



THE REPUBLIC OF UGANDA

REPORT OF THE AUDITOR GENERAL TO PARLIAMENT

FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2018

OFFICE OF THE AUDITOR GENERAL

UGANDA

DECEMBER, 2018

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ABBREVIATIONS AND ACRONYMS

LIST OF ACRONYMS

ACRONYM	DESCRIPTION
AG	Auditor General
AO	Accounting Officer
Bn	Billion
BoU	Bank of Uganda
CAs	Contracting Authorities
DLB	District Land Board
FY	Financial Year
GoU	Government of Uganda
IESBA	International Ethics Standards Board for Accountants
IMF	International Monetary Fund
KIS	Kalangala Infrastructure Services
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
NEMA	National Environment Management Authority
NGO	Non-Governmental Organisation
NIN	National Identification Number
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
TWGs	Technical Working Groups
UCF	Uganda Consolidated Fund
UGX	Uganda Shillings
USD	United States of America Dollars
USMID	Uganda Support for Municipal Infrastructure Development
WMD	Wetlands Management Department
YIGs	Youth Interest Groups
YLP	Youth Livelihood Programme

GLOSSARY OF TERMS

Agronomy	The scientific study of soil management and crop production, including irrigation and the use of herbicides, pesticides, and fertilizers.
Classified Expenditure	The expenses and commitments incurred by an authorised agency for the collection and dissemination of information related to national security interests
Cognizant	Having knowledge or awareness.
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.
Garnish	Serve notice on (a third party) for the purpose of legally seizing money belonging to a debtor or defendant.
Hydromet Stations	An institution that conducts meteorological and hydrological observations of weather conditions and the condition of oceans, seas, rivers, lakes, and marshes
Impact Evaluation/Analysis	This is an assessment of a project, program, or policy which looks for changes in outcome that are directly attributable to that program/project/ policy.
Nugatory Expenditure	Expenditure that does not achieve any result
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.
Satisfactory	The Municipality exhibited outstanding performance on a number of performance parameters used in the assessment tool.
Sediments	Matter that settles to the bottom of a liquid
Sovereign Immunity	Refers to the fact that the government cannot be sued without its consent.
Tracer Studies	Studies to determine whether or not the graduates' specific works assigned are related to their field of study

FOREWORD BY THE AUDITOR GENERAL



In accordance with my mandate as stipulated under Article 163 of the Constitution of the Republic of Uganda and as amplified by the National Audit Act, 2008, I hereby present to you the Annual Audit Report on the public accounts of Uganda for the financial year ended 30th June, 2018.

This is the second year of reporting in a summarized format where am able to give you a helicopter view of the 1919 reports that I have audited during the year.

This report contains my highlights, key findings and crosscutting issues across Ministries, Departments and Agencies, Public Corporations and State Enterprises and Local governments as well as annexure of summaries of my Audit findings. The individual entity reports have been submitted to Parliament separately and give the details.

In 2017, I adopted a thematic approach to audit, and this year chose three areas. I assessed government wide risk and ascertained that an in depth analysis of these areas would provide enhanced information to enable easier constructive oversight by Parliament that would eventually feed into better government performance. The themes chosen were: 1) Budget implementation, 2) Youth Livelihood programme and 3) Public Debt. Issues that need consideration are contained in the report and for Public Debt, I have also issued a separate detailed report.

The highlights in this report will provide you with issues that my audit found to be most pertinent that I considered important to draw to the attention of those charged with governance.

For the first time, the Accountant General produced four sets of consolidated statements for: 1) MDA's, 2) District Local Governments, 3) Municipal Councils and 4) Performance of State Enterprises and Commission. I have issued opinions on the first three and given an analysis of the information in the fourth consolidated statement.

It is my expectation that the report will enable enhancement of public accountability and will be used to make a difference.

Thank you.

A handwritten signature in black ink, appearing to read "John F.S. Muwanga".

