan restructures of different forms. However, as at 31 December 2020, only 331 customers with loans worth UGX. 58.0 billion were still under repayment moratoriums with the rest having reverted to periodic repayments schedules following the initial restructures. The COVID-19 pandemic containment measures increased economic uncertainty amongst the borrowers, prompting many to prematurely repay their loans during and after the lockdowns. These redemptions

		<p>involving as many as 901 customers affected the growth rate of the loan book by over UGX. 37.0 billion.</p> <ul style="list-style-type: none"> I noted that there was a disruption in the periodic repayments by the Bank's borrowing customers at the peak of the pandemic containment measures.
8	<p>Post Bank Uganda Limited. 2020</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> COVID-19 effects and corresponding bank measures impacted PBU loan portfolio in different ways including reduction in cash flows from loan repayments as a result of granting moratoriums, increase in customers demanding for Interest rate reduction, shrink in credit demand for some sectors and drop in disbursements due to cautious lending coupled with increase in default rates for some sectors.
9	<p>Contingencies' Fund. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> Section 26(j) of the PFMA 2015 (as amended) provides that a Contingencies Fund shall every financial year be replenished with an amount equivalent to 0.5% of the appropriated annual budget of Government of the previous financial year. The approved budget for the previous financial year (FY2019/20) was UGX.40.49Trillion, which would have translated into UGX.202.43Bn funding for the Contingencies' Fund in the year under review. I noted however, that Parliament only appropriated UGX.62Bn to the Contingencies fund, causing a deficit of UGX.140.3Bn. Underfunding of the Contingencies Fund distorts implementation of the approved budget for the current year as evidenced by budget cuts and reallocations to fund supplementary budgets relating to natural disasters and emergencies that occurred during the year. Audit of the withdrawals made off the Contingencies Fund revealed that a total of UGX.62,070,000,000 was transferred to the Fund bank account held at Bank of Uganda. The funds were consequently transferred to entity bank accounts and expensed off the IFMS, which makes it difficult to follow up and track to confirm the adherence to the approved budget guidelines and also confirm accuracy of the reports generated. Spending off the IFMS also exposes the funds to the risk of misuse due to lack of transparency.
10	<p>Financial Intelligence Authority. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> The Financial Intelligence Authority lacked an approved strategic plan aligned to the NDP III. Under the circumstances, there is a risk that activities implemented during the financial year 2020/2021 were not aligned to the NDP-III, which negatively affects the achievement of NDP-III objectives. I advised the Accounting Officer to follow up on the approval of the strategic plan urgently. A review of the staffing structure for FIA revealed that out of the total approved establishment of 64 staff, only 41 (64%) positions were filled, and 23 (36%) positions had not yet been filled. Key among the unfilled positions include; Director Legal, Inspection and Compliance; Director Audit, Director Finance & Administration, among others. Staffing gaps have a negative effect on the general performance of the Authority and hinder effective and efficient service delivery. I advised management to intensify their efforts with the relevant stakeholders to ensure that the gaps are filled so as to deliver effective services. A review of the Anti-Money Laundering Act (AMLA) 2017 (as amended) and its accompanying regulations revealed that the Authority does not have in place pecuniary sanctions in case of breach of the law and regulations. The lack of sanctions makes it difficult for the Authority to enforce compliance with the Act by all accountable persons. I advised management to follow up with the responsible Minister so that these regulations are passed to enforce accountability.

11	Insurance Training College (ITC). 2020/21 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> Section 63 of the Insurance Act requires the Insurance Training levy to be reconciled with Insurers within 60 days after the end of the calendar year. I however noted that a total of UGX.4.9Bn was collected based on basis of computed returns submitted by the Insurers and Health Member Organisations (HMO's), with no evidence of reconciliation of Training Levy returns, contrary to requirements under the Act. As a result, the returns may be understated to reduce remittances, which may lead to revenue loss.
12	National Population Council. <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> Out of the ten (10) sampled outputs that NPC planned to implement during the period under review, five (5) outputs representing 50% of the planned sampled outputs were fully implemented, four (4) Outputs representing 40% were partially implemented, and one (1) Output representing 10% was not implemented during the period under review. Gratuity payments totalling UGX.940Mn were not subjected to PAYE and the 5% NSSF employee deductions. I further noted that NPC did not provide for the 10% employer contribution for the staff resulting from the gratuity payment. This denied URA the much-needed revenue and the staff were disadvantaged due to failure to contribute to NSSF.
13	Tax Appeals Tribunal. 2020/21 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> Arising out of a supreme court decision, all tax disputes in Uganda must first commence in the Tax appeal Tribunal before they move to any other court. A review of the cases filed at the Tribunal, in the last three years, revealed that there was an increase of cases filed from 40 in 2017 to 176 in 2020. In spite of the increase in cases, there has been no increase in the number of members of the Tribunal which has necessitated that the members of the Tribunal sit every day notwithstanding their regular involvement in the administrative aspects of the Tribunal. The current structure of the remuneration of the members indicates that each member will be paid a sitting allowance and a retainer. This has resulted into the Tribunal spending the bulk of its money on the payment of allowances to the Tribunal members. During the reviews, I noted that there were instances in which a Tribunal member is an active partner of a Firm that has a case before the Tribunal. Whereas the said Tribunal Member does not form part of the panel of the committee adjudicating the disputes, this presents a potential conflict of interest for the members of the committee who work with him and have to decide the matters involving his Firm for which he is an active partner. I noted that the approved organisation structure for the Tribunal, did not have a provision for internal audit function and indeed, this role has not been assigned to any staff. This is contravention with the PFMA 2015, and it also denies the Tribunal an early warning mechanism in cases of errors of omission or commission.
14	Uganda Regulatory Authority (UMRA) 2020/21 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> It was noted that, contrary to Section 17 of the PFMA 2015, the Authority had unspent funds totalling UGX.4.93Mn at the year-end that were never returned to Treasury. It should also be noted that the same was done in the preceding year where UGX.204Mn was never returned. Failure to return unspent funds contravenes Section 17 of the Public Finance and Management Act 2015, and exposes the funds to a risk of diversion since they are spent in the subsequent financial year without appropriation by parliament. Section 11.2.4 of the Treasury Instructions 2017, requires the Head of Finance to ensure that commitments are not approved unless sufficient funds are available in the commitment item. However, in disregard to the

		<p>above provision, commitments to a tune of UGX.321Mn remained unpaid at the close of the year under review.</p> <ul style="list-style-type: none"> • Comparison of licensees per category (Money lenders and non-deposit taking institutions) between the previous year 2019/2020 and those that renewed their licenses in the year under review 2020/2021 revealed that a total of 365 licensees had not submitted applications for renewal. In light of the occurrence, there is a risk that the licensees in issue could have operated for the whole year without having paid the requisite fees, which would lead to a loss in government revenue to a tune of UGX.200Mn. • Section 36(1)(a & b) of the Tier 4 Microfinance Institutions Act and Moneylenders Act, 2016 states that a SACCO shall not carry on the business of financial services unless it is a registered society; and licensed under the Act. Audit noted that only 15 SACCOs were issued with operating licenses by Uganda Microfinance Regulatory Authority. However, data obtained from Microfinance Support Centre (MSC) indicated that over 6,150 EMYOOGA SACCOs were by March, 2021 in operation without acquiring operating licenses. • Audit of the Authority's payroll and other expenses revealed that during the financial year ended 30th June 2021, Pay as You Earn (PAYE) tax amounting to UGX.290Mn in respect of deductions from employees was never remitted to the Uganda Revenue Authority.
15	<p>The Departed Asians Property Custodian Board (DAPCB). 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted that MDAs and LGs are still experiencing challenges in implementing the budgets approved by parliament and policy guidance's issued by PS/ST, which has continued to affect the performance and credibility of the budget negatively. • I reviewed the NTR estimates, revenue sources and rates charged for the financial year 2020/2021 and noted that the entity budgeted to collect NTR of UGX.2,572,820,000 during the year under review. Out of this, only UGX.1,410,970,500 was collected, representing a performance of 55% of the target, resulting into a shortfall of UGX.1,161,849,500. • The entity budgeted to receive UGX.2.572Bn during the period, out of which UGX.1.383Bn was warranted, resulting into a shortfall of UGX.1.189Bn which is 46.23% of the budget. • I observed that in cases where outputs were not quantified, management reported performance in generic ways such as tenants sensitised to pay rent, court attended etc, without specifying the number/quantities achieved. • All five (5) outputs with a total of thirteen (13) activities worth UGX.1.383Bn were partially implemented. • I noted that in a twist of events, the Board refunded the sum of UGX.0.860Bn that had been deposited in respect of the property, citing the fact that the property had been donated to the tenant, but this was not supported by a Board resolution. • I observed that according to a disclosure in note 19 of the accounts, receivables have increased from UGX.3.35Bn last year to UGX.8.21Bn this year. Of this amount, UGX.3,73Bn relates to uncollected rent from prior years and UGX.4.60Bn relates to unpaid proceeds from property sales. • I reviewed the portfolio of DAPCB court cases and noted that there was a continuous rise) in the number of court cases against the Board arising from disputes of properties. The cases rose by 18, making a total of 120, as at the end of the year.

		<ul style="list-style-type: none"> I noted that the entity does not have a comprehensive asset register to date. The copy of the compendium/register availed to me for audit was still under verification by management and as such management could not vouch for its completeness. I reviewed the compendium of assets presented for audit by management and noted that nearly all properties therein were not yet valued, and yet the Board of valuers has now been in place for nearly three financial years.
16	<p>The Danida (Upgrade) Project Under the Inspectorate of Government. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> I noted that MDAs and LGs are still experiencing challenges in implementing the budgets approved by parliament and policy guidance's issued by PS/ST, which has continued to affect the performance and credibility of the budget negatively. I noted that the project had an approved budgeted of UGX.7,910,415,388 but only received UGX.2,047,981,275 as revenues for the period, leading to a 35.7% revenue performance. I observed that the project work plan had 47 activities out of the planned 69 activities that were not quantified.
17	<p>The Inspectorate of Government (IG). 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> I noted that MDAs and LGs are still experiencing challenges in implementing the budgets approved by parliament and policy guidance's issued by PS/ST, which has continued to affect the performance and credibility of the budget negatively. I reviewed the NTR estimates, revenue sources and rates charged at vote level for the financial year 2020/2021 and noted that the entity budgeted to collect NTR of UGX.1,201,509,223 during the year under review. Out of this, a total of UGX.1,875,073,520 was collected, representing a performance of 156% of the target with an excess collection of UGX.673,564,297. The entity budgeted to receive UGX.53.4Bn from GoU sources; however, only UGX.49.45Bn was released, resulting into a shortfall of UGX.3.95Bn, which is 7.4% of the budget. Out of the total warrants for the financial year of UGX.49,446,960,793, UGX.45,655,225,893 was spent by the entity, leaving a balance of UGX.3,791,734,900 unutilised by the vote. I noted that the approved work programme for the construction of headquarter building indicated planned progress of 32% compared to the actual work progress of 11.9%.
18	<p>The Northern Uganda Social Action Fund Project Under the Inspectorate of Government (IG). 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> The project had an approved budget of UGX.2,235,166,397 for the FY 2020/21. I noted that a total of UGX.2,235,166,397 was received for the period representing 100% of the appropriated amount. I noted that out of the twenty (20) sub-activities in the approved work plan for the FY 2020/21, eight (8) of them were not quantified.
19	<p>Ministry of Finance Planning and Economic Development (MoFPED). 2020/21</p>	<ul style="list-style-type: none"> Analysis of domestic arrears showed an increase of UGX.139Bn from UGX.129Bn in the financial year 2019/20 to UGX.269Bn in the financial year 20/21 representing a jump of 108%. Overall, tax expenditure by government for private firms continues to account for the biggest portion of the arrears (at 78%) despite the write off of the tax arrears in the

	<p><u>Opinion</u> Unqualified</p>	<p>previous financial year. I also noted that arrears relating to unsettled obligations to international organizations stood at UGX.49.49Bn with some dating as far back as financial year 2014/15.</p> <ul style="list-style-type: none"> • GoU, through MOFPED, offered additional incentives of USD Cents 5/KWH to companies in the Cotton, Textile and Apparels (CTA) industry. During the financial year ended 30th June 2021, a total of UGX.3.36Bn was paid/refunded to two manufacturers while UGX.5.41Bn remained outstanding as at year end; However, I noted that; <ul style="list-style-type: none"> i) the concession was not time-bound, which exposes government to perpetual expenditure without value analysis. ii) none of the beneficiaries had furnished the Ministry with the required insurance bond despite the continued access to the benefit. iii) there was no evidence of publicizing the concession for the benefit of all eligible firms/persons. In this regard, the concession is only being enjoyed by two firms which creates competitive disadvantages to the other players in the industry. iv) there was no mechanism in place to monitor compliance with the set targets despite having reached the first milestone. v) the memorandum of understanding signed did not provide for reporting obligations for the beneficiaries. There was thus no justification for the continued incentive vi) all refunds effected so far are made from supplementary budgets implying none sustainability of the incentive. Indeed a total of UGX.5.41Bn remains outstanding as at 30th June 2021. • In line with the above, it is apparent that the subsidy is being implemented with irregularities. Government is exposed to continued expenditure without due regard to achievement of the intended objectives. • The Uganda Agriculture Insurance Scheme (UAIS) is a Public Private Partnership between GoU and the Private Sector represented by the Uganda Insurers Association and insurance companies under the agro-Consortium. The purpose of the scheme is to hedge Ugandan farmers against natural calamities beyond their control. However, review of implementation revealed that there was lack of a mutual agreement on Marketing of the scheme to the potential beneficiaries and a number of conditions in the MoU are not yet fulfilled. This has limited its access to potential beneficiaries and also raised transparency concerns in regard to how the current beneficiaries were identified. • The PPP Act 2015 provides that there is to be established a Project Development Fund to support public private partnerships initiatives. However, six years later, there is no evidence of operationalization of the Fund by the Minister. Failure to establish the fund may be a contributory factor to the slow uptake and limited feasibility studies of the Public Private Partnerships.
20	<p>PPDA Tribunal. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted that the Tribunal was operating a strategic plan that is not aligned to the NDP III period. The Tribunal's planning period is 2017-2022 implying that activities implemented during the financial year 2020/2021 may not have been aligned to the NDP-III, which negatively affects the achievement of NDP-III objectives.

21	<p>Uganda Investment Authority. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • The Authority received off-budget financing to a tune of UGX.50.43Bn, which was not transferred to the consolidated fund as required by law. These funds were received directly from development partners to the EPC contractor for the Development of infrastructure at Kampala Industrial and Business Park, Namanve. Off-budget financing distorts planning, may result into duplication of activities and is contrary to the Public finance Management Act 2015. • The approved budget estimates for the Authority for the financial year 2020/2021 indicated that only UGX.22Mn out of UGX.2.411Bn was budgeted towards the settlement of domestic arrears. The arrears balance of UGX.2.389Bn was therefore not budgeted for settlement. Failure to provide resources for the accumulated arrears increases outstanding obligations. • The Authority continued to accumulate domestic arrears with a total of UGX.1.768Bn incurred in the financial year under review, without clearing outstanding arrears from the previous financial year 2019/2020 of UGX.2.411Bn. The total accumulated domestic arrears stood at UGX.4.18Bn at 30th June 2021. This is an indicator of non adherence with the commitment control system of government. • During inspections countrywide, I observed that the industrial parks lack or had inadequate infrastructures like roads, solid waste and sewage management systems, power supply, street lights etc. The Parks have been characterized by encroachment, farming and cattle grazing, degradation of nearby swamps, unallocated land, idle land allocated to unserious investors and misunderstandings between investors and park management staff. Most roads are impassable and with inadequate lighting which exposes the parks to thefts and insecurity. I observed that some factories in the parks have set up their own infrastructure which may not be sustainable, and to the desired standards. This may negatively affect the usage and utilization of the parks. • The Authority lacks regulations required under Section 38(1) of the Investment Code Act to operationalize the statute. This may hinder the smooth implementation of the Act which is meant to create an investment enabling environment. • Although the Authority has 124 approved positions, only 78 (i.e. 62.9%) are filled, leaving 46 (37.1%) vacant positions. Among the vacant positions include 24 unfilled positions that are from the core Directorate of Investment which is the backbone of UIA. Understaffing undermines service delivery.
22	<p>Treasury Operations. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I reviewed the NTR estimates, revenue sources and rates charged at vote level for the financial year 2020/2021 and noted that the entity had not budgeted to collect NTR during the year under review. • It was noted that out of the approved budget of UGX.15.129Tn for the vote for the final year ended 30th June 2021, only UGX.14.204Tn was released, representing 93% of the approved budget. • Of the UGX.14.204Tn received in the current Financial Year, only UGX.11.963Tn was spent by the vote resulting into an unspent balance of UGX.2.241Tn representing an absorption level of 84%. • I noted that the interest accrued on the outstanding debt but not yet paid amounting to UGX.1.039Tn was not recognised in the financial statements. • Included in the receivables figure is UGX.10.437Bn that was lent by

		<p>government to private enterprises for which no recovery has been effected since 2013.</p> <ul style="list-style-type: none"> • Included in cash and cash equivalents is UGX.15.62Bn which was a USAID grant for enhancing Livelihoods and Infrastructure of Northern Uganda under a project. The funds have remained utilized for more than two years and risk being refunded to the donor yet it was a grant. • I noted that there is no clear method of identifying which claimants are considered for negotiations even in the instance of where the said claimants have mandamus orders. • I have noted that over the years, budgets for mandamus payments are included in the original budget as notional amounts despite having a figure for outstanding payments at the beginning of the year, including those for which settlement plans have been drawn as per the signed MoUs and court variation orders with beneficiaries. • Audit observed that, UGX.3.32Tn which was advanced by the Bank of Uganda to settle matured obligations relating to treasury bills and bonds (principal and interest) had not been refunded as at 30th June 2021 contrary to the requirements under Section 36 of the PFMA. • A review of the company files in which the GOU holds shares revealed that some companies were dormant, with no activities being undertaken on the said files. There was no evidence that the said companies were filing the mandatory annual returns, minutes of the Annual General Meetings or any information to indicate the activity of the companies. • Audit established through a review of records at Uganda Registration Services Bureau that Government owns a number of investments that are not reported/ recognised in the financial statements of Treasury Operations. • It was established that the Minister provided authorisations to nineteen (19) Public Institutions to borrow funds from financial institutions totalling to UGX.60.042Bn, but there was no evidence of any monitoring being undertaken by the Ministry to ensure adherence to the loan terms and conditions.
23	<p>Insurance Regulatory Authority. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • Out of the budgeted NTR of UGX.26.874Bn, only UGX.19.818Bn was collected and a shortfall of UGX.7.056Bn, representing a performance of 73.7% of the target. Shortfalls in NTR collections affect the implementation of planned activities. • I noted that a number of planned procurements were not executed worth UGX.5.61Bn. Non implementation of all procurements leads to failure to attain the intended objectives during the financial year. • There were noted delays in the phase one construction of an ultra-modern 11 storeyed office building for Insurance Regulatory Authority located at plot 6, Lumumba Avenue, which was awarded to a contractor at an amended contract price of UGX.32.662Bn. By the time of reporting, although a total cumulative payment of UGX.29.943Bn (91%) had been made to the contractor, the project was at 80% completion and 46 months behind schedule.
24	<p>National Lottery & Gaming Board.</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted that a number of Gaming houses had not filed the required quarterly returns contrary to the Lotteries and Gaming regulations. There was no evidence that the Board had conducted enforcement activities to ensure compliance by the operators. • Failure to undertake enforcement actions poses a risk of the operators

		<p>not making returns and having operational gaps going undetected which affects the revenue collections of Uganda Revenue Authority and exposes the Ugandan public to risk of unprofessional operators.</p> <ul style="list-style-type: none"> • The Ministry of Finance, Planning and Economic Development on behalf of Lotteries and Gaming Regulatory Board awarded a UGX.10.833Bn contract to a foreign company to provide consultancy services for development of a National Central Electronic Monitoring system. The contract period was for 2 (two) years effective 23rd June, 2020. I noted that, two years later, the procurement has not been made. There is no provision for implementation of the system even in the current budget 2021/22. The failure to procure the system, denies the Board the associated benefits like monitoring and revenue tracking. Beside this may result into litigation on grounds of breach of contract and expose Government to loss of funds in compensation. • During the year under review, although the Board licensed 17 casinos, there was no evidence that the Board advertised the applications for the said casinos to invite the views of the public as is required by regulations. Failure to publish the notices poses a risk of granting licenses to operators with some conflicts among the public and as such may result into litigation.
25	<p>Public Procurement And Disposal of Public (PPDA) 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted at the time of the audit that out of the planned Four (4) strategic targets/goals, No targets had been fully achieved, while three (3) were partially achieved, and one (1) target had not been achieved at all • I noted that out of the budgeted revenue of UGX.28.4Bn for the year 2020/21, UGX.21.3Bn was realised representing a performance of only 75% of the target. • Out of the 5 outputs assessed, No output was fully implemented; 5 outputs representing 100% were partially implemented, while no output was not implemented at all. • I noted that although the budget for Domestic arrears was UGX.42,407,000, funds amounting to UGX.432,579,009 were spent on domestic arrears for the FY 2020/21, implying an over expenditure of UGX.390,172,009 on this item. • Out of the total receipts for the financial year of UGX.18.698Bn, UGX.18.59Bn was spent by the Authority, resulting into an unspent balance of UGX.0.108Bn representing an absorption level of 99%. • The audit reviewed the performance of the above project and noted that much as most of the key planned activities had been implemented, there were few that were still pending. • I observed that the entity has a staff establishment of 140 positions, out of which only 116 were filled, leaving 24 positions vacant, representing 17% of the workforce of the entity. In addition, seven staff exited the Authority during the year, due to various reasons.
26	<p>Bank of Uganda. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • No significant findings.
27	<p>Capital Markets Authority. 2019/20</p> <p><u>Opinion</u></p>	<ul style="list-style-type: none"> • No significant findings.

	Unqualified	
28	Deposit Protection Fund ("The Fund") 2020/21 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> I noted that although effective 1st July 2020, DPF was exempt from withholding tax, Bank of Uganda erroneously deducted withholding tax (WHT) on the Fund's interest income on matured government securities during the period amounting to UGX.10.4Bn. However, directors have decided to make full provision against the WHT receivable based on the historical experience and expected future outcome of the claim from URA on a conservative basis, and this is in accordance with the requirement of IAS 36: Impairment of Assets.
29	Pride Microfinance Limited (MDI) 2020 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> No significant findings.
30	Project for Financial Inclusion In Rural Areas (PROFIRA) <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> I noted that, as reported in my report for the year ended 30th June 2020, Government of Uganda has not yet honored its obligation of UGX.5.6Bn as co-funding for the Project. I observed that the project has been supporting SACCO's that were not registered by Uganda Microfinance Regulatory Authority (UMRA).
31	The Resource Enhancement and Accountability Programme (REAP) 2020/21 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> No significant findings.
32	Uganda Development Bank Limited (UDBL). 2020 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> No significant findings.
33.	Microfinance Support Centre Limited (MCSC) 2020 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> I noted that unresolved receipts in payables balance amounting to UGX. UGX.581 Million
	INFORMATION COMMUNICATION SECTOR	
1.	Ministry of ICT and National Guidance <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> The entity budgeted to receive UGX.46.401Bn from Treasury; out of this amount, UGX.43.586 Bn was warranted, resulting into a shortfall of UGX.2.81Bn which was 6% of the budget. Of the released amount, the Ministry absorbed UGX.42Bn, resulting into an unspent balance of UGX.1.6Bn representing an absorption level of 96%. Unspent balances imply un implemented activities and which in turn hampers proper service

		<p>delivery.</p> <ul style="list-style-type: none"> Contrary to Regulation 18 (1) of the PPDA (Contracts) Regulations, 2014, the Ministry issued call off orders to two firms in three separate procurements of office furniture worth UGX.144.8Mn under a framework contract where the items and prices on the call off orders were different from what was agreed on in the signed framework contract. This erodes the benefits of framework contracts and may cause a loss to Government.
2	<p>Uganda Communications Commission.</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> Assessment of the Commission's performance of Non Tax Revenue (NTR) revealed that out of the budgeted NTR of UGX.156.59Bn, a total of UGX.454.61 was collected, representing an increase of UGX.298Bn (190% of the target). Management attributed the overperformance to payment of the National Telecom Operator (NTO) license by two telecom companies which had not been budgeted for. The Accounting Officer was advised to always conduct comprehensive research on all potential revenue sources for proper budgeting of NTR. Out of the total receipts for the financial year of UGX.454.61Bn, only UGX.451.98Bn was spent by the entity resulting into an unspent balance of UGX.2.63Bn representing an absorption level of 99.5%. I commended the Accounting Officer for absorbing most of the funds availed despite the challenges during the year. I noted that several procurements to the tune of UGX.4.51Bn were not implemented as of 30th June 2021. As a result, implementation of critical Commission programs was delayed. Management attributed the delays in these procurements to the COVID-19 pandemic that paralysed the entire procurement process. The Commission discontinued issuing invoices to Uganda Telecom Ltd, Posta Uganda and Uganda Broadcasting Corporation due to tax implications where, the Commission has to pay VAT to URA on every invoice raised, whether funds are received or not. As a result, UCC ledger balances of UGX.85.1Bn differed from the reported receivables of UGX.13.1Bn, by a total of UGX.72.0Bn. Furthermore, I noted that the reported receivables by UCC from the same entities differed from the reported payables to UCC by the same entities. The Accounting Officer was advised to engage management of the affected entities with a view of reconciling to the correct receivable figures. The Commission did not charge the 2% gross annual levy on the licensed Television and FM radio operators and no licensed Television and FM radio operator had submitted Audited financial statements to the Commission for assessment. This denied the Commission the revenue to implement development programs. The Commission lacks a Tribunal with the jurisdiction to hear and determine all matters relating to communications services arising from decisions made by the Commission or the Minister, contrary to Section 60(1 & 2) and 64(1) of the Uganda Communications Act, 2013. The accounting officer explained that the responsibility to appoint the tribunal resides with the President on the recommendation of the Judicial Service Commission. I advised management and the Board of Directors to liaise with the relevant authorities with the view of constituting the Communications Tribunal.
3	<p>Rural Communications Infrastructure Program, Phase 5 – Uganda Project, IDA LOAN NO.5635-UG</p>	<ul style="list-style-type: none"> I noted that MDAs and LGs are still experiencing challenges in implementing the budgets approved by parliament and policy guidance's issued by PS/ST, which has continued to affect the performance and

	<p>2020/21</p> <p><u>Opinion</u> Unqualified</p>	<p>credibility of the budget negatively.</p> <ul style="list-style-type: none"> I noted that RCIP was lagging behind in some activities that would not be completed at the project end. I noted that all four components did not fully absorb the available funds. Out of the UGX.104.88Bn that was released to RCIP, the Project only utilised UGX.76.52Bn, thus failing to absorb funds to a tune of UGX.28.36Bn representing 27% of the released funds. It was noted that RCIP set clear performance targets and indicators for some activities to facilitate performance measurement. I noted that a total of USD.702,415 has so far been paid to the contractor for supply, installation and commissioning of the e-government procurement system, of which a total of USD.198,645 was paid during the year under audit. Government lost USD.208,156 for receiving quality assurance services for a system that had already been discontinued by Government
4	<p>National Information Technology Authority – Uganda (NITA-U) 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> Analysis of domestic arrears over the past three years has shown a steep upward trend over the period with a 123% growth. The outstanding amount currently is UGX.6Bn. Further analysis revealed that most of the arrears relate to costs of expanding the national backbone infrastructure. The domestic arrears at hand now account for 14% of the annual GoU budget of the Authority. Such a trend is not only unsustainable but may lead to erosion of the credit worthiness of the Authority and may attract interest and penalties. Included in the Statement of Financial Position is a receivable of UGX.14.9Bn arising from the 1% levy on Telecoms due from Uganda Communications Commission (UCC) dating as far back as financial year 2016/17, whose recoverability is doubtful following a policy directive from the Ministry of Information, Communication and National Guidance to the effect that NITA-U should stop recognizing its share of 1% levy on Telecoms. UGX.1,532,979,432 reflected as non-produced assets in the Statement of Financial Position relates to land leased to NITA-U by Uganda Investment Authority. The same land has been leased to a private company without the knowledge of NITA-U. Although NITA-U filed a case against UIA in the High Court seeking a permanent injunction restraining UIA, the case was dismissed noting that the matter could only be determined under land law. By the time of audit, a developer to whom UIA leased the property had taken possession of the land and started undertaking developments on it.
5	<p>Uganda Broadcasting Corporation (UBC). 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> Although the entity budgeted to receive UGX.45.83Bn only UGX.15.39Bn was collected and spent, resulting into a shortfall of UGX.30.43Bn which is 66.4% of the budget. The budget for the financial year 2020/2021 was developed on the assumption that UBC would receive the UGX.34.6 Billion approved by Parliament; however, the Corporation did not receive the funds as planned. This is an indication of unrealistic budgeting by the Corporation well aware of the effects of the Covid-19 pandemic Comparison of the trade receivables balances for current year and prior year indicates that the receivables decreased by 28% from UGX.30.79Bn to UGX.22Bn. An ageing analysis revealed that receivables worth UGX.13.549Bn from 228 clients were at least 7 years old without any movements in their ledger accounts, thus casting doubt as to their existence and recoverability.

		<ul style="list-style-type: none"> The Corporation has outstanding NSSF amounting to UGX.46.38Bn as at 30th June 2021. As a result, the Corporation and the Managing Director have been sued for non-payment and imposition of interest and fines by the NSSF due to non-remittance is now likely. This is wasteful as it could have been avoided if remittances had been made in a timely manner.
6	<p>Uganda Post Limited. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> I noted that despite this being the final year of the Strategic plan and collecting on average, over 86% of the budget, most objectives were not achieved, with some attaining between 21% and 39% of implementation. The key strategic objectives that were not met include Building a strong financial base to meet operational and project development budget, Attracting, deploying, developing and retaining a productive and motivated Human Resource, Strengthening the ICT unit to raise efficiency and competitiveness of UPL products and Rationalizing existing business lines and diversifying into low hanging opportunities to improve profitability. The company faces a liquidity crisis which was evidenced by delayed payment of staff salaries for over five months amounting to UGX.1.1Bn, non-payment of statutory obligations amounting to UGX.8.36Bn and failure to complete planned procurements. Management has initiated engagements with Statutory Bodies to settle the liabilities. . The company has a total of 11 disputed prime Properties with Uganda Telecom Limited in Administration and Uganda Institute of Communication and Technology. Engagements are underway to resolve the impasse. The company still lacks land titles for several pieces of land which include land in Mpigi, Tororo, Fort Portal, Kasese and Palisa. Management is expeditiously following up the matter. Although UPL procured the E-Posta System to record all transactions relating to postal services, some services like Home Delivery Services, Post Shop Sales, and Outbound Parcels are still recorded manually. In addition, there is no interface between Transaction Processing Systems and the Sage financial management system. Manual recording of transactions is prone to abuse and errors
7	<p>Uganda Communication Employees Contributory Pension Scheme (UCECPS) 2020/21</p> <p><u>Opinion</u> Qualified</p>	<ul style="list-style-type: none"> I noted unsupported payables amounting to UGX.2,679,752,000. I noted that eleven (11) properties disclosed as part of the non-core assets were not valued and therefore not included in the value of Non-current assets of the Scheme. A review and comparison made between the audited financial statements for the period ending 30th June, 2019 and the financial statements for the period ending 30th June, 2020 revealed inconsistencies in the account balances of reserves. Unsupported and un-reconciled receivables from Uganda Telecom Limited (UTL - IN ADMINISTRATION) I noted that the cash flow statement was misstated. I noted that out of the budgeted revenue of UGX.12,447,003,444 for the year 2019/2020, only UGX.2,264,969,444 was realised representing a performance of only 18.2% of the target which implied that the Scheme had a deficit of 81.8%. I noted unbudgeted expenditure totaling to UGX.88,575,000 I noted diversion of members' contribution (dc) to pay Defined Benefits

		(DB) liabilities amounting to UGX.4,550,343,000
8	Agricultural Credit Facility (ACF) 2020/21 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> No significant findings.
	TRADE SECTOR	<ul style="list-style-type: none">
1	Quality Infrastructure and Standards Programme (QUISP). 2017/2018 <u>Opinion</u> Qualified	<ul style="list-style-type: none"> I observed that a sum of UGX. 80,034,014 and USD. 14,040 was paid to various officers and companies. However, contrary to the guidelines, the expenditure vouchers together with the supporting documents were not availed for audit verification. Payments amounting to UGX.28,798,048 were paid to officers to enable them carryout various QUISP activities. However, some of the expenditure lacked necessary supporting documents such as activity reports, payee's acknowledgment and accountability receipts. The programme had outstanding commitments to the tune of UGX. 373,603,894 as at end of the financial year. According to a letter from the Embassy of Sweden to the Permanent Secretary Ministry of Trade, Industry and Cooperatives dated 27th April, 2017 activities to a tune of UGX. 147,264,493 were authorized to be charged on the QUISP Programme. The entity spent a sum of UGX. 147,468,378 leaving outstanding commitments of UGX. 226,135,516 as indicated in the schedule of outstanding commitments. I reviewed the Programme bank statements and noted that as at 31st March 2021, UGX. 10,426,029 and USD. 1,973.43 was still on account. Failure to spend funds resulted in partial and non-implementation of planned activities. I observed that a sum of UGX. 4,038,651 was deducted from two (2) service providers in respect of 6% withholding tax for onward remittance to Uganda Revenue Authority The project procured 79 assets over the Programme life time. In March 2021, I carried out an inspection of the assets procured under the Programme and noted that 12 were functional, 2 (vehicles) were under repair, 16 were old and beyond repair, 12 were non-functional while 37 were not availed for verification. I could not assess the status of the 37 assets that were not availed.
2	Uganda Export Promotions Board 2020/21 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> The entity budgeted to receive UGX.5.813Bn. However, UGX.3.759Bn was warranted, resulting into a shortfall of UGX.2.054Bn, which is 35.4% of the budget. This affected implementation of planned activities. It was observed that the term of office for the previous Board expired on 5th October 2019, and no replacement Board had been appointed by the time of issuance of my report. This is likely to affect the strategic direction of the entity. For example, I noted that at the time of the audit (June 2021), the entity's strategic plan was in draft form and was not approved due to the lack of a Board. I noted that contracts worth UGX.192Mn were awarded to bidders who

		<p>did not submit the required documents to evidence the eligibility and administrative compliance as required by regulations and bid documents at the preliminary stage.</p>
3	<p>Uganda Freezones Authority (UFZA) 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • Contrary to Section 15 of the Public Finance Management Act 2015, the Authority overspent to the tune of UGX.635Mn on recruitment and personnel costs in excess of what was approved by the Board. • The entity budgeted to collect NTR amounting to UGX.2.101Bn but was only able to collect UGX.0.06Bn resulting into a shortfall of UGX.2.04Bn, which is 97.13% of the NTR budget. The paltry performance was attributed to COVID19 disruptions. • The development work on 5 acres of land at Entebbe International Airport commenced in September 2020 and works worth UGX.4.146Bn (27%) had been certified as completed as at 30th June 2021. However, the Authority had affected 89% advance payment to NEC as at 29th June 2021, amounting to UGX.15.34Bn and all the advance guarantees staked had expired. • Although the Authority has taken possession of 109 acres of land at Buwaya purchased at UGX.7.6Bn and 5 acres of land at Entebbe International Airport purchased at UGX.850Mn, it still lacks land titles to confirm legal ownership.
4	<p>Uganda Warehouse Receipt System Authority (UWRSA) 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • The Uganda Warehouse Receipt System Authority had an approved budget of UGX.8,904,499,400 for the year. A review of the entity's receipts, cashbook and bank statement for the period ending 30th June 2021 revealed that UGX.8,035,212,980 was received under the normal budget appropriation • Whereas the overall Government National Development Plan (NDP II) 2020/2021-2024/2025 was commissioned in the year under review, UWRSA had no approved strategic plan for the period under review • I noted that the entity did not budget for any tax revenue despite collecting 84 million. Failure to budget for NTR conceals the entity's potential collect revenue and also complicates assessment of performance since there is no benchmark. • I noted that out of the budgeted revenue of UGX. 8.899Bn from the Central Government for 2020/2021, and only UGX. 8.035Bn was received, representing a performance of only 90 % of the release. • The entity had a cash balance brought forward of UGX.134,172,095 from FY 2019/2020 and received UGX.8,035,212,980 making total cash available for spending in FY 20/21 of UGX.8,169,385,075. Out of the total cash available to spend, only UGX.3,730,897,866 was actually spent by the entity, representing an absorption level of 46%. This resulted into a balance of UGX.4,438,487,209 (54%) as unspent funds. • I compared the consolidated procurement plan, monthly procurement reports and procurement files availed and established that a number of procurements worth UGX.2,621,000,000 were not completed as of 30th June 2021. • Failure to implement planned activities despite availability of funds. • I noted that the Board sat only once during the year under review on 16th September 2020. I also noted that the Chairperson of the meeting did not sign the minutes for the meeting. • I noted that the Board had not developed some governance policies, manuals and other documents that would help in the smooth running of

		<p>the Authority.</p> <ul style="list-style-type: none"> The Authority received from the Treasury UGX.13,237,853,910 for the last three financial years to deliver its mandate; however, no tangible results are indicating that it is effective. I established that procurements worth UGX.62,390,000 were implemented during the year, and yet they were not in the Authority's consolidated procurement plan.
5	<p>Competitiveness and Enterprise Development Project (CEDP) Component 2-5 IDA Credit Agreement CR 52690-UG PROJECT ID P130471. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> Competitiveness Enterprise Development Project (CEDP) approved budget for the Financial Year 2020/2021 was UGX.24.18Bn Comprising: UGX.23.5Bn IDA funding and UGX.742.3Mn GoU contributions. Expenditure was UGX.17.4Bn, yielding a 72% budget performance. The facility's construction certified completed civil works was at 95% on 28th November 2021, and that out of the contract amount of UGX.46,168,410,564, a total of UGX.38,463,565,811 (83.3%) has been paid so far. The construction of the Building works at UHTTI was expected to be completed by 25th April 2019, and several extensions were entered into up to 30th June 2021. By the time of my field inspection, construction was still ongoing.
6	<p>Great Lakes Trade Facilitation Project (GLTFP). 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> I noted that the project management had failed to achieve its objectives by the initial project closure date of 31st December 2020. As at 30th June 2021, a total of UGX.6.862Bn representing 62% was available for spending as indicated in the Statement of Financial performance leaving a budget deficit of UGX.4.106Bn representing 38%. Audit noted that out of UGX.6.862Bn total funds available for use during the year, the project managed to utilize UGX.4.423Bn in the implementation of various project activities, leaving an unspent balance of UGX.2.439Bn (25% of the available funding).
7	<p>Ministry of Trade, Industry and Cooperatives 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> I reviewed the approved revenue estimates for the financial year 2020/2021 and noted that the Ministry budgeted to receive Revenue of UGX.233.147Bn during the year under review. The entity received UGX.230.417Bn as releases from the consolidated fund representing the overall performance of 98%. The Ministry budgeted to collect UGX.0.072Bn but realised UGX.0.053Bn, hence a shortfall of UGX.0.019Bn representing 25.4% of the budget. Out of UGX.230.417Bn released for various activities, UGX.229.123Bn was spent by the entity resulting into an unspent balance of UGX.1.294Bn representing an absorption level of 99%. Analysis of the vote performance revealed that a number of programs remained outstanding at the year-end, leaving a total unspent balance of UGX.2.0726Bn. The entity charged different expenditure codes for several expenditure items from those stipulated in the chart of accounts. This resulted in mischarging of expenditures worth UGX.81,083,608. Analysis of domestic arrears over the past three years has shown an upward trend in arrears from UGX.10.4Bn in 2018/19 to UGX.19.4Bn in 2020/21. I observed that the Ministry had not paid verified domestic arrears worth

		<p>UGX.16.743Bn.</p> <ul style="list-style-type: none"> • I noted that the Ministry accrued domestic arrears worth UGX.242Mn during the financial year. • I noted that a total of UGX.159,543,267 paid to service providers and advances to various staff was not adequately supported with accountabilities and supporting documents such as requisitions, receipts, activity reports, minutes of meetings. • Payments amounting to UGX.73Mn were advanced to personal accounts of staff to make onward payments to suppliers for services like office internet, hotels, workshop related expenditure, among others. • I noted that as of 30th June 2021, several compensations claim worth UGX.165Bn by some Cooperative Societies had not been verified. There was also no evidence that verification teams had been constituted to undertake the verification exercise. • Examination of records revealed that for some Cooperatives, the amounts to be paid as compensation for war losses were in excess of the amounts originally claimed by the Cooperatives. • I noted that payments amounting to UGX.14Bn were made to persons and law firms other than the beneficiary Cooperative Societies. • review of the procurement processes revealed that, for eight (8) procurements valued at UGX.282,626,237, the estimated market prices approved by the Accounting Officer on Form 5, were the same as those quoted by the best-evaluated bidder and subsequently awarded. I observed that the evaluation committee and Contracts committees did not detect the questionable coincidence. • The ministry acquired a lease on an already existing lease for land and subsequent loss of funds.
8	<p>Uganda National Bureau of Standards. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • The Bureau was unable to activate the use of the Digital Tracking System (DTS) to enforce conformity to standards of selected items and claim the associated fees due to absence of an enabling regulation to operationalise the Service. As a result, the Bureau was unable to claim for a total of UGX.13Bn charged on goods and services for conformity stamps issued by the provider towards conformity enforcement. There is a risk of misuse of the amounts involved by the private provider. • The Bureau released 366 consignments without testing due to lack of capacity and another 633 consignments released due to the absence of standards to test these commodities for conformity. Lack of capacity may lead to the release of sub-standard products to the market. • I noted that out of the approved staff structure of 666 positions, the Bureau had only filled 439, leaving a staffing gap of 227 (34 %). As a result, there was staff presence at only 27 out of the 170 border entry points. There is a risk of sub-standard goods entering the country through border points where the Bureau staffs are not present. • It was noted that procurements to the tune of UGX.2.735Bn were not completed as of 30th June 2021. This was attributed to several reasons, including failure to attract competitive bidders for some procurements, delayed submission of clear specifications, especially for specialised equipment, late submissions/ initiations of procurement requisitions by the users, as well as delayed deliveries due to COVID-19 especially for specialised Equipment. Un implemented activities imply that the provision of critical government programs and associated services were delayed.

9	Uganda Development Corporation (UDC). 2020/21 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • Out of the total funds received of UGX.137.27Bn only UGX.63.39Bn was spent by the entity during the year, resulting into an unspent balance of UGX.73.88Bn representing an absorption level of only 46%. I noted that out of the 17 development project activities planned to be implemented during the period under review, only (3) three development projects were fully implemented, while Five (5) development projects were partially implemented, Eleven (11) projects were not implemented at all. Failure to fully absorb funds by the Corporation, leads to non-achievement of development objectives. • The UDC Act 2016 requires capitalisation of UDC to the tune of UGX.500Bn. The same Act also established an Industrial and Economic Development Fund which was to be run by the UDC. However, 5 years later, the company has never been capitalised to that tune; currently the capitalisation grants have accumulated to UGX.311Bn and the Industrial and Economic Development Fund has never been operationalized. The current funding model, is such that capitalisation grants over the years come assigned to specific projects which nullifies the investment appraisal process of UDC. This has the disadvantage of earmarking funds for investments that are not ready or even viable leading to the low absorption noted above. • An amount of UGX.30.46Bn was invested in various companies by UDC during the year without valuation. Shareholding in these companies had not been secured by the time of reporting. There is a risk of loss of value. • Although the UDC Act 2016 provides that the Corporation will take over the interest of government in seven entities specified in schedule 2 and to manage, promote and facilitate the interest of the government in those entities, 5 years later, this had not been done except for Nile Hotel Limited. The other entities include: Amber House Limited, Embassy House, Development House, Munyonyo Commonwealth Resort, Phoenix Logistics and Tri-Star Apparels Limited. There is a risk of loss of strategic direction and government may not be aware whether the national objectives of import substitution, employment and industrialization are being met by these entities.
10	Uganda Authority. 2020/21 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • The Authority received off-budget financing to a tune of UGX.50.43Bn, which was not transferred to the consolidated fund as required by law. These funds were received directly from development partners to the EPC contractor for the Development of infrastructure at Kampala Industrial and Business Park, Namanve. Off-budget financing distorts planning, may result into duplication of activities and is contrary to the Public finance Management Act 2015. • The approved budget estimates for the Authority for the financial year 2020/2021 indicated that only UGX.22Mn out of UGX.2.411Bn was budgeted towards the settlement of domestic arrears. The arrears balance of UGX.2.389Bn was therefore not budgeted for settlement. Failure to provide resources for the accumulated arrears increases outstanding obligations. • The Authority continued to accumulate domestic arrears with a total of UGX.1.768Bn incurred in the financial year under review, without clearing outstanding arrears from the previous financial year 2019/2020 of UGX.2.411Bn. The total accumulated domestic arrears stood at UGX.4.18Bn at 30th June 2021. This is an indicator of non adherence with the commitment control system of government. • During inspections countrywide, I observed that the industrial parks lack or had inadequate infrastructures like roads, solid waste and sewage

		<p>management systems, power supply, street lights etc. The Parks have been characterized by encroachment, farming and cattle grazing, degradation of nearby swamps, unallocated land, idle land allocated to unserious investors and misunderstandings between investors and park management staff. Most roads are impassable and with inadequate lighting which exposes the parks to thefts and insecurity. I observed that some factories in the parks have set up their own infrastructure which may not be sustainable, and to the desired standards. This may negatively affect the usage and utilization of the parks.</p> <ul style="list-style-type: none"> • The Authority lacks regulations required under Section 38(1) of the Investment Code Act to operationalize the statute. This may hinder the smooth implementation of the Act which is meant to create an investment enabling environment. • Although the Authority has 124 approved positions, only 78 (i.e. 62.9%) are filled, leaving 46 (37.1%) vacant positions. Among the vacant positions include 24 unfilled positions that are from the core Directorate of Investment which is the backbone of UIA. Understaffing undermines service delivery.
	TOURISM SECTOR	<ul style="list-style-type: none"> •
1	<p>Uganda Hotel and Tourism Training Institute (UHTII) 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • Management failed to collect tuition fees and accumulated receivables to the tune of UGX.460Mn by close of the financial year, with some debts dating as far back as 2014. I observed that some students who had not cleared fees had completed their studies, graduated and even obtained their certificates rendering such receivables uncollectible. • I noted that the entity had prepared a new strategic plan, but had no proof of certification and approval of its plan by NPA. Management explained that the exercise was interrupted by Covid-19 Lock down and closure of schools. • Out of 175 approved posts for the Institute, only 127 were filled, resulting into a staffing gap of forty-eight (48) positions. Furthermore, seven (7) positions were filled by staff in an acting capacity including the Position of the Principal. Staffing gaps limit the Institute's ability to effectively deliver the intended services.
2	<p>Uganda Hotel and Tourism Training Institute. 2019/20</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted that the budget is not aligned to the specific outputs and therefore, I could not analyze the outputs achieved and planned in line with the approved budget. • I noted that at the time of the audit (June 2020), out of the planned eight (8) strategic targets/goals, one (1) target had been fully achieved, six (6) were partially achieved while one (1) target was not achieved at all. • The entity budgeted to collect NTR of UGX.2,064,355,474 during the year under review but only UGX.1,146,143,225 was collected. • Out of the total receipts for the financial year of UGX.5.296 billion, UGX.4.774Bn was spent. • I noted that the entity had outstanding receivables totalling to UGX.181,480,747 • Failure to Develop Performance Agreements/targets for Senior Managers. • The Institute procured assorted items valued at UGX.36,097,220, however, I was not provided with stores documentation such as Ledgers,

		Stock cards and Goods Received Notes.
3	Uganda Wildlife Education Conservation Centre (UWEC). 2019/20 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • Out of the 29 quantified outputs/activities assessed, 20 outputs/activities representing 69% were fully implemented; 4 outputs/activities representing 14% were partially implemented while 5 outputs/activities representing 17% were not implemented at all. • I noted that out of the budgeted NTR of UGX.5,360,000,000; only UGX.3,737,222,734 was collected representing performance of only 70% of the target. • I noted that the construction of the floating restaurant stalled. To date, the project is still at the first-floor stage and has since not been opened to the public. • A review of UWEC records revealed that UGX.6.6million was spent for resurveying the land on which the Centre is located. However, by the time of audit, the title had not been transferred to the Centre's names.
4	Uganda Wildlife Research and Training Institute (UWRTI). 2019/20 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I observed that out of the budgeted NTR of UGX.435,000,000, only UGX.328,287,026 was collected representing a performance of 75% of the target. • I noted that although the entity received more funds than were budgeted some of the activities remained either partially or not implemented at all. • I observed that UGX.52,224,850 was paid directly to staff accounts to procure particular items or pay other staff members yet the funds in question, could have been paid directly to the intended final beneficiaries. • A review of the staffing structures for the UWRTI revealed that, out of the total approved structure of 46 staff, only 23 (50%) positions were filled while 23 (50%) positions had not yet been filled. • I noted that several direct procurements amounting to UGX.122,943,179 were made by the entity without justification for use of the direct procurement method. • I observed that the Governing Council is not fully constituted, since a representative of the Academic Board has not been nominated.
5	The Handicraft and Souvenir Development Project (HSDP) in Uganda for the year ended 31 st Dec 2020. <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted that cumulatively a total of USD.940,460.00 had been disbursed to the Project by 31st December 2020, out of which USD.430,916.94 had been utilized, leaving a closing balance of USD.509,543.06 as at 31st December 2020. • It was also noted that no activity had been fully implemented/completed as of the time of this audit as they all remained either partially achieved or not achieved at all.
6	Nile Hotel 2020/21 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted that out of the budgeted revenue of UGX.2.041Bn from Concession fees and Investment income from fixed deposits, only UGX.1.191Bn was received, representing a performance of only 58% of the target. Failure to realise all budgeted revenue affects the implementation of planned activities. This was attributed to the effects of the COVID19 pandemic on the Tourism sector. • I noted that the entity is not in possession and is not aware of the exact whereabouts of the land title to the land on which Serena Hotel Kampala, is seated. The land is located on Plot 16-20 Nile avenue measuring 19.3 acres. The land is listed as part of the assets in the concession agreement

		that was signed between the Government of Uganda and TPS Uganda Limited and was leased by ULC and Nile Hotel International Ltd (NHIL) in 1995.
7	Uganda Wildlife Authority. 2020/21 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • This being the first year of implementation of the NDP-III, the entity was expected to prepare a strategic plan aligned to NDP III and ensure that the plan was approved. • I reviewed the NTR estimates, revenue sources and rates charged at vote level for the financial year 2020/2021 and noted that the entity budgeted to collect NTR of UGX.82.Bn (Exclusive of UGX.30Bn prior-year surplus approved for re-investment during the year under review). • The entity budgeted to receive UGX.6.24Bn from donors, however, UGX.5.74Bn was realized, resulting into a shortfall of UGX.501Mn (8%) of the budget. • The entity budgeted to receive UGX.0.72Bn, out of which UGX.0.762Bn was received, resulting into an excess receipt of UGX.0.042Bn, representing 5.8% of the budget • I noted that Management re-assessed its revenue performance and requested the Board to approve a contingency plan to limit the expenditure of the Authority to only UGX.72.595Bn in line with the reduced revenue collections to finance only priority activities in the original approved budget of UGX.119.469Bn for FY 2020-2021. • I noted that the Authority prepared and submitted all the quarterly reports to the line ministry. However, there were delays in submission of Q1, Q2 & Q4 performance reports due to the effect of the covid-19 pandemic. • I noted decreasing Tourism Revenues due to Covid-19 Effect. • It was observed that the Authority has a total outstanding receivables balance of UGX.3.303Bn in the statement of financial position, of which UGX.2.244Bn are unpaid overdue fees from concessionaires that have been outstanding for more than a year. • It was noted that the entity has outstanding payables of UGX.71.655Bn in the statement of financial position of which UGX.8.422Bn are accrued staff gratuity that becomes due at the end of each staff's four year contract. • UWA had only disbursed UGX.642,455,690 in respect of revenue sharing for the surrounding communities in Lake Mburo National Park, leaving a balance of UGX.9,697,730,137 un-disbursed. • The Accountabilities of the disbursed grants have not yet been availed by the beneficiary communities through to the district local governments by the time of audit on 3rd November 2021. • I noted that whereas the Human Resource unit is critical in managing staff-related affairs, it is only situated at the headquarters and comprises five (5) staff. • Non-integration of gorilla booking system to the accounting system. • It was noted that most of the Protected Areas in Uganda are currently undergoing ecosystem changes as rangeland infestation by invasive and exotic plant species.
8	Wildlife Research and Training Institute 2020/21	<ul style="list-style-type: none"> • I reviewed the NTR estimates, revenue sources and rates charged at vote level for the financial year 2020/2021 and noted that the entity budgeted to collect NTR of UGX.0.495Bn during the year under review. Out of this,

	<p><u>Opinion</u> Unqualified</p>	<p>only UGX.0.200Bn was collected, representing a performance of 40.6% of the target.</p> <ul style="list-style-type: none"> • The entity budgeted to receive UGX.3.931Bn during the period, out of which UGX.2.531Bn was warranted, resulting into a shortfall of UGX.1.4Bn, which is 36% of the budget. • A review of the staffing structure for UWRTI revealed that out of the total approved structure of 47 staff, only 23 (49%) positions were filled and 24 positions (51%) had not yet been filled. • A review of the procurement files revealed that the Institute awarded contracts to various providers totalling UGX.519Mn without carrying out market assessments/surveys.
9	<p>Uganda Wildlife Education Conservation Centre. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted that UWEC is one of the entities affected by the Government rationalisation policy on mergers anticipated to be concluded in 2023. By the time of reporting, discussions on transitional arrangements were ongoing. However, I was not provided with the transitional plans for a smooth merger. Delayed decision making leads to costly mergers and uncertainty amongst the stakeholders. • Five (5) procurements with a total value of UGX.3.239Bn were not implemented as planned due to insufficient release of funds from GOU and the adverse effects of the covid-19 pandemic resulting into delayed service delivery. • Although some electronic equipment and motor vehicles at cost of UGX.331Mn had been fully depreciated as per the previous financial year, they were still in use. Under the circumstances, the benefits accruing from them are not matched with their usage/expenditure. Management explained that the revaluation of assets had started, but COVID – 19 effects hindered the process.
10	<p>Ministry of Tourism, Wildlife and Antiquities. 2020/21.</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • The entity budgeted to receive UGX.27.408Bn out of which UGX.22.934Bn was warranted, resulting into a shortfall of UGX.4.474Bn which is 16.3% of the budget. This affected implementation of planned activities. I further noted that the Ministry did not seek a revision of its budget and work plan, as provided for by Section 17 (3) of the PFMA 2015, following the revenue shortfall. • Out of the approved staffing level of 334, the Ministry has only 201 positions filled (60.2%) leaving a staffing gap of 139 positions (39.8%). Included in the unfilled positions are key ones (1 Director, 3 Asst. Commissioners and a Principal). Inadequate staffing results into heavy workloads on existing staff and affects the Ministry's performance which in turn affects the overall level of service delivery. • The Ministry of Tourism, Wildlife and Antiquities entered into an MOU with a foreign company on 5th February 2020 to enable Uganda host the 2020 edition of MTV Africa Music Awards (MAMA) on 13th June 2020. The agreed sponsorship fee was USD.3,500,000 (equivalent to UGX 12.6Bn). The first installment of UGX.10.4Bn was paid on 12th March 2020. However due to the COVID 19 pandemic which came about in March 2020, staging of the event could not take place as earlier planned. On 9th November 2020 an addendum was signed between MTWA and the company to modify the function so that it is held virtually on 20th February 2021. Thereafter a second installment of UGX.2.596Bn was paid on 19th January 2021. However, due to a heightened electoral season, the grand finale did not take place. Consequently, the organizers announced cancellation of the function on 14th June 2021.

		<ul style="list-style-type: none"> Attention is drawn to Note 19 of the financial statements in which management made a provision to reduce the receivable amount from UGX.13Bn to UGX.3.2Bn given the preliminary findings by a company engaged to assess recoverability of the funds.
11	<p>Uganda Tourism Board. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> Contrary to Section 45 (3) of the Public Finance and Management Act, 2015, the Board failed to implement procurements worth UGX.2.79Bn which had been indicated in their procurement plan. Unimplemented procurements signify unimplemented activities and therefore delayed service delivery. Contrary to Section 26 (4) of the PPDA 2003, procurements for stationery worth UGX.1.67Bn were concluded without carrying out market assessments. As a result, I could not establish how the estimated unit cost for these procurements was arrived at, thus implying that the procurements may have been awarded at exorbitant costs. A review of the Board's establishment structure revealed that 38 posts out of the approved 85 remained vacant during the year, indicating a 45% understaffing level. Most notable among the vacant positions are key staffs like the Director Marketing, Director Quality Assurance, Director Finance and planning, and Manager Human Resource. Inadequate staffing levels not only deprive the entity of the skills required to enhance service delivery but also frustrates segregation of duty.
	<p>WATER AND ENVIRONMENT SECTOR</p>	<ul style="list-style-type: none">
1	<p>Kampala Sanitation Program (KSP) Closure 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> Contingent Liabilities A contractor's global claim of Euros 25,043,073 arising from the contractual obligation of extension of time and causation of delays in project completion which was approved; A compensation claim of UGX220 Million which is now before the Land Division of the High Court Civil suit No.109 of 2019 and thus the outcome of the compensation claim will be determined by court; A compensation of UGX1.15 Billion which is now before the Land Division of the High Court HCCS NO. 518 of 2016 and thus the outcome of the compensation claim will be determined by court.
2.	<p>National Forestry Authority 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> The Authority prepared and had its strategic plan for the period 2020/2021 to 2024/2025 approved by the Board, however there was no certification from NPA. Out of the approved NTR estimate of UGX 12.966 billion, the Authority collected UGX 10.372 billion representing a performance of 80% of the target. Out of the approved GoU budget of UGX. 42.582 billion, UGX. 32.074 billion (75.3%) was warranted, resulting in a shortfall of UGX. 10.508 billion (24.7%). Of the total receipts for the financial year of UGX 32.074 billion, only UGX 31.304 billion was spent by the entity representing an absorption level of 97.6%. Out of the six (06) outputs with a total of twenty (20) activities and budget of UGX 42.12 billion, five (5) outputs with a total of fifteen (15) activities were fully quantified while one (1) output with a total of five (05) activities was not quantified at all. Of the 5 outputs with 15 activities worth UGX.31.68 billion assessed for budget implementation, 01 activity (6.7%) was fully implemented, 13 activities (86.6%) were partially implemented, while 1 activity (6.7%)

		<p>was not implemented at all.</p> <ul style="list-style-type: none"> I noted a significant receivables balance of UGX 8,268,255,693 at close of the financial year which impacts the liquidity capacity of the Authority. There were irregularities in forest land utilization with four (4) unlicensed Central Forest Reserves (one in Kajansi and three in Lutoboka) and 24 non-complying developers in CFRs. I noted irregularities in forest land utilization, inactive private tree planters in CFRs, non-operationalisation of the Tree Fund, Out-dated Forest Reserve Management Plans and major encroachment on CFRs.
3	<p>Uganda National Meteorological Authority (UNMA). 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> The Authority collected NTR of UGX 317,259,177 out of the estimated UGX 1,259,080,696 representing a performance of 25.2%. Out of the budgeted revenue of UGX 26,675,604,875, only UGX 19,025,934,156 was realized representing performance level of 71.3% of the target. Out of UGX 19,025,934,156 warranted, UGX 17,970,307,440 was absorbed by the authority leaving unspent balance of UGX 1,295,279,000 representing 94.5% absorption level. The Authority received off-budget financing of UGX. 668,042,740 Five (5) outputs with a total of twenty-eight (28) activities and expenditure worth UGX 5,094,648,000 were fully quantified, while Three (3) outputs with a total of thirty-seven (37) activities and expenditure worth UGX 2,682,683,000 were insufficiently quantified. Of the 5 outputs with 28 fully quantified activities, 7 activities (25%) were fully implemented, 10 activities (35.7%) were partially implemented, while 11 activities (39.3%) remained unimplemented. There was delayed completion of the Radars in Mwizi-Rwampara and Lira due to the restrictions of Covid 19 lockdown. The average functionality of all the weather stations is at 89% instead of the desired 100% resulting from the non-functional meteorological equipment.
4	<p>Investment plan preparation grant for the strategic plan for climate resilience. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> Two out of the three (3) sub objectives of the Project, were fully achieved while the third objective of building capacity of both national and subnational stakeholders in the management of climate change disasters was partially achieved. Out of the approved grant of USD 1,500,000, only USD 1,391,587 has so far been disbursed (92.77%) leaving an undisbursed amount of USD 108,413 (7.23%). Out of the Project available funds of USD 290,641.50 (UGX 1,063,396,206), USD 160,807.11 (55.33%) was spent leaving an unspent balance of USD 129,834.39 (44.67). All the nine (09) activities with a total budget of USD 290,641.50 (UGX 1,063,396,206) planned for implementation in the financial year 2020/2021 were properly quantified. Out of nine (09) planned activities for implementation, six (06) activities (66.67%) were fully implemented; one (01) activity (11.11%) was partially implemented while two (02) activities (22.22%) were not implemented at all. Payables relating to 6%WHT had accumulated to UGX 36,025,563 from UGX 24,878,054 reported in the prior year financial statements. Statutory deductions amounting to UGX 11,147,509 relating to 6%WHT

		were not remitted to the Uganda Revenue Authority.
5	<p>Integrated Water Management and Development Project- NWSC 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> No material findings to report.
6	<p>National Water and Sewerage Corporation- Kampala Water Lake Victoria Water and Sanitation (KW-LV WATSAN I) PROJECT 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> I noted that NWSC delayed to pay the Contractor and as a result, the contractor claimed for interest of Euros 141,968 approximately UGX.610 Million. I also noted changes in the scope of the contract which resulted into a contract variation of Euros 612,000 (approximately UGX 1.4 Billion).
7	<p>NATIONAL ENVIRONMENT MANAGEMENT AUTHORITY</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> The Authority collected NTR of UGX.8,084,594,955 (50.2%) against the estimated UGX.16,088,769,336 as projected by Ministry of MOFPED. However, there were no NTR estimates indicated in the statement of appropriation. Out of the budgeted GoU revenue of UGX.25,555,655,669 by the Authority, only UGX 18,809,799,829 was warranted representing performance of 73.6% of the target. I noted that out of the UGX.18,809,799,829 released to the Authority, only UGX.18,494,875,926 was spent representing an absorption level of 98.3%. Subsequently, the unspent funds amounting to UGX.314,923,903 were swept back to the Consolidated Fund. The Authority received off-budget funding to the tune of UGX.1,963,413,072 and USD 2,805,651,484 which were not appropriated as required by the law. 9 (69%) of the 13 activities (against which UGX 9,707,487,720 was released) were fully implemented and 4 (31%) of the activities were partially implemented. Contrary to the directive from the Ministry of Finance, during the financial year a total of UGX 441,857,268 was deposited directly into the National Environment Fund (NEF) account as NTR and this amount was not remitted to the consolidated fund. The Authority does not have any legal provision to regulate the work of the Environment Police. In addition, the funds to facilitate the work of the force were not budgeted for in the annual work plan and budget. Financial records indicate that only UGX.21,280,000 was spent on the force during the year. I noted that all the wetlands in Uganda are not gazetted, contrary to Section 2 of the National Environment Act 2019, although they are indicated on the maps. In addition, contrary to Instrument 2 of the National Environment Act, 2019 (Commencement) that empowers the Authority to enforce wetland gazettement, the Authority went ahead to collect NTR from wetland user permits amounting to UGX 8,800,000

		during the financial year 2020/21.
8	Strategic Towns Water Supply and Sanitation Project. 2020/21 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • Out of the total budget of UGX 40 Bn for the financial year, only UGX 19.24 Bn was received representing a performance level of 48%. Out of the amount received, UGX.18.88 Bn was spent during the year representing an absorption level of 98.13%. • I noted that of the 12 quantified activities worth UGX.35.63Bn assessed, 8 activities representing 66.7% were partially implemented, while 4 activities representing 33.3% were not implemented at all. • I noted slow progress of work for Construction of Kayunga – Busaana water supply system due to failure to access imported materials as a result of the COIVD 19 pandemic.
9	Irrigation for Climate Resilience Project 2020/21 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • Out of the budgeted revenue of USD 13,641,026, only USD 6,305,937 (46.2%) was realized representing performance level of 46.2% of the target. Out of USD 6,305,917, disbursed, there was no absorption by the project as at close of the financial year. • Twenty-two (22) outputs with a total of thirty three (33) activities and budget of USD 13,641,026 were fully quantified as required. Out of 22 outputs with a total of 33 activities, only 1 activity (3%) was fully achieved, 27 (82%) were partially achieved and 5 activities (15%) were not implemented at all.
10	Enhancing Resilience of Communities to Climate Change (EURECCCA) 2020/21 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • At the end of the initial project completion date of 30th April 2021, all the four project components had been partially achieved and thus, the project completion date was extended to 30th April 2022. • Out of the approved budget of UGX 17,768,973,403 (USD 4,670,392), UGX 7,799,443,700 (USD 2,050,000) was realized representing a performance of 43.9%. Out of the total available funds of UGX.8,690,311/616, a sum of UGX.8.541,200,193 was spent representing 98.3% absorption. • All the 15 planned outputs with a total of 42 activities were fully quantified to enable assessment of performance and enhance accountability. Out of the 42 planned activities 19 (45.2%) were fully implemented, 22 (52.4%) were partially implemented and 1(2.4%) was not implemented at all.
11	Nyabyeya Forestry College (NFC) <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • The College does not have an approved strategic plan for the period 2021-202 and lacks an enabling law that stipulates its mandate. There is a risk that activities implemented during the financial year 2020/2021 were not aligned to the NDP-III, which negatively affects the achievement of the National Development objectives • Out of the total receipts of UGX 2,753,839,117 for the financial year, UGX 2,911,962,444 was spent resulting into an over expenditure of UGX 158,123,327 representing an absorption level of 106%. The over absorption of funds was due to the opening balances for civil works executed even during the Covid-19 lockdown. • I noted a decline in students' enrolment from 431 students in 2016/17 to 256 students in 2020/21. Continued fall in enrolment may result in the College's failure to achieve its mandate of producing technical human resource in forestry and related natural resources through training.
12	Farm Income Enhancement and Forestry Conservation Project Phase II (FIEFOC)	<ul style="list-style-type: none"> • The Project has not fully achieved the three project subcomponents of Agriculture Infrastructure Development, Agribusiness Development and

	<p>II). 2020/21</p> <p><u>Opinion</u> Unqualified</p>		<p>Integrated Natural resources Management which had been set to be achieved by 30/06/2021.</p> <ul style="list-style-type: none"> The project had an approved annual budget of UGX 111,249,503,000 out of which UGX 63,414,586,000 (57%) was received leading to a shortfall of UGX 47,834,917,000. Out of the total funds received of UGX 63,414,586,000, a total of UGX 63,250,130,000 was spent, representing an absorption level of only 99.7%. Out of the Nine (9) outputs with a total of twenty-nine (29) activities and expenditure worth UGX 51,914,542,000, six outputs with a total of twenty six (26) activities were fully quantified, while three outputs with a total of three (3) activities were not quantified at all. Of the 6 outputs with 26 fully quantified activities, 18 activities (70%) were fully implemented, 4 activities (15%) were partially implemented while 4 activities (15%) were not implemented. I noted that the Project extended loans to beneficiaries to the tune of UGX.2,315,145,994. However, out of the amounts due for collection of UGX.1,364,364,026, only UGX. 45,062,600 (3.3%) had been recovered by 30th June 2021, leaving a balance of UGX 1,319,301,426 outstanding. There is slow progress of works at Wadelai irrigation scheme with major outstanding works, such as; main canal not completed; Embankment not completed with only 0.5km out of 2.3km fully worked on; 3 secondary canals half-done leaving 2 not yet started on; 7 out of 8 tertiary canals for secondary canal 1 done and none for the other 4 secondary canals done; Farm land clearing not done; and Eco system scheme toilets not done.
13	<p>Integrated Management Development (IWMDP) 2020/21</p> <p><u>Opinion</u> Unqualified</p>	Water and Project	<ul style="list-style-type: none"> Out of the approved budget of UGX 70,327,857,900, UGX.52,949,933,856 (75.3%) was availed for spending leading to a shortfall of UGX.17,377,924,044. Out of the total funds available for the financial year of UGX.52,949,933,856, UGX.20,830,393,625 was spent representing an absorption level of only 39.3%. Fifteen (15) outputs with a total of twenty-seven (27) activities and expenditure worth UGX.14,957,387,000 were fully quantified, while one (1) outputs with one (1) activity was inadequately quantified. Of the 15 outputs with 27 fully quantified activities, 2 out puts (13%) were fully implemented, 6 out puts (40%) were partially implemented while 7 out puts (47%) were not implemented. Review of the project appraisal document, the monitoring and results framework analysis report of October 2021 together with annual progress reports revealed that the rate of achievement of project targets is slow as a result of procurement delays.
14	<p>Northern Uganda Resilience Initiative Project 2020/21</p> <p><u>Opinion</u> Unqualified</p>		<ul style="list-style-type: none"> Out of the total rolled over funds of UGX.1,520,434,217 from the previous financial year, the project spent UGX.1,055,516,512 (69%) leaving an unspent balance of UGX.464,917,705 (31%). Out of the 17 planned activities for the financial year 2020/2021, only 2 activities were quantified as required leaving 15 activities unquantified. Of the 17 activities planned; 5 (29%) were fully implemented, 6 (35%) were partially implemented, 1 activity (6%) was not implemented while 5 activities representing 29% were not reported on in the annual performance report.

15	<p>Third National Communication (TNC) 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • Out of an approved budget of USD.173,474, USD.83,000 was disbursed representing a performance level of 47.8% of the target. • Out of the total available funds for the year of US\$ 92,304.34, the project spent US\$ 60,493.32 representing an absorption level of 65.6%. As a result some activities were not implemented. • All the 16 outputs with a total budget of USD.173,474 and actual expenditure of 60,555.97 were not quantified at all.
16	<p>Water Supply and Sanitation on Refugee Hosting Communities in Northern Uganda Funded By (Kfw) Project KfW 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • Out of the Project budget of UGX. 20,868,100,000, a sum of UGX 9,204,079,893 was disbursed by the donor, representing a performance level of 44.1% of the target. • Out of the total receipts of UGX 9,204,079,893 from KfW, UGX 8,523,847,919 (92.6%) was spent by the Project, resulting into an unspent balance of UGX 680,231,973 (7.4%). • Both projects outputs with 10 planned activities were fully quantified and; 1 activity (10%) was fully achieved, 8 activities (80%) were partially achieved, while 1 activity (10%) remained unimplemented.
17	<p>Uganda National Redd - Plus Support Project</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • The project had 2 sub components which had not been fully achieved. • The project had an approved revenue budget of USD.644,500 for the year under review but only USD.250,000 (38.8%) was disbursed. • Out of the total funds available for spending of USD.475,919.18, only USD.249,763.51 (52.18%) was spent leaving an unspent balance of \$ 226,155.67 (48.82%). As a result certain activities were not implemented. • All the 10 outputs comprising 57 activities with a total budget of USD.2,210,799 were properly quantified. • The draft progress report was not detailed to enable assessment of implementation of activities against planned.
18	<p>Ministry of Water, and Environment (MoWE) 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted that the entity had not prepared a specific strategic plan as required by the NDP III and was instead utilizing an Investment plan (2030). • I noted that out of the estimated NTR collection of UGX 8.97 billion, only UGX1.39 Bn was realized, representing a performance of 15.5%. • Out of the approved budget of UGX. 457.52 Bn, a sum of UGX. 452.01 Bn (98.8%) was released, resulting in a shortfall of UGX. 5.52 Bn (1.2%) of the budget. • Out of the total receipts for the financial year of 452.01 Bn, a sum of UGX. 453.24 Bn was spent by the entity resulting in an unspent balance of UGX 5.58 Bn, representing an absorption level of 98.7%. • As a result of the under absorption, I noted that of the 72 quantified activities worth UGX.388.26Bn assessed; 15 activities representing 27.3% were fully implemented, 38 activities representing 69.1% were partially implemented, 2 activities representing 3.6% were not implemented .I further noted that there was delayed submission of performance reports. • The Ministry incurred penal interest of UGX.103,632,504 (USD.32,218) arising from delayed payment to the contractor. • I noted that the Ministry's Payables amount significantly increased from UGX.64.3 billion in the previous year to UGX.114.5 billion in the current

		<p>year due to the increasing number of multi-year projects in the ministry.</p> <ul style="list-style-type: none"> I noted that the Ministry's Receivables amount significantly increased from UGX.1.3 million in the previous year to UGX.22.4 billion in the current year. This was attributed to prepayments made to contractors (UGX.19.3 billion) and the outstanding letters of credit (UGX.3.1 billion) for on-going projects in the Ministry. From my audit and field inspection of facilities, regional centres and Umbrella Organisations, I observed several weaknesses in service delivery such as; untitled land for piped water systems and schemes; delayed execution of works; outstanding revenue arrears; unmetered water schemes, Lack and faulty bulk meters; among others.
19	<p>Support to Priority Irrigation Investments in Uganda Grant 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> All the budgeted revenue from Government of USD.949,422.62 was realised representing a performance of 100% of the target. Out of the donar funds of USD.949,422.62 received, only USD 117,475.04 was absorbed by the project representing an absorption level of 12.4%. The Under absorption was attributed to Covid-19 effects. All the Six (6) outputs with a total of six (6) activities and expenditure of USD.117,475.04 were fully quantified. Four (4) out of six (6) outputs had not been achieved despite the fact that the initial Project completion period had been 30th June 2020. This was later extended to 30/06/2021 and another extension to 31/3/2022.
20	<p>The Adapting to Climate Change In Lake Victoria Basin. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> Out of the budgeted revenue of USD.249,377, only USD.194,645.56 was received representing performance level of 78% of the target. Out of the total disbursements for the period of USD.273,590.56 (equivalent UGX.998,518,150), only USD.38,215.11 (UGX.141,282,999) was absorbed by the project representing an absorption level of 14%. All the three (3) outputs with a total of eleven (11) activities and budget of USD.249,377 were fully quantified. Out of the 3 quantified outputs with 11 activities, 5 activities (45.5%) were fully achieved, 2 activities (18.2%) were partially achieved and 4 activities (36.3%) were not implemented at all.
21	<p>South Western Cluster Water and Sanitation Project – NWSC 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> No material issues to report on
22	<p>National Water and Sewerage Corporation (NWSC) 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> The financial statements under Note 28 include a Financial Asset in form of Trade Receivables. Management has estimated the fair value of the net financial asset receivable to be UGX 133.7 billion as at 30th June 2021 of which, the net amount of receivables UGX38.2bn is owed from the government and its MDA (Ministries; Departments and Agencies). I noted that NWSC leased vehicles, offices and land under operating lease contracts whose terms were more than twelve (12) months, which were classified as; Right of Use asset amortization (UGX 87.8m) Right of Use Lease Assets (UGX 12.4bn) and Obligations due to Right of Use Leased Assets (UGX 8.4bn). Liabilities were not amortised annually using effective interest method in order to arrive at the amortised costs for

		<p>profit and loss recognition although the necessary disclosures were made in the financial statements.</p> <ul style="list-style-type: none"> I noted that freehold land (UGX. 176.5bn) and leasehold land (UGX. 4bn) included some land that had expired lease periods, some titles were not yet transferred in the names of NWSC, and Katosi, which is a long term investment constructed on a short term leased land of ten (10) years. Some on-going water projects were significantly delayed by litigations and substantial amounts that are required to compensate the interested parties in note 24 of the financial statements.
23	<p>Multinational Lakes Edward and Albert Integrated Fisheries and Water Resources Management Project (LEAF) II 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> A total of six (6) strategic outputs (50%) were fully achieved, while 6 outputs were partially achieved and still on-going (50%). Out of the approved budgeted revenue of USD 1,887,374, USD 603,588.93 was released representing performance of 32% of the target. The project had a total available balance of USD 2,767,452.2, out of which USD 2,754,945.85 (99.5%) was spent leading to an unspent balance of only USD 12,506.35. All the 10 planned outputs with 39 activities and a total budget of USD 3,119,412.9 were properly quantified to enable measurement of performance. Out of the 39 planned activities under the 3 Project components, 19 (48.7%) were fully implemented, 10 (25.6 %) were partially implemented and 10 (25.6%) were not implemented at all. I noted delays in construction of infrastructure projects resulting from the effects of the Covid pandemic and effects of the rising water level of Lakes Albert and Edward and inadequate GoU funding. The projects affected included the construction of the surveillance station, Kitebere Landing Site, Mbegu landing site, fish processing facility at Dei Landing site, and supply of a fisheries research vessel.
	ENERGY SECTOR	<ul style="list-style-type: none">
1	<p>Electricity Regulatory Authority (ERA) 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> I noted that out of the budgeted revenue of UGX 28.57Bn, a sum of UGX. 27.70Bn was realized representing a performance of 98%. Out of the revenue realized of UGX. 27.70Bn for the financial year, UGX 24.55Bn was spent on recurrent expenditure and UGX.2.25Bn on capital expenditure, resulting into an unspent balance of UGX.0.9Bn, representing absorption level of 97%. Out of the forty-six (46) key activities, sixteen (16) (35%) activities had been fully achieved, and thirty (30) (65%) were partially achieved. Included in the receivables figure of UGX.7,566,003,960, under Note 7 of the Financial Statements is a sum of UGX.724, 185,509, relating to license fees and permit fees which have been outstanding for more than 90 days instead of the recommended 14 days. I noted that the target of reduction of the end user tariff was not achieved across customers' categories, with a weighted average of UGX.485.7 per Kwh. The end user off –peak tariff for extra- large industrial customers was achieved at UGX.223.7. I noted that out of the total staff establishment of 92 positions, only 67 (73%) positions had been filled leaving a balance of 25 (27%) positions vacant.

		<ul style="list-style-type: none"> I noted Non-compliance to Quality-of-Service Standards (QoS) by Distribution Licensees, with an average of 45% compliance. Non-compliance with QoS denies customers quality and reliable electricity supply.
2	<p>Energy for Rural Transformation III PSFU Project (ERT III). 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> Out of the total Receipts for the financial year of USD. 636,993, only USD.382,224 was spent by the Project resulting in an unspent balance of USD. 254,769 representing absorption level of 60% for the year. As a result, activities such as training of certified wiremen was partially implemented. I noted that a consortium of Ruwenzori Power Ltd (RWP) and East African Power Ltd (EAPL) had been contracted to undertake the development of two Micro Hydro schemes in Rwenzori Sub Region. However, by the time of audit (November, 2021) the development of the 2 Micro Hydro schemes had not commenced. I noted that out of the target of 850 certified wiremen, 367 wiremen were certified during the period, bringing the total number of total certified wiremen under the ERT-PSFU to 747 (88%), by June 30, 2021.
3	<p>Uganda Rural Electricity Access Project (UREAP). 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> Out of the Budget of UGX.157.4Bn, only UGX.106Bn was disbursed representing a shortfall of 51,339,828,177, which is 32.6% of the Budget. I further noted that out of the total receipts for the financial year of UGX. 106.1Bn, UGX.105.5Bn was utilized on installation of Medium Voltage Networks and Last Mile consumer connections, leaving an unutilized balance of UGX.564,461,546 representing an absorption level of 99.5%. As 30th June 2021, the Bank had disbursed USD.44.83Million and Euros 5.89Million against the Loan credit facility of USD.100 Million and Grant of Euros 11.205 Million representing 45% and 53%, respectively. I noted delays in construction works under procurement of plants, design, supply and installation of medium voltage networks and last mile consumer connections. Notably, under Lots 6, Medium Voltage stringing, and Low Voltage (LV) stringing had not yet commenced. Under Lot 7 Medium Voltage Pole erection was at 31% and stringing at 47%. Out of 1,686 Project Affected Persons (PAPs), with an approved compensation amount of UGX.1,240,502,500, only 1,209 PAPs have been paid an amount of UGX.863,758,500, leaving an outstanding amount of UGX.376,744,000 relating to 477 PAPs.
4	<p>Lira-Gulu-Agago 132KV transmission project 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> Out of the total Receipts for the financial Year of USD. 2,304,191, only USD.519,117 was utilized by the Project, resulting in an unspent balance of USD.1,785,074, representing an absorption rate of only 22.5%. As a result, activities such as compensation of Project Affected Persons and supervision of EPC works were not implemented. I noted that the contract for 132kv Double Circuit Transmission Lines and construction of Substations were signed on 12th April and 23rd March, 2021 respectively, however the major Project works such as Survey, Design, Supply and Installations works had not yet commenced.
5	<p>Energy for Rural Transformation III (ERT III) –REA Project. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> Out of the total receipts for the financial year of UGX.139.5Bn, only UGX.98.3Bn was utilized on installation of Medium Voltage Networks and Last Mile consumer connections, leaving an unutilized balance of UGX 41.2Bn representing an absorption level of 70%. As a result, activities such as Grid extensions, Line connections and Grid Intensification schemes under various Lines were partially implemented. Out of the total credit amount of USD.116.1 Million, only USD.73.7 Million

		<p>had been disbursed by the Bank under ERT- REA representing 64% of the Total credit.</p> <ul style="list-style-type: none"> The overall Implementation of the Grid extension and associated connections is behind schedule especially under Lines 20-21 which are at 17% and 2% respectively. Progress of work under Grid Intensification, UMEME Batch 1 and 2 were at 55% and 20% respectively. Out of 34,535 Project Affected Persons (PAPs), with an approved compensation amount of UGX. 22.6Bn, only 22,180 PAPs have been compensated with an amount of UGX.14.2Bn, leaving an outstanding amount of 8.3Bn relating to 12,355 PAPs.
6	<p>Hoima Kafu Transmission Line Project - Kafu Interconnection Project. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> Out of the total receipts for the financial year, of USD.1,903,946, only USD.41,960 was spent by the Project, resulting in an unspent balance of USD.1,861,986, representing absorption level of only 2.2%. As a result, activities such as compensation of Project Affected Persons were not implemented. I noted that out of the 508 Project Affected Persons along the final selected route of the Project. 470 disclosures had been made representing 95%. 347(68%) agreements were obtained from disclosures, out of which 125 (25%) disputes arose, and payments to PAPs as at 30th June 2020 was 330 (65%).
7	<p>Kampala Metropolitan Transmission System Improvement Project. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> Out of the total receipts for the financial year of USD.9,259,009 for the financial year, only USD.2,465,150 was spent by the Project, leaving an unspent balance of USD.6,793,859, representing absorption of rate of 26.6%. As a result, I noted that Key activities such as consulting Services for Procurement of the EPC contractor was not implemented, while compensation of projected affected persons was partially implemented. I noted that out of 130 PAPs, 109 (83%) were compensated. Disclosures made were 120 (91%), agreements obtained from disclosures were 117 (89%), and PAPs not yet compensated were 22 (16.7%).
8	<p>Petroleum Authority of Uganda (PAU). 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> I noted that the Authority budgeted to receive UGX.63.61Bn out of which only UGX.52 Bn was warranted, resulting in a shortfall of UGX11.6Bn, which is 18% of the budget. Out of the total Receipts for the financial year of UGX.52.0Bn, a sum of UGX.48.5Bn was spent by the entity resulting in an unspent balance of UGX.3.5Bn representing an absorption level of 93%. As a result, activities such as development and Implementation of the Grievance management framework and environment management system for the oil and gas sector were not implemented. I noted that of the planned output, three (3) outputs with a total of nine (9) activities and expenditure worth UGX.9.05Bn were fully quantified. Five (5) outputs with a total of sixty-seven (67) activities and expenditure worth UGX23.67Bn, was insufficiently quantified. Four (4) outputs with a total of six (6) activities and expenditure worth UGX 1.09Bn were not quantified at all. I noted that out of the total staff establishment of 283, only 189 (67%) positions had been filled, leaving 94 (33%) positions vacant. I noted that the Authority had not developed and documented a Business Continuity Plan and not ensured disaster recovery planning for continuous provision of IT services in case of a disaster. I noted that the Authority lacked an environmental regulatory framework necessary for regulating the environmental aspects in the oil and gas

		sector. These include; the air quality standards, noise and vibration and the chemicals management standards.
9	Grid Expansion and Reinforcement Project (GERP)-UETCL. 2020/21 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • Out of the total Receipts for the financial year of USD.35,395,297, only USD.6,139,307 was spent by the project leaving an unspent balance of USD.29,255,991, representing absorption of rate of 17.3%. As a result, activities such as construction of Transmission Lines and compensation of Project affected Persons were partially implemented. • Out of the total amount of IDA credit for the Project of USD.100,000,000 only USD.29,457,000(29.4%) was disbursed, and out of USD.27.3M GoU counterpart funding, 7,945,423 (28.9%) was disbursed by the end of the financial Year. • Out of the annual target of 59% progress, under Lot 1; -Construction of 132kv Double Circuit Transmission Lines, only 39% was achieved. Out of a target of 47% progress under Lot 2- construction of Substations, only 20% was achieved. • I noted that out of 2,340 identified PAPs under Gulu-Nebbi-Arua Section, only 1,719 (73%) had been compensated. Out of 994 PAPs under Kole-Gulu Section 985 (99%) were compensated, leaving a total of 630 PAPs not compensated by the time of audit. In addition to the 3,334 PAPs with a total cash resettlement of USD. 1,463,955.41, USD.1,241,137 was paid to 2,704 PAPs resulting into an outstanding obligation of USD.222,818 relating to 630 PAPs
10	Islamic Development Bank (IDB) III Grid Rural Electrification Project. 2020/21 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • Out of the total Loan credit of USD.70,730,000 Million by the Islamic Development Bank, USD 69,764,722.91 was disbursed representing a performance of 99% of the total Loan facility. • I noted that as at 30th June 2021, the overall Project progress was at 99% completion, for all the 6 lots, involving construction of Rural Electrification Schemes in various parts of Uganda.
11	Uganda Petroleum Fund (UPF). <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted that for the year under review, the balance in the Petroleum Fund increased from UGX.87.79Bn as at 30th June 2020 to UGX. 228.79Bn as at 30th June 2021. However, there was no appropriation of UGX. UGX.87.79Bn by during the Financial Year 2020/21 to the Consolidated Fund and/or the Petroleum Revenue Investment Reserve for budget support and investment activities, respectively.
12	Uganda Electricity Generation Company Limited (UEGCL) 2020/21 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • Out of the budgeted revenue of UGX.173,191,277,000, for the year 2020/21, UGX.169,743,586,000 was realized representing performance of 98% of the target. • Out of the total receipts for the financial year of UGX.169,743,586,000, UGX.115,066,984,000 was spent by the entity resulting in an unspent balance of UGX.54,676,622,000 representing an absorption level of 67.7 %. • I sampled 92 interventions/critical activities implemented under the 11 departments and noted that out of the ninety two (92) key interventions, twenty nine (29) (32%) critical tasks had been fully achieved, sixty one (61) (66%) were partially achieved while two(2) (2%) were not achieved. • I noted long outstanding Payables of UGX 814,000,000 relating to penal interest charged by URA, resulting from late payment of WHT on consultancy services for the period 2001-2009. • I noted accumulated interest of UGX 284,942,245,000, on Loan repayment

		<p>for Karuma Hydro Power Plant was outstanding as at 30th June, 2021.</p> <ul style="list-style-type: none"> • There has been delayed commissioning of Karuma Dam, whose completion date was extended to 15th June 2022, resulting in a delay of 3 years and 6 months from the initial planned completion date. • Instances of non-conformances (NC) were noted in relation to electrical, mechanical and civil works components that required rectification before commissioning of the Karuma Dam. • There has been continuous extension of the Isimba Dam Defects Liability Period (DLP), due to the various snags and defects that were detected after the Dam`s commissioning on March 2019. • I noted delayed commencement of the Construction of Muzizi Hydro Power Project whose credit facility agreement with Agence Francaise De Development (AFD) and KFW was signed on 9th December 2016 and 25th November, 2016, respectively, to finance the construction of Muzizi Hydro Power Project with expected completion date of December 2023. • I noted delayed Compensation of Project Affected Persons (PAPs) for Muzizi HPP whereby a total of UGX.1,769,227,282 (36.41%) of the total compensation value UGX.4,858,711,140 has been paid to PAPs. • I also note a failure to undertake remedial works on the plants being handled under the concession between GOU and ESKOM with less than 50% of the remedial works that have been carried out currently, with a few months to end of the concession.
13	<p>Strengthening the Management of Oil and Gas Programme (SMOGP) 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • Out of the total receipts for the financial year of USD 790,580.38, only USD. 239,221.92 was spent by the Programme resulting in an unspent balance of USD 551,358.46, representing an absorption level of 30.2%. Under absorption of released funds results in non-implementation of planned activities. • I noted that the Planned Programme activities such as Development of Reservoir Modelling and Simulation, Review of the Tax Laws and the Model Production Sharing Agreement Training course for Component Managers and Program Secretariat among others were not implemented. There is a risk of failure to achieve intended Programme objectives and service delivery due to delayed implementation of activities.
14	<p>Mutundwe-Entebbe 132kv Double Circuit Transimssion Line Project - UETCL- June 2020</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted delays in transfer of titles, caused by the slow land titling process. Out of the expected 463 land titles, UETCL received 264, and 70 were handed over to the RAP Consultant. • Only 843 PAPs out of 1,062 had been compensated leaving 219 PAPs (20.62%) outstanding. • Weakness were noted in the performance of the resettlement action plan consultant such as inclusion of forest reserves and wetlands as part of compensation to private individuals and divergent survey and valuation report for the same property.
15	<p>Uganda Electricity Distribution Company- UEDCL 2020/21</p> <p><u>Opinion</u></p>	<ul style="list-style-type: none"> • Out of the total receipts for the financial year of UGX. 64.97Bn, a sum of UGX 63.38Bn was spent by the entity resulting in an unspent balance of UGX 1.52Bn representing absorption level of 97.6 %. • I noted un-reconciled receivables amount of UGX.70.1Bn resulting from the withheld funds by UMEME from the Escrow Account in regard to unpaid government electricity bills by MDAs.

	Unqualified	<ul style="list-style-type: none"> I noted power evacuation liability of UGX.15.29Bn, payable to UETCL. This was due to power losses attributed to absence of transmission lines to evacuate electricity from PA Technical, Siti 1 and Arpe Power Plants, as a result of wheeling power over a lower capacity and weaker distribution lines operated by UEDCL. The long outstanding receivable resulting from payment of former UEB pension costs of UGX.38.6Bn by UEDCL which has never been paid back to the Company by MoFPED. Failed to meet its targeted annual connection 37,293 of customers whereby only 6,309 (16.9%) connections were made. I noted that in the FY 2020/21, the approved energy loss target by the Electricity Regulatory Authority was at 20.1%. I however noted from the Grid Energy Reports submitted to ERA, that the Company was unable to meet its target energy losses and most of its service territories registered an average of 32.7% power losses. I noted non-compliance by the WENRECO to the terms of the Operation and Maintenance Agreement, such as provision of semi-annual reports on status of the assets, safe storage of UEDCL connection materials, participation in the physical network inspection, submission of asset modifications register among others. The 62,944 poles leased to UMEME by UEDCL were damaged and required replacement which was not done contrary to the provisions of the Lease Agreement.
16	Uganda National Oil Company 2020/21 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> Out of the total receipts for the financial year of UGX.34.4bn only UGX 26.6bn was spent by the company, resulting in an unspent balance of UGX 7.8bn. This represents an absorption level of 77.3%. I noted challenges of UNOC state Participation in the Oil and Gas Industry. Whereas UNOC is drawing closer to the Final Investment Decision (FID) for each of the Projects, the Company faces challenges in financing the 15% stake in the East Africa Crude Oil Pipeline (EACOP), 15% State Commercial Interest in the Upstream, and 40% in the Refinery Project.
17	Uganda Refinery Holding Company Ltd 2020/21 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> Out of a total of UGX 2.9bn received during the financial year, UGX.2.9bn was spent by the Company. This represents an absorption level of 100%. I noted delays in the development of the Kabaale Industrial Park. As at 30th June 2021, implementation of infrastructure such as roads, power supply, water supply and Information Communication Technology connection had not yet commenced. I noted delays in the implementation of the Refinery Project. As at 30th June 2021, the refinery investor had not met the targets for some Project milestones. Preliminary activities such as the Front End Engineering Design were at 97%, Environmental Social Impact Assessment Study at 70%, and procurement for the consultancy services for the Resettlement Action Plan was on-going.
18	Uganda Electricity Transmission Company Limited (UETCL) 2020/21 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> I noted that UETCL developed and approved a Corporate Business Plan without certification from the National Planning Authority. There is a risk that activities implemented during the financial year 2020/2021 were not aligned to the NDP-III, which negatively affects the achievement of NDP-III objectives. UETCL budgeted to receive UGX. 1.424Tn in Tariff and Non-Tariff revenue out of which, UGX.1.338Tn was received resulting in a shortfall

		<p>of UGX 86Bn. Domestic energy sales were 9.5 % below budget. Both sales to Rwanda and DRC 29% below the budget, and no sales were made to South Sudan despite the anticipated revenue of UGX.824 million.</p> <ul style="list-style-type: none"> • UETCL budgeted to receive from Government, UGX.108.823Bn for capacity charges and deemed energy costs. However, only UGX 36.4Bn was released resulting in a shortfall of UGX 72.423Bn, which is 66% of the budget. • I sampled 40 critical activities implemented under 7 sampled departments under UETCL and noted that 17(43%) tasks had been fully implemented, 13 (32%) were partially implemented, while 10 (25%) were not implemented at all. • A provision for bad and doubtful debts amounting to UGX 161.4bn was made under Trade and other receivables in the financial statements. This was an increment of 25% from the financial year 2019/20. The provision relates to customers with unpaid balances in contravention of the terms and conditions of the power sales agreement. I further noted that 74.7% of the provisions were attributable to only one Company. • Analysis of the trade and other payables revealed an increment of 18.7Bn from UGX.740.8Bn in 2019/20. Included in these payables were amounts of UGX.71.2Bn and USD.4.7 million which have been outstanding for over 10 years. • M/s UMEME and M/s UEDCL withheld UETCL revenue of UGX 64Bn and 10.31Bn, respectively on account of evacuation losses and non-payment of electricity bills by Government MDAs. Withholding revenue constrains UETCL's ability to pay electricity generators. • The land titling process was not satisfactory on most of UETCL Projects. UETCL takes an average of 3 years to conclude the titling process in contravention of the 6 months period warranted which exposes the company to a risk of litigation and potential encroachment. • UETCL incurred deemed energy costs of UGX 87.7Bn on thirteen (13) PPAs, save for me HPP were directly financed through the tariff system, hence impacting on the electricity price to the final consumer. • I noted that UETCL incurred about UGX 494,150,000 in replacing vandalized tower equipment during the year under review. I further noted that the company incurred UGX. 1.6Bn in replacement costs on assorted transmission line items vandalized between 2017 and 2021. • I noted delays in concluding the procurement process for a sample of procurements with a total contract sum of UGX.17.8Bn with procurements lasting an average of 3 years and some cases going up to 5 years. Prolonged procurement processes deny timely achievement of intended project objectives.
19	<p>National Pipeline Company 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • Out of the total receipts for the financial year of UGX.3.71Bn, UGX.3.71Bn was utilized. This represents an absorption level of 100%. • I noted that the Company failed to maintain National Strategic Reserves. In the period under review, the Consortium failed to meet the required National Strategic Reserve levels of 12 million litres per month. Failure to restock petroleum reserves exposes the Country to supply shocks and a risk of inflated prices in the event of disruptions in the petroleum supplies chain. • I noted that as at 30th June 2021, the consortium had not developed the facilities to enable lake transport to the Jinja Storage Tanks. The construction of an oil jetty and connecting pipeline to Jinja Storage Tanks

		<p>had not commenced.</p> <ul style="list-style-type: none"> I noted delays in implementation of Kampala Storage Terminal (KST). As at 30th June 2021, Preliminary activities such as the Power Reticulation Proposal and Environment Social Impact Assessment for the terminal were undertaken. However, Construction activities under the Project had not commenced.
20	<p>Rural Electrification Agency 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> Out of the budgeted government receipts for the financial year of UGX.155.23Bn, a sum of UGX. 149.26Bn was spent by the entity resulting in an unspent balance of UGX.5.97Bn, representing an absorption level of 96%. I noted outstanding cumulative arrears of revenue in respect to the 5% levy fees due from UETCL amounting to UGX 96.13Bn and UGX.3.69Bn arising from unpaid lease rental from various Service Territory Operators, respectively. The Rural Electrification Agency had a contingent liability of UGX 19.73Bn in relation to way leaves cases not yet disposed of during the year under review. I further noted that REA had UGX 3.29Bn as an outstanding amount in Court awards due to delayed payment of retention, non-payment for work done, unlawful dismissal and non-renewal of employment contracts The Agency had challenges in the implementation of the Electricity Connections Policy. As at 30th June 2021, out of the 97,000 annual planned connections, only 3,683 (3.7%) connections were undertaken. Such dismal performance is likely to fail the intended objectives of the policy. I noted that the entity had outstanding compensations to the landowners of Way leaves amounting to UGX 8.67Bn. This could lead to litigation.
21	<p>Uganda Energy Credit Capitalisation Company Limited 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> No material issue reported.
22	<p>Grid Expansion and Reinforcement Project – MEMD 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> Out of the total receipts for the financial year of USD.1,698,907.88, only USD.1,030,144.30 was spent resulting into an unspent balance of USD.654,938.58, representing an absorption level of only 60.6%. I noted low funds disbursement over the Project Life. Out of the loan funds of USD.3,500,000 over the 5-year life of the Project. As at 30th June 2021 (4 years into implementation), only USD.1,965,000 (56%) had been released to the Project, of which USD.1,310,061.41 (67%) had been spent hence putting the overall loan absorption at 37% by 30th June 2021. The Project is expected to close on 31st October 2022. I noted that Planned Project activities such as development of a Power Sector Integrated Plan had not commenced, while development of a National Electrification Strategy and Environmental and Social monitoring and supervision were still in progress.
23	<p>The Fuel Marking and Quality Monitoring Program, Ministry of Energy and Mineral Development</p>	<ul style="list-style-type: none"> Out of the total receipts for the financial year of UGX.9.62Bn, a sum of UGX. 8.71Bn was spent representing 91% absorption level by the program. As a result activities such as Stakeholders' awareness

	<p>2020/21</p> <p><u>Opinion</u></p> <p>Unqualified</p>	<p>workshops and Training on petroleum standard development were partially implemented.</p> <ul style="list-style-type: none"> • • I noted non-compliance by fuel stations with the Standard that covers the siting, design and construction of service stations, installation and operation of equipment in service stations for handling, storage and dispensing of petroleum products and their derivatives. • I noted that the Program does not have in place a comprehensive system of monitoring and testing the quality of lubricants and engine oils based on the standards. This poses a risk to motorists who may purchase poor quality engine oils and lubricants.
24	<p>The Ministry of Energy and Mineral Development (MEMD) 2020/21</p> <p><u>Opinion</u></p> <p>Unqualified</p>	<ul style="list-style-type: none"> • I noted in the year under review, that the entity did not have an approved sector development plan (strategic plan) 2020/21. The Accounting Officer explained that a strategic Plan was prepared and is aligned to the NDP III, a however the approval of management delayed due to management transition • The Ministry budgeted to collect NTR of UGX.19.9Bn during the year under review. Out of this, only UGX. 13Bn was realized, representing a performance of 65.3% of the target. This was attributed to COVID Pandemic that greatly affected businesses in the Country to extent that some companies wrote requested for either a reduction or waiving off their rent arrears. • Out of the total warrants for the financial year of UGX.342.3Bn, a sum of UGX.336.9Bn was spent by the entity resulting in an unspent balance of UGX.5.4Bn representing an absorption level of 98%. As a result, I noted that of the 148 quantified activities worth UGX.99.3Bn assessed; 16 activities representing 10.8% were fully implemented, 125 activities representing 84.5% were partially implemented, while 7 activities representing 4.7% were not implemented. • A trend analysis of the domestic arrears reported in Note 24 to the financial statements showed movement of domestic arrears from UGX.18.29Bn in the previous year to UGX.17.13Bn in the year under review, a decrease of 7%. This unsustainable trend poses risks of litigation and related costs inform of interest penalty. • The Ministry received UGX.1.39Bn into the Mineral Royalties Sharing Fund account during the period, in addition to the closing amount of UGX.442.07Mn from the previous period. However, only UGX.1.39Bn was paid leaving an outstanding balance of UGX.433.82Mn which has been correctly disclosed as payables as at year end. • The receivables amount of UGX.14,287,738,002 in the statement of financial position and under Note 19, to the financial statements includes an amount UGX.4,494,005,610 receivables (UGX 4,288,550,000 and UGX.205,455,610 relating to annual mineral rent/royalties and sale of goods and services, respectively) which has been outstanding for over four years. • The RAP implementation and land acquisition for the Karuma Reservoir Area project. The contract has been extended several times with the new completion date set for 23rd June 2022. I established that a RAP survey and valuation report was submitted by the Consultant on 31st April 2021, but, as at 30th June 2021, compensation of the PAPs had not yet commenced. • A review of the Department of Geological Survey and Mines staff

		establishment revealed that out of 127 approved positions, only 85 positions were filled leaving 42 positions vacant representing a staffing gap of 33%.
25	<p>Kilembe Mines Ltd (KML) 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> The entity budgeted to receive UGX.3.574Bn out of which, UGX.857Mn was realised, resulting in a shortfall of UGX.2.717Bn which is 76% of the budget. As a result activities such as dewatering the Copper Mines and revamping of Hima Lime Works, were not been implemented. I noted that a number of assets had been damaged / impaired due to waters that broke the banks of River Nyamwamba on 7th and 10th of May, 2020. However, no formal estimate of the recoverable amount has been conducted. This may result into an overstatement of the total assets and understatement of operating loss. I noted that the Company had an outstanding receivable of UGX.1.26Bn as at 30th June 2021, 54% of the amount relates to unpaid rent from Tibet Hima Mining Co. Ltd. Delayed recovery of outstanding revenues affects the Company's liquidity position. I noted that the Company had outstanding payables of UGX.2.28Bn. The amount increased from UGX.0.966 to UGX.2.286Bn resulting into an increase of UGX.1.321Bn (137%) as at 30th June 2021. I noted delayed divestiture of Kilembe Mines. Three (3) years have elapsed without an investor/operator being identified to take over Kilembe Mines operations, following the termination of the Tibet Hima Concession Agreement. Emergency Funding of UGX 4.375bn was required to rehabilitate the damaged Company infrastructure following flooding of rivers Nyamambwa and Mubuku in May and August 2020. However, the requested funds were not availed. Mubuku Hydro-Power Plant was designed to generate 5MW. I however noted that the plant was only generating 2MW from Unit 1. Units 2 to 4 were out of service for a number of years. Review of the Annual Performance Report, 2021 revealed that the Company had a number of long outstanding court cases, relating to encroachment of Land belonging to the company. Three cases had been outstanding for over 7 years, three other cases for 5 but less than 7 years and six cases for less than 5 years.
26	<p>Uganda Electricity Generation Company Limited Capacity Building Program-Norwegian Grant Uga-16/0010 Initial Support to UEGCL – 2019 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> Out of UGX.6,475,227,265 received for project activities UGX.5,285,679,281 was utilized representing 82% absorption. The under absorption was attributed to postponement of commissioning of Karuma Hydro power plant.
27	<p>Atomic Energy Council 2020/21</p> <p><u>Opinion</u></p>	<ul style="list-style-type: none"> Out of the total receipts for the financial year of UGX. 13.98bn, UGX. 9.96bn was spent by the entity resulting in an unspent balance of UGX 4bn representing an absorption level of 71.2%. As a result, Six (6) outputs with thirty nine (39) activities worth UGX. 4.2Bn were partially

	Unqualified	<p>implemented.</p> <ul style="list-style-type: none"> I noted that the Council lacked of Radiation Protection and Safety Laboratories. There were no Laboratories in place for testing radioactivity levels in food stuffs, construction materials and other consumable products that contain natural radionuclides. This puts the lives of the community at risk. I noted that the Council lacked adequate specialized inspection equipment required for various practices and activities that involved management of radiation sources. Out of Staff the Council Establishment of 90 positions, only 49 positions filled leaving 21 positions vacant, representing a staff shortfall of 30%. This affects the efficient and effective execution of the Council mandate.
28	<p>Energy for Rural Transformation Project (ERT III)-PCU 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> Out of the total available funds for the financial year of USD 6,346,771.03, only USD 5,585,830.71 was spent by the Project, resulting in an unspent balance of USD. 760,940.32, representing absorption level of 88%. I noted low disbursements of loan funds over the Project Life. Out of the ERT III Project loan amount of USD 143.2 Million, only USD 94.5 Million had been disbursed by the Bank to the respective components representing an absorption level of 65% and yet the Project was left with six (6) months to closure on 31 December 2021. I noted that planned Project activities such as supply and installation of Solar Photovoltaic Energy Packages – in Schools under the Ministry of Education and Sports and Health Centers under Ministry of Health were not implemented. This resulted into delayed electricity power access by the selected schools and health centres.
29	<p>Opuyo- Moroto 132kv Transmission Line Project - (UETCL) 2019</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> I noted that despite the project nearing completion, out of 1,300 PAPs, only 1,222 had been compensated leaving a balance of 78 (6%) by 30th June 2019. There is a risk that the outstanding compensation of PAPs may further delay project implementation. I noted that despite the loan last disbursement date being 28th February 2021, only 21% of the total funds were disbursed to both UETCL and REA by 30th June 2019
30	<p>Opuyo- Moroto 132kv Transmission Line Project - (UETCL) 2020</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> I noted under Note 9.13 that the project payables increased from USD.1,169,371 (2019) to USD. 2,290,568 (2020) due to non payments of service providers at the end of the financial year for the services provided.
31	<p>The 132kv Mirama-Kabale Transmission Line and Distribution Project-2019</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> No significant matters to report on.

