



THE REPUBLIC OF UGANDA

REPORT OF THE AUDITOR GENERAL
ON THE FINANCIAL STATEMENTS OF GULU DISTRICT LOCAL GOVERNMENT
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2021

OFFICE OF THE AUDITOR GENERAL
UGANDA

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LIST OF ACRONYMS

ACDP	Agriculture Cluster Development Project
PRELNOR	Project for Restoration of Livelihood in Northern Region
AIA	Appropriation in Aid
CAO	Chief Administrative Officer
DLG	District Local Government
GoU	Government of Uganda
HR	Human Resource
INTOSAI	International Organization of Supreme Audit Institutions
ISSAIs	International Standards of Supreme Audit Institutions
LGFAM	Local Government Financial and Accounting Manual, 2007
LGFAR	Local Government Financial and Accounting Manual, 2007
LLG	Lower Local Governments
MAAIF	Ministry of Agriculture, Animal Industry and Fishery
PMU	Project Monitoring Unit
MDAs	Ministries, Departments and Agencies
MoFPED	District of Finance, Planning and Economic Development
MoGLSD	Ministry of Gender, Labour and Social Development
MoH	Ministry of Health
MoLG	Ministry of Local Government
NAA	National Audit Act
NTR	Non-Tax Revenue
NUSAF	Northern Uganda Social Action Fund
OAG	Office of the Auditor General
PDU	Procurement & Disposal Unit
PFMA	Public Finance Management Act
PFMR	Public Finance Management Regulations
PPDA	Public Procurement & Disposal of Public Assets
PBS	Program Budgeting System
PS/ST	Permanent Secretary / Secretary to the Treasury
TI	Treasury Instructions
TSA	Treasury Single Account
TSSA	Treasury Sub Single Account
UCF	Uganda Consolidated Fund
UgIFT	Uganda Intergovernmental Fiscal Transfers Program for Results
UGX	Uganda Shilling
UWEP	Uganda Women Empowerment Project
YLP	Youth Livelihood Program

REPORT OF THE AUDITOR GENERAL
ON THE AUDIT OF FINANCIAL STATEMENTS OF GULU DISTRICT
LOCAL GOVERNMENT
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2021

THE RT. HON. SPEAKER OF PARLIAMENT

Opinion

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

In my opinion, the financial statements of Gulu District Local Government for the financial year ended 30th June 2021 are prepared, in all material respects, in accordance with Section 51 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 Statements Section of my report. I am independent of the District in accordance with the Constitution of the Republic of Uganda 1995 (as amended), the National Audit Act, 2008, the International Organization of Supreme Audit Institutions (INTOSAI) Code of Ethics, the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code), and other independence requirements applicable to performing audits of Financial Statements in Uganda. I have fulfilled my other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing audits in Uganda. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

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

1.0 Payroll Management

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 LGs 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.

I analysed the approved budget and releases to Gulu District for salary, pension and gratuity in the period under review, as shown below;

Table showing Breakdown of Gulu DLG Budget and releases for the year

Category	Initial budget (UGX) (Bn)	Revised budget (UGX) (Bn)	Amount released (UGX) (Bn)	%age funding received
Salary	17.978	18.270	17.978	97.4
Pension	3.418	3.418	3.418	100
Pension arrears	0.462	0.462	0.462	100
Gratuity	0.798	0.798	0.798	100
Total	22.656	22.948	22.656	98.7

The wage and Pension Pay roll of UGX. 22.948 constituted 53.6% of the District's budget for 2020/2021 of UGX.42.3Bn.

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

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

No	Observations	Recommendations
1.1	<p><u>Budgeting for Salary, Pension and Gratuity</u></p> <p>i) <u>Submission of wage estimates</u></p> <p>Paragraph 2.2 of the Establishment Notice No. 2 of 2019, required LGs to submit salary, pension and gratuity estimates for the subsequent year to Ministry of Public (MoPS) by the 30th of September of the previous year. I noted that the District delayed to submit wage estimates to MoPS, as required. The submission was made on 14th January 2020 which is 106 days after the required date. This may lead to wage shortfalls/over provision due to lack of clarity and analysis of wage estimates by MoPS. The Accounting Officer attributed the delayed submission to the health condition of the Head of Human Resource Management Sector, whose absence created a gap in the sector.</p>	<p>I advised the Accounting Officer to always submit wage estimates to MoPS by 30th September of the preceding year.</p>
1.2	<p><u>Payment of Salaries, Pension and Gratuity</u></p> <p>i) <u>Absorption of Funds</u></p> <p>I reviewed funds absorption and noted that UGX.17.686 billion (81%) was spent out of the total receipts of UGX.22.656 billion, resulting in an unabsorbed balance of UGX. 4.97 billion. The unabsorbed balance was subsequently swept back to the consolidated fund account.</p>	<p>I advise the Accounting Officer MoPS and MoFPED to reconcile the district payroll with the wage bill always provided and released to the</p>

	<p>Refer to the table below;</p> <table border="1" data-bbox="284 220 1144 493"> <thead> <tr> <th></th> <th>Approved Estimates (A)</th> <th>Releases/ Warrant (B)</th> <th>Expenditure (C)</th> <th>Unspent (B-C)</th> <th>% absorp-tion</th> </tr> <tr> <th></th> <th>(UGX 'bns)</th> <th>(UGX 'bns)</th> <th>(UGX 'bns)</th> <th>(UGX 'bns)</th> <th></th> </tr> </thead> <tbody> <tr> <td>Wage</td> <td>18.270</td> <td>17.978</td> <td>14.566</td> <td>3.412</td> <td>81</td> </tr> <tr> <td>Pensio/ Gratuity</td> <td>4.678</td> <td>4.678</td> <td>3.120</td> <td>1.558</td> <td>66.7</td> </tr> <tr> <td>Total</td> <td>22.948</td> <td>22.656</td> <td>17.686</td> <td>4.97</td> <td>78</td> </tr> </tbody> </table> <p>The under absorption of funds, denied the use of funds for other deserving service delivery areas. The Accounting Officer explained that the under absorption was caused by excess funds released/warranted to the district.</p>		Approved Estimates (A)	Releases/ Warrant (B)	Expenditure (C)	Unspent (B-C)	% absorp-tion		(UGX 'bns)	(UGX 'bns)	(UGX 'bns)	(UGX 'bns)		Wage	18.270	17.978	14.566	3.412	81	Pensio/ Gratuity	4.678	4.678	3.120	1.558	66.7	Total	22.948	22.656	17.686	4.97	78	<p>district to remove the excess funds released to the District over the years.</p>
	Approved Estimates (A)	Releases/ Warrant (B)	Expenditure (C)	Unspent (B-C)	% absorp-tion																											
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	<p>ii) Under payment of pension/ gratuity A review of the pension payroll data and IFMS payments, revealed variances between amounts on the payroll and payments to individual pensioners, leading to under payments of UGX.0.300 bn, contrary to article 254 (1) & (3) of the 1995 constitution (as amended). Details in Appendix 1. The underpayment of pension and gratuity negatively affect wellbeing retirees/ or their dependants. The Accounting Officer attributed this to various reasons ranging from delayed submission of letters of Administration by the beneficiaries to incorrect supplier and bank account numbers.</p>	<p>I advised the Accounting Officer to ensure that pension/gratuity is accurately paid.</p>																														
	<p>iii) Payment of non-existent pensioners UGX.987,066 was paid to one (01) purported pensioner that was neither on the IPPS payroll register nor possessed the necessary documentation to support the existence, contrary to Section (L - b) (2) of Uganda Public Service Standing Orders, 2010.</p> <table border="1" data-bbox="305 1186 1193 1276"> <thead> <tr> <th>Sn</th> <th>Supplier No</th> <th>Name Of Staff</th> <th>Amount</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>869976</td> <td>David Oyet Tidy</td> <td>987,066</td> <td>Pension file not availed</td> </tr> </tbody> </table> <p>This led to loss of funds to Government and over statement of pension expenditure. The Accounting Officer explained that Mr. David Oyet Tidy is not a pensioner of Gulu District; and that management was still trying to trace how the officer was paid as a pensioner on Gulu district site.</p>	Sn	Supplier No	Name Of Staff	Amount	Remarks	1.	869976	David Oyet Tidy	987,066	Pension file not availed	<p>I advised the Accounting Officer to recover funds from the purported pensioner.</p>																				
Sn	Supplier No	Name Of Staff	Amount	Remarks																												
1.	869976	David Oyet Tidy	987,066	Pension file not availed																												
	<p>iv) Wrong computation of Gratuity Paragraph (L-d) (3) provides that a public officer has an option to receive all his or her pension as an annuity or to commute a third (1/3) of his or her pension for a 15-year period and receive it as a lump sum at retirement. Through re-computation of gratuity benefits, I noted that the District had wrongly computed gratuity benefits for 01 pensioner although payment of UGX.8,351,004 was fully effected within the year under review.</p>	<p>I advised the Accounting Officer to recover the overpayment from the pensioner.</p>																														