John F.S. Muwanga

AUDITOR GENERAL

Date: 29th December 2018

PART 1: INTRODUCTION AND PURPOSE OF THE REPORT

1.0 Introduction and Purpose

1.1 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,
- Gender and Environment and any other audits in respect of any project or activity involving public funds.
- Classified expenditure
- Audit of all government investments
- Procurement Audits
- Audit of the 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;

- A summary of audit results for audits done in the year
- Report and Opinion of the Auditor General on the
 - Government of Uganda Consolidated Financial Statements for the year ended 30th June 2018
 - Annual Consolidated Financial Statements of District Local Governments for the year ended 30th June 2018
 - Annual Consolidated Financial Statements of Municipal Councils for the year ended 30th June 2018

- Performance highlights of the Auditor General on the Consolidated Summary Statement of Financial Performance of Public Corporations and State Enterprises
- Summary of Audit Results of specific entities which include opinions from the audit of Ministries, Departments, Agencies, Commissions, Statutory Corporations and Local Governments.
- Sectoral and cross cutting issues/findings, implications and recommendations from the audit of Ministries, Departments, Agencies, Commissions, Statutory Corporations and Local Governments.
- Key findings, implications and recommendations from Value for Money and other Special Audit Reports.

The report is arranged in seven parts, namely;

Part 1: Introduction and Purpose of the Report

Part 2: Opinion on the Consolidated Financial Statements of MDAs and LGs

Part 3: Audit results on Government Ministries, Departments and Agencies

Part 4: Audit results on Commissions and Statutory Corporations

Part 5: Audit results on Local Government

Part 6: Audit results on Value for Money Reports

Part 7: Audit results on Special Reports

1.3 Summary of Audit Results

1.3.1 General Performance

Contained in this report, is a total of 1919 audits, which I conducted and completed during the year. The audits include 1863 financial audits comprising of 168 MDAs, 134 Commissions, Statutory Authorities and State Enterprises, and 1561 Local Governments. I have included 10 Value for Money reports, 18 Specialised/Engineering and 3 IT audit reports. The Engineering Audit reports have been included in the individual entity reports.

The 25 forensic/special reports have been issued to the respective stakeholders who requested them.

Details of the general performance are provided in Table Below.

Table 1: Status of Audit performance for audit year 2018

Audited entities	Planned Audits	Completed Audits	Audit Progress
Local Governments	2434	1561	440
Ministries, Departments and Agencies	218	168	
Public Corporations and State Enterprises	113	134	
Special, IT and Forensics	36	28	6
VFM	12	10	
Engineering Audits	6	18	
TOTAL	2819	1919	

1.3.2 Summary of Opinions

Of the 466 financial audits concluded, 428 (91.8%) entities had unqualified opinions, 37 entities had qualified opinions and 1 entity had an adverse opinion.

The table below provides the summary of the Opinions:

Table 2: Summary of Opinions

S/N	Entity Category	Type of Opinion				Total
		Unqualified	Qualified	Adverse	Disclaimer	
1	Ministries, Departments, Agencies and Projects	154	13	1	0	168
2	Commissions, Statutory Authorities and State Enterprises	125	9	0	0	134
3	Local Governments	149	15	0	0	164
Total per category		428	37	1	0	466

**This excludes 355 secondary schools and 1042 Lower Local Government audit reports issued during the year.*

The details of Opinions for each entity are given in the individual parts of the report relating to financial audits.

1.4 Highlights from Audits Performed

Below are brief highlights of my findings, the details of which are in Parts 2 to 6 of this report.

1.4.1 Planning and Budgeting

- There were gaps in Government planning and budgeting which affect the timeliness, accuracy and usefulness of plans by Government. The shortcomings include; sector delays to submit plans, lack of service delivery standards in all MDAs and LGs, delay in issuing of circular for NDP III by NPA, failure by NPA to undertake mid-term review assessment of the NPD II, failure by 40 entities to submit strategic plans, failure by 54% of MDAs in attaining satisfactory score on Certificate of Compliance (CoC). As a result most sector plans and annual budgets are not aligned with the NDP and assessing service delivery and level of implementation of the NDP is difficult without service delivery standards and regular reviews.
- Out of UGX 28.2trillion government had set out to receive in form of domestic, development partner funding, Treasury Instruments and Appropriation in Aid (AIA) only UGX. 26.6trillion (94.3%) was received leading to a shortfall of UGX 1.6trillion
- During the year, government budgeted to spend a total of UGX 30.8trillion, through MDAs, LGs, Referral Hospitals, Missions and embassies. Only UGX26.1trillion was released representing a performance of 85%. This affects implementation of planned activities.