32	The 132kv Mirama-Kabale Transmission Line And Distribution Project-2020 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> No significant matters to report on.
33	Energy for Rural Transformation III Implemented by Uganda Energy Credit Capitalization Company Limited (ERT III-UECCCL) <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> No material issue reported.
34	Energy for Rural Transformation III BOU Project (ERT III). <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> No material findings to report on
	EDUCATION SECTOR	
1	African Centre for Agro ecology and Livelihood Systems (ACALISE) Project – UMU 2020/21 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> I noted in the statement of income and expenditure that out of budgeted total revenue of USD 1,807,602 for the financial year 2020/2021, only USD 610,980 (33.8%) was realized leading to a budget shortfall of USD 1,196,622. I noted that out of the available funds amounting to USD 1,165,530 (current year receipt of USD 610,980 and the balance brought forward of USD 554,550) for the project operations for the financial year, only USD 1,054,538 was spent, leaving an unspent balance of USD 110,992. This represents approximately 90% absorption rate.
2	Soroti University. 2020/21 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> I noted that the University did not indicate NTR estimates in its statement of Appropriation. How out of the budgeted NTR of UGX.706,000,000 for the financial year 2020/2021, UGX.195,985,600 was collected representing a performance of 28% of the target. The entity budgeted to receive UGX.20.229Bn out of which UGX.19.621Bn was warranted, resulting into a shortfall of UGX.0.608 Bn which is 3% of the budget. I noted the University received off-budget financing to the tune of UGX.36,710,266 which was not transferred to the consolidated fund as required by the law. Out of the total receipts (warrants) for the financial year of UGX.19.621Bn, UGX.17.484Bn was spent by the entity resulting into an under absorption of UGX.2.137Bn representing an absorption level of 89%. Ten (10) outputs with a total of ninety-nine (99) activities and

		<p>expenditure worth UGX 10.251Bn were fully quantified while one (1) output with a total of four (4) activities and expenditure worth UGX 1.898Bn was not quantified to enable assessment of performance as there was no output that was insufficiently quantified.</p> <ul style="list-style-type: none"> • Out of the ten (10) out puts that were fully quantified, one (1) output with a total of 6 (six) activities worth UGX.0.051Bn was fully implemented while 9(nine) outputs with a total of ninety-three (93) activities worth UGX.10.201Bn were partially implemented. • The University closed the financial year with an accumulated payable totaling to UGX.2,604,379,429 of which UGX.559,049,780 had been outstanding for more than one year. • The University paid a contractor UGX.996,389,960 in respect of outstanding debt that included UGX.188,055,690 relating to accrued interest charged by the contractor as a result of delayed payments. The interest expenditure was nugatory
3	<p>Busitema University. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • Out of the budgeted Non tax revenue of UGX.6,517,061,618 for the year 2020/21, only UGX.4,904,767,921 was collected representing a performance of only 75% of the target. • There was a shortfall in releases amounting to UGX4.63Bn which is 9% of the budget. Furthermore, the entity remained with unspent balance of UGX.1.60Bn representing an absorption level of 97%. • The University received off-budget financing to the tune of UGX.1,462,363,950 which was not transferred to the consolidated fund as required by the law. These funds were received directly from development partners for undertaking activities which were not budgeted for. • Nine (9) outputs with 73 activities worth UGX.33.34Bn were insufficiently quantified. That is out of the Seventy-three (73) activities, twelve (12) activities (16%) were not clearly quantified. Two (2) outputs with a total of eight (8) activities worth UGX.8.52Bn were fully implemented while two (2) outputs with a total of fifteen (15) activities worth UGX3.46Bn were partially implemented. • I noted that the University closed the financial year with outstanding payables to the tune of UGX.1,504,842,864 of which UGX.1,421,201,933 related to unpaid enhanced salaries for administrative and support staff that accrued in the financial year 2016/17.
4	<p>Gulu University. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted that the University's strategic plan was not certified by NPA and no feedback had been received by the time of concluding the audit. This was attributed to delays in the review and certification process by NPA. • I reviewed the NTR estimates, revenue sources and rates charged at vote level for the financial year 2020/2021 and noted that the entity budgeted to collect NTR of UGX.12.75Bn during the year under review. Out of this, UGX.4.18Bn was collected, representing a performance of 32.8% of the target. The entity budgeted to receive UGX. 58.88Bn from treasury, out of which UGX.57.90Bn was warranted, resulting into a shortfall of UGX.0.98Bn which is 1.7% of the budget. • Out of the total warrants of UGX 58.11Bn received during the financial year, UGX. 57.90bn was spent by the entity resulting in an unspent balance of UGX 0.21Bn, representing an absorption level of 99.6%. The unspent balance at the end of the financial year was subsequently swept back to the consolidated fund account as required by the PFMA.

		<ul style="list-style-type: none"> • The University received off-budget financing to the tune of UGX.6,255,990,597 which was not declared to Treasury and, therefore, not appropriated to the entity by Parliament. These funds were received directly from development partners for undertaking activities not budgeted for. • I reviewed the extent of quantification of outputs and activities for a sample of the ten (10) outputs with a total of twenty (20) activities and expenditure of UGX.45.556Bn and noted that seven (7) outputs with a total of twelve (12) activities and expenditure worth 43.284bn were fully quantified while three (3) outputs with a total of eight (8) activities and expenditure worth UGX. 2.871bn were not quantified at all. • I assessed the implementation of seven (7) out puts that were fully quantified with a total of twelve (12) activities worth UGX.43.282Bn and noted that three (3) outputs with a total of six (6) activities worth UGX.37.054Bn were fully implemented. Two (2) outputs with a total of four (4) activities worth UGX,5.706Bn were partially implemented while two (2) outputs with a total of two (2) activities worth UGX. 0.522Bn were not implemented. • The University had outstanding domestic arrears of UGX.5,681,315,557 dating as far back as financial year 2015/16. There is a risk that the University could face litigation from the suppliers and other beneficiaries. • Gulu University is involved in several court cases and some of the cases remained pending at the financial year end. The cases are mostly between the University and its former staff, students and suppliers. The cases arose mainly from unlawful termination, breach of contracts, unfair treatment, land issues, Arrears/failure to pay suppliers. • Gulu University awarded a contract for the supply and installation of Network Equipment to the Faculty of Agriculture, Biometric Equipment for Staff attendance, Laptops and Desktops for Vice Chancellor, Director ICT and Director Planning & Development at a contract price of UGX.181,794,897 on the 25th June, 2021. However, as at the time of concluding the audit, installation was not undertaken. • Gulu University signed a contract for the construction of the Business and Development Centre on the 19th June, 2019 for a contract price of UGX.30,122,043,772. The construction start date was 1st August, 2019 and the expected completion date of 30th July, 2023. I noted that only UGX.2.1Bn out of UGX.6.0Bn was paid as advance for mobilization and this led to the temporary stoppage of works by the contractor which led to slow progress of the building works. At the time of concluding the audit, no major works were undergoing. • I noted that the following University pieces of land were not titled; forest land measuring 28 hectares, Pajengo Latoro; Agago and Agora Pader land. There is a risk that the land in question could be lost to unscrupulous individuals. • Out of the 1,606 approved positions in Gulu University; only 441 (27%) posts were filled, leaving 1,165 (73%) positions vacant.
5	<p>The Higher Education Students' Financing Board (HESFB) 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted that the University's strategic plan was not certified by NPA and no feedback had been received by the time of concluding the audit. This was attributed to delays in the review and certification process by NPA. • I reviewed the NTR estimates, revenue sources and rates charged at vote level for the financial year 2020/2021 and noted that the entity budgeted to collect NTR of UGX.12.75Bn during the year under review. Out of this, UGX.4.18Bn was collected, representing a performance of 32.8% of the

		<p>target. The entity budgeted to receive UGX. 58.88Bn from treasury, out of which UGX.57.90Bn was warranted, resulting into a shortfall of UGX.0.98Bn which is 1.7% of the budget.</p> <ul style="list-style-type: none"> • Out of the total warrants of UGX 58.11Bn received during the financial year, UGX. 57.90bn was spent by the entity resulting in an unspent balance of UGX 0.21Bn, representing an absorption level of 99.6%. The unspent balance at the end of the financial year was subsequently swept back to the consolidated fund account as required by the PFMA. • The University received off-budget financing to the tune of UGX.6,255,990,597 which was not declared to Treasury and, therefore, not appropriated to the entity by Parliament. These funds were received directly from development partners for undertaking activities not budgeted for. • I reviewed the extent of quantification of outputs and activities for a sample of the ten (10) outputs with a total of twenty (20) activities and expenditure of UGX.45.556Bn and noted that seven (7) outputs with a total of twelve (12) activities and expenditure worth 43.284bn were fully quantified while three (3) outputs with a total of eight (8) activities and expenditure worth UGX. 2.871bn were not quantified at all. • I assessed the implementation of seven (7) out puts that were fully quantified with a total of twelve (12) activities worth UGX.43.282Bn and noted that three (3) outputs with a total of six (6) activities worth UGX.37.054Bn were fully implemented. Two (2) outputs with a total of four (4) activities worth UGX,5.706Bn were partially implemented while two (2) outputs with a total of two (2) activities worth UGX. 0.522Bn were not implemented. • The University had outstanding domestic arrears of UGX.5,681,315,557 dating as far back as financial year 2015/16. There is a risk that the University could face litigation from the suppliers and other beneficiaries. • Gulu University is involved in several court cases and some of the cases remained pending at the financial year end. The cases are mostly between the University and its former staff, students and suppliers. The cases arose mainly from unlawful termination, breach of contracts, unfair treatment, land issues, Arrears/failure to pay suppliers. • Gulu University awarded a contract for the supply and installation of Network Equipment to the Faculty of Agriculture, Biometric Equipment for Staff attendance, Laptops and Desktops for Vice Chancellor, Director ICT and Director Planning & Development at a contract price of UGX.181,794,897 on the 25th June, 2021. However, as at the time of concluding the audit, installation was not undertaken. • Gulu University signed a contract for the construction of the Business and Development Centre on the 19th June, 2019 for a contract price of UGX.30,122,043,772. The construction start date was 1st August, 2019 and the expected completion date of 30th July, 2023. I noted that only UGX.2.1Bn out of UGX.6.0Bn was paid as advance for mobilization and this led to the temporary stoppage of works by the contractor which led to slow progress of the building works. At the time of concluding the audit, no major works were undergoing. • I noted that the following University pieces of land were not titled; forest land measuring 28 hectares, Pajengo Latoro; Agago and Agora Pader land. There is a risk that the land in question could be lost to unscrupulous individuals. • Out of the 1,606 approved positions in Gulu University; only 441 (27%)
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		posts were filled, leaving 1,165 (73%) positions vacant.
6	Kabale University. 2020/21 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted that the University prepared a strategic plan aligned to NDP III and the plan was approved by NPA and a certificate of approval issued. • Out of budgeted NTR collections of UGX.7.6 Bn, only UGX. 5.26Bn was realized, representing a performance of 74.6 % of the target. • There was a shortfall in government releases amounting to UGX.0.03Bn representing 0.08% of the budget. • Out of the total receipts for the financial year of UGX.40.95 Bn a sum of UGX. 40.5 Bn was spent by the entity resulting in an unspent balance of UGX 0.45Bn representing an absorption level of 99%. • I sampled 5 outputs of a total of Nine (9) outputs and expenditure worth 37.22.Bn and noted that two (2) outputs with a total of three (3) activities was fully quantified; three (3) outputs with thirteen (13) activities were partially quantified while two (2) activities were not implemented. • The university accumulated receivables totalling to UGX.3,114,950,156 as at 30/6/2021. Under collection of billed revenue cripples, the University's ability to meet its financial obligations and impacts negatively on service delivery. • I noted the University had outstanding payables of UGX.1,872,390,164 as at 30/6/2021. The failure to clear payables by the closure of the financial year may attract litigation resulting into wasteful expenditure in form of legal fees.
7	Lira University. 2020/21 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • The entity submitted its final copy of the strategic plan to National Planning Authority (NPA) for alignment and certification however, no feedback had been received by the entity at the time of audit (September 2021). • I reviewed the NTR estimates, revenue sources and rates charged at vote level for the financial year 2020/2021 and noted that the entity budgeted to collect NTR of UGX 4.948Bn during the year. Out of this, only UGX 1.918Bn was collected, representing a performance of 38.8% of the target. In addition, the University budgeted to receive UGX 27.808Bn out of which UGX.27.118Bn was warranted/availed resulting in a shortfall of UGX.0.698Bn which is 2.5% of the budget. • Out of the total warrants of UGX.27.118Bn received during the financial year, UGX 25.796Bn was spent by the entity resulting in an unspent balance of UGX.1.322Bn representing an absorption level of 95%. The unspent balance at the end of the financial year was subsequently swept back to the consolidated fund as required by the PFMA. • The University received off-budget financing to the tune of UGX.836,710,490 which was not declared to the Treasury and, therefore, not appropriated to the entity by Parliament. These funds were received directly from development partners for undertaking activities not budgeted for. • I reviewed the extent of quantification of outputs and activities for a sample of seven (7) outputs with a total of seventeen (17) activities and expenditure of UGX.22.003Bn and noted that five (5) outputs with a total of six (6) activities and expenditure worth UGX.5.3Bn were fully quantified while two (2) outputs with a total of eleven (11) activities and expenditure worth UGX 16.703Bn were insufficiently quantified. • I assessed the implementation of five (5) outputs that were fully

		<p>quantified with a total of six (6) activities worth UGX.5.3Bn and noted that two (2) outputs with two (2) activities worth UGX.0.3Bn were fully implemented while three (3) outputs with four (4) activities worth UGX.5Bn were partially implemented.</p> <ul style="list-style-type: none"> • During the year, the University incurred nugatory expenditure totalling to UGX.25,752,041 being interest and penalties paid resulting from management's failure to deduct and remit NSSF deductions for the period August 2016 to June 2020. • I noted that Lira University signed a tenancy agreement with the Law Development Centre letting out the first floor of the faculty of Education to LDC at a consideration of UGX.15,300,000 per month inclusive of taxes implying that the University is making a monthly financial loss of UGX.2,754,000 in form of VAT payable to URA. As a result, the university did not remit VAT totalling to UGX. UGX.33,048,000 being VAT payable on rental income to URA on the annual rental income of UGX.183,600,000 (UGX.15,300,000 for 12 months) received by the University. • I noted a delayed construction of the Administration Block following a contract award of UGX.16,664,107,531 to the construction contractor. Despite the expiry of the contract duration of the three years to 11th September 2021, the construction works had not been completed, and the progress of works was estimated at 32% level. However, the supervising contractor had been paid 92% on his contract of UGX.749,885,000 ending 4th February 2022.
8	<p>MAK Holdings. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted that the Company management budgeted to receive and generate revenue of UGX.1,892,600,000 however, only UGX.809,760,761 (43%) was realized reflecting an underperformance of UGX.1,082,839,239 which is 57% of the expected revenue for the year. • The Makerere University Guest house had accumulated creditors to the tune of UGX.620,024,827 from UGX.405,138,535 in the financial year ended 30th June, 2020 representing a 53% increase in liabilities. Some of the outstanding liabilities include statutory payments worth UGX.240,026,071 • I noted an increase in receivables of UGX.299,307,621 from UGX.271,978,943 reported in the prior year.
9	<p>Mapronano World Bank Project. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted that out of the released USD 1,995,561, only USD 1,357,190 was spent by the Project resulting into unspent balance of USD 638,371 representing an under absorption level of 31.98%. The unspent balance at the end of the financial year was subsequently carried forward to the next financial year. • I assessed the implementation of the six (6) out puts with 24 activities that were fully quantified worth USD 2,210,000. Two (2) outputs with two (2) activities worth US\$ 171,393 were fully implemented. Four (4) outputs with a total of twenty two (22) activities worth US\$ 1,185,795 had 11 activities fully implemented, 9 activities partially implemented, and 4 activities were not implemented.
10	<p>MaRCCI World bank Project. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I assessed the implementation of the eight (8) out puts with 42 activities that were fully quantified worth US\$ \$907,282.93, and noted that one (1) output with two (2) activities worth US\$ 27,600 was fully implemented while seven (7) outputs with a total of forty (40) activities worth US\$ 879,681.93 were partially/not-implemented. The project management implemented sixteen (16) activities fully, eighteen (18) activities partially and six (6) activities were not implemented.

		<ul style="list-style-type: none"> I noted that the project did not pay staff salaries to the tune of USD 13,596 (approximately UGX.50,305,2000. In addition, PAYE withheld from staff deductions for the months of October and November, 2020 totaling to USD. 11,764 (approximately UGX.43,526,800) was not remitted to Uganda Revenue Authority as per regulations.
11	<p>Management Training and Advisory Centre (MTAC). 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> The MTAC had not prepared the required 5-year strategic plan that is in line with the NDPIII Out of the budgeted NTR of UGX.2.15Bn for the financial year 2020/2021, a sum of UGX.2.06Bn was collected representing performance of 96% of the target. Out of the total receipts for the financial year of UGX.5.19Bn, a sum of UGX.3.78Bn was spent by the Centre resulting into unspent balance of UGX.1.41Bn representing an absorption level of 73%. One (1) output with a total of two (2) activities worth UGX.1.25Bn was partially implemented. Out of the two (2) activities, the entity fully implemented one (1) activity (50%), the entity did not implement one (1) activity (50%). Though total liabilities decreased by 12%, a review of the age analysis of the payables revealed that a liability totalling to UGX.634,986,966 (79%) has been outstanding for more than one year I observed that MTAC has operated without the Governing Council since 2015 Out of 72 posts of the newly implemented MTAC staff establishment, only 54 (75%) were filled leaving 18 (25%) vacancies. Among the vacant posts were key positions of the Executive Director, Director Finance and Administration and Manager-Human resources and Administration.
12	<p>Makerere University. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> I noted that the University did not have the strategic plan annualized to indicate which outputs are expected for each year of implementation of the plan covering the period of 2021/21-2024/25. I also noted that whereas the University had prepared and submitted its strategic plan to NPA for approval, it had not yet been approved at the time of audit in October 2021. I reviewed the NTR estimates, revenue sources and rates charged at vote level for the financial year 2021/2021 and noted that the University budgeted to collect NTR of UGX.95.84Bn during the year under review. Out of this, only UGX.58.29Bn was collected, representing a performance of 60.82% of the target. I further noted that the University budgeted to receive UGX.363.74Bn out of which UGX.359.86Bn was warranted, resulting in a shortfall of UGX.3.88Bn which is 1.1% of the budget. Revenue shortfalls affect implementation of the planned activities. Out of the total warrants of UGX.359.86Bn received during the financial year, UGX.357.04Bn was spent by the entity resulting in an unspent balance of UGX.2.82Bn representing an absorption level of 99.2%. The unspent funds were swept back to the consolidated fund as required by PFMA. I noted that the University received off-budget financing to the tune of UGX.237,398,885,878 which was not declared to Treasury and, therefore, not appropriated to the entity by Parliament. These funds were received directly from both development partners and other stakeholders for undertaking activities not budgeted for. I reviewed the extent of quantification of outputs and activities for a

		<p>sample of ten (10) outputs with a total of forty two (42) activities and expenditure of UGX.356.85Bn and noted that two (2) outputs with a total of seven (7) activities and expenditure worth UGX.265.85Bn were fully quantified. Two (2) outputs with a total of twenty-five (25) activities and expenditure worth UGX.30.11Bn were insufficiently quantified while six (6) outputs with a total of ten (10) activities and expenditure worth UGX.60.89Bn were not quantified at all. I observed that in cases where outputs were either partially or not quantified, management reported performance in generic ways.</p> <ul style="list-style-type: none"> • I assessed implementation of two (2) out puts that were fully quantified with a sample of seven (7) activities worth UGX.265.85Bn and noted that one (1) output with a total of three (3) activities worth UGX 4.06Bn was fully implemented while one (1) output with a total of four (4) activities worth UGX.261.78Bn were partially implemented. • During the financial year under review, the University lost its main administration building and other assets therein to a fire that gutted the main administration Block on the 20th day of September 2020. The fire caused substantial damage to the main building whose value was estimated at UGX.15,434,782,500 by the Chief Government Valuer. • The Statement of reported losses of Public moneys, stores and other assets during the year showed the reported losses of assets/property of total estimated value of UGX.16,457,577,500. • The University had a receivables balance of UGX.25,527,015,916 as at 30/6/2021 broken down as accrued income of UGX.23,372,851,776 and a prepayment of UGX.2,154,164,140 to UMEME for electricity bulk purchase. The accumulation of receivables may lead to under performance of the university on its planned activities. • The University has an outstanding pension liability of UGX.18,920,219,207, inclusive of interest as reported in the Statement of Financial Position for the year ended 30th June 2021 resulting from accumulation of In-House Retirement Benefits since 2010. Delayed payment of retirement benefits may result in nugatory expenditure if the retirees decide to take the University to court. • The Statement of Financial Position showed accumulation of domestic arrears of UGX.7,819,385,752 as at 30th June 2021. I noted that majority of these arrears were from the prior years. There is a risk that the University could face litigation from the suppliers and other beneficiaries. • I noted that the main University installations/buildings such as the Senate, the Library, School of Women and Gender Studies and others are not comprehensibly insured. In case of a catastrophe, the University is at risk of huge financial obligations to the tenants. • I noted that there are non-qualifying persons occupying the University buildings. These were identified to be former University staff (retirees), unknown persons and Uganda Police Officers whose services were transferred from Makerere University. • I noted that water bills for the year under review were neither read nor submitted to the finance department for deductions. I noted that staff salaries were arbitrarily deducted to clear their water consumption without following one's monthly water consumption. • The University owns various pieces of land totalling to 102 Acres in prime locations around Kampala including Makerere, Mulago and Makindye. Inspection of the land revealed that the land is heavily encroached upon and a number of cases have been in court for more than five (5) years.
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		<ul style="list-style-type: none"> • A review of the Land register revealed that the University owns land in Kibaale and Makerere Hill. It was however noted that the university had not secured certificate of titles confirming ownership of the two (2) pieces of land. • A review of the staff establishment at the directorates and Colleges revealed an overall staffing gap of 915 positions, which is 44.9 % of the approved establishment. The understaffing was mainly at the Associate Professor level and Professor level. It was further noted that most of the staff at lecturer and senior lecturer level had adequate qualifications but had not been promoted.
13	<p>Muni University. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I reviewed the NTR estimates, revenue sources and rates charged at vote level for the financial year 2020/2021 and noted that Muni University budgeted to collect NTR of UGX.1.18bn during the year under review. Out of this, only UGX.0.34bn was collected, representing a performance of 29% of the target. • I further noted that the University budgeted to receive UGX.22.60Bn from treasury out of which UGX.21.28Bn was availed, resulting in a shortfall of UGX.1.32Bn which is 5.8% of the budget. • Out of the total warrants of UGX.21.280Bn received during the financial year, UGX.19.982Bn was spent by the entity resulting in an unspent balance of UGX.1.298Bn representing an absorption level of 93.9%. The unspent funds were swept back to the consolidated fund as required by the PFMA. • The University received off-budget financing to the tune of UGX.584,396,093 which was not declared to treasury and, therefore, not appropriated to the entity by Parliament. These funds were received directly from development partners for undertaking activities not budgeted for. • I reviewed the extent of quantification of outputs and activities for a sample of ten (10) outputs with a total of fifty-nine (59) activities and expenditure of UGX.18.9Bn and noted that five (5) outputs with a total of twenty-two (22) activities and expenditure worth UGX.6.47Bn were fully quantified. Two (2) outputs with a total of thirty-three (33) activities and expenditure worth UGX.10.29Bn were insufficiently quantified. While three (3) outputs with a total of four (4) activities and expenditure worth UGX 2.14Bn were not quantified at all. • I assessed the implementation of five (5) out puts that were fully quantified with a total of twenty-two (22) activities worth UGX6.47Bn and noted that three (3) outputs with a total of ten (10) activities worth UGX.0.640Bn were fully implemented while two (2) outputs with a total of twelve (12) activities worth UGX.5.83Bn were partially implemented. • The University spent a sum of UGX.265,775,722 on payment of gratuity expenses during the year against the approved budget and release of only UGX.52,000,000. Payment of gratuity expenses beyond the appropriated and warranted funds is an indication of budget indiscipline and leads to diversion of funds. • The laboratory equipment that included the PCR machine, the high-capacity Fridge for preserving the laboratory specimens, the PCR workstation and many others supplied by the ADB HEST Project last year, had not been put to use due to power challenges. This defeats the purpose for which the equipment was supplied. • Muni University Capacity Building Centre (MUCBC);- Dormitory (Hostels), Dining Hall, Lecture Block, Conference Hall, Office Block, 6 Stance VIP

		<p>Latrine and Store have deteriorated and in dire need of renovation.</p> <ul style="list-style-type: none"> • The University's land in BidiBidi measuring about 439.58 acres valued at UGX.439,580,000 did not have a land title. • Muni University entered into a contract for the Completion of the Construction of Health Science Laboratory Building at a contract price of UGX.9,393,202,823 inclusive of taxes. However, works were significantly behind schedule at an estimated 36% completion. There is a risk that the Project may not be completed within the projected time frame.
14	<p>Mbarara University of Science & Technology. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted that the University had NTR estimates of UGX.12.43Bn out of which UGX.9.28Bn was collected representing 75% of the budget. • I noted that out of the total receipts for the financial year of UGX.55.4Bn, only UGX.51.4Bn was spent by the entity resulting in an unspent balance of UGX.4Bn representing an absorption level of 92.9%. • I noted that the University received off-budget financing to the tune of UGX.9.2Bn which was not transferred to the consolidated fund as required by the law. • I noted that nine (9) outputs with a total of twenty-two (22) activities and expenditure worth 42.9Bn were fully quantified. That is, 99% of the activities within these out-puts were clearly quantified to enable assessment of performance. • I noted that one (1) output with a total of three (3) activities and expenditure worth UGX 0.47Bn was insufficiently quantified. That is, the two (2) activities of the three sampled (67%) of the output was not clearly quantified to enable assessment of performance. • I noted that one (1) output with one activity worth UGX.0.05Bn was fully implemented, while eight (8) outputs with a total of twenty-one (21) activities worth UGX.42.9Bn were partially implemented. Out of the twenty-one (21) activities, the entity fully implemented nine (9) activities (43%), 9 (43%) activities were partially implemented and three (3) activities (14%) remained unimplemented • I noted that the University accumulated receivables totalling to UGX.4,222,012,678 as at 30th June 2021, an increase of UGX.1,427,267,366 (51%) in the outstanding receivables of UGX.2,794,745,312 of the prior year ended 30th June 2020. • I noted that the leasehold land on Plot No. 6, lower circular Road, Mbarara expired on 31st March 2017 and has not been renewed four (4) years after its expiry. • I noted that MUST owns six (6) tourist camping sites (bandas) adjacent to Bwindi forest, in Kanungu district on approximately 2 acres of land which was leased to a service provider for a period of 10 years effective 12/04/2020 at contract sum of UGX.480,000,000 (UGX.48,000,000 annually). However, the service provider did not pay the first instalment of UGX.48,000,000 which was due on 12th April 2021, citing challenges of Covid-19 pandemic.
15	<p>National Council of Sports. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • Out of the budgeted NTR of UGX.1,185,394,990 for the financial year 2020/2021, UGX.515,782,750 was collected representing a performance of 44% of the target. • The entity budgeted to receive UGX.22.9Bn from the Treasury out of which UGX.21.6Bn was received, resulting into a shortfall of UGX.1.3Bn which was 5.7% of the budget.

		<ul style="list-style-type: none"> • Out of the total receipts for the financial year of UGX.22.165 Bn, UGX.22.160 Bn was spent by the entity resulting into an under absorption of UGX.0.006 Bn representing an absorption level of 99.97%. • Out of the eleven (11) outputs with a total of seventy-six (76) activities and expenditure of UGX.22.059 Bn taken for assessment, six (6) outputs with a total of thirteen (13) activities and expenditure worth UGX.18.708 Bn were fully quantified. • I assessed the implementation of six (6) out puts that were fully quantified with a total of thirteen (13) activities worth UGX.18.708Bn and noted that five (5) outputs with a total of twelve (12) activities worth UGX.18.708Bn were partially implemented. Out of the twelve (12) activities, the entity fully implemented five (5) activities (42%); partially implemented three (3) activities (25%) and four (4) activities (33%) remained unimplemented. • A review of the strategic plan, budgets and other records revealed that Council does not have a policy in place for promoting sports. There was no evidence availed by management to show that there is any framework of relationship with Local authorities to provide sports facilities. • Whereas Council approved funds transfer of UGX.1,431,284,198 to various Associations, there was no evidence to show that Council approved budgets of the individual Associations as required by NCS Regulations. I further noted that the approved funds transfers lacked a schedule supporting the allocation break down. • Out of the 51 registered Associations, 49 submitted information about their other sources of funding. The remaining 2 Associations did not submit the required information for the period under review. • I noted that some Associations did not deduct and remit WHT totalling to UGX.21,636,694 to the Uganda Revenue Authority.
16	Uganda Management Institute (UMI). 2020/21 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted that the Institute budgeted to collect NTR of UGX.25.68Bn during the year under review. Out of this, only UGX.9.11Bn was collected, representing a performance of 35.5% of the target. In addition, the Institute budgeted to receive UGX.36.33Bn however, UGX.33.89Bn was availed, resulting in a deficit of UGX.2.44 Bn which is 6.7% of the budget. • Out of the total warrants of UGX.33.88Bn received during the financial year. UGX.29.25Bn was spent by the entity resulting in an unspent balance of UGX.4.63Bn, thus an absorption level of 86.33%. The unspent funds were swept back to the consolidated fund as required by the PFMA. I further noted that the entity did not seek a revision of its budget and work plan as provided for by section 17 (3) of the PFMA 2015. • I noted that the University received off-budget financing to the tune of UGX.185,595,654 which was not declared to treasury and, therefore, not appropriated to the entity by Parliament. These funds were received directly from development partners for undertaking activities not budgeted for. • I reviewed the extent of quantification of outputs and activities for a sample of twelve (12) outputs with a total of sixty-eight (68) activities and expenditure of UGX.35.32Bn and noted that all the twelve (12) outputs with a total of sixty-eight (68) activities and expenditure worth UGX 35.32Bn were not quantified at all. That is, all the sixty-eight (68) activities (100%) within these outputs were not clearly quantified to enable assessment of performance. • I noted that PAYE tax totalling to UGX.589,262,089 was not deducted

		<p>from staff gratuity payments on the basis of exemption from PAYE under the Pensions Act. However, I noted that the gratuity of staff under contract terms is not regulated by the Pensions Act.</p> <ul style="list-style-type: none"> I noted that UMI did not transfer to the Consolidated Fund unspent balances of UGX. 555,953,247 on ABSA Project Account at the end of the financial year as advised by the Accountant General.
17	<p>Uganda National Examinations Board (UNEBC). 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> Out of the budgeted NTR of UGX.56.7Bn for the financial year 2020/2021, UGX.55.5 Bn was collected representing a performance of 97.9% of the target. There was no shortfall in Government releases, UNEBC budgeted to receive UGX.93.943 Bn from government which was entirely warranted. Out of the total receipts for the financial year of UGX.149.49Bn, a sum of UGX.149.49 Bn was spent by the Board representing an absorption level of 100%. UNEBC received off-budget financing to the tune of UGX.900,250,000 which was not appropriated by Parliament. These funds were received directly from NAPE-UTSEP project to conduct a survey on behalf of MOES on the effect of COVID-19 on teaching and learning at primary and secondary school levels. I reviewed the extent of quantification of outputs and activities for all the nine (9) outputs with a total of forty-two (42) activities and expenditure of UGX.149.49Bn and noted the eight (8) outputs with a total of thirty three (33) activities and expenditure worth UGX.101.67Bn were fully quantified. While one (1) output with a total of nine (9) activities and expenditure worth UGX.47.81Bn, was insufficiently quantified. I assessed the implementation of five (5) outputs that were fully quantified with a total of fifteen (15) activities worth UGX.1.5Bn and noted that Five (5) outputs with fifteen (15) activities and expenditure worth UGX 18.87Bn were fully implemented. Three (3) outputs with eighteen (18) activities worth UGX.82.80Bn were partially implemented. Out of the eighteen (18) activities, the entity fully implemented fourteen (14) activities, two (2) activities partially implemented, while two (2) activities remained unimplemented.
18	<p>BTJET SUPPORT PROJECT 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> There were no reportable issues.
19	<p>Petroleum Geoscience Collaboration Programme (ENPE II PROJECT) 2020/21</p> <p><u>Opinion</u> Qualified</p>	<ul style="list-style-type: none"> Makerere University main Building was gutted down by fire where vital documents got lost in the inferno. Consequently, payment vouchers and supporting documents in support of payments totaling to UGX.368,361,770 which is 65% of the total expenditure were not presented for examination. I was not able to confirm the authenticity of the expenditure.
20	<p>Makerere Institute of Social Research Beyond Criminal Justice Project Centre File 107453-001 for the Period 1st January 2013 to 31st December 2013</p>	<ul style="list-style-type: none"> No material issues to report on

	<u>Opinion</u> Unqualified	
21	Makerere Institute of Social Research Beyond Criminal Justice Project Centre File 107453-001 For The Period 1 st January 2014 to 31 st December 2014 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> No material issues to report on
22	Makerere Institute Of Social Research Beyond Criminal Justice Project Centre File 107453-001 For The Period 1st January 2015 To 31st December 2015 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> No material issues to report on
23	Makerere Institute of Social Research Beyond Criminal Justice Project Centre File 107453-001 For The Period 1st January 2016 To 31st December 2016 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> No material issues to report on
24	MAKERERE INSTITUTE OF SOCIAL RESEARCH- HARRY FRANK GUGGENHEIM FOUNDATION GRANT FOR THE PERIOD 1st JANUARY 2014 TO 31ST DECEMBER 2014 Opinion Unqualified	<ul style="list-style-type: none"> No material issues to report on
25	MAKERERE INSTITUTE OF SOCIAL RESEARCH- HARRY FRANK GUGGENHEIM FOUNDATION GRANT FOR THE PERIOD 1 st JANUARY 2015 TO 31ST DECEMBER 2015 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> No material issues to report on
26	MAKERERE INSTITUTE OF SOCIAL RESEARCH- HARRY FRANK GUGGENHEIM FOUNDATION GRANT FOR THE PERIOD 1 st JANUARY 2016 TO 31ST DECEMBER	<ul style="list-style-type: none"> No material issues to report on

	2016 <u>Opinion</u> Unqualified	
27	Makerere Institute Of Social Research Internally Generated Funds For The Period 1st July 2012 To 30th June 2013 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • No material issues to report on •
28	Makerere Institute of Social Research Internally Generated Funds for The Period 1st July 2013 To 30th June 2014 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • No material issues to report on •
29	Makerere Institute of Social Research Internally Generated Funds for The Period 1st July 2014 to 30th June 2015 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • No material issues to report on •
30	Makerere Institute of Social Research Internally Generated Funds for The Period 1st July 2015 to 30th June 2016 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • No material issues to report on •
31	Makerere Institute of Social Research- Norhed Project "Building and Reflecting on Interdisciplinary Phd-Studies for Higher Education Transformation" Grant Number: Uga-13/0023 For the Period 1st January 2014 to 31st December 2014 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • No material issues to report on •
32	Makerere Institute of Social Research- Norhed Project "Building and Reflecting on Interdisciplinary Phd-	<ul style="list-style-type: none"> • No material issues to report on •

	<p>Studies for Higher Education Transformation” Grant Number: Uga-13/0023 For the Period 1st January 2015 to 31st December 2015</p> <p><u>Opinion</u> Unqualified</p>	
33	<p>Makerere Institute of Social Research- Norhed Project “Building and Reflecting On Interdisciplinary Phd-Studies For Higher Education Transformation” Grant Number: Uga-13/0023 For The Period 1st January 2016 To 31st December 2016</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • No material issues to report on
34	<p>Makerere Institute of Social Research- Think Tank Initiative Phase 2 Institutional Support Centre File: 107906-001 For The Period 1st January 2014 To 31st December 2014</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • No material issues to report on •
35	<p>Makerere Institute of Social Research- Think Tank Initiative Phase 2 Institutional Support Centre File: 107906-001 For the Period 1st January 2015 to 31st December 2015</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • No material issues to report on
36	<p>Makerere Institute of Social Research- Think Tank Initiative Phase 2 Institutional Support Centre File: 107906-001 For the Period 1st January 2016 to 31st December 2016</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • No material issues to report on
37	<p>Makerere Institute of Social Research- Carnegie</p>	<ul style="list-style-type: none"> • No material issues to report on

	<p>Corporation Grant Number B 8741.Ro1 for the Period 1st January 2014 to 31st December 2014</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> •
38	<p>Makerere Institute of Social Research Carnegie Corporation Grant Number B 8741.R01 for the Period 1st January 2015 to 31st December 2015</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • No material issues to report on •
39	<p>Makerere Institute of Social Research-Carnegie Corporation Grant Number B 8741.Ro1 For the Period 1st January 2016 To 31st December 2016</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • No material issues to report on •
40	<p>Kyambogo University Enable Report June 2020</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • No material issues to report on •
41	<p>KYU University ENABLE Project Report Dec 2020</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • No material issues to report on •
42	<p>KYU NORHED-MVP Project Report June 2020</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • No material issues to report on •
43	<p>KYU NORHED-MVP Project Report Dec 2020</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • No material issues to report on •
44	<p>Uganda Petroleum Institute Kigumba 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted that the Institute submitted its strategic plan for the period 2021-2025 to NPA for review and approval but at the time of audit the certificate of approval had not been received. • Out of the budgeted NTR of UGX.0.67Bn for the year 2020/2021 only UGX.0.073Bn was collected, representing a performance of 9% of the target. Similarly, the Institute budgeted to receive UGX.8.5bn from GOU

		<p>of which UGX.6.65bn was warranted, resulting in a shortfall of UGX. 1.85bn representing 21% of the budget.</p> <ul style="list-style-type: none"> • I noted that the Institute spent all the funds that was available amounting to UGX.6.92bn representing 100% performance. • I noted that Seven (7) outputs with fifteen (15) activities and expenditure worth UGX.4Bn were fully quantified. That is, 100% of the activities within these out-puts were clearly quantified to enable assessment of performance. I further noted that Twelve (12) outputs with Twenty two (22) activities and expenditure worth UGX.2.49Bn was not quantified to enable assessment of performance. • Out of the Seven (7) quantified outputs three (3) outputs with seven (7) activities and expenditure worth UGX 4.39Bn were fully implemented while two (2) outputs with four (4) activities worth UGX.0.25Bn were partially implemented as two (2) outputs with four (4) activities worth UGX0.33Bn were not implemented. That is none of the four (4) activities was implemented at all. • The Institute had accumulated domestic arrears totalling to UGX. UGX.1.03Bn by the closure of the financial year under review (2020/2021) thereby being expressed to risk of litigation. • The Institute had outstanding receivables totalling to UGX.0.055Bn by the closure of the financial year under review. • Construction of Female hostel block, 2 Lecture halls, Library and an information Centre and Health Centre had delayed by 20months from the initial completion date of 27th March, 2020. • Out of the 103 approved staff established of the Institute, only 84 posts had been filled leaving 19 (18%) positions vacancies. I further noted that in spite of the vacant positions, the Institute had recruited an additional Forty-six (46) staff on contract terms outside the approved structure.
45	<p>Tb Preventive Therapy for Hiv-Infected Alcohol Users in Uganda: An Evaluation of Safety, Tolerability and Adherence (ADEPTT) Project 2018</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted that the closing balance of USD 12,178.00 was different from the balance brought forward as at 1st September 2017 of USD 9,615.58 creating a difference of USD 2,562.42. The difference could not be explained by management and was therefore disclosed in the Fund accountability statement as unaccounted for funds. •
46	<p>MUST- Public Engagement Fund Grant, 'Unpacking Design Thinking Principles Through Biomedical Engineering Student's Innovation Cafes' Bmeic Project – 2020</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • No Reportable issues. •
47	<p>MUST- Serial Killers to Mosquitoes; The Spatial Targeting of Larval Habitats in Rural Uganda Using Geographic Profiling</p>	<ul style="list-style-type: none"> • No Material Reportable issues. •

	(Breeding Sites) Project – 2019 <u>Opinion</u> Unqualified	
48	Epidemiology of Coronary Artery Disease Among People with Hiv In Rural Sub-Sahara Africa (CAD) Project 2019 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • No Material Reportable issues. •
49	MUST- Interventions to Reduce Alcohol Use and Increase Adherence to TB Prevention Therapy Among Hiv/Tb Co-Infected Drinkers (DIPT) 2019 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • No Material Reportable issues. •
50	MUST-Population Effectiveness of Dolutegravir Implementation in Sub-Saharan Africa: A Prospective Observational Cohort Study” (DISCO), 2020 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • No Material Reportable issues. •
51	MUST- Mobile Technology to Extend Clinic – Based Counseling For Hiv+ In Uganda (Extend), Project – 2019 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • No Material Reportable issues. •
52	MUST- Mama Namtoto: Barriers and Enablers to Gender, Equity and Scale-Up in Tanzania Project Code 108547-002, 2018 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • No Material Reportable issues. •
53	Must- Research Aimed at Developing Sustainable Low Field Magnetic Resonance Imaging (MRI-NIH) Project	<ul style="list-style-type: none"> • No Material Reportable issues. •

	– 2019 <u>Opinion</u> Unqualified	
54	Advancing Hiv Research at MUST Through A Research Administration Training Project with the University of Virginia (RASA) -2020 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • No Material Reportable issues. •
55	MUST- Resistance Testing Versus Adherence Support for Management of Patients with Virologic Failure on First-Line Antiretroviral Therapy in Sub-Saharan Africa (Revamp) Project No. 04/05-16 – 2018 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted that the opening bank balance of USD 58,902 was different from the balance brought forward as at 1st July 2017 of USD 49,244, thus creating unexplained difference of USD 9,658. The difference was disclosed in the Fund accountability statement as unaccounted for funds. • I noted stale payments (cheques) totaling to USD 29,567.06 that were kept beyond six months in favor of government agencies and suppliers of goods and services which were never paid by the Project. This creates a risk of court fines and penalties.
56	MUST- Analysis of Past and Projected Future Land Use Change and Its Impact on Sediment Fluxes in The Rwizi Catchment (Vlir Rwizi) Project – 2018 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • No Material Reportable issues. •
57	MUST- Smart Discharge to Improve Post-Discharge Health Outcomes in Children: A Prospective Stepped-Wedge Effectiveness Study (Smart Discharge) Project - 2019. <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • No Material Reportable issues. •
58	Social Networks, Hiv Stigma, And the Hiv Care Cascade in Rural Uganda Project Of Mbarara University Of Science and Technology- 2019 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • No Material Reportable issues. •
59	MUST-The Virologic And Pharmacologic	<ul style="list-style-type: none"> • No Material Reportable issues.

	<p>Determinants of Dolutegravir Failure in East Africa (TId) Project 2019</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> •
60	<p>MUST- Voices of The Indigenous People Of Uganda Project 2020</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • No Material Reportable issues. •
61	<p>Education Service Commission 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted the Commission closed the year with outstanding payables/domestic Arrears worth UGX.0.255Bn. • The Commission received all the budgeted amount of UGX.9.38Bn and had unspent balance of UGX. 0.82Bn, representing an absorption level of 91%. • I noted that the Commission quantified all its outputs. Ten (10) outputs were fully quantified with a total of thirty five (35) activities worth UGX 8.55Bn. Seven (7) outputs with twenty four (24) activities worth UGX.8.1Bn were partially implemented, while one (1) output with one (1) activity worth UGX.0.015Bn was not implemented. •
62	<p>Multinational Statistical Capacity Building Program for Managing for Development Results - Phase 4.2 (MSCB-AFDB) Project 2017</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • No Material Reportable issues. •
63	<p>Multinational Statistical Capacity Building Program for Managing for Development Results - Phase 4.2 (MSCB-AFDB) Project 2018</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • No Material Reportable issues. •
64	<p>Multinational Statistical Capacity Building Program for Managing for Development Results - Phase 4.2 (MSCB-AFDB) Project 2019</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • No Material Reportable issues. •

65	<p>Multinational Statistical Capacity Building Program for Managing for Development Results - Phase 4.2 (MSCB-AFDB) Project 2020</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • No Material Reportable issues. •
66	<p>Mandela National Stadium Limited 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted that the Company had no approved strategic plan that is aligned to NDPIII at the time of audit. • I noted that although the Company realized 101% of the budgeted, the original budget was revised from UGX.6.07Bn to UGX.2.63bn to match the expected revenue. • Out of the total receipts for the financial year of UGX.2.66bn, UGX. 1.36 Bn was resulting into an unspent balance of UGX.1.3bn representing an absorption level of 51%. • I noted that the Stadium quantified all its five (5) outputs and all the outputs were partially implemented whereby out of forty four (44) activities, the entity fully implemented seven (7) activities (16%), partially implemented five (5) activities (11%), while thirty two (32) activities (73%) remained unimplemented. • I noted that MNSL liabilities remained on a higher side despite a registered decrease from UGX.5.38Bn in the F/Y 2019/2020 to UGX.3.89Bn as at the end of the financial year under review representing a reduction of UGX.1.49 (28%). • I noted that Mandela National stadium closed the financial year with a receivables figure of UGX.2.42Bn, a reduction of only 7% from receivables of UGX.2.59 as at the end of the previous FYR: 2019/2020. • I noted that the Company did not implement its Staffing Strategy of the current running strategic plan 2018-2023. • I noted that stadium Land continues to have illegal occupants.
67	<p>The Albertine Region Sustainable Development Project (ARSDP) - MOES Component 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • Assessment of the Project's performance for the five year Project work plan implementation status revealed that one objective/goal had been achieved, while the remaining seven (7) were partially achieved. • Out of the project donor budgeted receipts of UGX.41.3Bn only UGX.35.5Bn was released, resulting in a shortfall of 5.5Bn representing 86% performance; out of the GOU budgeted amount of UGX. 2.94Bn, only UGX.2.66Bn was released, resulting in a shortfall of 0.28Bn representing 91% performance. • Out of the total receipts for the financial year of UGX. 35.5Bn, UGX.32.3Bn was spent by the Project leaving a balance of UGX.3.2Bn representing 91% performance. • I noted that four (4) outputs and nine (9) activities to be implemented; Three (3) outputs with a total of eight (8) activities and expenditure worth UGX.18.79Bn were fully quantified while One (1) output with one (1) activity and expenditure worth UGX.13.48Bn was insufficiently quantified to enable the assessment of performance. • I noted that three (3) out puts with a total of eight (8) activities worth

		<p>UGX.25.18Bn were fully quantified.</p> <ul style="list-style-type: none"> I noted One (1) output with two (2) activities and expenditure worth UGX 14.53Bn was fully implemented. That is all the two (2) activities within this output were fully implemented. I further noted that One (1) output with Five (5) activities worth UGX.3.60Bn was partially implemented. I also noted that One (1) output with one (1) activity worth UGX.0.68Bn was not implemented. That is; the one (1) activity was not implemented at all. Review of the Implementation status of the aide Memoir reports by the World bank for the Project monitoring mission activity for the period 27th July -3rdAugust 2020, 2nd-10th December 2020 Mission and 16th-25th March, 2021 revealed that some of the agreed upon actions/recommendations between the World Bank and MoES Implementation status of aide Memoir reports indicated that some recommendations had either been partially implemented or not implemented. I noted that there was no internal audit review carried out on the operations of ARSDP during the period under review contrary to the requirement in Section II (B) of the ARSDP Financing agreement.
68	<p>Kyambogo University 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> I noted that the University prepared a strategic plan and obtained a certificate of compliance on the 27th of September 2021 from National planning Authority (NPA). The University collected UGX.40.9Bn (53%) of its budgeted non-tax revenue of UGX.77.1Bn. I further noted that the university received UGX.130.07Bn (93%) out of the budgeted GOU receipts amount of UGX.140.6Bn. Out of the total warrants for the financial year of UGX.130.07Bn, only UGX.124.5 was spent by the University resulting into unspent balance of UGX.5.53Bn representing an absorption level of 96%. The University received Donor financing to the tune of UGX.3.11Bn of which only UGX.2.68Bn had been included in the budget reflecting off budget receipts of UGX.0.43Bn. I noted that out of the 14 outputs sampled, 4 out puts (29%) were fully quantified, 8 out puts (57%) were insufficiently quantified while 2 out puts (14%) were not quantified at all. I also noted that the University did not fully implement any of the 4 fully quantified out puts. The University had outstanding domestic arrears and outstanding receivables of UGX.13.6Bn and UGX.23.2Bn, respectively. Some of the University land had illegal land occupants. I further noted that there were variations between the area on the Certificate of Tittle and actual Area on the ground for plot M902 of the University land. Out of the 1,671 approved posts for the University, only 928 (55.5%) were filled leaving 743 (45.5%) posts vacant. This has a negative impact on education service delivery. The University had MOUs for only 40 of the 112 affiliated Institutions. I further noted that of the 40 MOUs availed; MOUs for 9 Institutions had expired.
69	The National Council for Higher Education	<ul style="list-style-type: none"> Out of budgeted NTR collections of UGX. 6.25bn, only UGX. 2.96Bn was

	<p>2020/21</p> <p><u>Opinion</u> Unqualified</p>	<p>realized, representing a performance of 47.4%.</p> <ul style="list-style-type: none"> The Council budgeted to receive UGX.5.4Bn from Government out of which UGX.5.01Bn was availed, resulting in a shortfall of UGX0.39Bn, which is 7.2% of the budget. Out of UGX.8.86 Bn available for spending during the financial year, UGX.8.75Bn was spent by the entity resulting into unspent balance of UGX 0.11 Bn, representing absorption level of 99%. I noted that out of the one hundred sixteen (116) activities, fifty three (53) activities (46%) were quantified, while the balance of sixty three (63) activities (54%) were not clearly quantified to enable the assessment of performance. I further noted that One (1) output with a total of Nine (9) activities and expenditure worth UGX 0.62 Bn were not quantified at all.
70	<p>National Curriculum Development Centre 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> I noted that whereas NCDC had prepared a strategic plan and whereas a notification of approval had been provided by NPA, a certificate of approval was yet to be obtained. Out of the budgeted NTR of UGX.250,000,000 for the financial year under review, UGX.93,000,000 was collected representing a performance of 37.2% of the target. The entity budgeted to receive UGX.40.163Bn from Treasury out of which UGX.37.138 Bn was warranted, resulting into a budget shortfall of UGX.3.025Bn which is 7.5% of the budget. The Centre received off-budget financing to the tune of UGX.1,661,966,260 which was not transferred to the Consolidated Fund as required by the law and hence not appropriated. Out of the total receipts for the financial year of UGX 37.137bn a sum of UGX. 36.929bn was spent by the entity resulting into an under absorption of UGX.0.208bn representing absorption level of 99.4%. Out of the eleven (11) outputs with a total of seventy three (73) activities and expenditure of UGX.36.88 Bn, nine (9) outputs with a total of sixty eight (68) activities and expenditure worth UGX 35.95 Bn were fully quantified, one (1) output with a total of two (2) activities and expenditure worth UGX.0.16Bn were insufficiently quantified, and one (1) output with a total of one (1) activity and expenditure worth UGX 0.77Bn was not quantified to enable assessment of performance. I assessed the implementation of nine (9) out puts that were fully quantified with a total of sixty eight (68) activities worth UGX.35.95Bn and noted the following; Two (2) outputs with 2 (two) activities worth UGX 0.75 Bn were fully implemented. The entity implemented the two (2) activities (100%) within the outputs. Secondly; seven (7) outputs with a total of sixty six (66) activities worth UGX.35.20Bn were partially implemented. Out of the sixty six (66) activities, the entity fully implemented forty one (41) activities (62%); partially implemented seven (7) activities (11%) and eighteen (18) activities (27%) remained unimplemented. I noted that goods and services totalling to UGX.5,296,396,760 did not have corresponding WHT transactions totalling to UGX.317,783,806 on the IFMS payment file. I further noted that there was no evidence of exemptions. Payments totalling to UGX.7,616,021 were made to staff of the Centre contrary to the e-cash guidelines. Similarly, funds totalling to UGX.31,448,969 were irregularly paid to payees who were already

		registered suppliers/vendors on IFMS. Also Funds to the tune of UGX.22,105,200, were utilized for expenses that were not provided for in the budget, to cater for COVID-19 SOPs.
71	Makerere-Sida Bilateral Research Program 2020/21 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • No material Issues to report on •
72	Pharm-Biotechnology and Traditional Medicine (Pharmbiotrac) Centre Ace Ii Project 2020/21 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted that a sum of USD.4,754,402 (88%) was disbursed in the 4 years period to 30th June 2021 against the planned cumulative expenditure of USD 5,404,514. • I noted that out of the total available financing for the financial year of USD.1,506,515 only USD.1,105,054 was spent by the Project resulting into an unspent balance of USD.401,461 representing an absorption level of 73%. • I noted that all the ten (10) outputs with a total of eighty seven (87) activities and expenditure of USD.1,105,054 were clearly quantified to enable assessment of performance. • I noted that all the ten (10) outputs with a total of eighty seven (87) activities worth USD. 1.1million were partially implemented. Out of eighty seven (87) activities, the entity fully implemented forty five (45) activities (52%), the entity partially implemented fifteen (15) activities (17%), while twenty seven (27) activities (31%) remained unimplemented. • • I noted that the Project had not obtained Patent rights over the various Products it had developed.
73	Ministry of Education and Sports (MOES) 2020/21 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted that the Ministry's Strategic plan was not yet approved by National Planning Authority at the time of audit. • The Ministry budgeted to collect NTR of UGX.6.3Bn during the year under review out of which, only UGX.0.13Bn was realized, representing a performance of only 2% of the target. • The entity budgeted for GOU receipts of UGX.388.4bn of which UGX.369bn was warranted, resulting into a shortfall of UGX.19.4Bn which is 5% of the budget. • Out of the total receipts for the financial year of UGX.369Bn, a sum of UGX.343.6Bn was spent by the Ministry resulting into an unspent balance of UGX.23.3Bn representing an absorption level of 93%. • Twenty three (23) outputs with a total of sixty four (64) activities and expenditure of UGX. 274.4Bn that were sampled were fully quantified. • Ten (10) outputs with a total of twenty seven (27) activities worth UGX.124.1Bn were fully implemented. Nine outputs (9) outputs with a total of twenty five (25) activities worth UGX 98.4Bn were partially implemented while Four (4) outputs with a total of twelve (12) activities worth 51.83 Bn were not implemented at all. • The Ministry spent UGX.5.3Bn on Covid-19 impacted expenditure to cater for printing and distribution of home learning materials, content writing for home learning materials which was not in the approved budget and there was no evidence of a supplementary request.

		<ul style="list-style-type: none"> • Out of a sum of UGX. 23.44Bn released to the ministry in respect of Covid-19 response related expenditure only UGX.9.62 (55.4%) remained unspent and was subsequently swept back to the Consolidated Fund Account. • I noted under Note 18 to the financial statements and the statement of financial position that the ministry had receivables totaling to UGX.10.64Bn at the beginning of the financial year which increased to UGX.11,684,417,736 at closure of the year. The outstanding amounts relate to advances which were made to various educational institutions and District Local Government. • The ministry had outstanding payables amounting to UGX.39.45 Bn at the closure of the financial year. This was a reduction of UGX.10.74Bn (21.4%) from UGX.50.19Bn in the FY 2019/20. I further noted that UGX. 29.79Bn (75.5%) of the outstanding amount has been outstanding for more than one year. I also noted that whereas the Ministry had outstanding obligations UGX.50.19Bn at the beginning of the financial year, only UGX.16.69Bn was provided for in the budget resulting into a funding gap of UGX.33.51Bn. • Only UGX.18.81Bn of the appropriation for pensions of UGX.28.52Bn (66%) was absorbed leading to under absorption of funds by UGX.9.71Bn (34%). In addition, the Ministry had accumulated pension arrears totaling to UGX.1.47Bn due to delayed payment due to missing documents on pension files. • Out of the total verified outstanding court awards of UGX.10.18 Bn, a sum of UGX.4.69Bn (46.1%) relates to accumulated interest costs arising from delayed settlement of court awards. I further noted that whereas the ministry had obligations to the tune of UGX. 15.98Bn and other on-going cases during the financial year, only UGX.1.66Bn was provided for court awards and compensations in the work plan for the financial year under review. • Post closure audit inspection on Uganda Teacher School Effectiveness' project (UTSEP) in the Ministry of Education revealed UGX.1.58Bn remained unutilized as at the closure of the F/Y (30th June 2021). • I noted that UGX.3.9Bn of the UGX.5.55Bn advanced to UBOS before project closure date (31st July 20) to carry out data collection (enumeration) for the comprehensive Education Institutions baseline, which was expected to be completed by 30th April 2020 remained outstanding. • I noted that the Ministry of Education and Sports still holds the mandate of managing Government scholarships, however information on Scholarship offered at the different Missions and other Government organizations was not available at the Secretariat. In addition, there was no scholarship Policy. I also noted that out of a total of 280 scholarships offered in the previous three years, only 162 were utilized resulting into an under absorption of 118 (42%) scholarships.
74	<p>Opec Fund for International Development (OFID)- Vocational Education Project Phase 11 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted that the 5 year project with total budget of UGX.59.43 Bn that started in June 2017 had only received a total of UGX 14.09 Bn by end of financial year 2020/2021. • Out of the total amount of UGX.14.09Bn availed for financing the Project for the four and a half years covered; only UGX.12.3 Bn (87%) had been absorbed while the unspent balance of UGX.1.7bn was swept back to the Consolidated Fund. • I noted that whereas the Project closing date was 31st December 2021,

		<p>two critical project Components 1 & 2 (civil works, supply of equipment and tools) that form 85% of the total project budget had not taken off by the time of concluding the audit (2nd December 2021).</p> <ul style="list-style-type: none"> • I observed that out of the absorbed funds worth UGX.12.3Bn, UGX.6.6bn (54%) was spent on other Arab funded Projects other than OFID project. • I noted that a total amount of UGX. 6.6Bn of the UGX.12.3 Bn GOU component was irregularly spent on other Arab funded Projects of IDBI, IDBII, KFAED and BADEA without authority.
75	<p>Uganda Skills Development Project (USDP)- PSFU 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted that the Project has made cumulative disbursements of USD.15,345,592 against cumulative commitments of USD.17,617,457 representing 87% performance. • Out of the total amounts of UGX.30.75Bn available for spending during the financial year under review, a total amount of UGX.24.6Bn was spent by the Project resulting into an unspent balance of UGX.6.14Bn, representing an absorption level of 80%. • All the seven (7) outputs with a total of twenty-nine (29) activities and expenditure of 24.6Bn that is, all the twenty-nine 29 activities (100%) within these out-puts were clearly quantified. • I assessed implementation of Quantified outputs and noted that; the Project fully implemented sixteen (16) activities (62%); the Project partially implemented eight (8) activities (30%), while two (2) activities (8%) remained unimplemented.
76	<p>Uganda Skills Development Project (USDP) -MOES</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted that at the close of the financial year 2020/2021, out of the two (2) planned strategic targets/objectives, one objective/goal had been achieved, while the other one had been partially achieved. • Out of the budgeted amount of UGX.58.82Bn budgeted to be received from World Bank during the financial year 2020/2021; a sum of UGX.46.53Bn was received indicating performance of 79% of the target. Similarly, the project budgeted to receive UGX.1.25Bn, of which UGX.1.07Bn was warranted, resulting in a shortfall of UGX. 0.18 Bn (14.4%) of the budget. • I noted that all project outputs were fully quantified. I also noted that the project fully implemented one of the sampled outputs, partially implemented one and two outputs were not implemented. • I noted delayed Signing of Contract for Supply of a Spray track for UTC Lira valued at Euros 205,200 had delayed for 9 months by end of November 2021, following the contracts committee's approval on 23rd/02/2021. • I noted delayed Installation and testing of Equipment: USD. 8,304,848 by 5 months at the time of audit at the end of November. I further noted that furniture supplies and civil works had also delayed with the delayed period ranging from 1-7 months.
77	<p>Imagining Gender Futures in Uganda (IMAGENU) Project – DFC Project No. 17-07-AU- Gulu University - 2020</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • There were no reportable issues. •

78	<p>Makerere University Business School. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted that the University had its plan approved and certified by NPA and the plan is aligned to the national development plan. This greatly supports the achievement of NDP-III objectives. • I reviewed the NTR estimates, revenue sources and rates charged at vote level for the financial year 2020/2021 and noted that the entity budgeted to collect NTR of 56.845Bn during the year under review. Out of this, only 33.589bn was collected, representing a performance of 59.1% of the target. • The University budgeted to receive UGX.102.629Bn out of which UGX.97.03Bn was availed, resulting in a shortfall of UGX5.59Bn, which is 5.5% of the budget. • Out of the total warrants of UGX.97.03Bn received during the financial year. UGX.96.85Bn was spent by the entity resulting in an unspent balance of UGX.0.18Bn representing an absorption level of 99.8%. The unspent funds were swept back to the consolidated fund as required by the PFMA. • I noted that the School received off-budget financing to the tune of UGX. 549Bn from NOHRED/NORAD Project Support which was not declared to treasury and, therefore, not appropriated to the entity by Parliament. • I reviewed the extent of quantification of outputs and activities for a sample of twelve (12) outputs with a total of seventy three (73) activities and expenditure of UGX.91.667Bn and noted that five (5) outputs with a total of fourteen (14) activities and expenditure worth UGX.3.031Bn were fully quantified. One (1) output with a total of twenty four (24) activities and expenditure worth UGX.77.002Bn, was insufficiently quantified while six (6) outputs with a total of thirty five (35) activities and expenditure worth UGX 11.633Bn were not quantified at all. • I assessed the implementation of five (5) outputs that were fully quantified with a total of fourteen (14) activities worth UGX 3.031Bn and noted that; Three (3) outputs with eight (8) activities and expenditure worth UGX 1.694Bn were fully implemented. One (1) output with two (2) activities worth UGX.1.336Bn was partially implemented while one (1) output with four (4) activities with a budget of UGX.1.159Bn was not implemented. • The entity disclosed receivables to the tune of UGX.21,730,133,664. This reflected an increase in receivables by UGX.12,025,676,995 (124%) from the previous year's balance of UGX.9,704,456,669. The accumulation of receivables impacts negatively on the operations of the University and the education service delivery. • The Statement of Financial Position showed accumulation of payables to the tune of UGX.1,215,592,931 as at 30th June 2021. I noted that these payables were accumulated in the current year and largely related to suppliers of goods and services. Accumulation of payables poses a risk of litigation and or loss of trust against the University from the suppliers of the goods and services. • The financial statements showed that MUBS was involved in several court cases/legal proceedings of a total value UGX.2,899,977,221 in various courts of law that remained pending as at the financial year end. There is a risk that in case of un-favourable rulings, the School may incur more financial losses. • A review of the statement of cash flow revealed payment of domestic arrears of UGX.9,601,334,785 against UGX.330,708,964 that was budgeted and warranted for payment of domestic arrears. Payment of
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		<p>funds to un-appropriated budget lines leads to non-implementation of budgeted for activities.</p> <ul style="list-style-type: none"> I noted that the School had five (5) pieces of land recorded in the assets register that have never been valued to ascertain the monetary value. I also noted that the land in Kireka had squatters and the possibility of reclaiming it may prove to be challenging. The encroachment on the School land was attributed to failure to gazette and develop the land.
79	<p>The Norwegian Programme for Capacity Development In Higher Education And Research For Development (Norhed) 2020</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> The Project ended, and as at the end of the six-month period ended 31st December, 2020, funds to the tune of USD. 272,213 (Nok2,054,787) remained unspent, and it was refunded to the Funders.
80	<p>Environment for Development Initiative (Efd-Mak Centre) Project Makerere University for The Period 1st January - 31st December 2020</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> No material Issues reported
82	<p>Nurture: Research Training and Mentoring Program for Career Development of Faculty in Medical Education Partnership Initiative Institutions (Mepi) At Makerere University College of Health Sciences - 2018</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> No material Issues reported
	<p>SCIENCE AND INNOVATION SECTOR</p>	
1.	<p>Kiira Motors Corporation. 2019/2020</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> I noted that at the time of the audit (June 2020), out of the planned six (6) strategic targets/goals, three (3) targets had been fully achieved and three (3) were partially achieved 100 acres of land, in Kiira Town Council, Jinja District land was only disclosed as a note without value attached and neither is it recorded in the assets register. Failure to handover funds worth UGX.8,923,350,798 to Makerere University, since these funds had been specially released for Kiira Motors as a project under Makerere University. I observed that only two of the nine (9) members of the Board of Directors, the Executive Chairperson and the Chief Executive Officer were duly appointed, leading to an inadequately constituted Board.
2.	<p>Presidential Initiative on Banana Industrial Development (PIBID).</p>	<ul style="list-style-type: none"> I noted that out of the 3 strategic targets, PIBID partially attained them, with the hope of fully attaining the targets by the end of the strategic

	<p>2019/2020</p> <p><u>Opinion</u> Unqualified</p>	<p>plan period.</p> <ul style="list-style-type: none"> • NTR of UGX.99 Million was collected but not remitted to the consolidated fund and was instead spent at source. • It was observed that the entity has not taken off full operations as it remains cash strapped with limited subventions from the Ministry of Science Technology and innovation. • There was no evidence of the establishment of the Institutional Framework and Governance Board and the renewal of the appointment of the Board and Management Committee Members. • During the financial year, a total of UGX.29,230,320 was paid to the Executive Director as man-day allowance for signing 12 contracts on behalf of the organization, yet this is one of her roles for which a monthly salary is paid. • A total of UGX.272,694,000 was paid to various staff as allowances for working over the weekend. • The internal audit department had only one draft internal audit report with no evidence that the report was submitted to the Accounting Officer and Internal Auditor General. • PIBID recruited staff during the year 2019/2020 without an approved recruitment plan for the period. • Audit noted that PIBID did not have an approved salary structure on which it bases to pay individual staff • I noted that the entity lacked land titles for its land at Sanga (approximately 50 acres) and land where the water source is located at Kyamugambira (approximately 4 acres). • Management deducted UGX.633,205,884, as PAYE, from employee's salaries but was not remitted to Uganda Revenue Authority. • It was observed that outstanding obligations to the National Security Fund at the end of the Financial Year 2019/2020 were UGX.829,409,254.
3.	<p>Uganda Institute of Communication Technology (UICT). 2019/2020</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted that out of the budgeted revenue of UGX.3,359,386,101 for the year 2019/2020, only UGX.1,893,012,622 was collected representing a performance of only 56% of the target. • An analysis of the outputs/activities that were quantified revealed that several activities remained un implemented. • I noted that there was over expenditure of UGX.34,136,741 on three budget lines. • I noted that the entity had outstanding trade and other receivables amounting to UGX.384,635,852. • I noted temporary staffs that have been working at the Institute for over 10 years with continuous contract renewals. • A review of the staff establishment showed that only 41 positions were filled out of the established 99 positions, leaving 58 positions vacant. • I noted that there was neither staff training nor an annual training plan in place. • Contrary to Section 34 (1) of the VAT Act 1996, I noted that UGX.4,534,592 worth of VAT remained outstanding as at 30th June 2020.
4.	<p>Ministry of Science and</p>	<ul style="list-style-type: none"> • The Ministry of Science Technology and Innovation was merged with the

	<p>Technology and Innovation. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<p>President's Office effective July 2021. I however did not obtain evidence of a proper transition plan which has led to delayed disbursement of funding for subventions and independent projects. The merger further rendered 136 technical scientist staff redundant and were not paid emoluments by the end of November, 2021. I advised management to ensure that a smooth transition process is undertaken.</p> <ul style="list-style-type: none"> • Out of the total budget for the financial year of UGX.150Bn, only UGX.144.6Bn was received by the Ministry resulting into a shortfall of UGX.5.737Bn (equivalent to 3.5% of the budget). Shortfalls in revenue result into non implementation of planned activities. • Out of 20 quantified activities worth UGX.105.9Bn that were assessed; 13 activities representing 65% were fully implemented, 5 activities representing 25% were partially implemented, while 2 activities representing 10% were not implemented. I advised management to roll over critical activities to subsequent years and ensure that they are implemented before the end of the National Development Plan III. • I noted that funds to the tune of UGX.834Mn were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. I advised management to always ensure that proper authorization is obtained before implementing any unbudgeted activities. • Most of the research projects that had received funds for COVID-19 Vaccines and Treatments had not made much progress. Delays were majorly attributed to the late disbursement of funds and delayed delivery of Equipment. I advised management to ensure thorough due diligence before funds are allocated to the projects.
5	<p>Kiira Motors Corporation. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • Cabinet approved the roadmap for the commercialisation of the Kiira Electric vehicle project with a seed fund of UGX.143.7Bn to be availed over a period of 4 years effective 2018/19. Only 59% of the seed fund had been released in the previous three financial years, casting doubt as to whether the balance of UGX.58.4Bn (41%) would be released in the remaining one year. Failure to promptly fund the project, may lead to high-cost overruns and delays in realising the intended objectives. In addition, it may cast doubts on its sustainability. • KMC signed a Memorandum of Understanding (MOU) with National Enterprise Corporation (NEC) on the 15th January 2019 for the construction of the Kiira Vehicle Plant start-up facilities at the cost of UGX.63.64Bn. I noted that of the civil works that were to be completed by June 2021 (a period of 2 years and six (6) months), only 82% of those works had been completed due to insufficient funding. Underfunding has affected the progress of the plant construction which further delays the realisation of the intended objectives. • Ministry of Science, Technology and Innovation (represented by Kiira Motors Corporation) and Makerere University were collaborating in the Development of a Low-Cost Open Design Medical Ventilator named Bulamu, that could be manufactured locally. Although UGX.74Mn was received from Resilient Africa Network Ran Ltd towards the completion of the development of the Ventilator, the development was behind schedule. The delays may affect the realisation of intended objectives. • I noted that Makerere University received UGX.8.92Bn for the Kiira Motors Project between FY2012/13 and FY2015/16 for the construction of the Kiira Vehicle Plant Start-Up facilities in Jinja. However, the university had not released these funds for over eight years. I advised management

		to follow up on the matter with all responsible stakeholders.
6	Uganda National Council for Science and Technology. 2020/21 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted that out of the budgeted revenue of UGX.20.53Bn for 2020/21; UGX.24.59Bn was collected, representing a performance of 120% of the target. • Out of the 41 outputs assessed, 34 outputs representing 83% were fully implemented; four (4) outputs representing 10% were partially implemented, while three (3), representing 7%, were not implemented. • I noted that there was no evidence that the Accounting Officer prepared or submitted the annual budget performance reports of the Council by 31st July 2021 as required by regulations. • I noted that the entity did not prepare and submit the annual monitoring plans to the line Ministry for consolidation and onward transmission to the Ministry of Finance Economic and Economic Planning. • I established that UGX.94Mn was directly paid to staff's personal bank accounts, yet this money could have been directly paid to the intended final recipients. • Out of the 85 planned activities assessed, 69 outputs/activities representing 81% were fully implemented; 9 outputs/activities representing 11% were partially implemented, while seven (7) outputs/activities representing 8% were not implemented at all. • I noted that the Council did not produce the annual report as required by the UNCST Act. • A review of the procurement file for the Supply of ICT Equipment under EDCTP-SCRECU Project revealed no evidence of any public bid opening session, which creates doubts as to whether the bidders attended the bid opening session. • Audit noted that the Council had outstanding Pay As You Earn (PAYE) payments relating to July 2019 and June 2020 amounting to UGX.45,457,013 as of 30th June 2021, which had not been remitted to Uganda Revenue Authority
7	Uganda Industrial Research Institute (UIRI). 2020/21 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted that 3.2 million masks were tested, treated and packaged, but the contract for the distribution of the reusable face masks was terminated after only 1.5 million masks had been consumed. The stock of over 1.7 million face masks has remained unutilised at the time of reporting. Government is likely to incur nugatory expenditure of almost UGX.4.08Bn in the event no market is obtained for the masks. • I noted that a number of machinery at the UIRI Namanve campus had been procured ahead of the proposed contract on mask production in the textile section. I noted that some equipment has remained unused/idle or has not been put to use due to lack of technical support from the supplier to operationalize the equipment. Management attributed the failure to the restrictions on international travel for the supplier's technical staff to come. • The absence of a Board Chairperson has resulted in the failure of the Board to be constituted to meet and handle its mandate as provided for under Section 7 of the UIRI Act 2003. There is no evidence that the Board has ever met. There is a risk that the entity will lose strategic focus, since there is no supervisory oversight over its operations. • I observed that the Institute signed MoUs with the different incubatees in which funds have been spent to support the projects. However, the Institute has not signed any binding contracts with the participants, which

		<p>makes dispute resolution difficult in case it arises. In addition, I noted that 50 of the 95 incubatees reviewed had expired MoUs at the time of reporting, while others were not paying NTR to the Institute as per agreement.</p> <ul style="list-style-type: none"> • It was observed that UIRI paid a total of UGX.1.286Bn in gratuity, for which PAYE was wrongly computed, resulting into an overpayment of UGX.100,778,201 to staff. The staff over payments can lead to financial loss to government, in the event the Institute is unable to recover from the concerned staff.
	GENDER AND SOCIAL DEVELOPMENT SECTOR	<ul style="list-style-type: none"> •
1	<p>Equal Opportunities Commission. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • Out of the approved budget of UGX.12,071,754,441, a sum of UGX.12,016,602,345 was realized resulting into a shortfall of UGX. 55,152,096.00, representing 0.46%. • Out of the warrants of UGX.12,016,602,345, a sum of UGX.11,874,386,080 was spent indicating an absorption rate of 98.8 %. In addition, the Commission received off-budget financing to a tune of UGX.3.723 Bn which was not transferred to the consolidated fund. • I sampled 9 outputs with 95 activities worth UGX.10,990,686,400, representing 91% of the total budget, and noted that 1 output (11%) with 04 activities and expenditure worth UGX. 1.05Bn were fully quantified. In addition, Four (4) outputs with twenty-five (25) activities worth UGX.9.47 Bn were partially implemented. Out of the twenty-five (25) activities, the entity fully implemented sixteen (16) activities, two (2) activities were partially implemented, while seven (7) activities remained unimplemented. • I noted long outstanding receivables of UGX.211,105,359 from interdicted staff, and management has not yet instituted recovery measures due to the ongoing court cases. • I noted that funds to the tune of UGX.63,568,761 were irregularly re-allocated from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. • I noted that 244 accumulated cases from 2017/18 are still pending as at 30th June 2021. Over the last three years 48% of the registered cases have remained un-concluded during the year of registration. In addition, the legal department that handles petitions is at a 50% staffing level. • I noted that the Commission has 81 approved staff positions, but only 50 (62%) positions were filled leaving 31 (31%) posts vacant. • I noted that the land and building on plot 7c, Luthuli close, Bugolobi where the EOC offices are located was transferred to the Commission by the Ministry of Gender, labour and Social Development. However, there was no trace of the original title, and there was no documentary evidence of handover of the title to EOC management. • I noted that the report on gender and equity compliance of the budget framework papers was produced in December 2020, eleven (11) months later than the Parliamentary submission of the required certification and responsive measures of February 2020, contrary to the PFMA. • I noted that the Commission lacked an independent Audit Committee, however, the functions of the Committee were being undertaken by the Commissioners who are part of the Commission management, thus posing serious challenges of conflict of interest.

2	<p>Ministry of Gender, Labour and Social Development (MoGLSD) 2020/21</p> <p><u>Opinion</u></p> <p>Unqualified</p>	<ul style="list-style-type: none"> • Out of the approved budget of UGX. 153.01Bn, a sum of UGX.148.47Bn was warranted resulting into a shortfall of UGX.4.54Bn, representing 2.97% of the budget. • Out UGX.148.47Bn warranted, a sum of UGX.147.63Bn was spent indicating an absorption rate of 99.4%. • The Ministry received off-budget financing of UGX.11.598 Bn that was not appropriated by Parliament. • I sampled fifteen (15) outputs with a total of thirty (30) activities and expenditure worth UGX.105.44Bn, representing 87.76% of the total budget, and noted that 9 outputs (36%) with 11 activities worth UGX.79.33Bn were not quantified at all. In addition, out of the 16 quantified outputs with 20 activities assessed, 12 outputs (75%) were achieved, 15 activities (75%) were fully achieved/implemented, while 4 out puts with 5 activities representing 25% were partially achieved/implemented. • The Ministry had payables of UGX 37,394,048,164. Of these, a sum of UGX 36,075,485,050 (96.5%) related to funds not remitted to older persons under the Social Assistance Grant and Empowerment Programme (SAGE). • The Ministry made a cumulative total disbursement of UGX.113.22Bn to the Youth Livelihood Programme (YLP) by 30th June 2021 to 13,095 Youth groups. However, out of the expected recoverable funds of UGX.78.10Bn, only UGX.40.14Bn was recovered, leaving an outstanding amount of UGX.37.96Bn. • The Ministry recovered UGX.40.14Bn YLP funds from Local Governments, but only UGX.37.59Bn was transferred to the recovery account in BOU, leaving a balance of UGX.2.54Bn. • I noted that out of the total UGX. 37.59Bn received on the YLP revolving fund account in Bank of Uganda, only UGX.19.93Bn (53%) was revolved to other Youth Interest Groups, leaving a balance of UGX.17.65Bn (47%) not revolved. • Out of the budgeted UGX.188Bn for the Women Entrepreneur Programme (UWEP) for the period of five years since financial year 2015/16, only 135Bn (72%) had been released over the same period leading to a programme budget shortfall of UGX.53Bn (28%). • Out of UGX.27.61Bn due for recovery under UWEP by 30th June, 2021, a sum of UGX.20.19Bn was recovered leaving a balance of UGX.7.42Bn, thus indicating a recovery rate of 73%. • A sum of UGX.2.64Bn recovered under the UWEP could not be tagged to specific Local Governments and individual women groups. • The Labour advisory (LAB) Board did not function in the financial year under review to deliberate on matters affecting workers. This meant that no advisory services were extended to Government on matters of employment and industrial relations. • The Medical Arbitration Board (MAB) met only in one quarter during the entire financial year (February 2021) despite having over 150 pending cases awaiting arbitration as at 30th June 2021. I further noted that some cases have been pending for over 9 years. • I noted that Uganda has only three signed bilateral agreements in protection of migrant workers with Saudi Arabia, the Hashemite Kingdom of Jordan and the United Arab Emirates. Agreements with other
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		destination countries such as; Kuwaiti; Qatar; Bahrain; Afghanistan; Iraq; Somalia; Turkey and Oman are still under process.
3	National Council for People with Disabilities 2020/21 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • Out of the approved budget of UGX.1,236,047,430 expected through the MOGLSD a sum of UGX.921,555,246 was realized resulting into a shortfall of UGX. 314,492,184, which is 75% of the budget. The shortfall has since led to 43% increase in payables relating to mainly unpaid gratuities to staff, totalling UGX 539,360,000 at year end. • • Out of the total funds available of UGX.922,507,816 a sum of UGX.896,409,230 was spent indicating an absorption level of 97.3 %. The unspent balance of UGX. 26,098,586 related to the production of the disability status report activities that were not undertaken. • • I sampled eleven (11) outputs with thirteen (13) activities worth UGX. 877,320,000, representing 71% of the total budget, and noted that 10 outputs (91%) with eleven (11) activities and expenditure worth UGX. 0.5899Bn were fully quantified. In addition, One (1) output with two (2) activities worth UGX.0.1221Bn was insufficiently quantified. Out of the ten (10) fully quantified outputs, three (3) outputs with three (3) activities worth UGX 0.0135Bn were fully implemented; six (6) outputs with seven (7) activities worth UGX 0.558Bn were partially implemented and one (1) output with two (2) activities worth UGX 0.0184 were not implemented. The disability status report was not developed. • • To-date, council has not fully taken over the property of the Uganda Foundation for the blind, as such land located at Kireka and Mayuge has since been encroached upon by unknown persons. Council is at risk of losing these and other properties due to delays in taking possession and title.
4	National Council for Older Persons (NCOP) 2020/21 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • Out of the budgeted revenue of UGX. 726,000,000 for the financial year 2020/2021, UGX. 726,606,000 was received representing over 100% availability of funds for expenditure. This resulted in excess revenue of UGX. 606,000. • Out of the released funds amounting to UGX. 726,606,000 and unbudgeted Non-Tax revenue of UGX 1,198,590, only UGX.709,472,400 was spent by the entity resulting into an unspent balance of UGX. 18,332,190, representing absorption level of 97.5%.
5	Uganda National Cultural Centre 2020/21 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • Out of the approved budget of UGX 15,407,572,000 a sum of UGX 13,245,324,701 was realized, resulting into a shortfall of UGX 2,162,247,299 representing 14% of the total budget. • Out of the total receipts of UGX 13,245,324,701, only UGX 10,700,171,020 was spent by the entity resulting in an unspent balance of UGX. 2,545,147,681 representing absorption level of 81%. • For over four years, UGX 652,414,611 is still owed to a private company and this may result into litigation. • Following parliament's pronouncement to collect UGX 1.6 Bn from a private company for the use of Nommo Gallery, Recovery measures have remained futile. UNCC has since stopped charging rent from the company.

		<ul style="list-style-type: none"> • Covid-19 stimulus funds amounting to UGX 6.8 Bn were paid in two batches to music/Arts promoters, without clearly documented criteria.
6	<p>The National Children Authority (NCA) 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • Out of the approved budget of UGX. 901,908,000 a sum of UGX. 826,112,357 was realized resulting into a shortfall of 104,143,334, representing 8.7%. • Out of the subvention receipts of UGX. 797,764,666 and non-tax revenue of UGX 28,347,691, a sum of UGX. 825,311,734 was spent indicating an absorption rate of 99.9%. • The Authority has no governing board and this has led to absence of policy and operational guidelines, and irregular short term employment contracts. • The report on the state of children under the lock down period revealed limited access of reading materials provided, increase in physical abuse, teenage pregnancies and in some instances death. This was due to inadequacies in law enforcement, capacity and resource constraints for extension works at district level and lack of community awareness on the child rights legal framework.
7	<p>National Library of Uganda 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • Out of the approved budget of UGX.1,228,432,118 expected, a sum of UG.1,076,772,693 was realized resulting into a shortfall of UGX. 151,659,425, which is 87.6% of the budget. The shortfall has since led to increased rental and gratuity arrears. • Out of the total funds available of UGX. 1,076,772,693 a sum of UGX.1,041,279,372 was spent indicating an absorption level of 96.7%. The unspent balance of UGX. 35,493,321 was meant for the clearance costs of the periodical book donations from Book Aid International • I sampled eleven (11) outputs with a total of twelve (12) activities worth UGX.852,906,000, representing 69.4% of the total budget, and noted that Ten (10) outputs with a total of eleven (11) activities and expenditure worth UGX.0.801Bn were fully quantified. In addition, One (01) output with One (01) activity and expenditure worth UGX.0.012 Bn was not quantified. Out of the ten (10) fully quantified outputs, One (1) output with one (1) activity and expenditure worth UGX 0.010Bn was fully implemented. Six (06) outputs with seven (7) activities worth UGX.0.775Bn were partially implemented. Three (3) outputs with two (3) activities worth UGX.0.028Bn were not implemented. Review of the entity strategic plan 2016-2021 and production of a new one, and Sensitization of publishers on ISBN requirements were some of the activities not undertaken. • NLU has outstanding rental obligations of up to UGX.145,351,824 which only attract litigation. • 2 Acres of land initially allocated to the NLU has been re-allocated without compensation.
8	<p>National Women's Council 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • Out of the approved budget of UGX. UGX.3,589,554,501, a sum of UGX.3,644,076,229 was realized resulting into a shortfall of UGX.31,238,272, representing 99% performance. • Out of the total released funds for the financial year of UGX.3,644,076,229, only UGX.3,597,158,934 was spent by the entity resulting into an unspent balance of UGX.46,917,295 representing an absorption level of 99%. • I noted that NWC did not link its budget to the strategic plan with activities worth UGX.1,686,300,000 that were specified in the entity

		<p>strategic plan for implementation during the fourth year (20/21) of the plan not being included in the budget for FY 2020-2021. NWC strategic plan is not aligned to that of the MoGLSD and hence not aligned to the NDP III.</p> <ul style="list-style-type: none"> All nineteen (19) outputs with thirty-five (35) activities and expenditure of UGX.3,597,158,934 were not quantified to enable assessment extent of output and activity implementation. No risk assessments or review of internal controls were undertaken on the council's operational processes during the year.
9	<p>National Youth Council 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> The entity budgeted to receive UGX.3.075Bn out of which UGX.2080Bn was received, resulting in a shortfall of UGX.0.995 Bn which is 32% of the budget. I also noted that out of the total receipts for the financial year of UGX 2.080 Bn, UGX 2.079 Bn was spent by the entity representing absorption level of 100%. I noted that Eight (08) outputs with a total of Seventeen (17) activities and expenditure worth UGX.0.901 Bn were fully quantified. Fourteen (14) outputs with a total of Seventeen (17) activities and expenditure worth UGX 1.079 Bn were not quantified at all. Two (02) output with six (6) activities and expenditure worth UGX 0.230 Bn were fully implemented. UGX.0.435 Bn were partially implemented. while two (2) outputs with six (6) activities worth UGX.0.236Bn were not implemented. The Accounting Officer stated that some of these activities were frustrated by the COVID-19 rules against public gatherings and meetings. It was noted that Council did not have a risk management policy to ensure identification of perceived or actual threats it faces in its operations. In addition, there was no internal assessment or review of the internal controls done on the entity processes during the year.
10	<p>National Social Security Fund 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> No significant matters to report on.
11	<p>UNFPA Funded Programme Ref; UGA08CMH/HIV/GBV/UFP/A YP/FGM implemented by the Ministry of Education and Sports, 2020</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> No significant matters to report on.
12	<p>UNFPA Funded Programme Ref: UGA08CMH/HIV/GBV/UFP/A YP/FGM implemented by The Ministry of Health, 2020</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> No significant matters to report on.

13	UNFPA Funded Programme Ref; Uga08cmh/Hiv/Gbv/Ufp/Ayp /Fgm Implemented by The Ministry of Justice and Constitutional Affairs 2020 Opinion Unqualified	<ul style="list-style-type: none"> No significant matters to report on.
14	UNFPA Country Programme Component of Data and Population dynamics Implemented by Ministry of Gender, Labour & Social Development (Mglsd) 2020 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> No significant matters to report on.
15	Unfpa Funded Programmeme Component of Data and Population Dynamics Implemented by National Planning Authority (Npa) 2020 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> No significant matters to report on.
16	Unfpa Funded Programme Component of Data and Population Dynamics Implemented by National Population Council (Npc) 2020 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> No significant matters to report on.
17	Unfpa Funded Programme Component of Data and Population Dynamics Implemented by Uganda Bureau of Statistics 2020 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> No significant matters to report on.
	HEALTH SECTOR	
1.	Centre for Disease Control and Prevention (CDC) <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> I noted a variance of US\$.241,921 between the expenditure recorded in the accounting system and the expenditure reported in the quarterly financial reports for the year ended 30th September 2020. The expenditure reported per quarterly reports totaled US\$.3,177,866 as opposed to the audited total expenditure of US\$.2,935,945. A review of budget performance i.e., the budget for the Cooperative

		<p>Agreement Grant/ Notice of Award vs actual expenditures showed that management of CDC – UPS had executed most of the budgeted activities for the year ended 30th September 2020. The overall budget performance was 97%.</p> <ul style="list-style-type: none"> • I further noted instances of budget over runs to a tune of US\$.198,986 on three budget lines, a practise not permitted under the Cooperative Agreement. • From the tests conducted on a sample of non-payroll disbursements (i.e. supplies contract costs, Fringe Benefits, travel and other direct costs), I noted that cost totalling to US \$ 54,135 were inadequately supported. • • I noted that monthly financial returns are supposed to be submitted by the 15th day of the subsequent month, but this was not complied
2	<p>Centre for Disease Control Project (PEPFAR Grant No: 6NU2GGH002221-01-01) 30th September 2020</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted that there was low absorption of project funds. I noted that out of the total receipts; only USD 1,864,527 (UGX. 6,884,001,756) was utilized leaving a balance of USD. 868,756 (UGX. 3,207,525,075); representing an absorption level of 68.2%. • I observed that the Project Chart of Accounts was not aligned with the IFMS Accounting codes. • I noted significant delays in the approval and payment for most activities whereby the average lead time for processing a payment was over three (3) months
3.	<p>The Italian Support to the Ugandan Health Sector Strategic Plan III (HSSP III) and the Peace, Recovery and Development Plan (PRDP) for Northern Uganda - Karamoja Region Staff Housing Project (KRSHP) – Ministry of Health Project. 2019/20</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • The entire budgeted revenue of UGX.10,543,205,000 in respect of external financing by the Government of the Italian Republic was not received during the year. As a result, no planned activity was implemented. • The project had a total of EUR.1,442,629.81 available for spending during the year represented by the opening balance. However, the entire amount remained un-absorbed by the close of the year. • The Project had UGX.120,000,000 for spending under Counterpart funding during the year which was all spent. However, out of the amount, UGX.100,000,000 was spent on non-project activities.
4.	<p>The Rehabilitation and Expansion of Kayunga and Yumbe Hospitals Project (KAYUP) -BADEA No. 0761, OFID No. 1628P and SFD No. 6/620 - Ministry of Health Project. 2019/20</p>	<ul style="list-style-type: none"> • The project experienced significant revenue shortfalls. Out of the expected receipts of USD 19,064,124.79, the project received funding totalling USD.8,252,401.61 constituting USD. 6,240,515.26 from external sources and USD.2,011,886.35 (UGX. 7,505,000,000) from GoU counterpart contribution. This translated into a budget shortfall of USD 10,811,723.18 (representing 56.71% of the approved budget). • There were delays in Project implementation. The project became effective on 16th April 2015 and was initially expected to be completed on 28th February 2020 which was later extended to 31st December 2021. However, the cumulative project progress was at 99.5% as at 30th June 2020. Major delays were identified in the procurement and installation of Medical equipment, Ambulances, mini-buses and Pick-ups.
5.	<p>Uganda National Health Research Organization (UNHRO).</p>	<ul style="list-style-type: none"> • UNHRO did not have an approved strategic plan for the period 2015/16 - 2019/20. The organization implemented a draft strategic plan for five years 2015/2016-2019/2020. I observed that the entity did not fully

	<p>2019/20</p> <p><u>Opinion</u> Unqualified</p>	<p>achieve any of the 6 strategic objectives in its expired draft strategic plan it has been implementing for the last five years.</p> <ul style="list-style-type: none"> • I noted that the Organization did not have a governing Board during the year under review, after the term of office for all former members of the Board expired in 2016. • The Sessional Parliamentary Committee on Social services recommended the granting of a vote status to the Organization. This was followed by issuance of statutory instruments and the gazetting and commencement of the Uganda National Health Research Organisation Act, 2011 on the 22nd day of January 2016. However, it was noted that the Organization had not been granted a vote status by the time of audit. • No regulations were put in place to operationalize the UNHRO Act 2011. There were no regulations to guide UNHRO staff and stakeholders on matters such as regulation of the operations of the constituent research institutions, human resources, finance and administration, the general operations of the Organization. • The employment contract on file for the Director General expired in April 2018 and had not been renewed by the time of audit. • Only 12 out of the approved 26 positions in the Organizational Structure had been filled resulting into a staffing gap of 14 positions. • UNHRO had an annual work plan of UGX 2,080,000,000 for the financial year 2019/2020. However, I noted that the Organization was financed by a subvention of only UGX 240,000,000, through the Ministry of Health thereby resulting into a funding gap of UGX. 1,840,000,000. • A review of the Organization’s Scheme of service and staff contracts revealed that most of the institution staff were only paid their Basic salary leaving out the other packages that form part of their consolidated pay such as housing, transport and medical allowances.
6.	<p>Uganda Nurses and Midwives Council (UNMC). 2019/20</p> <p><u>Opinion</u> Qualified</p>	<ul style="list-style-type: none"> • The Council made payments worth UGX 1,465,751,440 in the year ended 30th June 2019 which did not have supporting documents such as invoices, payment request forms and payment vouchers. I noted that no action had been taken by Management to account for the funds in the year ended 30th June 2020. • Management reported a financial loss of UGX.444,400,000 during the year. The amount was transferred from UNMC’s Stanbic Bank Account No. 9030005852950 to M/S RAM Engineering (U) Ltd under fraudulent circumstances. • Council failed to collect budgeted revenue amounting to UGX 557,669,951 during the year. • Council had a total of UGX. 7.77bn available for implementation of planned activities. The total receipts for the financial year under review were UGX 2.71 bn. However, only UGX 1.84bn was absorbed (representing 23.7%) leaving a balance of UGX. 5.93bn. • I observed that the Council partially implemented six (6) of its planned outputs with a total of Nineteen (19) activities worth UGX 268.41M. I also observed that seven (7) outputs with a total of twenty (20) activities were not implemented at all. • The entity did not prepare and submit the annual monitoring plans to MoFPED and NPA as required. Further, the entity did not prepare and submit quarterly monitoring reports to the MoFPED as required. • A review of the Organization’s Annual cumulative performance report and

		<p>the entity work plan revealed cases where the reported set targets were not consistent with the set targets in the entity work plans.</p> <ul style="list-style-type: none"> • I observed conflicting in the Council governing laws. Section 51(2) of the Public Finance Management Act, 2015 requires the Accounting Officer of a public corporation, within two months after the end of each financial year, to 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. On the contrary, Section 18 (1) Part IV of the Nurses and Midwives Act, 1996 requires the Council to keep proper books of accounts and prepare the annual financial statements of accounts for the immediately preceding financial year not later than three months in the following year. Conflict in the governing laws hampers effective execution of UNMC mandate. • Section 4 of the UNMC Act 1996, requires each Council member to be a seconded representative of a particular institution or body and must be appointed by the Minister. However, a review of Council Members records revealed that out of the seventeen (17) members, none of them were seconded representatives of their respective bodies. • Good Corporate Governance practices require separation of duties of board members to ensure their independence in the discharge of duties. On the contrary, a review of the composition of the Audit Committee revealed that Chairperson of the full council is also a member of the committee. • I noted that the Council had not been managed by a substantive Registrar since 2017. The current Registrar's initial appointment ran from November 2018 to March 2019. However, management did not provide a valid appointment letter to confirm her appointment after March 2019. • A review of the Governing council minute ref FC/08/14/06/2020 revealed that council members were concerned about the significant delays in issuing of Practicing Certificates that hindered the recruitment of nurses in the industry. Furthermore, Management did not avail status reports on certificates that were produced. • Payment files and PPDA monthly reports revealed that supplies and service worth UGX 46,183,800 were procured and paid without going through the procurement process given that there were no LPOs or procurement documents availed to confirm that the supplier went through the procurement process. • UNMC has three (3) operational vehicles. However, a detailed review of the fleet management revealed that there were no log books maintained to track the vehicle movements as required by the regulations. Further, there were no records being maintained to keep track of vehicle history, performance, servicing, overheads, repairs and maintenance.
7.	<p>Uganda Sanitation Fund (USF) – Ministry of Health Project. 2019/20</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • A review of the annual work plan and the performance reports for the Uganda Sanitation Fund revealed that there were inconsistencies in planned targets and those reported upon. Furthermore, the planned targets/outputs in the work plan lacked sufficient detail (description of outputs) to facilitate a meaningful comparison with the targets in the performance reports. • I observed that the Project did not implement twenty-seven (27) planned outputs with a total budget of UGX 1.506Bn, and Five (5) outputs with a total budget of UGX 0.476bn could not be verified in regard to implementation due to unclear targets. • There were delays in disbursement of funds to sub grantees. A review of

		<p>the quarterly district performance work plans and reports submitted to the Ministry, revealed that, the quarterly release of funds from MOFPED was not done on time. As a result, Quarter 1 funds were disbursed in quarter 2, quarter 2 funds were disbursed in quarter 3, and quarter 3 funds disbursed in quarter 4.</p> <ul style="list-style-type: none"> • Since the project's inception, only a total of UGX.1.3bn (USD 386,259) out of the agreed GOU counterpart funding commitment of USD 2,000,000 had been disbursed to the districts resulting into a funding shortfall of USD 1,613,741. • The program's average national progress on Open Defecation Free (ODF) target stood at 60.9% yet the project is in its last year of implementation. An Assessment of the 9-year targets (July 2011 to June 2020) revealed that out of the targeted 11,354 villages, only 9,632 achieved ODF targets, representing 84.8%; a total of 140 of the 400 targeted parishes representing 35% achieved ODF; and only 27 of the targeted 360 sub counties achieved the ODF target representing 7.5% achieved ODF status.
8	<p>Allied Health Professionals Council. 2019/20</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • The Governing Council stated that a material uncertainty existed regarding the continued operation of Allied Health Professionals Council in the foreseeable future. • Management's judgement was informed by a letter from the PS - Ministry of Public Service to all Accounting Officers in which guidance was provided on the modalities for management of Public Institutions during the implementation of recommendations on the rationalization of Agencies and Public Expenditure. • I noted that out of the ten (10) sampled outputs with a total of ten (10) activities and expenditure of UGX. 3.127bn, only five (5) outputs with five (5) activities and expenditure worth UGX 3.017Bn were fully quantified. The balance of five (5) outputs with five (5) activities and expenditure worth UGX.011Bn were insufficiently quantified which made it difficult to assess extent of their delivery. • I observed that out of the five (5) outputs that were fully quantified, three (3) outputs with three (3) activities worth UGX. 1.918Bn were fully implemented. However, the remaining two (2) outputs with two (2) activities worth UGX.1.099Bn were partially implemented. • The Council fleet of six (6) sampled vehicles was not annually inspected during the three (3) year period under review to assess their mechanical condition and road worthiness. • Whereas the Council designated a Transport Officer responsible for transport matters, fuel registers were not maintained for all the six (6) motor vehicles sampled out of nine (9) vehicles held by the Council. • I noted that nine (9) out of the ten (10) Regional Offices were not allocated vehicles to facilitate their operations.
9	<p>Joint Clinical Research Centre. 2019/20</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • The entity budgeted to receive UGX 20,906,339,925 from development partners out of which UGX 19,707,530,000 was received resulting in a shortfall of UGX 1,198,809,925. In addition, out of budgeted local revenue of UGX 4,366,651,934, only UGX 2,693,800,000 was generated resulting into a shortfall of UGX 1,672,851,934. • I noted that all the seven (7) sampled outputs with a total of one hundred fifty-five (155) activities worth UGX 18.304Bn were partially implemented. Out of the one hundred fifty-five (155) activities, the entity fully implemented ninety-three (93) activities (60%), eighteen (18)

		<p>activities (12%) were partially implemented while forty-four (44) activities (28%), were not implemented by the time of audit.</p> <ul style="list-style-type: none"> I reviewed the balance of 'payables falling within one year' reported in the Statement of Financial Position and Note 21 and noted an increase of UGX 121,010,000 from UGX 1,138,910,000 (30th June 2019) to UGX 1,259,920,000 (30th June 2020). I further reviewed the ageing of the payables and noted that included in the outstanding balance of UGX 1,259,920,000 are payables worth UGX 357,139,495 that had remained outstanding for over 90 days. Seventeen (17) running motor vehicles which were fully depreciated according to the JCRC Fleet Management Policy and had zero net book value in the schedule of fixed assets were still in use. The entity did not revalue or make annual reviews of its expectations with regard to the residual values and useful lives of the vehicles in question resulting into under valuation/understatement of non-current assets in use in the statement of financial position. The Principal Private Secretary to His Excellency the President's letter ref: PO/1 dated 12th February 2019 directed the Hon. Minister of Finance, Planning & Economic Development to increase Government funding to the Centre from UGX.240 million to UGX.5 billion annually in the subsequent years, that is, with effect from the Financial Year 2019/20. According to the various communications by the Centre's Executive Director, the increment in funding was necessitated by the declining donor support. However, the no-objection for the implementation of the directive was only granted to the PS/ST by the PS MOH through letter ref: 45/415/01 dated 4th February 2020. This was when the financial year 2019/20 budget was in the third quarter of implementation. Contrary to the PPDA requirements, the entity delayed to submit ten (10) out of twelve (12) monthly procurement and disposal reports to the Authority for the financial year under review. The Centre had a procurement plan worth for the year under review. I noted that out of the planned procurements worth UGX 6,956,028,077, procurements worth UGX 5,434,128,077 (78%) were implemented while those worth UGX 1,521,900,000 (22%) were not conducted.
10	<p>Uganda Medical and Dental Practitioners Council. 2019/20</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> The Governing Council stated that a material uncertainty existed regarding the continued operation of Allied Health Professionals Council in the foreseeable future. Management's judgement was informed by a letter from the PS - Ministry of Public Service to all Accounting Officers in which guidance was provided on the modalities for management of Public Institutions during the implementation of recommendations on the rationalization of Agencies and Public Expenditure. I noted that out of the budgeted Non-Tax revenue UGX.2,891,430,000, only UGX.1,650,811,279 was realized during the year under review (representing 57% performance). This hampered effective service delivery. Contrary to the statutory deadline of 31st day of March for the publication all up-to-date registers in the gazette, registers for 2020 had not been published in the gazette by the time of audit in November 2020.
11	The Rehabilitation and Expansion of Kayunga and	<ul style="list-style-type: none"> The project experienced significant revenue shortfalls. Out of the expected receipts of USD 19,064,124.79, the project received funding

	<p>Yumbe Hospitals Project (KAYUP) -BADEA No. 0761, OFID No. 1628P and SFD No. 6/620 – Ministry of Health Project. 2019/20</p> <p><u>Opinion</u> Unqualified</p>	<p>totalling USD.8,252,401.61 constituting USD. 6,240,515.26 from external sources and USD.2,011,886.35 (UGX. 7,505,000,000) from GoU counterpart contribution. This translated into a budget shortfall of USD 10,811,723.18 (representing 56.71% of the approved budget).</p> <ul style="list-style-type: none"> There were delays in Project implementation. The project became effective on 16th April 2015 and was initially expected to be completed on 28th February 2020 which was later extended to 31st December 2021. However, the cumulative project progress was at 99.5% as at 30th June 2020. Major delays were identified in the procurement and installation of Medical equipment, Ambulances, mini-buses and Pick-ups.
12	<p>Uganda-Spain Debt Swap Project. 2019/20</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> I noted that out of the two (2) planned project outputs for the year, one (1) output was fully implemented while one (1) output was partially implemented. Management attributed the level of performance to delayed commencement of the preparation of the detailed designs for the refurbishment and equipping of Busolwe General Hospital which involved approval of extra charges for the consultant to revise the site survey report. According to management, the COVID-19 pandemic further affected the operations of the Consultant. During the year under review, the Project received a sum of UGX 15.69Bn of which UGX.10.63Bn was spent resulting in an unspent balance of UGX.5.06Bn (representing an absorption level of 67.8%).
13	<p>Uganda Reproductive Health Voucher Project (URHVP) GPOBA Grant Number TF015995. 2019/20</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> A review of the project financial statements as at 30th June 2020 (Note 2 & Annex 6.0) together with underlying financial records revealed that the project had bank balances of USD 49.85 and UGX.792 in Bank of Uganda at the time of closure. However, Management did not avail documentary proof of closure of these Accounts at the end of the project when sought. A review of the agent records revealed that by end of project closure, various assets acquired under the project had not been handed over to the client as per the agreement.
14	<p>Butabika National Mental Referral Hospital.</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> The entity budgeted to collect NTR of UGX 1.24bn during the year under review. However, the hospital collected UGX. 1.15bn thereby resulting into a shortfall of UGX 0.09bn. The Hospital received the entire revised annual budget of UGX 17.023bn out of which UGX 16.551bn was spent resulting in unutilized funds of UGX 0.472bn. The unspent balance at the end of the financial year was subsequently swept back to the consolidated fund account. I noted that the entity submitted all the quarterly performance reports after the prescribed deadline. The Accounting Officer explained that due to COVID-19 restrictions, the support offices were operating at 10% which led to delays in preparation and submission of the quarterly performance reports. According to the patient admission schedule and the strategic plan, the Hospital currently handles between 750 and 780 in-patients per month compared to its bed capacity of 550 patients. This implies that 200 to 230 admitted patients either share beds or sleep on the floor. I noted that UGX.93,717,182 was utilized for repairs and service for vehicles during the year under review. However, there were no repair and service analysis registers for the 13 vehicles that were maintained. Furthermore, it was observed that the Hospital Transport Officer did not maintain service charts for all the 13 vehicles.
15	<p>Kawempe National Referral</p>	<ul style="list-style-type: none"> The entity budgeted to collect NTR of UGX. 449m during the year under

	<p>Hospital.</p> <p><u>Opinion</u> Unqualified</p>	<p>review, and UGX. 451m was realized, representing a performance of 100.4% of the target.</p> <ul style="list-style-type: none"> • Out of the total receipts for the financial year of UGX 11.723 bn, UGX. 11.385Bn was spent by the entity resulting in an unspent balance of UGX.0.337Bn (representing an absorption level of 97.1%). The unspent balance at the end of the financial year was subsequently swept back to the consolidated fund account. • I noted that all the eight (8) outputs selected for budget performance assessment with a total of eleven (11) activities and actual expenditure of UGX 4.6bn were fully quantified. This therefore enabled me to assess the Hospital's performance during the year under review. • Out of the eight (8) sampled outputs, two (2) outputs were fully implemented while six (6) were partially implemented. I further noted that out of the planned eleven (11) activities under the sampled outputs, two (2) activities were fully achieved while nine (9) were partially achieved. • A total of UGX 36,870,179 worth of expenditure was charged on other than the budget lines on which the funds were appropriated without seeking the necessary approval from the relevant authorities. • I noted that the Hospital submitted all the quarterly performance reports beyond the prescribed deadlines. • From my review of the annual performance reports and physical inspections/verification of outputs reported, I did not observe inconsistencies in the reported performance. • I noted that the Hospital accumulated payables/domestic arrears to tune of UGX. 799,186,746 up from UGX. 365,151,250 as at 30th June 2020. • I noted that whereas the Board of Survey Report for the year ended 30th June 2021 established that the Hospital had a closing inventory of various items; this state of affairs was not disclosed as part of the Financial Statements under Annex (ii)-Schedule of Inventory, thereby rendering the financial statements incomplete. • It was noted that the Hospital stored expired medicines without disposing them as required by the law. Out of the seventy four (74) items of expired drugs, I observed that thirty six (36) had expired by end of December 2020 (representing 49%). Under the circumstances, lives of patients are threatened by the existence of expired medicines at the hospital premises. • I noted that the Referral Hospital was heavily congested with patients crowded in the wards and some sleeping on the floors. This was further evidenced by the data collected on Bed Occupancy Rates which showed an average BOR of 113% for the year under review. Congestion was also observed in the stores where some items were placed directly on the floor exposing them to damage. • From a review of payments and procurements made during the year, I noted that procurements of goods worth UGX 187,406,417 were not supported with ledgers in the stores to track delivery and utilization of the accountable inventories procured.
16	<p>Kiruddu National Referral Hospital.</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted that the Hospital's 5-Year Strategic Plan (FY 2020/21-2024/25) had been approved by National Planning Authority (NPA) by the time of audit. • The entity budgeted to collect NTR of UGX. 1,520,000,000 during the

		<p>year under review, and UGX. 719,423,137 was realized, representing a performance of 46.9% of the target.</p> <ul style="list-style-type: none"> • Out of the total warrants of UGX.18.8Bn received during the financial year, UGX. 18.3Bn was spent by the entity resulting in an unspent balance of UGX. 0.5Bn (representing an absorption level of 97.3%). The unspent funds were swept back to the consolidated fund as required by the PFMA. • Out of the ten (10) outputs selected for budget performance assessment with a total of twenty four (24) activities and expenditure of UGX 12.16bn, I noted that seven (7) outputs with a total of fourteen (14) activities and expenditure worth UGX 9.99bn were fully quantified. Two (2) outputs with a total of eight (8) activities and expenditure worth UGX 1.9Bn, was insufficiently quantified. One (1) output with a total of two (2) activities and expenditure worth UGX 0.27bn were not quantified at all to enable performance assessment. • Out of the seven (7) outputs that were fully quantified with a total of fourteen (14) activities, four (4) outputs with a total of six (6) activities were fully implemented. Three (3) outputs with a total of eight (8) activities worth UGX 8.45bn were partially implemented. Out of the eight (08) activities, the entity fully implemented two (02) activities (25%) while six (06) activities (75%) remained partially implemented. • I noted that the Hospital submitted three (3) out of four (4) quarterly performance reports to Treasury within the prescribed deadlines. However, there was no documentary proof of preparation and submission of annual monitoring plans and reports to MoFPED and NPA as required. I further noted inconsistencies in the financial information reported in the performance reports when compared with the financial statements. • A review of drugs supply chain management revealed that on several occasions there were drug stock-outs which left Kiruddu Hospital without several essential, vital and necessary drugs. • Inspection of the hospital drug stores revealed that some drugs/chemicals had expired in the Hospital stores. This could have been due to low utilization rates, receipt of drugs with short shelf life or placement of orders that do not match the usage patterns. • I noted that 55 new recruits were not cleared by Ministry of Public Service as required. The Accounting Officer attributed the anomaly to the need to fill critical vacant positions in the hospital.
17	<p>National Drug Authority.</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • NDA had an approved five-year strategic plan FY 2020/21-2024/25 which was well aligned to the National Development Plan in terms of timelines. • The financial statements indicated that NTR amounting to UGX 70.73bn was collected during the year against a budget of UGX.68.75bn representing 103% performance. • Out of the total revenue of UGX.70.73bn realized during the financial year, UGX.58.43bn was spent by the entity resulting in balance of UGX.12.3bn representing an absorption level of 83%. • The Authority did not implement some of its key planned activities during the year which included; herbal inspections, collection of microbiology samples and articles on veterinary drug regulation. • The Authority had receivables and prepayments to the tune UGX 42,607,112,126 at the end of the financial year, out of which UGX 37,748,567,840 (88.6%) was due from the Ministry of Health. The presence of significant balances of outstanding receivables poses the risk

		<p>of non-recoverability, thus denying the Authority realization of revenue for achievement of its objectives.</p> <ul style="list-style-type: none"> Seventeen (17) running motor vehicles were fully depreciated during the previous year, reflected at zero book value and removed from the Statement of Financial Position. Removal from the statement of financial position of assets still in use and with no evidence that future economic benefits will not be expected from disposal of the same, misrepresents the entity's financial position. There was slow progress on the civil works NDA laboratory Tower. Further, works for the amended building plans for the NDA laboratory Tower had commenced by the time of audit in August 2021 prior to approval by the Metropolitan Physical Planning Authority contrary to Section 22 (1f) of the KCCA Act 2010. The Authority fully paid UGX.343,694,683 in advance to providers awarded contracts for the supply of analytical equipment without obtaining appropriate advance payment security. I also noted that the Authority signed contracts to a tune of USD 14,872.8 with two domestic suppliers in foreign currency.
18	<p>Uganda National Health Research Organization.</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> The Sessional Parliamentary Committee on Social services recommended the granting of a vote status to the Organization. This was followed by issuance of statutory instruments and the gazetting and commencement of the Uganda National Health Research Organisation Act, 2011 on the 22nd day of January 2016. However, I noted that the Organization had not been granted a vote status by the time of audit. I noted that the Organization did not have a governing Board during the year under review, after the term of office for all former members of the Board expired in 2016. The employment contract on file for the Director General expired in April 2018 and had not been renewed by the time of audit. Only 12 out of the approved 26 positions in the Organizational Structure had been filled resulting into a staffing gap of 14 positions. The Organization was financed by a subvention of only UGX.240m out of which 94% was earmarked for wage leaving only 6% for operational costs.
19	<p>Uganda National Health Research Organization.</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> The Sessional Parliamentary Committee on Social services recommended the granting of a vote status to the Organization. This was followed by issuance of statutory instruments and the gazetting and commencement of the Uganda National Health Research Organisation Act, 2011 on the 22nd day of January 2016. However, I noted that the Organization had not been granted a vote status by the time of audit. I noted that the Organization did not have a governing Board during the year under review, after the term of office for all former members of the Board expired in 2016. The employment contract on file for the Director General expired in April 2018 and had not been renewed by the time of audit. Only 12 out of the approved 26 positions in the Organizational Structure had been filled resulting into a staffing gap of 14 positions. The Organization was financed by a subvention of only UGX.240m out of which 94% was earmarked for wage leaving only 6% for operational costs.