	<p>However, the Human resource officer confirmed that the correct annual salary of the one (01) pensioner as per the salary structure is UGX. 2,844,832 and the length of service 285 months. If calculated correctly then the CPG amount should have been UGX. 7,101,771 instead of UGX. 8,351,004 leading to an overpayment of UGX. 1,249,233. This was attributed to error in the computation of the gratuity.</p>																																													
	<p>v) Delayed deletion of staff from payroll Section B-a (12) of the Uganda Public Standing Orders, 2010 requires the payment of salary to public officers to be stopped immediately they cease rendering services to Government under whatever circumstances, including death. I noted that UGX. 39,616,954 was paid to 11 staff who had either retired, transferred, absconded or died as detailed in appendix 2. These were payment for services not rendered to the District resulting in loss of funds to Government. The Accounting Officer attributed this to; non- validation status, inconsistencies in dates of birth, on IPPS and National IDs and the conditions set by the MoPS for correction of date of birth is so difficult to fulfil for pensioners who were recruited in service long time.</p>	<p>I advised the Accounting Officer to ensure prompt removal of staff from the payroll.</p>																																												
<p>1.3</p>	<p>Management of Payroll Deductions i) Over/Under remittance of deductions Section B-a (17) requires a public officer's individual contractual obligations such as hire purchase, loan, and contributions to saving schemes, trade unions and staff associations to be deducted from his or her salary, in accordance with the regulations. I noted that whereas UGX.3,908,218,081 was deducted from employees' salaries to be remitted to different beneficiaries, UGX.3,916,669,698 was remitted, leading to an over/under remittance of UGX.13,319,747 and UGX.4,868,130 respectively as shown in the table below.</p> <table border="1" data-bbox="284 1218 1177 1633"> <thead> <tr> <th rowspan="2">Sn</th> <th rowspan="2">Beneficiary</th> <th rowspan="2">Deduction code</th> <th rowspan="2">Payroll Deduction amount (UGX)</th> <th rowspan="2">Amount remitted as per IFMS (UGX)</th> <th colspan="2">Variance</th> </tr> <tr> <th>Over remittance (UGX)</th> <th>Under remittance (UGX)</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>URA</td> <td>249</td> <td>2,715,103,934</td> <td>2,728,423,681</td> <td>13,319,747</td> <td></td> </tr> <tr> <td>2.</td> <td>UNATU</td> <td>257</td> <td>43,850,113</td> <td>40,236,432</td> <td>0</td> <td>3,613,681</td> </tr> <tr> <td>3.</td> <td>UBA</td> <td>482</td> <td>1,078,249,034</td> <td>1,077,084,585</td> <td>0</td> <td>1,164,449</td> </tr> <tr> <td>4.</td> <td>LST (District revenue collection account)</td> <td>250</td> <td>71,015,000</td> <td>70,925,000</td> <td>0</td> <td>90,000</td> </tr> <tr> <td></td> <td>Total</td> <td></td> <td>3,908,218,081</td> <td>3,916,669,698</td> <td>13,319,747</td> <td>4,868,130</td> </tr> </tbody> </table> <p>The over remittance was caused by error leading to overstatement of expenditure. The under remittance was caused by recovery for previous period 2019/2020, created obligation of UGX.4,868,130 at the year-end which may result in fines and penalties.</p>	Sn	Beneficiary	Deduction code	Payroll Deduction amount (UGX)	Amount remitted as per IFMS (UGX)	Variance		Over remittance (UGX)	Under remittance (UGX)	1.	URA	249	2,715,103,934	2,728,423,681	13,319,747		2.	UNATU	257	43,850,113	40,236,432	0	3,613,681	3.	UBA	482	1,078,249,034	1,077,084,585	0	1,164,449	4.	LST (District revenue collection account)	250	71,015,000	70,925,000	0	90,000		Total		3,908,218,081	3,916,669,698	13,319,747	4,868,130	<p>I advised the Accounting Officer to recover the overpayment and ensure that funds are remitted as top ups to whose underpaid.</p>
Sn	Beneficiary						Deduction code	Payroll Deduction amount (UGX)	Amount remitted as per IFMS (UGX)	Variance																																				
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	Total		3,908,218,081	3,916,669,698	13,319,747	4,868,130																																								

	<p>The Accounting Officer acknowledged the issues of overpayment and further explained that underpayment was due to validation challenges during data capture.</p>	
	<p>ii) Un-authorized loans deductions Section 2.1.2 & 2.1.4 of the service agreement between the Government (MoPS) and Uganda Consumer Lenders' Association/Uganda Bankers' Association requires a letter of undertaking for each Government employee before making an employee reservation on the PDMS. In addition, only deductions consented to by employees, in writing, should be submitted to the MoPS for timely monthly payroll processing or as advised by the employer.</p> <ul style="list-style-type: none"> I noted that the District made unauthorised loan deductions totalling UGX. 15,490,451. The deductions were from 42 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 as shown in Appendix 3. <p>There is a risk of making deductions from staff that have no loans, which defrauds them of their hard earned funds. The Accounting Officer did not provide response on the issue.</p>	<p>I advised the Accounting Officer to ensure that all loan applications are always backed by letters of undertaking and are approved through the PDMS.</p>
	<p>iii) Delayed remittance of deductions to UCLA/UBA Paragraph 4.6.1 of Establishment Notice No. 2 of 2019 requires payroll deductions to be remitted concurrently with salary payments.</p> <ul style="list-style-type: none"> I noted that the District made payroll deductions but did not remit concurrently with the salary payments in 11 out of 12 months. On average, it delayed by 25.3 days, as shown in appendix 4. <p>Delayed remittance of deductions to UCLA/UBA could lead to delays in updating loan status with the various financial institutions causing un-necessary default charges on employees. The Accounting Officer acknowledged the issue and pledged to ensure timely/concurrent remittances.</p>	<p>I advised the Accounting Officer to ensure that all deductions to UCLA/UBA are remitted concurrently with salary payments.</p>
	<p>iv) Delayed remittance of PAYE deductions to URA Section 123(1) of the Income Tax Act, 1997 (as amended) requires withholding agents 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.</p> <ul style="list-style-type: none"> I noted delays in the remittance of PAYE deductions to URA ranging from 1 – 31 days, as shown in appendix 5. <p>Delayed remittance of PAYE attracts fines and penalties from the Revenue Authority. The Accounting Officer acknowledged the issue and pledged to ensure timely/concurrent remittances.</p>	<p>I advised the Accounting Officer to ensure that all deductions to URA are remitted concurrently with salary payments.</p>
	<p>v) Non deduction of PAYE from political leaders I noted that the District did not subject political leaders' gratuity totalling to UGX.36,733,861 to the computation of PAYE in IPPS, leading to an under deduction of UGX.11,003,344, contrary to section 19(1) (a) of the Income Tax Act. Details are shown in the appendix 6.</p>	<p>I advised the Accounting Officer to ensure that political leaders' gratuity is subjected to tax by including in the gross taxable income when</p>

	<p>This denies Government the would be revenue. The Accounting Officer explained that the computation of PAYE on persons on payroll had solely been the responsibility of the Ministry of Public Service. The district receives a finalized payroll register report and the interface file for payment detailing all deductions to be paid; however, management pledged to consult further with the MoPS to avoid re-occurrence of the omission.</p>	<p>computing PAYE.</p>																																																								
<p>1.4</p>	<p>Access to Payrolls i) Delayed access to Salary Payroll Section B-a (11) of the Uganda Public Standing Orders, 2010, requires Accounting Officers to ensure that Public Officers access the payroll within four (4) weeks from date of assumption of duty. I noted that two (02) newly transferred employees delayed to access payroll, with delays ranging between 4-8 weeks, as shown in the table below;</p> <table border="1" data-bbox="284 640 1193 871"> <thead> <tr> <th>S n</th> <th>Employee ID</th> <th>Employee Name</th> <th>Assumption date</th> <th>Month payroll was accessed</th> <th>Estimated variance in days</th> <th>Estimated variance in weeks</th> <th>Audit remarks</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>942244</td> <td>Charles Ocan Ray</td> <td>14/04/2021</td> <td>6/30/2021</td> <td>31</td> <td>4</td> <td>Delayed</td> </tr> <tr> <td>2.</td> <td>187574</td> <td>Sam Ojok Omara</td> <td>14/4/2021</td> <td>6/30/2021</td> <td>61</td> <td>8</td> <td>Delayed</td> </tr> <tr> <td colspan="5">Total</td> <td>92</td> <td>12</td> <td></td> </tr> <tr> <td colspan="5">Average</td> <td>46</td> <td>6</td> <td></td> </tr> </tbody> </table> <p>Delayed access to payroll leads to demotivation of the affected staff and accumulation of salary arrears. The Accounting Officer explained that the two officers transferred their services to the district, but failed to notify the district of their transfer in time.</p>	S n	Employee ID	Employee Name	Assumption date	Month payroll was accessed	Estimated variance in days	Estimated variance in weeks	Audit remarks	1.	942244	Charles Ocan Ray	14/04/2021	6/30/2021	31	4	Delayed	2.	187574	Sam Ojok Omara	14/4/2021	6/30/2021	61	8	Delayed	Total					92	12		Average					46	6		<p>I advised the Accounting Officer to ensure that newly transferred staff promptly access the payroll and are subsequently paid.</p>																
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Total					92	12																																																				
Average					46	6																																																				
	<p>ii) Delayed access to Pension payroll Paragraph 5.1 of establishment notice no. 1 of 2020 requires responsible officers to initiate and complete the processing of retirement benefits within six months to the mandatory retirement date. In case of death or early retirement, the process should be initiated immediately the Letters of Administration are issued and/or the early retirement has been granted. I noted that 05 pensioners delayed to access the pension payroll, with delays ranging between 01-6 months, as shown in the table below;</p> <table border="1" data-bbox="284 1285 1128 1675"> <thead> <tr> <th>Sn</th> <th>Employee ID</th> <th>Employee Name</th> <th>Retirement date/death date</th> <th>Month payroll was accessed</th> <th>Estimated variance in days</th> <th>Audit remarks</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>312337</td> <td>Albert Ocaya</td> <td>25/10/2020</td> <td>31/03/2021</td> <td>121</td> <td>Delayed</td> </tr> <tr> <td>2.</td> <td>272440</td> <td>Kilama, Joseph</td> <td>16/10/2020</td> <td>31/03/2021</td> <td>121</td> <td>Delayed</td> </tr> <tr> <td>3.</td> <td>273075</td> <td>Awor, Mary Langol</td> <td>9/1/2021</td> <td>31/03/2021</td> <td>31</td> <td>Delayed</td> </tr> <tr> <td>4.</td> <td>273552</td> <td>Okech, Richard</td> <td>09/10/2020</td> <td>31/05/2021</td> <td>182</td> <td>Delayed</td> </tr> <tr> <td>5.</td> <td>661820</td> <td>Lakot, Joyce Rev</td> <td>10/03/2020</td> <td>31/10/2020</td> <td>184</td> <td>Delayed</td> </tr> <tr> <td colspan="5">Total</td> <td>639</td> <td></td> </tr> <tr> <td colspan="5">Average</td> <td>42.6</td> <td></td> </tr> </tbody> </table> <p>Delayed access to the pension payroll leads to poor wellbeing of the affected retirees as well as accumulation of pension arrears. The delay to pay the above pensioners was caused by delayed submission of documents by pensioners.</p>	Sn	Employee ID	Employee Name	Retirement date/death date	Month payroll was accessed	Estimated variance in days	Audit remarks	1.	312337	Albert Ocaya	25/10/2020	31/03/2021	121	Delayed	2.	272440	Kilama, Joseph	16/10/2020	31/03/2021	121	Delayed	3.	273075	Awor, Mary Langol	9/1/2021	31/03/2021	31	Delayed	4.	273552	Okech, Richard	09/10/2020	31/05/2021	182	Delayed	5.	661820	Lakot, Joyce Rev	10/03/2020	31/10/2020	184	Delayed	Total					639		Average					42.6		<p>I advised the Accounting Officer to ensure that pensioners promptly access the payroll and are subsequently paid.</p>
Sn	Employee ID	Employee Name	Retirement date/death date	Month payroll was accessed	Estimated variance in days	Audit remarks																																																				
1.	312337	Albert Ocaya	25/10/2020	31/03/2021	121	Delayed																																																				
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	The Accounting Officer explained that the affected pensioners had died and their families failed to avail names of administrators on time and some estates had over stayed for 15 years on the pension payroll after which their payment were stopped as per the Pension Act.	
1.5	<u>Internal Control Weaknesses</u>	
	<p>i) <u>Monthly wage, pension and gratuity performance analysis and remittance of quarterly returns to MoPS</u></p> <p>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.</p> <p>This led to accumulations of arrears and under absorption of wage, pension and gratuity budget.</p> <p>The Accounting Officer attributed this to the Human Resource Management sector was unable to undertake monthly wage, pension and gratuity performance analysis returns on the payroll to MoPS because of the health condition of the head of the sector, whose absence created staffing gap in the sector.</p>	I advised the Accounting Officer to ensure that monthly wage, pension and gratuity performance analyses are undertaken and that quarterly returns on payroll are submitted to MoPS.
	<p>ii) <u>Payments of salaries, pension & gratuity off IPPS</u></p> <p>Paragraph 4.5 of Establishment Notice No. 2 of 2019 requires the responsible officer to pay for only salaries, pension and gratuity processed through IPPS. From a comparison of the payroll register and IFMS payment file.</p> <p>I noted that 16 staff and 05 pensioners were paid a total of UGX. 114 million off the IPPS, as shown in Appendix 7.</p> <p>This control weakness creates an opportunity for payment of salaries and pension to non-eligible persons, hence loss of funds to Government. The Accounting Officer explained that:-</p> <ol style="list-style-type: none"> 1. Mr. Opwonya Eric Mark Kafunzi is an employee who was being paid salary from Uganda Road Fund off the payroll. 2. The interim chairpersons of the newly created Sub Counties had not been loaded on the IPPS; hence being paid off the IPPS. 	I advised the Accounting Officer to ensure that salaries, pension and gratuity is processed and paid through the IPPS.
1.6	<u>System related challenges</u>	
	<p>i) <u>Inconsistencies between MoPS and entity payroll registers</u></p> <p>I observed that there were variances of UGX.35,994,412 between the figures in the MoPS IPPS and entity payroll register, as shown in appendix 8. The above undermines the integrity of the IPPS system and there is risk of manipulation and misappropriation of salary/pension funds due to lack of reconciliatory controls between the entity information and IPPS master data at MoPS.</p> <p>The Accounting Officer attributed the inconsistencies to cases where some salary arrears as effected/ invoiced directly through the IFMS outside the IPPS due to validation challenges; hence, inconsistencies in the information on IPPS and NIS.</p>	I advised the Accounting Officer to ensure that the entity IPPS payroll registers are consistent with MoPS payroll data.
	<p>ii) <u>Effectiveness and reliability of the IPPS/NID interface</u></p> <p>I reviewed the effectiveness and reliability of the IPPS/NID staff/pensioner/beneficiaries' verification interface and noted the following;</p> <ul style="list-style-type: none"> • There was adequate sensitization and training in the use and navigation of the system. 	I advised the Accounting Officer to liaise with MoPS to ensure effective verification of the IPPS