1.4.2 Pension and Gratuity

- By close of the financial year, MDAs and LGs had not paid out UGX65.6bn in Pension and gratuity arrears despite the fact that these funds had been released. Funds were thus returned to the UCF. The implication is that either the pensioners are non-existent or MDAs/LGs are denying/delaying beneficiaries their benefits.

1.4.3 Management of Public Debt

- Debt has increased by 22% from UGX33.99trillion as at 30th June 2017 to UGX41.51trillion as at 30th June 2018.
- Although Uganda's debt to GDP ratio of 41% is still below the IMF risky threshold of 50% and compares well with other East African countries, it is unfavourable when debt payment is compared to national revenue collected which is the highest in the region at 54%.
- 50% of the loans sampled totalling UGX 3.98trillion will expire in 2020. If government is to service the loans as projected in the next financial years

(2018/2019 and 2019/2020), it would require more than 65% of the total revenue collections which is over and above the historical sustainability levels of 40%.

- Interest payments (domestic and external) during the year amounted to UGX 2.34trillion, which is 17% of total revenue collections, above the limit set in Public Debt management Framework 2013 of 15%. This has been on the rise for the last 4 years.
- Although absorption of external debt has improved compared to last financial year, I noted some loans with absorption levels as low as 10% and below. An example is the USMID project with over UGX95bn (95%) still on the various accounts of Municipal Councils by close of year, despite various incomplete and abandoned works due to non-payment to Contractors. Another project, Mbarara-Nkenda and Tororo-Lira transmission line has delayed for almost 8 years resulting into cancellation of the loan by the funder with an undisbursed loan amount of USD 6.5m.
- I noted that significant value loans have stringent conditions which could have adverse effects on Uganda's ability to sustain its debt. These conditions include; waiver of sovereign immunity by government over all its properties and itself from enforcement of any form of judgement, adoption of foreign laws in any proceedings to enforce agreements, requiring government to pay all legal fees and insurance premiums on behalf of the creditor.

1.4.4 Youth Livelihood Program

- Whereas Ministry of Gender, Labour and Social Development had budgeted for a total amount of UGX. 231.2 bn for the F/Y 2013/2014 to F/Y 2017/2018, only UGX. 161.1bn (69.7%) was released to the program resulting in a shortfall of UGX.70.1bn (30.3%).
As a result only 15,979 (67%) of the proposed 23,850 projects were funded. This affected the number of youths who had been targeted by the program by benefiting only 195,644 out of 286,200 youths, (68%) by 30th June 2018.
- From a total amount of UGX.38.8 bn that was disbursed to 5,505 YIGs in the financial years 2013/2014 and 2014/2015, on average, only 26.7% was recovered from the youth countrywide. There is high probability that the balance of almost UGX28.4bn may never be recovered as almost 64% of the sampled projects, consisting of 71% value of loans, were non-existent. Another 25% had reportedly embezzled or diverted the funds.

- In the financial years 2015/16 to 2017/18, out of a total amount of UGX.83.3bn disbursed to 10,444 Youth Groups there was a noted improvement of recoveries ranging from 24% in 2015/16 to 60% in 2017/18 which is still below satisfactory performance.
- Out of the total amount of the UGX.18.1bn recovered from the YIGs at the time of audit, UGX.16.1bn (90%) had been transferred to the Revolving Fund in BOU according to the guidelines. Besides, only UGX.8bn had been revolved to other Youth Groups. Delay in revolving funds to other eligible groups undermines the ultimate goal of the program.

1.4.5 Funding for Tax Incentives

Because of lack of a proper policy, tax incentives are given to Investors without an accompanying budget. Close of financial year debts for the incentives had grown by 83% to UGX153.6bn up from UGX83.8bn in the previous year.

1.4.6 Payroll and Pension management

- Out of the total Government staff establishment of 469,216 positions, only 311,987 positions had been filled leaving a gap of 157,229 representing 34% of vacant posts across MDAs/LGs. This affects service delivery as a majority of these are critical jobs like Doctors, Clinical Officers, Professors, commissioners. Public Universities and Local government districts were most affected.