20	<p>Joint Clinical Research Centre (JCRC).</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> JCRC reported trade and other receivables of UGX.4,210,400,000. Out of this UGX.95,254,972 related to the previous financial year. I noted that JCRC did not make any provision for bad debts as required by IFRS 9 and its Manual. Failure to make provisions may result into overstating reported receivables due to unaccounted for risks of non-recoverability. In addition, there was no evidence from the Finance Committee that a review of the bad debts position was annually done. Management explained that in addition to sending out constant reminders to the listed debtors, Management would review the list further for presentation to the Finance Committee of the Board. I advised the Accounting officer to make the required provisions for bad debts in accordance with Standards and the Manual I noted that JCRC signed contracts with local service providers in foreign currency to a tune of USD 32,258.7. The contracts were for supply of Bone density kits (USD 25,515); supply of Hematology reagents (USD 2,060), and; for internet services (USD 4,683). I advised the Accounting Officer to take heed of the PS/ST recommendation and ensure that all local contracts are awarded in Uganda Shillings.
21	<p>Uganda Blood Transfusion Services (UBTS).</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> I noted that the entity had prepared and approved its plan. However, approval and certification had not yet been obtained from the National Planning Authority. Whereas the entity did not budget for collection of NTR, UGX.8,550,000 was collected and remitted to the Treasury during the year under review. Out of the total receipts from Treasury of UGX.17.43Bn, only UGX.17.20Bn was spent by the entity resulting in an unspent balance of UGX.0.23Bn (representing an absorption level of 98.68%). The unspent balance at the end of the financial year was subsequently swept back to the consolidated fund account. Only one (1) output with a total of two (2) activities and expenditure of UGX 7.65bn was fully quantified out of the seven (7) outputs with a total of sixteen (16) activities and expenditure of UGX 11.99bn sampled for assessment. All the two (2) quantified activities under this output were partially implemented. I noted that funds to the tune of UGX 20,829,692 were irregularly reallocated from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. I noted that the entity submitted performance reports for Q1, Q2, Q3, Q4 after the prescribed deadline. The entity registered an upward trend in accumulation of domestic arrears between the FYs 2016/2017 (UGX.76,296,521), 2019/2020 (UGX.430,885,758) and 2020/21 9 (UGX.512,086,423). Only UGX.97,730,535 was provided in the annual budget to settle domestic arrears. A review of the staff structure of Uganda Blood Transfusion Services revealed that out of the approved structure of 424, only 299 positions are filled leaving a variance of 125 staff positions vacant. I noted that apart from Nakasero (Freehold Tenure), Gulu (Leasehold) and Mbarara (Freehold Tenure) Blood Banks, there were no title deeds, memoranda of understanding or lease agreements for the land currently occupied by the four (4) Regional Blood Banks of Arua, Mbale, Kitovu and Fort Portal. In addition, there were inconsistencies with the plot number wrongly

		<p>reflected as Plot 27 instead of 2F on the cover page of the title deed for the land currently occupied by Nakasero Blood Bank. Management wrote to the Secretary Uganda Land Commission about the anomaly in a letter dated 5/4/2012 Reference number UBTS/ADM/LT/01, no response had been received to date. Furthermore, 0.079 hectares of Nakasero Blood Bank were reported to have been encroached on by the fence of Pearl of Africa Hotel on plots 2E and 7A1-9A1 as per the boundary opening reports of 23rd November 2009 (S.M Geoteam ltd) and 2nd August 2013 (Terrain Consult) who had been appointed by UBTS.</p> <ul style="list-style-type: none"> • I noted a one year's delayed execution of works for the completion of the remodelling of a store at Nakasero Blood Bank. A sum of UGX 2.86bn had so far been paid against the contract sum of UGX.3.77bn. • I noted that a total of UGX.0.968Bn was spent on the Blood Safety Information System during the year. Whereas there was information on blood collected, stored and issued during the year, there was no information on how the 224,303 units of blood that had been issued to the different health facilities had been utilized.
22	<p>Uganda Virus Research Institute.</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted that the entity had prepared and approved its plan. However, approval and certification had not yet been obtained from the National Planning Authority. • I noted that the entity did not budget or collect NTR during the year under review. • This was attributed to the breakdown of the Nitrogen plant three years ago which was the main source of revenue. However, the Institute received funds from GoU and was in the process of procuring a new Nitrogen plant. • The Institute received the entire budget of UGX.8.97bn out of which UGX.8.95bn was spent by the entity resulting in an unspent balance of UGX.20.76m (representing an absorption level of 98.8%). The unspent balance at the end of the financial year was subsequently swept back to the consolidated fund account. • Two (2) outputs with a total of two (2) activities and expenditure of UGX 2.23bn were fully quantified out of the eight (8) outputs with a total of twenty-two (22) activities and expenditure of UGX 8.20bn sampled for assessment. None of the two (2) quantified activities under the two (2) outputs was implemented at all. • Two (2) outputs with a total of seven (7) activities and expenditure worth UGX.4.99Bn were insufficiently quantified. Out of the seven (7) activities, two (2) activities (29%) was quantified, while the balance of five (5) activities (71%) were not clearly quantified to enable the assessment of performance. • Four (4) outputs with a total of thirteen (13) activities and expenditure worth UGX 980m were not quantified at all. That is none of the thirteen (13) activities within these outputs was quantified at all. • I noted that funds to the tune of UGX 53,300,000 were irregularly reallocated from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. • I noted that the entity submitted performance reports for Q1, Q2, Q3, Q4 after the prescribed deadline.

		<ul style="list-style-type: none"> • Payables worth UGX 0.409bn remained outstanding from financial year ended 30th June 2019 to-date. I noted that management did not provide for the settlement of domestic arrears in the approved budget estimates for the year under review. • A review of the staff structure of Uganda Virus Research Institute revealed that out of the approved structure of 237, only 75 positions were filled leaving 162 staff positions vacant. • A review of a sample of 19 procurement files with a total value of UGX.1.61Bn revealed that the Institute did not require suppliers to provide any form of an acceptable performance guarantee for procurements worth UGX.1.42Bn. • Analysis of payment records and review of staff files revealed that 5 staff of the Institution had retired but had not yet accessed the pension payroll although the six months pensions processing period had elapsed.
23	<p>National Medical Stores.</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted that the Corporation budgeted to collect NTR of UGX.56.37Bn during the year under review. Out of this, only UGX.39.80Bn was collected thereby resulting into a shortfall of UGX.16.57bn. • The Corporation budgeted to receive UGX.470,314,151,130 from treasury. However, UGX.456,568,068,061 was warranted resulting into a budget shortfall of UGX.13,746,083,069 (representing 2.9% of the revised approved budget). • Out of the nine (9) outputs with a total of nine (9) activities and expenditure of UGX.312.5Bn sampled for assessment, I noted that all the nine (9) outputs with a total of nine (9) activities were fully quantified. That is, all the nine (9) activities (100%) within these outputs were clearly quantified to enable assessment of performance. All the nine (9) outputs with a total of nine (9) activities (100%) were fully implemented. • I noted that the Corporation submitted performance reports for Q1, Q2, Q3, Q4 within the prescribed deadlines. • From my review of the annual cumulative performance reports and physical inspections/verification of performance, I did not observe any inconsistencies with the results of my verification. • No justification was provided by management for the significant reduction in the value of Freehold land (UGX 3.91bn; representing 56%) and Stores Equipment (UGX. 5.3bn; representing 135%) within a period of 3 years. • The value of Non-viable medical commodities stood at UGX.5.8bn as at 30th June 2021. I noted that management continued to keep these stocks in the stores. • The Corporation's receivables stood at UGX.17,537,847,000 as at 30th June 2021. A review of the debtor's movement schedule revealed that the Ministry of Health was the biggest debtor at UGX.17,325,064,059 (MOH, IDI, LLINs, World Bank and Global Fund), followed by Centre for Disease Control (CDC) project at UGX.8,091,650,000 and container deposits of UGX.408,000,000. This resulted into an accumulated provision for bad and doubtful debts of UGX.25,824,715,000 which according to management was awaiting clearance by MoFPED to be written off.
24	<p>Uganda Heart Institute.</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted that the Hospital's 5-Year Strategic Plan (FY 2020/21 -2024/25) was approved by National Planning Authority (NPA) on 27th September 2021 vide certificate no. 26(3). • Out of eight (8) outputs with a total of forty eight (48) activities and expenditure of UGX.11.50Bn sampled for assessment, I noted that four

		<p>(4) outputs with a total of seventeen (17) activities and expenditure worth UGX 7.196Bn were fully quantified; four (4) outputs with a total of thirty one (31) activities and expenditure worth UGX 4.306Bn were insufficiently quantified.</p> <ul style="list-style-type: none"> • I assessed the extent of delivery of the 4 outputs that were fully quantified and noted that one (1) output with a total of two (2) activities worth UGX 0.439Bn was fully implemented. • Two (2) outputs with a total of fourteen (14) activities worth UGX 6.606Bn were partially implemented. Out of the fourteen (14) activities, the entity fully implemented four (4) (29%) activities; seven (7) activities (50%) were partially implemented while three (3) (21%) activities remained unimplemented. One (1) output with only one (1) activity worth 0.15Bn was not implemented at all. • I noted that funds to the tune of UGX. 24.13m were irregularly re-allocated from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. • The entity submitted performance reports for Q1, Q2, Q3, and Q4 after the prescribed deadline. In addition, I did not obtain evidence to confirm that the Accounting Officer Prepared Monitoring Plans and reports which are important in ensuring that the budget performs as expected. • From my review of the annual cumulative performance reports and physical inspections/verification of performance, I did not observe any inconsistencies with the results of my verification. • I noted that insufficient budget provisions (UGX.73,885,634) were made towards settlement of domestic arrears yet the arrears brought forward from the previous year were UGX.1,429,802,685. • The Institute had NTR debtors to the tune of UGX. 282.97m at the end of the financial year under review. These were receivables from various insurance companies, MDAs and institutions for services rendered by the Institute. • The Land Commission received a presidential directive to allocate Uganda Heart Institute 10 acres of land in Nakawa Naguru to facilitate the setting up of a Cardiac Centre of Excellence with a 250 bed hospital. However, I noted that during the year there were encumbrances on part of the allocated land which resulted in the loss of 3 acres after consensual withdrawal of a law suit. • Whereas the total contract sum of UGX. 3.5bn had been paid out for the renovation of the Intensive Care Unit on Block 1C, the works remained incomplete at the time of writing this report. • A review of the staff structure of Uganda Heart Institute revealed that out of the approved structure of 189, only 160 positions were filled leaving 29 staff positions vacant.
25	<p>Mulago Specialized Women & Neonatal Hospital.</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • The entity budgeted to collect NTR of UGX. 7bn during the year under review, and UGX. 3.64bn was realized, representing a performance of 52% of the target. • Out of the total receipts for the financial year of UGX 21.93 bn, UGX. 20.93Bn was spent by the entity resulting in an unspent balance of UGX.0.997Bn (representing an absorption level of 95.5%). The unspent balance at the end of the financial year was subsequently swept back to the consolidated fund account. • I noted that out of the sampled twelve (12) outputs with a total of twenty

		<p>five (25) activities and expenditure of UGX 17.7bn, only eight (8) outputs with a total of fourteen (14) activities worth UGX 9.1bn were fully quantified. Two (2) outputs with a total of nine (9) activities and expenditure worth UGX.8Bn, was insufficiently quantified. I observed that out of the nine (9) activities, six (6) activities (66.7%) were quantified, while the balance of three (3) activities (33.3%) were not clearly quantified to enable the assessment of performance. Two (2) outputs with a total of two (2) activities and expenditure worth UGX 0.550Bn were not quantified at all. That is none of the two (2) activities within these outputs was quantified at all.</p> <ul style="list-style-type: none"> • Out of the eight (8) fully quantified outputs with a total of fourteen (14) activities and expenditure worth UGX.9.1Bn, seven (7) outputs with ten (10) activities and expenditure worth UGX 4.8Bn were fully implemented. One (1) output with four (4) activities worth UGX.4.4Bn was partially implemented. Out of the four (4) activities, the entity fully implemented three (3) activities; one (1) activity was partially implemented, while no activity remained unimplemented. • A well equipped kitchen with boilers, fridges, gas cookers, cabinets, a chimney and a full outer gas tank was constructed at the Hospital. However, it was not yet in use at the time of audit. • I noted that the Hospital submitted all the quarterly performance reports beyond the prescribed deadlines. • From my review of the annual performance reports and physical inspections/verification of outputs reported, I did not observe inconsistencies in the reported performance. • I noted that the hospital reported a payables figure of UGX.2,180,857,756 of which UGX. 427,844,778 related to PAYE which was deducted but remained unremitted by close of the year under review.
26	<p>Mulago National Referral Hospital. 2020/21</p> <p><u>Opinion</u> Qualified</p>	<ul style="list-style-type: none"> • Transfers of UGX.3,867,161,000 received from the Ministry of Health were not recognized in the Statement of Financial Performance. The receipts were also not reported in Note 5 to the Financial Statements. It was further noted that the funds which were received on the Hospital's Infrastructure Development Account were transfers from Ministry of Health meant for intern allowances. • The Hospital had liabilities of UGX 2,952,608,319 from the previous year (FY 2019/20) in respect of payables (UGX 2,304,366,476) and deposits (UGX 648,241,843). However, payments totalling to UGX3,775,748,845 in respect of the liabilities were made. The Hospital therefore made payments for non-existent liabilities amounting to UGX 1,471,382,369. • Management made an adjustment to the opening balance of payables amounting to UGX 2,097,368,767 (statement of outstanding commitments on Page 33 of the financial statements). However, there was no explanation provided on the cause of the adjustment or the composition of this figure. • The Hospital misstated transfers to the Treasury during the year by UGX 1,296,483,686 in its financial statements. • The entity did not have a strategic plan approved by NPA during the year. • The Hospital did not budget to collect NTR during the year under review. However, the financial statements indicated that NTR amounting to UGX. 1,808,626,491 was collected during the year. • Out of the total warrants of UGX.63,573,318,357 received during the financial year, UGX.59,379,356,427 was spent by the entity resulting in

		<p>an unspent balance of UGX.4,193,961,930 representing an absorption level of 93.4%.</p> <ul style="list-style-type: none"> • The Hospital spent UGX. 474,479,100 on refurbishment of the MRI machine. It was noted that the MRI machine was delivered and installed in 2018 and has since never been put to use. • Works under the construction contract for 150 units of staff houses at the Hospital of UGX. 30,228,600,856 have been delayed. • I noted that vital medical equipment was in poor working condition, while others were fully not functional and required replacement. The equipment included: autoclaves in the central sterile service department; patient monitors in the accident and emergency surgical unit; blood coagulation machine in the clinical laboratory unit; ICU beds in the intensive care unit, and CT machine in the Radiology department.
27	Allied Health Professionals Council (AHPC). 2020/21	<ul style="list-style-type: none"> • The Council did not have a strategic plan approved by NPA during the year. • The entity budgeted to collect internal revenue of UGX.4.771Bn during the year under review. Out of this, only UGX.3.783Bn was realized, representing a performance of 79% of the target. • The Council did not implement some of its planned activities during the year. Examples include: Verification and publication of Allied Health Professionals in the Gazette; Licensing of private Allied Health units and training institutions, and; ICT support supervision in regions. • The Governing Council stated that a material uncertainty existed regarding the continued operation of Allied Health Professionals Council in the foreseeable future. This was based on the communication by the Permanent Secretary Ministry of Public Service (PS/MoPS) to the Permanent Secretary Ministry of Health among others in which the PS/MoPS communicated a Cabinet decision of 22nd February 2021 that required the commencement of merging, rationalization and mainstreaming of Government Agencies between financial years 2021/2022 and 2022/2023. • I noted that it takes an average of 3 months for the Council to process registration certificates which seemed to be too long. Delayed processing of registration certificates frustrates applicants and may make some to lose opportunities. • The Council did not make any publication in the Gazette during the year under review, contrary to The Allied Health Professionals’ Act (cap 268). The unsuspecting public was not protected from public from quack practitioners.
28	Health Service Commission. 2020/21 <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted that the entity had prepared a strategic plan. However, this had not been approved by the end of the year under review. • The Commission did not budget to collect NTR during the year under review. However, the financial statements indicated that NTR amounting to UGX.21,850,000 was collected during the year. • There was no evidence to show that the procurement method and the Evaluation Committee were approved by the Contracts Committee for six sampled procurements worth UGX48,310,800. Lack of approval contravenes the PPDA Regulations. In the circumstances, the Evaluation Committees executed the assignment without authority.
29	Uganda AIDS Commission. 2020/21	<ul style="list-style-type: none"> • I noted that the entity had prepared a strategic plan. However, this had

	<p><u>Opinion</u> Unqualified</p>	<p>not been approved by the end of the year under review.</p> <ul style="list-style-type: none"> The Commission did not budget to collect NTR during the year under review. However, the financial statements indicated that NTR amounting to UGX. 37,800,000 was collected during the year. UAC received off-budget financing to a tune of UGX.1,465,747,761. Although Management explained that a total of UGX.2.8Bn was budgeted for and appropriated by Parliament as off-budget funding for the Financial Year 2020/2021 as the total grant disbursement of all grants in the year, I could not trace this figure in the Commission's approved budget for the year. The Commission failed to implement two planned activities during the year; Data quality control and validation strategy, and Quarterly meetings for adolescents and young people. The reported domestic arrears of UGX. 76,162,182. These arrears relate to as far back as the FY 2016/2017. It was noted that the arrears are not supported. In absence of supporting documents, there seemed to be no basis for these payables standing in the Commission's financial statements. The Commission had a dispute over ownership of Land and Buildings on 0.1 Hectare of Leasehold land comprised in Freehold Register Volume 56 Folio 16 Plot Number 213, Sentema Road at Namirembe with Namirembe Diocese Church of Uganda which disabled the Commission from valuation, renovating and collecting revenue from tenants since 2016. Although the Diocese later confirmed that the Commission's lease expires in 2026, it asked the Commission to justify why it wants to renew the lease because the Diocese had taken a decision not to renew leases for areas near the Cathedral which the Commission has failed to secure from the Office of the President where it falls.
30	<p>Allied Health Professionals Council (AHPC). 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> The Council did not have a strategic plan approved by NPA during the year. The entity budgeted to collect internal revenue of UGX.4.771Bn during the year under review. Out of this, only UGX.3.783Bn was realized, representing a performance of 79% of the target. AHPC planned to implement five (5) outputs in the year under review. I assessed the implementation of three (3) outputs which had 16 activities and noted that all the 3 outputs with their 16 activities were fully quantified. with a total of sixteen (16) activities worth UGX.1.380Bn and noted that; Out of the sampled 3 outputs with a total of 16 activities, I noted that one (1) output with four (4) activities and expenditure worth UGX 0.515Bn was fully implemented that is all the four (4) activities within this output were fully implemented. Two (2) outputs with twelve (12) activities worth UGX.0.865Bn were partially implemented. Out of the twelve (12) activities, the entity fully implemented one (1) activity; seven (7) activities were partially implemented while four (4) activities were not implemented. The Council did not implement some of its planned activities during the year. Examples include: Verification and publication of Allied Health Professionals in the Gazette; Licensing of private Allied Health units and training institutions, and; ICT support supervision in regions. The Governing Council stated that a material uncertainty existed regarding the continued operation of Allied Health Professionals Council in

		<p>the foreseeable future. This was based on the communication by the Permanent Secretary Ministry of Public Service (PS/MoPS) to the Permanent Secretary Ministry of Health among others in which the PS/MoPS communicated a Cabinet decision of 22nd February 2021 that required the commencement of merging, rationalization and mainstreaming of Government Agencies between financial years 2021/2022 and 2022/2023. There is a high possibility that the Council may not remain a going concern beyond the stated period.</p> <ul style="list-style-type: none"> The Council did not make any publication in the Gazette during the year under review, contrary to The Allied Health Professionals' Act (cap 268). In the absence of such a publication, the unsuspecting public may not be protected from quack practitioners.
31	<p>Uganda Global Fund To Fight Aids, Tuberculosis And Malaria Project – HIV COMPONENT. 2020.</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> No significant findings
32	<p>Uganda Global Fund to Fight Aids, Tuberculosis And Malaria Project – HIV Component. 2020</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> No significant findings
33	<p>Uganda Global Fund to Fight Aids, Tuberculosis and Malaria Project-Tuberculosis Component. 2020.</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> No significant findings
34	<p>Ministry of Health. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> I noted that whereas the Ministry submitted a draft 5-Year Strategic plan (FYs 2020/21-2024/25) to National Planning Authority for approval on 29th July 2021, a certificate had not been issued by the Authority by the time of audit. The entity did not budget for NTR during the year under review. However, UGX 7.205Bn was collected. The Ministry budgeted to receive UGX 147.112Bn. This budget was later revised to UGX 376.884Bn, out of which UGX 376.837Bn was warranted, resulting into a shortfall of UGX 47m (representing 0.012% of the approved budget). Out of the total UGX 1,029.646Bn received during the year under review, UGX 852.099Bn was spent by the entity resulting in an unspent balance of UGX. 177.547Bn (representing an absorption level of 82.8%). The unspent funds included; UGX 0.61Bn of NTR which was swept back to the Consolidated Fund as required by the PFMA, while UGX 5Bn remained on the MoH Contingency Fund and the balance of UGX 171.937Bn remained on project Accounts. Out of a sample of forty nine (49) outputs with a total of one hundred ninety seven (197) activities and expenditure of UGX 777.8Bn, twenty

		<p>four (24) 48.9% outputs with a total of fifty nine (59) activities and expenditure worth UGX 140.4Bn were fully quantified. Fifteen (15) 30.6% outputs with a total of one hundred twenty one (121) activities and expenditure worth UGX 373.5Bn were insufficiently quantified. I observed that out of the one hundred twenty one (121) activities, sixty nine(69) activities (57%) were quantified, while the balance of fifty two (52) activities (43%) were not clearly quantified to enable the assessment of performance. Ten (10) 20.4% outputs with a total of seventeen (17) activities and expenditure worth UGX 263.9Bn were not quantified at all.</p> <ul style="list-style-type: none"> • Out of twenty four (24) outputs that were fully quantified with a total of fifty nine (59) activities worth UGX 140.4Bn, eight (8) (33.3%) outputs with eleven (11) activities and expenditure worth UGX 101.8Bn were fully implemented; ten (10) (41.7%) outputs with forty two (42) activities worth UGX 32.5Bn were partially implemented. Out of the forty two (42) activities, eleven (11) activities were fully implemented; thirteen (13) activities were partially implemented, while eighteen (18) activities remained unimplemented. Six (6) (25%)outputs with six (6) activities worth UGX 6.1Bn could not be assessed to establish their level of implementation because four (4) of these outputs were not reported on, while two (2) outputs were inaccurately reported on i.e. different activities were planned for but different activities were reported on. • Ministry of Health received off-budget financing from Development Partners to a tune of UGX 8.44Bn, which was not declared to Treasury and, therefore, not appropriated to the entity by Parliament. • The entity submitted performance reports for Q1, Q2, and Q3, Q4 after the prescribed deadlines. In addition, I did not obtain documentary proof of in the form of monitoring plans and reports which are important in ensuring that the budget performs as expected. • The task force reporting functionality planned to produce bi-weekly, monthly, quarterly, bi-annual and annual COVID-19 performance reports. However, these were not prepared and discussed in a timely manner. • I noted that the Ministry of Health did not prepare a COVID-19 activity work plan upon receipt of UGX 253,596,115,200 meant for management of COVID-19. • Out of the Supplementary release of UGX 223.596Bn, the Contingency Fund allocation of UGX 30Bn, and the unutilized balance from FY 2019/2020 of UGX 0.5Bn, a total of UGX.249.025bn (Supplementary UGX 223.596Bn, and Contingency Funding of UGX 25.429Bn) was spent leaving a balance of UGX 5.071Bn unspent as at 30th June 2021 (representing an absorption level of 98% of the total available funds) • I noted that the entity conducted COVID-19 related procurements worth UGX 105,937,028,042 in the FY 2019/20 out of which UGX 92,960,878,888 had been paid by 30th June 2021. During the year under review (FY 2020/21), procurements worth UGX 191,254,414,946 were conducted out of which UGX 184,690,133,663 was paid by 30th June 2021. • I noted that 37,501,136 masks that were delivered by various suppliers at a cost of UGX 90.2bn were not supported with documentary proof of certification by UNBS to ensure conformance with the desired technical quality specifications. • Whereas the first GoU allocation for procurement of vaccines amounting to UGX 18.5bn was transferred to National Medical Stores on 29th March 2021, vaccination doses procured by the Government of Uganda were yet to be delivered to NMS by 30th June 2021. Delayed delivery of the
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		<p>vaccines is likely to hamper the timely attainment of the vaccination targets set by government.</p> <ul style="list-style-type: none"> • The Ministry did not comply with PPDA Regulatory Framework with respect to COVID-19 related procurements valued at UGX. 13.7bn. • Whereas Mulago National Referral Hospital had running contracts for cleaning, waste disposal and security services with 3 suppliers prior to the COVID-19 pandemic, the Ministry of Health directly paid these suppliers a total of UGX 1,071,968,797 in respect of Cleaning & waste disposal Services (UGX 794,999,997) and Security services (UGX 276,968,800) rendered at Mulago COVID-19 Treatment Centre. Under the circumstances, there is a risk of double payment. • I noted that Pay As You Earn (PAYE) amounting to UGX 626,630,608 was not deducted from hardship allowances paid to various officials. Failure to deduct taxes may attract interest and penalties from the Tax Body.
	LEGISLATURE	
1.	<p>Parliamentary Pension Scheme. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • A total of UGX.5,557,452,584 was utilized during the year against the approved budgeted t of UGX.6,601,744,660. The Under absorption of resources implies that the scheme did not carry out all the year's intended activities, hence not meeting its intended objectives. Some of the activities that were not or partially implemented were; • Recruitment of staff • IT Annual Maintenance Plans • Strategic Partnership Meetings • As observed last financial year 2019/2020, some members on the Board of Trustees are still signatories to the Bank Accounts of the Scheme. The Board's involvement in the day-to-day operations of the scheme erodes its oversight role. For instance, the Board cannot hold management to account for failure, to implement. agreed activities when the Board is actively participating in the daily operations of the scheme.
2.	<p>Parliamentary Commission. 2020/21</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted that the Authority's strategic plan had not been certified by NPA by the time of audit, contrary to the Planning Regulations. • The Authority received 99% of its budget from Government, and NTR performed above expectation by 21%. The Authority had unspent balances of UGX.7.64Bn, which was returned to the consolidated fund. • I noted that the Authority had unremitted off-budget financing of UGX.18.97Bn, which Parliament never appropriated. • I noted that out of the thirty-nine (39) outputs sampled for review, two (2) outputs (5%) were fully quantified, two (2) outputs (5%) were partially quantified, and thirty-five (35) outputs (90%) were not quantified at all which made it impossible to measure performance. The two (2) outputs that were fully quantified were all fully implemented. • All performance reports were submitted after the deadline. • I noted that the Authority had not developed regulations to guide the collection of outdoor advertising fees, which hindered the collection of NTR. I further noted that the Authority did not undertake regular updates of the valuation rolls. • The Authority has an unserviceable long-term liability of UGX.42,570,448,999 in addition to accumulated domestic arrears of

		<p>UGX.62,477,592,377 as at 30th June 2021.</p> <ul style="list-style-type: none">• The Authority did not remit statutory deductions to URA and NSSF amounting to UGX.1.86Bn.• The Authority incurred avoidable expenditure of UGX.7.8Bn as interest due to delayed site handover for civil works constructions.• I noted that the Authority had not adopted the Computerized Government Financial Management Information Systems (GFMS) for management of its inventories as required by the Treasury Instructions.
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ANNEXURE II: SUMMARY OF ENTITY FINDINGS AND OPINIONS FOR LOCAL GOVERNMENTS

S/N	Fort Portal Branch	Summary of Key Findings
01.	Bundibugyo DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> I noted a number of anomalies during review of the district payroll such as; Failure to submit wage estimates to MoPs, over payment of salaries worth UGX.29, 467,392, Underpayment of salaries of UGX.2, 160,338; payment of salaries worth UGX.45, 977,978 to sixteen (16) staffs who were no longer in service, delayed access to payroll by sixty (60) new employees and failure to prepare monthly wage, pension and gratuity performance analysis on payroll to MoPS. The district did not have an approved strategic plan that is aligned to the NDP-III at the time of audit. I noted a number of issues in the implementation of the approved budget such as; under absorption of funds worth UGX. 2,978,972,164; under performance of the donor & government releases worth UGX.1,536,961,363; partial submission of quarterly monitoring reports to OPM & MoFPED The district received off-budget financing to a tune of UGX. UGX.7, 989,897 directly from UNFPA for undertaking activities which was never declared to the PSST and as such no supplementary appropriation was issued as guided by the PSST. The district lost a court case (Busobozi Juma Vs Bundibugyo DLG); but failed to honour this court ruling resulting into attachment of three (3) District Motor vehicles. I further noted the district failed to absorb UGX.950, 886,390 of the UgIFT funds received and the balance was swept back to the Consolidated Fund Account at the end of the financial year. I further noted that the district had unutilized funds of UGX.336, 284,000 meant for the construction of Kabango Seed School which was swept back to the Consolidated Fund.
02.	Kabarole DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, Over payment of pension worth UGX.288, 866,531; Underpayment of pension worth UGX.271, 215,401; Wrong computation of gratuity worth net overpayment of UGX. 54,578,592; payment of salaries worth UGX. 3,051,636 to two (2) staffs that was no longer in service and irregular deduction of loan instalments worth UGX.9, 061,174. Additionally, I observed that there was delayed access to payroll by twenty three (23) new employees and nine (9) pensioners; failure to utilize wage funds of UGX.2.38Bn; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX.10,746,540 and payment of twenty two (22) staffs worth UGX.35,678,772 off the IPPS

		<ul style="list-style-type: none"> • I noted a number of issues in the implementation of the approved budget such as; shoddy works in construction of classrooms; incomplete works; under absorption of funds worth UGX.5,185,210,873 that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX.768,125,595; delayed submission of quarterly monitoring reports to OPM & MoFPED • The district mischarged expenditure worth UGX.275, 847,736 on wrong budget lines.
03.	Kamwenge DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; over payment of pension worth UGX.18,610,306; Underpayment of pension worth UGX. 20,537,350; Wrong computation of gratuity worth net overpayment of UGX. 126, 160257; payment of salaries worth UGX. 3,042,398 to six (6) staffs that was no longer in service; irregular deduction of loan instalments worth UGX.9,912,197 and failure to remit payroll deductions worth UGX.1,206,334,606 • Additionally, I observed that there was delayed access to payroll by eleven (11) new employees; failure to utilize wage funds of UGX.2.32Bn; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX.9,904,129; payment of forty three (43) staffs worth UGX.73,835,431 off the IPPS and failure to prepare monthly wage, pension and gratuity performance analysis report on payroll to MoPS • The district mischarged expenditure worth UGX.446,776,818 on wrong budget lines other than those prescribed for salary, pension and gratuity • The district did not have an approved strategic plan that is aligned to the NDP-III at the time of audit. • I noted a number of issues in the implementation of the approved budget such as; under absorption of funds worth UGX.9, 615,375,142 that was eventually swept back to consolidated fund account at end of financial year; combined under performance worth UGX. 18,033,399,211 from planned donor funds, NTR, releases from Government & other Government units ; delayed submission of quarterly monitoring reports to OPM & MoFPED • I observed that a total sum of UGX.792, 482,750 due from the groups that were funded in 2014/15, 2015/16, 2016/17, 2017/18 and 2018/19 were still outstanding and therefore reported as revenue arrears at the year end. • The district lacks evidence of ownership in form of titles for its land at Kabuga-Rubaba measuring 1,321 hectares. • During a physical inspection of the Constructions, I noted a

		number of shoddy works in Bwizi Seed School and upgrade Kabingo Health Centre II to Health Centre III.
04.	Kasese DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, over payment of Salary and gratuity worth UGX. UGX.3, 574,714; Underpayment of pension worth UGX. 705,886; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX.21, 251,680; payment of salaries worth UGX. 990,729 to two (2) staffs that was no longer in service and irregular deduction of loan instalments worth UGX.11, 312,968. • Additionally, I observed that there was delayed access to payroll by four (04) new employees and five (5) pensioners; failure to utilize wage funds of UGX.0.01Bn; over remittance UGX.14,857,510 was made to UNATU and UBA, and an under remittance of UGX.162,609,619 to URA and LST respectively; and payment of twenty nine (29) staffs & two (2) pensioners a total of UGX.35,824,742 off the IPPS • The district mischarged expenditure worth UGX.99,558,770 on wrong budget lines other than those prescribed for gratuity • The district's strategic plan was not certified by National Planning Authority. • I noted that the verification forms and copies of the verification cards for 150 new employees and 8 pensioners/beneficiaries were not on the respective personal files. • The district has uncollected Non Tax Revenue arrears to the tune of UGX.702, 009,983 that has remained outstanding for more than a year. • I noted a number of issues in the implementation of the approved budget such as; under absorption of funds worth UGX. 6,349,941,923 that were eventually swept back to consolidated fund account at end of financial year; combined under performance worth UGX. 11,758,099,498 from planned donor funds, NTR, releases from Government & other Government units ; delayed submission of quarterly monitoring reports to OPM & MoFPED • Ninety one (91) pieces of land owned by the District lacked evidence of ownership in form of titles. • Out of the total funds of UGX.822, 539,506 UgIFT funds received, the district only utilized UGX.314,732,415 (38.26%) resulting into unspent balance of UGX.507,807,091.
05.	Kyegegwa DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted a number of issues during the review of the district pension and payroll such as;

		<ul style="list-style-type: none"> • The district delayed to submit wage estimates to MoPs by the 30th of September of the previous year as required. This may lead to wage shortfalls/over provision due to lack of clarity and analysis of wage estimates by MoPS. • Unpaid accrued gratuity worth UGX.92,701,695 by year end and Under absorption of wage funds worth UGX.1.13Bn that meant some employees and pensioners were unpaid • The verification forms and copies of the verification cards for 50 employees were not on the respective personal files • The District did not prepare monthly wage, pension and gratuity performance analysis and thus did not submit quarterly returns on payroll to MoPS, contrary to Paragraph 2.1 of Establishment Notice No. 1 of 2020. This led to under absorption of wage, pension and gratuity budgets • 6 employees were paid a total of UGX.2,852,917 without signed pay change reports • 37 newly recruited/ transferred employees and 6 pensioners delayed to access payroll this affects staff moral and accumulation of domestic arrears and paid UGX.1,446,726 was paid to 2 former staff who had either retired or died • The district did not subject political leaders' gratuity totalling to UGX.43,741,660 to the computation of PAYE in IPPS, leading to an under deduction of UGX.13,224,798, contrary to section 19(1) (a) of the Income Tax Act • The district made unauthorised loan deductions totalling UGX.157,604,005. The deductions were from 84 employees that neither had letters of undertaking nor existed in the "active deduction" or the "my approval" reports on the PDMS-Payroll Deduction Management System, operated by PCA-Payroll Consults Africa • I noted unrecovered overdue YLP and UWEP receivables worth 541,572,633 and 196,364,405 from beneficiary groups that has affected the revolution of the funds among other groups in the queue • I noted a number of issues in the implementation of approved budget such as delayed submission of quarterly reports; underperformance of revenue worth 9,414,937,826; under absorption of funds worth UGX.3,780,702,017 that affected implementation of Construction of Kagumba & Nabiwugulu Seed Schools, upgrading of Bubago HCII to HC III, Construction works
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		<p>at Kitayunjwa Seed School , ICT and science equipment for Kitayunjwa Seed School, Upgrading of Kagumba HC II to HC III and Procurement of medical equipment for Kagumba HC I and Bubago HCII</p> <ul style="list-style-type: none"> • I noted that the management had not prepared and approved a strategic plan that is aligned to the NDP-III at the time of audit • I noted delayed works for Construction of Karwenyi Health Center III under UgIFT. The contract was awarded to M/s.Nicole Associates Ltd at a contract sum of UGX.529, 682,320 and should have been completed on 07.09.19 but was still having pending works • I noted incomplete construction works on Rwentuuha seed school for works that should have ended by 07.04.2020 • I noted funds shortfall of UGX.91, 745,203 for funds meant for road maintenance from URF that affected the implementation of planned works
06.	<p>Kyenjojo DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, over payment of Gratuity worth UGX. UGX.4, 503,576; Underpayment of pension worth UGX. 10,233,398; payment of salaries worth UGX. 13, 121,357 to nine (9) staffs that was no longer in service and unauthorized deduction of loan instalments worth UGX. 21,809,702. • Additionally, I observed that there was delayed access to payroll by ten (10) new employees and two (2) pensioners; failure to utilize wage funds of UGX.0.96Bn; unremitted payroll deductions of UGX. 6,025,083 and failure to prepare monthly wage, pension and gratuity performance analysis report on payroll to MoPS • I noted a number of issues in the implementation of the approved budget such as; under absorption of funds worth UGX.3, 847,060,490 that was eventually swept back to consolidated fund account at end of financial year; combined under performance worth UGX. 22,372,196,592 from planned donor funds, NTR, releases from Government & other Government units; • Out of UGX.1, 300,000,000 received for Upgrading of Kigoyera HC II to HC III only UGX.480, 191,731 was utilized and the balance was swept back to the Treasury at the end of the financial year. • I noted shoddy works for M/s Build line Contractors Uganda LTD at a contract sum of UGX.2, 050,045,030. Although the end date was extended to 30th August 2020 and the contract sum revised to UGX.2, 150,170,030 to cater for variations

		<ul style="list-style-type: none"> The districts strategic plan was not certified by National Planning Authority therefore I could not confirm that it is aligned to NDP-III.
07.	<p>Ntoroko DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs; Underpayment of in payroll worth UGX. 5,813,601; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX.8, 062,325; Loan deductions relating to all the 279 employees did not have letters of undertaking and evidence of consent on file; One hundred five (105) staffs were paid using wrong salary scales, leading to over payments of UGX.9,200,722. Additionally, I observed that there was delayed access to payroll by thirty seven (37) new employees and one (01) pensioner; failure to utilize wage funds of UGX.0.026Bn; unremitted PAYE deductions of UGX.58,118,104, to URA; failure to prepare monthly wage, pension and gratuity performance analysis report on payroll to MoPS I noted that the verification forms and copies of the verification cards for 50 employees were not on the respective personal files The district's strategic plan was not certified by National Planning Authority therefore I could not confirm that it is aligned to NDP-III. I noted a number of issues in the implementation of the approved budget such as; under absorption of funds worth UGX.824, 523,482 that was eventually swept back to consolidated fund account at end of financial year and a combined revenue under performance worth UGX. 1,971,531,402 from planned donor funds, NTR, releases from other Government units I noted that the Upgrade of Butungama HCIII under UgiFT works had stalled and behind schedule by 14 months.
08.	<p>Fort portal MC</p> <p>Unqualified <u>Opinion</u></p>	<ul style="list-style-type: none"> I noted a number of anomalies during review of the Municipal pension & salary payrolls such as; Failure to submit wage estimates to MoPs; Overpayment of UGX.1,547,570 Underpayment of in payroll worth UGX.674,289; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX.3,015,540; failure to utilize wage funds of UGX.0.655Bn; Payment of 4 employees who were no longer in service; Under remittance of salary deductions worth UGX. UGX.68,499,107; Delayed remittance of deductions to UCLA/UBA of 5 to 90 days I noted a number of issues in the implementation of the approved budget such as; under absorption of funds worth UGX.9, 264,101,819 that was eventually swept back to consolidated fund account at end of financial year; combined under performance worth UGX. 22,372,196,592 from planned

		<p>donor funds, NTR, releases from Government & other Government units</p> <ul style="list-style-type: none"> • The Municipality mischarged expenditure worth UGX.5,244,093 on wrong budget lines other than those prescribed for salary, pension or gratuity • The Municipal's strategic plan was not approved by the National Planning Authority at the time of audit and therefore I could not confirm that it is aligned to NDP-III. • The Municipality lacked certificates of title for 13 pieces of land. • I noted that the MC did not have sufficient waste receptacles and solid waste collection vehicles which have led to piling of garbage on the Municipality streets resulting into a public health nuisance.
	Branch Jinja	Summary of Key Findings
01.	<p>Namutumba DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, over payment of Gratuity worth UGX. 6,699,263; Underpayment of salaries worth UGX 3,970,280; payment of salaries worth UGX. 34,532,950 to eighteen (18) staffs who were no longer in service; under remittance of payroll deduction of UGX. 42,851,131; unauthorized excess loan deductions worth UGX. 336,561,515 for one hundred seventy four (174) employees • Additionally, I observed that there was delayed access to payroll by ninety one (91) newly recruited/ transferred employees and nineteen (19) pensioners; eight (8) pensioners failed to access the pension payroll; failure to utilize wage funds of UGX.0.70Bn; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX.9, 275,220; failure to prepare monthly wage, pension and gratuity performance analysis report on payroll to MoPS and overpayment of pensioners due to wrong computation worth UGX. 66,739,381 and payment of 05 employees worth UGX. 3,371,913 without authorization of pay change report. • I noted a number of issues in the implementation of the approved budget such as; under absorption of funds worth UGX. 1,074,919,818 that were eventually swept back to consolidated fund account at end of financial year; under performance worth UGX. 183,402,134 from planned donor funds, NTR and releases from Government.; partial implementation of planned activities • The district mischarged expenditure worth UGX.41,963,816 on wrong budget lines other than those prescribed for salary, pension or gratuity • From a comparison of the payroll register and IFMS payment file, I noted that 09 staff and 10 pensioners were paid a total of UGX 461,890,255 off the IPPS.

		<ul style="list-style-type: none"> • I noted that the District had uncovered funds (receivables) of UGX. 1,400,354,319 that affected the budget implementation of planned activities • The District's strategic plan is in place but no evidence of approval by the National Planning Authority was availed at the time of audit. • I noted that the construction works of a seed secondary school at Nabweyo did not take off in the financial year under review and the funds amounting to UGX. 344,284,000 were swept back to treasury. • The district lacked land titles for 17 pieces measuring approximately 299.3 acres which exposed the land to loss and encroachment. • The District received a sum of UGX. 223,381,891 for (06) secondary schools and (109) primary schools meant for the procurement of learning materials. However, the bank statements had not been availed for review at the time of audit.
02.	Buyende DLG <u>Opinion:</u> Unqualified	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, unpaid salaries of UGX 5,941,021 to nine (9) employees; Underpayment of salaries to staff worth UGX 205,153,235; under payment of UGX 6,386,999 to pensioners; over payment of UGX 9,607,227; payment of salaries worth UGX. 11,313,061 to six (06) staffs who were no longer in service; under remittance of payroll deduction of UGX.205,612,209; unauthorized excess loan deductions worth UGX. 17,355,601 for 168 employees • Additionally, I observed that there was delayed access to payroll by twenty nine (29) newly recruited/ transferred employees and seven (07) pensioners; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX. 12,019,045; failure to prepare monthly wage, pension and gratuity performance analysis report on payroll to MoPS and overpayment of pensioners due to wrong computation worth UGX. 20,650,780 and payment of funds worth UGX. 8,205,747 off the IPPS system • I noted a number of issues in the implementation of the approved budget such as; under absorption of funds worth UGX. 2,000,000,000,000 that were eventually swept back to consolidated fund account at end of financial year; under performance worth UGX. 2,097,035,126 from planned donor funds, NTR and releases from Government.; partial implementation of planned activities • The district mischarged expenditure worth UGX. 71,513,039 on wrong budget lines other than those prescribed for salary, pension or gratuity

		<ul style="list-style-type: none"> • I noted that the entity had prepared a strategic plan but the National Planning Authority had not yet approved it at the time of audit. • Failure to quantify outputs, partial and non-implementation of planned activities, late submission of quarterly reports • I noted that funds to the tune of UGX. 571,677,701 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 9 road equipments at the district, 03 were grounded and in need of major repairs and I also observed lack of vital road equipment such as an excavator, a backhoe, supervision double cabin pickup and 02 supervision motor cycles. • Delayed construction works on Buyende Seed School and expired performance security for the contract from the contractor was also noted • I note that there undelivered ICT Equipments worth UGX. 148,842,899 to Buyende Seed Secondary School; unutilized funds worth UGX. 178,400,391 meant for procurement of learning materials for (05) secondary schools and (91) primary schools. • I noted that accountability amounting to UGX. 61,788,892 were not presented for verification by the time of audit. • The district lacked land titles for 48 pieces measuring approximately 1,942 hectares which exposed the land to loss and encroachment.
03.	<p>Jinja DLG</p> <p><u>Opinion:</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, unpaid salaries and pension arrears of UGX 484,546,138; Underpayment of salaries to staff worth UGX. 40,243,749; under payment of UGX 6,386,999 to pensioners; over payment of UGX 9,607,227; payment of salaries worth UGX. 2,763,055 to six (06) staffs who were no longer in service • Additionally, I observed that there was delayed access to payroll by Fifteen (15) newly recruited/ transferred employees and three (03) pensioners; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX. 10,866,949; failure to prepare monthly wage, pension and gratuity performance analysis report on payroll to MoPS and payment to 06 staff and 09 pensioners of funds worth UGX. 62,763,120 off the IPPS system • I noted a number of issues in the implementation of the approved budget such as; Failure to Quantify outputs; partial &

		<p>non-implementation of planned activities and delayed submission of performance reports; under absorption of funds worth UGX. 1,890,511,130 that were eventually swept back to consolidated fund account at end of financial year; under performance of NTR worth UGX. 341,038,789</p> <ul style="list-style-type: none"> The district has outstanding unrecovered YLP and UWEP advances worth UGX. 1,164,605,343
04.	<p>Jinja MC</p> <p><u>Opinion:</u> Unqualified</p>	<ul style="list-style-type: none"> I noted a number of anomalies during review of the municipal pension & salary payrolls such as; Failure to submit wage estimates to MoPs, failure to utilize wage funds of UGX.0.5Bn; unpaid salaries and pension arrears of UGX 484,546,138; Underpayment of salaries to staff worth UGX 2,179,634; under payment of UGX.54,373,901 to pensioners; over payment of gratuity worth UGX 34,302,808 to one pensioner arising from wrong computation; Underpayment of pensions worth UGX 49,155,207; nonpayment of a pensioner worth UGX 10,907,334 and payment of salaries worth UGX. 1,158,981 to two (02) staffs who were no longer in service Additionally, I observed that there was delayed access to payroll by eight (08) newly recruited/ transferred employees and thirty five (35) pensioners; failure to prepare monthly wage, pension and gratuity performance analysis report on payroll to MoPS; Net under remittance of payroll deductions worth UGX. 42,851,131; payment of a staff and a pensioner worth UGX 13,515,274 off the IPPS and payment to 03 employees worth UGX. 6,202,537 without signed pay change reports. I noted a number of issues in the implementation of the approved budget such as; Failure to Quantify outputs; delayed submission of performance reports; under absorption of funds worth UGX 2,361,255,255 that were eventually swept back to consolidated fund account at end of financial year; under performance of NTR & transfers from other Government Units worth UGX. 6,353,273,753 I noted that the entity had prepared a strategic plan but the National Planning Authority had not yet approved it at the time of audit The Municipal Council had outstanding payables of UGX 894,801,904 by the end of the year The Municipality mischarged UGX. 132,864,963 on wrong account codes other than those prescribed for salary, pension or gratuity. I noted underfunding of UGX. 41,469,000 from URF that affected the routine manual, mechanized and periodic road maintenance under force account mechanism.

		<ul style="list-style-type: none"> • I noted that the Municipal Council had 12-road equipment of which two (02) were grounded and in need of major repairs. Additionally, I also observed that the Municipal lacked vital road equipment like a water bowser, a roller, chips spreader and a jet/pothole patcher. • Under USMID, the Municipal Council had unspent balance of UGX 1,701,586,908, meant for road construction works and incomplete road works by the year end • Under UgIFT, I noted that the construction works on Kimaka Health Centre III at a cost of UGX. 493,924,741 had stalled for over a year and the contractor had abandoned the site. • The Municipal Council lacked land titles for 16 pieces measuring approximately over 34.265 hectares which exposed the land to possible loss and encroachment. • I noted that Council was involved in 13 ongoing court cases which could lead to possible loss of funds.
05.	<p>Kaliro DLG</p> <p><u>Opinion:</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, failure to utilize wage funds of UGX.0.4Bn; Underpayment of salaries to staff worth UGX. 24,360,137; under payment of UGX. 44,242,332 to pensioners and payment of salaries worth UGX. 2,246,579 to 5 staffs who were no longer in service • Additionally, I observed that there was delayed access to payroll by fifty-one (51) newly recruited/transferred employees and 03 pensioners; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX. 8,194,860. • I noted a number of issues in the implementation of the approved budget such as; Failure to Quantify outputs; delayed submission of performance reports; under absorption of funds worth UGX. 1,575,930,542 that were eventually swept back to consolidated fund account at end of financial year; under performance of NTR & transfers from other Government Units worth UGX. 288,478,184. • I noted that the district had outstanding receivables of UGX. 1,240,015,837 at year end that had not been collected • There was delayed physical progress of the works at Buyinda health centre, Kasokwe Health Centre and Bukamba Seed Secondary School. This was attributed to effects of Covid-19 pandemic. • I noted that Kaliro DLG did not have land titles for 38 pieces of land measuring approximately 283.25 acres.
06.	Kamuli MC	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the Municipal

	<p><u>Opinion:</u> Unqualified</p>	<p>pension & salary payrolls such as; Failure to submit wage estimates to MoPs, failure to utilize wage funds of UGX.0.4Bn; Underpayment of salaries to staff worth UGX 17,301,287; overpayment to 239 staff worth UGX 12,549,285 under payment of gratuity worth UGX. 8,102,108 to pensioners; payment of salaries worth UGX. 5,528,605 to 2 staffs who were no longer in service; over and under remittance of salary deductions amounting to UGX 1,392,544 and UGX 30,126,523</p> <ul style="list-style-type: none"> • Additionally, I observed that there was delayed access to payroll by 25 newly recruited/ transferred employees and 05 pensioners; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX. 2,026,660; Unauthorized payroll deductions worth UGX 156,349,689 relating to 84 without letters of undertaking; over deductions payments worth UGX. 2,876,352 and paid 03 staff and 07 politicians were worth UGX 14,156,592 off the IPPS • I noted a number of issues in the implementation of the approved budget such as; Failure to Quantify outputs; delayed submission of performance reports; inaccurate reporting of performance; under absorption of funds worth UGX 9,850,625,641 that were eventually swept back to consolidated fund account at end of financial year; under performance of NTR & transfers from other Government Units worth UGX. 609,177,435 • I noted that the Municipal Council had outstanding receivables of UGX 592,620,187 that had not been recovered by year end. • I noted that the entity had prepared a strategic plan but the National Planning Authority had not yet approved it at the time of audit. • Failure to quantify outputs, partial or non-implementation of activities not quantified late submission of quarterly reports and. • The Municipal Council had unspent funds under the USMID grant worth UGX. 9,421,230,865, which was subsequently swept back to the Consolidated Fund. Additionally, that the road construction works did not take off in the financial year under review. • I noted that the construction works of two classroom blocks and water borne toilet at Busoga High School at UGX. 309,872,760 were incomplete. • The Municipal Council lacked land titles for 11 pieces which exposed the land to loss and encroachment.
07.	<p>Mayuge DLG</p> <p><u>Opinion:</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, failure to utilize wage funds of UGX.1.2Bn; I also noted that there was an under payment of salaries and

		<p>pensions worth UGX. 1,193,840,180; Unpaid salaries worth UGX. 14,134,729; over payments of UGX. 17,722,575 to pensioners; 71 staff were paid using wrong salary scales, leading to monthly over payments of UGX. 1,177,702 and under payments of UGX. 1,257,209 respectively; nine (09) employees and fifteen (15) pensioners failed to access the payroll during the year; under remittance of salary deductions worth UGX. 45,320,114</p> <ul style="list-style-type: none"> • Additionally, I observed that there was delayed access to payroll by one hundred nine (109) newly recruited/ transferred employees and sixteen (16) pensioners; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX. 13,865,233; Unauthorized loan deductions worth UGX. 52,171,779 relating to 59 employees due to absence of Letters of undertaking; over deductions payments worth UGX. 2,876,352 and Paid 07 employees and 09 pensioners worth UGX. 89,285,252 off the IPPS • I noted a number of issues in the implementation of the approved budget such as; Failure to Quantify outputs; delayed submission of performance reports; inaccurate reporting of performance; under absorption of funds worth UGX 2,017,223,134 that were eventually swept back to consolidated fund account at end of financial year; under performance of NTR & transfers from other Government Units worth UGX. 1,017,773,209 and delayed completion for the construction of Bukatube health and Nkombe Health Centre III • I noted that the district had outstanding receivables of UGX. 1,559,419,200 by year end • The Mayuge District had outstanding pension liabilities of UGX. 1,251,580,052 by the end of the year. • I noted that Mayuge District received off-budget financing to a tune of UGX 58,291,066 directly from Ministry of Local Governments for undertaking activities which were never declared to the PS/ST. • I noted that there is illegal mining of sand being carried out at the district lakeshores. The Accounting Officer explained that management had written to the prospective stakeholders in the sand mining activities giving guidance on the sustainable way of carrying out the activity including closure of some of the sand mines. • I noted that Mayuge DLG did not have land titles for 33 pieces of land measuring approximately 1430.761 Ha.
08.	Lugazi MC <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the Municipal pension & salary payrolls such as; Failure to submit wage estimates to MoPs, failure to utilize wage funds of UGX.0.4Bn; I also noted that there was an under payment of salaries worth UGX. 8,183,158; Unpaid salaries worth UGX. 34,305,160; Under

		<p>payments of UGX. 321,560,027 to pensioners; over payments of UGX. 7,263,946 and under payments of UGX. 1,360,106 arising from use of wrong bands; over and under remittance of salary deduction worth UGX. 2,697,535 and UGX. 35,487,023 respectively</p> <ul style="list-style-type: none"> • Additionally, I observed that there was delayed access to payroll by 14 newly recruited/ transferred employees and thirteen (13) pensioners; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX. 3,289,681; Unauthorized loan deductions worth UGX. 565,433,218 relating to 500 employees due to absence of Letters of undertaking; over deductions payments worth UGX. 2,876,352 and paid 15 staff and 10 pensioners a total of UGX. 27,696,793 off the IPPS • I noted a number of issues in the implementation of the approved budget such as; Failure to Quantify outputs; delayed submission of performance reports; under absorption of funds worth UGX 14,415,862,633 that were eventually swept back to consolidated fund account at end of financial year • I noted that the Municipal Council had outstanding receivables of UGX. 1,973,054,521 by the year end that remained unrecovered • Under absorption of funds worth UGX. 14,177,800,402 under the USMID program that was eventually swept back to the consolidated fund. • I noted under performance of funds worth UGX 17,916,865 from Uganda Road Fund meant for road maintenance in the municipality. • I noted that Council was involved in 06 ongoing court cases
09.	<p>Namayingo DLG</p> <p><u>Opinion:</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, failure to utilize wage funds of UGX.0.72Bn; Unpaid salaries and pensions worth UGX. 49,235,421; under payments of UGX. 129,040,476 to pensioners; over and under payment of salaries worth UGX. 14,206,136 and UGX. 4,684,855 respectively due to use of wrong salary scales • Additionally, I noted there was un-deduction of PAYE from political leaders' gratuity resulting in unpaid tax of UGX. 9,992,741; Unauthorized loan deductions worth UGX. 702,716,508 relating to 458 employees due to absence of Letters of undertaking; paid 33 staff and 16 pensioners a total of UGX. 38,434,320 off the IPPS • I observed that twenty-four (24) newly recruited/transferred employees and ten (10) pensioners delayed to access payroll; four (04) employees & seventeen (17) pensioners had not yet accessed the payroll by the close of the financial year and

		<p>payment of 5 employees who were no longer in service</p> <ul style="list-style-type: none"> • I noted a number of issues in the implementation of the approved budget such as; Failure to quantify outputs; partial and non-implementation of planned activities delayed submission of performance reports; under absorption of funds worth UGX. 1,299,253,676 that were eventually swept back to consolidated fund account at end of financial year and under performance of revenues worth UGX. 896,645,767 • The District mischarged funds worth UGX. 5,057,686 on account codes other than those prescribed for salary, pension and gratuity. • Further, the District did not prepare monthly wage, pension and gratuity performance analysis and thus did not submit quarterly returns on payroll to MoPS, • I noted that the district had outstanding receivables of UGX. 1,063,954,752 that had not been recovered. • There was a delay in the physical progress of works at Bukana health centre III and Syanyonja Health centre. • I noted that Namayingo DLG did not have land titles for 113 pieces of land measuring approximately 357.3 hectares and 09 pieces of land were in the process of being titled.
10.	<p>Bugweri DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, failure to utilize wage funds of UGX.0.38Bn; Unpaid pensions worth UGX. 110,127,127; Over payments of UGX. 3,000,000 to pensioners; over and under payment of salaries worth 9,273,543 and UGX. 4,410,477 respectively due to use of wrong bands • Additionally, I noted there was un-deduction of PAYE from political leaders' gratuity resulting in unpaid tax of UGX. 1,040,880; paid 23 staff and 15 pensioners were paid a total of UGX. 33,868,147 and UGX. 190,371,130 off the IPPS; over and under remittances of pay roll deductions of UGX. 532,326,787 and UGX. 31,529,271 respectively; Payment of UGX.35,780,089 to 09 employees who were no longer in service; wrong computation of gratuity benefits of 01 pensioner (TAJJUBA STEPHEN 417573) that resulted into an over payment of gratuity by UGX. 26, 936,170. • I observed that 22 newly recruited employees and 15 pensioners delayed to access the pension payroll and the district did not prepare monthly wage, pension and gratuity performance analysis and thus did not submit quarterly returns on payroll to MoPS

		<ul style="list-style-type: none"> • I noted a number of issues in the implementation of the approved budget such as; Failure to quantify outputs; partial and non-implementation of planned activities delayed submission of performance reports; under absorption of funds worth UGX. 944,877,155 that were eventually swept back to consolidated fund account at end of financial year and under performance of revenues worth UGX. 6,114,158,151 • I noted that the District had outstanding receivables worth UGX. 499,741,444 that was not yet recovered. • I noted that the district had prepared a draft strategic plan but it had not yet been approved by the National Planning Authority. • I noted that Bugweri District received off-budget financing to a tune of UGX. 860,199,000 without seeking approval. • I noted that funds to the tune of UGX. 129,996,921 were misclassified. • I noted that the District lacked land titles for 31 pieces of land measuring approximately 179 acres including schools, sub counties and health centers. • Bugweri district received a sum of UGX. 155,136,081 for (06) secondary schools and (54) primary schools meant for the procurement of learning materials in March, 2021 but disbursed only UGX. 136,182,515 to the respective schools on 4th June, 2021 leaving an outstanding amount of UGX. 18,953,562 which remained unaccounted for. • I noted that expenditure totaling UGX. 374,878,394 lacked adequate supporting documentation at the close of the financial year
11.	Bugiri Municipal Council <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, failure to utilize wage funds of UGX.0.53Bn and over payment of salaries worth UGX. 4,618,049 due to use of wrong bands • Additionally, I observed that there was delayed access to payroll by 11 employees on the salary payroll and 03 pensioners on the pension pay roll; over and underpayment of salaries worth UGX. 5,020,000 UGX. 1,353,000; paid 15 staff and 03 pensioners were paid a total of UGX. 58,059,084 off the IPPS and paid five (5) employees a total of UGX. 29,073,390 without signed pay change reports • I noted a number of issues in the implementation of the approved budget such as; Failure to quantify outputs; partial and non-implementation of planned activities delayed submission of performance reports; under absorption of funds worth UGX. 568,033,989 that were eventually swept back to consolidated

		<p>fund account at end of financial year and under performance of revenues worth UGX. 334,420,647.</p> <ul style="list-style-type: none"> • I noted that funds to the tune of UGX. 33,234,682 were paid on the wrong account codes. • I noted that the Council had outstanding receivables of UGX. 585,573,492. That remained unrecovered by year end • I noted that the entity's NDP-III was still in draft form and had not had its Strategic plan approved by NPA at the time of audit. • Road maintenance works was affected by budget shortfalls for funds worth GX 63,409,282 from URF. • I noted that expenditure totaling UGX. 37,580,848 advanced to staff and various suppliers to carry out activities lacked adequate supporting documents. • I noted that the Council lacked land titles for 07 pieces of its land.
12.	<p>Kamuli DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, failure to utilize wage funds of UGX.1.3Bn; Unpaid pensions worth UGX. 129,711,499; Under payments of UGX. 789,022,349 to pensioners; under payment of salaries worth UGX. 16,604,611 and nonpayment of salaries worth UGX. 13,045,994 • Additionally, I observed that there was delayed access to payroll by 25 newly recruited/ transferred employees and 14 pensioners; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX.13,801,906; Unauthorized loan deductions worth UGX. 179,141,809 due to absence of Letters of undertaking; over/ under remittance of salary deductions worth UGX. 2,758,277 and paid UGX.5, 049,620 to 13 staff who had retired, transferred, absconded or died. • I noted that Kamuli District had outstanding receivables figure of UGX. 1,309,756,172 that remained unrecovered by year end. • I noted, the entity did not have an approved strategic plan that is aligned to the NDP-III at the time of audit. • I noted a number of issues in the implementation of the approved budget such as; Failure to quantify outputs; partial and non-implementation of planned activities delayed submission of performance reports; under absorption of funds worth UGX. 3,884,528,244 that was eventually swept back to consolidated fund account at end of financial year and under performance of revenues worth UGX. 1,734,443,308 • I noted that Kamuli District received off-budget financing to a

		<p>tune of UGX. 185,243,153 directly from Ministry of Health (MoH) and Marie topes for undertaking activities which was never declared to the PSST and as such no supplementary appropriation was issued as guided by the PSST.</p> <ul style="list-style-type: none"> • I noted that the District lacked land titles for 194 pieces of land measuring approximately 546 acres including schools and health centers. • I noted delays in the construction works on Kitayunjwa seed secondary school and construction works of seed secondary schools at Nabwigulu and Kagumba did not take off in the financial year under review and the funds were swept back to treasury. • I noted at the time of inspection on 25th August, 2021 that science kits and chemicals that were delivered for Kitayunjwa Seed School were still in the district stores. • I observed that works at Kagumba HC II were still ongoing and the works progress was behind • Under URF, There was underfunding of UGX 49,538,044 under URF for road maintenance
13.	<p>Jinja RRH</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the Hospital pension & salary payrolls such as; Failure to submit wage estimates to MoPs, failure to utilize wage funds of UGX.1.7Bn; over payment of gratuity worth UGX. 12,702,466 resulting from wrong computations; under payments of pension and gratuity of UGX. 393,563,387; under payment of salaries worth UGX. 43,160,618 and nonpayment of salaries worth UGX. 5,193,740 to eight employees; 14 pensioners were paid a total of UGX. 622,229,852 off the IPPS; twenty two (22) pensioners delayed to access the pension payroll; paid 4 employees who had retired worth UGX. 6,149,095 and under remittance of pay roll deductions amounting to UGX. 39,740,732 • The Hospital had payables of UGX. 1,184,835,800 for payment of utilities, pension and gratuity. • I noted that the entity did not have an approved strategic plan that was aligned to the NDP-III at the time of audit. • I noted that the Referral Hospital received off-budget financing to a tune of UGX.1,482,640,867, which was not declared to treasury. • Expenditure totaling UGX. 154,045,146 was misclassified through wrong coding • The referral hospital received UGX. 581,089,500 as covid 19 funds. Out of which UGX. 385,881,400 was utilized but UGX.30, 585,000 lacked adequate supporting documentation at the close

		<p>of the financial year. Further, I observed there was unspent balance of UGX. 195,208,100</p> <ul style="list-style-type: none"> • I noted that NTR totaling to UGX.74, 272,140 was spent at source contrary to regulations • Jinja RRH made Payments totaling UGX.41, 914,100 for clearing domestic arrears lacked appropriate supporting documents, UGX.76, 523,500 paid to M/S Rodek Enterprises Ltd towards settlement of outstanding bills for cleaning services of the hospital had not been cleared by Ernst and Young. • The hospital received off-budget financing from the Ministry of health amounting to UGX. 1,482,640,867. • I noted that the hospital commenced construction of a storey staff house on 15th/04/2019 with an intended completion date of 14th /10/2021 at a contract price of UGX. 3,205,111,734 but was noted to be incomplete to date, with outstanding advance payment of UGX. 73,337,302 to the contractor. • Expenditures worth UGX. 166,012,755 lacked adequate supporting documents • The Hospital had stock outs of Essential medicines for supportive treatment of Covid-19 during the year with an average stock out period of more than a month. Several drugs that expired during the year had not yet been removed from the shelves as required. • I observed that the hospital did not carry out regular maintenance of the available medical equipment. • I noted that the Hospital did not have land titles for 5 pieces of land measuring approximately 46.7 acres. • I noted that some of the buildings in the hospital were in a dilapidated state while other blocks accommodating nurses were not fit for accommodation due to their dilapidated state and there was lack of hygiene facilities such as latrines and bathrooms.
14.	Bugiri DA Unqualified <u>Opinion</u>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, failure to utilize wage funds of UGX.0.017Bn; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX.13,100,078 • Additionally, 68 newly recruited/ transferred employees and 04 pensioners delayed to access the payroll; paid 7 employees who were no longer in service worth UGX. 4,090,197; Unpaid salaries worth UGX. 6,074,121; underpayment and overpayment of pensions & gratuity worth UGX. 26,897,618 and UGX. 13,600,648 respectively and the district made unauthorized loan deductions from 49 employees worth UGX. 150,566,095

		<ul style="list-style-type: none"> • I noted that Bugiri District had outstanding receivables of UGX. 1,140,326,136 that had remained unrecovered • Payables of UGX. 30,517,114 remained unsettled by year end • I noted that the entity had prepared a draft Strategic plan but had not yet been approved by NPA at the time of audit. • I noted a number of issues in the implementation of the approved budget such as; Failure to quantify outputs; partial and non-implementation of planned activities delayed submission of performance reports; under absorption of funds worth UGX. UGX. 422,963,116 that was eventually swept back to consolidated fund account at end of financial year and under performance of revenues worth UGX. 3,550,589,111 • I noted that funds to the tune of UGX. 172,737,949 were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. • I noted that construction works for Budhaya Seed secondary school did not take off • Underfunding worth UGX 24,751,000 was noted for URF meant for road maintenance • I noted that the District lacked land titles for 16 pieces of land measuring approximately 106.7 acres including schools, sub counties and health centers. • Bugiri district received a sum of UGX. 204,224,148 for (08) secondary schools and (140) primary schools meant for the procurement of learning materials. I noted that (47) schools had irregularly utilized the funds totaling to UGX. 50,639,930 without proper guidance, (58) schools had not utilized the funds, while bank statements as at end of October 2021 for (43) schools were not presented to enable establishment of whether the funds had been utilized without proper guidance or not.
15.	Njeru MC <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the Municipal pension & salary payrolls such as; Failure to submit wage estimates to MoPs, failure to utilize wage funds of UGX.0.31Bn; Under and overpayment of salaries worth UGX. 8,321,986 and UGX. 31,890,939 respectively; under payments of pensions worth UGX. 4,693,227; paid 12 staff a total of UGX. 13,933,412 off the IPPS; the Municipal Council did not prepare monthly wage, pension and gratuity performance analysis for submission to MoPS and Paid UGX. 6,413,424 to 05 staff who were no longer in service • Additionally, I noted that 18 newly recruited/ transferred employees and 08 pensioners delayed to access the pension

		<p>payroll and 01 pensioner had never accessed the payroll; 15 employees were paid a total of UGX. 16,677,139 without signed pay change reports; over and under payment of thirteen (13) pensioners worth UGX. 34,733,352 and UGX. 24,197,298 respectively arising from wrong computation of gratuity benefits</p> <ul style="list-style-type: none"> • The municipality paid 322 employees using the wrong bands, leading to monthly over payments of UGX. 7,147,390 and under payments of UGX. 2,837,275 • The Municipal Council made unauthorized loan deductions totaling UGX. 14,734,700 from 19 employees that lacked evidence of signing letters of undertaking • The Municipal Council had outstanding unrecovered funds (receivables) of UGX. 891,306,154 by close of financial year • I noted that the Municipal Council had prepared but had not had the strategic plan approved and aligned to the NDP-III at the time of audit • I noted a number of issues in the implementation of the approved budget such as; Failure to quantify outputs; partial and non-implementation of planned activities delayed submission of performance reports; under absorption of funds worth UGX. 1,815,926,807 that was eventually swept back to consolidated fund account at end of financial year and under performance of revenues worth UGX. 2,234,326,614 • URF underfunding of UGX. 86,246,400 meant for road maintenance was noted • Njeru MC received a sum of UGX. 84,619,384 for (48) primary and secondary schools meant for the procurement of learning materials in March, 2021 and disbursed UGX. 84,619,384 (100%) to (48) schools on 28th June, 2021. However, the various school's bank statements had not been availed for review at the time of audit • I noted that the Municipal Council did not have land titles for 12 out of 22 pieces of land including schools and health centers
16.	<p>Iganga DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, failure to utilize wage funds of UGX.1.07Bn; under payment of salaries worth UGX. 32,546,140; non-payments of pensioners worth UGX. 80,485,339; paid 16 staff using wrong bands, leading to monthly over payments of UGX. 287,429 and under payments of UGX. 526,840; paid UGX. 4,349,175 to 07 staff who had retired, transferred or absconded; over and under remittance of salary deductions worth UGX. 7,428,040 and UGX. 42,133,941 respectively • Additionally, I noted that there was Un-deducted PAYE from

		<p>political leaders' gratuity resulting in unpaid tax of UGX.10,059,827; 32 pensioners delayed to access the pension payroll and 19 pensioners had never accessed the payroll and therefore not paid; 55 employees were paid a total of UGX. 30 million without signed pay change reports and 73 employees and 34 pensioners were paid a total of UGX. 1,166,247,120 off the IPPS</p> <ul style="list-style-type: none"> • The district had outstanding unrecovered funds (receivables) of UGX. 1,705,945,185 by the end of the period • I noted that the district was engrossed in a number of court cases estimated at UGX. 3,832,685,041 • I noted a number of issues in the implementation of the approved budget such as; Failure to quantify outputs; partial and non-implementation of planned activities delayed submission of performance reports; under absorption of funds worth UGX. 2,137,465,419 that was eventually swept back to consolidated fund account at end of financial year and under performance of revenues worth UGX. 9,278,908,203 • I noted that the entity had not prepared and approved a strategic plan that is aligned to the NDP-III • I noted that the District had 04 pieces of land that were not titled as well as 33 pieces of land under its supervision that were also not titled • There was URF underfunding of UGX 57,904,000 meant for road maintenance that affected road roads in the district.
17.	<p>Luuka DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, failure to utilize wage funds of UGX.1.60Bn; under payment of salaries UGX. 33,624,349 • The District had with payments leading to over and over payments of UGX. 188,313272 due to wrong computation; underpayments of UGX. 39,314,543 to 32 pensioners resulting from wrong computation of gratuity benefits; made over and under payments of UGX. 16,741,697 and UGX. 8,347,743 respectively due to use of wrong salary bands • Paid UGX. 21,149,890 to 10 staff, who had retired, transferred, absconded or died; under remitted salary deductions worth UGX. 319,599,269; the District made unauthorized loan deductions totaling UGX. 158,654,625 from 115 employees; Un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX. 2,659,020 and under payment of pensioners worth UGX. 485,724,648 • Additionally, I noted that 41 newly recruited/ transferred employees and 19 pensioners delayed to access payroll; 47

		<p>employees were paid a total of UGX. 215,642,700 without signed pay change reports; the District did not prepare monthly wage, pension and gratuity performance analysis and thus did not submit quarterly returns on payroll to MoPS; I noted that 21 staff and 01 pensioner were paid a total of UGX. 37,733,743 off the IPPS</p> <ul style="list-style-type: none"> • The district mischarged funds worth UGX. 40,695,963 on account codes other than those prescribed for salary, pension and gratuity • I noted the district had outstanding unrecovered receivables of UGX. 885,992,084 by the year end. • I noted that the Council was engrossed in 03 court cases with individuals which could lead to possible loss of funds • I noted that the entity had prepared but not had the strategic plan approved and aligned to the NDP-III at the time of audit • I noted a number of issues in the implementation of the approved budget such as; Failure to quantify outputs; partial and non-implementation of planned activities delayed submission of performance reports; under absorption of funds worth UGX. 652,127,207 that was eventually swept back to consolidated fund account at end of financial year and under performance of revenues worth UGX.673,814,209 • The District commenced construction works on Ikumbya seed secondary school under the Education Sector in the FY 2018/2019. At the time of inspection on 28th October, 2021, I observed that works were still ongoing at 87% progress, with all structures yet to be properly floored, with partial painting, no glasses, no roofing of latrine and the compound yet to be cleared and set • Luuka DLG budgeted for and received UGX. 344,284,000 for the initial stages of the construction of Buwanda Seed Secondary in the FY 2020/2021. However, construction works did not take off in the financial year under review and the funds were swept back to treasury • Luuka DLG received a sum of UGX. 217,156,943 for 89 primary schools and 8 secondary schools meant for the procurement of learning materials on 1st April, 2021 and disbursed UGX. 136,640,827 (63%) to 53 primary schools and 5 secondary schools on 28th June, 2021. UGX. 80,516,116 was not disbursed by the district. However, the respective school bank statement and receipts had not been availed for review at the time of audit, and as such, I could not establish whether the funds were still on the accounts
18.	Iganga MC	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the Municipal pension & salary payrolls such as; Failure to submit wage

	<p><u>Opinion</u> Unqualified</p>	<p>estimates to MoPs, failure to utilize wage funds of UGX.0.23Bn; under payment of salaries worth UGX. 119,289,474; irregularly paid one staff who had retired UGX. 1,971,915; over remittance of payroll deductions worth UGX.10,164,672</p> <ul style="list-style-type: none"> • Additionally, the Municipal Council did not prepare monthly wage, pension and gratuity performance analysis and thus did not submit quarterly returns on payroll to MoPS; 22 staff were paid a total of UGX. 37,734,317 off the IPPS; 15 employees were paid a total of UGX.7.9 million without signed pay change reports; 03 newly recruited/transferred employees and 6 pensioners delayed to access payroll; Un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX. 2,607,660 • I noted that the verification forms and copies of the verification cards for all employees and pensioners/beneficiaries were not on the respective personal files • The Municipal Council had outstanding receivables of UGX. 1,705,945,185 that had not been recovered by year end. • Municipal Council had outstanding payables of UGX. 650,570,897 unsettled by year • I noted that the Municipal Council had not prepared and approved a strategic plan that is aligned to the NDP-III at the time of audit • I noted a number of issues in the implementation of the approved budget such as; Failure to quantify outputs; partial and non-implementation of planned activities delayed submission of performance reports; under performance of revenues worth UGX. 801,240,396 • Noted URF underfunding of UGX 24,821,498 that affected road maintenance at the Municipality • Iganga Municipal Council did not have land titles for 15 of the 25 pieces of land with some land files deemed missing (Bupala land).
	Branch Kampala	Summary of Key Findings
01.	<p>Buikwe DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Over payment of salary to 7 staffs worth UGX. 6,542,796; Underpayment of salaries to 24 employees worth UGX. 20,560,692; payment of salaries worth UGX 4,697,808 to two (2) staffs that was no longer in service and irregular deduction of loan instalments worth UGX. 56,120,313 for 23 employees. • Additionally, I observed that there was delayed access to payroll by ten (10) new employees; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX. 10,214,875; and unpaid pension and gratuity worth UGX. 95,481,460

		<ul style="list-style-type: none"> • I noted a number of issues in the implementation of the approved budget such as; under absorption of funds worth UGX.1.11Bn that was swept back to consolidated fund account and under performance of the releases from government worth UGX.2,590,769,685; • The district mischarged expenditure worth UGX. 55,352,971 on wrong budget lines • The district had unrecovered funds worth UGX. 597,864,391 from YLP and UWEP groups. • I noted off budget funding worth UGX.1,460,725,115 received for Result Based Financing (RBF) from the ministry of Finance. • I also noted that the original copy of the title for Plot 18 Kyaggwe block 564, land at Nansagazi landing site measuring 7.06 hectares was missing from the safe.
02.	Buvuma DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Over payment of salaries worth UGX. UGX.1,243,832; Underpayment of salaries worth UGX. UGX.1,667,474; Wrong computation of gratuity for four (4) pensioners worth UGX.2,382,045 and UGX.1,325,359 respectively; under remittance of employee's salary deductions worth UGX.139,719,468; unpaid salaries worth UGX. 0.883 Bn and delayed remittance of deductions to UCLA/UBA worth UGX.224 million • Additionally, I observed that there was delayed access to payroll by twenty (20) new employees and two (2) pensioners; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX.18,624,938 and payment of one (1) pensioner worth UGX.10,519,628 off the IPPS. • I noted a number of issues in the implementation of the approved budget such as; partial implementation of planned activities; under absorption of funds worth UGX. 0.888 Bn; under performance of the releases from other government units worth UGX.1,004,434; delayed submission of quarterly monitoring reports to OPM & MoFPED and late submission of performance reports • The district mischarged expenditure worth UGX.31,344,359 on wrong budget • I noted unrecovered funds of YLP and UWEP worth UGX.426,197,440 and UGX.161,592,376 respectively
03.	ENTEBBE MC <u>Opinion</u>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the Municipal pension & salary payrolls such as; Over payment of salaries

	Unqualified	<p>worth UGX.5,237,820; payment of salaries worth UGX.2,734,481 to three (03) staffs that were no longer in service; over and under remittance of salaries worth UGX17,579,629 and UGX,8,495,808 respectively</p> <ul style="list-style-type: none"> • Additionally, I observed that there was delayed access to payroll by ten (10) pensioners and un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX,2,607,660 • The MC had outstanding receivables totaling to UGX.1, 280,357,120 for YLP, UWEP and uncollected local revenue. • Municipal Council outstanding commitments of UGX 170,801,502 by close of the financial year • I noted a number of issues in the implementation of the approved budget such as; under absorption of funds worth UGX. 5,594,339,871; under performance of the donor worth UGX 80,040,000 & shortfalls in local revenue worth UGX.3,507,045,896; • I noted that there was an over commitment by the Municipal council of funds worth UGX. 6,503,237,230 under the USMID project through and agreement signed with M/s China Wu Yi Co. Ltd on the 21st April 2021.
04.	<p>Luwero DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, Over payment of salary worth UGX.150 million; unpaid salaries worth UGX.1.254 Bn and under/over remittance of employee salaries worth UGX.165,627,734 and UGX.37,026,373 respectively • The district did not have an approved strategic plan that is aligned to the NDP-III at the time of audit. • Additionally, I observed that there was delayed access to payroll by thirty-eight (38) new/transferred employees and twenty-two (22) pensioners and un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX.15,523,074 • I noted a number of issues in the implementation of the approved budget such as; under performance worth UGX. 1,317,898,459; incomplete works at Katikamu Seed Secondary School and under absorption of funds worth UGX.1.256 Bn • The district received off-budget financing worth UGX.1,002,619,377 directly from Ministry of Health under Result Based Financing Programme (RBF) • The district mischarged expenditure worth UGX.8,575,441 on wrong budget lines. •

05.	MITYANA DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Over payment of salaries worth UGX.2,992,554; Wrong computation of gratuity worth net overpayment of UGX. 2,271,141; payment of salaries worth UGX.4,057,892 to ten (10) staffs that were no longer in service; irregular deduction of loan instalments for three (3) staff worth UGX. 1,085,168; over and under remittance of employees' salaries worth UGX. 9,347,419 and UGX.52,480,527 respectively and payroll deductions to UCLA/UBA worth UGX. 10,193,805 • Additionally, I observed that there was delayed access to payroll by thirty (30) new employees and sixteen (16) pensioners; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX. 12,460, 278 and unremitted PAYE worth UGX.41,763,487 • Failure to remit local government revenue worth UGX.49,502,388 to LLGs • The district did not have an approved strategic plan that is aligned to the NDP-III at the time of audit. • I noted issues such as incomplete works and under absorption of funds worth UGX.0.7 Bn in the implementation of the approved budget. • The district lacked a title of land where the health Centre is being constructed.
06.	Mukono DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, Over payment of pensioners/employees worth UGX2,503,100 and UGX. 5,442,660 respectively. Underpayment worth UGX. 4,860,118; payment of salaries worth UGX.6,175,829 to nine (9) staffs that was no longer in service and irregular deduction of loan instalments for five (5) staff worth 3,165,094 • Additionally, I observed that there was delayed access to payroll by fourteen (14) new employees and fourteen (14) pensioners; failure to utilize wage funds of UGX.0.1 billion; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX. 12,104,504 and payment of five (5) staffs and three (3) pensioners worth UGX.9,195,665 off the IPPS; over/ under remittance of employee's salary deductions worth UGX. 2,345,800 and UGX. 97,808,530 respectively. • I noted that 14 employees were paid a total of UGX. 2,875,407 without signed pay change reports. • I noted a number of issues in the implementation of the approved budget such as; incomplete works at Mukono General

		Hospital and Kimenyedde Seed Secondary School; under absorption of funds worth UGX.0.4bn that was swept back to consolidated fund account and under performance worth UGX.1, 909251149;
07.	MUKONO MC <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the Municipal pension & salary payrolls such as; Failure to submit wage estimates to MoPs, payment of salaries worth UGX 11.1M to nine (9) staffs that was no longer in service and unpaid pension worth UGX.106.9M • Additionally, I observed that there was delayed access to payroll by four (4) new employees and seven (7) pensioners; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX 2.6M and payment of fifty-four (54) staffs and one (1) pensioner worth UGX 60.5M off the IPPS • The Municipal Council did not have an approved strategic plan that is aligned to the NDP-III at the time of audit. • I noted an issue of under performance of the releases from other government units worth UGX.2,529,600,000; in the implementation of the approved budget
08.	Nakaseke DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit pension and gratuity estimates to MoPs, Underpayment of pension/gratuity worth UGX.104,392,407; irregular deduction of loan instalments of seven (7) employees worth UGX.7, 853,306; unpaid pension and gratuity worth UGX.77, 373,425; over and under remittance of employee salaries deductions worth UGX.51, 659,500 and UGX.3, 303,310 respectively and unpaid pension arrears worth UGX.245,882,164 • The district had outstanding Payables worth UGX.467,701,993 and Receivables worth UGX.1,660,675,633 by close of financial year • Additionally, I observed that there was delayed access to payroll by twenty-two (22) employees and twenty-five (25) pensioners; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of 14, 265,549 and payment of two (2) pensioners worth UGX.6,199,129 and 1 staff worth UGX.26,750,870 off the IPPS • I noted that Butalangu HCIII lacked laboratory, théâtre and maternity ward equipment • I noted a number of issues in the implementation of the approved budget such as; shoddy works on roads- Kinyogoga-Kyabalongo- Kitindo 18.0Km and Kalagala- Kyamaweno-Kinyogoga 34km; incomplete works at Kalenge HC III and under absorption of funds worth UGX.0.3 billion that was swept back to consolidated fund account.

09.	<p>Nakasongola District</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; under payment of pension worth UGX. UGX.1,510,120; Underpayment of salary worth UGX.13million; Wrong computation of gratuity worth net overpayment of two (2) pensioners worth UGX.20,784,707; payment of salaries worth UGX. 23,149,880 to eighteen (18) staffs that were no longer in service and irregular deduction of loan instalments worth UGX.307,637,65. • Under remittance of salary deductions worth UGX.132,371,427 • I noted that the district made payroll deductions of UGX.16 million, but did not remit to UCLA/UBA. • I noted outstanding UWEP and YLP advances worth UGX.665,481,500 by year end • Additionally, I observed that there was delayed access to payroll by eighteen (18) new employees and thirteen (13) pensioners and un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX.12,011,160 • The district had outstanding pension and gratuity arrears worth UGX.234,272,456 at year end. • I noted a number of issues in the implementation of the approved budget such as; un implemented works at a Seed School; under absorption of funds worth UGX.0.6 billion and under performance of the releases from other government units worth 169 Mn; •
10.	<p>Nansana MC</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the Municipal pension & salary payrolls such as; Over payment of salaries/pension worth UGX. 2,494,859 and UGX.24,488,037 respectively; Underpayment of pension worth UGX.11,791,871; and irregular deduction of loan instalments worth UGX.18,027,312. • Un recovered UWEP/YLP funds of UGX.899,208,480 • The Municipal Council did not have an approved strategic plan that is aligned to the NDP-III at the time of audit. • Additionally, I observed that there was delayed access to payroll by three (3) new employees and nineteen (19) pensioners; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX. 3,122,640 • I noted a number of issues in the implementation of the approved budget such as; shoddy works on the road construction; under absorption of funds worth UGX.0.278 billion that was swept back to consolidated fund account and under performance of the releases from other government units worth

		<p>UGX.534,603,597;</p> <ul style="list-style-type: none"> • Failure to prepare monthly wage, pension and gratuity performance analysis • The Municipal Council reported receivables balance of UGX.1,780,766,221 • The Municipal Council had outstanding payables of UGX. 87,603,199 by close of the financial year • I noted that UGX.1,131,374,846 (103%) was spent on 2km reflecting over expenditure of UGX.51,408,546. The cost variations in projects planned works affects implementation of other maintenance activities.
11.	<p>Wakiso District</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as Underpayment of pension worth UGX.2, 010,117,938; payment of salaries worth UGX.5, 278,315 to five (5) staffs that was no longer in service; unpaid salaries UGX.8, 379,873 and accrued pension worth UGX.265,144,965 • The outstanding payables for pension and gratuity worth UGX.2, 405,604,903 • Additionally, I observed that there was delayed access to payroll by seventeen (17) pensioners; failure to utilize wage funds of UGX.0.7 Bn; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of 14, 993,898 and payment eleven (11) pensioners worth UGX.303, 639,396 off the IPPS • I noted a number of issues in the implementation of the approved budget such as; shoddy works at Nakitokolo HCIII; delayed works at Kasoozo HCIII; incomplete works at Wakiso Seed School; under absorption of funds worth UGX.1,108,628,816 that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX.6,616,905,830;
12.	<p>KIRA MC</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the Municipal pension & salary payrolls such as; Failure to submit wage estimates to MoPs, Over payment of salary worth UGX. 12,367,380; Underpayment of salary worth UGX. 1,513,296; Wrong computation of gratuity worth net overpayment of UGX.23,863,854 and payment of salaries worth UGX 9,760,420 to nine (09) staffs that were no longer in service • I noted Over remittance of salary deductions worth UGX. 36,961,624 • I noted outstanding receivables worth of UGX. 3,171,846,861 • Additionally, I observed that there was delayed access to payroll

		<p>by three (3) new employees and sixteen (16) pensioners; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX. 3,015,540 and payment worth UGX. 435,546,906 off the IPPS</p> <ul style="list-style-type: none"> • failure to prepare monthly wage, pension and gratuity performance analysis • I noted a number of issues in the implementation of the approved budget such as; incomplete construction works; under absorption of funds worth UGX.0.16Bn that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX.3,402,046,314 and failure to submit quarterly monitoring reports to OPM & MoFPED • I noted that the Municipal Council received off-budget financing worth UGX135,974,720 for Result Based Financing (RBF) from the Ministry of Health • The district mischarged expenditure worth UGX. 20,821,532 on wrong budget lines.
13.	<p>MAKINDYE SABAGABO MC</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the municipal pension & salary payrolls such as, Over payment of salary worth UGX. 8,992,140; Wrong computation of gratuity worth net underpayment of UGX. 9,709,876; payment of salaries worth UGX 20,892,893 to staffs that was no longer in service and irregular deduction of loan instalments worth UGX. 29,407,510. • The Municipal Council reported payables worth UGX.532,235,004 at end the financial year • The Municipal Council reported receivables worth UGX.750,391,890 • The Municipal Council did not have an approved strategic plan that is aligned to the NDP-III at the time of audit. • Additionally, I observed that there was delayed access to payroll by four (4) new employees and four (4) pensioners and un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX.3,015,540 • Un recovered UWEP/YLP funds worth UGX.459,332,075 • I noted issues in the implementation of the approved budget such as; incomplete works on Mutundwe-Kisugula-Bunamwaya road; under absorption of funds worth UGX. 0.421 billion. and under performance of the releases from other government units worth UGX.6,801,993,716 • The district mischarged expenditure worth UGX. 304,575,692 on wrong budget lines.