	<ul style="list-style-type: none"> • System was not reliable and effective as it does not generate information such as photographs and dates of birth from NID. • Operational challenges were encountered such; as unreliable network and failure in generating information from the NID system. <p>The ineffectiveness of the system may affect the integrity of the IPPS payroll. The Accounting Officer explained that this mandate lies with the MoPS.</p>	and NID interface is carried.
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Emphasis of Matter

Without modifying my opinion, I would like to draw the readers’ attention to the following matters which have been disclosed in the financial statements of the District;

2.0 Outstanding Payables (Deposits received)

A review of the statement of financial position on page 19 of the financial statements revealed that the district had outstanding payables of UGX.1.211 bn (Deposits received UGX.1.100 bn and Trade creditors of UGX.0.111bn) by the end of the year. A detailed review of the categorization and aging of the payables in note 24 on page 36 of the financial statements revealed that out of the outstanding payables, UGX.0.95 bn relate to the previous financial years.

These long outstanding payables may lead to litigation costs due to non or delayed settlement.

I advised the Accounting Officer to prioritize full settlement of the long outstanding payables.

3.0 Long Outstanding Receivables

Included in the statement of financial position on page 11 of the Financial Statements is a long outstanding debtors amount of UGX.2.063 bn (Accrued revenue UGX.0.985 bn and Advances (YLP & UWEP) UGX.1.078 bn). However, there was no evidence that management made any effort to enforce recoveries. There is a risk that these funds may become uncollectible leading to a financial loss to the entity.

Receivables represent an idle asset that denies the Council the opportunity to utilise the funds to implement planned activities.

I advised the Accounting Officer to initiate measures aimed at collecting the outstanding amount.

Other Matter

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

4.0 **Implementation of the approved budget**

A review of the district's approved work plans and budgets revealed that the Gulu District had an approved budget (revised) of UGX.42.3Bn, out of which UGX.30.9Bn was warranted/ availed by the end of the financial year. The total expenditure for the year was UGX.26.5Bn out of which UGX.18.9Bn¹ was spent on non-service delivery activities, such as employee costs and transfers to other units (i.e. Town-councils, sub-counties, schools), implying that only UGX.7.6Bn was available for direct implementation of service delivery outputs.

Base on procedures undertaken, I made the following significant observations.

No	Observation	Recommendation
4.1	<p><u>Existence of Strategic plans that are aligned to NDP-III</u></p> <p>Paragraph 5 of the budget execution circular for financial year 2020/2021 states that over the years the alignment of Government Budgets with the NDP has been poor and needs to be improved. Therefore, Accounting Officers must ensure that all activities for the Financial Year 2020/2021 are aligned with NDP III and implemented accordingly.</p> <p>This being the first year of implementation of the NDP-III, the entity was expected to prepare and approve a strategic plan that was aligned to NDP III. It is from this strategic plan that the annual plans would be based in order to achieve the objectives of NDP-III.</p> <p>I noted that the entity had prepared and submitted the strategic plan to NPA and has been sent back for necessary corrections and awaiting approval at the time of audit.</p> <p>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.</p> <p>The Accounting Officer explained that the District had a draft strategic plan i.e. District Development plan III which was submitted to NPA for review. NPA has since returned the draft and management is incorporating the comments of NPA and a final Draft will be approved by council by the time of laying on table of the Budget for FY 2022/23.</p>	<p>I advised the Accounting Officer to ensure approval of the strategic plan that is aligned to NDP-III to facilitate the achievement of the NDP objectives.</p>
4.2	<p><u>Revenue Performance</u></p>	
4.2.1	<p><u>Local Revenue (LR) Performance</u></p> <p>I reviewed the approved Local revenue estimates for the financial year 2020/2021 and noted that the District budgeted to collect UGX.1.702Bn during the year but collected UGX.0.725Bn representing (42.6%) performance. The shortfalls in Local Revenue collections of UGX.0.986Bn (57.4%) were recorded in Local Service Tax, Land Fees, Business Licence, other tax revenues and rent.</p> <p>Shortfalls in NTR collections at vote level result in aggregate revenue shortfalls at treasury level which negatively affects the implementation of</p>	<p>I advised the Accounting Officer to follow up Local revenue not collected from UNRA. I also advised the Accounting Officer to initiate measures</p>

¹Employee costs, salaries, transfers to other organizations and other transactions of similar nature.