1.4.7 Management of court awards and compensations

- Although government has won many cases in court and has been awarded a total of UGX 20.6bn as at 30th June 2018, this money has not been collected.
- Government accumulated liabilities amounting to UGX 655bn in respect of unsettled court awards. As a result of non-payment of these liabilities, some cases had accumulated interest amounting to UGX.124bn for close to 10 years.
- During the year under review, I noted that a sum of UGX15.8bn was garnished from three government Agency accounts resulting from Court judgements to creditors. This leads to the suspension of rights to withdraw funds from the affected accounts thus delaying government projects/activities.

1.4.8 Land management issues

Significant pieces of land owned by government MDAs, SEs and LGs have either been encroached on, lack titles or are undeveloped. Further, over 2m hectares of forest

cover have been encroached upon with Police, Prisons and NAGRIC land the most affected.

1.4.9 Control and performance of State Enterprises and Corporations

- Since 2012, government has made investments in various projects, through Uganda Development Corporation (UDC), amounting to UGX70.1bn. However projects with investments of UGX53.2bn are not operational. The only operational project of KIS with an investment of UGX 16.9bn and 45.7% shareholding by UDC has not declared any profits to UDC since 2012.
- I also noted that some assets like Munyonyo Commonwealth Resort, Nile Hotel, Logistics and Tristar Apparels, in which government has ownership have not been taken over for management by UDC. Government could be losing a lot of revenue from these investments.
- Out of twenty seven (27) State Enterprises, only 17 (58.6%) made profits during the year. Of the profit-making enterprises, only one entity (New Vision) declared dividends to government.

1.4.10 Suspected Fraud

- I noted that UGX.2.3bn had been paid to 6 Apac district officials without any supporting documents. There were also no details on the IFMS (Tier II) payment file to indicate the purpose for the payments. Two staff have so far been interdicted and investigations continue.

1.4.11 Inadequate financial Controls

I noted that MDAs and Statutory Authorities continue overriding financial controls which has resulted in Mischarge of expenditure amounting to UGX. 369.8 bn, unaccounted for expenditure of UGX 21.7 bn, wasteful expenditure of UGX 66.9 bn and expenditure on undisclosed domestic arrears amounting to UGX 377.1 bn.

1.4.12 Preparedness by the government of Uganda for the implementation of sustainable development goals (2030 agenda)

Whereas government committed itself to implement SDGs Agenda 2030 over the next 15 years from 2016 to 2030, and had formulated the SDGs Coordination framework and launched the SDGs roadmap in 2018, some gaps were noted in the operationalisation of the SDGs framework which pose a challenge in creating a suitable environment for their implementation. The gaps noted included:

- Failure by the National Planning Authority (NPA) to guide the review process of SDGs to identify applicable goals and targets, and how they were to be reflected in Uganda's development policies, strategies, and planning processes, which also affects the ability of the MoFPED to adequately budget and mobilise funds for the implementation of all SDGs.
- Low awareness by the Public in regard to SDGs,
- Technical Working Groups (TWGs) to steer the SDGs function were not fully constituted, and responsibilities to the various parties in the TWG had not been fully assigned.
- UBOS was yet to establish comprehensive baseline data on all applicable targets that would be used to track progress for SDGs implementation.

1.4.13 Management of wetlands in Uganda by the wetlands management department, ministry of water and environment

- The roadmap for cancellation of land titles in wetlands approved by Cabinet had not been funded by Ministry of Finance, Planning and Economic Development (MoFPED), and this hindered its implementation.
- No evidence was obtained that shapefiles indicating wetland boundaries were being used by Ministry of Lands to prevent further issuance of titles in wetlands.
- Whereas government's aim was to increase intact wetland coverage to 12% by 2020, only 0.3% of the required area had been restored in the 4 years under review, leaving a restoration shortfall of 99.7%. Moreover, degradation continues to outpace restoration, with about 28,261.43 hectares of wetland coverage lost each year, yet only 628.9 hectares were restored on average.
- WMD had not gazetted the country's wetlands. It also failed to utilise all pillars and beacons purchased for demarcation, presenting a risk of potential wastage of the money spent on purchasing the unused pillars and beacons amounting to UGX 662.84m.