		<ul style="list-style-type: none"> • A total of 19.1km at an estimated cost of UGX.70, 200,000 was planned to be undertaken. The audit revealed that 19.1 km were actually undertaken at a cost of UGX.152, 254,000 leading to an over expenditure of UGX. 82,054,000. • I noted unrecovered funds from groups worth UGX.459,332,075
	Masaka Branch	<ul style="list-style-type: none"> • Summary of Key Findings
01.	Bukomansimbi DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, Underpayment of salary worth UGX.13,134,104; payment of salaries worth UGX.5,195,665 to one (1) staff that was no longer in service; unpaid salary worth UGX.20,579,078; under payments of 5 pensioners worth UGX.1,133,789; under remittance of payroll deduction worth UGX.185,012,274; Amount worth UGX.10,081,159 wasn't remitted to UCLA/UBA and amount worth UGX.175,148,725 had not been remitted to URA • Additionally, I observed that there was delayed access to payroll by Sixteen (16) newly recruited/ transferred employees and Ten (10) pensioners; un-deducted PAYE from political leaders' gratuity worth UGX.33,045,600, leading to an under deduction worth UGX.26,510,404 and payment of twenty (20) staffs worth UGX.4, 725,034 off the IPPS. • I noted that the entity had prepared a strategic plan but the National Planning Authority had not yet approved it at the time of audit. • I noted a number of issues in the implementation of the approved budget such as; the shortfalls in local revenue collections of UGX 9,848,129; Donor financing worth UGX. 759,350,373; under absorption of funds worth UGX.340,000,000 that was swept back to consolidated fund account; delayed submission of quarterly monitoring reports to OPM & MoFPED and Shoddy works in construction of classroom blocks • The district lacked land title for land on which Bukango Seed Secondary School is situated.
02.	Kalangala DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district payroll such as; an unabsorbed balance of UGX 1.08 billion; an Over payment of salaries worth UGX 1,265,254, Underpayment of salaries of UGX.37, 719,627; Payment of salaries worth UGX. 1,480,155 to one (1) staff who had retired; under remittance of salary deductions worth UGX. 73,649,208 from employees' salaries; Deductions worth UGX. 100,753,524 relating to 57 employees without letters of under taking; unremitted deduction to UCLA/UBA worth UGX.2, 210, 654. • Additionally, I observed that the district did not remit deductions worth UGX.51,366,809 to URA; un-deducted PAYE from political

		<p>leaders' gratuity worth UGX.51,416,102, leading to an under deduction worth UGX UGX.11,323,785; Delays in accessing pay roll and pension payroll; payment of salaries worth UGX.14,222,733 to Nine (9) staffs who were off IPPS;</p> <ul style="list-style-type: none"> • I noted that the entity had not prepared and approved its strategic plan by NPA and thus could not confirm if the plan is aligned to NDP 111 • I noted a number of issues in the implementation of the approved budget such as; Failure to quantify outputs; partial and non-implementation of planned activities delayed submission of performance reports; under performance of revenues worth UGX.867,111,016 and under absorption of funds worth UGX.675,040,597 that was swept back to consolidated fund account at the year end. • Mischarged funds worth UGX.357,586,292 on inappropriate budget codes
03.	<p>Kyotera DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of Kyotera district payroll such as; Failure to submit wage estimates to MoPs; unabsorbed wage fund balance of UGX. 0.32 billion; Over payment of salaries worth UGX.29, 467,392; Unauthorized loan deductions worth UGX.148 million from 100 employees with no undertaking letters; un-deducted PAYE from political leaders' gratuity worth UGX 57,855,806, leading to an under deduction worth UGX.13, 730,838. • Additionally, I observed that there were delays in accessing salary and pension payroll; Failed to prepare monthly wage, pension and gratuity performance analysis for submission to MoPS and Payment of salaries worth UGX.7, 166,620 to Three (3) staffs who were off the IPPS. • The district mischarged UGX.4, 876,514 on inappropriate budget codes other than those budget for • I noted that the district had prepared a draft strategic plan pending approval by NPA at the time of audit; • I noted a number of issues in the implementation of the approved budget such as; Failure to quantify outputs; partial and non-implementation of planned activities delayed submission of performance reports; delay commencement of work by contractor under the UGIFT program; under performance of revenues worth UGX.725,450,031 and under absorption of UGX.993, 780,260 • Received off budget financing worth UGX.319,540,631 from Ministry of Health (MOH) • Not secured ownership of the land where the seed school and

		health Center are being constructed
04.	Lwengo DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district payroll such as; Delay to submit wage estimates to MoPs; An unabsorbed wage funds worth UGX.1.5 billion; an under payment of salaries worth UGX 8,075,359; Accrued Pensions worth UGX.90,656,783 not yet paid; Over payment of gratuity worth UGX. 11,742,937 and under payment of gratuity amounting to UGX. 15,885,858; Payment of salaries worth UGX. 8,620,432 to Eighteen (18) staffs who had retired. • Additionally, I noted unauthorized loan deduction worth UGX.8 million to International Medical Link (IML); un-deducted PAYE from political leaders' gratuity worth UGX.87,948,356, leading to an under deduction worth UGX.12,070,409; Delays in accessing pay roll and pension payroll. • I noted that the entity had prepared a strategic plan which had not yet been approved by NPA in respect to alignment to the NDP-III; • I noted a number of issues in the implementation of the approved budget such as; Failure to quantify outputs; partial and non-implementation of planned activities delayed submission of performance reports; under performance of revenues worth UGX. UGX.541,868,161 and under absorption of UGX.1,952,031,565 • Received off budget financing worth UGX.223,549,580 from Ministry of Health without informing the PSST
05.	Masaka DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted that Masaka District submitted wage estimates to MoPs on 30th March 2020, which was a delay of 182 days; an unabsorbed balance of UGX 0.85 billion; under payment of UGX of salaries worth 58,950,820; under payment pension worth UGX 198,728,097 and unpaid pension of UGX 53,041,554; The District wrongly computed the gratuity benefit of 21 pensioner/beneficiary leading to over payment of UGX 1,431,442 and under payment of UGX 37,726,688; UGX. 82,631,676 was paid to 38 staff who had retired, transferred, absconded or died; an over and under remittance amounting to UGX. 14,013,953 and UGX. 12,619,869 of payroll deduction. • Additionally, the District made payroll loan deductions of UGX.1, 064,546,679, but did not remit UGX.10, 874,315 to UCLA/UBA; under deduction of PAYE worth UGX. 8,988,018 from payments to political leaders; noted that 30 newly recruited/ transferred employees and 41 pensioners delayed to access payroll; I noted that 24 employees were paid a total of UGX. 263,080,952 without signed pay change reports; 07 staffs and 19 pensioners were paid a total of UGX.20, 688,721 and UGX.85, 258,552 respectively off the IPPS.

		<ul style="list-style-type: none"> • The district mischarged funds worth UGX. 15,255,772 on account codes other than those prescribed for either salary, pension or gratuity • I noted that the entity had had not prepared and approved the strategic plan at the time of audit; • I noted a number of issues in the implementation of the approved budget such as; Failure to quantify outputs; partial and non-implementation of planned activities delayed submission of performance reports; under performance of revenues worth UGX. 11,296,979,720 and under absorption of UGX. 1,258,107,623; Incomplete works at Bukakata seed Secondary School
06.	Sembabule DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; an unabsorbed balance of UGX.0.73billion; an under payment of salaries worth UGX.9, 696,016; Delays in accessing pension payroll; Failure to prepare monthly wage, pension and gratuity performance analysis; 72 staffs and 14 pensioners were paid a total of UGX.76,444,546 off the IPPS. • I noted that the management had prepared a strategic plan which had not yet been approved by NPA to confirm its alignment with NDP-III; • underperformance 275,905,089; under absorption of funds worth UGX.1,229,179,117; Partial Implantation of One (1) output with a total of two (2) activities worth UGX.0.89Bn; Late submission of performance reports; • I noted underfunding from URF for road maintenance worth UGX.27,517,358 that affected implementation of planned activities
07.	Lyantonde DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, Underpayment of pension worth UGX.27,094,530; Overpayment of Salary worth UGX.29,716,471; an unabsorbed balance of UGX.0.26 billion that was subsequently swept back to the consolidated fund account and wrong computation of gratuity benefit for four (04) pensioner worth net overpayment of UGX.4,437,740 • Further, the district made payment of salaries worth UGX.3,279,528 to four (4) staffs that who had either retired, transferred, absconded or died; an over and over remittance of payroll deductions worth UGX.6,685,000 and UGX.8,713,886 respectively; made unauthorized loan deductions worth UGX.736,802,204 from 400 employees that never had letters of undertaking • Additionally, Tax deductions worth UGX.7,073,772 had not been

		<p>remitted to URA; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of A UGX.8,109,728; Twenty-Seven (27) employees recruited did not access the payroll and delays in accessing payroll and pension payroll.</p> <ul style="list-style-type: none"> • The district mischarged funds worth UGX.5,870,000 on account code other than those prescribed salary, pension and gratuity; • The District paid Seventeen (17) employees worth UGX.22, 846,471 without signed pay change reports; failed to prepare monthly wage, pension and gratuity performance analysis and salaries payment worth UGX.85, 678,850 was paid to Seven (7) staffs off the IPPS. • I noted that the entity had prepared its strategic plan but it was not yet approved by NPA • Under performance worth; under absorption worth; Late submission of Reports; • I noted a number of issues in the implementation of the approved budget such as; Failure to quantify outputs; partial and non-implementation of planned activities delayed submission of performance reports; under performance of revenues worth UGX. 68,650,450 and under absorption of UGX.773,177,804
08.	<p>Kassanda DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, an unabsorbed balance of UGX.0.20 billion; unpaid accrued pensions worth UGX.89,374,764; Payment of salaries worth UGX.29,042,083 to Eighteen (18) staffs who had either retired, transferred, absconded or died; an over and under remittance of deductions worth UGX.80,614,103 and UGX.11,056,051 respectively; made unauthorized loan deductions worth UGX.684,121,646 from 271 employees that neither had letters of undertaking nor letters of consent. • Additionally, I observed a deduction of worth UGX.31,937,764 from 26 employees who were not in approval and deduction report and a deductions of UGX.63,539,341 from 51 employees who were not in active deduction report but were in approval report; 15 employees had irregular loan end dates; Delays in accessing payroll and pension payroll; Payment of Sixteen (16) staffs and Six (06) pensioners worth UGX.205,954,862 off the IPPS; and payments worth UGX.47,984,473 off the payroll to 33 employees. • I noted that the entity had not prepared and approved a strategic plan that is aligned to the NDP-III at the time of audit; • I noted a number issues in the budget performance such as

		Underperformance of funds worth UGX.243,523,703; Under absorption of funds worth UGX.744,143,791; Failure to quantify outputs; partial and non-implementation and late submission of performance reports.
09.	Mubende DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted that the District delayed to submit wage estimates to MoPs; An under absorption worth UGX.1.36 Billion and was subsequently swept back to the consolidated fund account; unpaid salaries worth UGX.9,974,064; Over payment of one (1) pensioner worth UGX.2,420,407; Unpaid salaries & pension worth UGX.163,350,521; Under payments worth UGX.765,835 to Twenty (20) staffs using wrong salary scale; Payment of salaries worth UGX.17,448,575 to Fourteen (14) staffs who had either retired, transferred, absconded or died; • Additionally, I observed an under remittance of salary deduction worth UGX.246,546,709; Made unauthorized loan deductions worth UGX.123,209,904 from 30 employees that neither had letters of undertaking nor evidence of consent; Delays in accessing payroll and pension payroll; Residual Arrear payments worth UGX.380,760,596 paid to 17 staffs who were not part of MOFPED approved schedule; Unpaid pension to Six (6) pensioners worth UGX.118,064,322; Failed to prepare monthly wage, pension and gratuity performance analysis for submission to MoPS; Payment of Five (5) staffs worth UGX.4,831,538 off the IPPS; • I noted that the district had prepared its strategic plan but had not had its plan approved by NPA at the time of audit; • I noted a number issues in the budget performance such as Underperformance of funds worth UGX.117,978,419; Under absorption of funds worth UGX.1,625,514,838; Failure to quantify outputs; partial and non-implementation and late submission of performance reports.
10.	Gomba <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted that the District delayed to submit wage estimates to MoPS; an unabsorbed balance of UGX.0.8 billion; over payment of UGX.649, 200 to Mujabi James; an under payment of UGX.1, 764,651; Unpaid salaries worth UGX.1, 176,393; noted that the District had an outstanding Accrual worth UGX.17, 271,309 at the end of the year; the District made unauthorized loan deductions worth UGX.7, 592,724 from 4 employees that neither had letters of undertaking nor existed in the reports. • Additionally, I observed delays in accessing payroll and pension payroll; I noted that five (05) ineligible persons accessed the payroll using forged Education Service Commission (ESC) minutes; Twenty Seven (27) staffs were paid worth UGX.31, 972,130 off the IPPS. • I noted that the entity had not had the strategic plan approved at the time of audit • I noted a number of issues in the implementation of budget such

		as; Underperformance worth UGX.113,179,395; under absorption of funds worth UGX.1,088,912,187 that was subsequently swept back to the consolidated fund account; Late submission of reports.
	Hoima Branch	Summary of Key Findings
01	Buliisa DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, Over payment of salary worth UGX.516,940 to one (1) employee; payment of salaries worth UGX.962,591 to two (2) staffs that was no longer in service; unauthorized loan deductions worth UGX.19,720,463 from 20 employees and net under payment of payroll deductions worth UGX.218,852,589 Additionally, I observed that there was delayed access to payroll by twelve (12) new employees and three (3) pensioners; failure to utilize wage funds of UGX.1.39Bn; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX.8,971,020 and payment of worth UGX.1,646,800 off the IPPS I noted a number of issues in the implementation of the approved budget such as; Failure to quantify outputs that affected measurement of performance, partial or non-implementation of planned activities, late submission of quarterly reports; under absorption of funds worth UGX.721,028,206 that was swept back to consolidated fund account; under performance of the donor & releases from the government worth UGX.1,359,130,302 I noted that the district had prepared and submitted the Strategic plan to NPA but was still pending approval. In regards to Covid-19 funds, I noted that out of the total receipts of UGX.81, 933,334, the district absorbed UGX.81, 933,334, representing absorption level of 100%. Additionally, I noted that the distribution of many of non-cash items delayed.
02.	Hoima MC <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> I noted a number of anomalies during review of the Municipal pension & salary payrolls such as; Failure to submit wage estimates to MoPs, Over payment of salary worth UGX UGX.7,453,884 to (3) staffs; under payment of funds worth UGX.29,604,189 and unauthorized loan deductions worth UGX.37,990,205 from 35 employees Additionally, I observed that there was delayed access to payroll by seven (7) new employees and ten (10) pensioners; failure to utilize wage funds of UGX.0.28Bn; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX.12,771,000 and payment of two (2) staffs & seven(7) pensioners a total of UGX.368,827,383 off the IPPS I noted a number of issues in the implementation of the

		<p>approved budget such as; Failure to quantify outputs that affected measurement of performance, partial or non-implementation of planned activities; Incomplete road works under absorption of funds worth UGX.29,660,979,614 that was swept back to consolidated fund account; under performance of the donor & releases from the government worth UGX.2,515,468,499</p> <ul style="list-style-type: none"> • The district mischarged expenditure worth UGX.45, 235,346 on wrong budget lines. • I noted that UGX.5,060,453 was paid as residual salary arrears to 5 employees who had not missed salaries in the previous financial year(s) • Payment of funds worth UGX.33,792,884 without authorization of the pay change reports • I noted that the entity's strategic plan was still in draft form and not approved to confirm that is aligned to the NDP-III at the time of audit. • UGX.19,240,000 remained unaccounted for at the close of the financial year
03.	<p>Hoima DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, over payment of salary worth UGX. 1,380,792 to staffs; under payment of funds worth UGX.; payment of salaries worth UGX.27,668,323 were paid to twenty (20) staffs and eleven (11) pensioners were paid a total of UGX.251,898,925 off the IPPS that was no longer in service unauthorized loan deductions worth UGX.721,600,940 from 432 employees • Additionally, I observed that there was delayed access to payroll by ten (10) new employees and eleven (11) pensioners; failure to utilize wage funds of UGX 16.16Bn; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX.7,763,400 • The district mischarged expenditure worth UGX.180, 754,659 on wrong budget lines. • I noted that the verification forms and copies of the verification cards for 126 employees and 43 pensioners were not on the respective personal files • I noted a number of issues in the implementation of the approved budget such as; partial implementation of planned activities; partially implemented ; late submission of quarterly reports; under absorption of funds worth UGX.1.9Bn that was

		<p>swept back to consolidated fund account;</p> <ul style="list-style-type: none"> • Delayed submission of regular reports • I noted that the Hoima district did not have an approved strategic plan that is aligned to NDP-III and therefore lacks a certificate of compliance issued by National Planning Authority. • Regarding Covid-19 funds, Out of the total receipts of UGX.111, 450,000, the District absorbed UGX.111, 450,000 representing an absorption level of 100%.
04.	<p>Hoima RRH</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the hospital pension & salary payrolls such as; Failure to submit wage estimates by the hospital to MoPs, over payment of pension worth UGX.3, 138,332. ; Underpayment of worth 2,282,632; The deductions were from nine (9) employees' salaries worth UGX18,438,987 • Additionally, I observed that there was delayed access to payroll by twenty (20) new employees and four (4) pensioners;;un paid pensioners worth UGX 13372393.un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX.13372393 Failure to quantify outputs, • I noted a number of issues in the implementation of the approved budget such as; failure to quantify outputs, partial implementation or non-implementation of planned activities under absorption of funds worth UGX.1.78Bn that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX.0.03Bn; delayed submission of quarterly monitoring reports to OPM & MoFPED • The hospital mischarged expenditure worth UGX.38 million on wrong budget lines. • I noted that the entity's strategic plan was still in draft form and not approved to confirm that is aligned to the NDP-III at the time of audit. • Failure to quantify outputs, partial implementation or non-implementation of planned activities
05.	<p>Kagadi DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Wrong computation of gratuity worth net overpayment of UGX. 1,8273,030; payment of salaries to three(3) staffs that was no longer in service and under remittance worth UGX. 35,519,020; and payment of two (2) staffs worth UGX. 3450720 off the IPPS • I noted a number of issues in the implementation of the approved budget such as; unabsorbed balance worth UGX 1.5Bn partial implementation of funds worth UGX 0.155Bn under

		<p>absorption of funds worth UGX. 12,314,490,181 that was swept back to consolidated fund account; under performance of the donor & releases from other government units 3,329,413,255; delayed submission of quarterly monitoring reports to OPM & MoFPED</p> <ul style="list-style-type: none"> • I noted that the entity's strategic plan was still in draft form and not approved to confirm that is aligned to the NDP-III at the time of audit. • I noted a delay of 9 days for the month of July in the remittance of PAYE deductions to URA
06.	<p>Kakumiro DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs; Underpayment of salaries worth UGX. 10,643,039 to employees underpayment pension worth UGX.4, 511,350; under remittance worth UGX.146, 308,447 and payment of three (3) staffs worth UGX.8,763,215 off the IPPS • I noted a number of issues in the implementation of the approved budget such as; unspent balance worth UGX 2275637090 ; under absorption of funds worth UGX.9,191,378,616 that was swept back to consolidated fund account; partial or non-implementation of planned activities worth 0.37Bn under performance of the donor & releases from other government units worth UGX.0.4Bn; delayed submission of quarterly monitoring reports to OPM & MoFPED unabsorbed funds worth UGX.138,823,634; delayed completion of construction works at St Matia Mulumba seed secondary school. • I noted that the entity's strategic plan was still in draft form and not approved to confirm that is aligned to the NDP-III at the time of audit. • I noted that the District did not remit PAYE deductions for the month of May worth UGX.138, 823,634 to URA. • I noted that the district had ongoing service delivery
07	<p>Kibaale DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, Over payment of pension worth UGX.288, 866,531; Underpayment of pension worth UGX.4,082,68 underpayment of pensioners UGX.387,086,804; payment of salaries worth UGX.20,837,768 to fifteen (15) staffs that was no longer in service • I noted a number of issues in the implementation of the approved budget such as unspent balance worth UGX.1,861,400,617; underperformance of budgets worth UGX.14,350,250,339; delayed submission of quarterly monitoring reports to OPM & MoFPED; delayed completion of construction works at Nyamarwa Seed School secondary school;

		<p>under deduction of PAYE to URA worth 20,837,768</p> <ul style="list-style-type: none"> • I noted that the entity’s strategic plan was still in draft form and not approved to confirm that is aligned to the NDP-III at the time of audit. • I noted a number of issues in the implementation of the approved budget such as unspent balance worth UGX.1;861;400,617; unabsorbed funds worth UG.1.35 billion; delayed completion of construction works at Nyamarwa Seed School secondary school; under deduction of PAYE to URA worth 20,837,768 • I noted that funds amounting to UGX.24, 910,982 related to gratuity expense but were charged on pension arrears code. • I reviewed the effectiveness and reliability of the IPPS/NID staff/pensioner/beneficiaries’ verification interface and noted inadequate sensitization and training in the use and navigation of the system, System was not reliable and effective and operational challenges were encountered; such as delayed update of changes in employee details by NIRA, NID interface does not show facial images for some employees and network challenges.
08	<p>Kikuube DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, Over payment of salaries worth UGX.4,919,860; Salaries worth UGX. 5,747,552 to six (6) staffs that was no longer in service and payment of twenty two (22) staffs worth UGX.198,611,180 off the IPPS • I noted a number of issues in the implementation of the approved budget such as; under absorption of funds; under performance of the donor & releases from other government units worth UGX.9.19Bn; partial implementation of funds worth UGX. 0.95 delayed submission of quarterly monitoring reports to OPM & MoFPED • I noted that whereas UGX.756,788,804 was deducted from employees’ salaries to be remitted to different beneficiaries, UGX.758,906,480 was remitted leading to an over and under remittance of UGX.2,117,676 • I noted that the entity’s strategic plan was still in draft form and not approved to confirm that is aligned to the NDP-III at the time of audit. • Payments to ten (10) employees worth 1457195 without signed a pay change report • I noted that UGX.68, 527,000 remained unaccounted for at the close of the financial year. • I noted delayed completion of Nyairongo Seed Secondary School

		<ul style="list-style-type: none"> Under Development Response to Displacement Impacts Project (DRDIP), I noted that Procurements worth UGX.2,524,177,097 were undertaken using community procurement method which were not reported in quarterly reports submitted to the Authority. Besides, they were not included in the approved integrated annual work plan of the District.
09	<p>Kyankwanzi</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> I noted a number of anomalies during review of the district pension & salary payrolls such as; Underpayment of pension worth UGX.2,819,483 and payment of eight (8) staffs worth UGX.8,810,706 off the IPPS I noted a number of issues in the implementation of the approved budget such as; failure to quantify outputs, partial and non-implementation of planned activities; unabsorbed wage fund balance worth UGX.0.84Bn; under deduction of PAYE worth UGX.8, 593, 471; unabsorbed balance worth UGX. 69,083,003; under absorption of funds worth UGX.198,251,670 that was swept back to consolidated fund account; under performance under performance worth UGX 1.11Bn. The district mischarged expenditure worth UGX.275, 847,736 on wrong budget lines. The district mischarged expenditure worth UGX.50, 174,102 on wrong budget lines. I noted outstanding pensioners arrears worth UGX.40,454,541 I noted that the entity did not prepare monthly wage, pension and gratuity performance analysis and did not submit quarterly returns on payroll to MoPS. I noted that the entity had prepared and approved the strategic plan but it was not certified by National Planning Authority.
10.	<p>Masindi DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, Over and under payment of salaries; Overpayment of pension worth UG.37, 427,367 and under payment of pension worth UGX.870,105,650; payment of salaries to nine (9) staffs but were no longer in service. I noted a number of issues in the implementation of the approved budget such as; unabsorbed balance worth 1,240,110,296; under performance of the donor & releases from other government units worth UGX.164Bn that was swept back to consolidated fund account; partial and non-implementation of planned activities; delayed submission of quarterly monitoring reports to OPM & MoFPED and payment of worth 208,659,885 eleven staff(11) off the IPPS I noted that whereas UGX.3,312,092,285 was deducted from

		<p>employees' salaries to be remitted to different beneficiaries, only UGX.3,309,501,072 was remitted leading to a variance amounting to UGX.19,992,521.</p> <ul style="list-style-type: none"> • I noted delays in the remittance of PAYE deductions to URA for 2 months the months • I reviewed the effectiveness and reliability of the IPPS/NID staff/pensioner/beneficiaries' verification interface and noted inadequate sensitization and training in the use and navigation of the system, system was not reliable and effective and operational challenges were encountered; such as delays to capture changes on NIRA by IPPS. • I noted that the District prepared a work plan to guide the utilization of funds that were received.
11.	<p>Masindi MC</p> <p><u>Opinion</u> Qualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the municipal pension & salary payrolls such as; Failure to submit wage estimates to MoPs; over and underpayment of salaries worth UGX.33,863,477 to seventeen (17) staffs that was no longer in service and irregular deduction of loan instalments worth UGX.9,061,174; under deduction of PAYE amounting to 11,411,400 and 19 staff and 13 pensioners were paid a total of UGX.315,332,447 off IPPS • I noted a number of issues in the implementation of the approved budget such as; under absorption of funds worth UGX.1,362,275,792 that was swept back to consolidated fund account; partial or non-implementation of planned activities; under performance of the donor & releases from other government units worth UGX.282,855,823; delayed submission of quarterly monitoring reports to OPM & MoFPED; • I noted that the entity had prepared and approved the strategic plan but it was not certified by National Planning Authority. • I noted that whereas UGX.1,427,190,853 was deducted from employees' salaries to be remitted to different beneficiaries, UGX.1,149,993,408 was remitted leading to an under remittance amounting to UGX.280,237,640 and over remittance of UGX.3,040,195 • I noted that funds amounting to UGX.195,443,591 in relation to pension and gratuity were charged on wrong account codes • I noted that 73 employees were paid a total of UGX.UGX.61,299,481 without signed pay change reports.
12.	<p>Kiboga DLG</p> <p><u>Opinion</u></p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, over payment of salaries worth UGX3,

	Unqualified	<p>632,888; Underpayment of salaries worth UGX.6,345,609; overpayment of pension UGX.1, 338,228 and under payment of pension of UGX.3, 404,504; salaries worth UGX. 3,051,636 to two (2) staffs that was no longer in service</p> <ul style="list-style-type: none"> • I further noted under deduction of PAYE of UGX.5,724,180 to URA and two pensioners were paid a total of UGX.69,008,452 off the IPPS • I noted a number of issues in the implementation of the approved budget such as; unabsorbed wage fund of UGX.0.41Bn; under performance of the donor & releases from other government units worth UGX.1,037,635,628; failure to quantify outputs, partial and non-implementation of planned activities; under absorption of government grants and Non submission of quarterly monitoring reports to OPM & MoFPED • I noted that the entity had prepared and approved the strategic plan but it was not certified by National Planning Authority. • I noted that funds amounting to UGX.40, 000,000 in relation to COVID funds returned by the area Members of Parliament had properly been accounted for. • I noted that different departments at Kiboga district Hospital lacked the required personal protective gear to aid staff execute their duties during the pandemic
13.	<p>Kiryandongo DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, Over payment of pension salaries worth UGX.1,935,272; overpayment of pension UGX.1,423,052 and under payments of pension UGX.3,591,459; payment of salaries worth UGX. 7,153,511 three (3) staffs that was no longer in service and irregular deduction of loan worth UGX.45, 559,753. • I noted a number of issues in the implementation of the approved budget such as; un absorbed balance wage funds worth UGX 0.28Bn; un quantified outputs; under absorption of funds worth UGX.2,939,664,455 that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX.4,624,951,481; staff payment worth 4,070,605 off the IPPS ;partial and non-implementation of planned activities delayed submission of quarterly monitoring reports to OPM & MoFPED • I noted that the entity had prepared and approved the strategic plan but it was not certified by National Planning Authority. • Deduction Management System, operated by PCA-Payroll Consults Africa. • I noted that 23 employees were paid a total of UGX.46,112,214 without signed pay change reports

		<ul style="list-style-type: none"> I noted lack of evidence of formal appointment for the contract committee members of the district
	Gulu Branch	Summary of Key Findings
01	Agago DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, over payment of salaries worth UGX. 25,241,289; Underpayment of salaries worth UGX. 164,307,857; Underpayment of pension worth UGX 93,335,963; payment of salaries worth UGX. 28,901,916 to seventeen(17) staffs that was no longer in service Additionally, I observed that there was delayed access to payroll by five (05) new employees and sixteen (16) pensioners; failure to utilize wage funds of UGX.0.3Bn; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX. 13,352,540 and payment of twenty two (22) staffs worth of UGX 642,221,799 off the IPPS I noted a number of issues in the implementation of the approved budget such as; shoddy works in construction of classrooms; incomplete works; under absorption of funds worth UGX. 484,346,069 that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX.1.994Bn. I noted that UGX.13.7 million was paid as residual salary arrears to eleven (11) employees who had not missed salaries in the previous financial year(s). I noted that the verification forms and copies of the verification cards for 04 employees and 16 pensioners/beneficiaries were not on the respective personal files The district had outstanding unrecovered receivables of UGX. 1,376,134,925 at year end. I noted that the entity had not prepared a strategic plan at the time of audit. I noted that Agago District received off-budget financing to a tune of UGX. 90.5 million. I noted that funds to the tune of UGX .237,168,404 were irregularly diverted from the activities
02	Alebtong DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, Over payment of salaries worth UGX.20,617,118; Underpayment of salaries worth UGX.21,081,264, payment of salaries worth UGX. 26,612,830 to twenty(20) staffs that was no longer in service

		<ul style="list-style-type: none"> • Additionally, I observed that there was delayed access to payroll by thirty three (33) new employees and twenty three(23) pensioners; failure to utilize wage funds of UGX.0.8Bn; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX. 9,060,528 • I noted a number of issues in the implementation of the approved budget such as;; Partial implementation, late submission of quarterly reports; Under absorption of UGX.1,493,165,616 that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX.1.994Bn • The district mischarged UGX. 198, 594,102 charged on account codes other than those prescribed for either salary, pension or gratuity. • I noted that the district paid unverified residual arrears worth UGX. 119,498,458 to 12 pensioners • I noted that the District had outstanding receivables amounting to UGX.2,175,996,458 arising from Contractor's Prepayment YLP & UWEP • I noted that the district had outstanding payables of UGX.1,732,017,300 (Deposits received UGX.1,689,530,652, Sundry creditors of UGX.25,650,000 and Pension liabilities UGX.16,836,648) amounted to UGX. 3,464,034,600. • I noted that the entity had prepared a strategic plan but the National Planning Authority had not yet approved it at the time of audit. • I noted that UGX.580, 701,955 was charged on items which did not reflect the nature of the expenditure. • I noted during the review of expenditure that the district received UGX.183,961,496 to be transferred to schools for printing materials. These funds were never transferred to the schools. • Over/ under remittance of pays amounted to UGX. 6,239,435 and UGX. 180,339,880 respectively
03	<p>Amuru DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, Over payment of salaries worth UGX 9,787,296, Underpayment of salaries and pensioners worth UGX 122,296,566 and UGX 157,253,083 respectively ; payment of salaries worth UGX. 129,399,583 to twenty two (22) staffs that was no longer in service. Under remittance of employees' salaries deductions worth UGX. 11,492,067. • Additionally, I observed that there was delayed access to payroll by sixty six (66) new employees and thirteen (13) pensioners;

		<p>failure to utilize wage funds of UGX.1,094,631,066; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX. 2,140,892 and payment of two (02) pensioners worth UGX. 45,794,020 off the IPPS.</p> <ul style="list-style-type: none"> • I noted a number of issues in the implementation of the approved budget such as; partial and non-implementation of outputs and activities; non-submission of quarterly wage returns to MoPS; incomplete works such as; Amuru Seed School, Otwee HC III, Giragira-Guruguru and Gotgweno-Marowobi road and culvert installation under Periodic maintenance of Lakang-Kidimon-Atoro road; under absorption of funds worth UGX.1,854,436,151 that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX. 13,266,132,540; • The district mischarged expenditure worth UGX. 122,058,859 on wrong budget lines. • I noted that UGX. 75,499,557 was paid as residual arrears to 8 pensioners who had not been verified (and thus not part of schedule) by MoFPED • I noted that the entity had not prepared and approved a strategic plan that is aligned to the NDP-III at the time of audit • The district has payables worth UGX. 1,560,778,573 and receivables worth UGX. 1682,711,064
04	<p>APAC DLG</p> <p>Qualified <u>Opinion</u></p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, Over payment of salaries worth UGX 170,469,321 and over payment of pension worth UGX. 764,207,203; Underpayment of salaries worth UGX. 43,539,065; Wrong computation of gratuity worth net overpayment of UGX. 7650,338, 704; payment of salaries worth UGX. 2,257,209 to two (2) staffs who were no longer in service; unpaid salaries worth UGX. 29,321,020 • I noted over and/or under remittance of salary deductions worth UGX.906, 079,942 and UGX.10, 641,906 respectively. • Additionally, I observed that there was delayed access to payroll by eleven (11) new employees and one (1) pensioners; failure to utilize wage funds of UGX. 364,298,971; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX. 7,747,080. and payment of staff off the IPPS • I noted a number of issues in the implementation of the approved budget such as; partial implantation of out puts; incomplete works ; under absorption of funds worth UGX. 1.7 Bn that was swept back to consolidated fund account; under performance of the donor & releases from other government

		<p>units worth UGX.622,073,000; non submission of quarterly monitoring reports to OPM & MoFPED</p> <ul style="list-style-type: none"> • The district mischarged expenditure worth UGX.275, 847,736 on wrong budget lines. • I noted that Apac DLG had revenue arrears worth UGX. 715,864,939 by year end • Outstanding unpaid pension arrears worth UGX. 702,052,938 by year end • I noted that no funds were paid as residual arrears to pensioners and staff that had not been verified and were not part of schedule provided by MoFPED for payment. • The district did not have an approved strategic plan that is aligned to the NDP-III at the time of audit.
05	<p>Gulu District</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs; Underpayment of pension worth UGX 299,950,406; Wrong computation of gratuity worth net overpayment of UGX. 1,249,233 and under remittance of salary deductions worth UGX. 8,451,617. • Additionally, I observed that there was delayed access to payroll by two (02) new employees and five (05) pensioners; failure to utilize wage funds of UGX 4.97 billion; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX. 11,003,344.and payment of sixteen (16) staffs and five (05) pensioners worth UGX 114,877,542 off the IPPS • I noted a number of issues in the implementation of the approved budget such as;; incomplete works; partial implantation of outputs; under absorption of funds worth UGX 4,900,216,339 that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX.4,034,373,129; delayed submission of quarterly monitoring reports to OPM & MoFPED • The district did not have an approved strategic plan that is aligned to the NDP-III at the time of audit • I noted that the district has outstanding receivables worth UGX. 2,063,196,780 by the year end
06	<p>Gulu RRH</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the Hospitalpension & salary payrolls such as; Failure to submit wage estimates to MoPs; Underpayment of salaries worth UGX. UGX 8,236,293. Under remittance of salaries worth UGX.197, 476,295.

		<ul style="list-style-type: none"> • Additionally, I observed that there was delayed access to payroll by thirty one (31) new employees and seven (7) pensioners; failure to utilize wage funds of UGX. 1.87 billion.; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX.10,746,540 and payment of nine (9) staffs and ten (10) pensioners worth UGX. 461,890,255 off the IPPS • I noted a number of issues in the implementation of the approved budget such as; shoddy works in construction of classrooms; incomplete works, I noted there was noted delayed completion of the construction of 54 staff houses; partial implementation of actives; under absorption of funds worth UGX. 1,939,617,659 that was swept back to consolidated fund account • The district mischarged expenditure worth UGX. 34,589,597 on wrong budget lines. • I noted that 24 employees were paid worth UGX. 118,822,759 without signed any way. • The district did not have an approved strategic plan that is aligned to the NDP-III at the time of audit • I reviewed the approved Local revenue estimates for the financial year 2020/2021 and noted that the Hospital did not budget for NTR during the year but collected UGX. 206,100,000. • I noted that the hospital had an off budget financing worth UGX. 1,092,948,429 during the financial year.
07	Kole DLG <u>Opinion</u> Qualified	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs; Over payment of pension worth UGX.288,866,531; Underpayment of pension worth UGX.271, 215,401; Wrong computation of gratuity worth net overpayment of UGX. 54,578,592; payment of salaries two (2) staffs who were no longer in service and irregular deduction of loan instalments worth UGX.9, 061,174. • Additionally, I observed that there was delayed access to payroll by twenty three (23) new employees and fourteen (14) pensioners; failure to utilize wage funds of UGX. 0.4 Billion; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX. 6,473,220 and payment of twenty two (22) staffs worth UGX.35,678,772 off the IPPS • I noted a number of issues in the implementation of the approved budget such as; Failure to quantify out puts; partial and non-implementation of planned activities, inaccurate reporting, and delayed submission of quarterly reports; under absorption of funds worth UGX. 1,095,317,475 that was swept

		<p>back to consolidated fund account; under performance of the donor & releases from other government units worth 8,664,323,677</p> <ul style="list-style-type: none"> • The district mischarged expenditure worth UGX.639, 863,720 on wrong budget lines. • I noted that UGX.349,542,400 in respect of staff advances and fuel deposits was not accounted for • I noted wrong recognition of deposits received figure of UGX.269, 970,000 in relation to Youth Livelihood Programme (YLP) and Uganda Women Entrepreneur Project (UWEP). • I noted that UGX.43, 200,000 was paid to one (1) purported pensioner who was neither on the IPPS payroll register nor possessed the necessary documentation to support their existence. • I noted that the district did not submit loan deductions worth UGX. 3,800,833 to UCLA/UBA. • I noted that the District failed to remit tax worth UGX.407, 791,480 to URA. • I noted that UGX.34,062,213 was paid as residual arrears to one (1) staff and two (2) pensioners who had not been verified (and thus not part of schedule) by MoFPED. • I noted over remittance of payroll deductions worth UGX.450,413,838 • I noted that UGX. 34,062,213 were charged on account codes other than those prescribed for salary, pension or gratuity. • I noted that the District had a receivables figure of UGX.1, 072,183,415 as presented in the Statement of Financial Position and disclosed in note 19 to the financial statements. • I further noted that the District had a payables worth UGX.1,244,267,887 • I noted a number of misstatements in the financial statements of the districts such as; un-reconciling balances for PPE, treatment of revenue surpluses, omission of domestic arrears paid during the year of UGX.74,024,139, • I noted that the entity had not had their prepared strategic plan approved as aligned to the NDP-III at the time of audit. • I noted that Kole District received off-budget financing to a tune of UGX.27, 329,000 directly from the Development Initiative for Northern Uganda (DINU) for undertaking activities which was
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		<p>never declared to the PS/ST.</p> <ul style="list-style-type: none"> • Under UGIFT, I noted delayed completion of construction of Okwerodot Seed Secondary School, Okole HCII and Ayer HCIII upgrade.
08	<p>Lira Municipal</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, over payment of pension worth UGX.438,769,830 , underpayment of salaries worth UGX.14,238,411; Underpayment of pension worth UGX. 390,304,000; • Additionally, I observed that there was delayed access to payroll by five (5) pensioners; four (04) pensionaries do not have access to payroll; failure to utilize wage funds of UGX.0.6 billion; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX.3, 734,640 and payment of nine (09) pensionaries worth UGX. 217,577,695 off the IPPS • I noted a number of issues in the implementation of the approved budget such as; incomplete works; non implantation of municipal activities; under absorption of funds worth UGX. UGX.12, 094,641,795 that were swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX. 236,796,670; late submission of quarterly reports • The municipal mischarged expenditure worth UGX. 63,933,741 on wrong budget lines. • Under remitted payroll deductions worth UGX.4,119,401 • I noted that the municipal paid unverified residual arrears worth UGX. 320,216,040 to 39 pensioners • I noted that 08 employees were paid a total of UGX.20, 975,837 without signed pay change reports. • I noted that the Municipal Council has an outstanding payables balance of UGX.383, 550,743 by year end as recognized in the statement of financial position on page 8 of the financial statements. • I noted that municipal council has outstanding payables worth UGX. 383,550,743 and outstanding debtors worth UGX. 634,438,200 • I noted that the entity had not had their prepared strategic plan approved as aligned to the NDP-III at the time of audit.
09	Lira RRH	<ul style="list-style-type: none"> • I noted a number of anomalies during review of Lira RR Hospital pension & salary payrolls such as; Failure to submit wage

	<p><u>Opinion</u> Unqualified</p>	<p>estimates to MoPs, over payment of salaries worth UGX. UGX.10, 939,040; Underpayment of salaries worth UGX. UGX 19,371,873. Over payment of pension worth UGX 222,915,780.</p> <ul style="list-style-type: none"> • Additionally, I observed that there was delayed access to payroll by three (3) pensioners; failure to utilize wage funds of UGX.1.50 billion; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX.10,746,540 and payment of one (01) pensioner worth UGX 48,955,200 off the IPPS • I noted a number of issues in the implementation of the approved budget such as; incomplete works partial and implementation of activities; under absorption of funds worth UGX.1,866,855,791 that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX.13,220,968,441; delayed submission of quarterly monitoring reports to OPM & MoFPED • The district mischarged expenditure worth UGX. 53,750,617 on wrong budget lines. • Under remittance of salary deductions worth UGX. 115,855,754 • I noted that UGX. 18,767,338 was paid as residual arrears to 13 staff who had not been verified by MoFPED • I observed that a sum of UGX.339,276,432 had been paid to a contractor as advance payments
10	<p>Gulu MC</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the municipal council pension & salary payrolls such as; Failure to submit wage estimates to MoPs, Underpayment of salaries worth UGX.26,212,810; payment of salaries worth UGX.64,323,258 to twenty nine (29) staffs that was no longer in service • Additionally, I observed that there was delayed access to payroll by one (01) new employee and twenty four (24) pensioners; failure to utilize wage funds of UGX. 0.33 billion; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX. 4,415,984 and payment of seven (07) staffs and 08 pensioners worth UGX. 73,991,598 off the IPPS • I noted a number of issues in the implementation of the approved budget such as; incomplete work; partial and non-implementation of activities; under absorption of funds worth UGX. 37,873,163,059 that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX.5,244,627,728; delayed submission of quarterly monitoring reports to OPM & MoFPED • The district mischarged expenditure worth UGX.313, 804,373 on wrong budget lines.

		<ul style="list-style-type: none"> • A review of the pension payroll data and IFMS payments, revealed variances between amounts on the payroll and payments to individual pensioners, leading to an over and under payment of UGX.108,837,902 and UGX.1,323,647,325 respectively. • I noted that the entity had not had their prepared strategic plan approved as aligned to the NDP-III at the time of audit. • I noted that 58 employees were paid a total of UGX. UGX.48,537,458 without Unauthorized pay changed reports • I also noted that UGX.163, 186,521 accrued within the year and had not yet been paid to pensioners by the end of the year. • Over and under payments of UGX 2,050,016 and UGX.625, 974 respectively of 59 staff arising from the use a wrong salary scale. • Overpayment of pension of arrears worth UGX.48,674,235 to nine (09) pensioners • I noted that Municipal Council paid out a total of UGX.6.3 million to 07 non-existent staff. • I noted that UGX.75, 010,130 was paid to 08 purported pensioners that were neither on the IPPS payroll register nor possessed the necessary documentation to support their existence. • I noted that the Municipal Council made PAYE deductions of UGX. 1,439,481,558, but did not remit UGX.2, 162,681 to URA. • I noted that UGX.82, 533,859 was paid as residual arrears to 14 pensioners who had not been verified. • I noted that the council has receivables worth U GX.3, 153,612,053 at end of the financial year. • I noted that expenditure amounting to UGX.113,162,472 remained unaccounted for.
11	Lira DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs,; payment of salaries worth UGX.14,683,834 to eight (8) staffs that was no longer in service . • Additionally, I observed that there was delayed access to payroll by fourteen (14) new employees and eight (8) pensioners; failure to utilize wage funds of UGX.0.5 billion; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX.10,794,810; Over and under payment salaries worth of

		<p>UGX.115,309,480 and UGX.131,175,021 respectively; under payments of salaries worth UGX.530,320 of 18 staff arising from the use a wrong salary scale</p> <ul style="list-style-type: none"> • Over and under payment of pension worth of UGX.30, 707,444 and UGX.598, 762,255 respectively. • I noted a number of issues in the implementation of the approved budget such as; shoddy works in construction of classrooms; incomplete works; the District failed to achieve the intended services from the implemented 02 outputs; under absorption of funds worth UGX. 1,005,249,173 that were swept back to consolidated fund account; over performance and under performance of the donor & releases from other government units worth UGX. 8,559,440,754 delayed submission of quarterly monitoring reports to OPM & MoFPED • The district mischarged expenditure worth UGX.275, 847,736 on wrong budget lines. • I noted that the entity had not had their prepared strategic plan approved as aligned to the NDP-III at the time of audit. • I noted that the district had an off budget financing worth UGX.220, 983,855 during the financial year. • I noted that 21 employees were paid a total of UGX. 9,941,845 without signed pay change reports. • I noted that the District had outstanding receivables worth UGX. 898,553,933 and outstanding payables worth UGX.920,018,518
12	Oyam DLG Qualified <u>Opinion</u>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, over payment of salaries worth UGX. 81,486,802; Underpayment of salaries worth UGX. 54,366,065; payment of salaries worth UGX.74, 935,902 to thirty three (33) staffs that was no longer in service .unpaid salary worth UGX.91, 771,432. • Additionally, I observed that there was delayed access to payroll by thirteen (13) new employees and sixteen (16) pensioners; failure to utilize wage funds of UGX. UGX.0.58 billion; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX.12, 437,406. • I noted that the entity had not had their prepared strategic plan approved as aligned to the NDP-III at the time of audit. • The District did not recognize as a receivable an advance payment of UGX.414,149,184 made on 28th June 2021 for the supply and installation of medical equipment to 64 Health Center IIIs under Uganda Intergovernmental Fiscal Transfer Program

		<p>(UgIFT) (LOT 3).</p> <ul style="list-style-type: none"> • The district mischarged expenditure worth UGX. 609,529,053 on wrong budget lines. • Over payments of UGX.1, 104,810 respectively of 27 staff arising from the use of wrong salary scales. • I noted a number of issues in the implementation of the approved budget such as; incomplete works; partial and non-implementation of activities; under absorption of funds worth UGX. 972,008,324 that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX. 1,163,405,949; delayed submission of quarterly monitoring reports to OPM & MoFPED • The district mischarged expenditure worth UGX.275, 847,736 on wrong budget lines. • Over and under payment of pension to pensionaries worth UGX.34, 619,402, and UGX.126, 248,570 respectively. • I noted that the District has unauthorized loan deductions worth UGX.178,342,254. • Payment of pension arrears worth UGX.22,125,006 to ineligible pensioners • I noted 700 vacant staff position at the district that affected service delivery • The district had outstanding payables worth UGX.2, 865,939,536 and Overdue receivables worth UGX.2, 865,939,536 by the end of the financial year. • UGX.590, 863,502 paid to the contractor on the 28th June 2021 was not supported by certificates of works done. • I noted that expenditure amounting to UGX.31, 252,804 remained unaccounted. • I noted that management irregularly paid out UGX.411, 867,050 to individual staff personal bank accounts to purportedly implement several council activities instead of directly paying the eligible suppliers and service providers. In addition, these individuals were neither imprest holders nor cashiers who are mandated to hold cash among other duties.
13	<p>Pader DLG</p> <p>Un Qualified <u>Opinion</u></p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, Over payment of salaries worth UGX.42,537,857; payment of pension worth UGX.288, 866,531; Underpayment of pension worth UGX.910,301,025.; payment of

		<p>salaries worth UGX.7,410,931 to seven (07) staffs that was no longer in service</p> <ul style="list-style-type: none"> • Additionally, I observed that there was delayed access to payroll by twenty three (23) new employees and two (2) pensioners; failure to utilize wage funds of UGX.2.38Bn; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX.310,309,590 and payment of twenty two (22) staffs worth UGX.35,678,772 off the IPPS • I noted a number of issues in the implementation of the approved budget such as; shoddy works in construction of classrooms; incomplete works; under absorption of funds that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX.2,942,949,626; delayed submission of quarterly monitoring reports to OPM & MoFPED • Over payment of salary worth UGX.608,719 arising from use of wrong scale • I noted that the District made unauthorized loan deductions worth UGX. 45,223,516. • I noted that UGX.113, 671,178 was charged on account codes other than those prescribed for salary, pension and gratuity. • The District had an outstanding payables balance of UGX.1,365,231,670 as reported in the statement of financial position • The District had in its statement of financial position, long outstanding debtors (Advances) amounting to UGX.927, 029,154, which relate to the previous financial years. • I noted that the entity had prepared a strategic plan but the National Planning Authority had not yet approved it at the time of audit. • I undertook an assessment to establish if there has been service delivery from a sample of outputs that were implemented and noted that the upgrade of Lapul–Ocwida Health Center II to III had not been completed because the contractor abandoned the site. • I noted that UGX.42, 534,087 was charged on items which did not reflect the nature of the expenditure. • The district has an approved staff structure of 2,215 positions. Out of the approved staff structure, 1,229 (55%) are filled leaving 986 (45%) vacant.
	Soroti Branch	Summary of Key Findings
01	Amolatar DLG	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district

	<p><u>Opinion</u> Unqualified</p>	<p>pension & salary payrolls such as; Failure to submit wage estimates to MoPs, over payment of pension worth UGX. 3,624,783; Underpayment of pension worth UGX. 5,353,736 w; payment of salaries worth UGX. 12,633,711 fourteen (14) staffs that was no longer in service</p> <ul style="list-style-type: none"> • Un-deducted PAYE from political leaders’ gratuity resulting in unpaid tax of UGX. 13,781,047 and payment of 32 staffs and 02 pensioners worth UGX. 34,292,421 off the IPPS and delayed submission of remittances of PAYE to URA • I noted a number of issues in the implementation of the approved budget such as; partial and non-implementation of planned activities; unabsorbed wage fund of UGX0.95 billion; under absorption of funds worth UGX.3,620,479,221 that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX.2,409,034,822; non submission of quarterly monitoring reports to OPM & MoFPED; • I noted that whereas UGX. 2,463,002,481 was deducted from employees’ salaries to be remitted to different beneficiaries, UGX.2,451,377,682.was remitted, leading to an over and under remittance amounting to UGX.1,529,715 and UGX.13,154,514 respectively. • The district mischarged UGX. 30,489,944 for pension arrears on account code for gratuity. • I noted that the district had not paid pension arrears of UGX.121,391,408 by the end of the financial year and the total liabilities of UGX.1,794,377,044 • I noted that expenditure of UGX.10, 037,020 remained unaccounted for by the close of the financial year. • I noted that the entity did not prepare and have an approved strategic plan aligned to NDP-III. • I noted that Amolatar District received off-budget financing to a tune of UGX.29, 056,000 directly from United Nations Development Fund (UNCDF) for local revenue enhancement and construction of Development Initiative for Northern Uganda (DINU) centre which was never declared to the PS/ST and as such no supplementary appropriation was issued as guided by the PS/ST. • I noted that despite recommendations by the board of survey, the district had not disposed of assets. • I noted that for the financial year 2016/17 to 202021/ the district had recovered UGX. 99,542,500 out of the expected total amount
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		due (Interest Exclusive) of UGX. 559,850,500 representing 18%, leaving an outstanding balance of UGX. 478, 531,250 under the Uganda Women Entrepreneurship Program (UWEP).
01	Bukedea DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs;; Underpayment of pension worth UGX.4,244,574. ; Wrong computation of gratuity worth net overpayment of UGX 4,368,548; delayed remittance of payroll deductions to URA and one staff was paid a total of UGX.14.8million off the IPPS • I noted a number of issues in the implementation of the approved budget such as;partial implementation of planned activities; an absorbed wage fund balance 0.6Bn; under absorption of funds worth UGX.2.93Bn that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX.0.6Bn; delayed submission of quarterly monitoring reports to OPM & MoFPED • I noted that the entity did not prepare and have an approved strategic plan aligned to NDP-III. • I noted that whereas UGX.4,007,788,020 was deducted from employees' salaries to be remitted to different beneficiaries, UGX.3,853,954,791 was remitted, leading to an over/ under remittance of UGX.116,697,024/UGX.270,530,253 respectively • I also noted that within total liabilities are deposits of UGX.994, 994,899 regarding to YLP and UWEP. • Bukedea HCIV experienced drug stock outs for several essential medicines during the year • The district awarded contracts and made payment of UGX. 47,362,136 without proof of active VAT registration. As a result, VAT amounting of UGX. 7,222,726 was paid to non-registered company/deregistered due to non-compliance. • The district had received unbudgeted for funding worth UGX. 254,695,138 for printing of home study materials but this was not even approved as a supplementary budget by the council. • An outstanding receivables balance of UGX. 303,281,690 during the financial year that remained unrecovered
02	Dokolo DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, Over Underpayment of salaries worth UGX.169,757,747 and several staff were paid a total of UGX.6.4million off the IPPS. • I noted a number of issues in the implementation of the approved budget such as;partial implementation of planned activities; unabsorbed wage funds of UGX.0.128Bn; under

		<p>performance of the donor & releases from other government units worth UGX.6.258Bn; delayed submission of quarterly monitoring reports to OPM & MoFPED</p> <ul style="list-style-type: none"> • I noted that the entity did not prepare and have an approved strategic plan aligned to NDP-III. • I noted delays in the remittance of PAYE deductions to URA in 2 out of 12 months, with an average delay. • I noted that the district did not subject political leaders' gratuity totaling to UGX.33, 217,800 to the computation of PAYE in IPPS, leading to revenue loss of UGX.10, 036,690. • Outstanding payables during the year worth UGX.7,108,292 remained unsettled by year end • Uncounted for funds at the close of the financial year amounted to UGX.13,212,000 • It was noted that two (2) contracts worth UGX.36,371,630 were awarded to contractors VAT inclusive to a tune of UGX.5,548,214 yet the individual contractors were either not VAT registered or had been de-registered by the tax authority. • An outstanding receivables balance of UGX.346,165,052 due from UWEP and YLP groups
03	<p>Kaberaido DLG</p> <p><u>Opinion.</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, over payment of salaries worth UGX.1, 255,265; Underpayment of salaries worth UGX. 1, 222,507; salaries worth UGX.1,960,136 was paid to 1 staff who had retired and Paid UGX.3,300,000 and UGX.54,988,606 to 2 employees and 2 pensioners respectively off IPPS • I noted a number of issues in the implementation of the approved budget such as; unabsorbed wage funds worth UGX 0.4Bn; under payment UGX. 37,655,834 under absorption of other received funds worth UGX.26, 816,534 that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX.464,763,581; delayed submission of quarterly monitoring reports to OPM & MoFPED • I noted that the entity did not prepare and have an approved strategic plan aligned to NDP-III. • I noted that the District made PAYE deductions of UGX.1, 260,530,351 and remitted to URA and delays in the remittance of PAYE deductions to URA ranging from 1–13 days. • I noted that Kaberaido District did not subject political leaders'

		<p>gratuity totaling to UGX. 37,211,942 to the computation of PAYE in IPPS, leading to an under deduction of UGX. 11,183,595.</p> <ul style="list-style-type: none"> • I observed a number of issues during my inspection of Kaberamaido Hospital such as; equipment such as Ultra sound machines and Scanners were idle due to lack of specialized human resources to operate them and the hospital has (4) small oxygen concentrators which are obsolete; Poor infrastructural development of kaberamido hospital • A review of the approved work plan and budget revealed that the district made budget provisions for vehicle maintenance during the period under review amounting to UGX.98, 812,000. However, almost all the district vehicles were not functional due to failure to maintain and repair them and the approximated cost amounted to UGX.298, 400,000.
04	<p>Kalaki DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs; Underpayment of pension worth UGX.13,901,641; payment of salaries worth UGX. 1,573,970 to five (5) staffs that was no longer in service and payment of UGX 19.29 million to five (5) employees off the IPPS • I noted a number of issues in implementation of approved budget such as; under absorption of funds worth UGX.1,197,062,675 that was swept back to consolidated fund account;. un absorbed funds worth UGX.2.385Bn under performance of the donor & releases from other government units worth UGX.2,685,815,492 and non-submission of quarterly monitoring reports to OPM & MoFPED • I noted that the entity did not prepare and have an approved strategic plan aligned to NDP-III. • I observed that whereas UGX.1,565,039,555 was deducted from employees' salaries to be remitted to different beneficiaries, UGX.1,487,680,407 was remitted, leading to an over/under remittance of UGX.6,339,201 and UGX.83,698,349 respectively. • Disclosed in the statement of financial position on page (15) are receivables of UGX.752,701,227 as supported by Note (19) relating to UWEP and YLP funds which remained due to the revolving fund and close of the financial year
06	<p>Katakwi DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, over and under payment of salaries worth UGX. 1,541,478 and UGX. 24,265,506 respectively; under remittance salary deductions worth UGX. 10,723,784; • Additionally, I observed failure to utilize wage funds of UGX.0.1Bn; un-deducted PAYE from political leaders' gratuity

		<p>resulting in unpaid tax of UGX. 13,353,316; I noted that 4 newly recruited/ transferred employees and 24 pensioners delayed to access payroll; the Katakwi District did not prepare monthly wage, pension and gratuity performance analysis and thus did not submit quarterly returns on payroll to MoPS; paid 32 staff and 02 pensioners worth UGX. 34,292,421 off the IPPS</p> <ul style="list-style-type: none"> • I noted that the district had not paid salary and pension arrears of UGX.176,136,812 and UGX.210,481,886 respectively and deposits under total liabilities of UGX.1,469,427,540, comprising of YLP and UWEP amounts due to the revolving fund • I noted a number of issues in the implementation of the approved budget such as; shoddy works in construction of classrooms; incomplete works; under absorption of funds worth UGX. 360,155,363 that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX.1,868,819,492; delayed submission of quarterly monitoring reports to OPM & MoFPED • A total of 37 km at an estimated cost of UGX.220, 000,000 was worked on, however on physical inspection it was noted that some road sections were not well graded with poor road shaping, spot gravelling while others lacked access roads to the community. • The district had received unbudgeted funding worth UGX.186,033,984 on 20th January 2021 for printing of home study materials which was not approved as a supplementary budget by the council, remained un-transferred to schools until 23rd June 2021 and had not been utilized by the beneficiary schools at the time of audit.(August 2021). • An audit of Katakwi district hospital revealed instances of drug stock outs, failure to keep records of essential medicines such as oxygen and blood, expiry of drugs and staffing gaps at the district hospital. • The district signed a contract with UK General Services Limited for Upgrade of Palam HC III to III funded under Transitional Development Grant (TDG) (KATA522/WRKS/20-21/00032) at a contract price of UGX.296, 838,010, UGX.265, 076,343 (89%) of the contract sum had been paid leaving only 10% retention due to the contractor but on inspection it was noted that the works were in complete and the contractor was not found on site.
07	<p>KUMI DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs; Underpayment of pension worth UGX 40,603,995; payment of salaries worth UGX. 41,743,339 to fourteen (14) staffs that was no longer in service • Additionally, I observed that there was delayed access to payroll

		<p>by seventy eighth (78) new employees and six (06) pensioners and 15 pensioners did not access the pension payroll by the end of FY 2020/21; failure to utilize wage funds of UGX 0.7 billion.; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX. 8,722,103.and payment of seven (07) staffs worth UGX 8,054,219 off the IPPS</p> <ul style="list-style-type: none"> • I noted a number of issues in the implementation of the approved budget such as; partial implementation of activities, under absorption of funds worth UGX. 1,189,642,702 that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX.9,484,212,313; delayed submission of quarterly monitoring reports to OPM & MoFPED • Over and under remittance amounting to UGX. 1,447,689 and UGX. 27,903,716 respectively. • I noted that the District has receivables worth UGX 207,343,250. • I noted that the District had payables of worth UGX. 1,061,619,255 • The district did not have an approved strategic plan that is aligned to the NDP-III at the time of audit. • The district lacked land titles for 58 pieces measuring 948.809 acres which exposed the land to loss and encroachment. • The district received a sum of UGX 202,441,411 for primary and secondary for procurement of learning materials. I noted that the above funds were still on the schools accounts. • Vacant staff position of 82 was noted at the district • The district mischarged expenditure worth of UGX.23,818,896 on wrong budget lines.
08	<p>Soroti CITY</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs worth 0.20Bn; Underpayment of pension worth UGX 17,693,503; payment of salaries worth UGX. 4,422,604 to two (2) staffs that was no longer in service • Additionally, I observed that there was delayed access to payroll by twenty three (2) new employees and nine (2) pensioners; • I noted under absorption of funds worth UGX.569,370,362 that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX.3,241,130,000; delayed submission of quarterly monitoring reports to OPM & MoFPED partial implementation of planned activities unquantified output 2 pensioners delayed to

		<p>access the pension payroll, with delays of 2 months.</p> <ul style="list-style-type: none"> • The district did not have an approved strategic plan that is aligned to the NDP-III at the time of audit. • I noted that whereas UGX.1,672,354,754 was deducted from employees' salaries to be remitted to different beneficiaries, UGX.1,720,244,218 was remitted, leading to an over remittance of UGX.47,889,464. • I noted that the City did not subject political leaders' gratuity totaling to UGX.10, 718,400 to the computation of PAYE in IPPS, leading to a revenue loss of UGX.3,212,520. • • I noted that UGX.16, 952,389 was charged on account codes other than those prescribed for salary, pension and gratuity. • 9 staff and 1 pensioner were paid a total of UGX.9, 175,032 off the IPPS. • • It was noted that the health centre experienced expiry of several essential medicines. • An audit of a sample of essential drugs revealed that there were discrepancies between quantities ordered and those actually delivered by National Medical Stores. • I noted that from the financial year 2015/16 to 2018/19 the City had disbursed a total of UGX.213,350,031 out of which a sum of only UGX.48,137,000(23%) was recovered leaving an outstanding balance of UGX.173,473,68 • AN outstanding balance of UGX.84,288,225 .
09	<p>Soroti DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; delayed to submit wage estimates to MoPs; an unabsorbed balance of UGX.0.1Bn; an over payment of UGX.2,539,634; Unpaid Salaries worth UGX.39,755,425; an under payment of UGX.40,539,361; payment of salaries worth UGX.2,618,034 to two (2) staffs that had retired and the other died; an over/under remittance of UGX.24,004,085 and UGX.70,000 respectively; loan deduction worth UGX.1,025,336,368 from 643 employees that had no letters of undertaking but exist in the reports. • I further un-deducted PAYE from political leaders' gratuity resulting to an under deduction of UGX.10,594,893; delay in accessing payroll and pension payroll; the district mischarged expenditure worth UGX.23,558,053 on wrong budget lines; Paid residual arrears worth UGX.361,354,056 to 15 pensioners who had not been verified; Failed to prepare monthly wage, pension and gratuity performance analysis; Failed also to submit quarterly returns on payroll to MoPS; Payment worth UGX.1,109,575,875 was paid to 26 pensioners off the IPPS; • I noted that the entity prepared and submitted the Strategic Plan to National Planning Authority but had not been approved by the

		<p>time of audit; the district had an Outstanding total liabilities worth UGX.1,315,447,223; Underperformance worth UGX.1,770,722,988; Under absorption worth UGX.620,661,204 which was subsequently swept back to the consolidated fund account; Failed to prepare annual monitoring plans.</p> <ul style="list-style-type: none"> The district received Amount worth UGX.51,440,000 under covid 19 response; the district had several pieces of land whose titles had not been secured; an outstanding balance worth UGX.1,028,188,380 from groups; shoddy works in construction of roads; Un utilized amount of money worth UGX.176,968,673 meant for the procurement of learning materials for primary and secondary schools
10	<p>Kapelebyong DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, under payment of pension worth UGX. 13,840,658; Underpayment of salaries worth UGX. 23,446,654.. Accrued payment of pension worth UGX. 1,623,473. under remittance of salaries worth UGX. 35,257,436. Additionally, I observed that there was delayed access to payroll by two (2) pensioners; failure to utilize wage funds of UGX. 1,030,154,088.; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX.6,156,000 and payment of six (06) staffs worth UGX. 19,428,658 off the IPPS I noted a number of issues in the implementation of the approved budget such as; incomplete works; partial implementation of activities, under absorption of funds worth UGX. 1,089, 751 811, that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX.537,701,164; delayed submission of quarterly monitoring reports to OPM & MoFPED Outstanding liabilities worth UGX.912,708,330 The district did not have an approved strategic plan that is aligned to the NDP-III at the time of audit. A total of UGX.20, 000,000 was received as COVID 19 supplementary funding I noted that the district has funds worth UGX. 589,150,272 relating to YLP and UWEP The district received unbudgeted funding worth UGX. 76,174,518 I noted that the district has outstanding payables (YLP)/ UWEP worth UGX. 331,343,011 and UGX. 251,879,775 respectively The district awarded contracts and made payments amounting to UGX.97, 981,512 without proof of active VAT registration, as a result, VAT amounting of UGX.14, 946,332 was paid to non-

		registered or de-registered companies.
11	SERERE DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, Over payment of salaries worth UGX.5,681,385; Underpayment of salaries worth UGX.7,111,988; under remittance of salaries worth UGX.32,910,176 • I further noted failure to utilize wage funds of UGX.0.6 billion; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX.10,721, UGX.416million off the IPPS • I noted a number of issues in the implementation of the approved budget such as;; under absorption of funds worth UGX.1.18Bn that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX.7.721Bn; delayed submission of quarterly monitoring reports to OPM & MoFPED • Un recovered YLP and UWEP deposits worth UGX.1,086,363,675 • The district did not have an approved strategic plan that is aligned to the NDP-III at the time of audit. • I noted that the district had received unbudgeted for funding worth UGX. 254,695,138 • Unrecovered YLP and UWEP fund worth UGX. 873,681,064
12	Amuria DLG <u>Opinion</u> Un-Qualified	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, over payment of salaries worth UGX.467,333, under payment of salaries worth UGX.607,250 • Additionally, I observed that there was delayed access to payroll by seven (07) new employees and fourteen (14) pensioners; failure to utilize wage funds of UGX.1,303,509,217.; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX.12,243,797 and payment of one (01) staffs worth of UGX.5,393,465 off the IPPS • I noted a number of issues in the implementation of the approved budget such as;; under absorption of funds worth UGX.1,872,205,072 that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX.2,531,940,210; delayed submission of quarterly monitoring reports to OPM & MoFPED • I noted that the District has unauthorized loan deductions worth UGX.694,591,280.

		<p>at the time of audit</p> <ul style="list-style-type: none"> • The district received off-budget financing to a tune of UGX. .46, 449,000 directly from UNFPA for undertaking activities which was never declared to the PSST and as such no supplementary appropriation was issued as guided by the PSST. • The district did not have an approved strategic plan that is aligned to the NDP-III at the time of audit. • I noted that Note 19, Net Receivables, to the financial Statements, Amuria District had receivables of UGX.808,524,096 relating to UWEP and YLP funds at the beginning of the current financial year. Further review revealed that the receivables increased to UGX.1, 003,497,681. • I noted that funds totaling UGX.7,747,000 were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking or obtaining the necessary approvals. • I noted that that tracer medicines like Oxytocin, Coatem (Artemether + Lumefantrine) 24 Tablets 30 strips, Gloves, Determine test kit and Mama kits worth UGX.4,615,129 was not accounted for by the Hospital Management. • I noted that out of 154 pieces of land, only 8 (5%) had titles.
13	<p>Kumi MC</p> <p><u>Opinion</u> Un-qualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the Municipal pension & salary payrolls such as; Under absorption worth UGX.212,168,628; under payment worth UGX.35,246,285; Outstanding payment worth UGX.2,256,948 meant for 5 employees; an under payment of Pension, Gratuity worth UGX.33,299; Accrued payment worth UGX.13,261,366; payment of salaries worth UGX.5,189,355 to Nine (9) staffs who had either retired, transferred, absconded or died. • Additionally, I observed an over remittance of UGX.13, 281,172; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX.3, 889,440; delayed in accessing payroll and pension payroll; Failed to prepare monthly wage, pension and gratuity performance analysis; Failed to submit quarterly returns on payroll to MoPS; Salary payment worth UGX.5, 582,676 was paid to 12 staffs off the IPPS. Receivables worth UGX.1, 132,227,490 relating to UWEP and YLP funds. • I noted that the entity does not have an approved strategic plan that is aligned to the NDP-III at the time of audit; Underperformance worth UGX.389,604,927; under Absorption UGX.297,497,115. • I noted that UGX.9, 350,000 was charged on items which did not reflect the nature of the expenditure. • I noted that all the pieces of land owned by the municipality

		lacked Titles; the entity Lacked approved Physical Development Plan and detailed Plans; Underperformance of the public Health and Hygiene Promotion worth UGX.2,996,879; an outstanding balance worth UGX.256,828,714 and UGX.148,878,891 from YLP groups and UWEP groups respectively
14	<p>Ngora DLG</p> <p><u>Opinion</u> Un-Qualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as Underpayment of salary worth UGX.39,027,007; irregular deduction of loan instalments worth UGX.834,880,411; pension and gratuity under/Non-payments of UGX.155,180,697; over remittance of salary deductions worth UGX.100,096,201 and eighty-seven (87) vacant staff positions • Additionally, I observed failure to utilize wage funds of UGX.0.4 Bn; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX.10,637,490 and payment of one (1) staff worth UGX.1,776,726 off the IPPS • I noted outstanding receivables of UGX.1,131,962,894 relating to UWEP and YLP • I noted a number of issues in the implementation of the approved budget such as; incomplete works; under absorption of funds worth UGX.652,569,804 that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX 2,214,950,254; • The DLG did not have an approved strategic plan that is aligned to the NDP-III at the time of audit • The district mischarged expenditure worth UGX.44, 007,809 on wrong budget lines. • I noted that the entity did not prepare monthly wage, pension and gratuity performance analysis and did not submit quarterly returns on payroll to MoPS. • I noted that out of the total receipts/ Warrants for Covid-relief funds UGX.39,990,000 the entity did not absorb any Funds. • I noted Drug Stock Outs and Expired medicines in Ngora HC. IV • I noted Lack of land titles for the district land • I noted un recovered youth group funds worth UGX.930,137,986.
15	<p>Soroti Regional Referral Hospital</p> <p><u>Opinion</u> Un-Qualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the hospital pension & salary payrolls such as; Failure to submit wage estimates to MoPs, over payment of salary worth UGX 8,16,582; Underpayment of salary worth UGX.1,039,133payment of salaries worth UGX 15,516,178 to seven (7) staffs that was no longer in service and irregular deduction of loan instalments worth UGX.61,946,480.

		<ul style="list-style-type: none"> • I noted an over/under payment for gratuity worth UGX8,109,089 and UGX.28,338,806 respectively • I noted under/over remittance of salary deductions worth UGX.6,037,243,966 and UGX.30,277 respectively • Additionally, I observed that there was delayed access to payroll by thirteen (13) new employees • I noted under remittance of PAYE deductions worth 5.2Mn • I noted under remittance of salary deductions to UCLA/UBA worth 0.84Mn • I noted issues in the implementation of the approved budget such as; under absorption of funds worth UGX.0.33 that was swept back to consolidated fund account and partially quantified and un quantified planned output • The hospital did not have an approved strategic plan that is aligned to the NDP-III at the time of audit • The district mischarged expenditure worth UGX.105Mn on wrong budget lines. • I noted that 03 employees were paid a total of UGX.27.8 million without signed pay change reports. • I noted that the Hospital did not prepare monthly wage, pension and gratuity performance analysis and thus did not submit quarterly returns on payroll to MoPS. • I noted that the RRH received off-budget financing of UGX.1,652,793,876. • I noted. under absorption of COVID-19 relief funds worth UGX.6,068,828 • I noted that the Hospital had stock outs of Essential medicines for supportive treatment of Covid-19 during the year
16	<p>Otuke DLG</p> <p><u>Opinion</u> Un-Qualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; delay to submit wage estimates to MoPs, accrued pension worth UGX.10,251,154; under payments of pension and gratuity of UGX.5,374,525.; an under remittance of salary deductions worth UGX.122,929,219. • I noted Pension, Salary and retentions arears worth UGX.440,155,588 • I noted un recovered youth group funds worth UGX.898,559,384

		<ul style="list-style-type: none"> • Additionally, I observed failure to utilize wage funds of UGX.0.97Bn; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX.9,454,537 and payment of two (2) staffs worth UGX.13,339,271 off the IPPS • I noted issues in the implementation of the approved budget such as; absorption of funds worth UGX.0.58Bn that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX 1.452Bn • The district did not have an approved strategic plan that is aligned to the NDP-III at the time of audit. • I noted that the district did not prepare monthly wage, pension and gratuity performance analysis and thus did not submit quarterly returns on payroll to MoPS. • I noted that one employee was paid a total of UGX.18 million without signed pay change reports. • I also noted un recovered YLP and UWEP funds worth UGX.1,514,330,911 • I noted that the district received off-budget financing from donors • I noted that the district only recovered UGX.185,893,762 (31%) out of disbursed amount of UGX.597,983,600 (Interest Inclusive) leaving an outstanding amount of UGX.412,089,838 disbursed in financial Years 2016/2017,2017/2018, 2018/2019 and 2020/2021.
	Moroto Branch	<ul style="list-style-type: none"> • Summary of Key Findings
01	Moroto DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs; payment of salaries worth UGX. 944,615 to two (2) staffs that was no longer in service • Additionally, I observed that there was delayed access to payroll by two (02) new employees and nine (9) pensioners; failure to utilize wage funds UGX.1.9 Bn; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX. 16,712,548 and payment of one hundred twenty six (126) staffs worth UGX. 113,636,936 off the IPPS • I noted Under payment of pension/ gratuity worth UGX 969,963 • Over remittance of salaries worth UGX. 42,443,292. • I noted that loan deductions amounting to UGX. 444 million relating to 236 employees lacked letters of undertaking.

		<ul style="list-style-type: none"> I noted a number of issues in the implementation of the approved budget such as; incomplete works; partial and non-implementation of activities worth UGX. 0.842Bn under absorption of funds worth UGX. 2.173 Bn that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX.4,318,906,529 delayed submission of quarterly monitoring reports to OPM & MoFPED Under performance of the URF fund worth UGX 9,622,000 I noted Failure to maintain a repayments ledger for all YIG's (Youth Interest Groups) I noted Failure to maintain a repayments ledger for all UWEP Groups.
02	Napak DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, Over payment of salaries worth UGX.25,677,705 Additionally, I observed that there was delayed access to payroll by fifteen (15) new employees and one (01) pensioners; failure to utilize wage funds of UGX. 0.7 Billion; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX. UGX 9,299,652. I noted a number of issues in the implementation of the approved budget such as; incomplete works; partial implementation; under absorption of funds worth UGX. 2.406 Bn that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX.88,076,485; delayed submission of quarterly monitoring reports to OPM & MoFPED Overpayment of salaries to 04 staff worth UGX. 263,929 arising from wrong scale. I noted Under payment of pension/ gratuity worth UGX 274,445,221 Over remittance of salaries worth 212,895,556. I noted that the entity's strategic plan was prepared but not yet approved by NDP I noted mischarges worth UGX. 23,485,083 by the district
03	Abim DLG <u>Qualified Opinion</u>	<ul style="list-style-type: none"> I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs; Overpayments of salaries worth UGX. 2,172,750.

		<ul style="list-style-type: none"> • Additionally, I observed that there was delayed access to payroll by twenty one hundred two (102) new employees and six (06) pensioners; failure to utilize wage funds of UGX.0.8 billion; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX. 8,922,417 and payment of nineteen(19) staffs worth UGX 46,305,014 off the IPPS • I noted a number of issues in the implementation of the approved budget such as; incomplete works; partial implementation of activities under absorption of funds worth UGX.1.3Bn that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX. 5.87Bn; delayed submission of quarterly monitoring reports to OPM & MoFPED • I noted that the district has an outstanding payables worth UGX. 43,702,393 by the end of the year • Over payment of pension to 11 pensionaries worth UGX. 2,318,376 arising from wrong scale. • I noted Misclassification of Expenditure worth UGX.296,881,279 • I noted that UGX 130,582,400 accrued within the year and had not yet been paid to pensioners by the year end. • Under remittance of salaries deduction worth to UGX. 352,211,360. • I noted that funds amounting to 2 million relating to pension and gratuity were incorrectly charged on salaries and pension codes. • I noted that the Abim district did not have an approved strategic plan that is aligned to NDP-III and therefore lacks a certificate of compliance issued by National Planning Authority.. • I noted misclassification of expenditure UGX.296,881,279 by Abim DLG • I noted Lack of land title for Nyakwae Seed Secondary School. • I noted Irregular disbursement of UGX 175,113,737 for NUSAF funds • I noted Award of a VAT inclusive contract to a non-VAT registered supplier worth UGX. 610,546,414 with a VAT amount UGX. 109,898,354 • Unaccounted for funds worth 1,412,507,436 at year end • I noted Transfer from other Government units indicates warranties in the statement of appropriation of Ugx. 848,098,183, Actual in the statement of appropriation and note 5
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		<p>of UGX. 1,073,044,082 more than the amount warranted by Ugx. 224,945,899. The trial balance also indicate a figure of Ugx.1,194,065</p> <ul style="list-style-type: none"> • I noted Statement of Cash Flow indicates a total amount from operating, investing and financing activities as Ugx.17,850,462,341 while the payment file indicates it as Ugx.17,808,775,851 leading to an overstatement of Ugx. 41,686,490. • I noted Unsupported receivables figure in the Statement Of Financial Position of UGX. 1,683,003,314 as there is no schedule of receivables attached to the financial statement.
04	<p>Kaboong DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, Over payment of salaries worth UGX.12,181,796; failure to utilize wage funds of UGX. UGX.1.9billion.; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX. 9,870,780 I noted a number of issues in the implementation of the approved budget such; incomplete works; partial implementation of activities, under absorption of funds worth UGX.2.042Bn that was swept back to consolidated fund account; delayed submission of quarterly monitoring reports to OPM & MoFPED • The district mischarged expenditure worth UGX.275, 847,736 on wrong budget lines. • I noted under remittance of salaries worth UGX. 55,693,284 • The district mischarged expenditure worth UGX. 551,346,221 on wrong budget lines. • I noted 93 vacant positions at the district • I noted unbudgeted Funds from Ministry of Education and Sports to Kaabong DLG UGX.42,343,319 • I noted Irregular disbursement of NUSAF 3 Funds to M/S Agromax (U) Limited UGX.717,390,988
05	<p>Amudat DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, irregular deduction of loan instalments worth UGX.1,036,328; failure to utilize wage funds of UGX.0.851 billion un -deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX.6,432,420. and payment of two hundred two (222) staffs worth UGX.161,371,533 off the IPPS • I noted a number of issues in the implementation of the approved budget such as; incomplete works; partial

		<p>implementation and quantified under absorption of funds worth UGX.4.3Bn that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX.1,744,210,000; delayed submission of quarterly monitoring reports to OPM & MoFPED</p> <ul style="list-style-type: none"> • The district mischarged expenditure worth UGX.275, 847,736 on wrong budget lines. • Over remittance of salaries worth UGX. 36,510,817 • I further noted that all loan deductions relating to 7 employees did not have evidence of consent by the employees • UGX.101,273,688 was paid as residual arrears to 2 pensioners who had not been verified (and thus not part of schedule) by MoFPED • I noted that the entity had not prepared and approved a strategic plan that is aligned to the NDP-III at the time of audit. • I noted that district failed to recover worth UGX.390,319,125 of YLP funds • I noted that the district has outstanding balance worth UGX.390,319,125 from UWEP
06	<p>Kotido DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs; payment of salaries worth UGX.1,395,233 to two (2) staffs that was no longer in service. • Additionally, I observed that there was delayed access to payroll by thirty nine (39) new employees; failure to utilize wage funds of UGX.4.127billion; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX.8, 766,597. • Under remittance of salary deduction worth UGX.18, 888,478. • I noted that the district has unauthorized loan deductions worth UGX.196,780,103 • I noted that the Kotido district did not have an approved strategic plan that is aligned to NDP-III by the time of audit. • I noted a number of issues in the implementation of the approved budget such as; incomplete works; partial implementation and no quantified activities under absorption of funds worth UGX.1,291,391,337that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX.1,603,270,000; delayed submission of quarterly monitoring reports to OPM & MoFPED
07	Kotido MC	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the municipal council pension & salary payrolls such as; Failure to submit wage

	<p><u>Opinion</u> Unqualified</p>	<p>estimates to MoPs;; payment of salaries worth UGX.1,819,248 to two (2) staffs that was no longer in service ; failure to utilize wage funds of UGX.0.8 billion.; un-deducted PAYE from political leaders’ gratuity resulting in unpaid tax of UGX.12,448,800 and payment of sixteen (16) staffs worth UGX.68,011,511 off the IPPS</p> <ul style="list-style-type: none"> • I noted a number of issues in the implementation of the approved budget such as;; incomplete works; partial implantation non quantified under absorption of funds worth UGX.211,565,285 873 that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX.1,089,757,389; delayed submission of quarterly monitoring reports to OPM & MoFPED • I noted Over payment of salaries worth UGX.882,243 to 25 staff arising from wrong scale • I noted under remittance of salaries worth UGX. 43,787,620 • I noted that the Municipal Council has unauthorized loan deductions worth UGX.14.77 million • I noted that the municipal council had not prepared and approved a strategic plan that is aligned to the NDP-III at the time of audit. • The municipal has un recovered UWEP funds worth UGX.277,734,805.
08	<p>Karenga DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted anomalies during review of the district pension & salary payrolls such as; seventy-three (73) vacant positions; failure to utilize wage funds of UGX.1.089Bn.; un-deducted PAYE from political leaders’ gratuity resulting in unpaid tax of UGX.5,294,160 and payment of eight (8) staffs worth UGX. 28,433,650 off the IPPS; under remittance of employee salary deductions worth UGX.361,889,043 • I noted issues in the implementation of the approved budget such as; under absorption of funds worth UGX.636,616,391 that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX.4,959,037,208 • The DLG did not have an approved strategic plan that is aligned to the NDP-III at the time of audit • The district mischarged expenditure worth UGX.275, 847,736 on wrong budget lines • I noted that Karenga district did not include IPPS recurrent costs in its budget.

		<ul style="list-style-type: none"> • I noted that the entity did not prepare monthly wage, pension and gratuity performance analysis and thus did not submit quarterly returns on payroll to MoPS. • I noted un quantified, partially implemented and un implemented planned output • I noted underperformance of maintenance funds worth UGX.35,851,027 • I noted that administrative advances worth UGX.36,367,220 remained unaccounted for at year end
09	<p>Nakapiripirit DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, Over payment of salary worth UGX.6,225,884; Underpayment of salary worth UGX. 120,957,229; pension worth UGX.102,547,496 and payment of residual arrears to 17 pensioners (not part of schedule) worth UGX.228,354,584 • I noted outstanding receivables worth UGX.748,268,485 by year end • I noted outstanding payables worth UGX.204,060,122 by year end • Additionally, I observed that there was delayed access to payroll by four (4) new employees and five (5) pensioners; failure to utilize wage funds of UGX.0.8 Bn, un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX.11,064,133and payment of twenty-six (6) staff and two (2) pensioners worth UGX.67,526,067 off the IPPS; over/under remittance of employee salary deductions worth UGX.12,510,739 and UGX.30,390,380 respectively • The DLG did not have an approved strategic plan that is aligned to the NDP-III at the time of audit • I noted partially quantified, partially implemented and un implemented planned output • I noted issues in the implementation of the approved budget such as; under absorption of funds worth UGX.387,179,529 that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX.3,798,701,446; • I noted that the district did not prepare monthly wage, pension and gratuity performance analysis and thus did not submit quarterly returns on payroll to MoPS • . • I noted that funds to the tune of UGX.37,212,320 were irregularly diverted from the activities on which they were

		<p>budgeted and spent on other activities without seeking and obtaining the necessary approvals.</p> <ul style="list-style-type: none"> • Irregularities in evaluation and award of contract to Ramiram Company Ltd for the construction of a teachers' house in Doo Primary under procurement reference NAKP543/WRKS/20-21/00003 • The district entered into a VAT exclusive contract with Bole Engineering Ltd (TIN:) vide NAKP543/WRKS/20-21/00005 worth UGX.55,000,000 despite the company being registered for VAT
10	<p>Moroto MC</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted anomalies during review of the Municipal pension & salary payrolls such as; Failure to submit wage estimates to MoPs Underpayment of salary worth UGX. 359,225; • Additionally, I observed that there was delayed access to payroll by two (2) pensioners; failure to utilize wage funds of UGX.0.32 Bn; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX.3,314,340 over/under remittance of employee salary deductions worth UGX.5,297,009 and under UGX.1,329,429 respectively • The MC did not have an approved strategic plan that is aligned to the NDP-III at the time of audit • I noted issues in the implementation of the approved budget such as; under performance of the donor & releases from other government units worth UGX. 439,621,456; un quantified planned output • I noted that the Municipal Council did not prepare monthly wage, pension and gratuity performance analysis and thus did not submit quarterly returns on payroll to MoPS • I noted that Expenditure amounting to UGX.40,544,000 remained unsupported as at the close of the financial year
11	<p>Nabilatuk DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, Over payment of salary worth UGX.41,886,731; Underpayment of salary worth UGX.88,251,765 irregular deduction of loan instalments of twenty-seven (27) employees worth UGX.32,111,398 and excess loan deductions for eighteen (18) employees worth UGX.23,960,268 • I noted payments to non-existent staff worth UGX.12,263,143 • I noted over/under remittance of employee salary deductions worth UGX.22,136,522 and UGX.28,681,822 respectively • I noted outstanding receivables worth UGX.306,557,669. • Additionally, I observed that there was delayed access to payroll by twenty-seven (27) new employees; failure to utilize wage funds of UGX.0.766 Bn; un-deducted PAYE from political leaders'

		<p>gratuity resulting in unpaid tax of UGX.111,240 and payment of thirty-five (35) staff pensioners worth UGX.52,863,034 off the IPPS and residual arrears to two (2) staff UGX.3,128,128</p> <ul style="list-style-type: none"> • The district did not have an approved strategic plan that is aligned to the NDP-III at the time of audit • I noted a number of issues in the implementation of the approved budget such as; un implemented works on construction of Nataparengan piped water system and rehabilitation of Lorukumo piped water system; under absorption of funds worth UGX.353,461,659 that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX.686,812,859; • I noted partially quantified and partially implemented planned output • I noted that the district did not prepare monthly wage, pension and gratuity performance analysis and thus did not submit quarterly returns on payroll to MoPS • I noted that Nabilatuk District received off-budget financing to a tune of UGX.12,464,800 directly from the Drylands Projects
	Mbale Branch	Summary of Key Findings
01	<p>Bulambuli DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the DLG pension & salary payrolls such as; delay to submit wage estimates to MoPs; Underpayment of payroll worth UGX.53, 413,352; Wrong computation of gratuity worth net overpayment of UGX. 4,908,163 and payment of salaries worth UGX.799, 094 to one (1) staff that was no longer in service. • I noted that the entity had receivables worth UGX 865,908,605 and had Payables worth UGX.5,000,000 at close of financial year • Additionally, I observed that there was failure to utilize wage funds of UGX.1.6Bn; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX.16,798,690and payment of nine (9) pensioners worth UGX.170,017,059 off the IPPS; partially implemented output worth UGX. 0.863Bn and un implemented output worth UGX.0.558Bn • I noted that the District LG did not prepare monthly wage, pension and gratuity performance analysis report for submission to MoPS • I noted a number of issues in the implementation of the approved budget such as; shoddy works at Bumugusha - Sisiyi Road, Gimayote - Malama Road, the boreholes; incomplete works on Buyaga-Muyembe road, Bulaago and Bwikhonge Health Centre IIs to IIIs; under absorption of funds worth UGX.2,653,035,652 that was swept back to consolidated fund

		<p>account; under performance of the donor & releases from other government units worth UGX.234,118,787; non submission of quarterly monitoring reports to OPM & MoFPED; delayed submission of performance reports and unremitted lower local government revenue worth UGX 47,216,000</p> <ul style="list-style-type: none"> • The District mischarged expenditure worth UGX 103,936,059 on wrong budget lines. • I observed that key positions, including that of District engineer, District production officer, District education officer, and District planner had remained vacant by end of year. • I noted drug stock out at Bulaago Health Centre • I observed that the district lacked vital road equipment such as: Motor Grader, Wheel Loader, Bulldozer, Excavator and Cargo Truck • I noted an Under-deduction of LST worth UGX 214,800,000 and PAYE worth UGX 32,139,829.
02	<p>Manafwa DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the DLG pension & salary payrolls such as; failure to submit wage estimates to MoPs, over payment of salaries worth UGX. 14,044,594; Underpayment of salaries worth UGX. 10,735,580; Wrong computation of gratuity worth net overpayment of UGX. 14,474,704 • I noted an over and under remittance of employee salary deductions worth UGX 129,973,902 • I observed that there was failure to utilize wage funds worth UGX.0.890 billion • I noted under deduction of PAYE from employee salary worth UGX. 20,600,350. • I noted a number of issues in the implementation of the approved budget such as; under absorption of funds worth UGX. 2,423,640,138 that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX.2,041,524,555; delayed submission of quarterly monitoring reports to OPM & MoFPED; partial implementation of planned activities and under performance of funds meant for maintenance worth UGX. 7,252,593 • The DLG mischarged expenditure worth UGX. 476,473,064 on wrong budget lines • I however noted that UGX. 2,521,572 was paid as residual arrears to 10 staff and 2 pensioners who had not been verified (and thus not part of schedule) by MoFPED.

		<ul style="list-style-type: none"> • I noted that 2 employees were paid a total of UGX. 7,461,459 without signed pay change reports. • I noted that the DLG did not prepare monthly wage, pension and gratuity performance analysis and thus did not submit quarterly returns on payroll to MoPS. • I noted outstanding payables worth UGX. 1,239,952,064.
03	<p>TORORO DLG</p> <p><u>OPINION:</u> UNQUALIFIED</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the DLG pension & salary payrolls such as; Failure to submit wage estimates to MoPs, over payment of salaries worth UGX.4,068,031; Underpayment of salaries worth UGX.15,716,191 and payment of salaries worth UGX.57,446,500 to staffs that was no longer in service accrued pension worth UGX.47,240,461 • I noted an over and under remittance of employee salary deductions worth UGX.6,208,787 • Additionally, I observed that there was delayed access to payroll by one hundred seventeen (117) new employees; failure to utilize wage funds of UGX.2.18 Bn, un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX. 11,370,060 and payment of four (4) staffs worth UGX 3,683,801 off the IPPS • I noted a number of issues in the implementation of the approved budget such as; failure to quantify planned output; partial and non- implementation of planned activities; under absorption of funds worth UGX. 2,597,410,656 that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX. 11.87Bn. • The DLG mischarged expenditure worth UGX.45,068,279 on wrong budget lines. • I noted that the DLG did not prepare monthly wage, pension and gratuity performance analysis reports and did not submit quarterly returns on payroll to MoPS • I noted payables worth UGX.335, 571,661 outstanding at year end.
04	<p>MBALE CITY</p> <p><u>OPINION:</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the city pension & salary payrolls such as; Failure to submit wage estimates to MoPs, Over payment of salary and pension worth UGX.810,144,208; Underpayment of salary and pension worth UGX.915,374,687; Wrong computation of salaries worth net overpayment of UGX.91,569,052; payment of salaries worth UGX 30,376,995 to twenty six (26) staffs that were no longer in service and irregular deduction of loan instalments of one hundred seventeen (117) worth UGX. 159,385,584. • I noted receivables from other UWEP, YLP and other debtors

		<p>worth UGX. 2,239,688,779 by the close of the financial year under review.</p> <ul style="list-style-type: none"> • I noted outstanding payables worth UGX 545,408,158 at the end of the financial year. • The city did not have an approved strategic plan that is aligned to the NDP-III at the time of audit • Additionally, I observed failure to utilize wage funds of UGX. 1,235,588,920; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX.3,015,540 and payment of staffs and pensioners worth UGX.161,000,660 off the IPPS; unpaid salaries worth UGX.161,000,660; payment of consolidated health lunch allowance to ineligible staff worth UGX.2,170,750 and a net over payment of arrears of UGX.64,535,832 • I noted an over and under deduction of loans worth UGX.13,477,848 and UGX.14,453,773 respectively • I noted that the city did not prepare monthly wage, pension and gratuity performance analysis and did not submit quarterly returns on payroll to MoPS. • I noted a number of issues in the implementation of the approved budget such as; partial and unquantified planned output, partial and non-implemented planned output ; shoddy works on Nambozo road incomplete works on Nambozo road; under absorption of funds worth UGX.1,600,759,501 that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX.3.17Bn; over absorption of funds worth UGX 73,268,000 • The city mischarged expenditure worth UGX 65,785,703 on wrong budget line • I noted non regular maintenance of street lights
05	<p>Bukwo DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the DLG pension & salary payrolls such as; Failure to submit wage estimates to MoPs, Over payment of salary worth UGX.4,296,996; Underpayment of salary, gratuity and pension worth UGX.16,337,404 and delayed deletion of 4 staff from the payroll worth UGX.9,328,845 • I noted that the district did not prepare monthly wage, pension and gratuity performance analysis and thus did not submit quarterly returns on payroll to MoPS • Additionally, I observed that there was delayed access to payroll by One (1) new employee and nine (2) pensioners; failure to utilize wage funds of UGX.0.568 billion; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of

		<p>UGX.11,064,570 over and under remittance of employee salary deductions worth UGX.1,789,798 and UGX.14,974,441 respectively</p> <ul style="list-style-type: none"> • I noted a number of issues in the implementation of the approved budget such as; delayed works at the HCIIIs; under absorption of funds worth UGX.2,421,073,740 that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX.6,333,457,050; partial and un quantified planned output and partial and un implemented planned output • The district did not prepare annual monitoring plans neither were quarterly monitoring reports prepared and submitted. • I noted underperformance of budgeted funds for NUSAF-3 projects worth UGX.183,000,000 and URF funds worth UGX.10,265,009 that affected implementation of the programs • I observed that the district lacked vital road equipment like an excavator, a bulldozer, a pedestrian roller and tampers/rammers. • I noted an under absorption of funds worth UGX 1,005,458,204 relating to construction of the college, secondary school and upgrading of HCIIIs • The district lacked titles for 36 pieces of its land.
06	<p>Sironko DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, Over payment of salary worth UGX.3,937,076; Underpayment of salary worth UGX.9,336,463 delayed deletion of 3 staff from the payroll worth UGX.2,418,531 and 365 positions vacant • I noted residual arrear payments to one (1) pensioner who was not on the schedule worth UGX.25,856,920 • I noted outstanding receivables worth UGX.1, 395,021,574 and payables worth UGX.1, 271,747,912 by the end of the year. • Additionally, I observed that there was delayed access to payroll by nineteen (19) new employees and two (2) pensioners; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX.13,980,570 over/under remittance of employee salary deductions worth UGX.12,620,619 and UGX.18,207,521 respectively • The district did not have an approved strategic plan that is aligned to the NDP-III at the time of audit • I noted partial and unquantified planned output, partial and non-implemented planned output

		<ul style="list-style-type: none"> • I noted issues in the implementation of the approved budget such as; delayed works at Buyobo Health Centre, Buteeza/Bumirisa Seed Secondary School; under performance of the donor & releases from other government units worth UGX.31,073,887; • The district lacked land titles for 14 of its properties • I noted that the district did not prepare monthly wage, pension and gratuity performance analysis and thus did not submit quarterly returns on payroll to MoPS • I noted Un recovered YLP/Women groups funds worth UGX 1,076,861,319
07	Namisdwa DLG <u>Opinion</u> UnQualified	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage estimates to MoPs, payment of salaries worth UGX.9,737,931 to twelve (12) staffs that were no longer in service over/under remittances of employee salary deductions worth UGX.15,456,000 and UGX.9,368,000 respectively • Additionally, I observed that there was delayed access to payroll by eleven (11) pensioners; failure to utilize wage funds of UGX.1.8 billion; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX.10,343,040 and payment of twenty two (12) staffs worth UGX.44,528,289 off the IPPS • I noted a number of issues in the implementation of the approved budget such as; Failure to Construct Namboko Seed Secondary School ; delayed works of Mukoto Seed Secondary School ; under absorption of funds worth UGX.1,965,728,111 that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX.639,520,961; delayed submission of quarterly monitoring reports to OPM & MoFPED; Un implemented procurement plan worth UGX 2,601,160,000 and Underperformance of maintenance funds worth UGX.27,667,500. • District received off-budget financing worth UGX.153,248,760 directly from Ministry of Health (MoH) • I noted outstanding receivables worth UGX 1,380,786,175 • • The entity did not prepare and submit the annual monitoring plans to Moped, MoLG and NPA as required. • I noted Underperformance of UWEP/YLP funds worth of UGX.170,000,000 • I noted district land lacked titles
08	Bududa DLG	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Failure to submit wage

	<p><u>Opinion</u> Unqualified</p>	<p>estimates to MoPs, over payment of salary worth UGX. 40,955,029 Underpayment of salary due to wrong salary scales worth UGX 1,770,196 and Wrong computation of gratuity worth net overpayment of UGX. 16,342,974;</p> <ul style="list-style-type: none"> • I noted payment to twelve (12) employees without signed pay change reports worth UGX. 33,563,249 • Additionally, I observed that there was; failure to utilize wage funds of UGX.0.386 billion; un-deducted PAYE from political leaders' gratuity resulting in unpaid tax of UGX. 25,271,520; over/under remittance of employee salary deductions worth UGX. 374,322,700 and UGX. 2,544,986 respectively and residual arrears to 10 staff and 5 pensioners (not part of schedule) worth UGX. 53,269,453 • I noted a number of issues in the implementation of the approved budget such as; incomplete works on five Community Access Roads (CARs); under absorption of funds worth UGX. 3,358,629,901 that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX.12,509,500; Under performance of maintenance funds worth UGX. 2,807,020 and an implemented procurement plan worth UGX.357,489,000 • I noted an under absorption of preliminary expenditures worth UGX 327,911,000 • I noted partial and non-implemented planned output • The district mischarged expenditure worth UGX. 53,269,453 on wrong budget lines. • It was noted that the district did not conduct revenue assessment. • I noted that the lacked District signed MOUs for Donor funds received during the year worth UGX. 25,203,300 from United Nations Children Fund (UNICEF) and World Health Organization (WHO).
09	<p>KIBUKU DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted a number of anomalies during review of the district pension & salary payrolls such as; Underpayment of pension worth UGX.97,316,845.; payment of salaries worth UGX.7,336,993 to fourteen (14) staffs that was no longer in service and over remittance of employee salary deductions UGX.430,578,979 • I noted outstanding payables worth UGX 128,739,122 at year end. • I observed that there was delayed access to payroll by twenty-seven (27) new employees and nineteen (19) pensioners and 420 vacant staff positions

		<ul style="list-style-type: none"> • I noted a number of issues in the implementation of the approved budget such as; I noted partial and unquantified planned output, partial and non-implemented planned output; under absorption of funds worth UGX 5,639,972,053 that was swept back to consolidated fund account; under performance of the donor & releases from other government units worth UGX.789,212,932 and failed submission of quarterly monitoring reports to OPM & MoFPED • The district mischarged expenditure worth UGX.47,252,328 on wrong budget lines • I noted that Kibuku Health Centre IV experienced drug stock outs • I noted that the entity failed to procure assorted medical equipment for upgraded HCs worth UGX.210,937,500 • I noted that the entity failed to conduct pre-bid meetings for 23 contracts as provided for in the tender documents • I noted unrecovered funds from Women groups worth UGX.522,692,690
	ARUA BRANCH	Summary of Key Findings
01.	Obongi DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I reviewed funds absorption and noted that UGX.4.6 billion (100%) was spent out of the total receipts of UGX.5.9 billion, resulting in an unabsorbed balance of UGX.1.3 billion. The unabsorbed balance was subsequently swept back to the consolidated fund account. I advised the Accounting Officer to ensure that the activities for which the un absorbed funds were meant are rolled over and implemented in subsequent financial year. • I noted that the District made payroll deductions of UGX.123 million, but did not remit concurrently with the salary payments in 8 out of 12 months. On average, it delayed by 55 days. I advised the Accounting Officer to always ensure that all deductions to UCLA/UBA are remitted concurrently with salary payments. • The ineffectiveness of the system may affect the integrity of the IPPS payroll. • I reviewed the approved Local revenue estimates for the financial year 2020/2021 and noted that the District budgeted to collect UGX. 463,890,000 during the year but collected UGX.318,243,595 representing (69%) performance. The shortfalls in Local Revenue collections of UGX.145,646,405 (31%) were recorded in Local Service Tax, Land Fees , Business Licence, other tax revenues, administrative fees and Application Fees. • I reviewed the District's revenue performance and noted the

		<p>following;</p> <ul style="list-style-type: none"> • The Entity budgeted to receive UGX.17,548,360,000 as transfers from other Government Units. However, only UGX.14,007,769,263 (80%) was received. The Accounting Officer explained that low Local Revenue performance was due to the effects of COVID 19 lockdown that affected the performance of markets and secondly the disaster of floods impacted negatively on our major source of revenue, fisheries where most landing sites were flooded. • The Entity budgeted to receive UGX.17,548,360,000 as transfers from other Government Units. However, only UGX.14,007,769,263 (80%) was received. The Accounting Officer explained that The under-performance of other government transfers was due to low performance of DRDIP. The funding for DRDIP was only for approved sub projects which were generated by the beneficiary groups. • The District budgeted to receive UGX. 655,424,300 as external/donor financing out of which UGX.630,174,440 (96 %), was receivedThe Accounting Officer explained that External Financing performed very well up to 96% and all planned activities were implemented as planned. The difference of only 4% has had no impact the implementation of the planned activities • Out of the total receipts for the financial year of UGX.27,315,767,447, UGX.42,423,071,166 (92%) was spent by the entity resulting in an unspent balance of UGX. 22,056,617,661 (81%). The unspent balance at the end of the financial year was subsequently swept back to the consolidated fund account. I advised the Accounting Officer to ensure that funds for these activities are in subsequent year un implemented activities rolled over and subsequently ensure the speedy implementation. • I noted that the District received a total of UGX.22,103,714 as capitation grant. I reviewed the bank statements sampled schools and noted that the funds were still on the school accounts by 30th September, 2021 and had hence not been utilized. I advised the Accounting Officer to liaise with relevant authorities and ensure that these funds are put to productive usage.
02.	<p>ZOMBO DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I reviewed funds absorption and noted that UGX.12.35 billion (81.78%) was spent out of the total receipts of UGX.15.1 billion, resulting in an unabsorbed balance of UGX.2.75 billion. The unabsorbed balance was subsequently swept back to the consolidated fund account. • A comparison of base pay in the IPPS payroll registers with the salary structure for 2020/21, revealed that 23 staff were paid

		<p>using wrong salary scales, leading to under payments of UGX 0.932 million, contrary to Section B–a (6) & (7) of the Uganda Public Service Standing Orders, 2010.</p> <ul style="list-style-type: none"> • I noted that UGX.20,116,483 was paid to 12 staff who had either retired, transferred, absconded or died. I advised the Accounting Officer to ensure prompt removal of staff from the payroll. • I noted that whereas UGX.3,328,551,409 was deducted from employees' salaries to be remitted to different beneficiaries, UGX.3,319,064,736 was remitted, leading to an over and/or under remittance amounting to UGX.7,357,520 and UGX 6,415,791 respectively. The Accounting Officer explained that the underpayment would be paid during subsequent remittances. • I noted that the District made unauthorized loan deductions totaling UGX 680 million. The deductions were from 461 employees that neither had letters of undertaking nor existed in the "active deduction" or the "my approval" reports on the PDMS-Payroll Deduction Management System, operated by PCA-Payroll Consults Africa. • I noted that 13 newly recruited/ transferred employees delayed to access payroll, with delays ranging between 1-2 months. Delayed access to payroll leads to demotivation of the affected staff and accumulation of salary arrears. • I noted that one pensioner; Okenga Abedican delayed to access the pension payroll, with delays of 31 days. Delayed access to the pension payroll leads to poor wellbeing of the affected retirees as well as accumulation of pension arrears. • I observed that there were variances of UGX.263,261,431 between the figures in the MoPS IPPS and district payroll registers. I advised the Accounting Officer to ensure that the district IPPS payroll registers are consistent with MoPS payroll data. • Included in the Statement of Financial Position on page 7 of the Financial Statements are receivables worth UGX.485,694,634 as supported by Note 19 to the financial statements. The amount for the previous financial year was UGX.193,836,559. The amounts relate to advances to Youth and Women Interest groups. I advised the Accounting Officer to continue sensitizing Youth Interest Groups and women groups to recover the funds. • I noted that the District had deposits worth UGX.396,301,510 presented in the Statement of Financial Position and disclosed in note 25 to the financial statements. The figure increased by UGX.4,000,000 from UGX.394,301,510 which were recoveries of the Youth Livelihood Programme (YLP) as recommended by Inspectorate of Government. • I noted that though the district had prepared the Strategic plan,
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		<p>it was still in draft form at the time of audit and certification from NPA had not been obtained. I advised the Accounting Officer to liaise with NPA to expedite the process of reviewing and approval the Strategic Plan of the District.</p> <ul style="list-style-type: none"> • I reviewed the approved Local revenue estimates for the financial year 2020/2021 and noted that the District budgeted to collect UGX.1,040,800,000 during the year but collected UGX.296,535,563 representing (29%) performance. The shortfalls in Local Revenue collections of UGX.744,264,437 (71%) were recorded in Local Service Tax, Land Fees , Business Licence, other tax revenues, administrative fees and Application Fees. • The District budgeted to receive UGX. 1,426,989,000 as external/donor financing out of which UGX.1,304,944 (0.09%), was received. • Out of the total receipts for the financial year of UGX.28,843,895,403, UGX.25,055,771,226 (97%) was spent by the district resulting in an unspent balance of UGX.3,788,124,204. The unspent balance at the end of the financial year was subsequently swept back to the consolidated fund account. • I noted that the district prepared annual monitoring plans dated 02/08/2021, but had not been submitted to MoFPED, MoLG and NPA as required by the time of audit (10/09/2021). Further, the district had not also submitted quarterly monitoring reports to the Office of the Prime Minister and MoFPED as required by the time of audit (10/09/2021). This practice is not only in contravention of the circular instructions but also hinders efforts of timely monitoring of the implementation of the budget. • I noted that management submitted performance reports for Q1 and Q2 in time while performance reports for Q3 and Q4 were submitted after deadline given for submission of the reports. • In addition, I did not obtain evidence to confirm that the Accounting Officer Prepared Monitoring Plans and reports which are important in ensuring that the budget performs as expected. • I noted delayed completion of Construction of Atyak Seed Secondary School under the UGIFT project, A joint supervision report dated 18/5/2021 was reviewed and put the work so far done at only 66% and cumulative total payments had been made of UGX 1,365,729,024 (representing 65% of the contract sum) by end of year. By the time of the audit in September 2021, about 5% of the works were still incomplete yet the contract had long expired. • I noted that the District received a total of UGX.154,269,648. I reviewed the bank statements for sampled schools and noted that the funds were still on the schools' accounts by 30th
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		September, 2021 and had hence not been utilised.
03.	YUMBE DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I reviewed payroll funds absorption and noted that UGX.22 billion (94%) was spent out of the total receipts of UGX.23.5 billion, resulting in an unabsorbed balance of UGX.1.44 billion. The unabsorbed balance was subsequently swept back to the consolidated fund account. Under absorption of released funds resulted into failure to recruit the required staff. • A review of the pension payroll data and IFMS payments, revealed variances between amounts on the payroll and payments to individual pensioners, leading to over payments of UGX.87,774,282 contrary to article 254 (1) & (3) of the 1995 constitution (as amended). The over payment of pension and gratuity led to over statement of pension expenditure. • A comparison of base pay in the IPPS payroll registers with the salary structure for the financial year 2020/21, revealed that 51 staff were paid using appropriate salary scale but wrong band contrary to Section B–a (6) & (7) of the Uganda Public Service Standing Orders, 2010. The Accounting Officer promised to address it through monthly verification of the payroll. • I noted that UGX.11,772,809 was paid to 9 staff who had either retired, transferred, absconded or died. These were payment for services not rendered to the District resulting in loss of funds to Government. I advised the Accounting Officer to ensure prompt removal of ineligible staff from the payroll. • I noted that whereas UGX.4,904,248,620 was deducted from employees’ salaries to be remitted to different beneficiaries, UGX.4,898,616,110 was remitted, leading to an under remittance of UGX.5,632,510. I advised the Accounting Officer always ensure that full remittances are done to the respective beneficiaries. • I noted that the District made payroll deductions of UGX.1,362,978,294 million, but did not remit concurrently with the salary payments in 5 out of 12 months. On average, it delayed by 35 days. I advised the Accounting Officer to ensure that all deductions to UCLA/UBA are remitted concurrently with salary payments. • I noted delays in the remittance of PAYE deductions to URA of 3 days, in the month of November where deduction was made on 15/11/2020 and the remittance was made on 18/11/2020. The Accounting took note of the observation. • I noted that the District did not subject political leaders’ gratuity totaling to UGX.46,923,600 to the computation of PAYE in IPPS, leading to an under deduction of UGX.10,970,580, contrary to section 19(1) (a) of the Income Tax Act. I advised the Accounting Officer to ensure that political leaders’ gratuity is subjected to tax by including in the gross taxable income when