	<p>planned activities at a Government-wide level.</p> <p>The Accounting Officer explained that the Covid-19 pandemic impact that slowed down the economy and failure to collect compensation from UNRA for the District property affected by construction of OLWIYO to Sir Samuel Baker Road.</p>	<p>aimed at enhancing local revenue collection.</p>																																																																								
<p>4.2.2</p>	<p>Transfers from other Government Units/Other Government Transfers</p> <p>The entity budgeted to receive UGX.8,937,648,668 as transfers from other Government Units out of which UGX.1,810,996,737 was received representing 20.3% performance as shown in the details below.</p> <table border="1" data-bbox="358 604 1258 1459"> <thead> <tr> <th>S/ NO</th> <th>Revenue Source</th> <th>Approved Budget" (UGX)</th> <th>Total Receipts (UGX)</th> <th>Variance (UGX)</th> <th>%Per formance</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>NUSAF</td> <td>600,000,000</td> <td>564,487,837</td> <td>35,512,163</td> <td>94</td> </tr> <tr> <td>2</td> <td>Support to PLE-UNEB</td> <td>10,000,000</td> <td>13,452,948</td> <td>-3,452,948</td> <td>135</td> </tr> <tr> <td>3</td> <td>URF</td> <td>920,969,000</td> <td>465,339,440</td> <td>455,629,560</td> <td>50.5</td> </tr> <tr> <td>4</td> <td>Uganda Women Entrepreneurship Program (UWEP)</td> <td>9,844,000</td> <td>7,063,319</td> <td>2,780,681</td> <td>71.8</td> </tr> <tr> <td>5</td> <td>YLP</td> <td>50,000,000</td> <td>0</td> <td>50,000,000</td> <td>0</td> </tr> <tr> <td>6</td> <td>UGFIT Unspent Balances</td> <td>0</td> <td>577,190,074</td> <td>-577,190,074</td> <td>0</td> </tr> <tr> <td>7</td> <td>Project for Restoration of Livelihood in Northern Region (PRELNOR)</td> <td>559,926,000</td> <td>17,102,400</td> <td>542,823,600</td> <td>3</td> </tr> <tr> <td>8</td> <td>Neglected Tropical Diseases (NTDs)</td> <td>50,000,000</td> <td>40,960,000</td> <td>9,040,000</td> <td>81.9</td> </tr> <tr> <td>9</td> <td>Agriculture Cluster Development Project (ACDP)</td> <td>6,736,909,000</td> <td>75,882,052</td> <td>6,661,026,948</td> <td>1.1</td> </tr> <tr> <td>10</td> <td>Covid-19 (MPs fund)</td> <td>0</td> <td>49,518,667</td> <td>-49,518,667</td> <td>0</td> </tr> <tr> <td></td> <td>Total</td> <td>8,937,648,000</td> <td>1,810,996,737</td> <td>7,126,651,263</td> <td>20.3</td> </tr> </tbody> </table> <p>Note: Extract from Q4 budget performance report & quarterly releases</p> <p>Revenue shortfalls affect the implementation of planned activities.</p> <p>The Accounting Officer explained that;</p> <ul style="list-style-type: none"> The Ministry (MAAIF) under the ACDP programme issued the District with change of management of the development component of the programme that would then be implemented by the ministry which caused a shortfall of UGX.6.60 Billion. 	S/ NO	Revenue Source	Approved Budget" (UGX)	Total Receipts (UGX)	Variance (UGX)	%Per formance	1	NUSAF	600,000,000	564,487,837	35,512,163	94	2	Support to PLE-UNEB	10,000,000	13,452,948	-3,452,948	135	3	URF	920,969,000	465,339,440	455,629,560	50.5	4	Uganda Women Entrepreneurship Program (UWEP)	9,844,000	7,063,319	2,780,681	71.8	5	YLP	50,000,000	0	50,000,000	0	6	UGFIT Unspent Balances	0	577,190,074	-577,190,074	0	7	Project for Restoration of Livelihood in Northern Region (PRELNOR)	559,926,000	17,102,400	542,823,600	3	8	Neglected Tropical Diseases (NTDs)	50,000,000	40,960,000	9,040,000	81.9	9	Agriculture Cluster Development Project (ACDP)	6,736,909,000	75,882,052	6,661,026,948	1.1	10	Covid-19 (MPs fund)	0	49,518,667	-49,518,667	0		Total	8,937,648,000	1,810,996,737	7,126,651,263	20.3	<p>I advised the Accounting Officer to always to roll over the affected program to the subsequent period.</p>
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	<ul style="list-style-type: none"> The implementation modalities for YLP also changed causing further shortfalls. Project for Restoration of Livelihood in Northern Region (PRELNOR) under-performances were attributed to deductions by PMU. 																																																	
4.2.3	<p>Performance from external financing The entity budgeted to receive UGX.3,254,000,000 as external/donor financing out of which UGX.196,516,003 was received representing 6.4% performance as shown in the details below.</p> <table border="1" data-bbox="358 575 1235 1530"> <thead> <tr> <th>S/n</th> <th>Donor</th> <th>Approved Budget" (UGX)</th> <th>Total Receipts (UGX)</th> <th>Variance (UGX)</th> <th>%Performance</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>United Nations Children Fund (UNICEF)</td> <td>318,000,000</td> <td>80,000,760</td> <td>237,999,240</td> <td>25.1</td> </tr> <tr> <td></td> <td>United Nations Population Fund (UNPF)</td> <td>368,000,000</td> <td>43,352,736</td> <td>324,647,264</td> <td>11.8</td> </tr> <tr> <td>2</td> <td>Global fund for HIV, TB and Malaria</td> <td>165,000,000</td> <td>31,450,000</td> <td>133,550,000</td> <td>19</td> </tr> <tr> <td></td> <td>World Health Organisation (WHO)</td> <td>30,000,000</td> <td>40,969,000</td> <td>-10,969,000</td> <td>136.6</td> </tr> <tr> <td></td> <td>Global Alliance for Vaccines and Immunization (GAVI)</td> <td>158,000,000</td> <td>74,629,314</td> <td>83,370,686</td> <td>47.2</td> </tr> <tr> <td>3</td> <td>United States Agency for International Development (USAID)</td> <td>2,215,000,000</td> <td>0</td> <td>2,215,000,000</td> <td>0</td> </tr> <tr> <td></td> <td>Total</td> <td>3,254,000,000</td> <td>196,516,003</td> <td>2,983,598,190</td> <td></td> </tr> </tbody> </table> <p>Revenue shortfalls affect the implementation of planned activities.</p> <p>The Accounting Officer explained that the underperformance in external financing was due to roll over of USAID program by the funders.</p>	S/n	Donor	Approved Budget" (UGX)	Total Receipts (UGX)	Variance (UGX)	%Performance	1	United Nations Children Fund (UNICEF)	318,000,000	80,000,760	237,999,240	25.1		United Nations Population Fund (UNPF)	368,000,000	43,352,736	324,647,264	11.8	2	Global fund for HIV, TB and Malaria	165,000,000	31,450,000	133,550,000	19		World Health Organisation (WHO)	30,000,000	40,969,000	-10,969,000	136.6		Global Alliance for Vaccines and Immunization (GAVI)	158,000,000	74,629,314	83,370,686	47.2	3	United States Agency for International Development (USAID)	2,215,000,000	0	2,215,000,000	0		Total	3,254,000,000	196,516,003	2,983,598,190		<p>I advised the Accounting Officer to ensure that unimplemented projects are rolled over to the subsequent year and implemented accordingly.</p>
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4.3	<p><u>Unremitted off -budget receipts</u></p> <p>Paragraph 29 of the Budget Execution Circular for the Financial year states that in the event that 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 Gulu District received off-budget financing to a tune of UGX.249,984,529 directly from Enable-USAID funded project and Bank of Uganda for undertaking activities which was never declared to the Treasury and as such no supplementary appropriation was issued as guided by the PS/ST.</p> <p>Details shown in table below;</p> <table border="1" data-bbox="358 646 1182 800"> <thead> <tr> <th>Entity</th> <th>Source</th> <th>Amount (UGX)</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>Gulu District</td> <td>Enable-USAID</td> <td>209,984,529</td> <td>Not recognised</td> </tr> <tr> <td>Gulu District</td> <td>Bank of Uganda</td> <td>40,000,000</td> <td>Not recognised</td> </tr> <tr> <td>Total</td> <td></td> <td>249,984,529</td> <td></td> </tr> </tbody> </table> <p>Off-budget financing distorts planning, may result in duplication of activities and is also contrary to the Public Finance Management Act 2015.</p> <p>The Accounting Officer explained that the non-compliance was due to direct remittance of the funds by the funders to the beneficiary institutions. However, performance agreements for each health facility under RBF –result based financing was signed.</p>	Entity	Source	Amount (UGX)	Remarks	Gulu District	Enable-USAID	209,984,529	Not recognised	Gulu District	Bank of Uganda	40,000,000	Not recognised	Total		249,984,529		I advised the Accounting Officer to always adhere to the provisions of the law.		
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4.4	<p><u>Absorption of funds</u></p> <p>Out of the total receipts for the financial year of UGX.30.965Bn, UGX.26.047Bn was spent by the entity resulting in an unspent balance of UGX.4.918Bn (84.1%). The unspent balance at the end of the financial year was subsequently swept back to the consolidated fund account. Refer to table below;</p> <table border="1" data-bbox="358 1318 1174 1562"> <thead> <tr> <th colspan="6">Year 2020/21</th> </tr> <tr> <th>APP EST (A) (UGX (bn)</th> <th>RELEASE (B) (UGX) (bns)</th> <th>Expenditure (C) (UGX billions)</th> <th>Unspent (B-C) (UGX billions)</th> <th colspan="2">% absorption</th> </tr> </thead> <tbody> <tr> <td>42.284</td> <td>30.965</td> <td>26.047</td> <td>4.918</td> <td colspan="2">84.1</td> </tr> </tbody> </table> <p>Under absorption of released funds results in non-implementation of planned activities and negates the purpose for which funds were disbursed. The funds were meant for activities that were not fully implemented by the end of the financial year and these include;</p> <ol style="list-style-type: none"> 1. Non-recruitment of staff due to the fact the District Service Commission members' tenure expired. 	Year 2020/21						APP EST (A) (UGX (bn)	RELEASE (B) (UGX) (bns)	Expenditure (C) (UGX billions)	Unspent (B-C) (UGX billions)	% absorption		42.284	30.965	26.047	4.918	84.1		I advised the Accounting Officer to make a follow up of the unspent funds and ensure they are re-voted to undertake the recruitment exercise and rehabilitation and construction of the schools.
Year 2020/21																				
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	<p>2. UGIFT fund meant for the Rehabilitation of Sir Samuel Baker School whose contractor was not contracted by MoES and Construction of Palaro Seed Secondary School whose contractor performed poorly</p> <p>The Accounting Officer attributed the under absorption of released funds to COVID-19 pandemic which affected the recruitment process coupled with the absence of the District Service Commission whose membership would not warrant the recruitment process to be completed.</p>																																																							
4.5	<p>Quantification of outputs/activities</p> <p>The Accounting Officer is required to submit quarterly performance reports by the 30th day of the first month of the following quarter. These reports should clearly indicate the actual performance against the planned outputs and performance for each quarter, showing the quantity/quality and physical location of the reported outputs against expenditure.</p> <p>Out of the two (2) outputs with a total of five (5) activities and expenditure of UGX.0.93Bn sampled for assessment I reviewed the extent of quantification of outputs and activities and noted the following;</p> <ul style="list-style-type: none"> • One (1) output with a total of three (3) activities and expenditure worth UGX.0.304Bn were fully quantified. That is, all the three (3) activities (100%) within these outputs were clearly quantified to enable assessment of performance. • One (1) output with a total of two (2) activities and expenditure worth UGX.0.629Bn were insufficiently quantified. I observed that out of the two (2) activities, one (1) activity (50%) was quantified while one (1) activity (50%) was not clearly quantified to enable assessment of performance. <p>Table showing Extent of Quantification by activities</p> <table border="1"> <thead> <tr> <th colspan="5">Summary of Performance by Outputs</th> <th colspan="4">Activity details-Analysis</th> </tr> <tr> <th>Category of outputs</th> <th>No. of outputs sampled</th> <th>% of total outputs sampled</th> <th>Expenditure UGX (Bn)</th> <th>% proportion to total expenditure</th> <th>Total no of activities in the outputs</th> <th>No. of Fully Quantified activities</th> <th>No of activities not fully quantified</th> <th>% of quantification of activities per category of output</th> </tr> </thead> <tbody> <tr> <td>Fully quantified outputs²</td> <td>1</td> <td>50% **</td> <td>0.304</td> <td>32.7 %</td> <td>3</td> <td>3</td> <td>0</td> <td>100%</td> </tr> <tr> <td>Insufficiently quantified outputs³</td> <td>1</td> <td>50% **</td> <td>0.629</td> <td>67.3 %</td> <td>2</td> <td>1</td> <td>1</td> <td>50% ****</td> </tr> <tr> <td>Outputs⁴ not quantified</td> <td>0</td> <td>0% **</td> <td>0</td> <td>0% ***</td> <td>0</td> <td>0</td> <td>0</td> <td>0%</td> </tr> <tr> <td>Total</td> <td>2</td> <td>100</td> <td>0.933</td> <td>100</td> <td>5</td> <td>4</td> <td>1</td> <td></td> </tr> </tbody> </table>	Summary of Performance by Outputs					Activity details-Analysis				Category of outputs	No. of outputs sampled	% of total outputs sampled	Expenditure UGX (Bn)	% proportion to total expenditure	Total no of activities in the outputs	No. of Fully Quantified activities	No of activities not fully quantified	% of quantification of activities per category of output	Fully quantified outputs ²	1	50% **	0.304	32.7 %	3	3	0	100%	Insufficiently quantified outputs ³	1	50% **	0.629	67.3 %	2	1	1	50% ****	Outputs ⁴ not quantified	0	0% **	0	0% ***	0	0	0	0%	Total	2	100	0.933	100	5	4	1		<p>I advised the Accounting Officer to follow up on the unreleased funds and also ensure outputs and activities are quantified during the budget process.</p>
Summary of Performance by Outputs					Activity details-Analysis																																																			
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²Fully quantified outputs-All activities within that output were quantified