- There was unclear delineation of roles, responsibilities and mandates between WMD, NEMA and other key players in regulation and management of wetlands; A review of the legislation to clarify the mandates and roles of the different players was on-going.
- WMD had not updated the National Wetlands Inventory since 2000, and had not adequately disseminated knowledge on wetlands to stakeholders to guide decision making.

1.4.14 The regulation of universities by the National Council of Higher Education (NCHE)

- Whereas the National Council of Higher Education has undertaken specific interventions aimed at increasing the quality of higher education in universities, inadequate monitoring and conducting of institutional audits, tracer studies and non-establishment of minimum standards of courses of study have resulted in universities having unaccredited and outdated programmes, operating below the required quality assurance and capacity indicators, which has an effect on the quality of higher education.

1.4.15 The Identification and registration of persons by the National Identification and Registration Authority

- There are delays in the processing of applications for registration. Three application strata were assessed, namely: processing of new applications, applications for replacements, and applications for change in particulars. The least delay was experienced for applicants for replacement National Identity cards while the most delay was for new applicants.

PART 2: CONSOLIDATED FINANCIAL STATEMENTS

2.0 CONSOLIDATED FINANCIAL STATEMENTS

2.1 OPINION OF THE AUDITOR GENERAL ON THE GOVERNMENT OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS OF MDAS FOR THE YEAR ENDED 30TH JUNE 2018

THE RT. HON. SPEAKER OF PARLIAMENT

Qualified Opinion

I have audited the accompanying consolidated financial statements of the Government of the Republic of Uganda for the year ended 30th June 2018. These financial statements comprise of the consolidated Statement of Financial Position, the consolidated Statement of Financial Performance, and consolidated cash flow statement together with other accompanying statements, notes, and accounting policies.

In my opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements of the government of Uganda for the year ended 30th June 2018 are prepared, in all material respects, in accordance with Section 51 of the Public Finance Management Act, 2015, and the Financial Reporting Guide, 2008.

Basis for Qualified Opinion

- Mischarge of Expenditure – UGX.369,809,626,532**

A review of the expenditures revealed that various entities charged wrong expenditure codes to the tune of UGX.369,809,626,532. This practice leads to financial misreporting. Besides, this practice undermines the budgeting process and the intentions of the appropriating authority as funds are not fully utilised for the intended purposes.

- Expenditure on undisclosed Domestic Arrears - UGX.377,104,623,387**

Included in the expenditure for the year is UGX.377,104,623,387 that relates to domestic arrears payments which had not been disclosed by several votes. The expenditure was irregularly reported as current year's expenditure, whereas it relates to previous financial years. This overstated the current year's expenditure.

- **Unaccounted for Advances – UGX.21,650,656,528**

Expenditure by various entities amounting to UGX.21,650,656,528, was not accounted for by the time of the audit, contrary to the Public Finance and Accounting Regulations, 2016. In absence of proper accountability, I could not provide assurance as to whether the funds involved were utilised for the intended purposes. Such delays in accounting for funds encourage misuse.

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 Matters

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

- **Budget performance**

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 PS/Secretary to the Treasury which shall bind the Accounting Officer to deliver on the activities in the work plan of the vote for a Financial year, submitted under section 13 (15)" of the said Act. It has been observed over the years that planned and budgeted for activities of a number of Government entities are not implemented thereby affecting service delivery.

During the overall office wide planning, I assessed risks of inadequate revenue collection, and failure to release budgeted funds that are likely to be the causes of failure to implement planned activities. The focus was put on variance analysis. Consequently, I developed specific audit procedures which included undertaking a variance analysis for revenue and releases and testing the completeness of the reported actual figures. Based on the procedures performed, the following were observed;

a) Overall Revenue performance

Government set out to collect a total of UGX.28.2 trillion in the year under review in terms of URA taxes (Domestic Revenue), Development Partner funding (Loans and Grants), Treasury instruments, and Non-Tax Revenue (NTR). However by the close of the year, Government had collected UGX.27.1 trillion equivalent to 96% of the planned revenue. This resulted into a revenue shortfall of UGX.1.095 trillion (4%). This performance was commendable; however, a lot still has to be done to improve the domestic revenue collection by setting higher targets given that over 40% of the revenue is from borrowing and foreign grants.