		<p>computing PAYE.</p> <ul style="list-style-type: none"> • I noted that 20 pensioners delayed to access the pension payroll, with delays ranging between 4.5 months. I advised the Accounting Officer to ensure that pensioners promptly access the payroll and are subsequently paid. • I noted that 16 employees were paid a total of UGX.52 million without signed pay change reports. This affects the integrity/credibility of the payroll and creates an avenue for payroll abuse. • I noted that the District did not prepare monthly wage, pension and gratuity performance analysis and thus did not submit quarterly returns on payroll to MoPS, contrary to Paragraph 2.1 of Establishment Notice No. 1 of 2020. The Accounting Officer took note of the observation and stated that action has been initiated during Q1 of the FY 2021/22. • A comparison of the payroll register and IFMS payment file, I noted that 3 pensioners were paid a total of UGX.75,420,453 off the IPPS. The Accounting Officer explained that Pension and gratuity arrears had their schedule of payment; therefore, they would not be paid through IPPS. • I noted that the district had not prepared and approved a strategic plan that is aligned to the NDP-III at the time of audit. I advise Management to urgently prepare and have approved a strategic plan that is aligned to NDP-III to facilitate the achievement of the NDP objectives. • I reviewed the approved Local revenue estimates for the financial year 2020/2021 and noted that the District budgeted to collect UGX. 663,494,100 during the year but collected UGX.445,457,586 representing (67%) performance. I advised the Accounting Officer to always ensure that NTR is collected as budgeted. • The District budgeted to receive UGX.54,077,677,212 (revised) as grants from the Treasury. I noted that, UGX.48,328,375,344 was warranted/ received representing 89% performance. • The District budgeted to receive UGX.38,231,319,640 as transfers from other Government Units. However, only UGX.23,692,222,658 (62%) was received. • The District budgeted to receive UGX.5,980,183,220 as external/donor financing out of which UGX.2,031,658,591 (34%), was received. • Out of the total receipts for the financial year of UGX.74,531,220,778, UGX.57,130,020,926 (76.6%) was spent by the district resulting in an unspent balance of UGX.17,401,199,852 (23.4%). The unspent balance at the end of the financial year was subsequently swept back to the
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		<p>consolidated fund account. I advised the Accounting Officer to ensure that the rolled over activities are given priority during implementation.</p> <ul style="list-style-type: none"> • I noted that Management submitted performance reports for Q2, Q3 and Q4 after the deadline. In addition, I did not obtain evidence to confirm that the Accounting Officer Prepared Monitoring Plans and reports which are important in ensuring that the budget performs as expected. • Contrary to Section 34 (1) of the Public Finance Management Act 2015, I observed the District constructed two (2) operating theaterstheatres worth UGX.666,903,480 at Ariwa Health Centre (HC) III and Baraka HC III in the financial year 2017/18 and were not functional and without operating equipment by close of audit. The unutilized operating theatre denies services to the community
04.	<p>TEREGO DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • Terego District Local Government (DLG), being a newly created District curved out of Arua District, I noted that the payroll for the year under review was managed by Arua DLG. As a result, the pay roll analysis for Terego District was made under the audit of Arua DLG. • I, noted that although the district aligned its targets for the F/Y 2020/2021 with the DDPIII and NDPIII, the District strategic plan had not been approved. I advised the Accounting Officer to urgently prepare and approved a strategic plan that is aligned to NDP-III to facilitate the achievement of the NDP objectives • I reviewed the approved Local revenue estimates for the financial year 2020/2021 and noted that the District budgeted to collect UGX. 116,717,055 during the year but collected UGX.89,153,132 representing (76%) performance. The shortfalls in Local Revenue collections of UGX. UGX.27,563,923(24%) were recorded in Local Service Tax, Land Fees , Business Licence, other tax revenues, administrative fees and Application Fees. • The District budgeted to receive UGX. 23,749,241,508 (revised) as grants from the Treasury. I noted that, UGX. 1,894,332.444 was warranted/ received representing 8% performance. Revenue shortfalls affect the implementation of planned activities. • The Entity budgeted to receive UGX.4,406,498,162 as transfers from other Government Units. However, only UGX.4,006,498,162 (90%) was received. Revenue shortfalls affected the implementation of planned activities. • The District budgeted to receive UGX. 0.8Bn as external/donor financing out of which UGX. 0.4Bn (50%), was received. Revenue shortfalls affect the implementation of planned activities. The Accounting Officer explained that, for external financing the key donor projects funded by UNHCR and UNICEF use the calendar year for Budgeting and reporting as at the close

		<p>of the financial year 2020/2021 their Budget release was only for the six months thus explaining the poor performance.</p> <ul style="list-style-type: none"> • Out of the total receipts for the financial year of UGX. 6.5Bn, UGX. 5.9Bn (91%) was spent by the entity resulting in an unspent balance of UGX. 0.6 Bn (91%). The unspent balance at the end of the financial year was subsequently swept back to the consolidated fund account. The funds were meant for activities that were not fully implemented by the end of the financial year and these include Salaries worth UGX.475,796,820. • During field Inspection carried out on service delivery areas at Yinga HC III, I observed the following; <ul style="list-style-type: none"> ➢ Fridge for storage of blood donated by IRC and UNICEF was not installed consequently, cases of anaemia are referred to other facilities; ➢ Motorised borehole that was installed by OXFAM had been disconnected for six months; ➢ the piped water system installed at the facility had broken down for the period of six months; ➢ As per interview of in-charge of the facility, the facility had not been supplied drugs for two quarters leading to drug stock-outs. This led to the referral of cases that would have been handled at the facility; ➢ The generator that was donated to the HC has never been installed during the two years it has been at the facility • I reviewed of the governance structures of Terego DLG and noted that the district did not have a District Land Board in place. Consequently, the institutional land of the district was not titled. Further, there were reports of land disputes as seen in the Council Minutes dated 21st May 2021. • I reviewed the execution of the annual procurement plan of Terego district for the year under review revealed that projects worth UGX.740,372,862 were not executed in the year, hence hindering service delivery to the intended beneficiaries. • I reviewed the implementation of the DRDIP project in the district and observed that 16 beneficiary projects funded to the tune of UGX.1,620,066,939 had not yet been implemented. The Accounting Officer promised immediate action. I await the outcome of the Accounting Officers action.
05.	NEBBI DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted that the District did not submit wage estimates to MoPS, as required. I advised the Accounting Officer to always submit wage estimates to MoPs by 30th September of the preceding year. • I reviewed funds absorption and noted that UGX.19,924,679,353 (92%) was spent out of the total receipts of UGX. 21,572,885,359, resulting in an unabsorbed balance of UGX. 1,648,206,006. The unabsorbed balance was subsequently swept

		<p>back to the consolidated fund account hence denying the use of funds for other deserving service delivery areas.</p> <ul style="list-style-type: none"> • I noted that whereas UGX.4,339,048,878 was deducted from employees' salaries to be remitted to different beneficiaries only, UGX.4,333,222,745 was remitted, leading to an over remittance of UGX.4,849,344 and under remittance of UGX.10,675,477. • I noted that the District made unauthorized loan deductions totaling UGX.87,617,577. The deductions were from 78 employees that neither had letters of undertaking nor existed in the "active deduction" or the "my approval" reports on the PDMS-Payroll Deduction Management System, operated by PCA-Payroll Consults Africa. • I compared the loan deductions in June 2021 on the IPPS payroll against the active deductions amounts on the Payroll Consults Africa (PCA) system and discovered that there were 160 instances where the amount on IPPS being deducted is either more or less than the amount on the active deductions implying that there is a weakness in the system of loan deductions where many employees are either over paying for loans they picked or are underpaying. • In a sample of 14 teachers selected, I noted that the district/votes were not affecting annual salary increments on employee salaries. This may lead to demotivation of staff. • I noted that the district had not yet prepared a strategic plan at the time of audit, I advised the Accounting Officer to ensure that the strategic plan is implemented upon approval. • I advised the Accounting Officer to ensure that the strategic plan is implemented upon approval. I advised the Accounting Officer to always ensure that NTR is collected as budgeted. The district budgeted to receive UGX.6, 748,502,080 as transfers from other Government Units. However, only UGX.1,325,146,185 (20%) was received. Revenue shortfalls affected the implementation of planned activities. • The district budgeted to receive UGX.2,213,127,500 as external/donor financing, out of which UGX.261,434,917 (12%), was received. Revenue shortfalls affect the implementation of planned activities. • District failed spent fund balance of UGX.681, 679,315 meant for Start of construction of Ndhew Seed Secondary School, Drilling of boreholes, and Payment of gratuity. • I noted that the district submitted performance reports for all the quarters after the deadlines given for submission of the reports, In addition, I did not obtain evidence to confirm that the Accounting Officer Prepared Monitoring Plans and reports which
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		<p>are essential in ensuring that the budget performs as expected.</p> <ul style="list-style-type: none"> From my review of the annual performance report, I noted that some outputs were not captured in the performance report, these included Purchase and supply of ICT Equipment for Atego Seed Secondary, and Purchase and supply of laboratory equipment to Atego Seed Secondary School. I noted that the District received a total of UGX.48,565,353. I reviewed the bank statements sampled schools and noted that the funds were still on the school accounts by 30th September, 2021 and had hence not been utilized.
06.	<p>NEBBI MC</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> I noted that the Municipal Council did not submit wage estimates to MoPs, as required. I advised the Accounting Officer to always submit wage estimates to MoPs by 30th September of the preceding year. A review of the pension payroll data and IFMS payments, revealed variances between amounts on the payroll and payments to individual pensioners, leading to over payments of UGX. 4,584,882 contrary to article 254 (1) & (3) of the 1995 constitution (as amended). I further noted that there was an under payment of UGX.32,297,600 as well. The Accounting Officer acknowledged the shortcoming and promised future action. A comparison of base pay in the Integrated Personnel and Payroll System (IPPS) payroll registers with the salary structure for 2020/21, revealed that 6 staff were paid using wrong salary scales, leading to over payments of UGX.3,190,260 contrary to Section B-a (6) & (7) of the Uganda Public Service Standing Orders, 2010. I noted that whereas UGX.722,140,725 was deducted from employees' salaries to be remitted to different beneficiaries, UGX.703,333,159 was remitted, leading to an under remittance of UGX.18,807,566. I noted that the Municipal Council made unauthorized loan deductions totaling UGX.38,493,134. The deductions were from 24 employees that neither had letters of undertaking nor existed in the "active deduction" or the "my approval" reports on the PDMS-Payroll Deduction Management System, operated by Payroll Consults Africa (PCA). I noted that the Municipal Council did not subject political leaders' gratuity totaling to UGX.10,962,600 to the computation of PAYE in IPPS, leading to an under deduction of UGX.3,288,780 contrary to section 19 (1) (a) of the Income Tax Act. I noted that, there was minimal movement in receivables as only

		<p>UGX.4,156,000 was recovered from the reported amount of UGX.528,709,420 previously, implying no significant effort was put into recovery.</p> <ul style="list-style-type: none"> • I noted that the Municipal Council had not prepared and approved a strategic plan that is aligned to the NDP-III. • I noted budget underperformance of UGX.2,132,255,571 from government grants and local revenue which affected activity implementation • The municipality failed to spent funds worth UGX.522,335,106 and the unspent balance at the end of the financial year was subsequently swept back to the consolidated fund account. • I noted that UGX.20,661,647 was charged on items which did not reflect the nature of the expenditure. I advised the Accounting Officer to always ensure that the correct codes are charged and seek approvals for any virement or reallocations
07.	<p>MARACHA DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted that the District did not submit wage estimates to MoPS, as required. I advised the Accounting Officer to always submit wage estimates to MoPs by 30th September of the preceding year. • I reviewed funds absorption and noted unabsorbed balance of UGX. 1.2 billion meant for payment mostly pensioners due to slow processing of pension benefits by the beneficiaries • A comparison of base pay in the IPPS payroll registers with the salary structure for 2020/21, revealed that 4 staff were paid using wrong salary scales, leading to over payments of UGX.25,197,900, and under payment of UGX.544,068 contrary to Section B-a (6) & (7) of the Uganda Public Service Standing Orders, 2010. The Accounting Officer acknowledged the audit observation and promised to follow the audit recommendation. • I noted that UGX.11, 634,613 was paid to 32 staff who had either retired, transferred, absconded or died. I advised the Accounting Officer to ensure prompt removal of staff from the payroll and recover payments of salaries to staff who have left active employment. • I noted that whereas UGX3,361,569,932 was deducted from employees' salaries to be remitted to different beneficiaries, UGX3,358,721,257 was remitted, leading to an over remittance of UGX.6,609,552 and under remittance of UGX.9,458,227, I advised the Accounting Officer to reconcile IPPS deductions against IFMS remittances and recover the over remittances and pay the under remittances. • I noted that the District made unauthorized loan deductions totaling UGX.100.4 million. The deductions were from 93 employees that neither had letters of undertaking nor existed in

		<p>the “active deduction” or the “my approval” reports on the PDMS-Payroll Deduction Management System, operated by PCA-Payroll Consults Africa.</p> <ul style="list-style-type: none"> • I noted that the District did not subject political leaders’ gratuity totaling to UGX.37,848,204 to the computation of PAYE in IPPS, leading to an under deduction of UGX.11,377,861, contrary to section 19(1) (a) of the Income Tax Act. • I noted that the District did not prepare monthly wage, pension and gratuity performance analysis and thus did not submit quarterly returns on payroll to MoPS, contrary to Paragraph 2.1 of Establishment Notice No. 1 of 2020. • I noted that 3 staff were paid a total of UGX.15 Million off the IPPS. I advised the Accounting Officer to ensure that salaries, pension and gratuity is processed and paid through the IPPS. • I noted that the strategic plan of Maracha District was still not approved and therefore it was still in draft form. • I reviewed the approved Local revenue estimates for the financial year 2020/2021 and noted that the District budgeted to collect UGX.215,093,000 during the year but collected UGX.143, 183,859 representing (66.6%) performance. The shortfalls in Local Revenue collections of UGX.71,909,141 (33.4%) were recorded in Land fees, business licenses, other tax revenues and Administrative fees and licenses. Revenue shortfalls affected the implementation of planned activities. • The Entity budgeted to receive UGX. 8, 429,617,471 as transfers from other Government Units. However, only UGX. 139, 292,268 (1.7%) was received, Revenue shortfalls affected the implementation of planned activities. • The Entity did not also submit quarterly monitoring reports to the Office of the Prime Minister and MoFPED as required. I advised the Accounting Officer to ensure that monitoring plans and reports are timely submitted accordingly. • Contrary to Regulation 47 of the PPDA (Contract) Regulations, 2014, the entity on 29th June 2021 paid UGX.178, 391,142 to the contractor upgrading Odupiri HC II to HC III without an interim payment certificate. On inspection in September 2021, On physical inspection, I noted that the construction was still at ring beam stage hence severely delayed and the contractor was not on site and therefore there was no construction works. • I noted that the District received a total of UGX.166,590,846 I reviewed the bank statements sampled schools and noted that the funds were still on the school accounts by 30th September, 2021 and had hence not been utilised.
08.	MADI-OKOLLO DLG	<ul style="list-style-type: none"> • I noted that the District did not submit wage estimates to MoPs,

	<p><u>Opinion</u> Unqualified</p>	<p>as required. The submission was made late. The Accounting Officer promised to handle this issue as per the requirement in the subsequent years.</p> <ul style="list-style-type: none"> • I reviewed payroll funds absorption and noted that UGX.7.4 billion (73%) was spent out of the total receipts of UGX.10.18 billion, resulting in an unabsorbed balance of UGX.2.78 billion. I advised the Accounting Officer to consider the unimplemented activities in the next work plan. • A comparison of base pay in the IPPS payroll registers with the salary structure for 2020/21, revealed that 17 staff were paid using wrong salary scales, leading to under payments of UGX. 2.1 million, contrary to Section B-a (6) & (7) of the Uganda Public Service Standing Orders, 2010. • I noted that whereas UGX.1,901,582,442 was deducted from employees' salaries to be remitted to different beneficiaries, UGX.1,868,292,549 was remitted, leading to an over and under remittance of UGX.28,854,515 and UGX.62,144,408 respectively • I noted that the District made unauthorized loan deductions totaling UGX.108million from 55 employees that neither had letters of undertaking nor existed in the "active deduction" or the "my approval" reports on the PDMS-Payroll Deduction Management System, operated by PCA-Payroll Consults Africa • I noted that the District did not subject political leaders' gratuity totalling to UGX 40,202,400 to the computation of PAYE in IPPS, leading to an under deduction of UGX 12,439,426, contrary to section 19 (1) (a) of the Income Tax Act. The • I noted that 32 newly recruited/ transferred employees and 5 pensioners delayed to access payroll, delayed access to payroll leads to demotivation of the affected staff and accumulation of salary arrears. • From a comparison of the payroll register and IFMS payment file, I noted that 14 staff and were paid a total of UGX 19,228,208 off the IPPS. This control weakness creates an opportunity for payment of salaries and pension to non-eligible persons, hence loss of funds to Government. • I noted that the entity had not prepared and approved a strategic plan that is aligned to the NDP-III. • I reviewed the approved Local revenue estimates for the financial year 2020/2021 and noted that the District budgeted to collect UGX. 302,248,400 during the year but collected UGX.209,081,450 representing (69%) performance. The
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		<p>shortfalls in Local Revenue collections of UGX. UGX. 93,166,950 (31%) were recorded in Land fees, business licenses, other tax revenues and Administrative fees and licenses.</p> <ul style="list-style-type: none"> • I noted that Management submitted performance reports for Q1, Q2, Q3 and Q4 after the deadline given for submission of the reports. In addition, I did not obtain evidence to confirm that the Accounting Officer Prepared Monitoring Plans and reports which are important in ensuring that the budget performs as expected. The Accounting Officer admitted the shortcoming and promised to address the matter. • I noted that there was a general delay in the implementation of NUSAF 3 sub- projects without any justification. • Madi-Okollo District contracted M/s TIC Lokere Enterprises Ltd for the rehabilitation of Inde mile 10 Yoro base camp feeder road under DRDIP programme at a cost of UGX.1, 238,943,750. However, I noted that there was delayed Completion of the contract, Failure to install culverts at critical points of the road and Poorly installed culverts. • I noted that advances of UGX. 52,332,500 remained not accounted for, at year end. The funds were advanced to staff to carry out various activities. In the absence of the relevant accountability documents, it was not possible to confirm that the funds were used for the intended purposes. • I noted that there were un-utilized Market at Rhino Camp. The Market was constructed at an estimated cost of UGX.700,000,000. The market lock ups had been turned into residential apartments instead and the market stalls have been abandoned and now only used for drying cassava.4
09.	<p>KOBOKO MC</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted that the Municipal Council did not submit wage estimates to MoPs by 30th September of the preceding year as required. • The Municipal did not absorb wage funds worth UGX.0.33 billion. • The Council had outstanding domestic arrears worth UGX 113,354,578 that accrued within the year • I noted that the Municipal Council made unauthorized loan deductions totaling UGX. 18,148,668. from 16 employees that neither had letters of undertaking nor existed in the "active deduction" or the "my approval" reports on the PDMS-Payroll Deduction Management System, operated by PCA-Payroll Consults Africa. • I noted that 6 pensioners delayed to access the pension payroll • I noted that 5 staff was paid a total of UGX. 6,488,549 off the IPPS. • I noted that the Municipal Council did not have an approved plan

		<p>neither did it have certification of the plan by NPA.</p> <ul style="list-style-type: none"> I noted underperformance in all revenue sources totaling UGX. 4,384,175,589 that affected implementation of planned activities at the council I further noted delayed submission of quarterly performance reports to OPM and MoFPED
10.	<p>ARUA REGIONAL REFERRAL HOSPITAL</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> Through re-computation of gratuity benefits, I noted that there were variances of over payments of UGX.21,706,000 and under payment of UGX.19,700,433. I also re-computed pension benefits, and I further noted that there were variances of over payment of UGX.5, 798,629 and under payments of UGX.10, 401,528. The Accounting Officer explained that gratuity payments are automatically computed through the IPPS system. Consultations with system officers in MOPS were underway to have the error rectified. I noted that UGX.6,659,448 was paid to 03 staff who had been transferred to other entities. These were payment for services not rendered to the Hospital, resulting in loss of funds to Government. I noted that deductions to UCLA/UBA were concurrently remitted as salary was paid except for the month of April, 2021 where there was no remittance at all yet UGX.16,434,444 was deducted I noted that the Hospital did not include Hospital Management Board Member's retainer fees of UGX.33,600,000 in the computation of PAYE leading to under deduction of PAYE of UGX.10,080,000 contrary to section 19(1) (a) of the Income Tax Act. I noted that the Hospital did not prepare monthly wage, pension and gratuity performance analysis and thus did not submit quarterly returns on payroll to MoPS, contrary to Paragraph 2.1 of Establishment Notice No. 1 of 2020. The Hospital had outstanding (unsettled) domestic arrears worth UGX. 1,255,228,566 by close of financial year I noted that the Hospital had not prepared and approved a strategic plan that is aligned to the NDP-III. I noted the Hospital received off-budget financing from Ministry of Health and development partners for undertaking various activities not budgeted to a tune of UGX.1,925,620,637 which was not transferred to the consolidated fund as required by the law. The Hospital Ambulance number UG6812M had been stolen from the hospital yard. By close of the audit, the ambulance had not been recovered by management. Also the value of the ambulance had not been updated in the assets register as

		<p>required.</p> <ul style="list-style-type: none"> I noted that the Hospital did not have a land title for Hospital land plot 43 – Hospital cell with an estimated size of 13.478 acres which it currently occupied. There was no evidence of ownership of property and there was no guarantee that the land was free from encroachment.
11.	<p>MOYO DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> I noted that UGX.12,035,376 was paid to 8 staff who had either retired, transferred, absconded or died. I advised the Accounting Officer to ensure prompt removal of staff from the payroll. I noted that whereas UGX.2,467,253,134 was deducted from employees’ salaries to be remitted to different beneficiaries, UGX.2,499,884,543 was remitted, leading to an under remittance amounting to UGX.519,984 and over remittance of UGX.33,151,393. I advised the Accounting Officer to ensure prompt removal of staff from the payroll. I noted that whereas UGX.2,467,253,134 was deducted from employees’ salaries to be remitted to different beneficiaries, UGX.2,499,884,543 was remitted, leading to an under remittance amounting to UGX.519,984 and over remittance of UGX.33,151,393. I noted that the District did not subject political leaders’ gratuity totalling to UGX.28,087,200 to the computation of PAYE in IPPS, leading to an under deduction of UGX.8,520,960 contrary to section 19(1) (a) of the Income Tax Act. I noted that 6 pensioners delayed to access the pension payroll, with delays ranging between 1-2 months. Delayed access to the pension payroll leads to poor wellbeing of the affected retirees as well as accumulation of pension arrears. I noted that the District/Municipal Council did not prepare monthly wage, pension and gratuity performance analysis and thus did not submit quarterly returns on payroll to MoPS, contrary to Paragraph 2.1 of Establishment Notice No. 1 of 2020. Revenue underperformance of UGX.9,484,876,432 due to shortfall in NTR, government transfers and donor funding The district did not absorb funds worth of UGX.940, 729,263 and these funds were subsequently swept back to the consolidated fund account. I further noted that funds received under USMID totaling to UGX.1,342,227,081 were not absorbed and as such swept back to the consolidated fund
12.	KOBOKO DLG	<ul style="list-style-type: none"> I noted that there was an under payment of UGX 83,675,196 of pension and gratuity

	<p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted that UGX 5,703,084 was paid to 2 staff who had either retired or died • I noted that whereas UGX. 2,007,415,658 was deducted from employees' salaries to be remitted to different beneficiaries, UGX. 1,866,468,850 was remitted, leading to an under remittance of UGX.140,946,808 • I noted that the District made unauthorized loan deductions totaling UGX. 111,107,631 • I noted that 14 newly recruited/ transferred employees and 6 pensioners • From a comparison of the payroll register and IFMS payment file, I noted that 25 staff were paid a total of UGX. 27,346,176 off the IPPS • The district has outstanding payables worth UGX.736,710,419 in the current financial year • I noted that the entity had not prepared and approved its strategic plan at the time of audit • I noted a number of issues in the implementation of approved budget such as partial or non-implementation of planned activities and budget shortfall of UGX.8,706,420,377 that affected implementation of planned activities; late submission of quarterly reports to Office of the Prime Minister and MoFPED • Construction of Multipurpose Hall, ICT, Library Block , teachers houses, pay ground and water installation at Padrombu SeedSchool UGX.1,234,362,772 has delayed and is incomplete and the Contractor was not on site • Nyangilia Ps briquette making sub project was advanced UGX.51,257,476 on Voucher No/EFT number 36222842 for the purpose of making fuel energy through briquettes. During field inspections undertaken on 24/11/2021, I noted that sub project had not yet taken off and the group members could not be traced • I noted that Koboko District received a total of UGX. 113,097,405 for supply of additional learning materials. I reviewed the bank statements for sampled schools and noted that the funds were still on the schools' accounts by 30th September, 2021 and had hence not been utilised • I noted that management ignored the element of competition in the procurement of some items worth UGX.1,236,462,077 • I noted that although the Bamure HC III General ward facility
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		was completed and ready for use, the building was redundant and had not yet been put to use five months after completion
13.	ARUA DLG <u>Opinions</u> Unqualified	<ul style="list-style-type: none"> • I was not availed with evidence that the district submitted wage estimates to MoPs as required. • The district failed to absorb wage funds worth UGX.2.14 billion and the funds were swept back into the consolidated fund account at year end. • The district made over payments of UGX.17, 088,304 various pensioners. • I noted that UGX.10, 115,392 was paid to 15 staffs that neither appeared on the IPPS payroll register nor had the necessary documentation in their personal files to support their existence. • I noted that 58 employees were paid salaries above their applicable salary band resulting in overpayments totalling UGX.37,427,696 while 6 employees were paid salaries below their applicable salary band resulting in underpayments totalling UGX.2,441,988. • The District wrongly computed gratuity benefits for 01 pensioner that resulted in an overpayment of UGX.17,088,304. • I noted that UGX.66,918,755 was paid to 49 staff who had either retired, transferred, absconded or died. • The district over and under remitted payroll deductions worth UGX.246,912,350 and UGX.201,704,458 due to wrong coding in the system • I noted that the District made unauthorized loan deductions totaling UGX.386, 522,646. The deductions were from 419 employees that neither had letters of undertaking nor existed in the "active deduction" or the "my approval" reports • I further noted that loan deductions relating to 16 (sixteen) employees did not have evidence of consent by the employees. • The District made PAYE deductions of UGX UGX.314, 021,935 for the month of February 2021, but did not remit to URA as required • I noted that the District did not subject political leaders' gratuity totalling to UGX.105,792,166 to the computation of PAYE in IPPS, leading to an under deduction of UGX.33,858,520, contrary to section 19(1) (a) of the Income Tax Act and also noted that 58 pensioners delayed to access the pension payroll during the year. • I noted that unqualifying funds amounting to UGX.52, 328,174 were charged on account codes prescribed for salary, pension and gratuity.

		<ul style="list-style-type: none"> • I noted that 29 employees were paid a total of UGX.51,348,377 without signed pay change reports. • I noted that 1,302 staff was paid a total of UGX. 3,048,993,948 off the IPPS that arose from wrong coding of Arua DLG staff under Madi-Okollo DLG payroll arising from the separation of the payroll following the creation of Madi-Okollo district. • The budget of Arua DLG was not adjusted/collapsed following the issuance of the supplementary budgets to the new local governments. Consequently, the budget of Arua DLG for the year under review is unrealistic. Further, activities meant to be undertaken by the new local governments were undertaken by Arua DLG for example the payment of general staff salaries totaling UGX.6,397,754,797 for Terego DLG staff and UGX.8,348,159,119 for Arua city staff. This distorts the budget performance measurement for the local governments involved. • I noted underperformance of revenues from NTR, transfer from government units and donor funding worth UGX.30.7Bn that affected budget implementation • The district failed to absorb funds worth UGX.9.3Bn and these funds were subsequently swept back to the consolidated fund account. • The district mischarged funds worth UGX.373, 406,160 on various codes other those budgeted for. Further, I noted that funds to the tune of UGX.93, 269,685 were spent on other activities without seeking and obtaining the necessary approvals. • I noted outstanding recoveries of funds from YLP and UWEP groups worth UGX.1, 793,009,954 by the year end. • I noted that Arua District received a total of UGX.490,472,016. I reviewed the bank statements sampled schools and noted that the funds were still on the school accounts by 30th September, 2021 and had hence not been utilized.
14.	ADJUMANI DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I reviewed funds absorption for salary and pension payments and noted under absorption of UGX.1.2 billion which may have led to non payment of eligible employees and pensioners • I noted that UGX.3,339,798 was paid to 4 staff who had retired. These were payments for services not rendered to the District, resulting in loss of funds to Government. • I noted that the District made unauthorized loan deductions amounting to UGX.39,469,082 relating to 40 employees that neither existed in the "active deduction" nor the "my approval" reports on the PDMS as evidence of approval. • I noted that 3 pensioners delayed to access the pension payroll

		<p>during the year with average delay period of 39 days to access the pension payroll.</p> <ul style="list-style-type: none"> • I noted that the District did not submit quarterly returns on payroll to MoPS. This led to accumulations of arrears, under absorption of wage, pension and gratuity budget and delays in granting clearance to recruit. • From a comparison of the payroll register and IFMS payment file, I noted that 5 staff was paid a total of UGX.7, 145,972 off the IPPS. This control weakness created an opportunity for payment of salaries to non-eligible persons. • I noted that the verification form and copies of the verification card for 6 pensioners/beneficiaries were not on their files. I was therefore unable to validate, authenticate the accuracy of the payroll records (salary and pension) on the IPPS. • I noted that the District Development Plan III was still in a draft form and had not yet been approved. • The district did not receive funds worth UGX.14,639,062,373 • The district failed to absorb funds worth UGX. 1,621,646,255 by the end of the financial year and the funds were subsequently swept back to the consolidated fund account that affected construction of roads and bridges, Installation of streetlights; and Construction of Leisure Park among others • The funds were meant for activities that were not fully implemented by the end of the financial year and these include; • A review of the revenue management process revealed that there was no invoice register for the amount billed during the year in place and schedule of debtors detailing debtor's records. I also noted that the district does not have a streamlined policy to be followed to recover the outstanding revenues/amounts. • I noted outstanding YLP balance of UGX.707, 536,351 that has not been recovered by the district which is affecting the revolution of the funds to other groups in the queue • The district had outstanding unrecovered the UWEP funds worth UGX.406,275,629 by close of the year • I noted that the District received a total of UGX. 129,300,127. I reviewed the bank statements sampled schools and noted that the funds were still on the school accounts by 30th September, 2021 and had hence not been utilized.
15.	<p>Pakwach DLG</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted that the District did not submit wage estimates to MoPs by 30th September of the preceding year a required • I reviewed funds absorption and noted that UGX. 10.209 Bn

		<p>(94%) was spent out of the total receipts of UGX.10.885 Bn, resulting in an unabsorbed balance of UGX. 0.676 Million. The unabsorbed balance was subsequently swept back to the consolidated fund account</p> <ul style="list-style-type: none"> • I reviewed funds absorption and noted that UGX.19.4 billion (94%) was spent out of the total receipts of UGX.20.6 billion, resulting in an under absorption of UGX.1.2 billion. I further noted an unexplained under absorption of salaries funds totaling UGX. 235,934,838 and under absorption of pension and gratuity totaling UGX.930, 294,356. • I noted that UGX.3, 339,798 was paid to 4 staff who had retired. These were payments for services not rendered to the District, resulting in loss of funds to Government. • I further noted that loan deductions for a sample of 10 employees lacked letters of undertaking and did not have evidence of consent. • I also noted loan deductions for twenty-eight (28) staff, totaling UGX.33,119,091, were above the approved deduction amount and Loans for fifteen (15) staff totaling UGX.132,794,500 had unreasonable loan end-dates. • I noted that the District did not submit quarterly returns on payroll to MoPS. This led to accumulations of arrears, under absorption of wage, pension and gratuity budget and delays in granting clearance to recruit. • From a comparison of the payroll register and IFMS payment file, I noted that 5 staff were paid a total of UGX.7, 145,972 off the IPPS. This control weakness created an opportunity for payment of salaries to non-eligible persons
16.	ARUA MC <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted that the wage and Pension Pay roll of UGX. 7,083,040,397 constituted 25% of the Municipal Council’s budget for 2020/2021 of 28.3Bn. • I noted that the Municipal Council delayed to submit wage estimates to MoPs, as required. • I reviewed funds absorption and noted that UGX.6.7 billion (98%) was spent out of the total receipts of UGX.6.9 billion for salaries, pension and gratuity • I noted that whereas UGX.1,510,024,063 was deducted from employees’ salaries to be remitted to different beneficiaries, UGX.1,502,519,098 was remitted leading to an under remittance amounting to UGX.7,504,965 • I noted that the entity did not include political leaders’ gratuity of UGX.8,939,400 in the computation of PAYE leading to under deduction of PAYE of UGX.2,681,820

		<ul style="list-style-type: none"> • I noted that the verification form and copies of the verification card for 09 pensioners/beneficiaries were not on their files • I further noted that the Municipal Council Development Plan III was still in a draft form and had not yet been approved • I noted that the Municipal Council had off-budget receipts totaling UGX.1, 069,848,174 during the year. • I noted a number of issues in the implementation of approved budget such as failure to fully quantify outputs, partial and non-implementation of planned activities; over absorption of UGX.761,755,708; revenue underperformance of UGX.2,530,484,439 • I noted that UGX.210,033,250 meant for surfacing of Staff Lane and Construction of Municipal Bypass was utilised for supply and installation of solar street lights on Oluko Road • • I noted that the entity submitted performance report for Q4 after the deadline given for submission of the reports • I noted that there were unapproved overpayments of UGX.1,427,380,000 relating to USMID works on School road and Adroa road • I noted that the Municipal Council made advance payment of UGX.333,383,989 to contractors without bank guarantees • I noted low bidder participation in 3 of the 11 sampled procurements • I noted that the Municipal Council did not receive its approved supplementary development budget totaling UGX.14,340,000,000 under Supplementary Expenditure Estimates Supplied Addendum No.1 to Schedule No.2 for F/Y 2020/2021 • I noted that the Municipal Council did not have an approved staff structure/establishment.
	MBARARA BRANCH	Summary of Key Findings
01.	MBARARA DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I analyzed the approved budget and releases to Mbarara District for salary, pension and gratuity in the period under review and noted that the wage and Pension Pay roll of UGX.20,650,503,996 constituted 68% of the District's budget for 2020/2021 of UGX.30.38 Bn • I noted that the District delayed to submit wage estimates to MoPS, contrary to the Establishment Notice. The submission was made on 18th February 2020, which is 140 days after the required date • I reviewed funds absorption and noted that UGX.19.6 billion (95%) was spent out of the total receipts of UGX.20.7 billion, resulting in an unabsorbed balance of UGX.1.1 billion.

		<ul style="list-style-type: none"> • I noted that the District made unauthorised loan deductions totalling UGX.11.8 million. The deductions were from 40 employees that neither existed in the “active deduction” nor the “my approval” reports on the Payroll Deduction Management System (PDMS), operated by Payroll Consults Africa (PCA) • I noted that the District made payroll deductions of UGX. 813,620,096, but did not remit concurrently with the salary payments in 11 out of 12 months. The delay ranged from 5 to 84 days • I noted delays in the remittance of PAYE deductions to URA for 2 months of November 2020 and January 2021 of six (06) and eighty (08) days respectively • I noted that the District did not subject political leaders’ gratuity totalling to UGX. 16,304,260 to the computation of PAYE in IPPS, leading to an under deduction of UGX.4,891,278 • I noted that of the 29 newly recruited/transferred, 13 employees delayed to access payroll, with delays ranging between 6 to 12 weeks • pensioners delayed to access the pension payroll, with delays ranging between 7-10 months • Gratuity and pensions of UGX. 601,669,910 was charged on Salary account which did not reflect the nature of the expenditure • I noted that the District prepared monthly wage, pension and gratuity performance analysis but did not submit quarterly returns on payroll to MoPS • I reviewed the approved Local revenue estimates for the financial year 2020/2021 and noted that the District budgeted to collect UGX.1,293,851,871 during the year but collected UGX.974,341,070 representing (75%) performance. • The Entity budgeted to receive UGX.2,077,267,871 as transfers from other Government Units. However, only UGX.583,148,567 (28%) was received. Revenue shortfalls affected the implementation of planned activities • The District budgeted to receive UGX.693,590,000 as external/donor financing out of which UGX.53,180,000 (7.7%), was received • I noted that management did not submit quarterly monitoring reports to the Office of the Prime Minister and Mofped as required
02.	RUBANDA DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I analysed the approved budget and releases to Rubanda District for salary, pension and gratuity in the period under review and noted that the wage and Pension Pay roll of UGX.17,152,929,012 constituted 49% of the District’s budget for 2020/2021 of UGX.34.85 Bn • I reviewed the wage funds absorption and noted that UGX.17.29 billion(96) was spent out of the total receipts of UGX18.02 billion, resulting in an unabsorbed balance of UGX.0.73 billion • A review of the payroll data (IPPS) and IFMS payments revealed variances between amounts on the approved payroll and payments to individual employees, leading to over payment of

		<p>UGX. 12,101,332</p> <ul style="list-style-type: none"> • I noted that 15 employees on the IPPS payroll did not receive salary of UGX. 37,502,687 • A comparison of base pay in the IPPS payroll registers with the salary structure for 2020/21, revealed that June payments were made using wrong salary scales, leading to over payments of UGX. 3,197,252, and under payments of UGX. 978,860 • I noted that whereas UGX. 4,119,399,533 was deducted from employees' salaries to be remitted to different beneficiaries, UGX. 4,110,103,755 was remitted, leading to an over and under remittance amounting to UGX.(234,929,994) and UGX.244,225,772 respectively • I noted that the District made unauthorised loan deductions totalling UGX. 41,736,635 from 22 employees that neither had letters of undertaking nor existed in the "active deduction" or the "my approval" reports on the Payroll Deduction Management System (PDMS) • I noted that the District did not subject political leaders' gratuity totalling to UGX. 30,155,400 to the computation of PAYE in IPPS, leading to an under deduction of UGX. 9,113,820 I noted that 9 pensioners delayed to access the pension payroll, with delays ranging between 6-15 months • I noted that the District did not prepare monthly wage, pension and gratuity performance analysis and thus did not submit quarterly returns on payroll to MoPS • I observed that there were variances of UGX. 5,667,077 and UGX.7.076,946 between the MoPS IPPS and entity payroll registers availed by the core FTP system • I noted that at the time of audit October 2021 the district strategic plan was not approved by NPA. • I noted that the district had planned to collect local revenue of UGX0.587Million but was only able to collect 0.351 million representing 60% performance. • Of the UGX.10.13Bn budgeted as transfers from other Government Units, only UGX.0.8 Bn was received representing 8% performance • The district did not receive any external/donor financing despite having a budget of UGX0.89Bn
03.	KAZO DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I analysed the approved budget and releases to Kazo district for salary, pension and gratuity in the period under review and noted that the wage and Pension Pay roll of UGX.10,993,531,909 constituted 64.1% of the District's budget for 2020/2021 of UGX.17,131,504,889 • A comparison of base pay in the IPPS payroll registers with the salary structure for 2020/21, revealed that 20 staff were paid using wrong salary scales, leading to over payments of

		<p>UGX269,392</p> <ul style="list-style-type: none"> • I noted that UGX.1,605,867 was paid to 3 staff who had either absconded or died • I noted that the District made unauthorised loan deductions totalling UGX.43,661,032. The deductions were from 12 employees that neither had letters of undertaking nor existed in the "active deduction" or the "my approval" reports on the PDMS-Payroll Deduction Management System, operated by PCA-Payroll Consults Africa. • I further noted that loan deductions relating to 12 employees did not have evidence of consent • I noted that the District made payroll deductions but did not remit concurrently with the salary payments in 7 out of 8 months. On average, it delayed by 7 days • I noted that the District did not subject political leaders' gratuity totalling to UGX.29,166,600 to the computation of PAYE in IPPS, leading to an under deduction of UGX.8,652,480 • I noted that the District did not prepare monthly wage, pension and gratuity performance analysis and thus did not submit quarterly returns on payroll to MoPS • I noted that the district was implementing a strategic plan (2020/21- 2024/25) that had not been approved by National Planning Authority • I noted that the district only managed to collect local revenue of UGX327,102,266 of the budgeted UGX 824,355,800 representing 40% performance • I noted that Transfers received from the consolidated fund performed at 90% • I noted the district did not receive any external financing despite having a budget of UGX 33,504,000 • I noted that the District received off-budget financing of UGX.552,762,500 which was never paid into the consolidated fund as required by the law • Out of the total receipts for the financial year of UGX.15.12bn (including opening balance of UGX.367,655,139) UGX.14.46bn was spent by the entity resulting in an unspent balance of UGX.0.65 Bn representing absorption level of 96% • I assessed the implementation of twenty two (22) outputs that were fully quantified with a total of twenty-one (22) activities worth UGX 1.83Bn and noted that Eighteen (18) outputs with total expenditure amounting to UGX 1.16 Bn were fully implemented representing 70.6% of the outputs, Four (4) outputs with total expenditure amounting to UGX.0.67 Bn were partially implemented representing 29.4% of the outputs. • I noted that the entity submitted performance reports for Q1, Q2, Q3, Q4 after the deadline given for submission of the reports
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04.	INSINGIRO DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I analysed the approved budget and releases to the District for salary, pension and gratuity in the period under review and noted that the wage and Pension Pay roll of UGX.25,700,415,566 constituted 29.4% of the District’s budget for 2020/2021 of UGX.87.35 Bn • I noted that the District delayed to submit wage estimates to MoPs, as required. The submission was made after 30th September 2020. This may lead to wage shortfalls/over provision due to lack of clarity and analysis of wage estimates by MoPS • The District paid out a total of UGX.14,568,696 to 12 non-existent staff. These were not on the IPPS payroll register and also lacked the necessary documentation to support their existence • A comparison of base pay in the IPPS payroll registers with the salary structure for 2020/21 revealed that seventeen (17) staff were paid using wrong salary scales, leading to under payment of UGX.189,881 • I noted that UGX.9,922,552 was paid to five (5) staff who had either retired, transferred, absconded or died • I noted that whereas UGX.5,426,888,768 was deducted from employees’ salaries to be remitted to different beneficiaries, UGX.4,951,234,873 was remitted, leading to an under remittance of UGX.475,653,895 • I noted that the District did not subject political leaders’ gratuity totalling to UGX.42,781,000 to the computation of PAYE in IPPS, leading to an under deduction of UGX.12,900,150 • I noted that one retiree who was last paid in October, 2020 had not yet accessed the pension payroll by the time of audit • I noted that UGX.12,152,847 was diverted to Bangirana Josaphat M employee no 524376) as residual pension arrears from April 2015 to October 2019. However, these had not been verified and therefore not part of schedule provided by MoFPED • I noted that 05 employees were paid a total of UGX.9,087,270 without signed pay change reports • I noted that the District did not prepare monthly wage, pension and gratuity performance analysis and thus did not submit quarterly returns on payroll to MoPS • I noted that twelve (12) staff and 02 pensioners were paid a total of UGX.32,785,938 off the IPPS • I observed that there were variances of UGX.12,355,491 between the figures in the MoPS IPPS and entity payroll registers • I reviewed the approved Local revenue estimates for the financial year 2020/2021 and noted that the District budgeted to collect UGX.1,029,300,000 during the year but collected UGX. 778,835,482 representing (83%) performance • The entity budgeted to receive UGX.39,034,900,000 as transfers
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		<p>from other Government Units. However, only UGX.16,417,071,378 (42%) was received</p> <ul style="list-style-type: none"> • The District budgeted to receive UGX.3,112,206,100 as external/donor financing out of which UGX.1,226,592,425 (39.4%) • Out of the total receipts for the financial year of (UGX.61,860,404,265 – 1,313,798,884), UGX.61,310,829,945 (89%) was spent by the entity resulting in an unspent balance of UGX.764,224,564 (08%). • I assessed the implementation of thirty two (32) outputs that were fully quantified with a total of thirty two (32) activities worth UGX.3.505 Bn and noted the following • Thirty (30) outputs with a total of thirty (30) activities worth UGX.2.771 Bn were fully implemented. • Two (02) outputs with a total of two (02) activities worth UGX.0.734 Bn were partially implemented by the time of audit • I noted that the entity did not prepare and submit the annual monitoring plans to MoFPED, MoLG and NPA as required. • The entity had not also submitted quarterly monitoring reports to the Office of the Prime Minister and Moped as required by the time of audit 10th of September 2021 I noted that Management submitted performance reports for Q1, Q2, Q3 and 4 after the deadline given for submission of the reports • I audited the Construction of Ruborogota seed school under UgIFT and I observed that no liquidated damages were charged to the contractor by management as stipulated in terms and conditions of the agreement. I further noted that overall physical progress was at 75.2% and the financial progress was at 68% as per monthly progress report of July 2021 implying UGX.667,629,755 were lying idle on the account • I noted that taxes amounting to UGX.3,344,640 were never paid to URA as summarised in the table I inspected various prices of land owned by the District and noted that most of it lacked land titles and three pieces of land (6.6 acres) had been encroached on by private developers • I noted that most of the District land did not have certificates of title • I noted that as per quarter 2nd 2020/2021 Youth Livelihood Programme Performance Report by the focal person to the Accounting Officer, dated 30st December 2020, that UGX.1,599,889,519 had been disbursed to various youth groups in the district but UGX.331,883,100 had been recovered leaving UGX.1,367,353,783 unrecovered
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05.	BUHWEJU DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted that the wage and pension pay roll of UGX.9,342,366,801 constituted 54% of the District's budget for 2020/2021 of UGX.17,438,067,437. • I noted that the District did not to submit wage estimates to MoPs, as required • I reviewed payroll funds absorption and noted that UGX.9.34 billion (107%) was spent out of the total receipts of UGX.8.57 billion, resulting in an excess expenditure of UGX.0.64 billion • I noted a salary over payment of UGX.278,550,496 • I noted a salary under payment of UGX.36,127,180 • I was not availed with the pension payroll data and I was unable to compare pension and gratuity payroll amount with IFMS payments of UGX.608,581,426 and UGX.302,628,319 for gratuity and pension respectively • I noted that 116 staff were paid salary using wrong salary scales, leading to over payments of UGX.72,081,318 • I was not availed with information on staff departures and I could not ascertain the duration of the delayed deletions • I noted that UGX.756,742,653 was deducted from employees' salaries to be remitted to Uganda Consumer Lenders' Association/Uganda Bankers' Association, and UGX.756,916,127 was remitted, leading to an over remittance of UGX.173,474 • I noted that the District made payroll deductions of UGX.756,742,653, but did not remit concurrently with the salary payments in all the 6 months. On average, it delayed by 41 days • I noted delays in the remittance of PAYE deductions to URA ranging from 2 – 46 days • I was not availed with lists of new staff and leavers, I could therefore not establish the timing of accessibility to the payroll by the new staff. • I noted that salary entries amounting to UGX.184,483,367 to several employees were not supported by signed pay change reports • I noted that the District did not prepare monthly wage, pension and gratuity performance analysis and did not submit quarterly returns on payroll to MoPS • I noted that 102 staff were paid a total of UGX.499,116,733 off the IPPS • I noted that the verification form and copies of the verification card for employees and pensioners/beneficiaries on their files were not availed for audit review • I reviewed the effectiveness and reliability of the IPPS/NID staff/pensioner/beneficiaries' verification interface and noted the following;
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		<ul style="list-style-type: none"> • In-adequate sensitization and training in the use and navigation of the system • System was not reliable and effective • Operational challenges were encountered; • E.g. Un-reliable network in Buhweju where HR staff had to physically travel to the neighbouring Districts to be able to download documents such as pension payroll registers. • Inadequate staffing of the HR department • I noted that the district budgeted to collect UGX.155,201,000 during the year but collected UGX.136,282,651 representing (88%) performance. The shortfalls in Local Revenue collections of UGX. 18,918,349 (12%) were recorded in Local Service Tax, Land Fees and Application Fees • I noted that entity budgeted to receive UGX.758,657,000 as transfers from other Government Units. However, only UGX.537,760,298 (70.9%) was received • I assessed the implementation of seven (7) outputs that were fully quantified with a total of seven (7) activities worth UGX 1.6 Bn and noted the following. • Five (05) outputs with a total of five (05) activities worth UGX.1.03Bn were fully implemented. The entity implemented all the five (05) activities (100%) within these outputs. • Two (02) outputs with a total of two (02) activities worth UGX.0.5 Bn were partially implemented. • I noted that the district had commenced implementation of two (2) UgIFT projects namely; Upgrading of Engaju HC II to HC III and Upgrade of Rushambya HC II to HC III and noted the following; • Upgrading of Rushambya Health Centre II to Health Centre III; The medical facility had been completed but lacked medical equipment to enable functionality and service delivery • Upgrade of Engaju HC II to HC III; The project stalled but medical equipment had been procured and an advance payment of UGX. 211,119,458 was made during the year
06.	BUSHENYI DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted that the wage and Pension Pay roll of UGX.21,998,865,997 constituted 54% of the District's budget for 2020/2021 of UGX.40,645,826,438. • I reviewed payroll funds absorption and noted that UGX.20.697 billion (94%) was spent out of the total receipts of UGX.21.999 billion, resulting in an unabsorbed balance of UGX.1.302billion • I noted a salary over payment of Ms Twehandikise Miria of UGX.508,439 instead of paying UGX.5,974,218, UGX.6,482,657 was paid • I noted pension and gratuity underpayment of UGX.984,681,443

		<ul style="list-style-type: none"> • I noted that whereas UGX.1,504,757,075 was deducted from employees' salaries to be remitted to different beneficiaries, UGX.1,517,190,079 was remitted, leading to an over/ under remittance of UGX.12,433,004 and UGX.6,100,834 • I noted that the District made payroll deductions but did not remit concurrently with the salary payments in 5 out of 7 months. On average, it delayed by 7 days • I noted that the district had outstanding salary arrears from previous years' worth UGX.34,719,743 that remained unpaid at the end of the financial year • I carried out a survey to establish the effectiveness and reliability of the IPPS/NID staff/pensioner/beneficiaries' verification interface and noted the following; <ul style="list-style-type: none"> • Operational challenges were encountered; • Mismatches of names that take long to be corrected by NIRA and affects ability to timely access people on payroll. • In some cases, the status under IPPS remain "NOT VERIFIED" even when the record is verified and approved. This again requires one to contact Ministry of Public service for an intervention. • I noted at the time of audit (June 2020/2021) the strategic plan had not been approved by NPA for implementation • I noted that Bushenyi District budgeted to collect UGX.630,746,210 in the year under review however the entity only collected UGX.393,072,939 representing 62% performance. • The entity budgeted to receive UGX.29,905,844,709 from the consolidated fund out of which UGX.28,011,829,956 was received representing causing a shortfall of UGX.1,894,014,753 representing 94% performance • The entity budgeted to receive UGX.9,669,035,803 as transfers from other Government Units out of which UGX.1,522,149,995 were received representing 16% performance leading to a shortfall of UGX. 8,146,885,809 (84%) • The entity budgeted to receive UGX.440,199,716 as external/donor financing out of which UGX.86,160,000 was received representing 6% performance • I assessed the implementation of Twenty two (22) outputs that were fully quantified with a total of Twenty two (22) activities worth UGX 3.13 Bn and noted the following; <ul style="list-style-type: none"> • Fifteen (15) outputs with a total of fifteen (15) activities worth UGX.2.38 Bn were fully implemented. • Five(05) outputs with a total of Five(05) activities worth UGX 0.70 Bn were partially implemented by the time of audit. • Two (02) outputs with a total of two(02) activities worth UGX 0.05 Bn were not implemented by the time of audit.
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07.	IBANDA DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted the wage and Pension Pay roll of UGX.13,873,913,709 constituted 56% of the District's budget for 2020/2021 of UGX.24,675,034,751 • I reviewed payroll funds absorption and noted that UGX.11.6 billion (90.6%) was spent out of the total receipts of UGX.12.8 billion, resulting in an unabsorbed balance of UGX.1.1 billion. • I noted that the District made payroll deductions but did not remit it concurrently with the salary payments in 6 months. The delays ranged from 5 to 28 days • I noted that 191 newly recruited/transferred employees delayed to access payroll, with delays ranging between 1-9 months • I noted that only eight (8) pensioners delayed to access the pension payroll, with delays ranging between 2-7 months • I noted that the District did not prepare monthly wage, pension and gratuity performance analysis and thus did not submit quarterly returns on payroll to MoPS • I noted that although the entity had prepared a strategic plan that at the time of audit, it had not yet been approved as aligned to the NDP-III • I noted that the entity budgeted to receive UGX.22.11Bn as grants from the Treasury. However, only UGX.19.45Bn was received representing 88% performance leading to budget shortfall of UGX.2.66 Bn (12%). • I noted that the entity budgeted to receive UGX.1.48Bn as transfers from other Government Units. However, only UGX.1.22Bn was received representing 82.4% performance leading to revenue shortfall of UGX. 0.26Bn (17.6%). • I noted that the entity budgeted to receive UGX. 0.39Bn as external/donor financing out of which UGX.0.14Bn was received representing 36% performance leading to revenue shortfall of UGX.0.25Bn (63%). • The entity did not prepare and submit the annual monitoring plans to MoFPED, MoLG and NPA as required. • The entity also did not submit quarterly monitoring reports to the Office of the Prime Minister and MoFPED as required
08.	KABALE DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted that the wage and Pension Pay roll of UGX.23,557,107,073 constituted 49.6% of the District's budget for 2020/2021 of UGX.47,484,993,193,

		<ul style="list-style-type: none"> • I noted that UGX.52,165,651 was paid to 30 staff who had either retired, transferred, absconded or died • I noted that the District made unauthorised loan deductions totalling to UGX.107 million. The deductions were from 30 employees that did not have letters of undertaking. Of the 30 employees, 26 employees did not exist in the "active deduction" while 04 employees did not exist in the "my approval" reports on the PDMS-Payroll Deduction Management System, operated by PCA-Payroll Consults Africa • I noted that the District made payroll deductions of UGX.4.8 Bn, but did not remit concurrently with the salary payments in 5 out of 12 months. On average, it delayed by 21 days • I noted delays in the remittance of PAYE deductions to URA ranging from 16 – 15 days • I noted that the District did not subject political leaders' gratuity totalling to UGX.36,127,200 to the computation of PAYE in IPPS, leading to an under deduction of UGX.9,608,560 • I noted that 76 newly recruited/ transferred employees delayed to access payroll, with delays ranging between 1-2 months, while 50 new recruits did not access the payroll during the financial year • I noted that 36 pensioners delayed to access the pension payroll, with delays ranging between 1 - 3 months, whereas 16 pensioners did not access the payroll • I noted that 03 staff and 26 pensioners were paid a total of UGX 81,673,064 off the IPPS • I observed that there were variances of UGX.250 Million between the figures in the MoPS IPPS and entity payroll registers • I noted that although the entity had prepared a strategic plan that at the time of audit, it had not yet been approved as aligned to the NDP-III • I reviewed the approved Local revenue estimates for the financial year 2020/2021 and noted that the District budgeted to collect UGX.0.47Bn during the year but collected UGX.0.402 Bn representing (85%) performance. • I noted that the District budgeted to receive UGX.37.08 Bn (revised) as grants from the Treasury but UGX.33.54 Bn was warranted/ received representing 91% performance. • I noted that the Entity budgeted to receive UGX.9.06 Bn as transfers from other Government Units. However, only UGX.1.45 Bn (16%) was received • I noted that the District budgeted to receive UGX.0.86 Bn as external/donor financing out of which UGX.0.11 Bn (12%), was received • I noted that Out of the total receipts for the financial year of UGX.35.51 Bn, UGX.34.88 Bn (98.2%) was spent by the entity
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		<p>resulting in an unspent balance of UGX.0.63 Bn (0.8%).</p> <ul style="list-style-type: none"> I noted that Management submitted performance reports for Q1, Q2, Q3 and Q4 after the deadline given for submission of the reports
09.	KANUNGU DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> I noted that the wage and Pension Pay roll of UGX.28,863,148,598 constituted 66% of the District's budget for 2020/2021 of UGX.43.7 Bn I noted that the District delayed to submit wage estimates to MoPs, as required I reviewed Payroll funds absorption and noted that UGX.27 billion (95%) was spent out of the total receipts of UGX.28 billion, resulting in an unabsorbed balance of UGX.1 billion I noted under payment of salary amounting to UGX 84,270,346 I noted that 116 staff were paid using wrong salary scales, leading to over payments of UGX.33,520,148, I noted that UGX.13,922,650 was paid to 11 staff who had either retired, transferred, absconded or died I noted that the District made payroll deductions of UGX.6,465,198,289, but did not remit concurrently with the salary payments in 11 out of 12 months. On average, it delayed by 11 days I noted delays in the remittance of PAYE deductions to URA for 2 months I noted that the District did not subject political leaders' gratuity totalling to UGX.58,306,246 to the computation of PAYE in IPPS, leading to an under deduction of UGX.17,588,374 I noted that 11 newly recruited/ transferred employees delayed to access payroll, with delays ranging between 1-6 months I noted that the District did not prepare monthly wage, pension and gratuity performance analysis and thus did not submit quarterly returns on payroll to MoPS I noted that 11 staff were paid a total of UGX.6,647,285 off the IPPS I carried out a survey to establish the effectiveness and reliability of the IPPS/NID staff/pensioner/beneficiaries' verification interface and noted the following; In-adequate sensitization and training in the use and navigation of the IPPS. As a result, the HR team was unable to obtain pension payrolls for the financial year under review and the interface files for both salary and pension for the month of October 2020. Lack/inadequate verification and ineffectiveness of the system may affect the integrity of the IPPS payroll I noted that the District budgeted to collect UGX. 969,000,605

		<p>during the year but collected UGX.349,340,889 representing (36%) performance</p> <ul style="list-style-type: none"> • I noted that the Entity budgeted to receive UGX.2,914,268,788 as transfers from other Government Units. However, only UGX.1,346,142,527 (46%) • I noted that the District budgeted to receive UGX.958,677,000 as external/donor financing out of which UGX.121,361,000(14%), was received • I noted that out of the total receipts for the financial year of UGX.37,438,548,600, UGX.36,912,545,231 (99%) was spent by the entity resulting in an unspent balance of UGX.526,003,369 (1%). • I noted that UGX.66,181,436 was charged on items which did not reflect the nature of the expenditure as shown in • I noted an irregular payment of VAT UGX 28,258,475 to contractors for the upgrade of Ntungamo HC II to HC III in Butogata Subcounty despite aid-funded projects being VAT exempt . The irregular payment was attributed to the irregular inclusion of the VAT amount in the contract price during the procurement process. • I noted that the District budgeted to receive UGX.931,475,272 from Uganda Road Fund for maintenance of 256.9 km of district roads, and UGX.900,073,304 (97%) was received and was utilised on maintenance of 242.5 km of roads, with a shortfall of UGX.31,401,970(3%) which left 14.4 km of roads not worked on.
10.	KIRUHURA <u>Opinion</u> Unqualified	DLG <ul style="list-style-type: none"> • I noted that the wage and Pension Pay roll of UGX.12,779,567,829 constituted 50% of the District's budget for 2020/2021 of UGX.25.49 Bn • I reviewed funds absorption and noted that UGX.11.6 billion (90.6%) was spent out of the total receipts of UGX.12.8 billion, resulting in an unabsorbed balance of UGX.1.1 billion • I noted salary underpayment of UGX.7,916,200 • I noted salary overpayment of UGX.38,256,602 • I noted that whereas UGX.2,397,995,367 was deducted from employees' salaries to be remitted to different beneficiaries, UGX.2,396,361,743 was remitted, leading to an over remittance of UGX.378,730 and an under remittance of UGX.2,012,354 • I noted that the District made loan deductions totalling UGX.71,827,411 from 14 employees that neither had letters of undertaking nor existed in the "active deduction" or the "my approval" reports on the Payroll Deduction Management System (PDMS) operated by Payroll Consults Africa (PCA). • Also noted that 08 employees were not in "my approval report " but were in "active deduction report". • I further noted that loan deductions relating to 13 employees did

		<p>not have evidence of consent by the employees</p> <ul style="list-style-type: none"> • I noted that the District made payroll deductions of UGX.919,811,264, but did not remit the deductions concurrently with the salary payments in 5 out of 9 months • I noted that the District did not subject political leaders' gratuity totalling to UGX 30,692,400 to the computation of PAYE in IPPS, leading to an under deduction of UGX.8,941,216 • I noted that 38 newly recruited/transferred employees delayed to access the payroll, with delays ranging between 1-2 months • I noted that only five(5) out a sample of 52 pensioners delayed to access the pension payroll, with delays ranging up to a month • I noted that 15 staff were paid a total of UGX 12,719,746 respectively off the IPPS • I noted that although the entity had prepared a strategic plan that at the time of audit, it had not yet been approved as aligned to the NDP-III • I noted that Kiruhura District budgeted to collect UGX.1.19Bn during the year under review. The entity collected UGX.0.43Bn representing 36.16% performance • I noted that the entity budgeted to receive UGX.2.78 Bn as transfers from other Government Units. However, only UGX.1.53Bn was received representing 55.14% performance • I noted that the entity budgeted to receive UGX.0.85Bn as external/donor financing out of which UGX.0.065Bn was received representing 7.75% performance • I noted that Out of the total warrants for the financial year of UGX.22.39 Bn, UGX.20.25Bn was utilized and spent by the entity resulting in an unspent balance of UGX.2.14 Bn representing an absorption level of 90%. • I assessed the implementation of eight (8) outputs that were fully quantified with a total of twenty-one (21) activities worth UGX.2.96Bn and noted the following. • Three (3) outputs with total expenditure amounting to UGX.0.688Bn were fully implemented representing 37.5% of the outputs. • Five (5) outputs with total expenditure amounting to UGX.2.27Bn were partially implemented representing 62.45% of the outputs • I noted that the entity did not prepare and submit the annual monitoring plans to MoFPED, MoLG and NPA as required. • I noted that the entity also did not submit quarterly monitoring reports to the Office of the Prime Minister and MoFPED as required • I noted that the entity submitted performance reports for Q1, Q2, Q3, Q4 after the deadline given for submission of the reports • I noted variances in performance from my review of the Annual
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		<p>cumulative performance reports and physical inspections/verification of performance.</p> <ul style="list-style-type: none"> • I reviewed the implementation of Uganda Road Fund and noted the following; • A total of UGX.726,279,445 was budgeted for however the District Council received UGX.1,148,526,601 (158%) • A total of 221.90 km at an estimated cost of UGX.31,213,190 was planned to be undertaken. However, audit revealed that no work was actually undertaken. Thus the entire 221.90 km were not maintained • A total of 6 km at an estimated cost of UGX.17,983,012 was planned to be undertaken. Audit revealed that 34.6 km was undertaken at a cost of UGX.187,493,520. I noted that the initial plan (budget) was not revised when additional funds were received.
11.	KISORO DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted that the wage and Pension Pay roll of UGX.29,217,966,405 constituted 72% of the District's budget for 2020/2021 of UGX.40.68 Bn • I noted that the District did not submit wage estimates to MoPs, as required. • I noted an over payment of Pension of UGX.5,223,859 • I also noted that the District made payroll deductions of UGX2.595 billion, but did not remit concurrently with the salary payments in 6 out of 6 months sampled. On average, it delayed by 13.5 days • I noted delays in the remittance of PAYE deductions to URA ranging from 3 – 32 days • I noted that the District did not subject political leaders' gratuity totalling to UGX.419,638,073 ` to the computation of PAYE in IPPS, leading to an under deduction of UGX.125,070,214 • I noted that 7 pensioners delayed to access the pension payroll, with delays ranging between 1-4 months • I noted that the Districts prepared monthly wage, pension and gratuity performance analysis but did not submit quarterly returns on payroll to MoPS • I noted that 15 staff were paid a total of UGX.47,243,693 off the IPPS • I observed that there were variances of UGX.29,495,726 between the figures in the interface files and entity payroll registers • Some information on the NIRA interface is sometimes not visible/available for instance date of birth and the photo which delays the verification exercise • I noted that Kisoro DLG budgeted to collect UGX.461,618,300 during the year under review. The entity collected

		<p>UGX.256,912,576 representing 55.7% performance.</p> <ul style="list-style-type: none"> • I noted that the entity budgeted to receive UGX.1.10Bn as transfers from other Government Units out of which UGX.0.73Bn was received representing 66.2% performance • I noted that the entity budgeted to receive 1.5Bn from external assistance but received 0.11Bn representing 7.6%. • I assessed the implementation of fifteen (15) outputs that were fully quantified with a total of fifteen (15) activities worth UGX.3.81Bn and noted the following; • Thirteen (13) outputs with Thirteen (13) activities worth UGX.3.808 Bn were fully implemented representing 58.6% of the outputs. • Two (2) outputs with two activities(2) worth UGX.0.54 Bn were not implemented representing 3.6% of the outputs(included in the schedule at UGX.0 because no funds were spent) • I noted that the entity submitted performance reports for Q1, Q2, Q3 and Q4 after the deadline given for submission of the reports • I noted the delayed completion of Nyakinama Seed School (UGIFT project) worth 2,331,850,894 • I noted that the District budgeted and received funds worth UGX.344,284,000 under UGIFT program for the construction of Mwumba Progressive SS. However, this project did not take off due to delays in the procurement process and at the time of audit in August, 2021, the project had not started with a delay of 12 months.
12.	<p>MBARARA CITY <u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I noted that the wage and Pension Payroll of UGX.17,869,060,735 constituted 39.4% of the Municipal Council's budget for 2020/2021 of UGX.45,355,732,366. • I reviewed payroll funds absorption and noted that UGX.17.2 billion (96.25%) was spent out of the total receipts of UGX.17.9 billion, resulting in an unabsorbed balance of UGX.0.70 billion • I noted salary underpayment of UGX.3,201,482 • I noted that UGX 18,896,920 was paid to 2 staff who had died • I noted that whereas UGX.3,348,734,358 was deducted from employees' salaries to be remitted to different beneficiaries, UGX.3,346,988,823 was remitted leading to an over remittance of UGX.7,068,846 and under remittance of UGX.8,814,381 • I also noted that the Municipal Council made payroll deductions of UGX.790,748,220, but did not remit concurrently with the salary payments in 12 out of 12 months. On average, it delayed by 23 days • I also noted delays in the remittance of PAYE deductions to URA ranging from 2 – 34 days • I noted that 14 newly recruited/ transferred employees delayed

		<p>to access payroll, with delays ranging between 1-2 months</p> <ul style="list-style-type: none"> • I noted that 22 pensioners delayed to access the pension payroll, with delays ranging between 1 to 10 months • I noted that the Municipal Council did not prepare monthly wage, pension and gratuity performance analysis and thus did not submit quarterly returns on payroll to MoPS • I observed that there were variances of UGX.7,662,578 between the MoPS IPPS and Entity payroll registers • The merger of both IPPS and NIRA system have not been fully done in that when there is a system error each entity has to clear an error in its jurisdiction thus time consuming and affecting timely service delivery. • The system has not been fully decentralized to the extent that system errors under Employee verification system (issues) with NIRA have to be handled at the Headquarter and this contributes to multiple negative factors such delayed clearance of technical issues at least a period of three month or more. • I noted that although the entity had prepared a strategic plan, at the time of audit, it had not yet been approved as aligned to the NDP-III. • I noted that the entity collected local revenue of UGX.3.54Bn of 6.42Bn representing 55.25% performance • I noted that the entity budgeted to receive UGX.37.49Bn as grants from the Treasury. However, UGX.31.59 Bn was received, representing 84.26% performance • I noted that the entity budgeted to receive UGX.1.45Bn as transfers from other Government Units. However, UGX.7.65Bn was received representing 527.59% performance • I noted that out of the total receipts for the financial year of UGX.42.84Bn, UGX 36.68Bn was spent by the entity resulting in an unspent balance of UGX 6.15 Bn representing an absorption level of 85.6%. • I noted that the management submitted performance reports for Q1, Q2, Q3, Q4 after the deadline given for submission • I noted that the contract for the upgrade of Kyarwabuganda HCII to HCIII worth UGX.540,531,906 was completed fourteen (14) months after the expected/ contracted end date • I also noted that another contract of UGX.279,324,596 was awarded to M/s Twinka Enterprises (U) Ltd to construct three units of Doctors houses with planned commencement date of 26/12/2019, and completion date by 26/06/2020. A review of the progress report revealed that planned works were completed on 22/08/2020, eleven (11) months outside the contract period without approval.
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13.	MITOOMA DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted that the wage and Pension Pay roll of UGX.18,505,405,927 constituted 63% of the District's budget for 2020/2021 of UGX.29,350,754,495. • I noted that the District did not to submit wage estimates to MoPS, as required • I noted delays in the remittance of PAYE deductions to URA of up to 100 days • I noted that 47 newly recruited/transferred employees delayed to access payroll, with delays ranging between 2-14 months • I noted that 7 pensioners delayed to access the pension payroll, with delays ranging between 1-14 months • I noted that the District did not prepare monthly wage, pension and gratuity performance analysis and thus did not submit quarterly returns on payroll to MoPS • I noted that 6 pensioners were paid a total of UGX.26,607,195 off the IPPS • I observed that there were variances of UGX.514,103,048 between the figures in the MoPS IPPS and entity payroll registers, • Operational challenges were encountered; E.g. Un-reliable network in Mitooma where HR staff had to physically travel to the neighbouring Bushenyi District to be able to download documents such as pension payroll registers. • I noted that the upgrade of Mayanga HC II to HC III contracted to Khalsa (U) Ltd was still under construction and only at roofing stage by the time of audit inspection on 13th October, 2021. However, the medical equipment had already been procured and delivered under a separate contract to M/s Rodrisa Supplies Limited who was expected to supply, deliver, instal, train and commission the medical equipment. Procurement of medical equipment for a health facility still at foundation stage may lead to obsolescence, pilferage and physical damage leading to nugatory expenditure.
14.	NTUNGAMO DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted that the wage and Pension Pay roll of UGX.35,484,605,345 constituted 56% of the District's budget for 2020/2021 of UGX.63,733,887,733. • I reviewed payroll funds absorption and noted that UGX.34,743,195,467 (98%) was spent out of the total receipts of UGX.35,484,605,345, resulting in unabsorbed balance of UGX.741,409,878 • I noted that the District made payroll deductions but did not remit concurrently with the salary payments in 8 out of 8 months. On average, it delayed by 12 days • I noted that all remittances of PAYE deductions were paid to URA ranged from 9 - 13 days

		<ul style="list-style-type: none"> • I noted that the District did not subject political leaders' gratuity totalling to UGX.60,526,800 to the computation of PAYE in IPPS, leading to an under deduction of UGX.14,374,090 • I noted that the entity did not prepare monthly wage, pension and gratuity performance analysis, and did not submit quarterly returns on payroll to MoPS • I noted that 29 staff were paid a total of UGX.91,713,882 off the IPPS • I carried out a survey to establish the effectiveness and reliability of the IPPS/NID staff/pensioner/beneficiaries' verification interface and noted the following; • I noted that the entity had no approved a strategic plan at the time of audit • I noted that the District budgeted to collect UGX.1,554,984,179 during the year but collected UGX.1,127,109,918 representing (72%) performance • I noted that the entity budgeted to receive UGX.8,698,586,134 as transfers from other Government Units out of which UGX.1,307,013,923 was received representing 15% performance leading to a shortfall of UGX.7,391,572,211(85%) • I noted that the entity budgeted to receive UGX.1,901,504,814 as external/donor financing out of which UGX.267,332,705 was received representing 14% performance • Out of the total receipts for the financial year of UGX. 53.52, UGX. 51.85 (97%) was spent by the entity resulting in an unspent balance of UGX. 1.67 (3%). • I carried out an audit inspection of the Construction of Kihanga seed Secondary school (UGX.718,168,225) in September 2021, and noted that the project had been abandoned and behind schedule by 20 months • I noted that most of the District land did not have certificates of land titles
15.	RUKIGA DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted that the wage and Pension Pay roll of UGX.15,291,042,432 constituted 50.4% of the District's budget for 2020/2021 of UGX.30,313,124,744 • I noted that the District did not submit wage estimates to MoPS, as required • I reviewed payroll funds absorption and noted that UGX.13.167 billion (86%) was spent out of the total receipts of UGX.15.29 billion, resulting in an unabsorbed balance of UGX 2.12 billion • I noted that whereas UGX.909,840,551 was deducted from employees' salaries to be remitted to different beneficiaries, UGX.909,338,143 was remitted, leading to an over/under remittance of UGX.153,842 and UGX.656,250 respectively • I noted that the District made payroll deductions of UGX 0.844

		<p>billion, but did not remit concurrently with the salary payments in 11 out of 12 months. On average, it delayed by 6.5 days</p> <ul style="list-style-type: none"> • I noted that the District did not subject political leaders' gratuity totalling to UGX.34,918,061 to the computation of PAYE in IPPS, leading to an under deduction of UGX.10,880,299 • I noted that 6 newly recruited/transferred employees delayed to access payroll, with delays ranging between 1- 3.5 months • I noted that the District did not prepare monthly wage, pension and gratuity performance analysis nor submitted quarterly returns on payroll to MoPS • I noted that UGX.24,681,002 was paid to 16 staffs that were off the IPPS payroll register • I observed that there were variances of UGX30,377,765 between the figures in the interface files and entity payroll registers • I noted that the entity prepared a strategic plan but was not yet approved. • I noted that Rukiga DLG budgeted to collect UGX. 285,061,188 during the year under review. The entity collected UGX.155,082,884 representing 54% performance. • I noted that the entity budgeted to receive UGX.8.77Bn as transfers from other Government Units out of which UGX.0.68Bn was received representing 11% performance • I noted that the entity budgeted to receive 1.02Bn from external assistance but received 0.05Bn representing 5%. • I noted that out of UGX.21,252,068,152 warrants to finance the council's budget, only UGX.18,677,785,569 (88%) was spent leaving a balance of UGX.2,574,282,583 (14%) un utilized • I noted that the entity did not also submit quarterly monitoring reports to the Office of the Prime Minister and MoFPED as required. • I noted that the entity submitted performance reports for Q3, and Q4 after the deadline given for submission of the reports • I noted that the District Council budgeted to receive UGX.467,373,000 (Excluding funds to be transferred to LLGs) from Uganda Road Fund for maintenance of 80.9kms of District roads, and UGX.252,363,000 (54%%) was received and was utilised on maintenance of 74.7kms of roads, installation of culverts, equipment repairs and supervision with a shortfall of UGX.215,010,000 (46%) As a result of revenue shortage, 6.2KMs of roads were not maintained under periodic maintenance as planned
16.	RUKUNGIRI DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted that the wage and Pension Pay roll of UGX.30,042,268,241 constituted 66.8% of the District's budget for 2020/2021 of UGX.44.95 Bn. • I noted that the District did not submit wage estimates to MoPS,

		<p>as required</p> <ul style="list-style-type: none"> • I noted that two Education Officers (Twinomuhwezi Julius IPPS no.328279 and Abaho Besigye Gerald IPPS no. 326667) under U4 who were erroneously captured as Assistant Education Officers and paid under U5 thus an over payment of UGX 304,295 • I noted that UGX.28,077,304 was paid to 19 staff who had either retired, transferred, absconded or died • I noted that whereas UGX.6,307,960,826 was deducted from employees' salaries to be remitted to different beneficiaries, UGX 6,304,814,535 was remitted, leading to an over/ under remittance of UGX.5,128,867 and UGX.8,275,158 respectively • I noted that the District made payroll deductions of UGX.2.259 billion, but did not remit concurrently with the salary payments in 10 out of 12 months. On average, it delayed by 6.5 days • I noted delays in the remittance of PAYE deductions to URA ranging from 2 – 22 days • I noted that the District did not subject political leaders' gratuity totalling to UGX.11,718,959 to the computation of PAYE in IPPS, leading to an under deduction of UGX.3,715,200 • I noted that 7 newly recruited/ transferred employees delayed to access payroll, with delays ranging between 1-5 months • I noted that 1 pensioner delayed to access the pension payroll, with delays of over of 6 months • I noted that the Districts prepared monthly wage, pension and gratuity performance analysis but did not submit quarterly returns on payroll to MoPS • I observed that there were variances of UGX 190,771,973 between the figures in the interface files and entity payroll registers • I noted that the entity had not approved a strategic plan that is aligned to the NDP-III at the time of audit • I noted Rukungiri DLG budgeted to collect UGX.776,944,000 during the year under review. However the entity collected UGX.625,618,740 representing 81% performance. • I noted that the entity budgeted to receive UGX.1,411,248,710 as transfers from other Government Units out of which UGX.888,876,678 was received representing 63% performance • I noted that the entity budgeted to receive 1.05Bn from external assistance but received 0.116 Bn representing 11%. • I noted that out of UGX.42,031,304,808 warrants to finance the council's budget, only UGX.40,435,316,368 (96%) was spent leaving a balance of UGX.1,595,988,440 (4%) un utilized • I noted that the entity submitted performance reports for Q2, Q3, and Q4 after the deadline • I noted the delayed completion of Kebisoni Seed School (UGIFT
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		<p>project). Project behind schedule by four(04) months</p> <ul style="list-style-type: none"> I noted that The District received UGX.499,963,986 (96.3%) of its Uganda Road fund and as a result was not able to maintain 14.2 Km of roads as planned
17.	RWAMPARA DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> I noted that the wage and Pension Pay roll of UGX.12,530,332,963 constituted 62% of the District's budget for 2020/2021 of UGX.20,291,699,406. I noted that the District did not to submit wage estimates to MoPS, as required I noted salary overpayment of UGX 6,766,726 I further noted that there was an under payment of UGX.30,357,501 I noted pension and gratuity overpayment of UGX 2,144,892 I noted that UGX.4,580,492 was paid to 4 staff who had either retired or died I noted that whereas UGX.2,342,683,197 was deducted from employees' salaries to be remitted to different beneficiaries, UGX.2,336,599,219 was remitted, leading to an over remittance of UGX.1,549,064 and under remittance of UGX.7,633,042 I noted that the District made unauthorized loan deductions totalling UGX.48 million. The deductions were from 28 employees that had no letters of undertaking however existed in the "active deduction" and the "my approval" reports on the PDMS-Payroll Deduction Management System, operated by PCA-Payroll Consults Africa I noted that deductions to UCLA/UBA were not remitted concurrently with salary payments for 12 out 12 months. I also noted that there was an average delay to remit deductions to UCLA/UBA of 21.3 days I noted delays in the remittance of PAYE deductions to URA for 2 months. I also noted that there was an average delay to remit deductions to URA of 0.5 days I noted that the District did not subject political leaders' gratuity totalling to UGX.3,114,720 to the computation of PAYE in IPPS, leading to an under deduction of UGX.934,416 I noted that 51 newly recruited/ transferred employees delayed to access payroll, with delays ranging between 9 weeks I noted that 15 pensioners delayed to access the pension payroll, with delays ranging between 3-4 months noted that the District did not prepare monthly wage, pension and gratuity performance analysis and thus did not submit quarterly returns on payroll to MoPS, I noted that although the district had prepared a strategic plan that at the time of audit, it had not yet been approved as aligned

		<p>to the NDP-III</p> <ul style="list-style-type: none"> • I noted that Rwampara District budgeted to collect UGX.0.392bn during the year under review. The entity collected UGX.0.379bn representing 96.68% performance. • I noted that the entity budgeted to receive UGX.1.51 Bn as transfers from other Government Units. However, only UGX.0.68 Bn was received representing 45% performance leading to revenue shortfall of UGX. 0.83Bn (55%).
18.	SHEEMA DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted that the wage and Pension Pay roll of UGX.18,356,082,529 constituted 65% of the District's budget for 2020/2021 of UGX.27,950,550,703 • I reviewed payroll funds absorption and noted that UGX.17.61 billion (95%) was spent out of the total receipts of UGX.18.52 billion, resulting in an unabsorbed balance of UGX.0.91 billion. • I noted that whereas UGX.3,758,132,718 was deducted from employees' salaries to be remitted to different beneficiaries, UGX.3,749,366,009 was remitted, leading to an over/ under remittance of UGX.73,581,127 and UGX.82,347,836 • I noted that the District made unauthorized loan deductions to 663 employees totalling UGX.1,146,130,412. The deductions neither had letters of undertaking nor existed in the "active deduction" or the "my approval" reports on the PDMS-Payroll Deduction Management System. • I noted that 3 pensioners delayed to access the pension payroll, with delays ranging between 12-22 months • I noted that UGX.5,912,486 was charged on account codes other than those prescribed for salary, pension and gratuity • I noted that the District did not prepare monthly wage, pension and gratuity performance analysis and thus did not submit quarterly returns on payroll to MoPS, • I noted that 272 staff were paid a total of UGX. 309, 147,845 off IPPS • Mismatches of names that take long to be corrected by NIRA and affects ability to timely access people on payroll. • In some cases, the statuses under IPPS remain "NOT VERIFIED" even when the record is verified and approved. This again requires one to contact Ministry of Public service for an intervention. • It was noted that at the time of audit (June 2020/21) out of 5 strategic targets, Sheema district fully attained 1 target, and partially completed 4 • I noted that the District budgeted to collect UGX.0.587million during the year under review. The entity collected UGX.0.351million representing 60% performances • I noted that he entity budgeted to receive UGX.960,458,000 as

		<p>transfers from other Government Units out of which UGX.892,442,495 was received representing 93% performance.</p> <ul style="list-style-type: none"> • I noted that the district budgeted to receive UGX.279,500,000 as external/donor financing out of which UGX.130,287,709 million was received representing 47% performance • I noted that out of the total receipts for the financial year of UGX.26.95Bn,) UGX.25,32Bn was spent by the entity resulting in an unspent balance of UGX.1.63 Bn representing an absorption level of 94%. • I noted that the entity submitted performance reports for Q1, Q2, Q3, Q4 after the deadline given for submission of the reports
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ANNEXURE III: REPORTS AND CONSOLIDATED GOVERNMENT OF UGANDA FINANCIAL STATEMENTS



Reports and Consolidated Financial Statements of the Government of the Republic of Uganda

For the year ended 30 June 2021

Accountant General's Office
MINISTRY OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

Table of Contents

List of Acronyms	2
Statement of Responsibilities.....	3
Statement from the Hon. Minister of Finance, Planning and Economic Development.....	4
Statement from the Secretary to the Treasury.....	9
Statement from the Accountant General.....	14
Consolidated Statement of Financial Performance.....	24
The Consolidated Statement of Financial Position.....	25
Consolidated Statement of Changes in Equity.....	26
Consolidated Cash Flow Statement [Direct Method]	27
Statement of Outstanding Public Debt.....	29
Statement of Outstanding Advances and Loans issued by Government	30
Statement of Investments held by the Government	31
Consolidated Fund Statement	32
Consolidated Summary Statement of Appropriation.....	33
Consolidated Summary Statement of Contingent Liabilities.....	34
Consolidated Statement of Outstanding Commitments.....	35
Summary Statement of losses of public moneys and stores written off, and claims abandoned	36
Summary Statement of losses of public moneys and stores reported	37
Consolidated Statement of Arrears of Revenues	38
Statement of stores and other assets (physical assets) purchased	39
Notes to the Financial Statements.....	40
Other Schedules to the Financial Statements.....	56

List of Acronyms

AAAMP	Accrual Accounting and Asset Management Project
ADF	African Development Fund
AMFG	Asset management Framework and Guidelines
CFS	Consolidated Financial Statements
COA	Chart of Accounts
COVID	Corona Virus Disease
DRMS	Domestic Revenue Mobilisation Strategy
EACOP	East African Crude Oil Pipeline Project
EFRIS	Electronic Fiscal Receipting Solution
EGP	Electronic Government Procurement
FY	Financial Year
GoU	Government of the Republic of Uganda
HCM	Human Capital Management System
IDA	International Development Agency
IFMS	Integrated Financial Management System
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
NDP	National Development Plan
NTR	Non-Tax Revenue
PBB	Program Based Budgeting
PBS	Program Budgeting System
PF	Petroleum Fund
PFMA	Public Finance Management Act
PPE	Personal Protective Equipment
PUSATI	Public Universities and Tertiary Institutions
RAPEX	Rationalisation of Government Agencies and Public Expenditure
RSTC	Regional Treasury Service Centre
UCF	Uganda Consolidated Fund
UGX	Uganda Shillings
UNRA	Uganda National Roads Authority
URA	Uganda Revenue Authority

Statement of Responsibilities

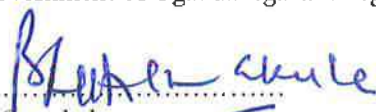
The GoU Consolidated Financial Statements for the financial year ended 30th June 2021 as set out on pages 25 to 95 have been prepared in accordance with Section 52(1) of the Public Finance Management Act (PFMA), 2015 as amended [the Act] and the Public Finance Management Regulations 2016.

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 2021 have been prepared in accordance with Generally Accepted Accounting Principles and aligned to the Government of Uganda legal and regulatory framework that governs public finances.


.....
L. Semakula
ACCOUNTANT GENERAL

To the best of my knowledge, I confirm that the Consolidated Financial Statements for the financial year ended 30th June 2021 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.


.....
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 2021 and the financial information contained therein have been prepared in accordance with the Public Finance Management Act 2015.


.....
Hon. Matia Kasalja (MP)
MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

Statement from the Hon. Minister of Finance, Planning and Economic Development

I am pleased to present the Consolidated Financial Statements for Central Government for the Financial Year (FY) ended 30th June 2021 covering financial statements of all the Central Government Votes. In addition to fulfilling the provisions of the Public Finance Management Act 2015, the Consolidated Financial Statements (CFS) present a summary of Government's financial resources and how they have been utilised for the benefit of the people of the Republic of Uganda for the financial year 2020/2021.

The CFS have been prepared for the second year in the shadow of the global COVID-19 pandemic that has had a profound impact on economies globally. Over the last year, the pandemic has severely affected the health, economic and social welfare of Ugandans. Studies show that only 10% of Micro, Small and Medium Enterprises in Uganda remained open during the first lockdown (March-September 2020) and 93% of all Micro, Small and Medium enterprises were back in operation by October 2020. In addition, 90% of employees of private sector firms who were laid off during the lockdown were subsequently hired back after lockdown, while 6.5% suffered permanent layoffs.

The Economic Growth Strategy which underpinned the FY 2020/2021 was aimed at boosting and sustaining economic recovery. The strategy spelt out the following priority areas;

- (i) Restoring Household incomes and Safeguarding Jobs
- (ii) Re-igniting Business Activity
- (iii) Tax Relief to Businesses
- (iv) Financial Sector Stability
- (v) Enhancing economic infrastructure
- (vi) Improving Good Governance and Maintain Security Law and Order.

Despite the negative effects of COVID 19, the pandemic also presented the country with several opportunities which include improved efficiency in public spending by using digital solutions, thus reducing the absolute need to travel abroad, inland, and physically attend meetings and workshops.

Secondly, in response to the global supply chain disruptions due to the COVID19 pandemic, the import substitution strategy was boosted as several firms switched production lines to the manufacture of items that were previously imported, such as masks and sanitizers which are critical in containing the spread of the virus.

Thirdly the country also witnessed increased innovations in Local ICT Solutions which has provided a base for technology advancement in the Country. This will not only reduce reliance on foreign technology but will save foreign currency spent on maintenance of foreign systems and will also equip the citizens with the much needed ICT Skills to spur economic development and job creation.

The key performance highlights for the Financial Year 2020/2021 are summarised below;

- (i) **Revenue Mobilisation and Performance**

During the Financial year, URA collected net revenue [gross revenue less tax refunds] of UGX 19,240 billion posting a growth of UGX 2,480 billion [14.8%] compared to the previous financial year 2019/2020.

This was however short of the FY 2020/2021 target of UGX 21,638.65 billion by UGX 2,399 billion.

Total tax revenues for the financial year including collections by KCCA and excluding retentions for tax refunds, court bail deposits, mineral royalties, and bank charges amounted to UGX 18,252 billion.

The underperformance of revenue against the set target was mainly due to:-

- a) Low economic activity occasioned by the lockdown measures on account of the COVID 19 pandemic;
- b) Non approval of some revenue enhancement measures by Parliament worth UGX.356 billion, coupled with delay in approval by Parliament of the tax revenue measures such as; - the increase in excise duty on fuel, withholding tax on insurance and advertising agents.
- c) Delays in the implementation of tax administration reforms by URA due to COVID-19. These included the Electronic Fiscal Receipting and Invoicing System (EFRIS) and Rental Income tax system.

(ii) Response to the COVID-19 Pandemic

The Ugandan economy remained resilient despite the adverse effects of the COVID19 pandemic. This is largely due to quick and strong government response through the support and funding of the various sectors to ensure provision of medical supplies in addition to the provision of economic stimulus packages among others.

During the FY 2020/2021, a total of UGX 2,481 billion was provided for various Covid-19 interventions as follows:-

- UGX 1,198 billion was provided to various government Agencies as part of the approved budget
- UGX 1,283 billion through supplementary funding
- UGX 30 billion through the Contingencies Fund

Included within the UGX 2,481 billion were donations from the private sector to the COVID-19 Nation Task Force under the Office of the Prime Minister amounting to UGX 27.69 billion. It also includes revenue raised from charges for test kits from the private wing of Public Health facilities totaling to UGX 5 billion.

The funding was directed to the various institutions including:-

- Ministry of Health for procurement of medical supplies, testing kits, face masks, vaccines and establishment of isolation/treatment centres among others.
- Ministry of Science, Technology and Innovation as support to COVID-19 research and innovation projects
- Ministry of Finance, planning & Economic Development for onward transfer to UDB to finance the COVID response plans, to support SACCOs through the Microfinance Support Centre, and Emyoga to support unemployed Youth

- Ministry of Trade Industry and Cooperatives as funding for import substitution and export promotion strategies through the Uganda Development Corporation.
- Security Agencies for enforcement of covid-19 control measures

(iii) Works and Transport

During the year 2021, Government through the Uganda National Roads Authority (UNRA) continued upgrading 21 road development projects (new construction and upgrading from paved to bituminous standards) covering a total distance 1,738 km. This is in addition to 152 km of the paved road network that were substantially completed thus increasing the total national roads paved stock to 5,522 km

During the year under review, government also undertook a number of road maintenance interventions to keep the road network open through the year despite the heavy and long rainy season that resulted in a number of emergency interventions. A total of 26,935 km of unpaved gravel roads, 5,472 km of paved and 10 km of bridges were kept in a fair to good conditions. Several emergency incidents including emergency maintenance of Lwera, Masaka road as well as roads in Kasese affected by floods were responded to in a timely manner.

The Sigulu Ferry

The Sigulu Ferry that connects Namayingo District to the Islands of Lolwe & Sigulu was commissioned by H.E the President of the Republic of Uganda on 3rd December 2020 and began operations on 4th December 2020. Government also commissioned the rehabilitated Bukakata Ferry [now MV Buvuma] into operation on 24th July 2020.



Figure i : Sigulu Ferry commissioned in December 2020

Uganda Airlines

Uganda Airlines had been flying to eight destinations, prior to closure of the Airspace in March 2020 due to the COVID - 19 Pandemic. The Airspace remained closed for the entire first quarter of the Financial Year 2020/2021 and was only re-opened on 01st October 2020. As at 30th June 2021, 10 of the 18 planned regional routes had been opened i.e. all the 8 routes that were operational before closure of flights in March 2020 with two additional new routes; Kinshasa and Johannesburg (launched on 31st May 2021). The Airline also took delivery of its two Airbus A330-800NEO Aircrafts in December 2020 and February 2021 respectively bringing the total fleet to 6 aircrafts. The arrival of these two Airbus Aircrafts will enable the airline to further expand its network to connect Uganda to the overseas markets of Dubai, London, Guangzhou and Mumbai. The company has entered into interline agreements with Qatar Airways and Emirates and the one with KLM is in progress.



Figure ii: One of the two Airbus A330 neo received during the financial year

(iv) Water Supply and Sanitation

During the financial year, the percentage of rural villages with safe water supply increased from 68% in FY 2019/20 to 70%. This was achieved through the construction of 300 new boreholes and rehabilitation of 455 existing boreholes in addition to boosting pump stations to facilitate access of clean water for new connections.

Under the Urban water supply systems, the construction of Katosi Drinking Water treatment plant with Pipe laying was at 80% progress, E&M installations at 95% progress and Interconnection of the tanks at Nsumba reservoir site was completed. The Construction of the Katosi (Nsumba)-Kampala (Naguru) transmission mains was completed and achieved 100% (51.4km out of 51.4km). This led to an addition of 36,538 new customers connected to water supply network, and 638 Public Stand Posts installed.

Under the water for production programme, Construction of nineteen (19) small scale Irrigation schemes in Eastern and Western Uganda was in advanced stages of completion at the end of the FY. This was in the Districts of Mbale, Butebo, Soroti, Serere, Kapchorwa, Budaka, Kumi, Amuria, Hoima, Kibaale, Kanungu, Rukungiri, Buhweju, Isingiro, Ntungamo, Mbarara, Rwampara and Rubirizi.


(v) Debt Management

From June 2020 to June 2021, Public debt [excluding payables, deposits and pension liabilities] increased from UGX 56,883 billion to UGX 69,602 billion, by the end of June 2021. This corresponds to a 22% increase in total debt stock. Of this, domestic and external debt accounted for 36% (UGX 25,289 billion) and 64% (UGX 44,313 billion), respectively.

The COVID-19 pandemic has had far-reaching implications that have led to an increase in the fiscal deficit for the last two fiscal years. The slowdown in growth coupled with additional expenditure requirements to finance Government's response measures further constrained fiscal space and necessitated additional borrowing.

However, Public debt is still sustainable and Government is still capable of servicing its debt obligations in the short and mid-term.

Government acknowledges all tax payers and the development partners for financing the 2020/2021 appropriated budget as presented in these consolidated Financial Statements amidst the challenging times of COVID-19 pandemic



.....
Hon. Matia Kasaija (MP)

MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

Statement from the Secretary to the Treasury

Mandate

The Consolidated Financial Statements for the year ended 30th June 2021, have been prepared in accordance with the provisions of the Public Finance Management Act, 2015 as amended and the Public Finance Management Regulations 2016. The statements have been prepared using the modified accrual basis of accounting, and the accounting policies as detailed on pages 40-44 of this report. The modified accrual basis of accounting has been applied effective this financial year in the preparation of the financial statements of Government.

Purpose of Consolidation

The Consolidated Financial Statements provide information on the financial performance and Government's ability to meet current and future obligations. The current and future obligations are reflected in the Consolidated Statements of financial performance, financial position and cash flow.

Performance of the Public Financial Management System

The impact of the global COVID-19 pandemic and the accompanying containment measures reminds us of the importance of a robust Public Financial Management (PFM) system. A robust PFM system promotes transparency, accountability and good governance which are essential for sustainable economic management and effective public service delivery especially in times of emergencies.

The Ministry of Finance, Planning and economic Development has over time invested in ensuring the existence of sound PFM systems. These include the oracle powered Integrated Financial Management System (IFMS), Microsoft Dynamics- Navision, Electronic Government Procurement (E-GP), Programme based Budgeting System (PBS), Human Capital Management System (HCM) among others.

Alignment of activities and systems with NDPIII programmatic Approach

GoU adopted the 3rd National Development Plan (NDP III) to guide the Nation in delivering the aspirations articulated in Uganda Vision 2040. Unlike the previous sector wide approach to budgeting, the NDP III is based on a programme approach to planning, budgeting, implementation and results reporting. It is under pinned by Programme Based Budgeting (PBB) structure where programmes are above votes so that accountability for results by various Votes is tracked at programme level. Under the PBB, Projects are domiciled under the Departments unlike before where they were at the same level as Departments. During the financial year, various activities were carried out to facilitate and ensure a seamless transition to NDPIII as follows:

i. Chart of Accounts (COA)

The Chart of Accounts is the foundation of the Public Financial Management framework for budgeting, budget execution and reporting. Under the NDP III, 20 programmes were created and structurally located above votes while sectors were dropped from the Chart of Accounts. This major structural change necessitated revision of the existing COA to support the full implementation of the NDP III. The COA review also coincided with the need to harmonise it with the Government Finance Statistics Manual 2014 and the need to align it with accrual accounting aspects to support

the transition by government from the modified accrual basis of accounting to full IPSAS based accrual accounting.

During the financial year, various stakeholders including NPA, representatives from MALGs, Development Partners, among others were engaged and a new COA structure was issued. The new COA structure is composed of 9 segments with 43 digits compared to the previous one that had 9 segments and 38 digits. Notable changes include the introduction of programmes and sub programmes in addition to the inclusion of the geographical location segment in the new structure to facilitate reporting on decentralized programmes like Parish Development Model. The full revised Chart of Accounts was officially issued in December 2021. Change management is progressing well in preparation for July 2022 when the revised COA will effectively replace the older version.

ii. IFMS Major Upgrade

Key among the development of structures to support NDP III, is the enhancement of financial management systems to meet the comprehensive requirements of NDP III. During the financial year 2020/21, major upgrade activities for the Integrated Financial Management System (IFMS) commenced. This upgrade introduces new features and functions while refining existing operations, making changes to business operations for added efficiency and effectiveness. This upgrade also responds to the rapidly growing needs of government and focuses on management information through provision of vital dashboards. All 300 Central and Local Government votes using IFMS will be automatically upgraded once the new features go live. The upgraded system is scheduled to go live by 1st July, 2022.

During the financial year 2020-2021 upgrade activities covered contract signing with Oracle Consulting (Vendor), Work plan development and adoption, Data extraction and preparation for migration into the new system. Actual development and customization of the new system is scheduled to commence and be completed within FY 2021-2022.

iii. Implementation of the Electronic Government Procurement System

Government has taken public procurement online through the implementation of an electronic government procurement system. This is an initiative by government to leverage ICT to promote efficiency in public procurement and uphold government's promise to the public on efficient and accountable governance. Electronic Government Procurement (E-GP) provides complete end-to-end automation of the government procurement process.

During the financial year the system was piloted at 5 entities while an additional six (6) entities were migrated from a *European Dynamics* developed system to a domestically developed system with support from the MoICT Innovation Fund. By 30th June 2021, a total of 11 Votes were connected to this system. Rollout of E-GP to all other government entities is expected to be completed in a phased approach within the next 4 financial years, with the first 15 entities in FY 2021-2022 and an additional 50 entities in FY 2022-2023.

Highlights of other key activities and the progress registered during the year are summarised below;

a) Amendment of the PPDA Act

The PPDA Amendment Bill, 2020 was passed by Parliament on 1st February, 2020 and assented to by His Excellency the President in July 2020. The amended act is intended to improve procurement efficiency and effectiveness by reducing the current statutory procurement timelines especially for common user goods, reduce the cost of procurement while benefiting from economies of scale. It also incorporates emerging good practices and project delivery models such as Engineering, Procurement Contracting (EPC), Contractor Facilitated Financing, Design and Build for complex and high value projects. Unlike the existing procurement legal framework, the amendment strengthens good governance by reducing ambiguity in the procurement system roles and segregation of policy, regulatory and operational functions.

b) Strengthening Asset Management

During the Financial Year 2020/21, the Government issued a new Asset Management Framework and Guidelines (AMFG) to improve and sustain asset management throughout Government. The AMFG covers the principles and practices to be followed by all votes in the efficient and effective management of public assets under their control.

The Ministry also developed a 5 year Asset Management Strategy (AMS) and implementation road map (2021-2025). The objective is to “Address the existing asset data gaps and ensure that MDALGs are able to maintain comprehensive and accurate asset registers with accurate values to support the decision-making process by enabling votes to get the right mix of assets which are then optimally utilized to effectively and efficiently deliver public services”.