³Insufficiently Quantified Outputs-Some activities within the output were quantified while others were not

⁴Not quantified out-put-All the activities within the output were not quantified

	<p>I observed that in cases where outputs were not quantified at all, management reported performance in a generic manner such as; Biology, Physics, Chemistry, ICT School equipment without specifying number/quantities achieved.</p> <p>Failure to plan and report on the quality/quantity of activities implemented renders it difficult to establish the reasonableness of costs for each planned output which curtails effective accountability. I could not ascertain the level of achievement of these outputs.</p> <p>The Accounting Officer acknowledged the issue and pledged to follow up the unreleased funds to ensure pending activities are worked on.</p>																																																													
4.6	<p>Implementation of Quantified outputs</p> <p>I assessed the implementation of one (1) output that was fully quantified with a total of three (3) activities worth UGX. 0.304Bn and noted the following;</p> <ul style="list-style-type: none"> One (1) output with a total of three (3) activities worth UGX. 0.304Bn was partially implemented. Out of the three (3) activities within these outputs, the entity fully implemented two (2) activities (66.7%), one (1) activity (33.3%) was partially implemented. <p>Table Showing level of implementation of Fully Quantified outputs</p> <table border="1" data-bbox="358 1003 1265 1577"> <thead> <tr> <th colspan="5">Summary of Performance by Output</th> <th colspan="5">Activity details-Analysis</th> </tr> <tr> <th>Category of output</th> <th>No of outputs</th> <th>% of implementation</th> <th>Expenditure UGX Bn</th> <th>% proportion to total expenditure</th> <th>Total no of activities</th> <th>No of Fully implemented activities</th> <th>No. Of partially implemented activities</th> <th>No of activities that were not implemented</th> <th>Extent of implementation of activities per category of output</th> </tr> </thead> <tbody> <tr> <td>Fully implemented outputs⁵</td> <td>0</td> <td>0%</td> <td>0</td> <td>0%</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Partially Implemented outputs⁶</td> <td>1</td> <td>100%</td> <td>0.304</td> <td>100%</td> <td>3</td> <td>2</td> <td>1</td> <td>0</td> <td>66.7%</td> </tr> <tr> <td>Outputs Not Implemented⁷</td> <td>0</td> <td>0%</td> <td>0</td> <td>0%</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Total</td> <td>1</td> <td>100</td> <td>0.304</td> <td>100</td> <td>3</td> <td>2</td> <td>1</td> <td>0</td> <td></td> </tr> </tbody> </table> <p>Non-implementation of planned activities implies that the expected services to the beneficiary communities were not attained. For example, the entity did not work on;</p> <ul style="list-style-type: none"> 4km of Cet kana-Pugwinyi Road. Details in Appendix 9. 	Summary of Performance by Output					Activity details-Analysis					Category of output	No of outputs	% of implementation	Expenditure UGX Bn	% proportion to total expenditure	Total no of activities	No of Fully implemented activities	No. Of partially implemented activities	No of activities that were not implemented	Extent of implementation of activities per category of output	Fully implemented outputs ⁵	0	0%	0	0%	0	0	0	0	0	Partially Implemented outputs ⁶	1	100%	0.304	100%	3	2	1	0	66.7%	Outputs Not Implemented ⁷	0	0%	0	0%	0	0	0	0	0	Total	1	100	0.304	100	3	2	1	0		I advise that Accounting Officer to make a follow up of un released funding in order to implement the pending activities.
Summary of Performance by Output					Activity details-Analysis																																																									
Category of output	No of outputs	% of implementation	Expenditure UGX Bn	% proportion to total expenditure	Total no of activities	No of Fully implemented activities	No. Of partially implemented activities	No of activities that were not implemented	Extent of implementation of activities per category of output																																																					
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Partially Implemented outputs ⁶	1	100%	0.304	100%	3	2	1	0	66.7%																																																					
Outputs Not Implemented ⁷	0	0%	0	0%	0	0	0	0	0																																																					
Total	1	100	0.304	100	3	2	1	0																																																						

⁵ Fully implemented output -**All** the activities within the outputs are fully implemented

⁶ Partially implemented output-Activities within the output are either; Fully implemented, partially implemented or not implemented

⁷ Outputs not implemented-**All** the activities within the output not implemented at all

	The Accounting Officer acknowledged the issue and pledged to follow up the unreleased funds to ensure pending activities are worked on.																										
4.7	<p><u>Submission of Quarterly Performance Reports</u></p> <p>The Accounting Officer is required to submit quarterly performance reports by the 30th day of the first month of the following quarter.</p> <p>I noted that the entity submitted performance reports for Q1, Q2, Q4 after the deadline given for submission of the reports as indicated in the table below</p> <table border="1"> <thead> <tr> <th>No</th> <th>Details</th> <th>Deadline for submission</th> <th>Actual date of submission</th> <th>Comment (submitted in time/ delayed)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Quarter One</td> <td>31/10/2019</td> <td>November 2020</td> <td>Delayed</td> </tr> <tr> <td>2</td> <td>Quarter Two</td> <td>31/01/2020</td> <td>February 2021</td> <td>Delayed</td> </tr> <tr> <td>3</td> <td>Quarter Three</td> <td>30/04/2020</td> <td>June 2021</td> <td>Delayed</td> </tr> <tr> <td>4</td> <td>Quarter Four</td> <td>31/07/2020</td> <td>September 2021</td> <td>Delayed</td> </tr> </tbody> </table> <p>Failure to submit performance reports in time are not only contrary to the circular standing instructions but it also affects timely evaluation of performance.</p> <p>The Accounting Officer attributed the delay to the upgrade of the Programme Based Budgeting system to take care of NDP III Programmes by MoFPED; and this process went on up to the end of the financial year.</p>	No	Details	Deadline for submission	Actual date of submission	Comment (submitted in time/ delayed)	1	Quarter One	31/10/2019	November 2020	Delayed	2	Quarter Two	31/01/2020	February 2021	Delayed	3	Quarter Three	30/04/2020	June 2021	Delayed	4	Quarter Four	31/07/2020	September 2021	Delayed	I advise the Accounting Officer to ensure that performance reports are prepared and submitted in time.
No	Details	Deadline for submission	Actual date of submission	Comment (submitted in time/ delayed)																							
1	Quarter One	31/10/2019	November 2020	Delayed																							
2	Quarter Two	31/01/2020	February 2021	Delayed																							
3	Quarter Three	30/04/2020	June 2021	Delayed																							
4	Quarter Four	31/07/2020	September 2021	Delayed																							

5.0 Implementation of Uganda Road Fund (URF)

5.1 Preparation of Quarterly Reports

All designated agencies shall adhere to and observe the principles of quarterly reporting and accountability to URF on physical and financial progress as per timelines in **table below**. The reporting formats for accountability must be completed in both hard and soft copy and submitted as per agreed timelines. (Format as per annex 8 of URF budgeting and operational guidelines)

5.1.1 Delayed reporting and Accountability to Uganda Road Fund (URF)

I noted that the performance reports were not submitted to Uganda Road Fund (URF) within the stipulated timelines as shown in the table below;

S/n	Description	Deadline	Actual date submitted
1.0	Quarter 1 (one)	Accountabilities 15 th day of October 2020	2 nd February 2021
2.0	Quarter 2 (two)	Accountabilities 15 th day of January 2021	2nd February 2021
3.0	Quarter 3 (three)	Accountabilities 15 th day of April 2021	17 th August 2021
4.0	Quarter 4 (four)	Accountabilities 15 th day of July 2021	17 th August 2021

Failure to submit reports and accountability within the stipulated timeline defeats the purpose of reporting and hinders any meaning full assessments by other external parties.

The Accounting Officer explained that the delay was caused by the Covid-19 lock down.

I advised the Accounting Officer to adhere to the reporting timelines so as enable stakeholders to carry out timely assessments.

6.0 Follow up of implementation of prior year UGIFT projects

6.1 Delayed physical progress of the works on Palaro Seed Secondary School

During the audit, I noted that the planned commencement date of works was 13th May 2019 and completion date by 13th May 2020 as per the contract agreement. A review of the Contracts Committee minutes for the meeting held on 7th June 2021 under minute GDLG 10/CC03/2020-2021, a decision was reached to grant an extension up to 31st August 2021.

Despite this extension, the works were not completed by the time of field inspection on 2nd September 2021. A review of the progress report revealed that planned works were behind schedule by 15 months. It was also noted at the time of site inspection that the contractor had abandoned the site and the workers had been idle for five months. Level of implementation is shown in the photos below.



On-going works on administration block



On -going works on ICT & science block



An interview with management attributed the delays to low capacity of the contractor in terms of man power, machinery and abandonment of the site due to multiple contracts of similar magnitude being under taken in other districts.

The Accounting Officer promised to raise the issue with the relevant Ministries.

I advised the Accounting Officer to follow up the matter with the relevant Ministries and ensure completion of the works.