This undoubtedly paves way for the effective implementation of other asset management reform interventions that are currently ongoing including;

1. Operationalizing the robust asset management framework for the proper management of government assets throughout their lifecycle;
2. Implementation of a comprehensive and fully integrated Asset Management Information System.
3. Facilitate the valuation of Government assets and ultimately ensure full compliance with the measurement/valuation requirements of the accrual IPSAS framework;
4. Undertake financial oversight and tracking of Government Investments;
5. Effective follow up and implementation of Boards of Survey and audit recommendations as they pertain to the management of public assets; and
6. Undertake capacity building interventions in the management of Government assets.

c) Support to Local Government- Establishment of Regional Centers

The Ministry commissioned 2 additional Regional Treasury Service Centres (RTSC) at Hoima in November and Moroto in December 2020. Both Regional centres are hosted at the courtesy of the

Auditor General in their respective regional offices. This brings the total number of regional centres to 10, further extending service delivery and support for Public Financial Management (PFM) Systems to all government entities in all regions.



Figure iii: Moroto Treasury Service Center

d) Transition to Accrual Accounting

In a drive to improve public accountability, the Ministry initiated implementation of the transition from reporting on the modified cash basis of accounting to the accrual basis of accounting. One of the key objectives of adopting accrual accounting is to generate comprehensive and comparable fiscal information to support policy and operational decision making. To facilitate the complex process of transition to IPSAS accrual reporting, a project titled Accrual Accounting and Asset Management Project (AAAMP) is being formulated. A concept note for the AAAMP was approved and the project was at pre-feasibility stage by the end of the financial year. The project is expected to be operational effected FY 2022/2023 to spearhead the transition to IPSAS accrual accounting and reporting.

e) Rationalization of Government Agencies and Public Expenditure (RAPEX)

The Government of Uganda has overtime undertaken various initiatives to re-orient its Institutions to changes in policy and legal framework, environmental dynamics and shift in service delivery demands.

Chapter 20 (Public Sector Transformation) Objective 2 of the NDP III (2020/21-2024/25); underpins streamlining Government architecture for efficient and effective service delivery, to align them with the new program planning, budgeting and implementation. Some of the interventions earmarked to achieve this objective include, among others:

- (a) Restructuring Government Institutions (MDAs and LGs);
- (b) Reviewing and developing management and operational structures, systems and standards; and

(c) Rationalizing and harmonizing policies to support public service delivery.

Government of Uganda took a decision on merging and consolidating Government Agencies, Commissions, Authorities and Public Expenditure to facilitate efficient and effective service delivery. The rationalization exercise entails among other things;

- (i) Strengthening some Government Institutions to match the service delivery demands,
- (ii) Merging different Government Institutions whose services are closely related and duplicated,
- (iii) Mainstreaming some functions within existing Institutions,
- (iv) Transferring residual functions across government institutions,
- (v) Winding up institutions whose functions have ceased to be relevant to service delivery,
- (vi) Reviewing institutional and structural framework of MDAs to enable them accommodate merged and transferred functions and;
- (vii) Reviewing the legal and policy framework of the affected MDAs to facilitate smooth implementation.

Accordingly and arising out of the rationalization exercise, the Vote status of the *Rural Electrification Agency (Vote 123)* was revoked during the year through the Statutory Instrument No. 29 of 2021 which mainstreamed the Rural Electrification Agency (REA) under the Ministry of Energy and Mineral Development - Vote 017 as the Rural Electrification Department.

Furthermore the *Ministry of Science, Technology and Innovation (MOSTI)* was discontinued during the year following a presidential directive exercised under Article I 13 (1) and (3) of the 1995 Constitution.

CONCLUSION

The impact and duration of the COVID-19 pandemic even after the second wave and vaccination is still unknown, and this has created uncertainty in Uganda's economic outlook. Therefore, MoFPED will continue to operate in this dynamic environment that requires agile and responsive information and ICT solutions that will enable effective delivery of its mandate. The Ministry is focused on providing economic response and implementing PFM reforms vital to supporting recovery to safeguard livelihoods without losing focus on the long-term development goals of inclusive wealth creation and social economic transformation.



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Ramathan Ggoobi

PERMANENT SECRETARY/SECRETARY TO THE TREASURY

Statement from the Accountant General

Introduction

The 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 2021. The CFS provide a summary of the Central Government's financial resources and their application in line with the financial year 2020/2021 appropriation for the benefit of the people of the Republic of Uganda.

Scope

These CFS present the transactions of central government that include; Ministries, Agencies, Referral Hospitals, Public Universities and Self Accounting Tertiary Institutions (PUSATIs) and Missions abroad. Local Government votes have been included only to the extent of Central Government transfers to support their operations. In line with Section 52(1) of the PFMA 2015, separate financial statements have been prepared for the Local Government votes, Petroleum Fund, Contingencies Fund and a consolidated summary statement of financial performance of public corporations, state enterprises and companies where Government has a controlling interest.

For the financial year under review, all central Government votes submitted their financial statements and have been consolidated on a line by line basis.

Consolidation Process

The Consolidated Financial Statements have been prepared in accordance with the Accounting policies which have been applied consistently in all material respects unless otherwise stated. The Modified accrual basis of Accounting has been applied while preparing the financial statements. Under the modified accrual basis of accounting, revenue is recognised when earned with the exception of revenue from taxes and grants which is recognised when received. Expenditures are recognised when incurred as indicated in the Accounting policies to these financial statements. Additional information has been disclosed where appropriate to ensure compliance with the PFMA 2015 [as amended] and to improve the usefulness of the financial statements to the users.

Overview of operating results

The summary of Government's financial performance and position for the year ended 30 June 2021 is presented below in respect to Revenue, Expenditure, Assets and liabilities.

Revenue Performance

Revenue comprises receipts from taxes, non-tax revenue, grants in form of external assistance and transfers from the Petroleum Fund. The bulk of the revenues are collected by Uganda Revenue Authority (URA) in form of Taxes, Levies and Duties.

Below is the Analysis of Revenue Performance for the past five years; -

Table I: Movement in revenue collections over the last five years;

Revenues(billion)	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Taxes	12,516	14,063	16,146	16,042	18,252
NTR	910	1,157	983	1,412	1,649
Grants	505	1,015	720	738	1,269
HIPC			7	-	-
Total	13,931	16,235	17,856	18,192	21,171
% Movement	14%	17%	10%	2%	16%

An analysis of revenue trend over the past five years is illustrated below:

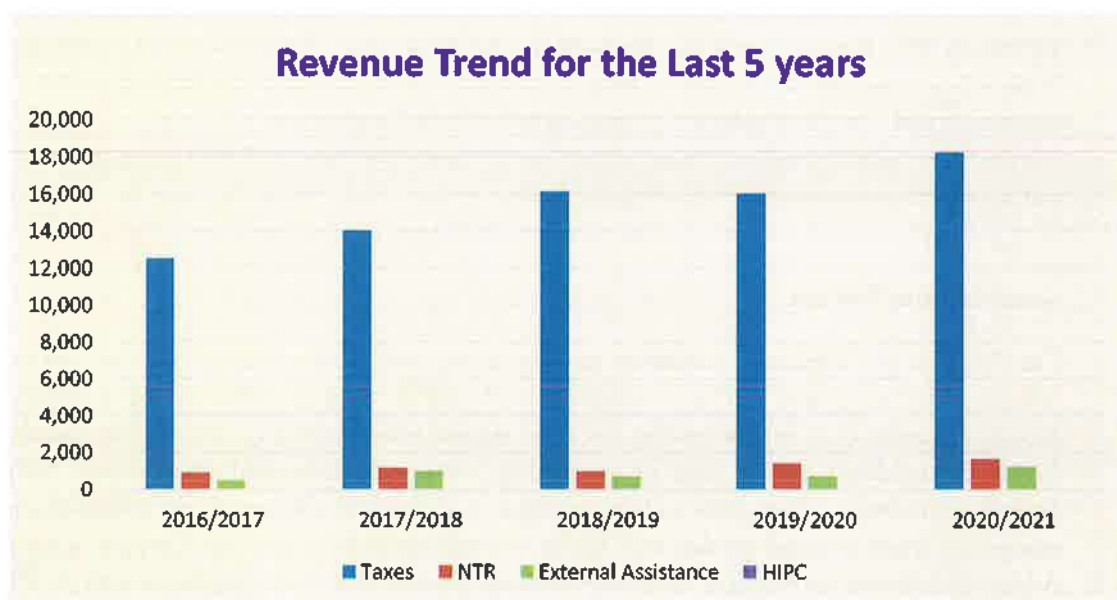


Figure 1: Revenue Trend for the last five Years

Total revenue for financial year 2020/2021 amounted to UGX 21,171 billion compared to UGX 18,192 billion in the FY 2019/20 representing a 16.4% growth. Over the last five years, Tax collections have consistently been the largest proportion of total revenues collected. Non tax revenues have also shown consistent growth over the last five financial years.

The growth in revenue is majorly attributed to a boost in tax collections due to the implementation of the Domestic Revenue Mobilisation Strategy (DRMS) with emphasis on new tax administration measures introduced this financial year including the Digital Tracking Solutions (DTS), the Electronic Fiscal Receipting Solutions (EFRIS), and the use of GPS and data analysis among others.

The increase in the NTR is attributed to a policy shift to have all the NTR of all government entities collected through Uganda Revenue Authority.

The trend in the past five years, as illustrated in table I and Figure 1, above shows a consistent increase in revenue collections. Over the past 5 years, total revenue collections excluding grants has grown from UGX 13,426 billion in the financial year 2016/2017 to UGX 19,902 billion in financial year 2020/2021 representing a growth of 48.2% in absolute terms.

The composition of Government revenues for the financial year under review is as illustrated below:

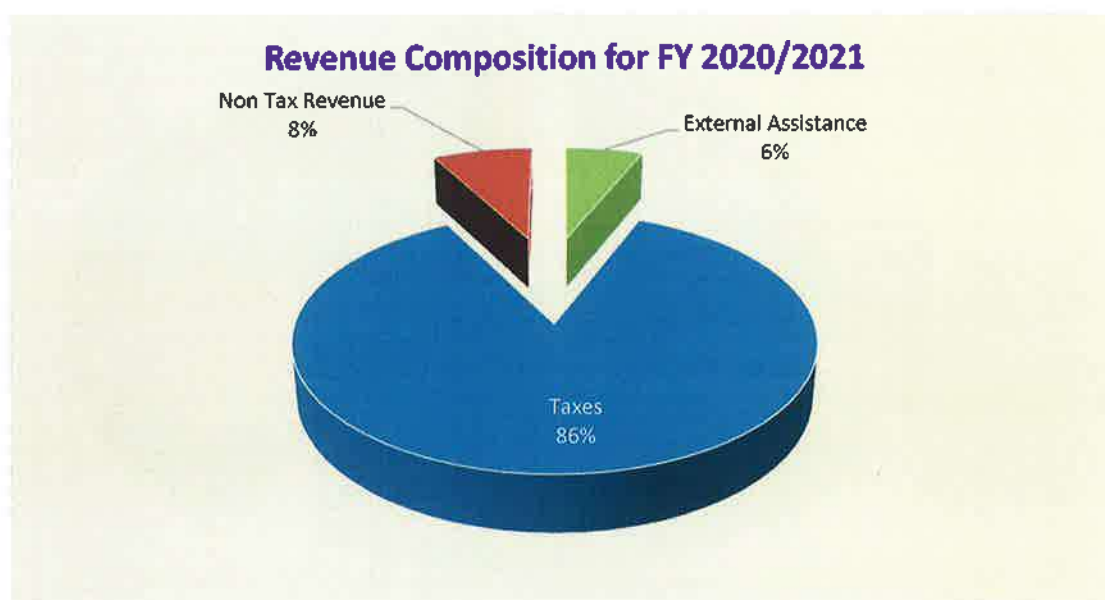


Figure 2: Revenue Composition for the financial year 2020/2021

Included within the revenue received from the grants is UGX 17.899 billion relating to donations to the National Response Fund to COVID-19 through the National Task Force. These were contributions made to support Covid 19 response efforts to and to sustain the welfare of the population affected by the lockdown measures taken to control the spread of the disease.

Expenditure

Total operating expenditure (excluding finance costs and forex gains) during the financial year 2020/2021 increased by UGX 4,271 billion (17%) to UGX 29,264 billion from UGX 24,993 billion registered in financial year 2019/2020.

The bulk of total expenditure consists of transfers to other Organizations (31%) which include transfers to Local governments, contingencies fund, subventions, projects and contributions to

international organizations. The other major expenditure categories include goods and services consumed (16%), employee costs (12%) and finance costs (12%) as illustrated in Figure 3 below.

This indicates Government's continued focus on investment in infrastructure development in line with the National Development Plan.

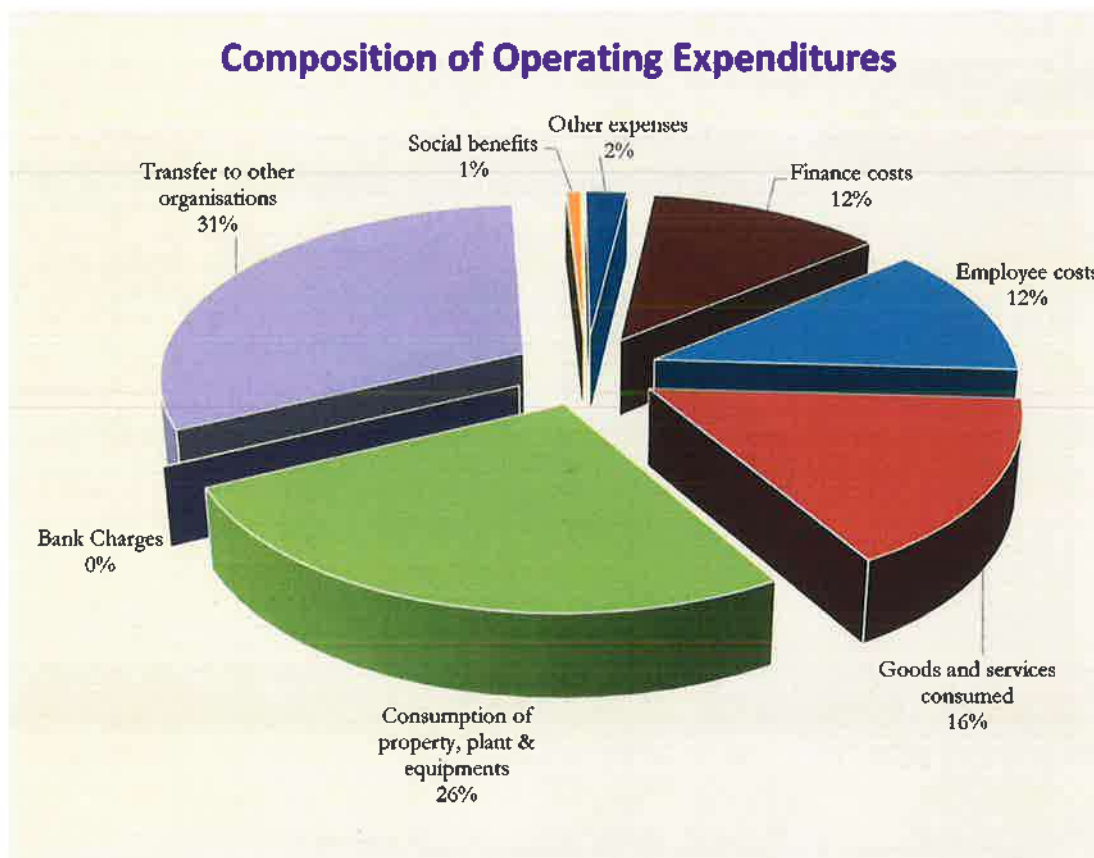


Figure 3: Expenditure Composition

Assets

The current government accounting policy is that purchased property, plant and equipment with the exception of the Non-produced assets is fully expensed in the year of purchase and as a result, they are not reflected as part of total assets 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. This presentation will gradually change as government shifts from the modified accrual basis towards adoption of accrual International Public Sector Accounting Standards (IPSAS) and will improve the disclosure and completeness of assets reporting and comparability.

The roadmap for the transition to full IPSAS accrual will be finalised by the end of the financial year 2021/2022.

As further detailed in accounting policy b (iii), Cash and cash equivalents for the donor component are not currently recognised in the statement of financial position. Project expenditures and ultimately their closing cash balances are only recognised if the project is fully or partly Government funded projects. The cash and cash equivalents illustrated in Table II below include project balances only to the extent of government funding. However, plans are underway as part of the IFMS major upgrade to commence full consolidation of all projects.

Assets	2017/18 UGX (million)	2018/19 UGX (million)	2019/20 UGX (million)	2020/21 UGX (million)
Non Produced Assets	2,466,744	3,139,010	3,556,196	4,193,747
Cash and cash equivalents	1,815,159	1,561,617	1,223,906	1,342,983
Receivables	5,468,436	7,486,886	8,966,598	9,303,526
Investments	7,184,890	8,612,104	15,203,515	17,353,854
Total	16,935,229	20,799,617	28,950,215	32,194,109

Table II: Showing the trend of Assets over the last 4 years

During the financial year ended 30th June, 2021, total assets increased by 11.2% to UGX 32,194 billion as indicated in Table II above. Under the current basis of accounting, investments at 54% constitute the bulk of Assets as presented in the Statement of Financial Position.

The major increase in receivables was on account of the payment to South Sudan traders amounting to UGX 46 billion [A balance to South Sudan traders of UGX 65.6billion is yet to be paid], contributions to the Agriculture Credit Scheme (ACF) worth UGX 48.9billion and on lent disbursements to Karuma and Isimba Hydro Power Projects totaling to UGX 123billion. Investments also increased due to the recapitalization of Bank of Uganda and adjustments due to the change in the recognition policy of investments from cost to the net worth basis.

A four year analysis of the composition of government assets is illustrated below:

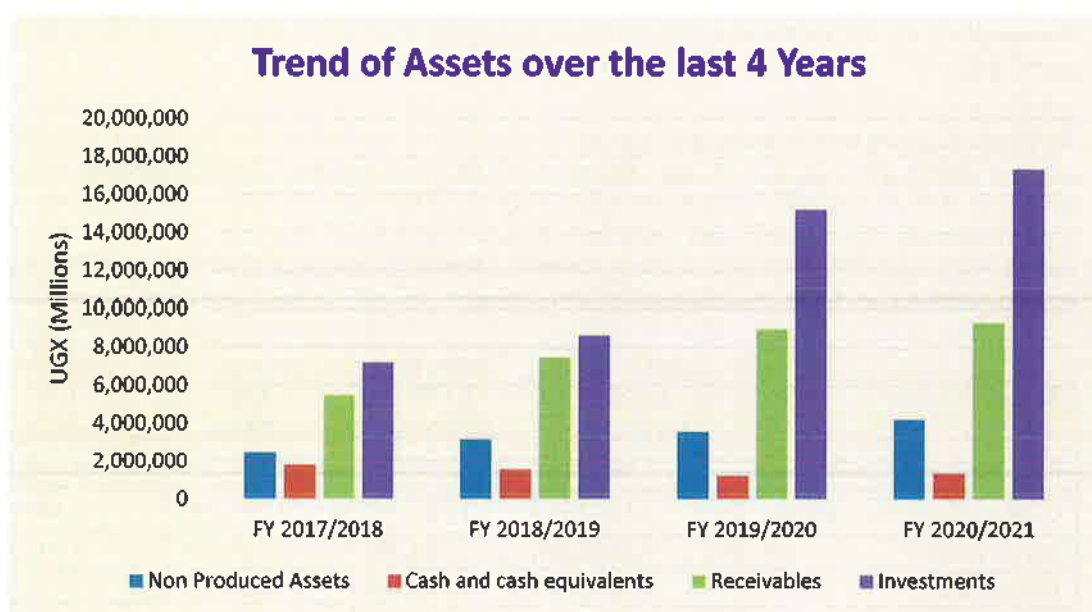


Figure 4: Asset Trend over the last 4 years

Total liabilities

During the financial year, the total liabilities excluding deposits received increased by UGX 13,418 billion from UGX 60,997 billion [FY 2019/2020] to UGX 74,415 billion [22% growth]. With deposits included, total liabilities increased by 23% to UGX 75,119 billion as demonstrated in table III below. The rise is largely attributed to the increase in both domestic and external borrowings to finance the budget as further explained below.

Table III: Movement in Liabilities over the past 4 years;

Liabilities	2017/2018 UGX (Millions)	2018/2019 UGX (Millions)	2019/2020 UGX (Millions)	2020/2021 UGX (Millions)
Borrowings	41,446,115	46,407,788	56,883,757	69,601,692
Payables	2,567,490	3,334,700	3,838,565	4,651,827
Deposits	92,503	200,188	225,061	703,153
Pension liabilities	569,608	291,868	274,486	162,307
Total liabilities	44,675,715	50,234,544	61,221,869	75,118,978
% Movement		12%	22%	23%

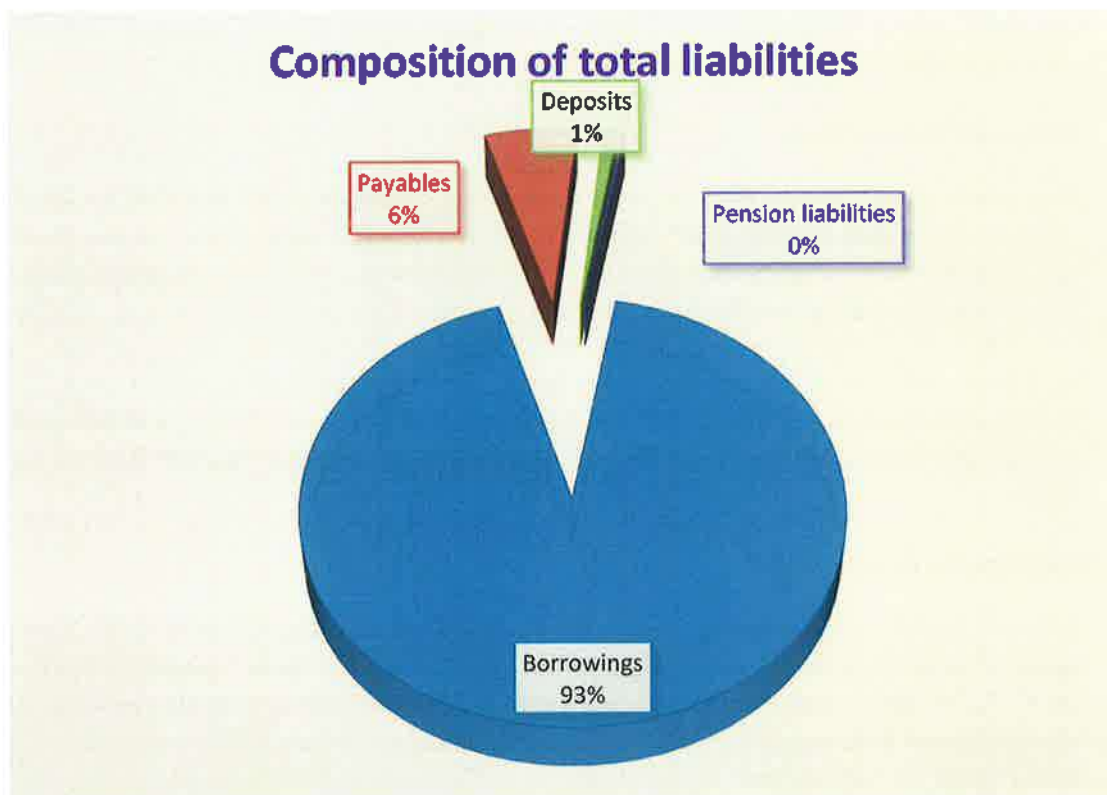


Figure 5: Composition of Liabilities

Borrowings

Borrowings comprise 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 IV below:-

Table IV: Movement in Borrowings (Interest Bearing Debt) over the past 4 years

Borrowings	2017/2018 UGX (Millions)	2018/2019 UGX (Millions)	2019/2020 UGX (Millions)	2020/2021 UGX (Millions)
Domestic borrowings	13,059,757	15,502,170	17,975,878	25,288,921
External borrowings	28,386,358	30,905,615	38,907,880	44,312,770
Total	41,446,115	46,407,785	56,883,757	69,601,692
% Increase		12%	23%	22%

Domestic Debt

During the financial year, domestic debt stock from the issuances of Treasury bills and bonds increased by UGX 6,913 billion [38%] from UGX 17,976 billion the previous year to UGX 24,889 billion. The increase in domestic debt was as a result of the need to finance part of the fiscal deficit and mainly in long-term dated instruments. (Treasury bonds increased by UGX 5,642 billion

compared to UGX 1,271 billion for Treasury bills) as guided by the debt strategy's objective of achieving T-bills: T-bonds ratio of 30:70.

Disbursed External Debt

Total stock of external debt Disbursed and Outstanding (DOD) increased by UGX 5,809 billion (14%) to UGX 44,313 billion as at 30th June, 2021 from UGX 38,917 billion for the previous financial year. The total outstanding external debt (DOD) is composed of 62% due to multilateral creditors, 29% to bilateral creditors and 9% due to commercial banks.

Multilateral debt is dominated by International Development Agency (IDA) and Africa Development Fund (ADF), bilateral debt is dominated by Exim Bank of China and Japan, while commercial banks are dominated by Trade and Development Bank and Standard Bank of South Africa.

Undisbursed External Debt

As at 30th June 2021, the total committed but undisbursed external debt amounted to UGX 20,254 billion of which UGX 6,834 billion is from bilateral, UGX 166 billion from Commercial Banks and UGX 13,254 billion being from multi-lateral creditors. The total committed debt [including both outstanding and undisbursed] is therefore UGX 64,567 billion an increase of 15% compared to UGX 56,114 billion the previous year. Further details are as illustrated in the table below.

	Disbursed UGX [Billion]	Undisbursed UGX[Billion]	Total UGX[Billion]
Multilateral	27,679	13,254	40,933
Bilateral	12,692	6,834	19,526
Commercial Banks	3,942	166	4,108
Total	44,313	20,254	64,567

Figure 2: Total Disbursed and un-disbursed External Debt as at June 30, 2021

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. These include funds from court bail deposits, security bond, misappropriated funds refunded to a special account in Bank of Uganda. Others include ring fenced USMID funds transferred to the UCF and deferred income especially for education related entities for unearned revenues received before services are offered and 60% EATV 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 outstanding litigation against Government. These amounted to UGX 160,191 billion as at 30th June

2021. Over 99% [UGX 160,113billion] of the Contingent liabilities disclosed in these financial statements arise from legal proceedings against Government.

National Response Fund to COVID-19.

During the Financial year, Government received UGX 17.248 billion and USD 177,928.50 from various individuals and companies to support its efforts in the fight against the COVID-19 Pandemic. Cumulatively, cash received by the task force including the previous financial year 2019/2020 amounted to UGX 27.695billion and USD570,559 as detailed in the table below.

The response fund closed with a balance of UGX 4,797,657 and USD 34,461 after a total of UGX 29.585 billion was transferred to the UCF for further disbursement to the implementing agencies in the fight against the pandemic

	COVID 19 UGX Account	COVID 19 USD Account
Opening balance July 01, 2020	10,446,426,810	392,630.73
New Donations received	17,248,370,847	177,928.50
Transfers to UCF	(27,690,000,000)	(536,098.22)
Closing Balance [June 30, 2021]	4,797,657	34,461.01

Table 1: Status of the National response to COVID 19 Accounts

The Consolidated Statement of Changes in Equity combines the following;

a) Petroleum Fund

The Petroleum Fund is established by S56 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 to either the Consolidated Fund or to the Petroleum Revenue Investment Reserve Account. Unlike the previous financial year, no transfers were made during the financial year under review to the Consolidated Fund account to support the annual budget. The Fund had a balance of UGX 238.8billion at the end of the financial year. Detailed financial statements of the Petroleum Fund are separately prepared, audited and submitted to Parliament every six months.

b) Contingencies Fund

The Contingencies Fund was established in accordance with S26 of the PFMA 2015 to respond to natural disasters for which funds have not been provided for in other funds. 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 year, UGX 62.07billion was availed to the Contingencies Fund. The funds were disbursed to Ministry of Health and Office of the Prime Minister to cater for emergencies including the procurement of COVID-19 vaccines. The balance of UGX 7.07billion 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.

c) Consolidated Fund

Included in the statement of Changes in Equity is an adjustment of UGX 379 billion consisting of adjustments or restatements by the various entities in regards to cash and cash equivalents, payables, pension liabilities, receivables, investments and borrowings. Details regarding the adjustments are contained in the respective entities financial statements.

The consolidated net worth (deficit) increased from UGX 32,272 billion as at 30th June 2020 to UGX 42,923 billion [30th June, 2021] due to the increase in the total borrowing and public debt in general to finance the appropriated budget.

The CFS shows a net operating deficit (amount by which operating expenditure exceeded total revenues) of UGX 11,763 billion for the financial year ended 30 June 2021 [FY 2019/2020: deficit of UGX 9,294 billion]. The deficit was largely financed by the increased borrowing amounting to during the year to finance the budget as earlier explained.

The operating deficit is caused by the basis of reporting that includes arrears as expenses but are not financed in the Statement of Financial Performance (SFP). The basis also excludes borrowings that financed most of the expenditures from the Statement of Financial Performance. For better understanding of the reported operating deficit, the Statement of Financial Performance should be read in conjunction with the Consolidated Statement of cash flows.

For effective interpretation, the financial statements should be read in conjunction with the underlying notes and schedules.



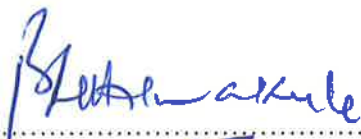
Lawrence Semakula

ACCOUNTANT GENERAL

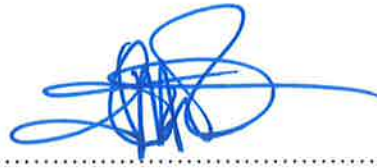
Consolidated Statement of Financial Performance
 [Based on classification of expenditures by nature]

	Notes	30 June 2021 Shs.	30 June 2020 Shs.
Operating revenue			
Taxes	3	18,252,459,528,519	16,042,040,967,979
Non – Tax revenue	4	1,648,816,911,908	1,411,940,446,574
Grants Received	5(a)	1,269,413,244,332	738,047,367,222
HIPC Relief	6	-	-
Total operating revenue		21,170,689,684,759	18,192,028,781,775
Operating expenses			
Employee costs	7	3,995,906,651,754	3,630,667,060,978
Goods and services consumed	8	5,190,885,373,407	4,120,331,612,601
Consumption of Property, Plant & Equipment	9	8,747,950,058,821	5,887,720,109,670
Bank Charges	10	11,031,645,807	89,418,533,946
Subsidies	11	-	-
Transfers to other Organizations	12	10,381,012,043,826	10,256,731,971,567
Social benefits	13	244,299,706,943	223,324,569,398
Other expenses	14	692,588,519,671	784,602,060,858
Total operating expenses		29,263,674,000,229	24,992,795,919,018
Surplus / (Deficit) from operating activities		(8,092,984,315,470)	(6,800,767,137,244)
Foreign exchange loss (Gain)	15	(558,736,448,511)	(541,870,960,215)
Finance costs	16	3,981,345,760,003	3,035,522,586,860
Bad Debts expenses	17	247,145,856,312	-
Surplus / (Deficit) for the year		(11,762,739,483,274)	(9,294,418,763,889)

The Notes and schedules set out on pages 40 to 92 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 2021 Shs.	30 June 2020 Shs.
ASSETS			
Non Produced Assets	18	4,193,747,230,535	3,556,196,301,201
Cash and cash equivalents	19	1,342,982,688,746	1,223,905,954,124
Receivables	20	9,303,526,001,780	8,966,598,364,582
Investments	21	17,353,853,573,074	15,203,514,972,209
Total assets		32,194,109,494,135	28,950,215,592,116
LIABILITIES			
Borrowings	22	69,601,691,896,737	56,883,757,332,999
Payables	23	4,651,826,648,677	3,838,564,580,857
Deposits	24	703,153,318,732	225,061,437,774
Pension liabilities	25	162,306,546,561	274,485,903,635
Total liabilities		75,118,978,410,707	61,221,869,255,265
Net liabilities		(42,924,868,916,572)	(32,271,653,663,149)
REPRESENTED BY:		(42,924,868,916,572)	(32,271,653,663,149)

The Notes and schedules set out on pages 40 to 92 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.	Energy Fund Shs	Petroleum Fund Shs.	Total Funds Shs.
FY ended 30 June 2020					
At 1 July 2019	(29,748,590,407,084)	2,621,380,000		311,132,323,455	(29,434,836,703,629)
Surplus (Deficit) for the year: Statement of Financial Performance	(9,294,418,763,889)		-		(9,294,418,763,889)
Net adjustments to opening reserves	6,682,176,107,840	(2,621,380,000)		(3,267,702,057)	6,676,287,025,783
-Withdrawals from the Fund		(61,233,711,212)	-	(255,001,350,122)	(316,235,061,334)
-Replenishments to the Fund		62,070,000,000	-	35,479,839,920	97,549,839,920
At 30 June 2020	(32,360,833,063,133)	836,288,788	-	88,343,111,196	(32,271,653,663,149)
FY ended 30 June 2021					
At 1 July 2020	(32,360,833,063,133)	836,288,788	-	88,343,111,196	(32,271,653,663,149)
Surplus (Deficit) for the year: Statement of Financial Performance	(11,762,739,483,274)		-	-	(11,762,739,483,274)
Net adjustments to opening reserves	960,027,806,635	(836,288,788)	-	(4,677,253,454)	954,514,264,393
-Withdrawals from the Fund	-	(62,070,000,000)	-	(177,919)	(62,070,177,919)
-Replenishments to the Fund	-	62,070,000,000	-	155,010,143,377	217,080,143,377
At 30 June 2021	(43,163,544,739,772)	-	-	238,675,823,200	(42,924,868,916,572)
Notes to the financial statements	26	27	28	29	

The Notes and schedules set out on pages 40 to 92 form an integral part of the financial statements.



Lawrence Semakula
Accountant General

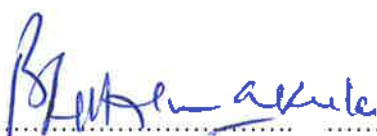


Ramathan Ggoobi
Permanent Secretary/Secretary to the Treasury

Consolidated Cash Flow Statement [Direct Method]

	30 June 2021 Shs.	30 June 2020 Shs.
CASH FLOWS FROM OPERATING ACTIVITIES		
Total receipts from operating revenues were (see below):	21,954,965,608,144	18,670,583,548,949
PAYMENTS FOR OPERATING EXPENSES:		
Employee costs	3,981,645,348,120	3,618,923,615,904
Goods and services consumed	4,652,204,249,891	3,639,435,981,381
Bank Charges	11,031,645,807	89,418,533,946
Subsidies	-	-
Transfers to Other Organizations	10,313,891,514,078	10,210,145,138,249
Social benefits	235,372,584,724	185,135,489,993
Other expenses	415,343,611,774	614,717,516,755
Finance costs	3,170,387,913,959	2,667,059,166,116
Advances paid	1,042,510,873,103	1,172,909,367,382
Outstanding letters of Credit	234,083,431,968	180,408,048,482
Interest arrears paid	-	-
Domestic arrears goods & services paid in the year	2,593,709,226,424	1,706,653,066,309
Domestic arrears pension paid during the year	133,474,914,791	134,023,559,007
Foreign exchange gain-Realized	63,082,062,975	31,622,332,515
Transfer to the Petroleum Fund	-	-
Total payments for operating activities	26,846,737,377,614	24,250,451,816,039
Net cash outflows from operating activities	(4,891,771,769,470)	(5,579,868,267,091)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	8,439,607,581,897	5,607,059,565,009
Non Produced Assets	605,995,763,645	436,456,340,600
On-lending to state enterprises	-	-
Investments in Private companies	-	-
Net cash outflows from investing activities	9,045,603,345,542	6,043,515,905,609
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of Government treasury bills	6,495,358,557,200	5,062,950,729,502
Proceeds from issue of Government bonds	6,868,479,363,967	3,401,676,066,177
Re-purchase of Government bonds & treasury bills	(5,716,125,844,281)	(4,863,991,372,562)
Proceeds from external borrowings	7,139,546,958,729	8,352,274,917,724
Repayments of external borrowings	(953,725,427,528)	(572,519,657,179)
Repayment of domestic loans	120,689,964,670	75,870,708,883
Proceeds from other domestic (on lent) loans	-	-
Net cash flows from financing activities	13,954,223,572,757	11,456,261,392,545
Net Increase in cash and cash equivalents	16,848,457,745	(167,122,780,155)

The notes and schedules set out on pages 40 to 92 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 2021 [Direct Method] (continued)

For cash flow purposes receipts from operating revenue comprise:

	Notes	30 June 2021 Shs.	30 June 2020 Shs.
Operating revenue			
Total Revenue as per Financial Performance		21,170,689,684,759	18,192,028,781,775
Add : Advances recovered during the year		431,608,171,821	437,154,636,355
: Deposits received		483,233,394,990	41,400,130,819
: Proceeds from disposal of Investments		-	-
Less : Accrued Revenue		(130,565,643,426)	-
Total Operating Revenue		21,954,965,608,144	18,670,583,548,949
Less: Grants received as HIPC/MDRI in Kind		-	-
Revenue in Kind (Tax waivers)		-	-
Total cash receipts from operating activities		21,954,965,608,144	18,670,583,548,949

Reconciliation of movement of cash during the year

		30 June 2021 Shs.	30 June 2020 Shs.
At the beginning of the year		1,223,905,954,124	1,561,613,910,826
Net adjustments from Accounting Officers' Cash Flow Statements		(38,214,421,413)	51,923,399,486
Contingency Fund transfers		-	836,288,788
Energy Fund Transfers		-	-
Replenishment of the Petroleum Fund		140,442,698,290	(223,344,864,821)
Net increase in cash from the Cash Flow Statement		16,848,457,745	(167,122,780,155)
At the end of the year		1,342,982,688,746	1,223,905,954,124

Net cash and bank balances comprise of:

	Notes	30 June 2021 Shs.	30 June 2020 Shs.
Cash and bank balances	18	1,342,982,688,746	1,223,905,954,124
Less Bank overdraft with BoU and others	21(b)	-	-
Net cash and bank balances		1,342,982,688,746	1,223,905,954,124

The Notes and schedules set out on pages 40 to 92 form an integral part of the financial statements.

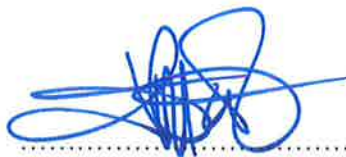
Statement of Outstanding Public Debt

	Notes	30 June 2021 Shs.	30 June 2020 Shs.
DOMESTIC DEBT			
Payables including deposits		5,354,979,967,409	4,063,626,018,631
Pension Liabilities	25	162,306,546,561	274,485,903,635
Borrowings from domestic financial institutions			
Treasury bills	22(p)i	5,726,696,005,699	4,456,057,321,963
Government Bonds	22(a)ii	19,162,104,204,372	13,519,820,501,346
Promissory Notes		400,121,271,306	0
Unpaid Reimbursements to BoU		-	-
Other Payables		-	-
		-	-
Total domestic debt		30,806,207,995,347	22,313,989,745,575
EXTERNAL DEBT			
Borrowings from multilaterals	22c	27,678,860,102,547	24,090,671,973,506
Borrowings from bi-laterals	22c	12,692,103,815,950	12,011,207,031,260
Borrowings from commercial banks	22c	3,941,806,496,863	2,806,000,504,924
Total external debt		44,312,770,415,360	38,907,879,509,690
TOTAL PUBLIC DEBT		75,118,978,410,707	61,221,869,255,265

The Notes and schedules set out on pages 40 to 92 form an integral part of the financial statements.



Lawrence Semakula
 Accountant General



Ramathan Ggoobi
 Permanent Secretary/Secretary to the Treasury

Statement of Outstanding Advances and Loans issued by Government

	Notes	30 June 2021 Shs.	30 June 2020 Shs.
ADVANCES			
Advances and prepayments	20	754,847,655,142	630,411,847,998
Letters of Credit	20	400,511,972,482	283,178,957,807
Total advances		1,155,359,627,624	913,590,805,805
Other Receivables		1,193,467,934,122	633,705,497,621
LOANS			
Loans to State Enterprises	20	7,191,384,164,274	7,408,841,929,084
Loans to agencies	20	26,929,101	26,929,101
Loans to private organizations	20	10,433,202,971	10,433,202,971
Other loans		-	-
Total loans		7,201,844,296,346	7,419,302,061,156
Less Provision for write off		(247,145,856,312)	
Total outstanding advances and loans	20	9,303,526,001,780	8,966,598,364,582

The Notes and schedules set out on pages 40 to 92 form an integral part of the financial statements.



Lawrence Semakula
 Accountant General



Ramathan Ggoobi
 Permanent Secretary/Secretary to the Treasury

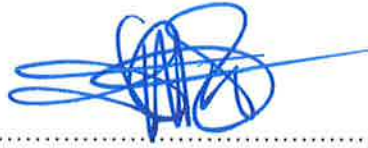
Statement of Investments held by the Government

	Notes	30 June 2021 Shs.	30 June 2020 Shs.
Securities other than equity			
-Corporate bonds			
-Promissory notes			
-Debentures			
-Fixed deposits			
-Shares in Public corporations	21	15,090,163,707,880	12,898,205,523,179
-Other securities-IMF	21	1,840,933,156,800	1,866,125,144,087
Sub-total		16,931,096,864,680	14,764,330,667,266
Shares and other equity			
-Shares in public corporations			
-Shares in other entities	21	422,756,708,394	439,184,304,943
Sub-total		422,756,708,394	439,184,304,943
Financial derivatives			
Total investments		17,353,853,573,074	15,203,514,972,209
Analyzed between			
Domestic investments	21	15,090,163,707,880	12,898,205,523,179
Foreign investments	21	2,263,689,865,194	2,305,309,449,030
Total investments	21	17,353,853,573,074	15,203,514,972,209

The Notes and schedules set out on pages 40 to 92 form an integral part of the financial statements.



Lawrence Semakula
Accountant General



Ramathan Ggoobi
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 Act, or as provided by clause 4 of article 152 of the Constitution.

	30 June 2021 Shs.	30 June 2020 Shs.
Opening balance (July 1,)	388,225,461	7,667,136,418
Unspent balances	26,046,474,006	49,967,847,947
Adjusted Opening Cash book balance	26,434,699,467	57,634,984,365
Inflows		
URA collections [Taxes and NTR]	18,695,474,061,576	16,351,320,572,310
Other Non-Tax revenue to UCF	457,031,344,220	558,533,589,108
Transfers received from Petroleum Fund	0	255,000,000,000
Other Inflows	411,345,040,069	
Transfers received from the COVID Fund	29,585,000,000	-
Transfers received from Vote 130		
Proceeds from domestic securities	13,689,466,849,418	8,479,999,990,258
Proceeds from Loans	3,441,285,807,231	2,562,625,073,775
Advance from Bank of Uganda	2,100,000,000,000	1,500,000,000,000
Budget support proceeds	43,691,719,794	559,290,090,276
Dividends	2,662,425,879	3,041,396,230
Other Transfers received from TOP	1,720,596,944	-
Total Inflows	38,898,697,544,598	30,269,810,711,957
Outflows		
Transfers to Central Government Votes	21,163,444,177,447	16,467,773,409,402
Transfers to Vote 130 - Treasury Operations		
Domestic Securities	9,547,284,799,842	6,864,613,319,664
External payments	1,987,513,260,668	1,533,847,223,461
Court awards	221,218,430,853	213,965,725,959
Transfers to the Contingencies Fund	62,070,000,000	62,070,000,000
BoU Advance reimbursement	2,100,000,000,000	1,500,000,000,000
Other outflows	144,740,559,042	169,196,240,384
Transfers to Local Government votes	3,672,098,971,335	3,515,591,551,991
Total Outflows	38,898,370,199,187	30,327,057,470,861
Closing balance [30th June,]	327,345,411	388,225,461

The Notes and schedules set out on pages 40 to 92 form an integral part of the financial statements.

Consolidated Summary Statement of Appropriation

Summary	Approved estimates Shs.	Actual released Shs.	Actual expenditure Shs.	Variance Shs.
Ministries	12,706,136,318,865	12,169,822,814,263	12,169,822,814,263	536,313,504,602
				-
Agencies	26,725,260,349,145	21,097,711,251,821	22,983,657,481,379	3,741,602,867,766
				-
Referral Hospitals	293,391,970,223	268,194,089,921	268,194,089,921	25,197,880,302
				-
Embassies and Missions	195,112,313,393	195,088,655,335	187,337,201,614	7,775,111,779
				-
Local Governments	4,327,842,896,730	3,681,081,099,550	3,681,081,099,550	646,761,797,180
				-
Totals for 30 June 2021	44,247,743,848,356	37,411,897,910,890	39,290,092,686,727	4,957,651,161,629
Totals for 30 June 2020	33,473,531,262,682	29,374,080,594,781	29,177,741,408,060	4,295,789,854,622

Reconciliation to the GoU Total Approved Budget:

	<i>FY 2020/2021</i>	<i>FY 2019/2020</i>
<i>Approved Budget as above</i>	44,247,743,848,356	33,473,531,262,682
<i>Add: External Project Financing (Not included in the Consolidation)</i>	7,221,714,138,908	9,251,023,599,440
<i>Total GoU Approved Budget</i>	<i>51,469,457,987,264</i>	<i>42,724,554,862,122</i>

The Notes and schedules set out on pages 40 to 92 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 2021 Shs.	30 June 2020 Shs.
Ministries	159,746,994,977,274	-	60,251,494,788	159,807,246,472,062	9,969,928,401,135
Agencies	366,144,911,272	8,793,714,274	8,129,409,945	383,068,035,491	1,522,568,601,354
Referral Hospitals	-	-	12,469,596	12,469,596	990,663,069
Embassies and Missions	209,134,147	-	-	209,134,147	202,350,470
Total contingent liabilities	160,113,349,022,693	8,793,714,274	68,393,374,329	160,190,536,111,296	11,493,690,016,028
Analyzed as follows:					
Domestic contingent liabilities	160,113,349,022,693	8,793,714,274	68,393,374,329	160,190,536,111,296	11,493,690,016,028
External contingent liabilities					
At 30 June 2021	160,113,349,022,693	8,793,714,274	68,393,374,329	160,190,536,111,296	11,493,690,016,028
At 30 June 2020	10,388,562,539,970	1,034,364,090,355	70,763,385,703	11,493,690,016,028	

The Notes and schedules set out on pages 40 to 92 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 Compenations	Securities	Other Payables	Pensions and Gratuity	Total
Ministries	4,705,755,103	80,396,906,426	463,996,031,649	-	969,579,359,163	1,34,362,905,059	1,653,040,957,400
Agencies	6,678,005,331	2,291,108,348	437,601,180,566	2,077,045,133,772	598,145,228,809	25,908,861,929	3,147,669,518,755
Referral Hospital	4,163,437,917	-	-	-	6,515,742,532	2,034,779,573	12,713,960,022
Missions Abroad	-	-	-	-	708,759,061	-	708,759,061
Total 30 June 2021	15,547,198,351	82,688,014,774	901,597,212,215	2,077,045,133,772	1,574,949,089,565	162,306,546,561	4,814,133,195,238
Total 30 June 2020	83,063,571,149	106,787,137,686	848,912,515,791	-	2,799,801,356,231	274,485,903,635	4,113,050,484,492

The Notes and schedules set out on pages 40 to 92 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 2021 Shs.
Ministries	-	-	-	-	-
Agencies	-	-	-	-	-
Referral Hospitals	-	-	-	-	-
Embassies and Missions	-	-	-	-	-
At 30 June 2021	-	-	-	-	-
At 30 June 2020	-	-	-	-	-

The Notes and schedules set out on pages 40 to 92 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 2021 Shs.	Total losses at 30 June 2020 Shs.
Ministries	1,805,262,242	116,624,834	1,921,887,076	1,805,262,242
Agencies	4,895,762,691	682,693,226	5,578,455,917	5,027,942,367
Referral Hospitals	15,446,200	300,000,000	315,446,200	15,446,200
Embassies and Missions	102,971,768	431,851,382	534,823,150	159,361,533
At 30 June 2021	6,819,442,901	1,531,169,442	8,350,612,343	7,008,012,342
At 30 June 2020	6,479,490,322	528,522,020	7,008,012,342	

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 (A) 30 June 2020 Shs.	Arrears in (A) collected during the year (B) Shs.	Actual amounts billed during the year (C) Shs.	Amounts Collected during the year (D) Shs.	Arrears of Revenue for the year (E) (C-D) Shs.	Cumulative Arrears of Revenue at 30-June-20 (F) (A-B+E) Shs.
Ministries	4,542,251,396	1,143,420,000	61,434,844,577	60,425,144,695	1,081,316,154	4,480,147,550
Agencies	198,048,955,221	81,209,835,461	1,265,456,800,600	1,134,850,225,491	130,606,575,109	247,445,694,869
Referral Hospitals	317,055,330	285,016,712	12,014,917,212	11,790,925,357	223,991,855	256,030,473
Embassies and Missions	4,002,795,488	552,078,752	11,862,338,374	10,489,309,228	1,373,029,146	4,823,727,434
As at 30 June 2021	206,911,057,435	83,190,350,925	1,350,768,900,763	1,217,555,604,771	133,284,912,264	257,005,600,326
As at 30 June 2020	158,384,680,094	89,806,909,067	993,638,018,189	858,157,864,803	83,279,630,385	203,275,927,076

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

Summary	Property, buildings, highways and Non Produced assets	Plant –machinery, trucks machinery	Others-computers, copiers	Total value of property, plant & equipment purchased during the year 30 June 2021	Total value of property, plant & equipment purchased- 30 June 2020
	Shs.	Shs.	Shs.	Shs.	Shs.
Ministries	1,540,918,376,700	186,854,222,480	4,598,136,080,208	6,325,908,679,388	4,835,164,951,863
Agencies	5,935,834,836,688	222,580,306,122	396,742,845,698	6,555,157,988,508	4,557,537,437,036
Referral hospitals	21,447,004,348	7,657,050,790	8,026,201,056	37,130,256,194	31,648,919,684
Embassies/Missions	22,857,993,641	622,659,083	-	23,500,365,266	19,565,102,288
At 30 June 2021	7,521,058,211,377	417,714,238,475	5,002,905,126,962	12,941,697,289,356	9,443,916,410,871
At 30 June 2020	5,267,548,455,165	262,934,915,889	3,913,433,039,817	9,443,916,410,871	

The Notes and schedules set out on pages 40 to 92 form an integral part of the financial statements.

Notes to the Financial Statements for the year ended 30 June 2021

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 Government reporting entities, referred to as central Government votes or MDAs and covered by these consolidated financial statements comprise; Ministries, Agencies, Referral Hospitals and Missions abroad. Local Governments are included only to the extent of the central government contribution, as transfers to other Organisations.

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

These financial statements have been prepared in accordance with the requirements of the Public Finance Management Act, 2015 [the Act] as amended and comply with generally accepted accounting principles taking into consideration the Government of Uganda legal and regulatory framework regarding public finances.

The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below. The Financial Statements have been prepared using the modified accrual basis of accounting. The modified accrual basis of accounting recognizes revenue when earned with the exception of revenue from taxes and grants that is recognised when received. Expenses are recognised when incurred resulting into recognition of payables in the statement of financial position. All non-current assets with the exception of non-produced assets are expensed 100% in the year of acquisition in the statement of financial performance.

b) Consolidation

(i) Government Ministries, Departments and Agencies (MDAs)

MDAs 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. MDAs 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 policies adopted by Government.

Notes to the Financial Statements for the year ended 30 June 2021

(ii) Government Business Entities (GBEs)

These include both trading and statutory enterprises which are either fully Government owned or Government has a stake. 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

(iii) Local Governments

Transfers to District Local Governments and Municipal Councils are expensed in the financial statements. Consolidated Financial Statements of Local Governments are separately prepared.

(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

Fully or partly Government funded project expenditure is recognized in the statement of financial performance of the parent accounting entity and ultimately in the CFS to the extent of funding received from Government.

Development partner funded projects that disburse through Treasury are accounted for as inflows and fully expensed.

(c) Reporting currency and translation of foreign currencies

(i) Functional and presentation currency

The functional and reporting currency is the Uganda Shilling, 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. The unrealized gains/losses resulting from the revaluation of assets are recognized in the statement of changes in Equity through the revaluation reserve.

(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:

Notes to the Financial Statements for the year ended 30 June 2021

- 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 2019 to the 30 June 2021.

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.

Subject to Article 152 of the Constitution of the Republic of Uganda, tax is levied with the authority of Parliament.

(i) Tax revenues

Tax revenues are recognized when collection is made by the tax collection agency of Government, the Uganda Revenue Authority (URA). Many services and benefits are provided by the accounting entity to the public but these do not necessarily give rise to revenue to the entity. Equivalently, payment of tax and other dues do not necessarily result into an entitlement to the taxpayer to receive equivalent value of services or benefits because there is no explicit relationship between payments of tax and other dues, and receipt of goods and services from the Government.

Tax collections not yet remitted to the Uganda Consolidated Fund by URA at the reporting date are recognised as cash in transit in the Statement of Financial Position.

Other revenue is recognized as follows:

(ii) External Assistance

External assistance received by Government is in the form of loans and grants. External assistance received by all Government entities is accounted for centrally by the Treasury and the Ministry responsible for finance which is the principal recipient on behalf of Government. Grants are recognized as income when received.

Loans are recorded as liabilities to Government when loan draw down is made. Undrawn balances on loans are disclosed in the consolidated financial statements.

(iii) Non-Tax Revenue

Non-Tax Revenue (NTR) is proceeds from sales of designated services by Government entities. Non-Tax Revenue, whether directly collected by the entity or collected by another entity on its behalf is recognized when earned (when services are rendered and not necessarily when funds are received).

Notes to the Financial Statements for the year ended 30 June 2021

NTR earned but not received by the closing date is recognised as a receivable in the Statement of Financial position in line with the modified accrual basis of accounting which has been applied for the first time. Receivables from prior periods have been recognised through the Statement of Changes in Equity and not through the respective comparative notes.

(f) Expenses

Expenditure is recognized when incurred. All unpaid expenses (liabilities) that have been verified are recognised in the financial statements. The pension liabilities recognised are payments due to retired Government employees but not yet paid. Pension liability for serving Government employees is not recognised in the financial Statements.

(g) Property, Plant and Equipment (physical assets or fixed assets)

Property, plant and equipment principally comprises buildings, plant, vehicles, equipment, highways, specialist military equipment and any other infrastructure assets but does not include land and regenerative natural resources such as forests and mineral resources.

Purchases of property, plant and equipment are expensed fully in the year of purchase. However, a memorandum record is maintained in the Fixed Asset Registers at historical cost of non-current assets of Government.

Unrealized gains or losses arising from changes in the values of property, plant and equipment are not recognized in the financial statements. Proceeds from disposal of property, plant and equipment are recognized as non-tax revenue in the period when the disposal is made.

(h) Receivables

(i) Advances and other receivables

Receivables are carried at original historical cost

(ii) Letters of credit

Procurement of goods and services through letters of credit which are cash covered are recognized in the statement of financial performance when delivery is done. Outstanding letters of credit at period-end are treated as deposits receivable and expensed in the following period when the goods or services are delivered.

(i) Inventories

Consumable supplies are expensed in the period in which they are paid for.

(k) Investments

All purchases and sales of investments are recognized at the date when payments are effected or when proceeds are received. All Financial 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 exchange rate.

Notes to the Financial Statements for the year ended 30 June 2021

(i) Cash and cash equivalents

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. In the statement of financial position bank overdrafts are included in borrowings.

(ii) Unspent cash balances

In accordance with the Public Finance Management Act, 2015, unspent cash balances by Government entities at the end of the financial year are returned to the Consolidated Fund in the course of the following financial year. With the implementation of TSA, Ministries, Agencies and Departments except missions abroad have no unspent cash balances. Returns to the consolidated fund from missions abroad as unspent balances are eliminated at consolidation. Unspent cash balances from local Governments are recognised as miscellaneous revenue.

(l) 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 financial statements when incurred.

(m) 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.

(n) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. These comprise government guarantees issued, court awards that have been appealed by the Attorney General, those arising from Public Private Partnerships (PPPs) etc

Contingent liabilities are not recognised but disclosed in the Statement of Contingencies Liabilities when the contingency becomes evident. Contingent assets are neither recognized nor disclosed.

(o) Commitments

Commitments include operating and capital commitments arising from non-cancelable contractual or statutory obligations. Outstanding commitments relating to non-cancelled contractual or statutory obligation where goods have been delivered or service provided are included in the statement of financial position as payables and disclosed the Statement of Outstanding Commitments.

(p) Classified expenditures

Classified expenditures are included under supply of goods and services in the Statement of Financial Performance, and are audited separately.

Notes to the Financial Statements for the year ended 30 June 2021

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 2021 for major currencies was:

	Actual 30 June 2021 Shs	Actual 30 June 2020 Shs
United States Dollar	3,574.07	3730.33
British Pound	4,962.61	4,620.34
Euro	4,264.49	4,179.17
SDR/AFU/IDI	5,099.45	5,169.23

Source: Bank of Uganda website

Note 3 - Taxation revenues

Tax revenues comprise both direct and indirect taxes levied and collected by the Uganda Revenue Authority [the URA] and KCCA 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]. Details of taxation revenues for the year are summarized hereunder:

	30 June 2021 Shs.	30 June 2020 Shs.
Customs and exercise taxes	6,144,842,616,070	5,141,738,798,485
Taxes on gains and profits, fees and licenses including VAT	12,585,702,823,804	11,246,774,682,110
KCCA Taxes	29,614,066,604	32,009,090,446
Sub-total	18,760,159,506,478	16,420,522,571,041
Less Tax refunds	(497,545,518,838)	(371,334,467,501)
Less Mineral royalties, and Bank Charges	(10,154,459,121)	(7,147,135,561)
Total taxation revenues	18,252,459,528,519	16,042,040,967,979

Note 4 - Non-Tax Revenues [NTR]

The collection of NTR is now largely being undertaken by URA. NTR principally comprises the following:

	30 June 2021 Shs.	30 June 2020 Shs.
Investment income	326,015,830,116	15,840,591,648
Dividends	8,767,456,982	3,041,396,230
Rent	33,712,315,101	37,374,430,725
Other property income	8,144,531,456	9,129,668,821
Income from Disposal of Assets	61,940,316,121	58,583,143,610
Administrative fees and licenses	669,843,415,751	684,207,995,668
Fines and penalties	5,972,269,631	36,496,905,840
Miscellaneous revenue*	534,420,776,750	567,266,314,031
Total Non-Tax Revenue	1,648,816,911,908	1,411,940,446,574

Note 5 - External Assistance Received

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), only grants are recognized as revenue when received.

External assistance received during the reporting period comprised:

Notes to the Financial Statements for the year ended 30 June 2021

5(a) Grants received

	30 June 2021 Shs.	30 June 2020 Shs.
Grants Received		
Grants to Support the COVID-19 Fund	1,127,094,937	35,378,846,115
Grants from foreign Governments	38,369,504,876	26,304,301,432
Grants from multilateral organizations	1,229,916,644,519	676,364,219,675
Total grants received	1,269,413,244,332	738,047,367,222
5(b) Loans		
Loan Funds		
Loans from foreign Governments	1,603,479,692,786	1,359,186,352,325
Loans from Commercial Banks	1,159,191,337,567	2,646,323,048,089
Loans from multilateral organizations	4,376,875,928,377	4,338,722,965,859
Total	7,139,546,958,730	8,344,232,366,273
Total External Assistance (5(a) +5(b))	8,408,960,203,062	9,082,279,733,495

Note 6 – HIPC Relief

Relief under Highly Indebted Poor Countries [HIPC] arrangement included

	30 June 2021 Shs.	30 June 2020 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 - Employee costs

Principally comprise:

	30 June 2021 Shs.	30 June 2020 Shs.
Wages and salaries	3,530,282,358,603	3,250,349,356,301
Social Contributions	142,992,174,438	125,144,051,775
Other employment costs	322,632,118,713	255,173,652,902
Total employee costs.	3,995,906,651,754	3,630,667,060,978

Notes to the Financial Statements for the year ended 30 June 2021

Note 8 - Goods and services consumed

These comprise:

	30 June 2021 Shs.	30 June 2020 Shs.
General expenses	1,415,510,201,603	1,022,956,301,561
Communications	85,942,517,225	69,600,773,954
Utility and property expenses	328,105,958,828	338,017,693,812
Supplies and services	1,841,160,141,501	1,357,349,007,676
Professional services	239,500,996,595	218,206,353,060
Insurances and licenses	26,155,026,624	17,984,441,844
Travel and transport	702,543,128,981	602,886,422,844
Maintenance	551,967,402,050	493,330,617,850
Total goods and services	5,190,885,373,407	4,120,331,612,601

Included in Supplies and services is classified expenditure amounting to 840.8billion

Note 9 - Consumption of property, plant and equipment (fixed assets or physical assets)

As explained in the accounting policies, all property, plant and equipment purchased are expensed during the year of purchase (fully depreciated in the year of purchase).

The value of property, plant and equipment purchased and expensed comprise:

	30 June 2021 Shs.	30 June 2020 Shs.
Buildings and structures	3,327,310,980,842	1,711,352,153,964
Machinery, furniture	284,206,629,972	191,319,768,764
Transport Equipment	133,507,608,503	71,615,147,125
Other fixed assets	5,002,924,839,504	3,913,433,039,817
Total value of property, plant and equipment expensed	8,747,950,058,821	5,887,720,109,670

Note 10 - Bank Charges

The total bank charges comprise;

	30 June 2021 Shs.	30 June 2020 Shs.
Bank charges -Treasury	11,031,645,807	89,418,533,946
Bank charges- From MDAs	-	-
Total	11,031,645,807	89,418,533,946

Note 11 - Subsidies

Subsidies paid during the year are summarized as below:

	30 June 2021 Shs.	30 June 2020 Shs.
To public corporations	-	-
To private enterprises	-	-
To private individuals	-	-
Total subsidies for the year	-	-

Notes to the Financial Statements for the year ended 30 June 2021

Note 12 – Transfers to Other Organizations

The Government paid grants during the year to the following:

	30 June 2021 Shs.	30 June 2020 Shs.
To international organization	90,524,596,643	88,358,014,997
To other non-consolidated Government units	6,490,330,118,383	6,565,608,354,001
To resident non-Government units	119,076,229,250	87,174,050,578
To local Governments	3,681,081,099,550	3,515,591,551,991
Total grants for the year	10,381,012,043,826	10,256,731,971,567

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 2021 Shs.	30 June 2020 Shs.
Pensions	242,462,690,619	221,615,404,618
Social Security benefits	1,837,016,324	1,709,164,780
Total	244,299,706,943	223,324,569,398

Note 14 - Other expenses

These comprise:

	30 June 2021 Shs.	30 June 2020 Shs.
Property expenses other than interest	166,127,480,339	204,295,713,243
Miscellaneous expenses	526,461,039,332	580,306,347,615
Total other operating expenses	692,588,519,671	784,602,060,858

Note 15 - Foreign exchange gains and losses

	30 June 2021 Shs.	30 June 2020 Shs.
Realised loss (gain)	63,082,062,975	31,622,332,515
Un/realized loss	-	-
Un/realized gain	(621,818,511,486)	(573,493,292,730)
Net foreign exchange (gains)/ losses	(558,736,448,511)	(541,870,960,215)

Notes to the Financial Statements for the year ended 30 June 2021

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 2021 Shs.	30 June 2020 Shs.
Interest on external borrowings	723,310,041,684	559,991,089,127
Interest on treasury bills/bonds	3,258,035,718,319	2,475,531,497,733
Interest on other domestic borrowings	-	-
Total finance costs	3,981,345,760,003	3,035,522,586,860

Note 17 - Bad debts expenses

	30 June 2021 Shs	30 June 2020 Shs
Bad debts written off	247,145,856,312	-
Provision for bad debts	-	-
Total Bad Debts at the end of the year	247,145,856,312	-

Note 18: Non Produced Assets

	30 June 2021 Shs.	30 June 2020 Shs.
Land	4,192,258,300,569	3,554,536,652,272
Cultivated Assets	1,488,929,966	1,659,648,929
Other Naturally occurring assets	-	-
Total	4,193,747,230,535	3,556,196,301,201

Notes to the Financial Statements for the year ended 30 June 2021

Note 19- 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 2021 Shs.	30 June 2020 Shs.
DOMESTIC		
Revenue accounts	1,382,830,302	1,675,926,259
Expenditure accounts held with Bank of Uganda	125,913,366,070	48,823,915,994
Project accounts	10,362,146,378	42,105,746,144
Contingency Fund account	-	836,288,788
Petroleum Fund Account	228,785,809,486	87,787,458,634
Collection accounts	2,881,233,066	4,874,991,687
Cash in transit	135,410,303,248	249,650,666,519
Cash at hand- Imprest	81,411,350	245,005,912
Others including Treasury accounts	819,039,151,011	761,462,302,838
Sub-total cash and cash equivalents- domestic	1,323,856,250,911	1,197,462,302,775
FOREIGN		
Revenue Accounts	420,624,496	4,748,146,650
Expenditure Accounts	14,341,274,262	18,181,610,811
Project Accounts	1,174,146,393	-
Collection accounts	210,093,903	84,790,524
Cash in transit	965,086,782	1,169,104,672
Cash at hand- Imprests	1,360,613,082	1,585,848,115
Others	654,598,917	674,150,577
Sub-total cash and cash equivalents- foreign	19,126,437,835	26,443,651,349
Total cash and cash equivalents	1,342,982,688,746	1,223,905,954,124

Note 20 - Receivables

Receivables include on-lent amounts due from Government entities, letters of credit not retired and other advances.

	30 June 2021 Shs.	30 June 2020 Shs.
Loans- domestic	7,201,844,296,346	7,419,302,061,156
Domestic Advances	754,847,655,142	630,411,847,998
Letters of Credit	400,511,972,482	283,178,957,807
Other accounts receivable- domestic	1,193,467,934,122	633,705,497,621
Total Receivables	9,550,671,858,092	8,966,598,364,582
Less provision for bad debts [Note 20(a)]	(247,145,856,312)	-
Net Receivables	9,303,526,001,780	8,966,598,364,582

Note 20 (a) Provision for Doubtful Debts

	30-Jun-21	30-Jun-20
Provision at the beginning of the year- at 1 July	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	-

Notes to the Financial Statements for the year ended 30 June 2021

Note 21 - Investments

Comprise investments as follows:

	30 June 2021 Shs.	30 June 2020 Shs.
Securities other than shares (long-term)-domestic	-	-
Shares and other equity-domestic	15,090,163,707,880	12,898,205,523,179
Securities other than shares-foreign	-	-
Shares and other equity	422,756,708,394	439,184,304,943
Deposits with IMF	1,840,933,156,800	1,866,125,144,087
Total investments	17,353,853,573,074	15,203,514,972,209

Note 22- 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 2021 Amounts Shs.	% Total Borrowings	30 June 2020 Amount Shs.	% Total Borrowings
DOMESTIC				
Currency and deposits				
Securities other than shares (21a)	25,288,921,481,377	36%	17,975,877,823,309	33%
Loans (21b)				
Shares and other equity (public corporations)				
Total domestic borrowings	25,288,921,481,377	36%	17,975,877,823,309	33%
FOREIGN				
Currency deposits				
Securities other than shares				
Loans (see below) (21c)	44,312,770,415,360	64%	38,907,879,509,690	67%
Shares and other equity (public corporations)				
Total external borrowings	44,312,770,415,360	64%	38,907,879,509,690	67%
Total borrowings	69,601,691,896,737	100%	56,883,757,332,999	100%

Note 22(a) - Securities other than shares

(i) Treasury bills and bonds

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 issued within the provisions of Section 20 of the Public Finance and Accountability Act, 2003, and were for monetary policy management purposes. These are shown below as follows:

	30 June 2021 Shs.	30 June 2020 Shs.
DOMESTIC		
Treasury bills	5,726,696,005,699	4,456,057,321,963
Government bonds	19,162,104,204,372	13,519,820,501,346
Promissory Notes	400,121,271,306	
TOTAL	25,288,921,481,377	17,975,877,823,309

Notes to the Financial Statements for the year ended 30 June 2021

Maturity dates of treasury bills are analyzed as below:

	30 June 2021 Shs.	30 June 2020 Shs.
91-day bills	74,756,659,622	51,057,182,428
182-day bills	398,262,098,312	305,661,293,569
273 day bills	-	-
364-day bills	5,253,677,247,765	4,099,338,845,966
Total value of treasury bills	5,726,696,005,699	4,456,057,321,963

ii) Government bonds

By 30th June 2014, unredeemed bonds were as below; -

	30 June 2021 Shs.	30 June 2020 Shs.
Bonds to be redeemed between 1-2 years	1,464,157,657,754	1,227,106,564,342
Bonds to be redeemed between 2-3 years	1,903,056,715,898	1,396,235,999,478
Bonds to be redeemed between 3-5 years	3,705,335,182,352	3,538,311,697,787
Bonds to be redeemed between 5-10years	6,583,459,190,845	4,284,242,913,151
Bonds to be redeemed after ten years	5,506,095,457,523	3,073,923,326,588
Total value of treasury bonds	19,162,104,204,372	13,519,820,501,346

Note 22(b) - Domestic loans and interest payable

Domestic loans in general represent borrowings from Bank of Uganda, whilst foreign loans comprise borrowings from multi-lateral Organizations, and foreign Governments.

Domestic loans comprise the following:

	30 June 2021 Shs.	30 June 2020 Shs.
DOMESTIC		
Loans from commercial banks		
Principal Reimbursements		
Interest payable- on treasury bonds		
Interest payable- on treasury bills		
Listing Fees		
Others- Including overdrafts		
Total domestic loans		

Note 22(c) - Foreign borrowings comprise the following:

	30 June 2021 Shs.	30 June 2020 Shs.
FOREIGN		
Loans from Multi-lateral organizations	27,678,860,102,547	24,090,671,973,506
Loans from foreign Governments -bilateral	12,692,103,815,950	12,011,207,031,260
Loans from Commercial Banks	3,941,806,496,863	2,806,000,504,924
Total external borrowings	44,312,770,415,360	38,907,879,509,690

Note 22 (d) - Loans from multi-lateral organizations

Include borrowings from foreign Governments, from international financial institutions, and from any other foreign private financial institutions.

Notes to the Financial Statements for the year ended 30 June 2021

These are summarized as follows:

	30 June 2021 Shs.	% of Total multi- lateral debt	30 June 2020 Shs.	% of total multi- lateral debt
African Development Fund	5,175,617,545,521	19%	5,113,702,060,166	24%
International Monetary Fund	-		-	
International Development Association	15,660,440,246,135	57%	13,506,324,469,955	62%
Sub-total	20,836,057,791,656	75%	18,620,026,530,121	87%
Others	6,842,802,310,891	25%	5,470,645,443,385	13%
Total multi-lateral debts	27,678,860,102,547	100%	24,090,671,973,506	100%

Note 22 (e) - Loans from foreign Governments [bi-laterals]

These are from various Governments and are summarized between OECD and non-OECD countries as follows:

	30 June 2021 Shs	% of total bi-lateral debt	30 June 2020 Shs.	% of total bi- lateral debt
From OECD countries	2,232,475,091,704	18%	2,812,552,454,984	21%
From non-OECD countries	10,459,628,724,246	82%	9,198,654,576,276	79%
Total loans from bi-laterals	12,692,103,815,950	100%	12,011,207,031,260	100%

Note 22 (f) – Undisbursed Debt

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 2021 Shs	30 June 2020 Shs.
From International Organisations- Multilateral	13,253,979,631,325	10,299,755,451,879
From foreign Governments- Bilateral	6,833,520,297,729	6,459,596,129,845
Others	166,381,715,751	446,561,910,107
Total undisbursed loans	20,253,881,644,805	17,205,913,491,831

Effective rates of interests

The effective weighted average interest rate for external borrowings at the balance sheet date was as follows:

	30 June 2021 Interest rate %	30 June 2020 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

Note 23 - Payables

These comprise unpaid expenses incurred by Accounting Officers by the reporting period

	30 June 2021 Shs.	30 June 2020 Shs.
DOMESTIC PAYABLES		
Accounts payables	98,235,213,125	189,850,708,835
Other accounts payable	4,553,591,435,552	3,648,713,872,022
Total payables	4,651,826,648,677	3,838,564,580,857

Notes to the Financial Statements for the year ended 30 June 2021

Note 24- 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 2021 Shs.	30 June 2020 Shs.
Deposits received	702,352,302,087	225,061,437,774
Deferred Income	801,016,645	
Total	703,153,318,732	225,061,437,774

Note 25- 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 2021 Shs.	30 June 2020 Shs.
Former East African Community employees	-	-
Former employees of the Military Service	119,459,261,750	1,516,373,726
Former employees of the Public Service	27,935,184,251	45,614,318,095
Former employees of the Education Service	-	214,197,698,176
Former employees of the Police and Prison Service	-	-
Gratuity arrears	14,912,100,560	13,157,513,638
Total	162,306,546,561	274,485,903,635

Note 26 - 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 2021 Shs.	30 June 2020 Shs.
At beginning of the year, 1 July 2016	(32,360,833,063,133)	(29,748,590,407,084)
Re-statement of external debt, on-lent loans and investments and others	960,027,806,635	6,682,176,107,840
Surplus for the year- see Statement of Financial Performance	(11,762,739,483,274)	(9,294,418,763,889)
At end of the year, 30 June 2021	(43,163,544,739,772)	(32,360,833,063,133)

Note 27- 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 2021 Shs.	30 June 2020 Shs.
At the beginning of the year	836,288,788	2,621,380,000
Transfers to UCF	(836,288,788)	(2,621,380,000)
Additions through appropriations	62,070,000,000	62,070,000,000
Withdrawals from the Fund	(62,070,000,000)	(61,233,711,212)
Balance at the end of the year	-	836,288,788

Note 28 – Energy Fund

	30 June 2021 Shs.	30 June 2020 Shs.
Energy Fund (b/f)		
Withdrawals from the Fund		
Replenishment from the Fund		
Balance at the end of the year		

Notes to the Financial Statements for the year ended 30 June 2021

Note 29 – 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 2021 Shs.	30 June 2020 Shs.
Petroleum Fund b/f	88,343,111,196	311,132,323,455
Withdrawals from the Fund	(177,919)	(255,001,350,122)
Replenishment from the Fund	155,010,143,377	35,479,839,920
Adjustment to the Fund	(4,677,253,454)	(3,267,702,057)
Balance at the end of the year	238,675,823,200	88,343,111,196

Statement of Appropriation by vote for the year ended 30 June 2021
[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	202,502,410,468	201,682,707,928	201,682,707,928	819,702,540
State House	891,961,174,160	891,532,219,568	891,532,219,568	428,954,592
Office of the Prime Minister	139,625,237,101	117,882,834,968	117,882,834,968	21,742,402,133
Ministry of Defence	5,316,680,485,212	5,315,436,141,998	5,315,436,141,998	1,244,343,214
Ministry of Public Service	30,036,885,896	19,175,845,670	19,175,845,670	10,861,040,226
Ministry of Foreign Affairs	64,391,446,214	40,779,312,360	40,779,312,360	23,612,133,854
Ministry of Justice and Const'nal Affairs	156,868,688,751	118,677,253,426	118,677,253,426	38,191,435,325
Ministry of Finance, Planning and Econ De	1,870,567,651,732	1,864,716,648,930	1,864,716,648,930	5,851,002,802
Ministry of Internal Affairs	52,828,381,380	50,797,036,784	50,797,036,784	2,031,344,596
Ministry of Agric, Animal Ind and Fisheries	175,286,405,508	146,937,472,347	146,937,472,347	28,348,933,161
Ministry of Local Government	128,952,485,381	121,393,358,548	121,393,358,548	7,559,126,833
Ministry of Lands, Housing & Urban Devt	74,319,053,721	69,133,323,023	69,133,323,023	5,185,730,698
Ministry of Education and Sports	388,445,715,859	343,635,983,855	343,635,983,855	44,809,732,004
Ministry of Health	376,883,927,827	374,554,806,620	374,554,806,620	2,329,121,207
Ministry of Trade and Industry	233,147,246,216	229,123,883,652	229,123,883,652	4,023,362,564
Ministry of Works & Transport	1,192,760,421,678	1,067,963,886,360	1,067,963,886,360	124,796,535,318
Ministry of Energy and Minerals	371,544,956,317	336,789,908,093	336,789,908,093	34,755,048,224
Ministry of Gender, Labour and Social Devt	153,009,606,910	147,638,256,311	147,638,256,311	5,371,350,599
Ministry of Water & Environment	457,524,823,198	446,943,775,415	446,943,775,415	10,581,047,783
Ministry of Communication & ICT	46,541,381,749	42,099,405,372	42,099,405,372	4,441,976,377
Ministry of East African Affairs	60,906,913,514	40,068,480,285	40,068,480,285	20,838,433,229
Ministry of Tourism & Heritage	170,983,036,213	38,238,041,639	38,238,041,639	132,744,994,574
Ministry of Science, Tech & Innovation	150,367,983,860	144,622,231,111	144,622,231,111	5,745,752,749
Totals for 30 June 2021	12,706,136,318,865	12,169,822,814,263	12,169,822,814,263	536,313,504,602
Totals for 30 June 2020	9,695,024,645,655	8,727,166,133,042	8,726,014,253,349	969,010,392,306

Statement of Appropriation by vote for the year ended 30 June 2021
[As submitted and signed by Accounting Officers]

AGENCIES

Name of agency	Approved estimates	Actual released	Actual expenditure	Variance
	Shs.	Shs.	Shs.	Shs.
Judiciary (Office of Judicature)	221,591,866,901	208,670,706,569	208,670,706,569	12,921,160,332
Electoral Commission	671,619,699,772	645,502,879,297	645,502,879,297	26,116,820,475
Inspector General of Government's Office	55,276,152,289	45,655,225,893	45,655,225,893	9,620,926,396
Parliamentary Commission	672,828,885,751	589,971,730,877	589,971,730,877	82,857,154,874
Law Reform Commission	8,870,417,411	7,727,676,644	7,727,676,644	1,142,740,767
Uganda Human Rights Commission	19,655,809,806	17,056,370,075	17,056,370,075	2,599,439,731
Uganda Aids Commission	11,091,925,757	10,974,038,498	10,974,038,498	117,887,259
National Planning Authority	33,567,092,974	31,903,835,656	31,903,835,656	1,663,257,318
Law Development Centre	28,160,298,571	24,525,486,395	24,525,486,395	3,634,812,176
Uganda Industrial Research Institute	24,503,310,465	22,465,288,282	22,465,288,282	2,038,022,183
Busitema University	51,550,855,677	45,318,899,882	45,318,899,882	6,231,955,795
Directorate of Ethics and Integrity	9,033,290,021	8,419,980,129	8,419,980,129	613,309,892
Uganda National Roads Authority	3,816,152,259,166	1,855,061,219,073	3,746,115,732,648	70,036,526,518
Uganda Cancer Institute	37,767,698,234	37,017,549,285	37,017,549,285	750,148,949
Uganda Heart Institute	24,997,744,894	24,694,311,211	24,694,311,211	303,433,683
National Medical Stores	470,314,151,130	453,778,936,694	453,778,936,694	16,535,214,436
Uganda Tourism Board	26,839,730,530	18,152,462,623	18,152,462,623	8,687,267,907
Uganda Road Fund	512,175,459,769	506,296,498,728	506,296,498,728	5,878,961,041
Uganda Registration Services Bureau	26,882,170,194	22,752,473,761	22,752,473,761	4,129,696,433
National Citizenship & Imm Ctrl	104,877,159,577	100,615,401,462	100,615,401,462	4,261,758,115
Diary Development Authority	10,016,427,440	7,929,363,235	7,929,363,235	2,087,064,205
KCCA	291,260,861,265	280,553,311,296	280,553,311,296	10,707,549,969
Rural Electricity Agency	166,455,963,996	150,008,302,876	150,008,302,876	16,447,661,120
Equal Opportunity Commission	12,071,754,441	11,874,294,555	11,874,294,555	197,459,886
NAGRC & DB	75,695,826,657	70,524,030,146	70,524,030,146	5,171,796,511
NITA-U	41,683,357,722	37,167,179,235	37,167,179,235	4,516,178,487
Muni University	23,780,101,776	19,982,797,459	19,982,797,459	3,797,304,317
UNEB	150,610,366,443	93,943,911,318	93,943,911,318	56,666,455,125
Financial Intelligence Authority	15,711,181,693	15,710,362,725	15,710,362,725	818,968
Accountant Generals Office	15,129,553,777,165	11,962,827,050,405	11,962,827,050,405	3,166,726,726,760
Office of the Auditor General	68,749,553,109	61,548,223,191	61,548,223,191	7,201,329,918
Education Service Commission	9,433,954,268	8,556,585,995	8,556,585,995	877,368,273
Directorate of Public Prosecution (DPP)	52,565,266,482	50,524,228,035	50,524,228,035	2,041,038,447
Health Service Commission	7,160,565,019	5,792,751,548	5,792,751,548	1,367,813,471
Makerere University (MUK)	363,772,173,114	357,040,691,843	357,040,691,843	6,731,481,271
Mbarara University	57,498,698,370	51,433,166,635	51,433,166,635	6,065,531,735
Makerere University Business School (MUBS)	102,629,144,049	96,879,382,289	96,879,382,289	5,749,761,760
Kyambogo University (KYU)	140,608,688,751	122,943,984,835	122,943,984,835	17,664,703,916
Uganda Management Institute	36,333,639,614	29,250,163,913	29,250,163,913	7,083,475,701
Uganda Revenue Authority (URA)	497,545,518,838	497,545,518,838	497,545,518,838	-
National Agriculture Research Organisation	111,030,650,487	99,729,269,979	99,729,269,979	11,301,380,508
Uganda Bureau of Statistics (UBOS)	60,696,578,133	46,814,136,484	46,814,136,484	13,882,441,649
Uganda Police	980,262,670,764	981,989,916,310	976,881,760,852	3,380,909,912

Statement of Appropriation by vote for the year ended 30 June 2021
[As submitted and signed by Accounting Officers]

Name of agency	Approved estimates	Actual released	Actual expenditure	Variance
	Shs.	Shs.	Shs.	Shs.
Uganda Prisons	316,185,552,272	306,369,058,090	306,369,058,090	9,816,494,182
Public Service Commission	9,482,710,354	9,397,961,466	9,397,961,466	84,748,888
Local Government Finance Commission	5,338,398,029	5,294,888,919	5,294,888,919	43,509,110
Judicial Service Commission	10,657,949,696	10,193,136,946	10,193,136,946	464,812,750
Gulu University	58,942,394,963	57,900,832,214	57,900,832,214	1,041,562,749
National Environment Management Authority	25,555,655,669	18,494,875,926	18,494,875,926	7,060,779,743
Uganda Blood Transfusion Service	17,642,630,468	17,197,625,883	17,197,625,883	445,004,585
National Agricultural Advisory Services	243,958,878,308	243,601,099,351	243,601,099,351	357,778,957
Public Procurement & Disposal of Assets	24,861,777,232	18,588,295,464	18,588,295,464	6,273,481,768
Uganda National Bureau of Standards	65,044,917,209	58,527,476,200	58,527,347,641	6,517,569,568
Cotton Development Organisation	8,617,197,154	8,460,201,956	8,460,201,956	156,995,198
Uganda Land Commission	71,868,574,709	65,173,891,037	65,173,891,037	6,694,683,672
National Forestry Authority	43,273,803,466	31,323,594,941	31,323,594,941	11,950,208,525
External Security Organisation	54,372,126,703	54,317,879,926	54,317,879,926	54,246,777
Coffee Development Authority	186,257,183,109	173,117,185,582	173,117,185,582	13,139,997,527
Lira University	27,813,227,255	25,796,819,891	25,796,819,891	2,016,407,364
Uganda National Meteorological Authority	26,681,628,662	17,481,650,367	17,481,650,367	9,199,978,295
National Curriculum Development Centre	40,214,475,469	36,930,150,404	36,930,150,404	3,284,325,065
Uganda Virus Institute	8,971,440,208	8,950,684,248	8,950,684,248	20,755,960
Directorate of Government Analytical Lab	26,083,399,848	15,629,377,288	15,629,377,288	10,454,022,560
Uganda Export Promotions Board	5,813,318,451	3,594,769,702	3,594,769,702	2,218,548,749
Kabale University	40,978,257,029	40,401,420,306	40,401,420,306	576,836,723
Soroti University	20,228,667,905	17,468,170,885	17,468,170,885	2,760,497,020
National Identification and Registration Auth	70,456,498,250	53,454,781,602	53,454,781,602	17,001,716,648
Uganda Investment Authority	19,471,307,723	14,337,422,863	14,337,422,863	5,133,884,860
Petroleum Authority of Uganda	63,605,680,519	48,578,406,185	48,578,406,185	15,027,274,334
Total for 30 June 2021	26,725,260,349,145	21,097,711,251,821	22,983,657,481,379	3,741,602,867,766
Totals for 30 June 2020	19,123,773,431,107	16,591,475,244,687	16,399,372,201,035	2,724,401,230,072

REFERRAL HOSPITALS

Statement of Appropriation by vote for the year ended 30 June 2021
[As submitted and signed by Accounting Officers]

Referral hospital	Approved estimates Shs.	Actual released Shs.	Actual expenditure Shs.	Variance Shs.
Mulago Hospital Complex	64,052,718,358	59,379,356,427	59,379,356,427	4,673,361,931
Butabika Hospital	17,023,451,458	16,550,594,026	16,550,594,026	472,857,432
Arua Hospital	10,935,033,148	10,813,023,640	10,813,023,640	122,009,508
Fort Portal Hospital	9,672,051,941	8,931,857,046	8,931,857,046	740,194,795
Gulu Hospital	11,780,667,865	9,840,895,121	9,840,895,121	1,939,772,744
Hoima Hospital	8,939,335,405	7,858,371,539	7,858,371,539	1,080,963,866
Jinja Hospital	15,726,245,613	12,833,174,530	12,833,174,530	2,893,071,083
Kabale Hospital	8,752,266,759	8,219,208,478	8,219,208,478	533,058,281
Masaka Hospital	11,597,191,491	11,588,445,471	11,588,445,471	8,746,020
Mbale Hospital	12,958,124,129	11,680,977,879	11,680,977,879	1,277,146,250
Soroti Hospital	8,153,445,239	7,816,696,604	7,816,696,604	336,748,635
Lira Hospital	13,196,127,033	9,997,070,329	9,997,070,329	3,199,056,704
Mbarara Regional Hospital	14,445,793,039	11,057,422,218	11,057,422,218	3,388,370,821
Mubende Regional Hospital	11,297,149,897	9,140,292,831	9,140,292,831	2,156,857,066
Moroto Regional Hospital	6,962,349,548	6,554,675,218	6,554,675,218	407,674,330
Naguru Referral Hospital	10,373,747,276	10,129,783,592	10,129,783,592	243,963,684
Kiruddu Referral Hospital	18,816,606,764	18,276,948,679	18,276,948,679	539,658,085
Kawempe Referral Hospital	11,723,289,016	11,385,928,349	11,385,928,349	337,360,667
Entebbe Regional Referral Hospital	5,404,919,908	5,208,240,664	5,208,240,664	196,679,244
Mulago Specialized Women and Neonatal Hospital	21,581,456,436	20,931,127,280	20,931,127,280	650,329,156
Total for 30 June 2021	293,391,970,223	268,194,089,921	268,194,089,921	25,197,880,302
Total for 30 June 2020	275,531,092,385	249,839,489,050	254,457,415,259	12,264,456,165

Statement of Appropriation by vote for the year ended 30 June 2021
[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, NY	19,105,514,877	19,105,514,879	18,802,704,795	302,810,082
Uganda High Commission in the United ,UK	6,616,443,281	6,616,443,281	6,675,306,217	(58,862,936)
Uganda High Commission in Canada	5,031,694,249	5,031,694,248	5,664,549,783	(632,855,534)
Uganda High Commission in India	4,554,401,598	4,554,431,410	4,267,251,736	287,149,862
Uganda High Commission in Egypt	3,592,729,102	3,592,729,102	3,507,621,159	85,107,943
Uganda High Commission in Kenya	3,426,392,877	3,426,392,876	3,424,771,895	1,620,982
Uganda High Commission in Tanzania	4,831,886,312	4,831,886,309	5,037,676,338	(205,790,026)
Uganda High Commission in Nigeria	2,446,323,082	2,446,323,082	2,354,319,764	92,003,318
Uganda High Commission in South Africa	3,281,536,234	3,281,535,996	3,229,632,158	51,904,076
Uganda Embassy in the United States	8,032,896,152	8,032,896,134	6,680,837,519	1,352,058,633
Uganda Embassy in Ethiopia	3,440,162,051	3,440,162,051	3,148,333,315	291,828,736
Uganda Embassy in China	4,980,509,760	4,980,509,760	5,034,921,872	(54,412,112)
Uganda Embassy in Rwanda	3,304,528,518	3,304,528,518	3,239,918,416	64,610,102
Uganda Embassy in Switzerland	7,421,746,908	7,421,746,908	6,823,207,434	598,539,474
Uganda Embassy in Japan	6,037,859,388	6,037,859,377	5,861,920,311	175,939,077
Uganda Embassy in Saudi Arabia	4,363,918,052	4,363,917,992	4,256,308,266	107,609,786
Uganda Embassy in Denmark	6,535,223,468	6,535,223,468	4,402,831,971	2,132,391,497
Uganda Embassy in Belgium	5,514,383,085	5,514,383,085	5,431,761,461	82,621,624
Uganda Embassy in Italy	5,031,882,309	5,031,882,308	4,219,876,403	812,005,906
Uganda Embassy in DRC	7,464,077,677	7,464,077,576	7,265,794,173	198,283,504
Uganda Embassy in Sudan	3,959,020,270	3,959,020,269	3,887,532,630	71,487,640
Uganda Embassy in France	8,849,989,857	8,849,989,853	8,203,020,349	646,969,508
Uganda Embassy in Germany	5,768,548,504	5,768,548,404	5,718,180,958	50,367,546
Uganda Embassy in Iran	3,842,122,947	3,842,122,953	3,901,380,966	(59,258,019)
Uganda Embassy in Russia	4,606,341,048	4,606,341,053	3,644,441,525	961,899,523
Uganda Embassy in Australia	4,677,881,125	4,677,881,124	4,578,501,930	99,379,195
Uganda Embassy in Juba	13,759,816,393	13,759,816,277	13,442,039,805	317,776,588
Uganda Embassy in Abu Dhabi, UAE	5,016,298,994	5,016,298,994	6,048,550,787	(1,032,251,793)
Uganda Embassy in Burundi	3,286,114,543	3,286,114,541	3,223,247,001	62,867,542
Uganda Embassy in Guangzhou	4,544,718,315	4,544,718,315	4,286,082,033	258,636,282
Uganda Embassy in Ankara	4,323,002,768	4,323,002,768	4,148,115,909	174,886,859
Uganda Embassy in Mogadishu	3,876,275,703	3,876,275,702	3,695,894,897	180,380,806
Uganda Embassy in Malaysia	3,542,139,716	3,542,139,217	3,338,508,211	203,631,505
Uganda Consulate in Mombasa	2,976,337,594	2,966,964,282	3,007,701,628	(31,364,034)
Uganda Embassy in Algiers	3,886,549,701	3,886,425,794	3,893,640,149	(7,090,448)
Uganda Embassy in Doha, Qatar	3,183,046,935	3,168,857,429	2,990,817,850	192,229,085
Total for 30 June 2021	195,112,313,393	195,088,655,335	187,337,201,614	7,775,111,779
Total for 30 June 2020	199,113,917,483	195,324,804,552	187,622,614,967	11,491,302,516

Statement of Contingent Liabilities as at 30 June 2021
[As submitted and signed by Accounting Officers]

MINISTRIES

Ministry	Legal proceedings	Guarantees & indemnities	Other Contingent Liabilities	Total Contingent Liabilities 30 June 20	Total Contingent Liabilities 30 June 19
	Shs.	Shs.	Shs.	Shs.	Shs.
Office of the President	-	-	-	-	-
State House	-	-	-	-	-
Office of the Prime Minister	-	-	897,190,373	897,190,373	897,190,373
Ministry of Defence	-	160,685,466,273	-	26,728,738,780	10,077,831,987
Ministry of Public Service	-	-	-	-	-
Ministry of Foreign Affairs	-	-	-	-	-
Ministry of Justice and Constitutional Affairs	159,161,346,472,028	-	-	159,161,346,472,028	9,507,041,354,373
Ministry of Finance, Planning and Economic Development	-	-	599,990,000	599,990,000	-
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 & Sports	5,727,396,206	-	-	5,727,396,206	650,806,000
Ministry of Health	46,206,660,072	-	-	46,206,660,072	46,206,660,072
Ministry of Trade & Industry	-	-	-	0	-
Ministry of Works & Transport	-	-	-	0	-
Ministry of Energy and Minerals	373,028,982,695	-	32,025,575,635	405,054,558,330	405,054,558,330
Ministry of Gender, Labour and Social Development	-	-	-	0	-
Ministry of Water & Environment	-	-	-	0	-
Ministry of Communication & ICT	-	-	-	0	-
Ministry of East African Affairs	-	-	-	0	-
Ministry of Tourism & Heritage	-	-	-	0	-
Ministry of Science, Tech & Innovation	-	-	-	0	-
Total at 30 June 2021	159,746,994,977,274	-	60,251,494,788	159,807,246,472,062	9,969,928,401,135
Total at 30 June 2020	9,881,271,143,068	45,656,660,072	43,000,597,995	9,969,928,401,135	

Statement of Contingent Liabilities as at 30 June 2021
[As submitted and signed by Accounting Officers]

AGENCIES

Agency	Legal proceedings	Guarantees & indemnities	Other Contingent Liabilities	Total Contingent Liabilities	30 June 2020
Judiciary	-	-	-	-	-
Electoral Commission	-	-	-	-	-
Inspector General of Government's Office	-	-	-	-	-
Parliamentary Commission	-	-	-	-	-
Law Reform Commission	384,682,602	-	-	384,682,602	-
Uganda Human Rights Commission	-	-	-	-	-
Uganda Aids Commission	-	-	-	-	-
National Planning Authority	-	-	-	-	-
Law Development Centre	-	-	-	-	-
Uganda Industrial Research Institute	82,239,068	-	-	82,239,068	82,239,068
Busitema University	-	-	-	-	-
Directorate of Ethics & Int	-	-	-	-	-
Uganda National Roads Authority (UNRA)	283,037,073,334	-	-	283,037,073,334	293,236,810,053
Uganda Cancer Institute	-	-	-	-	-
Uganda Heart Institute	-	-	-	-	-
Uganda National Medical Stores	-	-	-	-	-
Uganda Tourism Board	-	-	2,557,174,998	2,557,174,998	2,557,174,998
Uganda Road Fund	-	-	-	-	-
Uganda Registration Serv Bureau	-	-	-	-	-
National Citizenship & IC	-	-	-	-	-
Dairy Development Authority	-	-	-	-	-
KCCA	23,155,099,427	-	-	23,155,099,427	23,155,099,427
Rural Electrification Agency	35,309,859,284	-	-	35,309,859,284	5,876,321,728
Equal Opportunities Commission	-	-	-	-	-
NAGRC&DB	-	-	2,000,000,000	2,000,000,000	137,200,000
NITA-U	-	-	372,337,233	372,337,233	373,533,000
Muni University	446,263,867	-	-	446,263,867	-
UNEB	-	-	235,565,433	235,565,433	-
Financial Intelligence Authority	-	-	-	-	-
Treasury Operations	-	-	-	-	1,012,439,125,890
Office of the Auditor General	-	-	-	-	-
Education Service Commission	-	-	-	-	-
Directorate of Public Prosecutions	-	-	-	-	-
Health Service Commission	-	-	-	-	-
Makerere University	-	-	-	-	-
Mbarara University	-	-	-	-	-
Makerere University Business School	2,899,977,221	-	-	2,899,977,221	4,834,127,721
Kyambogo University	-	-	-	-	-
Uganda Management Institute	1,311,817,260	-	-	1,311,817,260	900,000,000
Uganda Revenue Authority	-	-	-	-	-

Statement of Contingent Liabilities as at 30 June 2021
[As submitted and signed by Accounting Officers]

Agency	Legal proceedings	Guarantees & indemnities	Other Contingent Liabilities	Total Contingent Liabilities	30 June 2020
National Agricultural Research Organization	-	-	-	-	-
Uganda Bureau of Statistics	-	-	-	-	-
Uganda Police	-	8,793,714,274	-	8,793,714,274	6,401,139,798
Uganda Prisons	244,335,022	-	-	244,335,022	250,000,000
Public Service Commission	-	-	-	-	-
Local Government Finance Comm	-	-	-	-	-
Judicial Service Commission	-	-	-	-	-
Gulu University	-	-	-	-	-
National Environment Mgt Auth.	-	-	-	-	-
Uganda Blood Transfusion Service	311,330,255	-	-	311,330,255	311,330,255
NAADS	10,373,476,650	-	-	10,373,476,650	-
PPDA	200,000,000	-	-	200,000,000	190,000,000
Uganda National Bureau of Standards	-	-	398,229,615	398,229,615	-
Cotton Development Organization	-	-	-	-	-
Uganda Land Commission	5,689,835,602	-	-	5,689,835,602	-
National Forestry Authority	-	-	-	-	-
External Security Organization	-	-	-	-	-
Coffee Development Authority	2,698,921,680	-	2,553,588,100	5,252,509,780	2,767,437,882
Lira University	-	-	-	-	-
Uganda National Meteorological Authority	-	-	-	-	-
National Curriculum Development Centre	-	-	-	-	-
Uganda Virus Research Institute	-	-	-	-	-
Directorate of Government Analytical Laboratory (DGAL)	-	-	-	-	-
Uganda Export Promotion Board	-	-	-	-	-
Kabale University	-	-	-	-	-
Soroti University	-	-	-	-	-
National Identification & Registration Authority	-	-	-	-	-
Uganda Investment Author	-	-	-	-	1,051,391,351
Petroleum Authority of Uganda	-	-	12,514,566	12,514,566	23,329,683
Total for 30 June 2021	366,144,911,272	8,793,714,274	8,129,409,945	383,068,035,491	1,522,568,601,354
Total for 30 June 2020	506,124,046,432	988,707,430,283	27,737,124,639	1,522,568,601,354	

Statement of Contingent Liabilities as at 30 June 2021
[As submitted and signed by Accounting Officers]

REFERRAL HOSPITALS

Referral hospital	Legal proceedings Shs.	Guarantees & indemnities Shs.	Other Contingent Liabilities Shs.	Total Contingent Liabilities Shs.	30 June 2020 Shs.
Mulago Hospital Complex	-	-	12,469,596	12,469,596	-
Butabika Hospital	-	-	-	-	-
Arua Hospital	-	-	-	-	-
Fort Portal Hospital	-	-	-	-	-
Gulu Hospital	-	-	-	-	-
Hoima Hospital	-	-	-	-	990,663,069
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 2021	-	-	12,469,596	12,469,596	990,663,069
At 30 June 2020	965,000,000	-	25,663,069	990,663,069	

Statement of Contingent Liabilities as at 30 June 2021
[As submitted and signed by Accounting Officers]

EMBASSIES/MISSIONS

Embassy/Mission	Legal Proceedings Shs.	Guarantees & indemnities Shs.	Other Contingent Liabilities Shs.	Total Contingent Liabilities Shs.	30 June 2020 Shs.
Uganda Mission at the United Nations, NY	-	-	-	-	-
Uganda High Commission in the United Kingdom	-	-	-	-	-
Uganda High Commission in Canada	-	-	-	-	-
Uganda High Commission in India	-	-	-	-	-
Uganda High Commission in Egypt	-	-	-	-	-
Uganda High Commission in Kenya	-	-	-	-	-
Uganda High Commission in Tanzania	-	-	-	-	-
Uganda High Commission in Nigeria	-	-	-	-	-
Uganda High Commission in South Africa	-	-	-	-	-
Uganda Embassy in the United States	-	-	-	-	-
Uganda Embassy in Ethiopia	-	-	-	-	-
Uganda Embassy in China	-	-	-	-	-
Uganda Embassy in Rwanda	-	-	-	-	-
Uganda Embassy in Switzerland	-	-	-	-	-
Uganda Embassy in Japan	-	-	-	-	-
Uganda Embassy in Libya	-	-	-	-	-
Uganda Embassy in Saudi Arabia	-	-	-	-	-
Uganda Embassy in Denmark	-	-	-	-	-
Uganda Embassy in Belgium	-	-	-	-	-
Uganda Embassy in Italy	181,954,147	-	-	181,954,147	202,350,470
Uganda Embassy in DRC	27,180,000	-	-	27,180,000	-
Uganda Embassy in Sudan	-	-	-	-	-
Uganda Embassy in France	-	-	-	-	-
Uganda Embassy in Germany	-	-	-	-	-
Uganda Embassy in Iran	-	-	-	-	-
Uganda Embassy in Russia	-	-	-	-	-
Uganda Embassy in Australia	-	-	-	-	-
Uganda Embassy Juba	-	-	-	-	-
Uganda Embassy, Abu Dhabi (UAE)	-	-	-	-	-
Uganda Embassy Burundi	-	-	-	-	-
Uganda Embassy in Guangzhou	-	-	-	-	-
Uganda Embassy, Ankara	-	-	-	-	-
Uganda Embassy in Mogadishu	-	-	-	-	-
Uganda Embassy in Malaysia	-	-	-	-	-
Uganda Consulate in Mombasa	-	-	-	-	-
Uganda Embassy in Algeria Algiers	-	-	-	-	-
Uganda Embassy in Doha, Qatar	-	-	-	-	-
At 30 June 2021	209,134,147	-	-	209,134,147	202,350,470
At 30 June 2020	202,350,470	-	-	202,350,470	-

Statement of Outstanding Commitments by vote for the Year ended 30 June 2021
[As submitted and signed by accounting Officers]

MINISTRIES

	Rent and Utilities	Contributions to International Organisations	Court awards and compensations	Securities	Other Payables	Pensions and Gratuity	Total
Office of the President	-	-	-	-	34,027,110,366	34,595,131,509	68,622,241,875
State House	-	-	-	-	-	-	-
Office of the Prime Minister	-	-	-	-	-	-	-
Ministry of Defence	-	-	-	-	283,159,630,809	84,864,130,241	368,023,761,050
Ministry of Public Service	-	260,872,227	-	-	867,841,614	-	1,128,713,841
Ministry of Foreign Affairs	-	49,763,055,123	-	-	91,976,280	-	49,855,031,403
Ministry of Justice and Constitutional Affairs	3,531,525,084	-	219,082,298,693	-	7,751,984,520	1,457,216	230,367,265,513
Ministry of Finance, Planning and Economic	-	-	-	-	268,932,566,170	-	268,932,566,170
Ministry of Internal Affairs	-	-	-	-	1,448,252,665	-	1,448,252,665
Ministry of Agriculture, Animal Industry and	-	11,046,639,937	-	-	86,856,665	-	11,133,496,602
Ministry of Local Government	-	-	-	-	31,427,589,830	-	31,427,589,830
Ministry of Lands, Housing & Urban Devt	939,161,475	-	221,678,878,024	-	26,856,958,764	-	249,474,998,263
Ministry of Education and Sports	-	-	23,234,854,932	-	16,217,571,048	1,473,947,828	40,926,373,808
Ministry of Health	-	-	-	-	29,022,459,139	-	29,022,459,139
Ministry of Tourism, Trade and Industry	-	16,038,685,546	-	-	405,189,558	-	16,443,875,104
Ministry of Works & Transport	-	-	-	-	99,584,448,442	425,868,755	100,010,317,197
Ministry of Energy and Minerals	-	98,694,093	-	-	17,027,540,702	-	17,126,234,795
Ministry of Gender, Labour and Social Devt	-	-	-	-	37,394,048,164	-	37,394,048,164
Ministry of Water & Environment	-	-	-	-	114,519,482,491	-	114,519,482,491
Ministry of Communication and ICT	235,068,544	-	-	-	-	-	235,068,544
Ministry East African Affairs	-	83,793	-	-	-	13,002,369,510	13,002,453,303
Ministry of Tourism, Wildlife & Heritage	-	3,188,875,707	-	-	112,347,000	-	3,301,222,707
Ministry of Science, Technology & Innovation	-	-	-	-	645,504,936	-	645,504,936
Total 30 June 2021	4,705,755,103	80,396,906,426	463,996,031,649	-	969,579,359,163	134,362,905,059	1,653,040,957,400
Total 30 June 2020	7,436,323,170	104,235,806,889	550,037,827,915	-	561,356,557,061	239,570,395,149	1,462,636,910,184