7.0 FOLLOW UP OF NUSAF 3 PROJECT IMPLEMENTATION

7.1 Inactive Community Monitoring Groups (CMGs)

Section 7.3.4 (e) of NUSAF Operational Manual requires the Community Monitoring Groups (CMG) to monitor implementation of the sub project to ensure satisfactory social accountability and receive grievances from beneficiary community.

However, a review of project files revealed no evidence of existence of the Community Monitoring Groups reports to facilitate Government in assessment of project performance. Details are shown in the table below and in **appendix 10**.

Sub County	Parish/Village	Project Name	Comments
Paicho	Kiceke	Kiceke Waripe Tree Planting. Value:UGX. 29,000,000	No evidence on file to show that the Community Monitoring Group was performing its duties.
Unyama	Tugu Village.Paibona Parish	Tugu Oboke Tree Planting.	No evidence on file to show that the Community Monitoring Group was performing its duties.
Patiko	Te-Landwong Village.	Te-Ladwong P/S Institutional Greening Value: UGX. 50,000,000	No evidence on file to show that the Community Monitoring Group was performing its duties.

	Pawel Parish.		
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Absence of effective Community Monitoring Groups (CMGs) negatively affects the implementation of the projects as beneficiaries grievances are not timely communicated to the relevant authorities.

The Accounting Officer acknowledged the issue but explained that the CMGs were expected to report to multiple stakeholders as indicated in the operational manual 7.3.3 (e), iv as and when the need arises. In this instance however most of the CMGs reports were channelled to Inspectorate of Government who was overseeing the STAAC component as indicated in section 7.3.3 (c).

I advised the Accounting Officer to raise the issue with relevant Ministries so that the anomaly is addressed in the subsequent NUSAF funding.

8.0 Payment of advances to personal Accounts

According to the letter from PSST of Ref. HRM/222/01 dated 9th August 2012 and one from the Accountant General dated 17th December 2018 to all Accounting Officers prescribed that all payments for works, supplies and general services should be paid direct to the beneficiaries/suppliers through the IFMS and all payments to beneficiaries whose master data is not on the entity's IFMS site, for activities such as workshop facilitation and any other one off payment can be made through the E-Cash platform to the beneficiary's mobile account.

It was however noted that advances to a tune of UGX.34,450,000 were paid to various staff personal bank accounts to carry out official activities contrary to the above provisions as shown in **Appendix 11**.

There is a risk of not paying the beneficiaries the right amounts at the right time and loss of money through theft or deductions by banks for those accounts servicing loans.

The Accounting Officer pledged to follow up with MoFPED to ensure the E-cash mode of payment is implemented.

I advised the Accounting Officer to always carry out sensitization of target beneficiaries on importance of E-Cash platform and encourage them open mobile money/bank accounts so as to foster efficiency and convenience in execution of cash payments.

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 District.

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 District'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 District's 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 Districts' 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 District’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 District 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 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

17th December 2021

Appendix 1: Non/ Underpayment of pension and gratuity

SN.	Name	Supplier No.	Employee No.	IPPS payroll register Amount	Interface files/IFMS Amount	Variance	Remarks
	Non Payment						
1.	JAMES OTTO	274093	159608	928,480	#N/A	928,480	On IPPS but not paid on IFMS
2.	SIMON ONEKALIT	329130	159709	3,668,592	#N/A	3,668,592	On IPPS but not paid on IFMS
3.	JOSEPH KOMAKECH		871238	5,181,410	#N/A	5,181,410	On IPPS but not paid on IFMS
4.	JAKARIA THOMAS ODONGO		885783	8,386,032	#N/A	8,386,032	On IPPS but not paid on IFMS
5.	JUSTIN OBUNYA		914707	2,631,744	#N/A	2,631,744	On IPPS but not paid on IFMS
6.	JACINTO OKEMA		998191	306,531	#N/A	306,531	On IPPS but not paid on IFMS
7.	ESTATE OF THE LATE OYAT SATURNINO OYWELO GEORGE		999379	1,756,160	#N/A	1,756,160	On IPPS but not paid on IFMS
8.	TARCISIA ABU ABODO		1019420	1,051,548	#N/A	1,051,548	On IPPS but not paid on IFMS
9.	GEORGE OTTORACH		1040492	63,296	#N/A	63,296	On IPPS but not paid on IFMS
10.	ESTATE OF ONEKALIT SIMON MAX OJOK BILLY BOB		1045615	5,197,172	#N/A	5,197,172	On IPPS but not paid on IFMS
11.	ALEXANDER		1048767	7,738,290	#N/A	7,738,290	On IPPS but not paid on

	LANGOL						IFMS
12.	WINNIE ASIIMWE		1049839	123,190,080	#N/A	123,190,080	On IPPS but not paid on IFMS
13.	ESTATE OF THE LATE OKIDI OCHORA PONTIUS LANYERO AGNES JOLLY		1083323	5,146,400	#N/A	5,146,400	On IPPS but not paid on IFMS
	Sub Total			165,245,735	#N/A	165,245,735	
	Under/non- payments						
14.	JACK OMOL		143749	1,691,910	1,522,719	169,191	Underpayment
15.	WILSON ALIKER		159633	2,971,350	1,782,810	1,188,540	Non-payment
16.	JULIUS OTTO		159762	4,077,400	2,854,180	1,223,220	Non-payment
17.	NIGHTY ADOCH		746394	1,300,160	917,760	382,400	Under/non-payment
18.	OCHORA OKIDI		825723	10,292,800	6,175,680	4,117,120	Under/non- payment
19.	ANDREW ONEN		879069	1,562,500	937,500	625,000	Under/non- payment
20.	FORTUNATE WANDA KOMAKECH		884556	3,131,250	2,818,125	313,125	Under/non- payment
21.	VALENTINO OKWONGA		891113	2,073,240	207,324	1,865,916	Under/non- payment
22.	PONSIANO KOMAKECH		891198	1,924,529	101,291	1,823,238	Under/non- payment
23.	PHILIP ADONGA		891225	832,850	582,995	249,855	Under/non- payment
24.	ONYUT M OKELLO		891227	1,204,875	1,071,000	133,875	Under/non- payment
25.	AUGUSTINE AMITO OLOYA		904195	1,052,592	789,444	263,148	Under/non- payment

26.	CONSTANTINO OCAN		908194	3,970,284	330,857	3,639,427	Under/non- payment
27.	CELESTINO LANEK		909199	4,362,202	4,326,648	35,554	Under paid
28.	ALFRED ODOCH		912244	5,156,556	4,726,843	429,713	Under/non- payment
29.	OKOT OPOKA		940958	3,583,880	2,508,716	1,075,164	Under/non- payment
30.	ESTATE OF THE LATE OJOK OMOTAI AYAA LUCY		999742	40,596	20,298	20,298	Under paid
31.	ESTATE OF LATE OJWANG SIMON BONGOMIN OROMA SANTA		1017837	1,005,212	927,888	77,324	Under/non- payment
32.	ESTATE OF THE LATE OCEN PAUL AKULLU JANE		1017893	508,272	296,492	211,780	Under/non- payment
33.	ESTATE OF THE LATE ANGULU THOMAS OPIO DANIEL		1066040	118,966,383	2,105,600	116,860,783	Under/non- payment
	Sub total			169,708,841	35,004,170	134,704,671	
	Grand Total			334,954,576	35,004,170	299,950,406	

Appendix 2: Delayed removal of staff from payroll

SN.	Name	Reason why they should have been removed	IPPS NO	Supplier no	Expected date of removal	Date of removal	Extra months paid	Monthly pay	Amount paid in the extra months
1	Odagi Martin Abwoch Oneka	Retirement	746646	272455	11/7/2020	Sep 2020	1	349,385	349,385
2	Okech Richard	Retirement	310021	273552	9/10/2020	Mar 2021	2	608,662	1,217,324
3	Kinyera Thomas	Retirement	159693	273904	13/11/2020	Mar 2021	3	722,113	2,166,339
4	LUTARA OKWONGA	Retirement	1004629	613500	22/10/2020	Jul 2021	8	608,662	4,869,296
5	Olanyakene Mark	Retirement	159774	273532	5/12/2020	Jul 2021	6	924,815	5,548,890
6	Awor Mary Langol	Retirement	160396	273075	9/1/2021	Mar 2021	2	645,772	1,291,544
7	ALBERT OCAYA	Retirement	599128	312337	25/10/2020	Feb 2021	3	730,976	2,192,928
8	BERNARD MCMOGGIE ODONG	Retirement	159734	274027	26/12/2020	July 2021	6	918,282	5,509,692
9	GEORGE ALBERT OKELLO	Retirement	869847	273934	17/9/2020	July 2021	9	1,009,624	9,086,616
10	KILAMA JOSEPH	Retirement	1034580	803506	16/10/2020	July 2021	8	772,702	6,181,616
11	LAKOT JOYCE (REV)	Retirement	159217	661820	3/10/2020	Dec 2020	2	601,662	1,203,324
	Total								39,616,954

Appendix 3: Un-authorized loans deductions

S/No	Employee Name	Employee Number	Supplier number	IPPS Deductions	PDMS Deductions	Random No
1	Justine Ojok	825935		1,289,835	#N/A	0.606997511
2	Hilda Aryemo	147355		67,996	#N/A	0.439527882
3	Abonnus Labeja	309885		145,224	#N/A	0.035352648
4	Byron Okee	159087		67,996	#N/A	0.609931853
5	Mikricky Owiny	247274		2,489,112	#N/A	0.828779082
6	Lucy Akello	994840		67,996	#N/A	0.775120954
7	Jennifer Alaroker	143993		67,996	#N/A	0.770008506
8	Felix Okello	160594		67,996	#N/A	0.262570356
9	William Komakech	147893		67,996	#N/A	0.906253129
10	Joyce Achan	160021		117,624	#N/A	0.64059267
11	Luke Ociti	704359		67,996	#N/A	0.113304279
12	Veronica Auma	144118		73,620	#N/A	0.466404706
13	Tom Odiye	700783		157,368	#N/A	0.298940234
14	Maurensio Ojok	147854		67,996	#N/A	0.970637121
15	Joyce Ajok	160552		64,536	#N/A	0.245895805
16	Felix Ocaya	160156		67,996	#N/A	0.400588223
17	Martin Okema	159881		112,080	#N/A	0.021833506
18	Bosco Opiyo	143220		73,620	#N/A	0.654418013
19	Michael Odong	641964		857,382	#N/A	0.444855466
20	Stephen Komakech	995007		67,996	#N/A	0.099653465
21	Jennifer Lanyero	144153		67,996	#N/A	0.059757928
22	Thomas Onyutta	434634		112,080	#N/A	0.182971559
23	Somon Obwoya	798864		533,596	#N/A	0.603251471
24	Jackline Lapaco	143854		67,996	#N/A	0.845525853
25	Geoffrey Mukasa	147791		67,996	#N/A	0.960418771
26	Violet Anyeko	160360		68,184	#N/A	0.594792195
27	Mary Lanyero	147322		67,996	#N/A	0.793449317
28	Michael Kibwota	159742		67,996	#N/A	0.096969004
29	Milton Odong	874088		496,002	#N/A	0.008657317
30	Flavia Alimocan	160202		81,600	#N/A	0.446124022
31	Charles Oyamo	148160		203,543	#N/A	0.159245028
32	Godfrey Odong	144948		256,524	#N/A	0.206293665
33	Charles Adonga	159899		1,907,795	#N/A	0.216113714
34	Jefferson Oroma	145288		67,996	#N/A	0.868837491
35	Justine Chepkemboi	348905		67,996	#N/A	0.887428459
36	Benjamin Alimo Acellam	874080		1,200,000	#N/A	0.672933642

37	Judith Anenocan	825805		1,044,000	#N/A	0.435907185
38	Francis Oyat	289606		92,880	#N/A	0.983577595
39	Michael Munu	868741		598,362	#N/A	0.064302509
40	Mary Ayo	160270		45,268	#N/A	0.308609085
41	Grace Makhame	416221		94,104	#N/A	0.801995443
42	Denish Opiyo	955494		2,220,180	#N/A	0.68101794
	Total			15,490,451		

Appendix 4: Delayed remittance of Deductions to UCLA/UBA

S/N.	Month (<i>for which salary is paid</i>)	Salary payment date	Loan (482) payment date	Variance (in days)	Remarks
1	July	8/3/2020	8/31/2020	28	Delayed
2	August	8/26/2020	9/21/2020	26	Delayed
3	September	9/21/2020	10/26/2020	35	Delayed
4	October	10/26/2020	11/16/2020	21	Delayed
5	November	11/26/2020	12/16/2020	20	Delayed
6	December	12/16/2020	2/15/2021	61	Delayed
7	January	1/28/2021	3/3/2021	34	Delayed
8	February	2/25/2021	3/25/2021	28	Delayed
9	March	3/25/2021	4/14/2021	20	Delayed
10	April	4/22/2021	4/22/2021	0	Concurrent
11	May	5/25/2021	6/22/2021	28	Delayed
12	June	6/22/2021	6/25/2021	3	Delayed
	Total			304	
	Average			25.3	

Appendix 5: Delayed remittance of PAYE deductions to URA

S/N	Month (<i>for which salary is paid</i>)	Salary payment date	Required payment date	PAYE payment date	Variance (In days)	Remarks
1	July	8/3/2020	9/15/2020	9/7/2020	0	In time
2	August	8/26/2020	9/15/2020	9/30/2020	15	Delayed
3	September	9/21/2020	10/15/2020	10/29/2020	14	Delayed
4	October	10/26/2020	11/15/2020	11/16/2020	1	Delayed
5	November	11/26/2020	12/15/2020	12/18/2020	3	Delayed
6	December	12/16/2020	1/15/2021	2/15/2021	31	Delayed
7	January	1/28/2021	2/15/2021	3/3/2021	16	Delayed
8	February	2/25/2021	3/15/2021	3/25/2021	10	Delayed
9	March	3/25/2021	4/15/2021	4/14/2021	0	In time
10	April	4/22/2021	5/15/2021	5/3/2021	0	In time
11	May	5/25/2021	6/15/2021	6/15/2021	0	In time
12	June	6/22/2021	7/15/2021	6/29/2021	0	In time
	Total				90	
	Average				7.5	

Appendix 6: Omission of Political leaders' and commissioner's gratuity from the computation of PAYE

Sn	Pay Code	Employee No.	Name	Base salary	DPOLGRAT	Total cost items	IPPS PAYE	Computed PAYE	PAYE variance
1	District Political Leaders	825813	Martin Ojara	2,303,226	7,854,000	10,157,226	592,968	2,964,890	- 2,371,922
2	District Political Leaders	825815	David Ngole	398,710	1,359,600	1,758,310	22,742	429,493	- 406,751
3	District Political Leaders	825944	Justine Toorach	305,677	1,359,600	1,665,277	7,068	401,583	- 394,515
4	District Political Leaders	825947	Sanon Otika	318,968	1,389,200	1,708,168	8,397	414,450	- 406,053
5	District Political Leaders	825948	Peter Okot	318,968	1,359,600	1,678,568	8,397	405,570	- 397,173
6	District Political Leaders	825950	John Okwonga	700,645	2,389,200	3,089,845	112,194	828,954	- 716,760
7	District Political Leaders	874072	Rose Amono	620,000	2,046,000	2,666,000	88,000	701,800	- 613,800
8	District Political Leaders	993556	Patrick Kinyera	620,000	2,046,000	2,666,000	88,000	701,800	- 613,800
9	District Political Leaders	995429	Margret Arach	412,000	1,359,600	1,771,600	25,600	433,480	- 407,880
10	District Political Leaders	995430	Robinson Akena	398,710	1,359,600	1,758,310	22,742	429,493	- 406,751
11	Chairperson District Service Commission (DSC)	997233	Simon Oola	1,190,000	3,927,000	5,117,000	259,000	1,437,100	- 1,178,100
12	District Political Leaders	1051943	Lamex Akena	620,000	2,046,000	2,666,000	83,500	701,800	- 618,300
13	District Political Leaders	643137	Philip Oketokeny	1,716,346	8,238,461	9,954,807	416,904	2,888,442	- 2,471,538
	Total			9,923,250	36,733,861	46,657,111	1,735,512	12,738,855	-11,003,344

Appendix 7: Payment of salaries, pension and gratuity off the IPPS

Sn.	Supplier No	Employee No	Name Of Staff/Pensioner	Amount (UGX)	Remarks
Staff					
1.	876730		Opwonya Eric Mark Kafonzi	938,000	These are political leaders who delayed to submit information to enable the process of their access to IPPS to be done so were paid on IFMS by use of the interface. Files not availed at time of audit.
2.	698807		Christopher Opiyo Ateker	2,263,800	These are political leaders who delayed to submit information to enable the process of their access to IPPS to be done so were paid on IFMS by use of the interface. Files not availed at time of audit.
3.	951627		Prossy Auma	16,552,200	These are political leaders who delayed to submit information to enable the process of their access to IPPS to be done so were paid on IFMS by use of the interface. Files not availed at time of audit.
4.	945572		Richard Oryema 16380	16,552,200	These are political leaders who delayed to submit information to enable the process of their access to IPPS to be done so were paid on IFMS by use of the interface. Files not availed at time of audit.
5.	951271		Vicky Atim	1,180,900	These are political leaders who delayed to submit information to enable the process of their access to IPPS to be done so were paid on IFMS by use of the interface. Files not availed at time of audit.
6.	876730		Opwonya Eric Mark Kafonzi	938,000	Paid from URF
7.	952371		Francis Mayi	662,200	These are political leaders who delayed to submit information to enable the process of their access to IPPS to be done so were paid on IFMS by use of the interface. Files not availed at time of audit
8.	948154		Ballington Olweny Pongwech	662,200	These are political leaders who delayed to submit information to enable the process of their access to IPPS to be done so were paid on IFMS by use of the interface. Files not availed at time of audit
9.	876730		Opwonya Eric Mark Kafonzi	938,000	These are political leaders who delayed to submit information to enable the process of their access to IPPS to be done so were paid on IFMS by use of the interface. Files not availed at time of audit
10.	945571		Richard Watmon	16,552,200	These are political leaders who delayed to submit information to enable the process of their access to IPPS to be done so were paid on IFMS by use of the interface. Files not availed at time of audit
11.	945631		Patrick Lawoko	16,552,200	These are political leaders who delayed to submit information to enable the process of their access to IPPS to be done so were paid on IFMS by use of the

					interface. Files not availed at time of audit
12.	946222		Joyce Atto	662,200	These are political leaders who delayed to submit information to enable the process of their access to IPPS to be done so were paid on IFMS by use of the interface. Files not availed at time of audit
13.	947821		Lutada Ojara	472,920	These are political leaders who delayed to submit information to enable the process of their access to IPPS to be done so were paid on IFMS by use of the interface. Files not availed at time of audit
14.	947823		Collins Lawoko Barkit	16,552,200	These are political leaders who delayed to submit information to enable the process of their access to IPPS to be done so were paid on IFMS by use of the interface. Files not availed at time of audit
15.	854089		Okumu Richard 1047879	13,461,000	These are political leaders who delayed to submit information to enable the process of their access to IPPS to be done so were paid on IFMS by use of the interface. Files not availed at time of audit
16.	946269		Phoebe Ayoo Janeth Obol	756,840	These are political leaders who delayed to submit information to enable the process of their access to IPPS to be done so were paid on IFMS by use of the interface. Files not availed at time of audit
	Sub total			105,697,060	
Pensioners					
1.	78720 6		Estate Of The Late Nelima Mildred Ngoya	277,375	Had issues with verification, payment was invoiced directly from IFMS outside the IPPS payroll.
2.	86997 6		David Oyet Tidy	987,066	The officer is not a pensioner of Gulu DLG, management is yet trying to trace how the officer was paid as a pensioner on Gulu district site.
3.	19231 2		Oloya Anthony	1,118,688	Pensioner paid off the IPPS
4.	17502 9		Aciro Betty	2,143,765	Pensioner paid off the IPPS
5.	20068 9		Om al Alphonse	4,653,588	Pensioner paid off the IPPS
	Sub total			9,180,482	
Grand Total				114,877,542	