Statement of Outstanding Commitments by vote for the Year ended 30 June 2021
[As submitted and signed by accounting Officers]

AGENCIES

	Rent and Utilities	Contributions to International Organisations	Court awards and compensations	Securities	Other Payables	Pensions & Gratuity	Total
Judiciary (Office of Judicature)	2,160,541,280	-	-	-	4,733,656,656	12,716,961	6,906,914,897
Electoral Commission	-	-	-	-	6,959,969,923	-	6,959,969,923
Inspector General of Government	-	-	-	-	8,204,286	-	8,204,286
Parliamentary Commission	-	-	-	-	-	-	-
Law Reform Commission	-	-	124,626,384	-	-	-	124,626,384
Uganda Human Rights Commission	-	-	-	-	16,424,501	-	16,424,501
Uganda Aids Commission	-	-	-	-	76,162,182	-	76,162,182
National Planning Authority	-	-	-	-	-	-	-
Law Development Centre	-	-	-	-	1,993,156,153	-	1,993,156,153
Uganda Industrial Research Institute	-	-	-	-	1,212,259	-	1,212,259
Busitema University	-	-	-	-	1,503,994,260	-	1,503,994,260
Directorate of Ethics and Integrity	-	-	-	-	442,997,097	-	442,997,097
Uganda National Roads Authority	-	-	-	-	215,059,225,419	-	215,059,225,419
Uganda Cancer Institute	-	-	-	-	48,564,145	-	48,564,145
Uganda Heart Institute	-	-	-	-	1,213,093,139	-	1,213,093,139
National Medical Stores	-	-	-	-	50,837,302,749	-	50,837,302,749
Uganda Tourism Board	-	-	-	-	(219,000)	-	(219,000)
Uganda Road Fund	-	-	-	-	-	-	-
Uganda Registration Services Bureau	12,451,500	-	-	-	4,503,626,333	-	4,516,077,833
National Citizenship & Imm Ctrl	-	-	-	-	322,667,601	-	322,667,601
Diary Development Authority	-	-	-	-	177,911,402	-	177,911,402
KCCA	-	-	-	-	12,451,363,927	-	12,451,363,927
Rural Electricity Agency	158,749,673	-	130,843,916	-	11,766,817,147	-	12,056,410,736
Equal Opportunity Commission	-	-	-	-	998,834,564	-	998,834,564
NAGRC & DB	-	-	-	-	1,253,580,471	-	1,253,580,471
NITA-U	-	-	-	-	6,017,849,756	-	6,017,849,756
Muni University	-	-	-	-	1,747,283,492	-	1,747,283,492
UNEB	-	-	-	-	-	-	-
Financial Intelligence Authority	-	-	-	-	-	-	-
Treasury Operations	-	-	267,446,747,227	2,077,045,133,772	20,000,000	-	2,344,511,880,999
Office of the Auditor General	-	-	-	-	-	359,963,056	359,963,056
Education Service Commission	-	-	-	-	255,458,656	-	255,458,656
Directorate of Public Prosecution	-	-	-	-	1,228,911,994	-	1,228,911,994
Health Service Commission	-	-	-	-	39,776,894	-	39,776,894
Makerere University (MUK)	-	-	-	-	7,819,385,752	18,920,219,207	26,739,604,959

Statement of Outstanding Commitments by vote for the Year ended 30 June 2021
[As submitted and signed by accounting Officers]

	Rent and Utilities	Contributions to International Organisations	Court awards and compensations	Securities	Other Payables	Pensions & Gratuity	Total
Mbarara University	-	-	-	-	319,106,968	-	319,106,968
Makerere University Business School	-	-	-	-	1,794,991,526	-	1,794,991,526
Kyambogo University (KYU)	469,618,630	-	-	-	13,111,146,570	-	13,580,765,200
Uganda Management Institute	-	-	-	-	28,552,961	-	28,552,961
Uganda Revenue Authority (URA)	-	-	-	-	-	-	-
NARO	447,895,954	2,291,108,348	-	-	136,246,042	-	2,875,250,344
Uganda Bureau of Statistics (UBOS)	-	-	-	-	-	-	-
Uganda Police	-	-	8,793,714,274	-	105,258,943,105	-	114,052,657,379
Uganda Prisons	-	-	-	-	56,033,091,905	6,311,582,289	62,344,674,194
Public Service Commission	-	-	-	-	48,768,099	-	48,768,099
Local Government Finance Commission	101,364,251	-	-	-	109,740	-	101,473,991
Judicial Service Commission	-	-	-	-	138,219,093	-	138,219,093
Gulu University	-	-	-	-	5,772,395,987	-	5,772,395,987
NEMA	-	-	-	-	-	-	-
Uganda Blood Transfusion Service	331,098,165	-	-	-	180,988,258	-	512,086,423
National Agricultural Advisory Services	-	-	-	-	20,313,148,061	-	20,313,148,061
Public Procurement & Disposal of Assets	546,724,285	-	-	-	480,904,533	-	1,027,628,818
Uganda National Bureau of Standards	-	-	-	-	-	-	-
Cotton Development Organisation	-	-	-	-	23,659,951	-	23,659,951
Uganda Land Commission	-	-	161,026,490,333	-	8,463,524,491	-	169,490,014,824
National Forestry Authority	-	-	-	-	-	-	-
External Security Organisation	-	-	-	-	19,576,872,310	304,380,416	19,881,252,726
Coffee Development Authority	-	-	-	-	23,036,904,150	-	23,036,904,150
Lira University	162,303	-	-	-	981,224,234	-	981,386,537
Uganda National Metrological Authority	-	-	-	-	-	-	-
National Curriculum Development Centre	-	-	78,758,432	-	3,624,892,318	-	3,703,650,750
Uganda Virus Research Institute	26,253,810	-	-	-	383,431,559	-	409,685,369
Directorate Of Gov't Analytical Lab	-	-	-	-	-	-	-
Uganda Export Promotion Board	-	-	-	-	-	-	-
Kabale University	-	-	-	-	1,872,625,688	-	1,872,625,688
Soroti University	-	-	-	-	2,604,379,429	-	2,604,379,429
NIRA	-	-	-	-	13,562,237	-	13,562,237
Uganda Investment Authority	2,423,145,480	-	-	-	2,313,176,650	-	4,736,322,130
Petroleum Authority of Uganda	-	-	-	-	139,251,186	-	139,251,186
Total 30 June 2021	6,678,005,331	2,291,108,348	437,601,180,566	2,077,045,133,772	598,145,228,809	25,908,861,929	3,147,669,518,755
Total (30 June 2020)	74,300,096,994	2,551,330,797	298,874,687,876	2,228,923,103,106	32,423,105,640	2,637,072,324,413	

Statement of Outstanding Commitments by vote for the Year ended 30 June 2021
[As submitted and signed by accounting Officers]

REFERRAL HOSPITALS

	Rent and Utilities	Contributions to International Organisations	Court awards and compensations	Securities	Other Payables	Pensions & Gratuity	Total
Mulago Hospital Complex	1,274,228,241	-	-	-	-	-	1,274,228,241
Burabika Hospital	-	-	-	-	44,000,197	-	44,000,197
Arua Hospital	218,854,039	-	-	-	1,036,374,527	613,260,267	1,868,488,833
Fort Portal Hospital	-	-	-	-	50,133,726	-	50,133,726
Gulu Hospital	-	-	-	-	155,085	-	155,085
Hoima Hospital	74,939,389	-	-	-	12,816,250	13,372,393	101,128,032
Jinja Hospital	304,303,196	-	-	-	430,085,665	1,400,733,182	2,135,122,043
Kabale Hospital	12,058,060	-	-	-	3,008,416	-	15,066,476
Masaka Hospital	-	-	-	-	86,335,767	7,413,731	93,749,498
Mbale Hosaital	-	-	-	-	4,072,079	-	4,072,079
Soroti Hospital	84,456,629	-	-	-	54,270,524	-	138,727,153
Lira Hospital	402,124,629	-	-	-	3,487,957	-	405,612,586
Mbarara Regional Referral Hospital	352,447,339	-	-	-	698,230,668	-	1,050,678,007
Mubende Reg Hospital	-	-	-	-	633,802,488	-	633,802,488
Moroto Reg Hospital	-	-	-	-	23,372,604	-	23,372,604
Naguru Referral Hospital	-	-	-	-	841,993,550	-	841,993,550
Kinaddu Referral Hospital	198,423,595	-	-	-	257,345,201	-	455,768,796
Kawempe Referral Hospital	503,070,938	-	-	-	296,115,808	-	799,186,746
Entebbe Regional Referral Hospital	556,235,415	-	-	-	41,580,711	-	597,816,126
Mulago Specialized Women and Neonatal Hospital	182,296,447	-	-	-	1,998,561,309	-	2,180,857,756
30 June 2021	4,163,437,917	-	-	-	6,515,742,532	2,034,779,573	12,713,940,022
30 June 2020	1,327,150,985	-	-	-	8,408,558,770	2,492,402,846	11,622,009,275

Statement of Outstanding Commitments by vote for the Year ended 30 June 2021
[As submitted and signed by accounting Officers]

EMBASSIES/MISSIONS

	Rent and Utilities	Contributions to International Organisations	Court awards and compensations	Securities	Other Payables	Pensions and Gratuity	Total
Ugandan Mission at the UN, New York	-	-	-	-	-	-	-
Uganda High Commission in United Kingdom	-	-	-	-	-	-	-
Uganda High Commission in Canada, Ottawa	-	-	-	-	693,780,172	-	693,780,172
Uganda High Commission in India, New Delhi	-	-	-	-	-	-	-
Uganda High Commission in Egypt, Cairo	-	-	-	-	-	-	-
Uganda High Commission in Kenya, Nairobi	-	-	-	-	-	-	-
Uganda High Comm to Tanzania, Dar-es-salaam	-	-	-	-	-	-	-
Uganda High Comm to Nigeria, Abuja	-	-	-	-	-	-	-
Uganda High Comm to South Africa, Pretoria	-	-	-	-	-	-	-
Uganda High Comm to USA, Washington	-	-	-	-	-	-	-
Uganda Embassy in Ethiopia, Addis Ababa	-	-	-	-	-	-	-
Uganda Embassy in China, Beijing	-	-	-	-	-	-	-
Uganda Embassy in Rwanda, Kigali	-	-	-	-	-	-	-
Uganda Embassy in Switzerland, Geneva	-	-	-	-	-	-	-
Uganda Embassy in Japan, Tokyo	-	-	-	-	-	-	-
Uganda Embassy in Libya, Tripoli	-	-	-	-	-	-	-
Uganda Embassy in Saudi Arabia, Riyadh	-	-	-	-	-	-	-
Uganda Embassy in Denmark, Copenhagen	-	-	-	-	-	-	-
Uganda Embassy in Belgium, Brussels	-	-	-	-	14,925,715	-	14,925,715
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 Teheran	-	-	-	-	-	-	-
Uganda Embassy in Moscow	-	-	-	-	-	-	-
Uganda Embassy in Canberra	-	-	-	-	-	-	-
Uganda Embassy in Tuba	-	-	-	-	-	-	-
Uganda Embassy in Abu Dhabi, UAE	-	-	-	-	-	-	-
Uganda Embassy in Bujumbura, Burundi	-	-	-	-	-	-	-
Uganda Embassy in Guangzhou	-	-	-	-	-	-	-
Uganda Embassy in Ankara	-	-	-	-	53,174	-	53,174
Uganda Embassy Mogadishu	-	-	-	-	-	-	-
Uganda Embassy in Malaysia	-	-	-	-	-	-	-
Uganda Consulate in Mombasa	-	-	-	-	-	-	-

Statement of Outstanding Commitments by vote for the Year ended 30 June 2021
[As submitted and signed by accounting Officers]

	Rent and Utilities	Contributions to International Organisations	Court awards and compensations	Securities	Other Payables	Pensions and Gratuity	Total
Uganda Embassy in Algiers	-	-	-	-	-	-	-
Uganda Embassy in Doha, Qatar	-	-	-	-	-	-	-
Total 30 June 2021	-	-	-	-	708,759,061	-	708,759,061
Total 30 June 2020	-	-	-	-	1,113,137,294	-	1,113,137,294

Statement of losses of public moneys and stores written off, and claims abandoned by vote during the year ended 30 June 2021
[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 2020 Shs.	Total losses at 30 June 2020 Shs.
Office of the President	-	-	-	-	-
State House	-	-	-	-	-
Office of the Prime Minister	-	-	-	-	-
Ministry of Defence	-	-	-	-	-
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 and Industry	-	-	-	-	-
Ministry of Works, Housing and Communications	-	-	-	-	-
Ministry of Energy and Minerals	-	-	-	-	-
Ministry of Gender, Labour and Social Development	-	-	-	-	-
Ministry of Water and Environment	-	-	-	-	-
Ministry of Communication & ICT	-	-	-	-	-
Ministry of East African Affairs	-	-	-	-	-
Ministry of Tourism & Heritage	-	-	-	-	-
Ministry of Science, Technology & Innovation	-	-	-	-	-
At 30 June 2021	-	-	-	-	-
At 30 June 2020	-	-	-	-	-

Statement of losses of public moneys and stores written off, and claims abandoned by vote during the year ended 30 June 2021
[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 2021 Shs.	Total losses at 30 June 2020 Shs.
Judiciary (Office of Judicature)	-	-	-	-	-
Electoral Commission	-	-	-	-	-
Inspector General of Government	-	-	-	-	-
Parliamentary Commission	-	-	-	-	-
Law Reform Commission	-	-	-	-	-
Uganda Human Rights Commission	-	-	-	-	-
Uganda Aids Commission	-	-	-	-	-
National Planning Authority	-	-	-	-	-
Law Development Centre	-	-	-	-	-
Uganda Industrial Research Institute	-	-	-	-	-
Busitema University	-	-	-	-	-
Directorate of Ethics and Integrity	-	-	-	-	-
Uganda National Roads Authority	-	-	-	-	-
Uganda Cancer Institute	-	-	-	-	-
Uganda Heart Institute	-	-	-	-	-
National Medical Stores	-	-	-	-	-
Uganda Tourism Board	-	-	-	-	-
Uganda Road Fund	-	-	-	-	-
Uganda Registration Services Bureau	-	-	-	-	-
National Citizenship & Imm Ctrl	-	-	-	-	-
Diary Development Authority	-	-	-	-	-
Kampala Capital City Authority	-	-	-	-	-
Rural Electricity Agency	-	-	-	-	-
Equal Opportunity Commission	-	-	-	-	-
National Animal Genetic Resource Centre and Data Bank(NAGRC&DB)	-	-	-	-	-
National Information Technology Authority-Uganda (NITA-U)	-	-	-	-	-
Muni University	-	-	-	-	-
UNEB	-	-	-	-	-
Financial Intelligence Authority	-	-	-	-	-
Treasury Operations	-	-	-	-	-
Office of the Auditor General	-	-	-	-	-
Education Service Commission	-	-	-	-	-
Directorate of Public Prosecution	-	-	-	-	-
Health Service Commission	-	-	-	-	-
Makerere University (MUK)	-	-	-	-	-
Mbarara University	-	-	-	-	-
Makerere University Business School	-	-	-	-	-
Kyambogo University (KYU)	-	-	-	-	-
Uganda Management Institute	-	-	-	-	-
Uganda Revenue Authority (URA)	-	-	-	-	-
National Agricultural Research Organisation	-	-	-	-	-
Uganda Bureau of Statistics (UBOS)	-	-	-	-	-
Uganda Police	-	-	-	-	-
Uganda Prisons	-	-	-	-	-
Public Service Commission	-	-	-	-	-
Local Government Finance Commission	-	-	-	-	-

Statement of losses of public moneys and stores written off, and claims abandoned by vote during the year ended 30 June 2021

[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 2021 Shs.	Total losses at 30 June 2020 Shs.
Judicial Service Commission	-	-	-	-	-
Gulu University	-	-	-	-	-
National Environment Management Authority	-	-	-	-	-
Uganda Blood Transfusion Service	-	-	-	-	-
National Agricultural Advisory Services	-	-	-	-	-
Public Procurement & Disposal of Assets	-	-	-	-	-
Uganda National Bureau of Standards	-	-	-	-	-
Cotton Development Organisation	-	-	-	-	-
Uganda Land Commission	-	-	-	-	-
National Forestry Authority	-	-	-	-	-
External Security Organisation	-	-	-	-	-
Coffee Development Authority	-	-	-	-	-
Lira University	-	-	-	-	-
Uganda National Meteorological Authority	-	-	-	-	-
National Curriculum Development Centre	-	-	-	-	-
Uganda Virus Research Institute	-	-	-	-	-
Directorate Of Gov't Analytical Lab	-	-	-	-	-
Uganda Export Promotion Board	-	-	-	-	-
Kabale University	-	-	-	-	-
Soroti University	-	-	-	-	-
National Identification & Registration Authority (NIRA)	-	-	-	-	-
Uganda Investment Authority	-	-	-	-	-
Uganda National Oil Company	-	-	-	-	-
Petroleum Authority of Uganda	-	-	-	-	-
At 30 June 2021	-	-	-	-	-
At 30 June 2020	-	-	-	-	-

Statement of losses of public moneys and stores written off, and claims abandoned by vote during the year ended 30 June 2021

[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 2021 Shs.	Total losses at 30 June 2020 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 2021	-	-	-	-	-
At 30 June 2020	-	-	-	-	-

Statement of losses of public moneys and stores written off, and claims abandoned by vote during the year ended 30 June 2021

[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 2021 Shs.	Total losses 30 June 2020 Shs.
Uganda Mission at the United Nations, New York	-	-	-	-	-
Uganda High Commission in the United Kingdom	-	-	-	-	-
Uganda High Commission in Canada	-	-	-	-	-
Uganda High Commission in India	-	-	-	-	-
Uganda High Commission in Egypt	-	-	-	-	-
Uganda High Commission in Kenya	-	-	-	-	-
Uganda High Commission in Tanzania	-	-	-	-	-
Uganda High Commission in Nigeria	-	-	-	-	-
Uganda High Commission in South Africa	-	-	-	-	-
Uganda Embassy in the United States	-	-	-	-	-
Uganda Embassy in Ethiopia	-	-	-	-	-
Uganda Embassy in China	-	-	-	-	-
Uganda Embassy in Rwanda	-	-	-	-	-
Uganda Embassy in Switzerland	-	-	-	-	-
Uganda Embassy in Japan	-	-	-	-	-
Uganda Embassy in Libya	-	-	-	-	-
Uganda Embassy in Saudi Arabia	-	-	-	-	-
Uganda Embassy in Denmark	-	-	-	-	-
Uganda Embassy in Belgium	-	-	-	-	-
Uganda Embassy in Italy	-	-	-	-	-
Uganda Embassy in DRC	-	-	-	-	-
Uganda Embassy in Sudan	-	-	-	-	-
Uganda Embassy in France	-	-	-	-	-
Uganda Embassy in Germany	-	-	-	-	-
Uganda Embassy in Iran	-	-	-	-	-
Uganda Embassy in Russia	-	-	-	-	-
Uganda Embassy Australia	-	-	-	-	-
Uganda Embassy Juba	-	-	-	-	-
Uganda Embassy Abu Dhabi (UAE)	-	-	-	-	-
Uganda Embassy Burundi	-	-	-	-	-
Uganda Embassy, Guangzhou	-	-	-	-	-
Uganda Embassy, Ankara	-	-	-	-	-
Uganda Embassy in Somalia	-	-	-	-	-
Uganda Embassy in Malaysia	-	-	-	-	-
Uganda Consulate in Mombasa	-	-	-	-	-
Uganda Embassy in Algiers	-	-	-	-	-
Uganda Embassy in Doha, Qatar	-	-	-	-	-
At 30 June 2021	-	-	-	-	-
At 30 June 2020	-	-	-	-	-

**Statement of losses of public moneys and stores reported by vote during the year ended
30 June 2021
[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 2021 Shs.	Total losses reported at 30 June 2020 Shs
Office of the President	-	-	-	-
State House	590,200,000	-	590,200,000	590,200,000
Office of the Prime Minister	-	-	-	-
Ministry of Defence	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	-
Ministry of Finance, Planning and Economic Dev't	-	-	-	-
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	190,559,647	-	190,559,647	190,559,647
Ministry of Health	-	-	-	-
Ministry of Trade and Industry	-	-	-	-
Ministry of Works, Housing and Communications	932,773,100	-	932,773,100	932,773,100
Ministry of Energy and Minerals	-	-	-	-
Ministry of Gender, Labor and Social Dev't	-	-	-	-
Ministry of Water & Environment	-	-	-	-
Ministry of Communication & ICT	-	-	-	-
Ministry of East African Affairs	-	-	-	-
Ministry of Tourism & Heritage	-	-	-	-
Ministry of Science, Tech & Innovation	-	-	-	-
At 30 June 2021	1,805,262,242	116,624,834	1,921,887,076	1,805,262,242
At 30 June 2020	1,805,262,242	-	1,805,262,242	-

**Statement of losses of public moneys and stores reported by vote during the year ended
30 June 2021
[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 2021 Shs.	Total losses reported at 30 June 2020 Shs.
Judiciary	-	139,484,926	139,484,926	139,484,926
Electoral Commission	-	71,060,000	71,060,000	71,060,000
Inspector General of Government's Office	-	-	-	-
Parliamentary Commission	-	-	-	-
Law Reform Commission	3,350,000	-	3,350,000	-
Uganda Human Rights Commission	3,600,000	-	3,600,000	3,600,000
Uganda Aids Commission	-	-	-	-
National Planning Authority	-	-	-	-
Law Development Centre	-	-	-	-
Uganda Industrial Research Institute	-	-	-	-
Busitema University	1,211,056,050	-	1,211,056,050	1,211,056,050
Directorate of Ethics & Integrity	-	-	-	-
Uganda National Roads Authority	-	-	-	-
Uganda Cancer Institute	-	-	-	-
Uganda Heart Institute	160,362,000	-	160,362,000	160,362,000
Uganda National Medical Stores	-	-	-	-
Uganda Tourism Board	-	-	-	-
Uganda Road Fund	15,300,260	-	15,300,260	15,300,260
Uganda Registration Services Bureau	3,620,000	1,688,750	5,308,750	3,620,000
National Citizenship & Imm Ctrl	1,848,299,382	-	1,848,299,382	1,848,299,382
Diary Development Authority	-	-	-	-
KCCA	-	-	-	-
Rural Electrification Agency	-	-	-	-
Equal Opportunities Commission	-	-	-	-
National Animal Genetic Resource Centre and Data Bank(NAGRC&DB)	1,229,732,952	-	1,229,732,952	690,208,152
National Information Technology Authority-Uganda (NITA-U)	-	-	-	-
Muni University	51,863,761	-	51,863,761	45,913,761
UNEB	-	-	-	-
Financial Intelligence Authority	-	-	-	-
Treasury Operations	-	-	-	-
Office of the Auditor General	-	-	-	-
Education Service Commission	-	-	-	-
Directorate of Public Prosecution	-	-	-	-
Health Service Commission	-	-	-	-
Makerere University	-	-	-	-
Mbarara University	-	-	-	-
Makerere University Business School	-	-	-	-
Kyambogo University	-	-	-	-
Uganda Management Institute	-	-	-	-
Uganda Revenue Authority	-	-	-	-
National Agricultural Research Organisation	217,769,242	-	217,769,242	217,769,242
Uganda Bureau of Statistics (UBOS)	58,286,304	-	58,286,304	58,286,304
Uganda Police	-	470,459,550	470,459,550	470,459,550
Uganda Prisons	-	-	-	-
Public Service Commission	-	-	-	-

Statement of losses of public moneys and stores reported by vote during the year ended 30 June 2021

[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 2021 Shs.	Total losses reported at 30 June 2020 Shs
Local Government Finance Commission	-	-	-	-
Judicial Service Commission	-	-	-	-
Gulu University	-	-	-	-
National Environment Management Authority	-	-	-	-
Uganda Blood Transfusion Service	-	-	-	-
National Agricultural Advisory Services	-	-	-	-
Public Procurement & Disposal of Assets	-	-	-	-
Uganda National Bureau of Standards	-	-	-	-
Cotton Development Organisation	-	-	-	-
Uganda Lands Commission	-	-	-	-
National Forestry Authority	-	-	-	-
External Security Organisation	-	-	-	-
Uganda Coffee Development Authority	66,135,949	-	66,135,949	66,135,949
Lira University	-	-	-	-
Uganda National Metrological Authority	-	-	-	-
National Curriculum Development Centre (NCDC)	-	-	-	-
Uganda Virus Research Institute	-	-	-	-
Directorate of Government Analytical Lab	26,386,791	-	26,386,791	26,386,791
Uganda Export Promotion Board	-	-	-	-
Kabale University	-	-	-	-
Soroti University	-	-	-	-
National Identification & Registration Authority (NIRA)	-	-	-	-
Uganda Investment Authority	-	-	-	-
Uganda National Oil Company	-	-	-	-
Petroleum Authority of Uganda	-	-	-	-
At 30 June 2021	4,895,762,691	682,693,226	5,578,455,917	5,027,942,367
At 30 June 2020	4,553,882,817	474,059,550	5,027,942,367	

Statement of losses of public moneys and stores reported by vote during the year ended 30 June 2021
[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 2021 Shs.	Total losses reported at 30 June 2020 Shs.
Mulago Hospital Complex	-	-	-	-
Butabika Hospital	15,446,200	-	15,446,200	15,446,200
Arua Hospital	-	300,000,000	300,000,000	-
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 Regional Hospital	-	-	-	-
Naguru referral Hospital	-	-	-	-
Kiruuddu Referral Hospital	-	-	-	-
Kawempe Referral Hospital	-	-	-	-
Entebbe Regional Referral Hospital	-	-	-	-
Mulago Specialized Women and Neonatal Hospital	-	-	-	-
At 30 June 2021	15,446,200	300,000,000	315,446,200	15,446,200
At 30 June 2020	15,446,200	-	15,446,200	-

Statement of losses of public moneys and stores reported by vote during the year ended 30 June 2021

[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 2021 Shs.	Total losses as reported at 30 June 2020 Shs.
Uganda Mission at the United Nations, NY	-	4,500,000	4,500,000	4,500,000
Uganda High Commission in the UK	-	-	-	-
Uganda High Commission in Canada	-	-	-	-
Uganda High Commission in India	-	-	-	-
Uganda High Commission in Egypt	-	-	-	-
Uganda High Commission in Kenya	-	-	-	-
Uganda High Commission in Tanzania	-	-	-	-
Uganda High Commission in Nigeria	-	-	-	-
Uganda High Commission in South Africa	-	-	-	-
Uganda Embassy in the United States	-	-	-	-
Uganda Embassy in Ethiopia	-	-	-	-
Uganda Embassy in China	47,250,000	-	47,250,000	47,250,000
Uganda Embassy in Rwanda	-	-	-	-
Uganda Embassy in Switzerland	-	-	-	-
Uganda Embassy in Japan	-	51,199,276	51,199,276	51,199,276
Uganda Embassy in Libya	-	-	-	-
Uganda Embassy in Saudi Arabia	-	-	-	-
Uganda Embassy in Denmark	-	-	-	-
Uganda Embassy in Belgium	23,138,762	-	23,138,762	23,138,762
Uganda Embassy in Italy	32,583,006	-	32,583,006	33,273,495
Uganda Embassy in DRC (Kinshasa)	-	376,152,106	376,152,106	-
Uganda Embassy in Sudan	-	-	-	-
Uganda Embassy in France	-	-	-	-
Uganda Embassy in Germany	-	-	-	-
Uganda Embassy in Iran	-	-	-	-
Uganda Embassy in Russia	-	-	-	-
Uganda Consulate in Canberra	-	-	-	-
Uganda Embassy Juba	-	-	-	-
Uganda Embassy in Abu Dhabi	-	-	-	-
Uganda Embassy in Burundi	-	-	-	-
Uganda Embassy in Guangzhou	-	-	-	-
Uganda Embassy in Ankara	-	-	-	-
Uganda Embassy in Somalia	-	-	-	-
Uganda Embassy in Malaysia	-	-	-	-
Uganda Consulate in Mombasa	-	-	-	-
At 30 June 2021	102,971,769	431,851,382	534,823,150	159,361,533
At 30 June 2020	104,899,063	54,462,470	159,361,533	

Statement of Arrears of Revenues, by vote, as at 30 June 2021
[As submitted and signed by Accounting Officers]

MINISTRIES

Ministry	Arrears of Revenue (A) 30 June 2020 Sbs.	Arrears in (A) collected during the year (B) Sbs.	Actual amounts billed during the year © Sbs.	Amounts Collected during the year (D) Sbs.	Arrears of Revenue for the year (E) (C-D) Sbs.	Cumulative Arrears of Revenue at 30-June-20 (F) (A-B+E) Sbs.
Office of the President	-	-	423,827,920	423,827,920	-	-
State House	-	-	319,620,000	319,620,000	-	-
Office of the Prime Minister	-	-	319,367,314	319,367,314	-	-
Ministry of Defence	-	-	1,018,018,400	1,018,018,400	-	-
Ministry of Public Service	-	-	331,340,880	329,330,880	2,010,000	2,010,000
Ministry of Foreign Affairs	-	-	102,488,900	102,488,900	-	-
Ministry of Justice and Constitutional Affairs	-	-	233,296,225	233,296,225	-	-
Ministry of Finance, Planning and Economic Development	-	-	17,796,804,165	17,796,804,165	-	-
Ministry of Internal Affairs	-	-	1,745,039,456	1,745,039,456	-	-
Ministry of Agriculture, Animal Industry and Fisheries	-	-	2,152,580,250	2,152,580,250	-	-
Ministry of Local Government	-	-	908,634,857	908,634,857	-	-
Ministry of Lands, Housing and Urban Development	-	-	5,480,119,162	5,480,119,162	-	-
Ministry of Education and Sports	-	-	127,982,568	127,982,568	-	-
Ministry of Health	-	-	7,204,996,709	7,204,996,709	-	-
Ministry of Trade and Industry	-	-	53,377,300	53,377,300	-	-
Ministry of Works, Housing and Communications	-	-	6,995,230,920	6,995,230,920	-	-
Ministry of Energy and Minerals	4,494,005,610	1,143,420,000	12,936,191,061	11,856,884,907	1,079,306,154	4,429,891,764
Ministry of Gender, Labour and Social Development	48,245,786	-	1,712,239,952	1,783,856,224	-	48,245,786
Ministry of Water & Environment	-	-	1,387,736,469	1,387,736,469	-	-
Ministry of Communication & ICT	-	-	27,620,000	27,620,000	-	-
Ministry of East African Affairs	-	-	12,100,000	12,100,000	-	-
Ministry of Tourism and Heritage	-	-	143,782,069	143,782,069	-	-
Ministry of Science, Tech and Innovation	-	-	2,450,000	2,450,000	-	-
At 30 June 2021	4,542,251,396	1,143,420,000	61,434,844,577	60,425,144,695	1,081,316,154	4,480,147,550
At 30 June 2020	4,288,550,000	-	47,316,957,928	42,628,650,233	4,695,105,510	8,983,655,510

Statement of Arrears of Revenues, by vote, as at 30 June 2021
[As submitted and signed by Accounting Officers]

AGENCIES

Ministry/ Agency	Arrears of Revenue (A) 30 June 2020 Shs	Arrears in (A) collected during the year (B) Shs.	Actual amounts billed during the year (C) Shs.	Amounts Collected during the year (D) Shs	Arrears of Revenue for the year (E) (C-D) Shs.	Cumulative Arrears of Revenue at 30-June-20 (F) (A-B+E) Shs.
Judiciary	-	-	5,698,647,767	5,698,647,767	-	-
Electoral Commission	-	-	31,105,370,501	31,105,370,501	-	-
Inspector General Of Government	-	-	1,875,073,520	1,875,073,520	-	-
Parliamentary Commission	-	-	1,689,614,631	1,689,614,631	-	-
Law Reform Commission	-	-	232,520,000	232,520,000	-	-
Uganda Human Rights Commission	-	-	99,086,999	99,086,999	-	-
Uganda Aids Commission	-	-	37,800,000	37,800,000	-	-
National Planning Authority	-	-	-	-	-	-
Law Development Centre	-	-	13,107,633,156	12,205,369,357	902,263,799	902,263,799
Uganda Industrial Research Inst	233,107,141	-	222,007,319	222,007,319	-	-
Busitema University	-	-	4,284,528,768	4,284,528,768	-	233,107,141
Directorate Of Ethics & Integrity	-	-	-	-	-	-
Uganda National Roads Authority	-	-	3,894,306,295	3,894,306,295	-	-
Uganda Cancer Institute	-	-	1,580,900,838	1,580,900,838	-	-
Uganda Heart Institute	-	-	6,604,348,531	6,604,348,531	-	-
Uganda National Medical Stores	-	-	39,806,523,425	39,806,523,425	-	-
Uganda Tourism Board	-	-	33,075,150	33,075,150	-	-
Uganda Road Fund	-	-	7,078,800	7,078,800	-	-
Uganda Registration Services Bureau	-	-	41,321,401,202	41,321,401,202	-	-
National Citizenship & Inm Control	-	-	210,178,002,958	210,178,002,958	-	-
Diary Development Authority	-	-	396,767,589	396,767,589	-	-
KCCA	-	-	80,336,427,594	80,336,427,594	-	-
Rural Electrification Agency	83,700,076,970	35,121,185,196	54,864,075,369	3,584,752,399	51,279,342,970	99,858,234,744
Equal Opportunities Commission	-	-	8,620,000	8,620,000	-	-
NAGRIC & DDB	-	-	3,872,073,899	3,872,073,899	-	-
Nita-U	21,881,001,170	2,874,805,115	15,856,998,796	11,903,155,337	3,953,843,459	22,960,039,514
Muni University	183,982,728	84,794,376	559,884,657	341,340,239	218,544,418	317,732,770
UNEB	-	-	55,541,657,258	55,541,657,258	-	-
Financial Intelligence Authority	-	-	2,300,000	2,300,000	-	-
Treasury Operations	-	-	334,779,260,361	334,779,260,361	-	-
Office of the Auditor General	-	-	1,700,000	1,700,000	-	-
Education Service Commission	-	-	22,816,660	22,816,660	-	-
Directorate of Public Prosecution	-	-	10,337,500	10,337,500	-	-

Statement of Arrears of Revenues, by vote, as at 30 June 2021**[As submitted and signed by Accounting Officers]**

Ministry/ Agency	Arrears of Revenue (A) 30 June 2020 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-June-20 (F) (A-B+E) Shs.
Health Service Commission	-	-	21,850,000	21,850,000	-	-
Makerere University	25,085,415,252	10,615,641,555	67,201,244,697	58,298,166,618	8,903,078,079	23,372,851,776
Mbarara University	2,544,706,866	1,470,155,095	12,430,000,000	9,282,539,093	3,147,460,907	4,222,012,678
Makere University Business School	9,704,456,669	9,704,456,669	51,242,356,645	33,589,796,598	17,652,560,047	17,652,560,047
Kyambogo University	11,800,631,399	11,080,598,290	40,930,473,040	18,769,276,460	22,161,196,580	22,881,229,689
Uganda Management Institute	4,630,352,537	2,738,373,393	17,564,987,947	9,107,667,342	8,457,320,605	10,349,299,749
Uganda Revenue Authority	-	-	-	-	-	-
National Agricultural & Research Org.	-	-	3,053,482,496	3,053,482,496	-	-
Uganda Bureau Of Statistics	-	-	45,901,000	45,901,000	-	-
Uganda Police	3,190,097,699	3,190,097,699	40,853,311,402	33,803,211,402	7,050,100,000	7,050,100,000
Uganda Prisons	-	-	25,166,194,145	25,166,194,145	-	-
Public Service Commission	-	-	-	-	-	-
Local Government Finance Com	-	-	48,087,920	48,087,920	-	-
Judicial Service Commission	-	-	788,000	788,000	-	-
NEMA	829,766,684	-	1,689,799,740	829,766,684	860,033,065	1,689,799,749
Gulu University	-	-	8,084,594,955	8,084,594,955	-	-
Uganda Blood Transfusion Service	-	-	8,550,000	8,550,000	-	-
National Agricultural Advisory Services	-	-	121,034,000	121,034,000	-	-
PPDA	-	-	1,016,096,107	1,016,096,107	-	-
Uganda National Bureau Of Standards	-	-	38,540,046,925	38,540,046,925	-	-
Cotton Development Organization	-	-	1,859,626,675	1,859,626,675	-	-
Uganda Land Commission	-	-	1,428,888,570	1,404,128,570	24,760,000	24,760,000
National Forestry Authority	9,180,990,559	912,734,866	9,247,368,895	9,247,368,895	-	8,268,255,693
External Security Organization	-	-	-	-	-	-
Uganda Coffee Dev Authority	1,894,097,479	1,738,846,515	22,474,484,725	20,045,018,519	2,429,466,206	2,584,717,170
Lira University	527,780,668	527,780,668	2,194,932,142	1,764,138,988	430,793,154	430,793,154
UNMA	-	-	317,259,177	317,259,177	-	-
NCDC	-	-	93,000,000	93,000,000	-	-
Uganda Virus Research Institute	-	-	-	-	-	-
DGAL	-	-	319,560,000	319,560,000	-	-
Uganda Export Promotions	-	-	22,181,150	22,181,150	-	-
Kabale University	1,319,226,199	1,150,366,024	7,059,831,210	4,113,849,229	2,945,981,981	3,114,842,156
Soroti University	-	-	195,985,600	109,814,272	86,171,328	86,171,328

Statement of Arrears of Revenues, by vote, as at 30 June 2021
[As submitted and signed by Accounting Officers]

Ministry/ Agency	Arrears of Revenue (A) 30 June 2020 Sbs	Arrears in (A) collected during the year (B) Sbs.	Actual amounts billed during the year (C) Sbs.	Amounts Collected during the year (D) Sbs	Arrears of Revenue for the year (E) (C-D) Sbs.	Cumulative Arrears of Revenue at 30-June-20 (F) (A-B+E) Sbs.
National Identification & Registration Authority	-	-	3,663,961,996	3,663,961,996	-	-
Uganda Investment Authority	21,343,265,201	-	529,581,889	425,923,378	103,658,511	21,446,923,712
Uganda National Oil Company	-	-	-	-	-	-
Petroleum Authority of Uganda	-	-	500,000	500,000	-	-
At 30 June 2021	198,048,955,221	81,209,835,461	1,265,456,800,600	1,134,850,225,491	130,606,575,109	247,445,694,869
At 30 June 2020	151,950,663,287	87,951,655,037	922,984,912,956	792,193,067,265	126,308,038,313	194,002,058,789

Statement of Arrears of Revenues, by vote, as at 30 June 2021
[As submitted and signed by Accounting Officers]

REFERRAL HOSPITALS

Referral hospital	Arrears of Revenue (A) 30 June 2020 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-June-20 (F) (A-B+E) Shs.
Mulago Hospital Complex	-	-	1,808,626,491	1,808,626,491	-	-
Burabika Hospital	-	-	1,145,200,179	1,145,200,179	-	-
Arua Hospital	-	-	148,119,592	148,119,592	-	-
Fort Portal Hospital	-	-	412,206,737	412,206,737	-	-
Gulu Hospital	-	-	206,100,000	206,100,000	-	-
Hoima Hospital	-	-	112,824,420	112,824,420	-	-
Junja Hospital	-	-	522,273,437	522,273,437	-	-
Kabale Hospital	-	-	358,326,080	358,326,080	-	-
Masaka Hospital	-	-	389,060,515	389,060,515	-	-
Mbale Hospital	-	-	208,795,923	208,795,923	-	-
Soroti Hospital	-	-	155,682,680	155,682,680	-	-
Lira Hospital	-	-	26,100,000	26,100,000	-	-
Mbarara Regional Hospital	-	-	1,392,299,980	1,392,299,980	-	-
Mubende Reg Hospital	-	-	122,998,879	122,998,879	-	-
Moroto Reg Hospital	-	-	4,160,000	4,160,000	-	-
Naguru Referral Hospital	-	-	142,441,055	142,441,055	-	-
Kiniddu Referral Hospital	18,821,000	-	719,423,115	719,423,115	-	18,821,000
Kawempe Referral Hospital	-	-	451,240,724	451,240,724	-	-
Entebbe Regional Referral Hospital	-	-	51,805,000	51,136,850	668,150	668,150
Mulago Specialized Women and Neonatal Hospital	298,234,330	285,016,712	3,637,232,405	3,413,908,700	223,323,705	236,541,323
At 30 June 2021	317,055,330	285,016,712	12,014,917,212	11,790,925,357	223,991,855	256,030,473
At 30 June 2020	73,918,204	53,000,000	11,738,500,835	11,738,500,835	-	20,918,204

ACCOUNTANT GENERAL'S OFFICE
GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2021

Statement of Arrears of Revenues, by vote, as at 30 June 2021
[As submitted and signed by Accounting Officers]

EMBASSIES/MISSIONS

Embassy/Mission	Arrears of Revenue (A) 30 June 2020 Sbs	Arrears in (A) collected during the year (B) Sbs	Actual amounts billed during the year © Sbs	Amounts Collected during the year (D) Sbs	Arrears of Revenue for the year (E) (C-D) Sbs	Cumulative Arrears of Revenue at 30-June-20 (F) (A-B+E) Sbs
Uganda Mission at the United Nations	3,801,562,591	493,471,869	8,057,254,731	6,684,225,585	1,373,029,146	4,681,119,868
Uganda High Commission in the UK	-	-	612,623,295	612,623,295	-	-
Uganda High Commission in Canada	-	-	195,916,665	195,916,665	-	-
Uganda High Commission in India	-	-	7,603,930	7,603,930	-	-
Uganda High Commission in Egypt	-	-	101,916,087	101,916,087	-	-
Uganda High Commission in Kenya	181,948,023	39,824,832	239,009,234	239,009,234	-	142,123,191
Uganda High Commission in Tanzania	-	-	30,651,994	30,651,994	-	-
Uganda High Commission in Nigeria	-	-	19,029,388	19,029,388	-	-
Uganda High Commission in South Africa	-	-	86,308,618	86,308,618	-	-
Uganda Embassy in the United States	-	-	79,707,759	79,707,759	-	-
Uganda Embassy in Ethiopia	-	-	7,844,095	7,844,095	-	-
Uganda Embassy in China	-	-	9,831,385	9,831,385	-	-
Uganda Embassy in Rwanda	-	-	42,076,893	42,076,893	-	-
Uganda Embassy in Switzerland	-	-	23,342,272	23,342,272	-	-
Uganda Embassy in Japan (Tokyo)	-	-	8,182,199	8,182,199	-	-
Uganda Embassy in Libya (Tripoli)	-	-	-	-	-	-
Uganda Embassy in Saudi Arabia	-	-	645,163,642	645,163,642	-	-
Uganda Embassy in Denmark	-	-	8,767,711	8,767,711	-	-
Uganda Embassy in Belgium (Brussels)	-	-	38,669,427	38,669,427	-	-
Uganda Embassy in Italy (Rome)	-	-	19,252,006	19,252,006	-	-
Uganda Embassy in DRC (Kinshasa)	-	-	669,457,982	669,457,982	-	-
Uganda Embassy in Sudan (Khartoum)	-	-	39,077,049	39,077,049	-	-
Uganda Embassy in France (Paris)	-	-	22,347,650	22,347,650	-	-
Uganda Embassy in Germany (Berlin)	-	-	15,096,633	15,096,633	-	-
Uganda Embassy in Iran (Teheran)	-	-	825,385	825,385	-	-
Uganda Embassy in Russia (Moscow)	-	-	30,513,295	30,513,295	-	-
Uganda Embassy in Australia-Canberra	-	-	-	-	-	-
Uganda Embassy in Juba	-	-	416,522,450	416,522,450	-	-
Uganda Embassy in Abu Dhabi (UAE)	-	-	53,465,766	53,465,766	-	-
Uganda Embassy in Burundi	-	-	250,911,619	250,911,619	-	-
Uganda Embassy in Guangzhou	-	-	24,694,097	24,694,097	-	-
Uganda Embassy in Ankara	-	-	16,220,385	16,220,385	-	-
Uganda Embassy in Somalia	-	-	18,448	18,448	-	-
Uganda Embassy in Malaysia	-	-	11,803,883	11,803,883	-	-
Uganda Consulate in Mombasa	-	-	166,709	166,709	-	-
Uganda Embassy in Algiers	19,284,874	18,782,051	939,989	939,989	-	502,823
Uganda Embassy in Doha, Qatar	-	-	77,125,703	77,125,703	-	-
At 30 June 2021	4,002,795,488	552,078,752	11,862,319,926	10,489,309,228	1,373,010,698	4,823,727,434
At 30 June 2020	2,071,548,603	1,802,254,030	11,597,646,470	11,597,646,470	-	269,294,573

Statement of stores and other assets (physical assets) acquired, by vote during the year ended 30 June 2021
[As submitted and signed by Accounting Officers]

MINISTRIES

Ministry	Property, buildings, highways Shs.	Plant, Machinery, MV, furniture trucks Shs.	Others-computers, copiers Shs.	Total value of property, plant & equipment purchased during the year Shs.	Total value of PPE purchased – 30 June 2020 Shs.
Office of the President	1,400,000,000	14,093,903,923	429,333,710	15,923,237,633	15,405,622,833
State House	18,943,419,735	7,010,633,252	4,150,000,000	30,104,052,987	47,311,831,037
Office of the Prime Minister	11,591,161,412	99,239,800	-	11,690,401,212	12,027,952,221
Ministry of Defence	124,211,080,146	10,963,449,643	3,641,076,485,952	3,776,251,015,741	2,875,686,308,144
Ministry of Public Service	769,867,500	1,033,800,982	176,751,940	1,980,420,422	1,512,222,834
Ministry of Foreign Affairs	70,000,004	732,669,143	346,371,400	1,149,040,547	712,844,205
Ministry of Justice and Constitutional Affairs	13,604,397,542	986,961,889	753,263,001	15,344,622,432	12,761,067,792
Ministry of Finance, Planning and Economic Development	8,935,985,225	6,932,311,401	-	15,868,296,626	14,559,091,025
Ministry of Internal Affairs	2,580,149,190	2,634,355,400	763,955,852	5,978,460,442	2,411,115,804
Ministry of Agriculture, Animal Industry and Fisheries	111,692,715,179	16,271,032,703	18,566,413,220	146,530,161,102	132,557,437,834
Ministry of Local Government	6,211,629,600	1,108,254,998	40,964,075,302	48,283,959,900	13,034,646,151
Ministry of Lands, Housing and Urban Development	90,231,372,950	699,835,000	943,475,121	91,874,683,071	21,993,502,529
Ministry of Education and Sports	47,208,105,866	7,573,792,989	223,145,104	55,005,043,959	36,343,726,481
Ministry of Health	25,233,370,131	55,271,756,850	6,231,550,975	86,736,677,956	58,053,102,820
Ministry of Trade and Industry	735,000,000	978,696,001	57,700,373	1,771,396,374	23,375,667,267
Ministry of Works and Transport	391,580,092,217	750,173,001	570,479,074,620	962,809,339,838	686,886,817,393
Ministry of Energy and Minerals	662,394,624,296	26,024,131,611	22,804,692,716	711,223,448,623	623,399,686,454
Ministry of Gender, Labour and Social Development	358,200,002	500,861,856	371,409,671	1,230,471,529	3,380,797,231
Ministry of Water & Environment	21,278,274,576	10,219,968,591	284,142,689,606	315,640,932,773	244,061,603,270
Ministry of Communication & ICT	-	149,943,960	1,365,379,477	1,515,323,437	2,041,340,701
Ministry of East African Affairs	-	623,800,000	20,400,000	644,200,000	64,320,000
Ministry of Tourism and Heritage	1,888,931,129	1,820,800,003	4,113,016,166	7,822,747,298	6,528,341,197
Ministry of Science, Tech & Innovation	-	20,373,849,484	156,896,002	20,530,745,486	1,055,906,640
As at 30 June 2021	1,540,918,376,700	186,854,222,480	4,598,136,080,208	6,325,908,679,388	4,835,164,951,863
As at 30 June 2020	1,145,477,611,820	152,127,958,057	3,537,559,381,986	4,835,164,951,863	

Statement of stores and other assets (physical assets) acquired, by vote during the year ended 30 June 2021
[As submitted and signed by Accounting Officers]

AGENCIES

Agency	Property, buildings, highways	Machinery, plant & Motor vehicles etc	Others	Total value of acquisitions during the year	Total value of acquisitions 30 June 2020
Judiciary	20,000,000,000	7,938,310,693	165,000,000	28,103,310,693	18,321,558,818
Electoral Commission	-	44,635,100,001	10,519,687,251	55,154,787,252	11,138,212,758
Inspector General of Government's Office	8,905,413,632	499,956,940	68,905,760	9,474,276,332	7,120,167,924
Parliamentary Commission	23,500,042,091	9,210,829,722	-	32,710,871,813	20,873,850,268
Law Reform Commission	-	35,700,000	148,989,200	184,689,200	93,280,057
Uganda Human Rights Commission	-	51,690,680	-	51,690,680	23,222,401
Uganda Aids Commission	349,910,996	1,499,979,168	-	1,849,890,164	7,809,000
National Planning Authority	723,137,151	1,319,169,285	159,874,197	2,202,180,633	2,851,576,012
Law Development Centre	22,533,520,428	699,980,002	99,990,845	23,333,491,275	26,039,756,662
Uganda Industrial Research Inst.	400,000,000	2,693,430,771	812,495,173	3,905,925,944	5,698,116,459
Busitema University	1,461,371,708	802,261,724	-	2,263,633,432	1,245,683,045
Directorate of Ethics & Integrity	-	-	-	-	-
Uganda National Roads Authority	5,302,447,518,832	15,978,738,247	18,069,820,000	5,336,496,077,079	3,596,924,406,253
Uganda Cancer Institute	11,320,074,262	969,996,599	1,488,712,071	13,778,782,932	11,557,440,492
Uganda Heart Institute	-	1,708,287,915	2,779,551,032	4,487,838,947	4,486,003,143
Uganda National Medical Stores	-	6,160,219,235	1,217,963,609	7,378,182,844	-
Uganda Tourism Board	-	108,711,725	-	108,711,725	106,101,442
Uganda Road Fund	10,797,499,999	49,814,240	63,190,801	10,910,505,040	2,546,353,818
Uganda Registration Services Bureau	-	-	252,156,190	252,156,190	150,508,750
NC&IC	559,067,900	6,019,420,148	-	6,578,488,048	6,219,612,209
Diary Development Authority	464,231,472	455,693,726	111,266,865	1,031,192,063	901,165,575
Kampala Capital City Authority	92,503,059,499	2,780,001,632	-	95,283,061,131	97,542,861,532
Rural Electrification Agency (REA)	273,728,836	587,325,900	111,661,598,220	112,522,652,956	93,980,719,487
Equal Opportunities Commission	181,045,334	84,949,659	60,356,000	326,350,993	153,230,416
NAGRC & DB	15,423,530,287	3,381,246,932	4,814,310,001	23,619,087,220	19,209,735,784
NITA-U	1,532,979,432	103,706,779	4,588,312,275	6,224,998,486	6,671,606,842
Muni University	1,344,336,681	782,294,908	130,309,999	2,256,941,588	1,687,642,218
Uganda National Examinations Board	11,229,000,000	18,871,000,000	-	30,100,000,000	10,490,704,785
Financial Intelligence Authority	-	-	214,181,032	214,181,032	172,000,000
Treasury Operations	-	-	-	-	-
Office of the Auditor General	2,545,196,951	1,535,000,000	170,008,112	4,250,205,063	3,566,662,783
Education Service Commission	-	29,978,360	61,856,963	91,835,323	131,892,720
Directorate of Public Prosecution	441,606,990	339,932,212	-	781,539,202	2,097,709,079
Health Service Commission	-	54,988,092	23,053,000	78,041,092	79,984,197
Makerere University	12,095,228,050	1,866,209,711	-	13,961,437,761	7,426,377,701
Mbarara University	1,165,548,025	519,453,127	136,887,733	1,821,888,885	2,971,002,183
Makerere University Business School	-	1,022,599,831	1,645,176,889	2,667,776,720	3,512,253,503
Kyambogo University	4,112,653,380	421,937,928	289,436,433	4,824,027,741	5,365,398,286
Uganda Management Institute	1,596,606,379	434,538,261	249,876,800	2,281,021,440	980,325,772
Uganda Revenue Authority	-	-	-	-	-
National Agricultural Research Organisation	18,442,849,002	1,877,180,302	3,652,123,846	23,972,153,150	4,514,407,497
Uganda Bureau of Statistics	-	2,346,085,189	-	2,346,085,189	-
Uganda Police	72,042,165,719	2,000,000,001	211,434,608,676	285,476,774,396	263,247,738,834
Uganda Prisons	15,601,421,750	6,916,032,010	-	22,517,453,760	21,277,458,555
Public Service Commission	-	84,222,142	100,000,000	184,222,142	81,877,713
Local Government Finance Commission	-	115,602,920	-	115,602,920	104,692,350
Judicial Service Commission	-	139,996,625	101,351,809	241,348,434	176,762,413
Gulu University	11,962,260,059	-	-	11,962,260,059	5,238,822,160

Statement of stores and other assets (physical assets) acquired, by vote during the year ended 30 June 2021
[As submitted and signed by Accounting Officers]

Agency	Property, buildings, highways	Machinery, plant & Motor vehicles etc	Others	Total value of acquisitions during the year	Total value of acquisitions 30 June 2020
NEMA	-	104,800,001	202,233,413	307,033,414	-
Uganda Blood Transfusion Service	481,892,654	351,056,100	664,804,726	1,497,753,480	1,199,999,999
National Agricultural Advisory Services	1,354,799,567	53,059,371,013	490,291,915	54,904,462,495	-
Public Procurement & Disposal of Assets	6,786,115,861	121,889,991	-	6,908,005,852	3,382,996,785
Uganda national Bureau of Standards	79,052,703	6,205,539,537	1,800,000,000	8,084,592,240	9,632,885,708
Cotton Development Organization	7,020,434,119	672,114,172	-	7,692,548,291	4,089,746,000
Uganda Land Commission	212,279,181,177	1,072,550,897	162,716,995	213,514,449,069	187,279,181,177
National Forestry Authority	-	2,904,999,999	-	2,904,999,999	-
External Security Organization	-	84,803,600	3,518,148,000	3,602,951,600	-
Uganda Coffee Development Authority	79,687,012	996,542,012	-	1,076,229,024	-
Lira University	3,609,344,673	100,000,000	500,000,001	4,209,344,674	330,628,910
Uganda National Meteorological Authority	1,350,317,854	1,473,562,075	401,091,901	3,224,971,830	220,000,000
National Curriculum Development Centre	591,800,000	3,667,995,043	157,248,395	4,417,043,438	612,192,098
Uganda Virus Research Institute	2,130,000,002	149,999,998	-	2,280,000,000	2,250,000,000
Directorate Of Government Analytical Lab	220,000,000	855,767,928	3,367,452,388	4,443,220,316	2,343,507,745
Uganda Export Promotion Board	8,930,000	-	-	8,930,000	8,450,000
Kabale University	1,831,997,878	485,180,940	64,999,999	2,382,178,817	730,298,000
Soroti University	2,483,212,996	1,275,066,703	1,805,686,907	5,563,966,606	346,530,555
National Identification & Registration Auth	-	609,971,879	3,587,141,437	4,197,113,316	-
Uganda Investment Authority	29,573,065,347	618,887,492	590,596,008	30,782,548,847	27,504,485,713
Uganda National Oil Company	-	-	-	-	-
Petroleum Authority of Uganda	-	638,633,400	4,139,382,831	4,778,016,231	-
At 30 June 2021	5,935,834,836,688	222,580,306,122	396,742,845,698	6,555,157,988,508	4,083,334,272,019
At 30 June 2020	4,083,334,272,019	106,576,063,749	367,627,101,268	4,083,334,272,019	-

REFERRAL HOSPITALS

Statement of stores and other assets (physical assets) acquired, by vote during the year ended 30 June 2021
[As submitted and signed by Accounting Officers]

Referral hospital	Property, buildings, highways Shs	Plant – Machinery, trucks Shs	Others-computers, copiers Shs	Total value of fixed asset acquired 30 June 2021 Shs	Total value of fixed assets acquired 30 June 2020 Shs
Mulago Hospital Complex	3,219,999,920	-	800,000,000	4,019,999,920	4,280,000,000
Butabika Hospital	1,322,140,579	5,158,831,255	76,705,181	6,557,677,015	1,446,234,661
Arua Hospital	599,242,120	79,914,494	120,000,000	799,156,614	860,000,001
Fort Portal Hospital	440,920,548	-	199,760,300	640,680,848	780,891,180
Gulu Hospital	1,401,922,071	198,319,000	293,329,156	1,893,570,227	1,147,091,160
Hoima Hospital	-	-	100,000,000	100,000,000	50,000,000
Jinja Hospital	1,230,000,000	19,986,040	240,000,000	1,489,986,040	1,000,000,000
Kabale Hospital	1,901,141,645	20,000,001	159,065,400	2,080,207,046	1,019,816,336
Masaka Hospital	3,251,327,327	-	200,000,000	3,451,327,327	1,970,000,000
Mbale Hospital	1,280,000,000	-	200,000,000	1,480,000,000	2,200,000,000
Soroti Hospital	100,000,000	-	99,997,898	199,997,898	708,000,000
Lira Hospital	1,235,000,000	130,000,000	1,010,000,000	2,375,000,000	900,000,000
Mbarara Regional Hospital	600,000,000	-	196,680,000	796,680,000	1,230,415,320
Mubende Reg Hospital	1,506,840,910	-	68,380,115	1,575,221,025	1,766,140,636
Moroto Reg Hospital	992,469,228	100,000,000	100,000,000	1,192,469,228	920,494,549
Naguru Referral Hospital	1,416,000,000	50,000,001	660,000,001	2,126,000,002	1,700,000,000
Kiruuddu Referral Hospital	950,000,000	50,000,000	500,000,000	1,500,000,000	-
Kawempe Referral Hospital	-	299,999,999	1,052,283,005	1,352,283,004	-
Entebbe Regional Referral Hospital	-	600,000,000	900,000,000	1,500,000,000	-
Mulago Specialized Women and Neonatal Hospital	-	950,000,000	1,050,000,000	2,000,000,000	-
As at 30 June 2021	21,447,004,348	7,657,050,790	8,026,201,056	37,130,256,194	21,979,083,843
As at 30 June 2020	21,979,083,843	1,423,279,278	8,246,556,563	21,979,083,843	

**Statement of stores and other assets (physical assets) acquired, by vote during the year ended 30 June 2021
[As submitted and signed by Accounting Officers]**

EMBASSIES/MISSIONS

Embassy/Mission	Property, buildings, highways Shs	Plant, machinery, trucks Shs	Others-computers, copiers Shs	Total value of fixed assets acquired 30 June 2021 Shs	Total value of fixed assets acquired 30 June 2020 Shs
Uganda Mission at the United Nations, NY	-	-	-	-	-
Uganda High Commission in the UK	242,977,731	-	-	242,977,731	465,161,335
Uganda High Commission in Canada	385,160,537	-	-	385,160,537	11,401,557
Uganda High Commission in India	-	-	-	-	-
Uganda High Commission in Egypt	226,898,539	-	-	226,898,539	59,979,603
Uganda High Commission in Kenya	-	32,773,478	-	32,773,478	175,541,167
Uganda High Commission in Tanzania	183,462,083	73,159,674	-	256,621,757	343,247,898
Uganda High Commission in Nigeria	-	-	-	-	-
Uganda High Commission in South Africa	-	-	-	-	64,943,969
Uganda Embassy in the United States	-	-	-	-	49,994,826
Uganda Embassy in Ethiopia	-	-	-	-	47,960,481
Uganda Embassy in China	-	-	-	-	49,526,311
Uganda Embassy in Rwanda	-	-	-	-	18,942,084
Uganda Embassy in Switzerland	-	-	-	-	284,879,867
Uganda Embassy in Japan Tokyo	-	-	-	-	76,550,343
Uganda Embassy in Libya	-	-	-	-	-
Uganda Embassy in Saudi Arabia	-	-	-	-	-
Uganda Embassy in Denmark	74,004,443	-	-	74,004,443	279,394,589
Uganda Embassy in Belgium	-	-	-	-	4,993,510,391
Uganda Embassy in Italy	-	-	-	-	-
Uganda Embassy in DRC	2,848,611,353	177,664,461	19,712,542	3,045,988,356	-
Uganda Embassy in Sudan	-	-	-	-	108,299,733
Uganda Embassy in France	2,950,864,166	-	-	2,950,864,166	300,533,949
Uganda Embassy in Germany	-	-	-	-	-
Uganda Embassy in Iran	-	277,437,751	-	277,437,751	385,826,240
Uganda Embassy in Russia	-	-	-	-	149,778,932
Uganda Embassy in Australia	-	-	-	-	-
Uganda Embassy in Juba	8,819,860,055	-	-	8,819,860,055	3,751,320,719
Uganda Embassy in Abu Dhabi	-	-	-	-	61,411,263
Uganda Embassy in Burundi	475,323,062	-	-	475,323,062	1,516,007,514
Uganda Embassy Guangzhou	5,790,700,644	-	-	5,790,700,644	5,790,700,644
Uganda Embassy Ankara	-	-	-	-	129,698,987
Uganda Embassy in Mogadishu	860,131,028	-	-	860,131,028	61,255,781
Uganda Embassy in Malaysia	-	-	-	-	48,940,079
Uganda Consulate in Mombasa	-	61,623,719	-	61,623,719	-
Uganda Embassy in Algeria	-	-	-	-	277,000,014
Uganda Embassy in Doha, Qatar	-	-	-	-	63,294,012
As at 30 June 2021	22,857,993,641	622,659,083	-	23,500,365,266	19,565,102,288
As at 30 June 2020	16,757,487,483	2,807,614,805	-	19,565,102,288	



Government of the Republic of Uganda



Consolidated Summary Statement of Financial Performance of Public Corporations and State Enterprises For the year ended 30 June 2021

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 2021

Table of contents

Srl No.	Description of the Summary Statement	Pages
1	Commentary on the Financial Performance by the Accountant General	2
2	Statement of Financial Performance	3-4

**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 2021**

Commentary on the Financial Performance by the Accountant General

The Summary Statement of Financial Performance set out on pages 3 to 4 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.

Section 85(3) of the PFMA 2015 gave transitional provisions for Public Corporations and State Enterprises whose financial year was not aligned in accordance with the GoU financial reporting period (30th June) to comply within three years after commencement of the Act, Financial Institutions have been consolidated on a prorata basis given the Section 46(2) of the Financial Institutions Act 2004 prescribes their financial year as 31st December.

The 2 entities listed below did not submit the Summary Statement of Financial Performance for consolidation.

N0.	Entity Name
1	Uganda Air Cargo Corporation
2	Uganda Refinery Holding Co.

The presentation format will gradually be revised to cater for the emerging various information requirements of stakeholders.

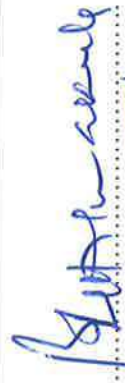

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Lawrence Semakula
Accountant General

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 2021.

NON FINANCIAL SECTOR CLASS	Government Shareholding	Total Income	Total Expenditure	Dividends declared	Retained Earnings	Net worth
Electricity Regulatory Authority	100%	27,778,197,881	24,771,147,166	-	31,974,713,381	(788,244,459)
National Water and Sewerage Corporation	100%	463,528,614,000	426,348,394,000	-	378,384,485,000	1,327,158,508,000
Uganda Wildlife Authority	100%	28,720,593,656	76,906,128,534	-	20,884,003,230	57,069,407,344
The New Vision Printing and Publishing Company	53.2%	82,171,608,000	81,439,277,000	1,377,000,000	34,113,590,000	72,333,983,000
Uganda Wildlife Conservation Education Centre		7,634,599,950	6,194,846,379	-	9,662,170,550	16,752,358,306
Uganda Post Limited	100%	16,375,296,000	16,132,140,000	-	-	76,639,457,000
National Drug Authority	100%	68,683,397,457	58,433,725,985	-	134,958,489,922	134,958,489,922
Mandela National Stadium	100%	3,319,156,763	2,550,438,329	-	-	179,468,906,223
Uganda Development Corporation	100%	29,441,726,741	29,378,128,419	-	(22,972,526,660)	491,066,325,944
Uganda Electricity Distribution Company Limited	100%	76,789,862,000	87,617,585,000	-	80,770,177,000	169,198,668,000
Kilelesh Mines Limited	90%	857,422,496	4,733,154,224	-	19,705,155,032	30,032,440,979
Uganda Railways Corporation	100%	30,278,308,000	69,228,109,000	-	286,941,057,000	3,546,361,202,000
Uganda Property Holdings Limited	100%	10,365,367,714	8,939,405,535	400,000,000	900,793,080	293,994,832,219
Uganda National Airlines Company Limited	100%	46,893,586,000	210,690,071,000	-	281,577,939,000	1,211,782,047,933
Uganda Civil Aviation Authority	100%	149,271,431,000	175,300,343,000	-	160,796,103,000	633,852,001,000
Uganda Electricity Transmission Company Limited	100%	1,446,830,535,065	1,243,423,256,251	-	208,089,798,513	1,783,502,182,287
Uganda Livestock Industries LTD		157,542,664	171,800,400	-	10,793,683,266	(10,785,683,266)
Uganda Communications Commission		454,607,075,281	452,732,968,857		71,660,882,681	157,739,528,582
National Enterprise Corporation		92,629,663,045	78,789,127,579	-	2,530,404,440	61,324,423,653
Kiira Motors Corporation	96%	42,223,431,199	7,208,632,414	-	77,833,659,440	77,833,659,440
Uganda Electricity Generation Company Limited	100%	241,056,091,000	182,468,282,000		132,301,881,000	717,913,233,000
National Housing and Construction Company Limited		14,997,036,000	17,088,390,000	-	425,814,913,047	533,969,242,883

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 2021.

	Government Shareholding	Total Income	Total Expenditure	Dividends declared	Retained Earnings	Net worth
Uganda Printing and Publishing Corporation		16,031,757,101	3,362,842,387	-	10,646,276,571	26,859,781,820
Uganda Energy Credit Capitalization Company		5,592,125,962	6,462,465,670	-	52,181,897,134	52,181,897,135
Insurance Regulatory Authority of Uganda		19,818,358,946	12,231,460,411	-	53,832,135,121	53,832,135,121
Enterprise Uganda		8,792,821,075	7,594,692,627	-	1,198,128,448	1,201,175,560
Uganda Seeds Limited (USL)		52,000,000	96,663,407	-	5,443,717,311	5,915,073,195
Uganda National Oil Company	100%	35,074,921,924	33,093,851,961	-	-	-
FINANCIAL SECTOR CLASS						
Pride Microfinance Limited (MDI)	100%	47,638,427,773	47,068,044,726	-	114,746,887,679	139,954,237,679
Housing Finance Bank	49.2%	175,765,276	141,969,908	12,413,646	124,060,075	259,606,868
Post Bank Uganda Limited	100%	67,393,129,000	62,135,184,000	-	19,314,186,000	106,640,058,000
The Microfinance Support Centre Ltd		309,234,614,000	352,013,463,000	-	52,278,080,000	181,758,092,000
Bank of Uganda	100%	152,650,000,000	452,490,000,000	-	1,632,247,000,000	3,293,965,000,000
FINANCIAL SECTOR - 12 MTHS ENDING DECEMBER 31, 2020						
Uganda Development Bank Limited	100%	69,482,347,000	47,373,569,000	-	84,485,757,000	910,785,019,000
TOTAL		4,066,546,809,969	4,284,609,558,169	1,789,413,646	4,373,219,497,261	16,334,729,046,368


 Lawrence Semakula
 Accountant General



Government of the Republic of Uganda



Final Reports and Consolidated Financial Statements of Local Governments

For the year ended 30th June 2021

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Table of Contents

Statement from the Secretary to the Treasury	2
Commentary by the Accountant General	7
The Consolidated Statement of Financial Performance.....	11
The Consolidated Statement of Financial Position	12
The Consolidated Statement of Changes in Equity (Net worth).....	12
The Consolidated Cash Flow Statement [Direct Method]	13
Consolidated Summary Statement of Appropriation.....	15
Consolidated Summary Statement of Arrears of Revenues	15
Consolidated Summary Statement of Contingent Liabilities	15
Consolidated Summary Statement of Outstanding Commitments.....	16
Consolidated Summary Statement of losses of public moneys and stores written off, and claims abandoned.....	16
Consolidated Summary Statement of losses of public moneys and stores reported.....	17
Consolidated Summary Statement of stores and other assets (physical assets) purchased.....	17
Notes to the Financial Statements	18
Note 1(a): Accounting Policies	18
Other Notes to the Financial Statements	23

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Statement from the Secretary to the Treasury

Mandate

The Consolidated Financial Statements for the year ended 30th June 2021, have been prepared in accordance with the provisions of the Public Finance Management Act, 2015 as amended and the Public Finance Management Regulations 2016. The statements have been prepared using the modified accrual basis of accounting, and the accounting policies as detailed on pages 18-22 of this report. The modified accrual basis of accounting has been applied effective this financial year in the preparation of the financial statements of Government.

Purpose of Consolidation

The Consolidated Financial Statements provide information on the financial performance and Government's ability to meet current and future obligations when they fall due. The current and future obligations are reflected in the Consolidated Statements of financial performance, financial position and cash flow.

Performance of the Public Financial Management System

The impact of the global COVID-19 pandemic and the accompanying containment measures reminds us of the importance of a robust Public Financial Management (PFM) system. A robust PFM system promotes transparency, accountability and good governance which are essential for sustainable economic management and effective public service delivery especially in times of emergencies.

The Ministry of Finance, Planning and economic Development has over the time invested in ensuring the existence of sound PFM systems. These include the oracle powered Integrated Financial Management System (IFMS), Microsoft Dynamics- Navision, Electronic Government Procurement (E-GP), Programme based Budgeting System (PBS), Human Capital Management System (HCM) among others.

Alignment of activities and systems with NDPIII programmatic Approach

GoU adopted the 3rd National Development Plan (NDP III) to guide the Nation in delivering the aspirations articulated in Uganda Vision 2040. Unlike the previous sector wide approach to budgeting, the NDP III is based on a programme approach to planning, budgeting, implementation and results reporting. It is under pinned by Programme Based Budgeting (PBB) structure where programmes are above votes so that accountability for results by various Votes is tracked at programme level. Under the PBB, Projects are domiciled under the Departments unlike before where they were at the same level as Departments. During the financial year, various activities were carried out to facilitate and ensure a seamless transition to NDPIII as follows:

i. Chart of Accounts (COA)

The Chart of Accounts is the foundation of the Public Financial Management framework for budgeting, budget execution and reporting. Under the NDP III, 20 programmes were created and structurally located above votes while sectors were dropped from the Chart of Accounts. This major structural change necessitated revision of the existing COA to support the full implementation of the

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NDP III. The COA review also coincided with the need to harmonise it with the Government Finance Statistics Manual 2014 and the need to align it with accrual accounting aspects to support the transition by government from the modified accrual basis of accounting to full IPSAS based accrual accounting.

During the financial year, various stakeholders including NPA, representatives from MALGs, Development Partners, among others were engaged and a new COA structure was issued. The new COA structure is composed of 9 segments with 43 digits compared to the previous one that had 9 segments and 38 digits. Notable changes include the introduction of programmes and sub programmes in addition to the inclusion of the geographical location segment in the new structure to facilitate reporting on decentralized programmes like Parish Development Model. The full revised Chart of Accounts was officially issued in December 2021. Change management is progressing well in preparation for July 2022 when the revised COA will effectively replace the older version.

ii. IFMS Major Upgrade

Key among the development of structures to support NDP III, is the enhancement of financial management systems to meet the comprehensive requirements of NDP III. During the financial year 2020/21, major upgrade activities for the Integrated Financial Management System (IFMS) commenced. This upgrade introduces new features and functions while refining existing operations, making changes to business operations for added efficiency and effectiveness. This upgrade also responds to the rapidly growing needs of government and focuses on management information through provision of vital dashboards. All 300 Central and Local Government votes using IFMS will be automatically upgraded once the new features go live. The upgraded system is scheduled to go live by 1st July, 2022.

During the financial year 2020-2021 upgrade activities covered contract signing with Oracle Consulting (Vendor), Work plan development and adoption, Data extraction and preparation for migration into the new system. Actual development and customization of the new system is scheduled to commence and be completed within FY 2021-2022.

iii. Implementation of the Electronic Government Procurement System

Government has taken public procurement online through the implementation of an electronic government procurement system. This is an initiative by government to leverage ICT to promote efficiency in public procurement and uphold government's promise to the public on efficient and accountable governance. Electronic Government Procurement (E-GP) provides complete end-to-end automation of the government procurement process.

During the financial year the system was piloted at 5 entities while an additional six (6) entities were migrated from a *European Dynamics* developed system to a domestically developed system with support from the MoICT Innovation Fund. By 30th June 2021, a total of 11 Votes were connected to this system. Rollout of E-GP to all other government entities is expected to be completed in a phased approach within the next 4 financial years, with the first 15 entities in FY 2021-2022 and an additional 50 entities in FY 2022-2023.

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Highlights of other key activities and the progress registered during the year are summarised below;

a) Amendment of the PPDA Act

The PPDA Amendment Bill, 2020 was passed by Parliament on 1st February, 2020 and assented to by His Excellency the President in July 2020. The amended act is intended to improve procurement efficiency and effectiveness by reducing the current statutory procurement timelines especially for common user goods, reduce the cost of procurement while benefiting from economies of scale. It also incorporates emerging good practices and project delivery models such as Engineering, Procurement Contracting (EPC), Contractor Facilitated Financing, Design and Build for complex and high value projects. Unlike the existing procurement legal framework, the amendment strengthens good governance by reducing ambiguity in the procurement system roles and segregation of policy, regulatory and operational functions.

b) Strengthening Asset Management

During the Financial Year 2020/21, the Government issued a new Asset Management Framework and Guidelines (AMFG) to improve and sustain asset management throughout Government. The AMFG covers the principles and practices to be followed by all votes in the efficient and effective management of public assets under their control.

The Ministry also developed a 5 year Asset Management Strategy (AMS) and implementation road map (2021-2025) whose overarching objective is to "Address the existing asset data gaps and ensure that MDALGs are able to maintain comprehensive and accurate asset registers with accurate values to support the decision-making process by enabling votes to get the right mix of assets which are then optimally utilized to effectively and efficiently deliver public services".

This undoubtedly paves way for the effective implementation of other asset management reform interventions that are currently ongoing including;

1. Operationalizing the robust asset management framework for the proper management of government assets throughout their lifecycle;
2. Implementation of a comprehensive and fully integrated Asset Management Information System.
3. Facilitate the valuation of Government assets and ultimately ensure full compliance with the measurement/valuation requirements of the accrual IPSAS framework;
4. Undertake financial oversight and tracking of Government Investments;
5. Effective follow up and implementation of Boards of Survey and audit recommendations as they pertain to the management of public assets; and
6. Undertake capacity building interventions in the management of Government assets.

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

c) Support to Local Government- Establishment of Regional Centers

The Ministry commissioned 2 additional Regional Treasury Service Centres (RTSC) at Hoima in November and Moroto in December 2020. Both Regional centres are hosted at the courtesy of the Auditor General in their respective regional offices. This brings the total number of regional centres to 10, further extending service delivery and support for Public Financial Management (PFM) Systems to all government entities in all regions.



FIGURE I: MOROTO TREASURY SERVICE CENTER

d) Transition to Accrual Accounting

In a drive to improve public accountability, the Ministry initiated implementation of the transition from reporting on the modified cash basis of accounting to the accrual basis of accounting. One of the key objectives of adopting accrual accounting is to generate comprehensive and comparable fiscal information to support policy and operational decision making. To facilitate the complex process of transition to IPSAS accrual reporting, a project titled Accrual Accounting and Asset Management Project (AAAMP) is being formulated. A concept note for the AAAMP was approved and the project was at pre-feasibility stage by the end of the financial year. The project is expected to be operational effected FY 2022/2023 to spearhead the transition to IPSAS accrual accounting and reporting.

Rationalization of Government Agencies and Public Expenditure (RAPEX)

The Government of Uganda has overtime undertaken various initiatives to re-orient its Institutions to changes in policy and legal framework, environmental dynamics and shift in service delivery demands.

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Chapter 20 (Public Sector Transformation) Objective 2 of the NDP III (2020/21-2024/25); underpins streamlining Government architecture for efficient and effective service delivery, to align them with the new program planning, budgeting and implementation. Some of the interventions earmarked to achieve this objective include, among others:

- (a) Restructuring Government Institutions (MDAs and LGs);
- (b) Reviewing and developing management and operational structures, systems and standards; and
- (c) Rationalizing and harmonizing policies to support public service delivery.

Government of Uganda took a decision on merging and consolidating Government Agencies, Commissions, Authorities and Public Expenditure to facilitate efficient and effective service delivery. The rationalization exercise entails among other things;

- (i) Strengthening some Government Institutions to match the service delivery demands,
- (ii) Merging different Government Institutions whose services are closely related and duplicated,
- (iii) Mainstreaming some functions within existing Institutions,
- (iv) Transferring residual functions across government institutions,
- (v) Winding up institutions whose functions have ceased to be relevant to service delivery,
- (vi) Reviewing institutional and structural framework of MDAs to enable them accommodate merged and transferred functions and;
- (vii) Reviewing the legal and policy framework of the affected MDAs to facilitate smooth implementation.

Accordingly and arising out of the rationalization exercise, the Vote status of the *Rural Electrification Agency (Vote 123)* was revoked during the year through the Statutory Instrument No. 29 of 2021 which mainstreamed the Rural Electrification Agency (REA) under the Ministry of Energy and Mineral Development - Vote 017 as the Rural Electrification Department.

Furthermore the *Ministry of Science, Technology and Innovation (MOSTI)* was discontinued during the year following a presidential directive exercised under Article I 13 (1) and (3) of the 1995 Constitution

CONCLUSION

The impact and duration of the COVID-19 pandemic even after the second wave and vaccination is still unknown, and this has created uncertainty in Uganda's economic outlook. Therefore, MoFPED will continue to operate in this dynamic environment that requires agile and responsive information and ICT solutions that will enable effective delivery of its mandate. The Ministry is focused on providing economic response and implementing PFM reforms vital to supporting recovery to safeguard livelihoods without losing focus on the long-term development goals of inclusive wealth creation and social economic transformation.



Ramathan Ggoobi

PERMANENT SECRETARY/SECRETARY TO THE TREASURY

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Commentary by the Accountant General

Introduction

The Consolidated Financial Statements (CFS) of Local Governments (LGs) for the year ended 30 June 2021 provide a record of the LGs' consolidated financial performance, consolidated financial position and consolidated cash flows. The CFS provide a summary of the Local Government's financial resources and their utilization in line with the financial year 2020/2021 appropriation for the benefit of the people of the Republic of Uganda.

Scope

The CFS of Local Governments comprise of the District Local Governments (DLGs) and Municipal Councils (MCs). A total of 132 DLGs and 35 MCs were able to submit their financial statements on time for consolidation. Three (3) districts and six (6) municipal councils faced challenges in preparing quality financial statements in time for consolidation. These have not therefore been consolidated on a line by line basis but instead, the total releases to them have been expensed.

The districts include Arua, Butaleja and Bududa. The Municipal councils include Arua, Ntungamo, Mityana, Kumi, Ibanda and Nebbi.

Discontinued Operations.

The following entities ceased to operate as Municipal Councils in FY 2020/2021 and are operating as Cities effective this financial year 2020/2021. These include Arua Municipal Council, Gulu Municipal Council, Mbale municipal Council, Jinja Municipal Council, Masaka Municipal Council, Mbarara Municipal Council, Fort Portal Municipal Council, Hoima Municipal Council, Lira Municipal Council and Soroti Municipal Council.

Consolidation

The Consolidated Financial Statements have been prepared in accordance with the Accounting policies which have been applied consistently in all material respects unless otherwise stated. At vote level, DLGs prepare their accounts based on modified Accrual basis of Accounting whereas MCs use accrual basis of accounting in preparation of their financial statements. For consistency, however, the CFS of Local Governments have been prepared based on the Modified accrual basis of Accounting and this was applied effective last financial year. Under the modified accrual basis of accounting, revenue is recognised when earned with the exception of revenue from taxes and grants which is recognised when received. Expenditures are recognised when incurred as indicated in the Accounting policies to these financial statements. Additional information has been disclosed where appropriate to ensure compliance with the Act and to improve the usefulness of the statements to the users.

Overview of operating results

Below is the summary of the LGs financial performance and financial position for the year ended 30th June 2021 in respect to Revenue, Expenditure, Assets and liabilities.

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Financial Performance

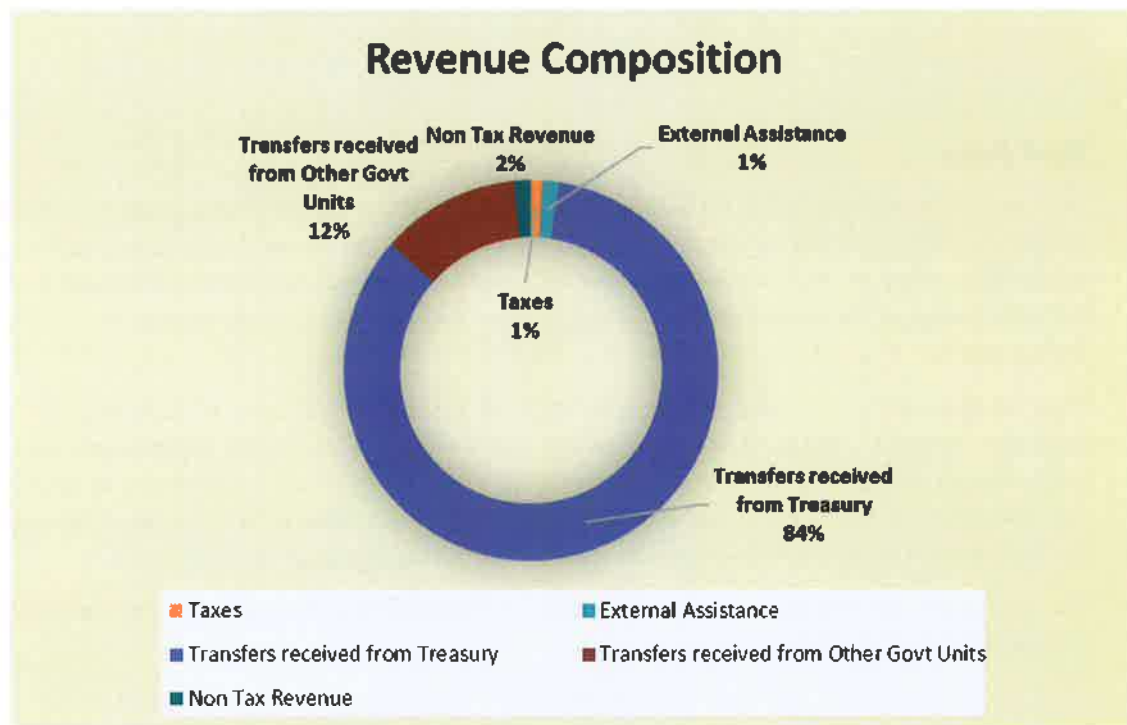
Revenue Performance

Revenue comprises of taxes, external assistance, transfers from Central Government, transfers from Other Government Units [appropriated to a vote and transferred to LGs for execution of intended activities for example Youth Livelihood Program (YLP), UWEP, RF, USMID, funding from the Uganda Local Government Association (ULGA)] and non-tax revenue.

The bulk of total revenue for the year was from Transfers received from Treasury (84%). The total transfers received by LGs amounted to UGX 3,671 billion out of the total funding for LGs (UGX 4,357 billion).

The revenue from external assistance was UGX 60 billion (1%) and that from other Government Units amounted to UGX 520 billion (12%). Local revenue (Tax and Non-tax revenue) collected for the year was 44 billion (1%) and 62 billion (2%) respectively.

The graph below shows the breakdown of LGs revenue by source.



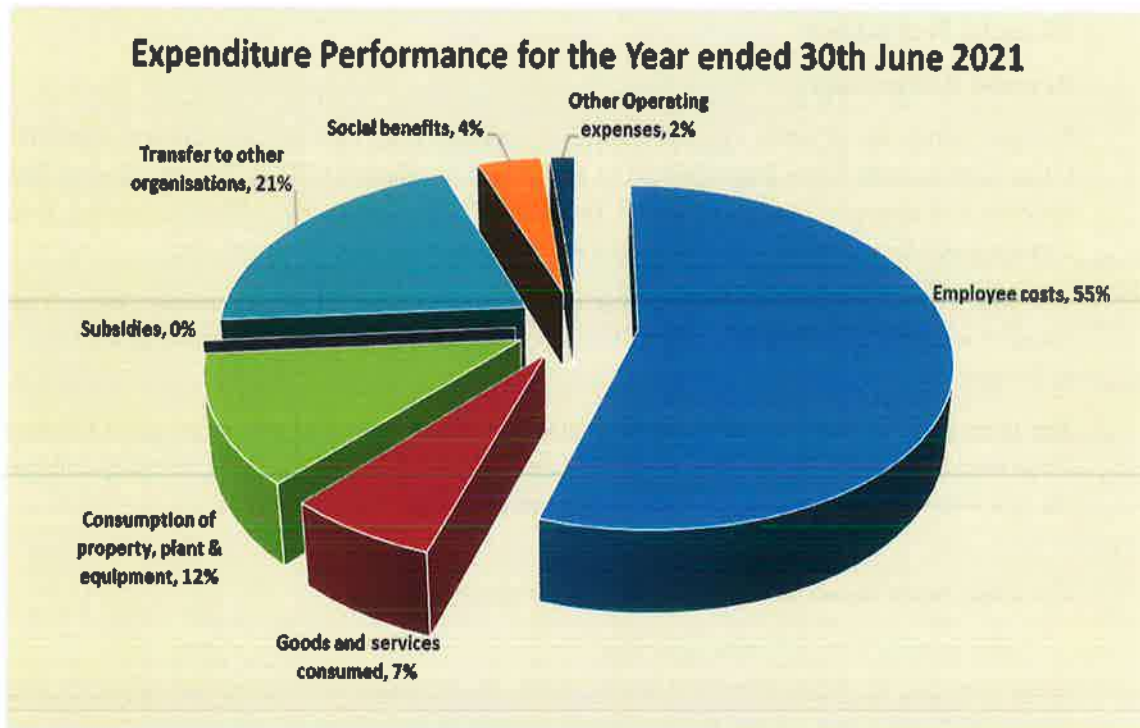
Expenditure

The total operating expenditure during the year ended 30th June 2021 was UGX 4,178 billion of which employee costs accounted for 55%, goods and services 7%, consumption of PPE 12%, transfers to other Organisations 21%, social benefits 4% and other operating expenses 2%.

This is illustrated below:

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021



Total Assets

The current accounting policy for DLGs is to expense at 100% any purchased property, plant and equipment (PPE) with the exception of non-produced assets in the financial year of acquisition. As a result, these assets are not reflected as part of the total assets in the statement of Financial Position but rather expensed as consumption of property, plant and equipment in the statement of Financial Performance.

MCs recognize property, plant and equipment based on the accrual basis of accounting in their respective financial statements. They depreciate assets using the applicable depreciation rates per asset category as reflected in the accounting policies of MCs. However, for purposes of uniformity and comparison in the Consolidated Financial Statements PPE relating to MCs has been expensed in the Statement of Financial Performance in order to harmonize reporting with the DLGs.

All other assets are recognized in the statement of Financial Position as guided by the modified accrual basis of accounting.

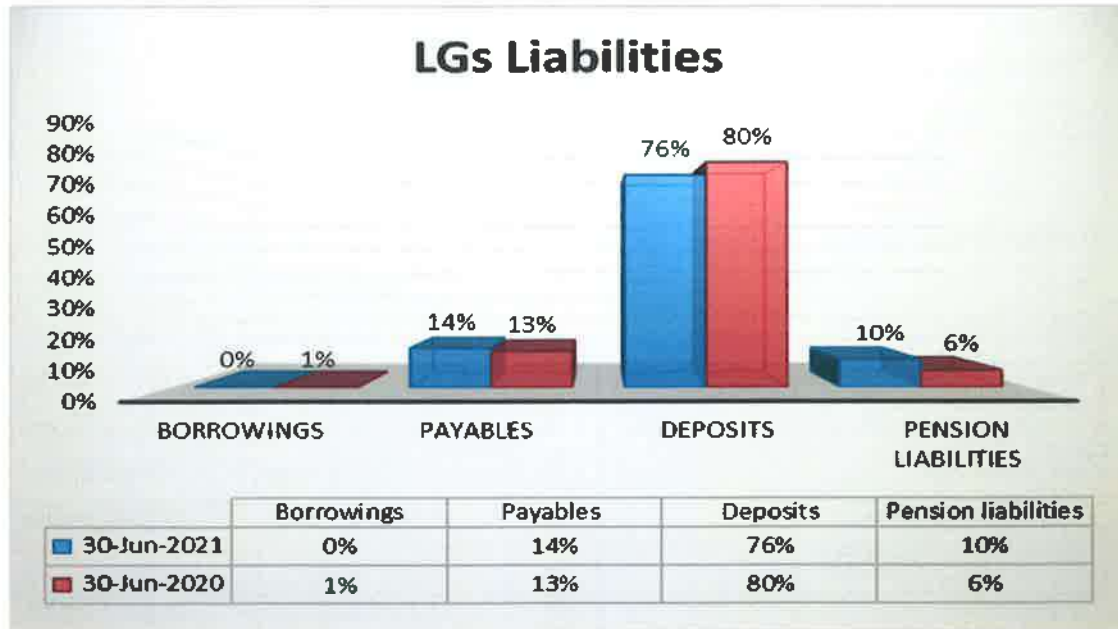
Total Liabilities

The total liabilities comprise of payables, borrowings, deposits received and pension liabilities. As at 30th June 2021, these stood at UGX 182 billion. UGX 137 billion of the total liabilities are deposits which do not necessarily need new resources to be cleared. These deposits relate to revolving fund monies (UWEP & YLP) that have been collected from beneficiaries and are yet to be remitted back to the funding entity i.e. Ministry of Gender.

This is illustrated below;

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021



Conclusion

The submission rate and quality of the financial statements of the respective local governments is expected to improve with the institution of the various support arrangements/infrastructure. These include rollout of IFMS to all LGs, refurbishment of regional service centres, planned training seminars and onsite and offsite support arrangements.

Government is fully committed to improving public financial management and has continued to initiate and implement reforms that are aimed at improving efficiency in operations as well as transparency and accountability for public resources. This has been demonstrated by deepening of IFMS to the majority of the Local Government votes, introduction of the e-cash platform to the various LG entities, Electronic Local Purchase Orders (E-LPO), Electronic Government Procurement (EGP), e-registration and and the enhancement of the users on the usage of the system through the establishment of the regional Treasury Service Centers.

For effective interpretation, the financial statements should be read in conjunction with the underlying notes and schedules.

Lawrence Semakula

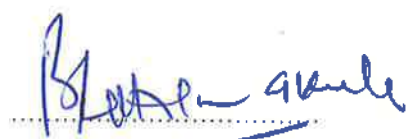
ACCOUNTANT GENERAL

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

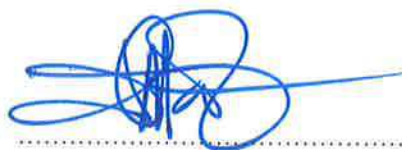
The Consolidated Statement of Financial Performance
[Based on classification of expenditure by nature]

	Notes	Actual 30 June 2021 (Shs)	Actual 30 June 2020 (Shs)
OPERATING REVENUE			
Taxes	2	43,929,060,970	39,082,677,821
External Assistance	3	59,627,674,123	102,935,396,980
Transfers received from Treasury - UCF	4	3,671,114,626,035	3,620,739,794,108
Transfers received from Other Government units	5	520,307,554,217	352,419,113,674
Non Tax Revenue	6	62,296,605,052	59,889,903,827
Total Operating Revenue		4,357,275,520,397	4,175,066,886,410
OPERATING EXPENSES			
Employee costs	7	2,291,535,437,322	2,129,313,335,723
Goods and services consumed	8	280,246,748,299	320,560,651,551
Consumption of property, plant & equipment	9	504,269,684,064	965,845,192,027
Subsidies	10	0	0
Transfers to other Organisations	11	870,213,344,148	704,827,872,578
Social benefits	12	167,382,257,735	265,434,036,523
Other operating expenses	13	64,163,495,781	74,524,301,342
Total Operating Expenses		4,177,810,967,349	4,460,505,389,744
Surplus / (Deficit) from operating activities		179,464,553,048	(285,438,503,334)
Foreign exchange loss (Gain)	14		-
Finance Costs	15		73,326,099
Bad Debts expenses	16		-
Transfers to Treasury	17(a)	184,268,731,059	91,150,611,936
Surplus / (Deficit) for the year		(4,804,178,011)	(376,662,441,369)

Notes and schedules set out on pages 18 to 67 form an integral part of the financial statements.



Lawrence Semakula
Accountant General



Ramathan Ggoobi
Permanent Secretary/ Secretary to the Treasury

ACCOUNTANT GENERAL'S OFFICE


LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

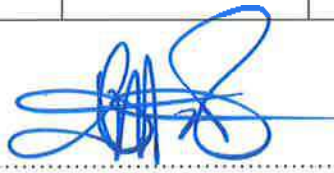
The Consolidated Statement of Financial Position

	Notes	30 June 2021 (Shs)	30 June 2020 (Shs)
ASSETS			
Cash and cash equivalents	18	27,684,602,341	114,447,166,888
Receivables	19	178,528,119,003	179,515,803,262
Inventories	20	-	349,577,122
Investment Properties	21	-	-
Investments	22	1,150,000,000	2,150,000,000
Non-Produced Assets	23	149,536,586,046	150,903,132,927
Total assets		356,899,307,390	447,365,680,199
LIABILITIES			
Borrowings	24	778,380,089	994,826,271
Payables	25	25,584,014,439	25,541,962,938
Deposits	26	137,989,394,964	157,377,875,902
Pension liabilities	27	17,980,840,045	11,845,153,946
Total liabilities		182,332,629,537	195,759,819,057
Net Assets		174,566,677,853	251,605,861,142
REPRESENTED BY:-			
Closing Net worth		174,566,677,853	251,605,861,142

The Consolidated Statement of Changes in Equity (Net worth)

	Notes	30 June 2021 (Shs)	30 June 2020 (Shs)
At 1 July - Net worth Last Year (B/F)		251,605,861,142	148,463,072,891
Less: Transfers to the UCF Account	17(b)	(13,630,247,430)	(8,281,629,907)
+/- Adjustments to the opening balance		(58,604,757,848)	488,086,859,527
Add: Surplus/(Deficit) for the Year (see statement of Financial Performance)		(4,804,178,011)	(376,662,441,369)
At 30 June - Closing Net Financial Worth		174,566,677,853	251,605,861,142


 Lawrence Semakula
 Accountant General


 Ramathan Ggoobi
 Permanent Secretary/ Secretary to the Treasury

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

The Consolidated Cash Flow Statement [Direct Method]

	30 June 2021 (Shs)	30 June 2020 (Shs)
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Total receipts from operating revenues were (see below):</i>	4,192,260,927,420	4,115,216,225,479
PAYMENTS FOR OPERATING EXPENSES		
Employee costs	2,287,485,520,321	2,126,347,117,064
Goods and services consumed	276,997,675,837	318,379,685,477
Subsidies		-
Transfers to Other Organisations	870,158,106,667	704,545,309,401
Social benefits	157,276,220,411	263,347,667,844
Other operating expenses	60,910,512,027	74,286,025,043
Foreign exchange loss/(gain)	-	-
Net Advances paid	12,895,133,829	13,898,872,636
Domestic arrears paid during the year	10,963,667,815	28,395,314,140
Deposits paid	23,852,923,229	12,951,850,186
Pension Arrears paid during the year	19,911,119,787	38,857,976,834
Losses of Cash	-	-
Letters of Credit receivable	941,641,796	1,920,729,013
Total payments for operating activities	3,721,392,521,719	3,582,930,547,638
Net cash inflows/(outflows) from operating activities	470,868,405,701	532,285,677,841
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	491,298,280,822	450,024,624,765
Purchase of non-produced assets	11,113,508,501	7,327,746,970
Proceeds from sale of property, plant and equipment		(976,000,000)
Purchase of investments		-
Proceeds from sale of investments	(1,000,000,000)	(1,500,000,000)
Net cash inflows/(outflows) from investing activities	501,411,789,323	454,876,371,735
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from external borrowings	-	-
Repayments of external borrowings	-	-
Proceeds from other domestic borrowings	-	73,326,099
Repayments of other domestic borrowings	216,446,182	-
Net cash flows from financing activities	216,446,182	73,326,099
Net increase (decrease) in cash and cash equivalents	(30,759,829,804)	77,335,980,007

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Cash Flow Statement for the year ended 30 June 2021 (continued)

For cash flow purposes receipts from operating revenue comprise:


	Notes	30 June 2021 (Shs)	30 June 2020 (Shs)
Total Revenue as per Statement of Financial Performance		4,357,275,520,397	4,175,066,886,410
Add : Advances recovered during the year		12,048,467,073	14,835,062,891
: Revenue receivable collected during the period		2,633,616,587	1,201,420,486
: Deposits received		9,016,816,138	22,446,970,044
Total Operating Revenue		4,380,974,420,195	4,213,550,339,831
Less : Grants received in Kind		-	-
: Revenue in Kind (Tax waivers)		-	-
: Transfers to Treasury	17(a)	184,268,731,059	91,150,611,936
: Revenue Receivable for the reporting period		4,444,761,716	7,183,502,416
Total revenue received for cash flow purposes		4,192,260,927,420	4,115,216,225,479

Reconciliation of movement of cash during the year

	Notes	30 June 2021 (Shs)	30 June 2020 (Shs)
At the beginning of the year		114,447,166,888	55,133,088,768
Less: Transfers to the UCF account (Previous Year Balances)	17(b)	(13,630,247,430)	(8,281,629,907)
Add/ (Less): Adjustments to the opening balance		(42,372,487,313)	(9,740,271,980)
Net increase in cash from the Cash Flow Statement		(30,759,829,804)	77,335,980,007
At the end of the year		27,684,602,341	114,447,166,888

Net cash and bank balances comprise;

	Notes	30 June 2021 (Shs)	30 June 2020 (Shs)
Cash and bank balances	18	27,684,602,341	114,447,166,888
Net cash and bank balances		27,684,602,341	114,447,166,888


Lawrence Semakula
Accountant General

Ramathan Ggoobi
Permanent Secretary/ Secretary to the Treasury

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Consolidated Summary Statement of Appropriation

[As submitted and signed by Accounting Officers]

Summary	Approved/Revised Budget	Total Revenue	Actual Expenditure	Over/Under Expenditure
District Local Governments	4,717,925,403,435	3,326,667,090,868	3,767,486,162,672	3,652,913,980,122
Municipal Councils	897,930,721,869	500,390,897,115	589,789,357,725	529,331,325,281
Total for 30 June 2021	5,615,856,125,304	3,827,057,987,983	4,357,275,520,397	4,182,245,305,403
Total for 30 June 2020	4,859,426,310,851	4,175,066,886,410	3,964,053,230,270	895,373,080,581

Consolidated Summary Statement of Arrears of Revenues

[As submitted and signed by Accounting Officers]

Summary	Opening balance 01/07/2020	Arrears in A collected during the year	Total Revenue billed during the Year	Actual amounts collected during the year	Arrears of revenue for the year	Cumulative Arrears of Revenue at 30/06/2021
District Local Governments	1,215,847,598	30,735,874	61,902,613,189	60,859,215,105	1,043,398,084	2,228,509,808
Municipal Councils	17,348,509,604	2,632,624,513	44,323,052,833	40,921,689,201	3,401,363,632	18,117,248,723
Total for 30 June 2021	18,564,357,202	2,663,360,387	106,225,666,022	101,780,904,306	4,444,761,716	20,345,758,531
Total for 30 June 2020	16,726,560,072	973,589,635	102,786,355,825	91,199,973,554	11,586,382,271	27,339,352,708

Consolidated Summary Statement of Contingent Liabilities

[As submitted and signed by Accounting Officers]

Summary	Legal proceedings	Guarantees & indemnities	Guarantees of bank Overdrafts	Other Contingent Liabilities	Total Contingent Liabilities
District Local Governments	7,767,214,440	-	-	68,620,959	7,835,835,399
Municipal Councils	929,525,000	-	-	30,062,497	959,587,497
Total for 30 June 2021	8,696,739,440	-	-	98,683,456	8,795,422,896
Total for 30 June 2020	8,416,044,627	80,610,116	-	132,067,562	8,628,722,305

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Consolidated Summary Statement of Outstanding Commitments

[As submitted and signed by Accounting Officers]

Summary	Operating Commitments	Capital Commitments	Total Commitments
District Local Governments	25,886,397,759	973,843,071	26,860,240,830
Municipal Councils	1,630,700,766	889,838,140	2,520,538,906
Total for 30 June 2021	27,517,098,525	1,863,681,211	29,380,779,736
Total for 30 June 2020	30,395,006,556	477,330,005	30,872,336,561

Consolidated Summary Statement of losses of public moneys and stores written off, and claims abandoned

[As submitted and signed by Accounting Officers]

Summary	Losses of public moneys (cash and cash equivalents)	Values of losses of stores	Claims abandoned during the year	Total losses written off as at 06/30/2021	Total losses written off as at 06/30/2020
	Shs.	Shs.	Shs.	Shs.	Shs.
District Local Governments	-	-	-	-	-
Municipal Councils	-	-	-	-	-
Total for 30 June 2021	-	-	-	-	-
Total for 30 June 2020	-	-	-	-	-

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Consolidated 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)	Values of losses of stores	Total losses reported as at 06/30/2021	Total losses reported at 06/30/2020
District Local Governments	27,831,500	39,959,289	67,790,789	908,840,207
Municipal Councils	60,967,622	-	60,967,622	60,967,622
Total for 30 June 2021	88,799,122	39,959,289	128,758,411	969,807,829
Total for 30 June 2020	60,967,622	908,840,207	969,807,829	

Consolidated Summary Statement of stores and other assets (physical assets) purchased

[As submitted and signed by Accounting Officers]

Summary	Non Produced Assets	Buildings & Structures	Transport Equipment	Machinery & Equipment	Other Assets	Total value of Physical Assets purchased during the year 30/06/21	Total value of Physical Assets purchased during the year 30/06/20
District Local Governments	10,165,979,668	336,825,392,770	6,333,707,651	12,547,129,407	72,440,563,042	438,312,772,538	420,417,184,968
Municipal Councils	947,528,833	58,884,733,606	1,953,507,487	2,811,350,555	1,365,577,515	65,962,697,996	37,412,516,772
Total for 30 June 2021	11,113,508,501	395,710,126,376	8,287,215,138	15,358,479,962	73,806,140,557	504,275,470,534	457,829,701,740
Total for 30 June 2020	7,502,344,822	348,329,712,747	9,781,788,230	11,306,420,845	80,909,435,096	457,829,701,740	

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Notes to the Financial Statements

Note 1(a): 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 in all material aspects unless otherwise stated.