Appendix 8: Inconsistencies between interface files and payroll registers

S/n	Employee No	Name	IPPS Amount	Interface Amount	Variance	Remarks
1	145648	Watmon Opwonya	5,385,950	6,591,910	(1,205,960)	The inconsistency is attributed to cases where some salary arrears as effected/ invoiced directly through the IFMS outside the IPPS. These are attributed to validation challenges due to inconsistencies in the information on IPPS and NIS.
2	147679	Moses Ouma	2,758,180	5,078,045	(2,319,865)	The inconsistency is attributed to cases where some salary arrears as effected/ invoiced directly through the IFMS outside the IPPS. These are attributed to validation challenges due to inconsistencies in the information on IPPS and NIS.
3	159254	Bonds Ocaya	12,057,853	14,813,041	(2,755,188)	The inconsistency is attributed to cases where some salary arrears as effected/ invoiced directly through the IFMS outside the IPPS. These are attributed to validation challenges due to inconsistencies in the information on IPPS and NIS.
4	159788	Tobson Odongo	1,787,940	2,390,920	(602,980)	The inconsistency is attributed to cases where some salary arrears as effected/ invoiced directly through the IFMS outside the IPPS. These are attributed to validation challenges due to inconsistencies in the information on IPPS and NIS.
5	746454	Alfred Oyoo	677,448	729,003	(51,555)	The inconsistency is attributed to cases where some salary arrears as effected/ invoiced directly through the IFMS outside the IPPS. These are attributed to validation challenges due to inconsistencies in the information on IPPS and NIS.
6	746589	Christine Achan	2,751,396	4,828,068	(2,076,672)	The inconsistency is attributed to cases where some salary arrears as effected/ invoiced directly through the IFMS outside the IPPS. These are attributed to validation challenges due to inconsistencies in the information on IPPS and NIS.
7	746593	Susan Adong	4,908,225	4,658,283	249,942	The inconsistency is attributed to cases where some salary arrears as effected/ invoiced directly through the IFMS outside the IPPS. These are attributed to validation challenges due to inconsistencies in the information on IPPS and NIS.
8	746596	Joyce Alanyo	1,003,268	2,520,420	(1,517,152)	The inconsistency is attributed to cases where some salary arrears as effected/ invoiced directly through

						the IFMS outside the IPPS. These are attributed to validation challenges due to inconsistencies in the information on IPPS and NIS.
9	746659	Milly Laker	5,241,378	9,659,193	(4,417,815)	The inconsistency is attributed to cases where some salary arrears as effected/ invoiced directly through the IFMS outside the IPPS. These are attributed to validation challenges due to inconsistencies in the information on IPPS and NIS.
10	746706	Walter Ayella	1,815,688	2,220,952	(405,264)	The inconsistency is attributed to cases where some salary arrears as effected/ invoiced directly through the IFMS outside the IPPS. These are attributed to validation challenges due to inconsistencies in the information on IPPS and NIS.
11	825730	Jenny Rose Akello Okilangole	7,922,367	10,563,156	(2,640,789)	The inconsistency is attributed to cases where some salary arrears as effected/ invoiced directly through the IFMS outside the IPPS. These are attributed to validation challenges due to inconsistencies in the information on IPPS and NIS.
12	979192	Stella Ngomnono	6,483,078	5,859,391	623,687	The inconsistency is attributed to cases where some salary arrears as effected/ invoiced directly through the IFMS outside the IPPS. These are attributed to validation challenges due to inconsistencies in the information on IPPS and NIS.
13	981167	Julian Lawach	21,487,058	20,497,283	989,775	The inconsistency is attributed to cases where some salary arrears as effected/ invoiced directly through the IFMS outside the IPPS. These are attributed to validation challenges due to inconsistencies in the information on IPPS and NIS.
14	981171	Santo Opiro	3,976,600	11,010,025	(7,033,425)	The inconsistency is attributed to cases where some salary arrears as effected/ invoiced directly through the IFMS outside the IPPS. These are attributed to validation challenges due to inconsistencies in the information on IPPS and NIS.
15	995033	Alfred Akena	1,581,250	2,785,590	(1,204,340)	The inconsistency is attributed to cases where some salary arrears as effected/ invoiced directly through the IFMS outside the IPPS. These are attributed to validation challenges due to inconsistencies in the information on IPPS and NIS.
16	1007627	Evarline Acio	3,610,914	6,654,224	(3,043,310)	The inconsistency is attributed to cases where some salary arrears as effected/ invoiced directly through the IFMS outside the IPPS. These are attributed to validation challenges due to inconsistencies in the

						information on IPPS and NIS.
17	1008659	Patrick Kilama	831,936	2,298,449	(1,466,513)	The inconsistency is attributed to cases where some salary arrears as effected/ invoiced directly through the IFMS outside the IPPS. These are attributed to validation challenges due to inconsistencies in the information on IPPS and NIS.
19	1046059	Justine Kakembo	405,969	1,511,503	(1,105,534)	The inconsistency is attributed to cases where some salary arrears as effected/ invoiced directly through the IFMS outside the IPPS. These are attributed to validation challenges due to inconsistencies in the information on IPPS and NIS.
20	1046088	Peace Ayikoru	1,379,367	5,333,108	(3,953,741)	The inconsistency is attributed to cases where some salary arrears as effected/ invoiced directly through the IFMS outside the IPPS. These are attributed to validation challenges due to inconsistencies in the information on IPPS and NIS.
22	1054822	Robert Acaye	5,988,784	5,447,690	541,094	The inconsistency is attributed to cases where some salary arrears as effected/ invoiced directly through the IFMS outside the IPPS. These are attributed to validation challenges due to inconsistencies in the information on IPPS and NIS.
23	1057746	Geoffrey Drabile Tiedezu	9,484,334	9,484,334	(4,698,899)	The inconsistency is attributed to cases where some salary arrears as effected/ invoiced directly through the IFMS outside the IPPS. These are attributed to validation challenges due to inconsistencies in the information on IPPS and NIS.
25	1074130	Brenda Adong	7,151,606	6,129,948	1,021,658	The inconsistency is attributed to cases where some salary arrears as effected/ invoiced directly through the IFMS outside the IPPS. These are attributed to validation challenges due to inconsistencies in the information on IPPS and NIS.
26	1074132	Simon Lakony	3,013,317	1,934,883	1,078,434	The inconsistency is attributed to cases where some salary arrears as effected/ invoiced directly through the IFMS outside the IPPS. These are attributed to validation challenges due to inconsistencies in the information on IPPS and NIS.
	Total		111,703,906	142,999,419	(35,994,412)	

Appendix 9: Evaluation of the achievement of planned out puts

Programme / Project (A)	Output (B)	Planning			Release of funds and implementation								Monitoring and Evaluation		Reporting
		Activities (C)	Are there clear targets and performance indicators to measure performance quantification (Yes/No) If no give reason (D)	Planned Target for the Financial year (E)	Budgeted amount UGX ('000') (F)	Revised budget UGX ('000') (G)	Amount released UGX ('000') (H)	Amount Spent UGX (I)	Achieved Target by Financial year end @ annual performance report (J)	Variance (K) K= (J-E)	Causes for the variances	Audit Conclusion Fully, partially, or Not implemented	Was the activity reported on in the periodic monitoring reports- (Yes/No) If no give reason	Is the performance of the activity accurately reported in the annual performance reports- (Yes/No) If no give reason	
UGFIT															
Education	Secondary School Construction and Rehabilitation	Construction of Paloro Seed Secondary school.	Yes	Completion of existing structures	669,440.000	Not revised	425,680.011	425,680.011	Partially done	Partially done	Contractor abandoned the site	Partially implemented	No report	M&E	Yes
		Supply of computers and chemicals	No	Not quantified	0		203,995.920	203,995.920	Not quantified	Not quantified	Not quantified	Fully implemented	No report	M&E	Not quantified
URF					920,969.000		0	0							
Works & Technical Services	Routine Mechanized maintenance	Mechanized maintenance of Paicho-Patiko road (22.5 Km)	Yes	22.5 km	0		152,057.600	152,057.600	22.5 Km	0	No variance	Fully implemented	No report	M&E	Yes
		Mechanised maintenance of Chome-Omel- Lapuda (18 Km)	Yes	18 Km	0		81,071.600	81,071.600	18 km	0	No variance	Fully implemented	No report	M&E	Yes

		Mechanized maintenance of Cetkana-Pugwinyi (17.km)	Yes	17 km	0		71,315.000	71,315.000	13 km	4 km	Works still ongoing	Partially implemented	No report	M&E	Yes
Grand Total					1,590,409		934,120.131	934,120.131							

Appendix 10: NUSAF3 Inspections



Laliya Cluster Strengthening Fund Group at their office



Kiceke Waripe Tree Planting



Commercial Agro- Nursery & micro irrigation

Appendix 11: Advances to Personal accounts

Invoice Number	Description/Purpose	EFT / Check Number	Payment Date	Distribution Amount	Budget Line Charged	Account Code	Supplier
UNICEF/004/11/2020	Payment to facilitate training of VHTs/LCs selection of participants based on hotspots and most-at-risk communities under UNICEF funding.	33288018	12/2/2020	5,650,000	09-426-508051300-00-00-9998-0000-088154-263104	263104	Onyayi William WHO
WTS/21/06/2021	Allowances for mechanized routine maintenance of CHOME-OMEL-LAPUDA ROAD	37613121	6/29/2021	4,400,000	09-005-508070200-00-00-0000-0000-048158-263367	263367	FRED OKELLO 1046156
HEL/07/11/20	Payment to facilitate outreaches for integrated child days with GAVI support	32670239	11/9/2020	4,100,000	09-451-508051300-00-00-9998-0000-088154-263104	263104	Aber Jenifer
HEL/07/11/20	Payment to facilitate outreaches for integrated child days with GAVI support	32670245	11/9/2020	4,100,000	09-451-508051300-00-00-9998-0000-088154-263104	263104	Tabu Cosmas
HEL/07/11/20	Payment to facilitate outreaches for integrated child days with GAVI support	32670244	11/9/2020	4,100,000	09-451-508051300-00-00-9998-0000-088154-263104	263104	Anena Grace
HEL/07/11/20	Payment to facilitate outreaches for integrated child days with GAVI support	32670242	11/9/2020	4,100,000	09-451-508051300-00-00-9998-0000-088154-263104	263104	Muloya Felix
HEL/03/11/20	Payment of facilitation for District Level implementation for measles/Rubella campaign extended days.	32647194	11/2/2020	4,000,000	09-445-508051300-00-00-9998-0000-088154-263104	263104	Aber Jenifer
UNICEF/007/12/2020	Payment to facilitate deployment of sub county level facilitators and supervisors to conduct community dialogue meeting under UNICEF funding.	33326950	12/7/2020	4,000,000	09-426-508051300-00-00-9998-0000-088154-263104	263104	Adong Susan Opio 746718
Total				34,450,000			