1) General Information

As required by Section 51(1) of the Public Finance Management Act, 2015, each vote shall prepare annual financial statements for audit, and submit a copy to the Accountant General.

2) The Treasury

The Treasury is established by Section 10 of the Public Finance Management Act, 2015 consisting of: (a) the Minister of Finance; (b) the Secretary to the Treasury; (c) the Accountant General; and (d) any other directorates responsible for economic and finance matters of the Ministry of Finance, Planning and Economic Development.

3) The Consolidated Fund

Is the Consolidated Fund as established by the Article 153 of the Constitution of the Republic of Uganda. As provided by Section 30 of the Public Finance Management Act, 2015 (the Act), it is the Fund into which all revenues or other money raised or received for the purpose of the Government shall be paid. Except for receivables into another public fund established for a special purpose (for example the Petroleum Fund) where this is authorized by an Act of Parliament, or where a vote, state enterprise or public corporation shall retain revenue collected or received as authorized through an appropriation by Parliament or is a monetary grant exempted under Section 44 of the ACT.

Withdrawals from the Consolidated Fund shall only be done upon the authority of a warrant of expenditure issued by the Minister of Finance to the Accountant General after a grant of credit has been issued to the Minister by the Auditor General in the first instance. The withdrawal can be effected only when: (a) the expenditure has been authorized by an Appropriation Act or a Supplementary Appropriation Act; (b) is a statutory expenditure; (c) for repaying money received in error by the Consolidated Fund; (d) and for paying sums required for an advance, refund, rebate or drawback that are provided for in this and other Act of Parliament.

4) The Contingencies Fund

Established by Section 26 of the Public Finance Management Act, 2015, which in every financial year, shall be replenished with an amount 0.5% of the appropriated annual budget of the Government of the previous financial year without consideration of any supplementary budget. The Fund shall provide funding for natural disasters.

5) Classified expenditures

Classified expenditures are included under supply of goods and services in the Statement of Financial Performance, and are audited separately. The money appropriated for classified expenditure shall only be used for defense and national security purposes. A committee of Parliament comprising the chairpersons of the committees responsible for budget; defense and internal affairs; and another member appointed by the Speaker will be responsible for scrutiny of classified expenditure budget.

6) Basis of preparation of financial statements

The financial statements have been prepared in accordance with the requirements of the Public Finance Management Act, 2015 [the Act] and comply with generally accepted accounting principles. The Financial Statements have been prepared using the modified accrual basis of accounting. The modified accrual basis of accounting recognizes revenue when earned with the exception of revenue from taxes and grants that is

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

recognised when received. Expenses are recognised when incurred resulting into recognition of payables in the statement of financial position. All non-current assets with the exception of non-produced assets are expensed 100% in the year of acquisition in the statement of financial performance.

7) Going concern consideration

The financial statements have been prepared on a going concern basis with an exception of ten municipal councils (Arua, Gulu, Mbale, Jinja, Masaka, Mbarara, Fort Portal, Hoima, Lira and Soroti). These were inaugurated as cities effective this financial year 2020/2021.

8) Presentation currency

The reporting and presentation currency is the Uganda Shilling (Shs), which is the functional currency 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.

9) Reporting Period

The reporting period for these financial statements is from 1 July 2020 to 30 June 2021, prior period comparative information has been presented in the current year's financial statements. Where necessary, figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format in the current year's financial statements.

10) Appropriation

The initial approved budget is the original forecast as presented and approved by Parliament. The revised budget is the initial approved budget adjusted by a supplementary or reallocations/virements.

11) Revenue

Revenue represents cash and grants in kind received by the entity during the financial year and comprise; Central Government Grants, transfers from other government units, donor funds and local revenue. Revenues are recognized as follows;

i) Tax revenues

Taxes are levied with the authority of Parliament subject to Article 152 of the Constitution of the Republic of Uganda. Payment of tax does not necessarily result into an entitlement to the taxpayer to receive equivalent value of services or benefits. All tax revenues are recognised when received.

ii) External Assistance

Grants are received by the entity either as cash or in-kind from foreign governments (bilateral) or from international Organizations (multi-lateral). All grants (aid assistance) are recognized as income when received. In-kind receipts (donations) are recognized at fair value when received.

iii) Transfers received

Transfers received include; transfers received from the Consolidated Fund, and transfers received from other government units. All transfers are recognized when received by the Accounting Officers.

iv) Non-Tax Revenue

Non-Tax Revenue (NTR) refers to all revenue due to government that is not tax revenue. Examples include proceeds from sale of designated goods and services, hire of assets, interest/gains associated from ownership of shares and fines/penalties. NTR 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.

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

12) Expenses

Generally, expenditure is recognized when it is incurred. Qualifying unsettled expenditure is recognised in the Statement of Financial position as payables. Payments of pension to existing retirees are recognized in the statement of financial performance and any arrears on such payments recognised in the statement of financial position. Pension liability for non- retirees is neither recognised nor disclosed in the financial statements.

13) 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). These result into realized gains/losses which are recognized in the Statement of Financial Performance. Foreign currency assets and liabilities held by the entity at year-end are translated into Uganda Shillings using the period closing rate for reporting purposes resulting into unrealized gains/losses. The unrealized gains/losses are recognized in the statement of changes in Equity through the revaluation reserve.

14) Revaluation Gains/Losses

Unrealized gains or losses arising from changes in the value of investments, marketable securities held for investment purposes, and from changes in the values of property, plant and equipments are not recognized in the financial statements.

15) Cash and cash equivalents

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. In the statement of financial position bank overdrafts are included in borrowings.

16) Unspent cash balances

In accordance with the requirement of the Public Finance Management Act, 2015, unspent cash balances by Government entities at the end of the financial year are returned through the Single Treasury Account to the Consolidated Fund. With the commencement of the TSA, votes fully operational on IFMS no longer have unspent cash balances for Transfers received by MALGs from the Treasury.

Escrow Account balances are to be recognized in the Financial Position of the responsible entity and expensed through the Financial Performance in the period when funds are utilized.

17) Receivables

i) 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).

ii) 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 receivable and expensed through the Statement of Financial Performance in the period when the goods and services are delivered.

iii) Other Receivables

These include expenditure incurred but not consumed during the financial year. Examples include rent expenditure paid for the period crossing financial years.

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

18) Inventories

Comprise consumable supplies expensed in the period when acquired. Inventories that qualify for recognition must be initially reflected at cost. Where they are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

19) Investment properties

Investment property principally comprises land, office, commercial and residential buildings, and other physical assets, which is held for long-term rental income and is not occupied internally. Investment property is treated as a long-term investment and is carried at cost.

20) Investments

Investments are classified into three groupings, 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.

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.

21) 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.

Fully or partly Government funded project expenditure is recognized in the statement of financial performance of the reporting entity to the extent of funding received from Government. Project expenditure that is not recognised is disclosed in the statement/schedule of project/ subvention balances.

22) 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.

23) Employee benefits

Employee benefits include salaries, pensions and other related-employment costs. Employee benefits are recognized when incurred. No provision is made for accrued leave or reimbursable duty allowances.

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

24) 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 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 No quantifiable contingent liabilities. Contingent assets are neither recognized nor disclosed.

25) Commitments

Commitments include operating and capital commitments arising from non-cancelable contractual or statutory obligations. Interest commitments on loans are not included in the Statement of Outstanding Commitments. 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 to the extent of the appropriation.

26) 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.

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Other Notes to the Financial Statements

Note 1(b) - Exchange rates

All monetary amounts in the financial statements are expressed in Uganda Shillings, the legal tender. The Uganda Shilling closing rate as at 30 June 2019 for major currencies was:

	30 June 2021 (Shs)	30 June 2020 (Shs)
United States Dollar	-	-
Japanese Yen	-	-
British Pound	-	-
Euro	-	-

Source: Bank of Uganda website

Note 2: Taxes

Tax revenues comprise both direct and indirect taxes levied and collected on behalf of Government.

	30 June 2021 (Shs)	30 June 2020 (Shs)
Local Services Tax	19,688,759,248	16,722,515,392
Land fees	6,381,117,695	8,041,406,680
Business Licenses	13,005,927,264	8,939,580,235
Other tax revenues	4,853,256,763	5,379,175,514
Total taxation revenues	43,929,060,970	39,082,677,821

Note 3: External Assistance

	30 June 2021 (Shs)	30 June 2020 (Shs)
Grants from foreign governments	3,522,950,304	4,467,041,317
Grants from International Organizations	53,352,957,624	96,661,381,992
Grants from Local sources	2,751,766,195	1,806,973,671
Total Grants	59,627,674,123	102,935,396,980

Note 4: Transfers Received From the Treasury – Consolidated Fund

	30 June 2021 (Shs)	30 June 2020 (Shs)
Transfers from the treasury- current	3,671,114,626,035	3,202,806,947,715
Transfers from the treasury- capital		417,932,846,393
Total Transfers	3,671,114,626,035	3,620,739,794,108

Note 5: Transfers received from Other Government Units

Comprise funds appropriated under one vote but transferred to another vote for execution of the intended activities. For instance road maintenance funds, grants recognised by treasury but transferred to other executing MALGS, etc

	30 June 2021 (Shs)	30 June 2020 (Shs)
Transfers received from other Govt Units - Current	350,975,775,503	189,370,724,746
Transfers received from other Govt Units - Capital	169,331,778,714	163,048,388,928
Total Transfers received from Other Government Units	520,307,554,217	352,419,113,674

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 6: Non-Tax Revenues

Comprise non-tax revenues from exchange transactions collected during the year as follows:

	30 June 2021 (Shs)	30 June 2020 (Shs)
Investment income	622,524,535	448,209,754
Dividends	1,510,000	-
Rent	5,022,136,104	7,996,629,813
Other property income	1,012,482,520	2,000,628,976
Sale of goods and services	5,572,927,286	2,698,341,316
Administrative fees and licenses	44,310,187,568	38,506,205,747
Court fines and Penalties	258,319,829	142,041,002
Other fines and Penalties	270,644,117	515,921,493
Miscellaneous Revenue	5,225,873,093	7,581,925,726
Total Non-Tax Revenue	62,296,605,052	59,889,903,827

Note 7: Employee costs

Employee costs principally comprise:

	30 June 2021 (Shs)	30 June 2020 (Shs)
Wages and salaries	2,128,695,250,577	2,116,027,668,153
Social Contributions	2,844,165,123	4,198,781,241
Other employment costs	159,996,021,622	9,086,886,329
Total employee costs	2,291,535,437,322	2,129,313,335,723

Note 8: Goods and services consumed

Expenditure on goods and services during the year principally comprise the following:

	30 June 2021 (Shs)	30 June 2020 (Shs)
General expenses	75,717,379,096	94,067,178,275
Communications	3,935,485,978	3,314,947,624
Utility and property expenses	4,393,111,832	4,839,608,769
Supplies and services	14,296,875,553	30,317,583,748
Professional services	4,515,663,848	5,714,633,125
Insurances and licenses	174,530,252	223,153,667
Travel and transport	143,373,577,074	146,617,563,685
Maintenance	33,743,176,928	35,465,982,658
Inventories (goods purchased for resale)	96,947,738	-
Total goods and services	280,246,748,299	320,560,651,551

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 9: Consumption of property, plant and equipment (fixed assets or physical assets)

As explained in the accounting policies, all property, plant and equipment purchased are expensed during the year of purchase [fully depreciated in the year of purchase].

The value of property, plant and equipment purchased and expensed comprise:

	30 June 2021 (Shs)	30 June 2020 (Shs)
Non Residential buildings	254,080,254,439	376,538,939,593
Residential buildings	31,501,904,656	31,399,454,956
Roads and bridges	75,858,204,972	373,461,911,700
Transport equipment	8,070,064,016	19,205,984,981
Machinery and equipment	10,083,674,413	13,632,647,723
Furniture and fittings	6,498,839,916	10,007,405,257
Other fixed assets	118,176,741,652	141,598,847,817
Total value of property, plant and equipment expensed	504,269,684,064	965,845,192,027

Note 10: Subsidies

Subsidies paid during the year are summarized as below;

	30 June 2021 (Shs)	30 June 2020 (Shs)
To public corporations	-	-
To private enterprises	-	-
To private individuals	-	-
Total subsidies for the year	-	-

Note 11: Transfers to Other Organizations

Transfers made during the year are summarized as below;

	30 June 2021 (Shs)	30 June 2020 (Shs)
To Foreign Govts	-	-
To International Organizations	-	-
To other Govt Units	851,563,647,269	701,465,060,048
To resident non-government units	18,649,696,879	3,362,812,530
Total Transfers for the period	870,213,344,148	704,827,872,578

Note 12: Social benefits

Social benefits paid during the year comprise:

	30 June 2021 (Shs)	30 June 2020 (Shs)
Pensions	160,537,787,028	145,159,876,622
Employer Social benefits	6,844,470,707	120,274,159,901
Total social benefits	167,382,257,735	265,434,036,523

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 13: Other Operating Expenses

These comprise:

	30 June 2021 (Shs)	30 June 2020 (Shs)
Property expenses other than interest	2,184,578,172	5,202,662,416
Miscellaneous expenses	14,276,231,117	20,795,583,146
Goods Purchased for resale	47,702,686,492	48,526,055,780
Total other operating expenses	64,163,495,781	74,524,301,342

Note 14: Foreign exchange gains and losses

During the year, foreign exchange losses and gains were as follows:

	30 June 2021 (Shs)	30 June 2020 (Shs)
Realized loss/gain (SFP)	-	-
Unrealized loss/gain (SCE)	-	-
Net foreign exchange (gains)/ losses	-	-

Note 15: Finance costs

	Schedule	30 June 2021 (Shs)	30 June 2020 (Shs)
Interests on external debts (external borrowings)		-	-
Interests on other domestic borrowings		-	73,326,099
Total finance cost		-	73,326,099

Note 16: Bad Debts expense

	30 June 2021 (Shs)	30 June 2020 (Shs)
Provision at the beginning of the year- at 1 July 20	-	-
Additional provision for the year	-	-
Less provision approved for write off during the year	-	-
Less provision no longer required	-	-
Provision at the end of the year - at 30 June 21	-	-

Note 17(a): Transfers to Treasury

These comprise transfers back to the Consolidated Fund of unspent balances from the respective expenditure accounts, transfers of Non tax revenue collected, , unspent salaries, among others for the period.

	30 June 2021 (Shs)	30 June 2020 (Shs)
Non Tax revenue	105,114,982,620	58,603,995,128
Expenditure account balances	58,947,269,104	27,180,438,375
Other cash balances	20,206,479,335	5,366,178,433
Total for the year	184,268,731,059	91,150,611,936

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 17(b): Transfers to the Treasury

These comprise transfers to the Consolidated Fund/ Treasury of Unspent balances, NTR collections, Cash in transit, LCs not performed etc for transactions crossing financial years.

	30 June 2021 (Shs)	30 June 2020 (Shs)
Non Tax revenue	-	119,265,186
Expenditure account balances	13,181,286,237	7,345,156,227
Other balances	448,961,193	817,208,494
Total for the year	13,630,247,430	8,281,629,907

Note 18: Cash and cash equivalents

	30 June 2021 (Shs)	30 June 2020 (Shs)
Revenue accounts	9,640,085,390	10,538,672,358
Expenditure accounts	6,579,868,288	4,956,196,532
Project Accounts	7,376,571,830	91,191,140,489
Collection accounts	3,997,903,083	6,991,603,969
Cash in transit	-	-
Cash at hand - Imprest	14,942,433	670,975,269
Others	75,231,317	98,578,271
Total cash and cash equivalents	27,684,602,341	114,447,166,888

Note 19: Receivables

These comprise:

	30 June 2021 (Shs)	30 June 2020 (Shs)
Accrued Revenue	20,345,758,531	8,536,965,789
Loans (Short Term) - Others	2,378,705,720	4,086,076,440
Advances	99,070,386,171	91,085,968,101
Outstanding Letters of Credit	953,039,905	3,110,053,408
Prepayments	3,148,867,146	1,503,641,580
Other accounts receivable	52,631,361,530	71,193,097,944
Total receivables	178,528,119,003	179,515,803,262
Less provision for bad debts	-	-
Net Receivables	178,528,119,003	179,515,803,262

Note 20: Inventories

Comprise strategic stock and other inventories purchased which have not been expensed.

	30 June 2021 (Shs)	30 June 2020 (Shs)
Strategic stock-petroleum products	-	-
Other inventories(goods purchased for re-sale)	-	349,577,122
Total inventories	-	349,577,122

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 21: Investments Properties

Investment properties comprise properties, which are held for long term rental income and are not occupied or used by the Government or any other Government entity.

	30 June 2021 (Shs)	30 June 2020 (Shs)
At the beginning of the year 1 July	-	-
Additions/Acquisitions made during the year	-	-
Disposals during the year	-	-
Total Cost of Investment Properties	-	-

Investment properties are carried at historical cost using the cash basis of accounting. Fair value gains or losses are not recognized in the financial statements

Note 22: Investments

	30 June 2021 (Shs)	30 June 2020 (Shs)
Securities other than shares - Domestic	1,150,000,000	2,150,000,000
Shares and other equity - Domestic	-	-
Securities other than shares - foreign	-	-
Total investments	1,150,000,000	2,150,000,000

Note 23: Non-Produced Assets

	30 June 2021 (Shs)	30 June 2020 (Shs)
Land	144,296,350,882	147,568,651,857
Cultivated Assets	5,229,330,414	3,327,489,070
Other Naturally Occurring Assets	10,904,750	6,992,000
Total Non-Produced Assets	149,536,586,046	150,903,132,927

Note 24: Borrowings

	30 June 2021 (Shs)	30 June 2020 (Shs)
Current Borrowings		
Loans from commercial banks	778,380,089	139,593,355
Interest payable on bank loans/borrowings	-	-
Loans from multi laterals	-	-
Loans from foreign Governments	-	-
Other	-	-
Total current borrowings	778,380,089	139,593,355
Non-current borrowings		
Loans from commercial banks	-	855,232,916
Interest payable on bank loans/borrowings	-	-
Loans from multi laterals	-	-
Loans from foreign Governments	-	-
Other	-	-
Total non-current borrowings	-	855,232,916
Total borrowings	778,380,089	994,826,271

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 25: Payables

These comprise committed creditors [often referred to as "domestic arrears"] incurred by Accounting Officers, which have not been redeemed/cleared by the period-end.

	30 June 2021 (Shs)	30 June 2020 (Shs)
Trade Creditors	10,378,826,055	8,619,021,400
Sundry Creditors	6,824,076,225	6,154,446,668
Committed Creditors	2,813,641,985	2,097,600,199
Accountable advances	2,140,451,789	4,360,625,058
Withholding tax payable	425,985,442	827,148,098
Advances from other Government units	1,801,713,880	2,742,796,029
Miscellaneous accounts payables	1,199,319,063	740,325,486
Total payables	25,584,014,439	25,541,962,938

Note 26: Deposits

These are funds held by the vote for onward transfer to another vote, entity, and or individual(s). Total amounts recognised as deposits should be supported by an equivalent amount of cash and cash equivalent in note 18 above or Receivables in Note 19 for only Revolving Funds

	30 June 2021 (Shs)	30 June 2020 (Shs)
Deposits received	137,958,811,571	157,377,875,902
Deferred income	30,583,393	-
Total Deposits	137,958,811,571	157,377,875,902

Note 27: Pension liabilities

	30 June 2021 (Shs)	30 June 2020 (Shs)
Former employees in Public Service	13,888,396,456	6,426,998,766
Former employees of the Military Service	-	-
Former employees of the Education Service	128,568,411	248,137,625
Gratuity Arrears	3,963,875,178	5,170,017,555
Total pension liabilities	17,980,840,045	11,845,153,946

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Consolidated Statement of Revenues and Expenditure by vote

[As submitted and signed by Accounting Officers]

District Local Governments

District Local Government	Approved/Revised Budget Shs	Total Revenue Shs	Actual Expenditure Shs	Over/Under Expenditure Shs
Adjumani	74,701,765,255	45,744,170,018	44,190,295,823	30,511,469,432
Apac	25,379,665,653	24,585,072,845	22,844,032,598	2,535,633,055
Arua	71,709,355,938	52,285,231,148	52,285,231,148	19,424,124,790
Bugiri	38,695,158,923	34,878,410,986	34,327,736,658	4,367,422,265
Bundibugyo	36,746,120,000	33,878,216,129	32,715,396,774	4,030,723,226
Bushenyi	40,645,826,438	30,013,212,890	30,283,336,081	10,362,490,357
Busia	35,765,039,870	31,586,736,644	31,248,442,205	4,516,597,665
Gulu	42,283,662,887	27,002,173,662	26,047,006,221	16,236,656,666
Ifoima	42,380,701,053	25,167,664,999	24,004,280,718	18,376,420,335
Iganga	51,155,203,200	41,799,171,731	39,656,294,635	11,498,908,565
Jinja	50,072,380,348	47,469,369,234	45,578,858,104	4,493,522,244
Kabale	47,484,993,193	35,506,920,716	34,876,450,962	12,608,542,231
Kabarole	33,603,744,159	28,769,138,460	27,393,627,991	6,210,116,168
Kaberamaido	16,232,766,480	14,912,781,179	14,661,506,779	1,571,259,701
Kalangala	20,128,919,532	18,765,528,561	16,884,535,160	3,244,384,372
Kamuli	48,682,413,386	43,867,040,216	42,423,071,166	6,259,342,220
Kamwenge	71,185,166,560	44,382,688,515	43,492,070,445	27,693,096,115
Kanungu	43,713,190,824	37,438,548,600	36,912,545,231	6,800,645,593
Kapchorwa	26,215,708,522	19,799,068,046	18,829,015,896	7,386,692,626
Kasese	88,296,300,858	75,160,161,245	70,619,767,173	17,676,533,685
Katakwi	29,020,378,210	26,811,510,378	26,451,355,015	2,569,023,195
Kayunga	41,566,434,195	40,043,025,547	38,382,677,002	3,183,757,193
Kibaale	31,913,186,943	19,773,968,270	19,275,193,418	12,637,993,525
Kiboga	26,212,681,115	24,821,781,395	23,784,145,767	2,428,535,348
Kisoro	40,685,158,293	38,018,444,907	37,634,772,598	3,050,385,695
Kitgum	33,388,762,350	29,935,487,360	29,021,445,142	4,367,317,208
Kotido	16,725,550,801	12,801,795,867	11,510,404,530	5,215,146,271
Kumi	39,910,806,624	25,870,481,209	25,759,149,398	14,151,657,226
Kyenjojo	48,874,047,478	37,423,066,113	33,764,460,570	15,109,586,908
Lira	45,805,618,172	37,676,255,238	36,671,006,065	9,134,612,107
Luwero	59,559,871,221	58,032,545,978	56,001,384,036	3,558,487,185
Masaka	36,592,131,623	25,295,151,903	25,496,261,494	11,095,870,129
Masindi	35,210,830,354	24,270,251,524	23,478,068,690	11,732,761,664

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Consolidated Statement of Revenues and Expenditure by vote

[As submitted and signed by Accounting Officers]

District Local Government	Approved/Revised Budget Shs	Total Revenue Shs	Actual Expenditure Shs	Over/Under Expenditure Shs
Mayuge	41,546,467,120	38,389,728,496	37,671,988,483	3,874,478,637
Mbale	61,120,427,314	51,388,264,551	49,624,721,626	11,495,705,688
Mbarara	30,384,330,250	27,719,674,263	26,607,193,250	3,777,137,000
Moroto	19,430,993,983	14,539,336,726	14,078,247,733	5,352,746,250
Moyo	40,464,467,000	30,117,264,662	29,176,538,067	11,287,928,933
Mpigi	41,692,721,757	29,952,791,284	30,056,164,919	11,636,556,838
Mubende	39,620,673,323	28,404,808,863	27,639,419,748	11,981,253,575
Mukono	48,568,439,721	48,094,287,868	46,017,647,787	2,550,791,934
Nakapiripirit	18,525,778,138	12,557,288,446	12,063,055,572	6,462,722,566
Nakasongola	30,955,645,615	29,109,822,810	28,017,912,718	2,937,732,897
Nebbi	39,242,071,434	29,613,101,140	28,933,451,823	10,308,619,611
Ntungamo	63,733,887,733	53,524,161,416	51,735,689,443	11,998,198,290
Pader	30,849,951,418	26,286,263,126	25,891,732,552	4,958,218,866
Pallisa	41,995,928,560	34,040,886,967	33,464,442,940	8,531,485,620
Rakai	46,662,753,287	36,330,320,746	35,386,396,267	11,276,357,020
Rukungiri	44,953,235,670	41,101,258,921	40,435,286,368	4,517,949,302
Sembabule	30,744,543,925	27,996,216,026	27,991,582,740	2,752,961,185
Sironko	34,084,319,997	33,356,448,290	33,355,854,985	728,465,012
Soroti	38,205,969,113	28,739,862,306	28,426,166,560	9,779,802,553
Tororo	65,712,890,791	53,462,503,665	51,242,773,499	14,470,117,292
Wakiso	79,842,180,947	74,621,434,125	74,960,782,000	4,881,398,947
Yumbe	98,952,674,174	58,625,815,162	57,548,024,060	41,404,650,114
Butaleja	31,677,268,694	29,839,435,806	29,839,435,806	1,837,832,888
Ibanda	24,675,034,751	21,541,802,809	20,935,421,481	3,739,613,270
Kaabong	20,118,532,465	16,591,038,509	14,805,075,747	5,313,456,718
Isingiro	87,348,899,603	61,860,404,265	61,338,239,177	26,010,660,426
Kaliro	31,157,862,735	27,567,051,394	27,204,166,438	3,953,696,297
Kiruhura	25,494,604,372	20,117,669,001	19,344,434,909	6,150,169,463
Koboko	36,227,781,782	27,692,781,721	26,427,748,635	9,800,033,147
Amolatar	22,353,369,523	18,567,340,187	18,527,783,295	3,825,586,228
Amuria	25,871,228,911	21,792,328,226	21,413,095,433	4,458,133,478
Manafwa	27,516,171,020	25,743,575,777	23,423,137,570	4,093,033,450
Bukwo	30,197,025,000	23,906,153,663	21,442,458,219	8,754,566,781
Mityana	31,640,625,056	29,206,151,198	28,547,660,115	3,092,964,941
Nakaseke	32,759,553,164	30,330,490,861	29,572,821,588	3,186,731,576

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Consolidated Statement of Revenues and Expenditure by vote

[As submitted and signed by Accounting Officers]

District Local Government	Approved/Revised Budget Shs	Total Revenue Shs	Actual Expenditure Shs	Over/Under Expenditure Shs
Amuru	38,051,571,141	21,388,521,725	20,368,886,112	17,682,685,029
Budaka	26,023,328,964	23,626,009,900	22,619,560,663	3,403,768,301
Oyam	48,003,925,114	39,539,748,721	38,694,067,617	9,309,857,497
Abim	25,175,736,552	18,316,567,318	17,720,892,405	7,454,844,147
Namutumba	37,426,802,354	26,660,124,568	26,115,627,515	11,311,174,839
Dokolo	29,798,670,000	22,983,069,111	22,870,292,202	6,928,377,798
Buliisa	19,743,554,281	14,688,702,830	13,960,283,105	5,783,271,176
Maracha-Terego	34,076,199,040	24,728,113,364	23,950,127,485	10,126,071,555
Bukedea	31,923,428,962	29,969,948,452	29,340,504,552	2,582,924,410
Bududa	25,820,338,988	24,613,580,953	24,613,580,953	1,206,758,035
Lyantonde	18,672,034,273	16,492,996,143	16,488,412,781	2,183,621,492
Amudat	12,815,195,730	10,257,171,183	9,663,225,570	3,151,970,160
Buikwe	44,599,067,098	38,820,602,088	36,162,164,908	8,436,902,190
Buyende	26,568,521,682	22,437,437,117	21,775,594,263	4,792,927,419
Kyegegwa	49,388,658,783	35,426,350,037	33,606,718,010	15,781,940,773
Lamwo	62,814,128,803	35,941,613,820	34,787,899,284	28,026,229,519
Otuke	18,410,475,362	16,673,756,205	16,484,531,881	1,925,943,481
Zombo	24,266,252,027	26,673,959,560	23,171,577,320	1,094,674,707
Alebtong	29,299,830,416	25,041,086,028	24,998,512,170	4,301,318,246
Bulambuli	28,142,463,996	23,387,741,688	22,984,665,976	5,157,798,020
Buyuma	12,604,883,122	11,487,387,785	11,141,204,244	1,463,678,878
Gomba	21,058,560,663	19,757,389,466	19,212,766,468	1,845,794,195
Kiryandongo	62,154,802,909	37,810,540,879	37,588,579,601	24,566,223,308
Luuka	26,490,853,081	24,886,768,249	24,234,641,042	2,256,212,039
Namayingo	23,510,532,799	22,172,387,196	21,470,140,903	2,040,391,896
Ntoroko	16,649,361,967	15,178,829,936	14,539,868,167	2,109,493,800
Serere	44,879,100,262	36,028,561,075	34,849,392,897	10,029,707,365
Kyankwanzi	25,225,615,528	24,546,786,702	23,985,595,599	1,240,019,929
Kalungu	35,562,967,000	26,012,760,866	25,960,058,600	9,602,908,400
Lwengo	31,322,255,996	26,553,360,578	26,496,097,563	4,826,158,433
Bukomansimbi	19,732,061,670	18,939,047,372	18,433,460,200	1,298,601,470
Mitooma	29,350,754,495	27,144,107,148	26,861,141,103	2,489,613,392
Rubirizi	21,454,435,979	17,419,003,875	16,811,059,765	4,643,376,214
Ngora	22,209,465,594	20,264,556,355	20,116,144,325	2,093,321,269
Napak	18,946,939,863	15,840,889,305	15,121,710,727	3,825,229,136

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Consolidated Statement of Revenues and Expenditure by vote

[As submitted and signed by Accounting Officers]

District Local Government	Approved/Revised Budget Shs	Total Revenue Shs	Actual Expenditure Shs	Over/Under Expenditure Shs
Kibuku	25,475,737,220	23,041,648,144	21,804,857,617	3,670,879,603
Nwoya	32,546,787,852	23,493,612,844	21,505,021,859	11,041,765,993
Kole	35,825,487,942	27,014,040,519	26,503,579,640	9,321,908,302
Butambala	22,745,236,098	21,395,845,174	21,389,129,939	1,356,106,159
Sheema	27,950,550,703	25,562,949,456	25,155,245,694	2,795,305,009
Buhweju	17,438,067,437	13,996,038,614	13,929,513,933	3,508,553,504
Agago	34,408,697,529	28,943,107,887	28,458,761,818	5,949,935,711
Kween	22,819,206,353	20,594,138,788	18,700,191,001	4,119,015,352
Kagadi	44,230,250,382	28,788,684,497	27,992,900,299	16,237,350,083
Kakumiro	30,653,358,787	21,115,188,827	18,839,651,737	11,813,707,050
Omoro	32,513,591,000	25,423,136,865	24,574,364,163	7,939,226,837
Rubanda	34,850,895,899	25,306,943,116	24,673,562,312	10,177,333,587
Namisindwa	27,138,855,514	24,299,846,047	23,601,301,258	3,537,554,256
Pakwach	27,764,864,540	18,906,649,186	18,058,340,026	9,706,524,514
Butebo	18,793,401,601	17,548,343,054	17,213,592,626	1,579,808,975
Rukiga	30,313,124,744	19,239,221,333	18,689,486,097	11,623,638,647
Kyotera	45,960,622,498	34,195,288,518	33,201,643,868	12,758,978,630
Bonyagabu	30,802,025,485	18,198,011,972	17,583,172,839	13,218,852,646
Nabilaruk	10,520,079,000	9,095,167,619	8,948,226,904	1,571,852,096
Bugweri	23,903,983,291	17,027,582,659	16,343,116,810	7,560,866,481
Kasanda	30,224,456,086	22,271,300,856	21,257,157,065	8,967,299,021
Kwania	28,886,242,000	20,440,973,593	20,437,929,719	8,448,312,281
Kapelebyong	12,541,605,423	10,997,062,074	10,339,175,757	2,202,429,666
Kikuube	42,486,907,000	26,545,982,027	26,611,556,004	15,875,350,996
Obongi	30,361,033,300	25,030,939,725	22,056,617,661	8,304,415,639
Kazo	17,131,504,889	15,074,303,896	14,462,213,202	2,669,291,687
Rwampara	20,291,699,406	19,411,052,541	19,051,093,827	1,240,605,579
Kitagwenda	25,341,106,000	15,471,869,137	15,532,683,093	9,808,422,907
Madi-Okollo	29,062,116,361	23,491,489,408	23,379,446,662	5,682,669,699
Karenga	12,267,344,359	8,638,904,713	8,002,288,322	4,265,056,037
Kalaki	16,375,994,728	12,249,255,873	11,799,308,044	4,576,686,684
Terego	29,255,946,710	6,455,271,323	5,969,487,304	23,286,459,406
Total for 30 June 2021	4,717,925,403,435	3,767,486,162,672	3,652,913,980,122	1,065,011,423,313
Total for 30 June 2020	4,095,011,048,842	3,601,441,761,746	3,509,240,854,619	585,770,194,223

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Consolidated Statement of Revenues and Expenditure by vote

[As submitted and signed by Accounting Officers]

Municipal Councils

Municipal Council	Approved/Revised Budget Shs	Total Revenue Shs	Actual Expenditure Shs	Over/Under Expenditure Shs
Arua Municipal Council	23,496,751,343	21,852,080,891	21,852,080,891	1,644,670,452
Entebbe Municipal Council	33,975,754,045	17,002,901,664	14,667,444,872	19,308,309,173
Fort-Portal Municipal Council	22,625,487,552	12,788,170,832	11,333,057,710	11,292,429,842
Gulu Municipal Council	63,839,311,557	22,555,491,501	20,762,860,565	43,076,450,992
Jinja Municipal Council	36,409,634,369	30,890,402,958	28,666,646,612	7,742,987,757
Kabale Municipal Council	29,930,484,112	28,435,837,602	18,281,298,935	11,649,185,177
Lira Municipal Council	27,660,601,245	27,088,614,701	14,729,850,286	12,930,750,959
Masaka Municipal Council	42,008,765,567	19,529,496,945	18,321,005,382	23,687,760,185
Mbale Municipal Council	44,004,887,458	26,899,824,945	25,826,510,247	18,178,377,211
Mbarara Municipal Council	45,355,732,366	42,786,237,549	36,684,281,965	8,671,450,401
Moroto Municipal Council	7,163,320,880	6,024,192,634	5,498,436,558	1,664,884,322
Soroti Municipal Council	19,027,459,256	17,684,223,605	16,887,287,015	2,140,172,241
Tororo Municipal Council	20,859,175,541	12,367,962,203	11,305,125,220	9,554,050,321
Kasese Municipal Council	41,937,410,746	14,074,564,117	13,292,970,424	28,644,440,322
Hoima Municipal Council	45,410,094,405	13,678,691,526	13,010,462,953	32,399,631,452
Mukono Municipal Council	22,327,647,861	18,548,267,447	17,744,308,869	4,583,338,992
Iganga Municipal Council	7,172,786,706	6,033,061,015	5,912,852,006	1,259,934,700
Masindi Municipal Council	13,242,853,353	11,691,073,646	11,408,217,823	1,834,635,530
Ntungamo Municipal Council	8,413,963,362	6,678,841,635	6,678,841,635	1,735,121,727
Busia Municipal Council	16,548,419,261	6,271,212,946	6,097,545,407	10,450,873,854
Bushenyi-Ishaka Municipal Council	11,458,791,571	11,516,053,107	10,867,887,662	590,903,909
Rukungiri Municipal Council	8,520,480,016	7,880,174,983	7,535,024,418	985,455,598
Nansana Municipal Council	25,463,345,073	24,938,861,314	20,875,789,481	4,587,555,592
Makindye Ssabagabo	26,858,390,305	19,901,781,164	17,477,144,866	9,381,245,439
Kira Municipal Council	27,706,497,314	24,339,081,773	24,852,055,517	2,854,441,797
Kisoro Municipal Council	4,449,881,584	3,988,610,776	3,562,805,525	887,076,059
Mityana Municipal Council	8,375,995,717	8,099,049,476	8,099,049,476	276,946,241
Kitgum Municipal Council	22,381,317,447	7,918,302,619	7,674,864,559	14,706,452,888
Koboko Municipal Council	16,374,477,792	11,856,599,059	8,428,037,646	7,946,440,146
Mubende Municipal Council	40,451,330,282	13,427,338,162	12,616,058,024	27,835,272,258
Kumi Municipal Council	6,111,900,140	5,718,351,475	5,718,351,475	393,548,665
Lugazi Municipal Council	25,798,921,447	11,564,798,673	10,674,487,748	15,124,433,699

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Consolidated Statement of Revenues and Expenditure by vote

[As submitted and signed by Accounting Officers]

Municipal Council	Approved/Revised Budget Shs	Total Revenue Shs	Actual Expenditure Shs	Over/Under Expenditure Shs
Kamuli Municipal Council	19,598,238,368	9,409,244,800	9,138,435,292	10,459,803,076
Kapchorwa Municipal Council	8,296,971,777	7,408,738,845	7,231,611,657	1,065,360,120
Ibanda Municipal Council	11,003,762,907	10,250,531,255	10,250,531,255	753,231,652
Njeru Municipal Council	15,461,706,321	15,272,531,072	12,961,663,874	2,500,042,447
Apac Municipal Council	16,807,025,653	7,154,745,690	6,972,981,854	9,834,043,799
Nebbi Municipal Council	6,075,569,833	3,741,361,222	3,741,361,222	2,334,208,611
Bugiri Municipal Council	5,291,047,387	4,412,205,670	4,248,802,217	1,042,245,170
Sheema Municipal Council	13,121,535,833	12,278,541,258	11,823,556,453	1,297,979,380
Kotido Municipal Council	6,912,994,117	5,831,304,970	5,619,739,685	1,293,254,432
Total for 30 June 2021	897,930,721,869	589,789,357,725	529,331,325,281	368,599,396,588
Total for 30 June 2020	764,415,262,009	573,625,124,664	454,812,375,651	309,602,886,358

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Consolidated Statement of Arrears of Revenues

[As submitted and signed by Accounting Officers]

District Local Governments

District Local Government	Arrears of Revenue 01 st July 2020 Shs.	Arrears in A collected during the year Shs.	Total Revenue billed during the Year Shs.	Actual amounts collected during the year Shs.	Arrears of revenue for the year Shs.	Cumulative Arrears of Revenue as at 30 th June 2021 Shs.
Adjumani	-	-	431,908,807	431,908,807	-	-
Apac	-	-	207,094,928	207,094,928	-	-
Arua	-	-	-	-	-	-
Bugiri	146,686,492	-	203,911,889	203,911,889	-	146,686,492
Bundibugyo	-	-	402,500,793	402,500,793	-	-
Busheoyi	-	-	393,072,939	393,072,939	-	-
Busia	-	-	214,871,072	214,871,072	-	-
Gulu	-	-	1,710,459,498	725,945,908	984,513,590	984,513,590
Hoima	-	-	575,761,588	575,761,588	-	-
Iganga	-	-	198,493,191	198,493,191	-	-
Jinja	-	-	1,621,154,598	1,621,154,598	-	-
Kabale	-	-	402,149,150	402,149,150	-	-
Kabarole	-	-	782,177,856	782,177,856	-	-
Kaberamaido	-	-	177,874,230	177,874,230	-	-
Kalangala	-	-	517,273,484	517,273,484	-	-
Kamuli	-	-	408,037,983	408,037,983	-	-
Kamwenge	-	-	264,836,744	264,836,744	-	-
Kanungu	-	-	349,340,889	349,340,889	-	-
Kapchorwa	-	-	279,961,052	279,961,052	-	-
Kasese	702,009,983	-	1,819,931,154	1,819,931,154	-	702,009,983
Katakwi	-	-	212,977,237	212,977,237	-	-
Kayunga	-	-	888,466,496	888,466,496	-	-
Kibaale	-	-	334,353,438	334,353,438	-	-
Kiboga	-	-	706,762,507	706,762,507	-	-
Kisoro	-	-	256,912,576	256,912,576	-	-
Kitgum	-	-	215,369,378	215,369,378	-	-
Kotido	-	-	341,419,942	341,419,942	-	-
Kumi	-	-	362,558,038	362,558,038	-	-
Kyenjojo	-	-	244,963,166	244,963,166	-	-
Lira	-	-	772,940,852	772,940,852	-	-
Luwero	-	-	2,065,296,945	2,065,296,945	-	-

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Consolidated Statement of Arrears of Revenues

[As submitted and signed by Accounting Officers]

District Local Government	Arrears of Revenue 01 st July 2020 Shs.	Arrears in A collected during the year Shs.	Total Revenue billed during the Year Shs.	Actual amounts collected during the year Shs.	Arrears of revenue for the year Shs.	Cumulative Arrears of Revenue as at 30 th June 2021 Shs.
Masaka	-	-	285,889,523	285,889,523	-	-
Masindi	-	-	646,637,427	646,637,427	-	-
Mayuge	-	-	310,721,583	310,721,583	-	-
Mbale	-	-	812,397,791	812,397,791	-	-
Mbarara	-	-	974,341,070	974,341,070	-	-
Moroto	-	-	228,700,492	228,700,492	-	-
Moyo	-	-	520,198,167	520,198,167	-	-
Mpigi	7,254,000	5,950,000	846,281,047	846,281,047	-	1,304,000
Mubende	-	-	614,061,046	614,061,046	-	-
Mukono	-	-	1,541,143,851	1,541,143,851	-	-
Nakapiripirit	-	-	74,772,557	74,772,557	-	-
Nakasongola	-	-	879,022,112	879,022,112	-	-
Nebbi	-	-	231,549,042	231,549,042	-	-
Ntungamo	-	-	1,127,109,918	1,127,109,918	-	-
Pader	-	-	549,225,934	549,225,934	-	-
Pallisa	-	-	456,906,852	456,906,852	-	-
Rakai	-	-	423,297,879	423,297,879	-	-
Rukungiri	-	-	625,618,740	625,618,740	-	-
Sembabule	-	-	424,126,131	424,126,131	-	-
Sironko	171,163,967	-	293,227,863	293,227,863	-	171,163,967
Soroti	-	-	351,791,688	351,791,688	-	-
Tororo	-	-	1,046,394,851	1,046,394,851	-	-
Wakiso	39,905,039	2,000,000	8,521,562,668	8,521,562,668	-	37,905,039
Yumbe	-	-	445,457,586	445,457,586	-	-
Butaleja	-	-	-	-	-	-
Ibanda	-	-	742,047,588	742,047,588	-	-
Kaabong	-	-	142,922,109	142,922,109	-	-
Isingiro	-	-	778,835,482	778,835,482	-	-
Kaliro	-	-	260,966,348	260,966,348	-	-
Kiruhura	-	-	429,481,092	429,481,092	-	-
Koboko	-	-	334,391,358	334,391,358	-	-
Amolatar	-	-	144,709,916	144,709,916	-	-
Amuria	-	-	501,708,201	501,708,201	-	-
Manafwa	-	-	327,288,113	327,288,113	-	-

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Consolidated Statement of Arrears of Revenues

[As submitted and signed by Accounting Officers]

District Local Government	Arrears of Revenue 01 st July 2020 Shs.	Arrears in A collected during the year Shs.	Total Revenue billed during the Year Shs.	Actual amounts collected during the year Shs.	Arrears of revenue for the year Shs.	Cumulative Arrears of Revenue as at 30 th June 2021 Shs.
Bukwo	-	-	100,105,288	100,105,288	-	-
Mityana	-	-	531,191,449	531,191,449	-	-
Nakaseke	-	-	774,568,334	774,568,334	-	-
Amuru	-	-	589,650,894	589,650,894	-	-
Budaka	-	-	214,529,953	214,529,953	-	-
Oyam	-	-	314,025,463	314,025,463	-	-
Abim	-	-	214,506,810	214,506,810	-	-
Namutumba	69,544,973	-	178,071,200	178,071,200	-	69,544,973
Dokolo	-	-	166,238,333	166,238,333	-	-
Buliisa	-	-	235,741,965	235,741,965	-	-
Maracha-Terego	-	-	143,183,859	143,183,859	-	-
Bokodea	-	-	296,238,344	296,238,344	-	-
Bududa	-	-	-	-	-	-
Lyantonde	-	-	121,763,550	121,763,550	-	-
Amudat	-	-	59,440,654	59,440,654	-	-
Buikwe	-	-	501,088,508	501,088,508	-	-
Buyende	-	-	222,789,074	222,789,074	-	-
Kyegegwa	-	-	892,991,967	892,991,967	-	-
Lamwo	-	-	244,726,698	244,726,698	-	-
Otuke	-	-	97,326,005	97,326,005	-	-
Zombo	-	-	296,535,563	296,535,563	-	-
Alebtong	-	-	237,536,050	237,536,050	-	-
Bulambuli	-	-	135,175,213	135,175,213	-	-
Buvuma	-	-	156,104,956	156,104,956	-	-
Gomba	-	-	334,696,660	334,696,660	-	-
Kiryandongo	-	-	219,844,075	219,844,075	-	-
Luuka	-	-	122,851,749	122,851,749	-	-
Namayingo	-	-	107,197,419	107,197,419	-	-
Ntoroko	-	-	458,724,137	458,724,137	-	-
Serere	-	-	512,483,283	512,483,283	-	-
Kyankwanzi	-	-	528,896,807	528,896,807	-	-
Kalungu	-	-	443,066,725	443,066,725	-	-
Lwengo	-	-	316,574,839	316,574,839	-	-
Bukomansimbi	-	-	141,151,871	141,151,871	-	-

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Consolidated Statement of Arrears of Revenues

[As submitted and signed by Accounting Officers]

District Local Government	Arrears of Revenue 01 st July 2020 Shs.	Arrears in A collected during the year Shs.	Total Revenue billed during the Year Shs.	Actual amounts collected during the year Shs.	Arrears of revenue for the year Shs.	Cumulative Arrears of Revenue as at 30 th June 2021 Shs.
Mitooma	-	-	215,315,957	215,315,957	-	-
Rubirizi	-	-	352,902,575	352,902,575	-	-
Ngora	26,427,470	-	147,214,020	147,214,020	-	26,427,470
Napak	-	-	91,923,615	91,923,615	-	-
Kibuku	-	-	120,394,300	120,394,300	-	-
Nwoya	-	-	680,631,277	680,631,277	-	-
Kole	-	-	137,136,559	137,136,559	-	-
Butambala	-	-	211,177,449	211,177,449	-	-
Sheema	-	-	325,155,367	325,155,367	-	-
Buhweju	-	-	86,032,651	86,032,651	-	-
Agago	-	-	175,496,440	175,496,440	-	-
Kween	-	-	180,374,456	180,374,456	-	-
Kagadi	-	-	347,377,177	347,377,177	-	-
Kakumiro	-	-	110,067,620	110,067,620	-	-
Omoro	-	-	277,728,326	277,728,326	-	-
Rubanda	-	-	351,504,812	351,504,812	-	-
Namisindwa	-	-	139,059,151	139,059,151	-	-
Pakwach	-	-	385,085,042	385,085,042	-	-
Dutebo	-	-	236,358,000	184,523,506	51,834,494	51,834,494
Rukiga	-	-	155,082,884	155,082,884	-	-
Kyotera	-	-	302,324,417	302,324,417	-	-
Bunyagabu	-	-	237,763,352	237,763,352	-	-
Nabilatak	-	-	83,542,400	83,542,400	-	-
Bugweri	-	-	119,113,565	119,113,565	-	-
Kasanda	-	-	294,623,297	294,623,297	-	-
Kwania	-	-	285,804,086	285,804,086	-	-
Kapelebyong	-	-	218,394,273	211,344,273	7,050,000	7,050,000
Kikuube	-	-	571,785,641	571,785,641	-	-
Obongi	30,069,800	-	318,243,595	318,243,595	-	30,069,800
Kazo	-	-	327,102,266	327,102,266	-	-
Rwampara	-	-	379,150,977	379,150,977	-	-
Kitagwenda	-	-	170,806,617	170,806,617	-	-
Madi-Okollo	22,785,874	22,785,874	302,248,400	302,248,400	-	-
Karenga	-	-	152,347,093	152,347,093	-	-

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Consolidated Statement of Arrears of Revenues

[As submitted and signed by Accounting Officers]

District Local Government	Arrears of Revenue 01 st July 2020 Shs.	Arrears in A collected during the year Shs.	Total Revenue billed during the Year Shs.	Actual amounts collected during the year Shs.	Arrears of revenue for the year Shs.	Cumulative Arrears of Revenue as at 30 th June 2021 Shs.
Kalaki	-	-	153,808,260	153,808,260	-	-
Terego	-	-	94,901,132	94,901,132	-	-
At 30 June 2021	1,215,847,598	30,735,874	61,902,613,189	60,859,215,105	1,043,398,084	2,228,509,808
At 30 June 2020	6,248,326,701	152,838,149	51,497,763,930	47,814,755,487	3,683,008,443	9,778,496,995

Consolidated Statement of Arrears of Revenues

[As submitted and signed by Accounting Officers]

Municipal Councils

Municipal Council	Arrears of Revenue 01 st July 2020 Shs.	Arrears in A collected during the year	Total Revenue billed during the Year Shs.	Actual amounts collected during the year Shs.	Arrears of revenue for the year	Cumulative Arrears of Revenue as at 30 th June 2021 Shs.
Arua Municipal Council	-	-	-	-	-	-
Entebbe Municipal Council	697,931,332	83,856,243	1,798,448,058	1,798,448,058	-	614,075,089
Port-Portal Municipal Council	123,283,000	29,743,800	1,451,811,356	1,251,658,818	200,152,538	293,691,738
Gulu Municipal Council	3,163,161,111	146,999,576	1,582,366,889	1,582,366,889	-	3,016,161,535
Jinja Municipal Council	-	-	2,341,217,202	2,341,217,202	-	-
Kabale Municipal Council	101,051,476	-	1,292,406,510	1,292,406,510	-	101,051,476
Lira Municipal Council	42,540,000	-	1,986,707,172	1,836,525,269	150,181,903	192,721,903
Masaka Municipal Council	-	-	1,185,818,210	1,185,818,210	-	-
Mbale Municipal Council	826,028,517	1,100,000	1,096,022,989	853,137,889	242,885,100	1,067,813,617
Mbarara Municipal Council	2,271,106,658	1,204,491,385	3,544,874,665	2,205,163,896	1,339,710,769	2,406,326,042
Moroto Municipal Council	-	-	234,561,944	234,561,944	-	-
Soroti Municipal Council	-	-	563,240,058	563,240,058	-	-
Tororo Municipal Council	1,613,680,938	-	1,252,447,625	662,795,181	589,652,444	2,203,333,382
Kasese Municipal Council	-	-	707,680,125	707,680,125	-	-
Hoima Municipal Council	2,141,052,394	-	1,572,041,817	1,572,041,817	-	2,141,052,394
Mukono Municipal Council	527,721,172	-	2,616,863,736	2,616,863,736	-	527,721,172
Iganga Municipal Council	-	-	493,476,937	493,476,937	-	-
Masindi Municipal Council	470,517,348	46,994,926	741,968,608	741,968,608	-	423,522,422
Ntungamo Municipal Council	-	-	-	-	-	-
Busia Municipal Council	62,470,097	-	300,161,090	300,161,090	-	62,470,097
Bushenyi-Ishaka Municipal Council	-	-	495,330,099	495,330,099	-	-
Rukungiri Municipal Council	-	-	379,501,472	379,501,472	-	-
Nansana Municipal Council	996,713,933	18,196,200	3,958,940,292	3,838,940,292	120,000,000	1,098,517,733
Makindye Ssabagabo	-	-	2,606,963,587	2,452,095,466	154,868,121	154,868,121
Kira Municipal Council	1,400,000,000	1,000,000,000	5,690,386,904	5,365,386,904	325,000,000	725,000,000
Kisoro Municipal Council	6,712,980	-	360,800,066	360,800,066	-	6,712,980
Mityana Municipal Council	-	-	-	-	-	-
Kitgum Municipal Council	86,141,122	86,141,122	233,969,218	233,969,218	-	-
Koboko Municipal Council	14,175,261	14,175,261	663,733,863	625,894,523	37,839,340	37,839,340
Mubende Municipal Council	-	-	793,842,265	728,316,467	65,525,798	65,525,798
Kumi Municipal Council	-	-	-	-	-	-

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Consolidated Statement of Arrears of Revenues

[As submitted and signed by Accounting Officers]

Municipal Council	Arrears of Revenue 01 st July 2020 Shs.	Arrears in A collected during the year	Total Revenue billed during the Year Shs.	Actual amounts collected during the year Shs.	Arrears of revenue for the year	Cumulative Arrears of Revenue as at 30 th June 2021 Shs.
Lugazi Municipal Council	1,658,649,029	-	842,743,873	787,334,472	55,409,401	1,714,058,430
Kamuli Municipal Council	275,289,262	926,000	289,737,052	182,818,835	106,918,217	381,281,479
Kapchorwa Municipal Council	61,110,925	-	171,163,458	171,163,458	-	61,110,925
Ibanda Municipal Council	-	-	-	-	-	-
Njeru Municipal Council	713,288,849	-	2,041,247,336	2,041,247,336	-	713,288,849
Apac Municipal Council	-	-	175,610,643	175,610,643	-	-
Nebbi Municipal Council	-	-	-	-	-	-
Bugiri Municipal Council	-	-	212,697,353	212,697,353	-	-
Sheema Municipal Council	95,884,200	-	440,223,116	427,003,115	13,220,001	109,104,201
Kotido Municipal Council	-	-	204,047,245	204,047,245	-	-
At 30 June 2021	17,348,509,604	2,632,624,513	44,323,052,833	40,921,689,201	3,401,363,632	18,117,248,723
At 30 June 2020	10,478,233,371	820,751,486	51,288,591,895	43,385,218,067	7,903,373,828	17,560,855,713

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Consolidated Statement of Contingent Liabilities

[As submitted and signed by accounting Officers]

District Local Governments

Local Government	Legal proceedings Shs.	Guarantees & indemnities Shs.	Guarantees of bank overdrafts Shs.	Other Contingent Shs.	Total 30-Jun-2021 Shs.	Total 30-Jun-2020 Shs.
Apac	-	-	-	-	-	638,850,902
Bundibugyo	59,877,609	-	-	-	59,877,609	-
Iganga	3,832,685,041	-	-	-	3,832,685,041	3,832,685,041
Kabarole	-	-	-	-	-	57,000,000
Kayunga	51,547,700	-	-	-	51,547,700	51,547,700
Kitgum	500,000,000	-	-	30,923,392	530,923,392	530,923,392
Kumi	126,200,000	-	-	-	126,200,000	-
Lira	159,000,000	-	-	-	159,000,000	60,500,000
Masaka	-	-	-	31,003,685	31,003,685	-
Moyo	251,750,356	-	-	-	251,750,356	251,750,356
Mubende	-	-	-	-	-	116,742,220
Nakasongola	1,056,971,224	-	-	-	1,056,971,224	1,056,971,224
Nebbi	417,287,184	-	-	-	417,287,184	417,287,184
Pader	344,491,625	-	-	-	344,491,625	-
Wakiso	47,210,800	-	-	-	47,210,800	-
Isingiro	150,000,000	-	-	-	150,000,000	-
Amuru	56,441,200	-	-	-	56,441,200	-
Maracha-Terego	-	-	-	-	-	80,610,116
Bududa	-	-	-	-	-	150,000,000
Alebtong	700,751,701	-	-	-	700,751,701	-
Ngora	8,000,000	-	-	-	8,000,000	8,000,000
Omoro	5,000,000	-	-	-	5,000,000	5,000,000
Kassanda	-	-	-	6,693,882	6,693,882	-
Kwania	-	-	-	-	-	71,081,673
Total for 30 June 2021	7,767,214,440	-	-	68,620,959	7,835,835,399	7,328,949,808
Total for 30 June 2020	7,146,334,627	80,610,116	-	102,095,065	7,328,949,808	

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Consolidated Statement of Contingent Liabilities

[As submitted and signed by accounting Officers]

Municipal Councils

Municipal Council	Legal proceedings Shs.	Guarantees & indemnities Shs.	Guarantees of bank overdrafts Shs.	Other Contingent Shs.	Total 30-Jun-2021 Shs.	Total 30-Jun-2020 Shs.
Masaka Municipal Council	824,000,000	-	-	-	824,000,000	824,000,000
Moroto Municipal Council	36,500,000	-	-	-	36,500,000	36,500,000
Hoima Municipal Council	46,525,000	-	-	-	46,525,000	386,710,000
Mubende Municipal Council	22,500,000	-	-	-	22,500,000	22,500,000
Kapchorwa Municipal Council	-	-	-	30,062,497	30,062,497	30,062,497
Total for 30 June 2021	929,525,000	-	-	30,062,497	959,587,497	1,299,772,497
Total for 30 June 2020	1,269,710,000	-	-	30,062,497	1,299,772,497	

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Consolidated Statement of Outstanding Commitments

[As submitted and signed by accounting Officers]

District Local Governments

District Local Government	Operating Commitments	Capital Commitments	Total Commitments as at 30-Jun-2021	Total Commitments as at 30-Jun-2020
	Shs.	Shs.	Shs.	Shs.
Adjumani	731,934,522	-	731,934,522	-
Apac	28,357,400	-	28,357,400	21,819,100
Arua	-	-	-	-
Bugiri	2,685,769	-	2,685,769	-
Bundibugyo	-	-	-	918,000
Bushenyi	452,223,727	-	452,223,727	66,499,982
Busia	417,017,003	-	417,017,003	-
Gulu	145,310,077	-	145,310,077	642,101,677
Hoima	-	-	-	-
Iganga	-	-	-	1,421,700
Jinja	115,145,540	-	115,145,540	165,704,825
Kabale	4,194,818,205	-	4,194,818,205	1,320,389
Kabarole	265,718,097	-	265,718,097	250,626,336
Kaberamaido	-	-	-	-
Kalangala	37,735,662	-	37,735,662	808,973,272
Kamuli	908,374	-	908,374	-
Kamwenge	-	-	-	4,221,779
Kanungu	805,391,112	-	805,391,112	-
Kapchorwa	-	-	-	-
Kasese	1,348,952,876	154,386,215	1,503,339,091	-
Katakwi	16,260,328	-	16,260,328	804,348,982
Kayunga	-	416,880,151	416,880,151	-
Kibaale	-	-	-	-
Kiboga	11,603,871	-	11,603,871	1,098,125
Kisoro	-	-	-	-
Kitgum	-	-	-	-
Kotido	10,950,000	-	10,950,000	-
Kumi	300,369,897	-	300,369,897	11,779,270
Kyenjojo	170,392,398	-	170,392,398	624,895,956
Lira	18,500,000	-	18,500,000	-
Luwero	1,263,649,281	-	1,263,649,281	33,936,558

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Consolidated Statement of Outstanding Commitments

[As submitted and signed by accounting Officers]

District Local Government	Operating Commitments	Capital Commitments	Total Commitments as at 30-Jun-2021	Total Commitments as at 30-Jun-2020
	Shs.	Shs.	Shs.	Shs.
Masaka	313,478,578	242,235	313,720,813	-
Masindi	23,736,809	-	23,736,809	-
Mayuge	-	-	-	-
Mbale	500,548,066	-	500,548,066	-
Mbarara	260,417,218	-	260,417,218	240,870,842
Moroto	1,590,602,728	-	1,590,602,728	-
Moyo	4,978,892	-	4,978,892	-
Mpigi	2,130,000	67,698,256	69,828,256	71,025,000
Mubende	445,114,702	-	445,114,702	37,958,267
Mukono	548,662	-	548,662	-
Nakapiripirit	11,101,670	-	11,101,670	330,000
Nakasongola	234,272,456	42,808,886	277,081,342	837,224,424
Nebbi	90,000	-	90,000	-
Ntungamo	-	-	-	-
Pader	214,214,212	-	214,214,212	2,330,670
Pallisa	-	-	-	-
Rakai	670,000	-	670,000	62,975,000
Rukungiri	-	-	-	-
Sembabule	797,635,186	-	797,635,186	48,323,280
Sironko	-	-	-	-
Soroti	-	-	-	-
Tororo	335,571,661	-	335,571,661	263,657,131
Wakiso	860,742,361	-	860,742,361	729,899,804
Yumbe	38,822,300	-	38,822,300	324,124,226
Butaleja	-	-	-	278,904,582
Ibanda	3,773,561	-	3,773,561	26,537,024
Kaabong	39,875,661	-	39,875,661	-
Isingiro	-	-	-	-
Kaliro	188,190,598	-	188,190,598	-
Kiruhura	32,149,295	-	32,149,295	17,839,195
Koboko	625,942,796	-	625,942,796	-
Amolatar	173,267,759	-	173,267,759	374,410,967
Amuria	209,547,332	-	209,547,332	-

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Consolidated Statement of Outstanding Commitments

[As submitted and signed by accounting Officers]

District Local Government	Operating Commitments	Capital Commitments	Total Commitments as at 30-Jun-2021	Total Commitments as at 30-Jun-2020
	Shs.	Shs.	Shs.	Shs.
Manafa	-	-	-	-
Bukwo	-	-	-	-
Mityana	455,385,762	25,543,515	480,929,277	35,812,380
Nakaseke	289,157,609	-	289,157,609	524,997,416
Amuru	-	-	-	-
Budaka	-	-	-	679,816,927
Oyam	1,737,934,586	-	1,737,934,586	144,383,488
Abim	-	-	-	887,622
Namutumba	55,319,301	-	55,319,301	-
Dokolo	7,108,292	-	7,108,292	409,629
Buliisa	30,758,994	-	30,758,994	214,983,324
Maracha-Terego	25,421,554	-	25,421,554	518,945,653
Bukedea	-	198,266,243	198,266,243	1,016,484,668
Bududa	-	-	-	-
Lyantonde	2,262,933	-	2,262,933	-
Amudat	79,268,548	-	79,268,548	-
Buikwe	6,703,924	-	6,703,924	-
Buyende	-	-	-	-
Kyegegwa	443,784,000	-	443,784,000	-
Lamwo	-	-	-	-
Otuke	306,354,000	-	306,354,000	293,930,108
Zombo	4,000,000	-	4,000,000	-
Alebtong	-	-	-	-
Bulambuli	-	-	-	153,910,000
Buvuma	4,662,083	-	4,662,083	-
Gomba	345,961,160	-	345,961,160	109,193,302
Kiryandongo	541,621	-	541,621	1,072,189
Luuka	-	-	-	-
Namayingo	42,890,355	-	42,890,355	5,106,200
Ntoroko	152,935,231	-	152,935,231	50,091,148
Serere	-	-	-	-
Kyankwazi	913,500	-	913,500	-
Kalungu	83,600,000	-	83,600,000	100,341,556

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Consolidated Statement of Outstanding Commitments

[As submitted and signed by accounting Officers]

District Local Government	Operating Commitments	Capital Commitments	Total Commitments as at 30-Jun-2021	Total Commitments as at 30-Jun-2020
	Shs.	Shs.	Shs.	Shs.
Lwengo	391,128,083	-	391,128,083	-
Bukomansimbi	469,730,048	-	469,730,048	83,078,775
Mitooma	312,361,301	-	312,361,301	-
Rubirizi	-	-	-	-
Ngora	-	-	-	-
Napak	-	-	-	-
Kibuku	-	-	-	-
Nwoya	322,816,678	-	322,816,678	240,204,560
Kole	303,007,894	-	303,007,894	-
Butambala	-	-	-	314,390,461
Sheema	149,357,738	-	149,357,738	-
Buhweju	65,944,751	-	65,944,751	170,915,820
Agago	4,818,943	-	4,818,943	-
Kween	-	-	-	-
Kagadi	373,885,463	-	373,885,463	-
Kakumiro	-	-	-	63,594,000
Omoro	399,384,304	-	399,384,304	106,997,199
Rubanda	48,624,143	-	48,624,143	-
Namisindwa	-	-	-	-
Pakwach	-	-	-	-
Butebo	-	-	-	35,000,000
Rukiga	5,691,816	-	5,691,816	65,000,000
Kyotera	74,942,295	-	74,942,295	-
Bunyagabu	9,928,531	-	9,928,531	27,401,437
Nabdatuk	-	-	-	-
Bugweri	150,007,591	-	150,007,591	272,396,318
Kasanda	11,965,000	-	11,965,000	-
Kwania	-	-	-	-
Kapelebyong	449,670,988	57,939,570	507,610,558	-
Kikuube	-	-	-	1,000,438,632
Obangi	16,729,850	-	16,729,850	-
Kazo	-	-	-	-
Rwampara	39,205,852	-	39,205,852	18,889,201

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Consolidated Statement of Outstanding Commitments

[As submitted and signed by accounting Officers]

District Local Government	Operating Commitments	Capital Commitments	Total Commitments as at 30-Jun-2021	Total Commitments as at 30-Jun-2020
	Shs.	Shs.	Shs.	Shs.
Kitagwenda	-	-	-	-
Madi-Okollo	214,185,168	-	214,185,168	-
Karenga	-	-	-	91,875,755
Kalaki	752,701,227	-	752,701,227	-
Terego	-	10,078,000	10,078,000	-
At 30 June 2021	25,886,397,759	973,843,071	26,860,240,830	13,096,624,131
At 30 June 2020	12,700,713,384	395,910,747	13,096,624,131	

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Consolidated Statement of Outstanding Commitments

[As submitted and signed by accounting Officers]

Municipal Council	Operating Commitments	Capital Commitments	Total Commitments as at 30-Jun-2021	Total Commitments as at 30-Jun-2020
	Shs.	Shs.	Shs.	Shs.
Arua Municipal Council	-	-	-	121,593
Entebbe Municipal Council	-	-	-	-
Fort-Portal Municipal Council	-	401,926,492	401,926,492	58,217,000
Gulu Municipal Council	-	-	-	199,513,389
Jinja Municipal Council	152,986,416	-	152,986,416	-
Kabale Municipal Council	51,608,540	-	51,608,540	92,903,720
Lira Municipal Council	-	-	-	761,067,566
Masaka Municipal Council	163,972,790	-	163,972,790	1,965,807,789
Mbale Municipal Council	7,414,416	-	7,414,416	126,137,300
Mbarara Municipal Council	390,411	-	390,411	-
Moroto Municipal Council	-	-	-	-
Soroti Municipal Council	-	-	-	81,863,100
Tororo Municipal Council	1,646,728	-	1,646,728	-
Kasese Municipal Council	10,949,162	-	10,949,162	2,795,986
Hoima Municipal Council	179,460,550	-	179,460,550	1,844,820
Mukono Municipal Council	-	-	-	3,510,186
Iganga Municipal Council	-	-	-	-
Masindi Municipal Council	-	-	-	513,056,699
Ntungamo Municipal Council	-	-	-	-
Busia Municipal Council	91,825,961	-	91,825,961	-
Bushenyi-Ishaka Municipal Council	96,600,000	-	96,600,000	67,197,301
Rukungiri Municipal Council	-	-	-	-
Nansana Municipal Council	17,434,399	-	17,434,399	1,525,424
Makindye Ssabagabo	44,323,356	487,911,648	532,235,004	-
Kira Municipal Council	336,664,600	-	336,664,600	275,912,295
Kisoro Municipal Council	-	-	-	158,797,654
Mityana Municipal Council	-	-	-	-
Kitgum Municipal Council	343,670,564	-	343,670,564	90,968,822
Koboko Municipal Council	113,354,578	-	113,354,578	-
Mubende Municipal Council	-	-	-	13,365,021,920
Kumi Municipal Council	-	-	-	4,381,743
Lugazi Municipal Council	1,258,286	-	1,258,286	1,026,714

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Consolidated Statement of Outstanding Commitments

[As submitted and signed by accounting Officers]

Municipal Council	Operating Commitments	Capital Commitments	Total Commitments as at 30-Jun-2021	Total Commitments as at 30-Jun-2020
	Shs.	Shs.	Shs.	Shs.
Kamuli Municipal Council	-	-	-	-
Kapchorwa Municipal Council	-	-	-	-
Ibanda Municipal Council	-	-	-	1,406,408
Njeru Municipal Council	-	-	-	-
Apac Municipal Council	-	-	-	2,554,623
Nebbi Municipal Council	-	-	-	80,378
Bugiri Municipal Council	10,364,409	-	10,364,409	-
Sheema Municipal Council	1,258,150	-	1,258,150	-
Kotido Municipal Council	5,517,450	-	5,517,450	-
At 30 June 2021	1,630,700,766	889,838,140	2,520,538,906	17,775,712,430
At 30 June 2020	17,694,293,172	81,419,258	17,775,712,430	

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Consolidated Statement of losses of public moneys and stores written off and claims abandoned

[As submitted and signed by accounting Officers]

District Local Government	Losses of public moneys (cash and cash equivalents) Shs.	Values of losses of stores Shs.	Claims abandoned during the year Shs.	Total losses written off as at 30-Jun-2021 Shs.	Total losses written off as at 30-Jun-2020 Shs.
Adjumani	-	-	-	-	-
Apac	-	-	-	-	-
Arua	-	-	-	-	-
Bugiri	-	-	-	-	-
Bundibugyo	-	-	-	-	-
Bushenyi	-	-	-	-	-
Busia	-	-	-	-	-
Gulu	-	-	-	-	-
Hoima	-	-	-	-	-
Iganga	-	-	-	-	-
Jinja	-	-	-	-	-
Kabale	-	-	-	-	-
Kabarok	-	-	-	-	-
Kaberamaido	-	-	-	-	-
Kalangala	-	-	-	-	-
Karnuli	-	-	-	-	-
Kamwenge	-	-	-	-	-
Kanungu	-	-	-	-	-
Kapchorwa	-	-	-	-	-
Kasese	-	-	-	-	-
Katakwi	-	-	-	-	-
Kayunga	-	-	-	-	-
Kibaale	-	-	-	-	-
Kiboga	-	-	-	-	-
Kisoro	-	-	-	-	-
Kitgum	-	-	-	-	-
Kotido	-	-	-	-	-
Kumi	-	-	-	-	-
Kyenjojo	-	-	-	-	-

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Consolidated Statement of losses of public moneys and stores written off and claims abandoned

[As submitted and signed by accounting Officers]

District Local Government	Losses of public moneys (cash and cash equivalents) Shs.	Values of losses of stores Shs.	Claims abandoned during the year Shs.	Total losses written off as at 30-Jun-2021 Shs.	Total losses written off as at 30-Jun-2020 Shs.
Lira	-	-	-	-	-
Luwero	-	-	-	-	-
Masaka	-	-	-	-	-
Masindi	-	-	-	-	-
Mayuge	-	-	-	-	-
Mbale	-	-	-	-	-
Mbarara	-	-	-	-	-
Moroto	-	-	-	-	-
Moyo	-	-	-	-	-
Mpigi	-	-	-	-	-
Mubende	-	-	-	-	-
Mukono	-	-	-	-	-
Nakapiripirit	-	-	-	-	-
Nakasongola	-	-	-	-	-
Nebbi	-	-	-	-	-
Ntungamo	-	-	-	-	-
Pader	-	-	-	-	-
Pallisa	-	-	-	-	-
Rakai	-	-	-	-	-
Rukungiri	-	-	-	-	-
Sembabule	-	-	-	-	-
Sironko	-	-	-	-	-
Soroti	-	-	-	-	-
Tororo	-	-	-	-	-
Wakiso	-	-	-	-	-
Yumbe	-	-	-	-	-
Butaleja	-	-	-	-	-
Ibanda	-	-	-	-	-
Kaabong	-	-	-	-	-
Isingiro	-	-	-	-	-

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Consolidated Statement of losses of public moneys and stores written off and claims abandoned

[As submitted and signed by accounting Officers]

District Local Government	Losses of public moneys (cash and cash equivalents) Shs.	Values of losses of stores Shs.	Claims abandoned during the year Shs.	Total losses written off as at 30-Jun-2021 Shs.	Total losses written off as at 30-Jun-2020 Shs.
Kaliro	-	-	-	-	-
Kiruhura	-	-	-	-	-
Koboko	-	-	-	-	-
Amolatar	-	-	-	-	-
Amuria	-	-	-	-	-
Manafwa	-	-	-	-	-
Bukwo	-	-	-	-	-
Mityana	-	-	-	-	-
Nakaseke	-	-	-	-	-
Amuru	-	-	-	-	-
Budaka	-	-	-	-	-
Oyam	-	-	-	-	-
Abim	-	-	-	-	-
Namutumba	-	-	-	-	-
Dokolo	-	-	-	-	-
Buliisa	-	-	-	-	-
Maracha-Terego	-	-	-	-	-
Bukedea	-	-	-	-	-
Bududa	-	-	-	-	-
Iyantonde	-	-	-	-	-
Amudat	-	-	-	-	-
Buikwe	-	-	-	-	-
Buyende	-	-	-	-	-
Kyegegwa	-	-	-	-	-
Lamwo	-	-	-	-	-
Otuke	-	-	-	-	-
Zombo	-	-	-	-	-
Alebtong	-	-	-	-	-
Bulambuli	-	-	-	-	-
Buvuma	-	-	-	-	-

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Consolidated Statement of losses of public moneys and stores written off and claims abandoned

[As submitted and signed by accounting Officers]

District Local Government	Losses of public moneys (cash and cash equivalents) Shs.	Values of losses of stores Shs.	Claims abandoned during the year Shs.	Total losses written off as at 30-Jun-2021 Shs.	Total losses written off as at 30-Jun-2020 Shs.
Gomba	-	-	-	-	-
Kiryandongo	-	-	-	-	-
Luuka	-	-	-	-	-
Namayingo	-	-	-	-	-
Ntoroko	-	-	-	-	-
Serere	-	-	-	-	-
Kyankwanzi	-	-	-	-	-
Kalungu	-	-	-	-	-
Lwengo	-	-	-	-	-
Bukomansimbi	-	-	-	-	-
Mitooma	-	-	-	-	-
Rubirizi	-	-	-	-	-
Ngora	-	-	-	-	-
Napak	-	-	-	-	-
Kibuku	-	-	-	-	-
Nwoya	-	-	-	-	-
Kole	-	-	-	-	-
Butambala	-	-	-	-	-
Sheema	-	-	-	-	-
Buhweju	-	-	-	-	-
Agago	-	-	-	-	-
Kween	-	-	-	-	-
Kagadi	-	-	-	-	-
Kakumiro	-	-	-	-	-
Omoro	-	-	-	-	-
Rubanda	-	-	-	-	-
Namisindwa	-	-	-	-	-
Pakwach	-	-	-	-	-
Butebo	-	-	-	-	-
Rukiga	-	-	-	-	-

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Consolidated Statement of losses of public moneys and stores written off and claims abandoned

[As submitted and signed by accounting Officers]

District Local Government	Losses of public moneys (cash and cash equivalents) Shs.	Values of losses of stores Shs.	Claims abandoned during the year Shs.	Total losses written off as at 30-Jun-2021 Shs.	Total losses written off as at 30-Jun-2020 Shs.
Kyotera	-	-	-	-	-
Bunyagabu	-	-	-	-	-
Nabilatuk	-	-	-	-	-
Bugweri	-	-	-	-	-
Kasanda	-	-	-	-	-
Kwania	-	-	-	-	-
Kapelebyong	-	-	-	-	-
Kikuube	-	-	-	-	-
Obangi	-	-	-	-	-
Kazo	-	-	-	-	-
Rwampara	-	-	-	-	-
Kitagwenda	-	-	-	-	-
Madi-Okollo	-	-	-	-	-
Karenga	-	-	-	-	-
Kalaki	-	-	-	-	-
Terego	-	-	-	-	-
Total for 30 June 2021	-	-	-	-	-
Total for 30 June 2020	-	-	-	-	-

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Consolidated Statement of losses of public moneys and stores written off and claims abandoned

[As submitted and signed by accounting Officers]

Municipal Council	Losses of public moneys (cash and cash equivalents) Shs.	Values of losses of stores Shs.	Claims abandoned during the year Shs.	Total losses written off as at 30-Jun-2021 Shs.	Total losses written off as at 30-Jun-2020 Shs.
Arua Municipal Council	-	-	-	-	-
Entebbe Municipal Council	-	-	-	-	-
Fort-Portal Municipal Council	-	-	-	-	-
Gulu Municipal Council	-	-	-	-	-
Jinja Municipal Council	-	-	-	-	-
Kabale Municipal Council	-	-	-	-	-
Lira Municipal Council	-	-	-	-	-
Masaka Municipal Council	-	-	-	-	-
Mbale Municipal Council	-	-	-	-	-
Mbarara Municipal Council	-	-	-	-	-
Moroto Municipal Council	-	-	-	-	-
Soroti Municipal Council	-	-	-	-	-
Tororo Municipal Council	-	-	-	-	-
Kasese Municipal Council	-	-	-	-	-
Hoima Municipal Council	-	-	-	-	-
Mukono Municipal Council	-	-	-	-	-
Iganga Municipal Council	-	-	-	-	-
Masindi Municipal Council	-	-	-	-	-
Ntungamo Municipal Council	-	-	-	-	-
Busia Municipal Council	-	-	-	-	-
Bushenyi-Ishaka Municipal Council	-	-	-	-	-
Rukungiri Municipal Council	-	-	-	-	-
Nansana Municipal Council	-	-	-	-	-
Makindye Ssabagabo	-	-	-	-	-
Kira Municipal Council	-	-	-	-	-
Kisoro Municipal Council	-	-	-	-	-
Mityana Municipal Council	-	-	-	-	-
Kitgum Municipal Council	-	-	-	-	-
Koboko Municipal Council	-	-	-	-	-
Mubende Municipal Council	-	-	-	-	-
Kumi Municipal Council	-	-	-	-	-
Lugazi Municipal Council	-	-	-	-	-
Kamuli Municipal Council	-	-	-	-	-
Kapchorwa Municipal Council	-	-	-	-	-

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

**Consolidated Statement of losses of public moneys and stores
written off and claims abandoned**

[As submitted and signed by accounting Officers]

Municipal Council	Losses of public moneys (cash and cash equivalents) Shs.	Values of losses of stores Shs.	Claims abandoned during the year Shs.	Total losses written off as at 30-Jun-2021 Shs.	Total losses written off as at 30-Jun-2020 Shs.
Ibanda Municipal Council	-	-	-	-	-
Njeru Municipal Council	-	-	-	-	-
Apac Municipal Council	-	-	-	-	-
Nebbi Municipal Council	-	-	-	-	-
Bugiri Municipal Council	-	-	-	-	-
Sheema Municipal Council	-	-	-	-	-
Korido Municipal Council	-	-	-	-	-
Total for 30 June 2021	-	-	-	-	-
Total for 30 June 2020	-	-	-	-	-

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Consolidated Statement of stores and other assets (physical assets) acquired

[As submitted and signed by accounting Officers]

District Local Government	Non Produced Assets		Buildings & Structures		Transport Equipment		Machinery & Equipment		Other Assets		Total value of Physical Assets purchased during the period 30-Jun-21		Total value of Physical Assets purchased during the year 30-Jun-20	
	Sbs.		Sbs.		Sbs.		Sbs.		Sbs.		Sbs.		Sbs.	
Kibaak	-		613,277,199		335,999,860		110,260,999		1,213,076,268		2,272,614,326		3,240,559,161	
Kiboga	-		976,864,516		20,999,921		26,761,100		600,771,659		1,625,397,196		2,783,191,717	
Kisoro	-		2,088,683,302		1,864,400		-		120,057,228		2,210,604,930		2,738,192,286	
Kitgum	-		1,525,251,050		15,940,988		-		616,739,633		2,157,931,671		2,527,336,497	
Kotido	-		1,793,100,559		195,326,210		-		67,951,958		2,056,578,727		2,529,125,061	
Kumi	-		2,745,723,688		5,999,998		101,631,000		67,326,000		2,920,680,686		2,411,660,008	
Kyenjojo	27,907,700		1,086,293,681		1,099,999		40,159,650		811,747,284		1,967,208,314		3,663,337,008	
Lira	-		2,299,744,223		47,820,000		24,610,000		768,237,968		3,140,412,191		2,946,408,715	
Luwero	29,589,700		4,298,537,524		405,970,356		322,101,763		31,288,000		5,087,487,343		3,775,737,801	
Masaka	699,585,661		1,032,257,155		35,000,000		740,922		53,683,121		1,786,266,859		1,904,086,161	
Masindi	-		1,913,655,064		-		-		76,587,688		2,025,242,752		3,667,850,853	
Mayuge	102,755,056		3,201,394,847		-		197,451,880		-		3,501,601,783		3,867,219,252	
Mbale	129,919,999		2,145,833,824		87,563,278		147,200,958		748,727,271		3,259,244,430		3,078,434,824	
Mbarara	-		2,817,318,203		24,435,001		17,185,129		41,720,268		2,900,658,601		1,931,617,402	
Moroto	91,199,600		1,664,260,941		-		37,615,500		255,295,152		2,048,371,193		3,962,727,993	
Moyo	-		1,914,540,434		15,999,999		-		7,813,099,299		9,743,639,732		8,405,424,272	
Mpigi	-		1,863,420,793		-		461,975,184		33,959,569		2,359,355,546		2,072,923,658	
Mubende	-		2,186,572,900		-		-		910,897,502		3,097,470,402		2,712,777,132	
Mukono	50,400,742		1,833,437,793		101,464,858		38,825,287		980,657,482		3,004,786,162		2,923,029,150	
Nakapiripiri	7,678,000		2,157,725,821		-		46,274,500		-		2,211,678,321		1,581,472,040	
Nakasongola	-		440,122,582		146,200,000		33,890,725		602,919,061		1,223,132,368		1,187,899,699	
Nebbi	-		1,079,397,822		48,000,000		24,975,000		1,260,521,783		2,412,894,605		3,311,704,473	
Ntungamo	-		3,981,299,640		-		634,897,558		-		4,616,197,198		4,174,213,879	
Pader	91,608,544		1,100,210,448		30,000,000		178,420,519		694,932,804		2,095,172,315		3,229,998,861	

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Consolidated Statement of stores and other assets (physical assets) acquired

[As submitted and signed by accounting Officers]

District Local Government	Non Produced Assets		Buildings & Structures		Transport Equipment		Machinery & Equipment		Other Assets		Total value of Physical Assets purchased during the period 30-Jun-21		Total value of Physical Assets purchased during the year 30-Jun-20	
	Shs.	Shs.	Shs.	Shs.	Shs.	Shs.	Shs.	Shs.	Shs.	Shs.	Shs.	Shs.	Shs.	Shs.
Pallisa	77,194,950	2,051,608,978	8,900,000	42,920,400	1,030,171,512	2,779,820,039	-	3,210,795,840	-	2,084,783,596	-	2,779,820,039	-	2,779,820,039
Rakai	-	2,023,235,604	7,579,724	88,845,992	-	2,084,783,596	-	2,119,661,320	-	2,981,924,966	-	2,981,924,966	-	2,981,924,966
Rukungiri	-	1,769,862,950	18,000,000	124,272,131	913,302,070	2,981,924,966	-	2,825,437,151	873,138,250	2,872,553,456	-	2,872,553,456	-	2,872,553,456
Sembabule	-	1,423,743,440	-	92,168,470	-	2,872,553,456	-	2,389,050,160	3,666,105,811	3,390,363,687	-	3,390,363,687	-	3,390,363,687
Sironko	10,134,266	3,441,403,767	-	210,045,778	4,522,000	3,390,363,687	-	3,666,105,811	4,522,000	2,213,225,985	-	2,213,225,985	-	2,213,225,985
Soroti	72,065,852	2,584,847,978	190,000,000	327,148,391	76,178,676	2,213,225,985	-	3,250,240,897	3,250,240,897	3,836,262,541	-	3,836,262,541	-	3,836,262,541
Tororo	10,099,990	4,093,304,335	17,000,000	268,521,000	45,307,000	3,836,262,541	-	4,434,232,325	4,434,232,325	8,183,463,812	-	8,183,463,812	-	8,183,463,812
Wakiso	-	3,533,313,484	-	228,817,497	183,819,322	8,183,463,812	-	3,945,950,303	3,945,950,303	7,378,337,246	-	7,378,337,246	-	7,378,337,246
Yumbe	4,497,212,920	12,440,451,128	20,000,000	182,564,599	2,248,565,431	7,378,337,246	-	19,388,794,078	19,388,794,078	3,520,065,671	-	3,520,065,671	-	3,520,065,671
Butaleja	-	-	-	-	-	3,520,065,671	-	-	-	2,220,014,029	-	2,220,014,029	-	2,220,014,029
Ibanda	-	1,741,959,763	-	346,031,627	4,039,700	2,220,014,029	-	2,092,031,090	4,039,700	2,196,485,603	-	2,196,485,603	-	2,196,485,603
Kaabong	34,968,497	544,030,117	32,784,000	-	251,576,224	2,196,485,603	-	863,358,838	251,576,224	-	-	-	-	-
Isingiro	-	13,099,131,254	242,411,427	9,000,000	7,853,569,436	-	21,204,112,117	21,204,112,117	7,853,569,436	2,635,391,366	-	2,635,391,366	-	2,635,391,366
Kaliro	27,000,000	2,127,365,710	27,999,999	-	295,593,366	2,635,391,366	-	2,477,959,075	295,593,366	3,030,215,430	-	3,030,215,430	-	3,030,215,430
Kiruhura	-	2,649,621,265	27,000,000	240,765,234	35,422,798	3,030,215,430	-	2,952,809,297	35,422,798	3,124,336,339	-	3,124,336,339	-	3,124,336,339
Koboko	-	9,876,134,565	18,975,358	428,865	38,050,000	3,124,336,339	-	9,933,588,788	38,050,000	3,352,817,855	-	3,352,817,855	-	3,352,817,855
Amolatar	-	1,617,545,015	68,199,536	596,504,909	23,499,653	3,352,817,855	-	2,305,749,113	23,499,653	3,775,089,296	-	3,775,089,296	-	3,775,089,296
Amuria	-	1,078,097,725	6,600,000	110,996,800	1,180,515,801	3,775,089,296	-	2,376,210,326	1,180,515,801	4,205,909,361	-	4,205,909,361	-	4,205,909,361
Manafwa	360,000,000	1,038,866,194	-	-	888,226,072	4,205,909,361	-	2,287,092,266	888,226,072	2,672,816,564	-	2,672,816,564	-	2,672,816,564
Bukwo	-	1,920,385,503	11,726,200	-	1,058,934,902	2,672,816,564	-	2,991,046,605	1,058,934,902	2,273,564,509	-	2,273,564,509	-	2,273,564,509
Miryana	29,999,930	1,448,861,910	-	70,449,392	471,930,370	2,273,564,509	-	2,021,241,602	471,930,370	2,266,257,464	-	2,266,257,464	-	2,266,257,464
Nakaseste	10,000,000	1,449,040,532	-	73,953,884	580,428,263	2,266,257,464	-	2,113,422,679	580,428,263	5,638,675,803	-	5,638,675,803	-	5,638,675,803
Amuru	-	2,430,303,612	-	68,018,283	111,558,613	5,638,675,803	-	2,609,880,508	111,558,613	2,762,815,557	-	2,762,815,557	-	2,762,815,557
Budaka	57,818,297	1,578,156,946	20,000,000	258,065,710	48,342,500	2,762,815,557	-	1,962,383,453	48,342,500	-	-	-	-	-

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Consolidated Statement of stores and other assets (physical assets) acquired

[As submitted and signed by accounting Officers]

District Local Government	Non Produced Assets		Buildings & Structures		Transport Equipment		Machinery & Equipment		Other Assets		Total value of Physical Assets purchased during the period 30-Jun-21		Total value of Physical Assets purchased during the year 30-Jun-20	
	Shs.	Shs.	Shs.	Shs.	Shs.	Shs.	Shs.	Shs.	Shs.	Shs.	Shs.	Shs.	Shs.	Shs.
Oyam	39,059,571	4,473,654,687	85,828,464	77,356,055	583,316,457	5,259,215,234	3,341,988,476							
Abim	-	1,560,147,696	-	27,138,000	14,386,000	1,601,671,696	2,979,372,373							
Narutumba	22,357,179	2,465,554,311	194,076,807	7,080,000	10,869,000	2,699,937,297	2,314,716,730							
Dokolo	-	3,298,669,735	20,000,000	30,222,500	734,131,945	4,083,024,180	3,999,084,821							
Bulisa	-	1,510,039,915	18,000,000	271,457,639	374,234,609	2,173,732,163	2,761,166,146							
Maracha-Terego	50,000,000	2,368,444,055	-	12,500,000	352,920,422	2,683,864,477	2,573,858,643							
Bukedea	-	3,614,512,951	15,072,410	179,602,082	81,761,193	3,890,948,636	3,233,766,051							
Budoda	-	-	-	-	-	-	1,920,221,042							
Lyantonde	4,090,577	1,817,155,384	31,288,427	287,567,695	311,081,279	2,451,183,362	2,396,557,916							
Amudat	-	1,978,507,524	-	-	315,508,658	2,294,016,182	1,408,343,596							
Bukwe	58,279,849	13,872,483,689	-	54,960,483	804,308,280	14,790,032,301	15,286,289,768							
Buyende	-	1,753,350,190	477,446,661	-	280,573,672	2,511,370,523	2,633,172,656							
Kyegogwa	82,485,000	1,087,179,874	-	61,715,934	1,264,264,385	2,495,645,193	8,079,815,788							
Lamwo	-	1,575,538,541	-	-	754,744,635	2,330,283,176	6,910,505,000							
Oruke	-	1,745,310,292	75,000,000	14,000,000	4,620,000	1,838,930,292	1,884,847,312							
Zombo	10,605,000	1,897,572,314	63,999,350	-	514,020,813	2,486,197,477	-							
Alebong	52,456,343	1,873,857,365	219,984,946	31,065,620	387,682,117	2,565,046,391	3,344,676,023							
Bulambali	35,513,800	3,071,252,239	4,500,000	135,159,776	44,880,013	3,291,305,828	4,106,196,368							
Buruma	18,566,971	669,385,758	-	-	578,651,666	1,266,604,395	1,546,644,339							
Gomba	16,850,000	1,496,418,923	31,980,000	239,275,099	8,780,001	1,793,304,023	1,981,490,132							
Kiryandongo	-	14,007,957,253	-	1,076,585,774	16,680,000	15,101,223,027	2,029,921,697							
Luuka	-	1,091,881,083	-	41,205,340	393,153,773	1,526,240,196	1,929,638,066							
Namayingo	9,053,000	1,551,128,037	15,000,000	43,445,500	597,188,970	2,215,815,507	3,529,006,153							
Ntoroko	-	978,421,924	18,999,999	3,938,110	132,521,134	1,133,881,167	2,036,925,834							

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Consolidated Statement of stores and other assets (physical assets) acquired

[As submitted and signed by accounting Officers]

District Local Government	Non Produced Assets		Buildings & Structures		Transport Equipment		Machinery & Equipment		Other Assets		Total value of Physical Assets purchased during the period 30-Jun-21		Total value of Physical Assets purchased during the year 30-Jun-20	
	Sbs.	Sbs.	Sbs.	Sbs.	Sbs.	Sbs.	Sbs.	Sbs.	Sbs.	Sbs.	Sbs.	Sbs.	Sbs.	Sbs.
Serere	10,000,000	3,917,667,472	-	124,496,472	-	993,340,611	5,045,504,555	3,473,073,577						
Kyankwanzi	9,999,300	2,663,495,925	34,750,000	53,580,000	748,254,659	1,788,322,144	2,468,347,239							
Kalungu	51,500,000	1,432,874,564	-	199,334,840	-	104,612,740	2,802,841,958							
Lwengo	5,500,000	2,395,327,138	14,000,000	194,221,784	88,467,965	2,697,516,887	2,718,773,394							
Bukomansimbi	-	2,333,945,016	37,800,000	24,000,000	23,900,000	2,419,645,016	2,859,398,904							
Mroomba	20,000,000	2,591,759,819	21,500,000	22,000,000	429,460,672	3,084,720,491	2,596,356,540							
Rubirizi	66,905,000	2,767,878,444	15,000,000	11,519,680	-	2,861,303,124	3,427,285,227							
Ngora	-	1,327,915,383	47,535,761	123,199,121	435,885,481	1,934,535,746	2,372,559,864							
Napak	-	959,745,952	-	28,490,000	692,692,447	1,680,928,399	2,061,057,791							
Kibuku	89,280,000	2,891,411,443	184,898,069	199,847,752	63,118,882	3,428,556,146	3,302,436,697							
Nwoya	-	2,771,290,320	16,111,000	2,400,000	449,451,355	3,239,252,675	2,887,308,898							
Kole	-	2,586,662,339	232,599,000	25,499,000	717,593,542	3,562,353,881	3,825,130,210							
Butambala	40,155,000	1,127,259,676	-	58,426,100	14,999,924	1,240,840,700	1,613,379,463							
Sheema	-	1,854,778,322	83,100,000	-	677,040,116	2,614,918,438	2,430,294,425							
Buhweju	36,206,022	1,438,558,165	1,999,994	241,936,498	-	1,718,700,679	2,480,079,960							
Agago	-	1,847,399,753	42,555,731	79,999,029	233,799,661	2,203,754,174	3,116,297,997							
Kween	-	2,341,250,859	189,999,999	19,649,782	906,273,910	3,457,174,550	2,719,923,342							
Kagadi	-	1,537,059,437	43,979,000	61,060,500	1,251,020,223	2,893,119,160	3,540,477,013							
Kakumiro	-	1,582,581,017	103,974,440	342,321,915	775,889,478	2,804,766,850	3,245,690,425							
Omoro	439,942,529	2,432,914,310	47,949,792	24,984,007	432,237,523	3,378,028,161	4,812,589,221							
Rubanda	-	626,886,937	-	33,775,121	1,250,669,470	1,911,331,528	2,545,907,125							
Namisindwa	-	1,700,271,277	-	-	796,487,302	2,496,758,579	1,853,453,594							
Pakwach	-	1,353,864,954	25,000,000	64,877,179	742,742,630	2,186,484,763	-							
Butebo	-	2,426,079,479	17,000,000	23,965,000	114,723,281	2,581,767,760	2,438,813,243							

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Consolidated Statement of stores and other assets (physical assets) acquired

[As submitted and signed by accounting Officers]

District Local Government	Non Produced Assets	Buildings & Structures	Transport Equipment	Machinery & Equipment	Other Assets	Total value of Physical Assets purchased during the period 30-Jun-21	Total value of Physical Assets purchased during the year 30-Jun-20
	Shs.	Shs.	Shs.	Shs.	Shs.	Shs.	Shs.
Rukiga	-	1,278,163,508	323,710	-	437,821,043	1,716,308,261	1,766,437,691
Kyotera	-	2,790,464,786	-	355,356,677	12,450,000	3,158,271,463	1,659,866,190
Bunyagabu	19,993,000	718,406,135	-	59,073,042	706,009,506	1,503,481,683	2,199,468,088
Nabilaruk	-	1,794,749,137	15,948,700	31,785,000	282,164,852	2,124,647,689	1,949,083,272
Bugweri	-	1,034,459,376	24,940,500	221,203,200	331,773,479	1,612,376,555	1,963,323,809
Kassanda	-	2,309,654,813	13,950,000	207,602,000	10,880,000	2,542,086,813	2,291,147,553
Kwania	-	3,574,295,475	36,998,697	80,948,000	59,410,700	3,751,652,872	2,919,379,549
Kapelebyong	12,538,000	680,713,254	107,242,000	18,729,000	64,924,031	884,146,285	1,368,735,760
Kikuube	-	8,559,509,591	-	-	51,100,000	8,610,609,591	5,644,724,924
Obongi	-	14,571,802,890	16,000,000	16,500,000	52,450,000	14,456,752,890	7,280,787,110
Kazo	-	1,697,166,409	189,067,493	20,744,986	-	1,906,978,888	2,383,987,195
Rwampara	-	1,839,242,959	-	-	34,967,600	1,874,210,559	2,335,990,340
Kitagwenda	-	624,253,797	-	-	95,083,491	719,337,288	939,449,629
Madi-Okollo	-	5,564,925,601	-	13,324,507	4,407,583,380	9,985,833,488	-
Karenga	-	365,761,073	57,123,000	36,351,000	-	459,235,073	-
Kalaki	62,613,143	1,249,909,138	179,908,534	238,522,000	17,920,000	1,748,872,815	2,202,437,514
Terego	-	565,000,000	372,485,510	36,440,000	6,950,000	980,875,510	-
Total for 30 June 2021	10,165,979,668	336,825,392,770	6,333,707,651	12,547,129,407	72,440,563,042	438,312,772,538	420,417,184,968
Total for 30 June 2020	6,771,794,542	318,334,524,818	8,183,007,238	9,723,037,445	77,404,820,925	420,417,184,968	

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021
Consolidated Statement of stores and other assets (physical assets) acquired
 [As submitted and signed by accounting Officers]

Municipal Councils

Municipal Council	Non Produced Assets	Buildings & Structures	Transport Equipment	Machinery & Equipment	Other Assets	Total value of Physical Assets purchased during the period 30-Jun-21	Total value of Physical Assets purchased during the year 30-Jun-20
	Shs.	Shs.	Shs.	Shs.	Shs.	Shs.	Shs.
Arua Municipal Council	-	-	-	-	-	-	160,888,940
Entebbe Municipal Council	-	343,623,042	-	109,565,860	34,841,400	488,030,302	2,782,333,707
Fort-Portal Municipal Council	-	515,802,362	150,977,800	142,303,200	-	809,083,362	179,137,364
Gulu Municipal Council	-	326,252,054	-	-	-	326,252,054	231,871,653
Junja Municipal Council	10,075,667	9,335,974,315	90,000,000	190,237,485	140,170,163	9,766,457,630	7,089,599,667
Kabale Municipal Council	8,200,000	666,630,311	985,000	26,400,000	-	702,215,311	691,975,281
Lira Municipal Council	-	115,701,999	95,987,577	76,252,003	38,253,000	326,194,579	72,698,998
Masaka Municipal Council	16,800,000	463,471,737	-	74,432,000	-	554,703,737	2,043,605,658
Mbale Municipal Council	-	105,317,520	-	7,599,999	8,402,245	121,319,764	231,494,728
Mbarara Municipal Council	148,420,998	10,661,087,752	-	133,999,623	70,321,980	11,013,830,353	3,210,702,676
Moroto Municipal Council	-	1,251,410,714	18,550,000	16,914,548	19,925,333	1,306,800,595	551,246,820
Soroti Municipal Council	-	4,822,120,013	40,500,000	48,603,239	-	4,911,223,252	308,147,339
Tororo Municipal Council	4,214,547	2,304,793,169	17,757,998	72,999,998	68,407,586	2,468,173,298	486,749,303
Kasese Municipal Council	-	852,012,114	-	220,192,000	66,051,788	1,138,255,902	1,575,162,597
Hoima Municipal Council	-	361,760,531	-	5,000,000	84,430,355	451,190,886	243,242,400
Mukono Municipal Council	60,000,000	403,458,480	115,163,248	97,098,593	11,000,000	686,720,321	770,298,421
Iganga Municipal Council	6,000,000	737,774,549	-	2,237,000	19,349,500	765,361,049	615,162,314
Masindi Municipal Council	8,000,000	490,550,521	13,000,000	71,240,000	66,242,487	649,033,008	787,497,567
Ntungamo Municipal Council	-	-	-	-	-	-	-
Busia Municipal Council	12,214,500	372,775,885	-	32,450,736	72,445,307	489,884,428	439,518,031
Bushenyi-Ishaka Municipal Council	217,642,207	194,108,317	45,178,710	2,999,855	-	459,929,089	149,783,146

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Consolidated Statement of stores and other assets (physical assets) acquired

[As submitted and signed by accounting Officers]

Municipal Council	Non Produced Assets	Buildings & Structures	Transport Equipment	Machinery & Equipment	Other Assets	Total value of Physical Assets purchased during the period 30-Jun-21	Total value of Physical Assets purchased during the year 30-Jun-20
	Shs.	Shs.	Shs.	Shs.	Shs.	Shs.	Shs.
Rukungiri Municipal Council	-	272,442,766	-	-	-	272,442,766	518,516,127
Nansana Municipal Council	349,782,899	2,181,894,681	24,378,824	59,349,496	43,831,313	2,659,237,213	1,681,530,861
Makindye Ssabagabo	-	6,995,515,204	1,107,958,134	278,000,000	93,648,480	8,475,121,818	4,351,726,793
Kira Municipal Council	-	4,256,419,885	-	818,230,641	40,078,301	5,114,718,827	1,866,117,114
Kisoro Municipal Council	-	169,399,650	-	-	-	169,399,650	411,608,741
Miryana Municipal Council	-	-	-	-	-	-	293,975,383
Kigungu Municipal Council	-	224,697,417	-	39,290,000	114,951,125	378,938,542	542,312,390
Koboko Municipal Council	80,000,000	1,359,208,889	76,071,000	84,430,434	55,000,000	1,654,710,323	605,200,497
Mubende Municipal Council	-	3,965,500,030	48,642,000	10,560,000	15,469,840	4,040,171,870	921,246,561
Kumi Municipal Council	-	-	-	-	-	-	238,293,736
Lugazi Municipal Council	-	605,632,553	-	23,823,900	41,175,000	670,631,453	755,566,466
Karamuli Municipal Council	3,110,000	2,435,009,028	108,357,196	27,858,069	41,191,000	2,615,525,293	499,910,564
Kapchorwa Municipal Council	1,809,000	244,309,344	-	3,375,000	6,036,096	255,529,440	336,241,073
Ibanda Municipal Council	-	-	-	-	-	-	245,362,362
Njesu Municipal Council	-	511,144,824	-	45,845,887	-	556,990,711	-
Apac Municipal Council	-	466,562,461	-	53,128,879	160,174,216	679,865,556	253,804,090
Nebbi Municipal Council	-	-	-	-	-	-	133,601,747
Bugiri Municipal Council	11,214,548	279,099,732	-	6,442,110	3,500,000	300,256,390	289,048,564
Sheema Municipal Council	10,044,467	417,503,359	-	15,500,000	11,874,000	454,921,826	605,241,250
Kotido Municipal Council	-	175,770,398	-	15,000,000	38,807,000	229,577,398	242,095,843
Total for 30 June 2021	947,528,833	58,884,733,606	1,953,507,487	2,811,950,555	1,365,577,515	65,962,697,996	37,412,516,772
Total for 30 June 2020	730,550,280	29,995,187,929	1,598,780,992	1,583,383,400	3,504,614,171	37,412,516,772	