Management explained that government has developed a new Domestic Revenue Mobilization (DRM) strategy which is aimed at ensuring greater self-reliance in financing economic development through a broad based and sustainable taxation approach.

I await the implementation of the DRM strategy by government.

b) Non-Tax revenue performance

Government set out to collect a total of UGX.805,419,254,229 in the year under review in terms of Non-Tax Revenue (NTR). By the close of the year, the NTR performance exceeded expectation and stood at UGX.1,157,042,912,405 or 144%. Despite this performance, out of a total of 49 MDAs reviewed, 20 of them failed to collect 50% of their planned NTR. In addition, a number of entities did not include NTR in their budgets and Accounting Officers attributed this to a restriction in the budgeting tool. Accordingly, the high overall collection of NTR of 144% was attributed to collections that had not been budgeted for. This further limits an assessment of their performance since no figures were included in their budgets.

Management explained that the budgeting process for NTR will be further streamlined to eliminate the residual bottlenecks.

c) Supplementary Expenditure

Supplementary budgeting is a mechanism that allows for financing of events and occurrences during the financial year that were not foreseeable or predicted. This was envisaged under Article 156(2) of the Constitution of the Republic of Uganda 1995 (as amended). It is further operationalized by Section 25 of the PFMA 2015 as amended and Regulation 18(6) of the PFM Regulations 2016. Good practice requires that the supplementary expenditure should be unforeseeable, unabsorbable and unavoidable.

It was observed that as of 30th June 2018, a total of UGX.1.7 trillion had been approved as supplementary expenditure. It was however noted that of this amount, expenditure worth UGX.75,361,462,968 could have been either postponed to the subsequent year or absorbed in the current budget. It was also observed that the majority of the supplementary expenditure was for recurrent activities. Some of the incidences that necessitated supplementary expenditures could be attributed to weaknesses in the planning and budgeting processes. The practice may lead to distortions in the expenditure framework and buildup of debt.

Management explained that supplementary expenditure beyond 3% require prior approval by Parliament, hence it is within the jurisdiction of Parliament to reject or approve such supplementary expenditure cognizant of the conditions and purpose for required funds. Government is advised to subject all supplementary requests to rigorous tests to eliminate those that can be postponed or absorbed.

d) Releases of budgeted funds to MDALGs

Government set out to spend a total of UGX.25,597,780,834,222 through MDAs, referral Hospitals, embassies, Local governments and Missions. Analysis of warrants revealed that a total of UGX.21,988,888,156,257 was released representing 86% performance. The shortfall was attributed to shortfalls in revenue collections by Uganda Revenue Authority and undersubscription of domestic debt instruments. A further analysis revealed that out of the released funds, a total of UGX.21,988,865,753,673 was actually spent by the MDALGs representing a 99.9% performance.

Failure to release the budgeted funds to the entities affected implementation of the planned activities and led to build up of arrears. Management explained that releases are in response to available cash resources. I advised government to continue enhancing its revenue mobilisation and collection mechanisms so as to be able to fully provide the amounts appropriated for all MDAs.

- **Public debt management**

According to the Public Debt Management Framework (2013), Public debt is composed of Public and Publicly Guaranteed debt (PPG). This includes external debt, which is defined as debt denominated in foreign currency, and domestic debt contracted either through direct or indirect borrowing. According to the Audited financial statements for Treasury Operations for the financial year ended 30th June 2017, it was noted that the position of Government Public debt had again increased tremendously in the past three financial years.

It is therefore imperative that acquisition and disbursement of loans are done diligently and proper controls exist to keep the debt sustainability in constant check. During the overall office wide planning, I assessed risks related to public debt in relation to acquisition, disbursement and repayment of public debt.

Based on the above, I considered public debt as a key audit matter. The objective of the audit was to assess whether the acquisition, disbursement and subsequent repayment of all Public debt obtained by the government were in accordance with the laws, regulations, and policies of Government of Uganda, and the development partner's requirements in the loan agreements. Consequently, I developed specific audit procedures which included the review of the processes, procedures and documentation relating to the acquisition and disbursement of debt, analyzing the debt performance of the government including confirming whether debt principal and interest are duly paid, and analyzing information on the debt management system for accuracy, completeness and consistency and reviewing the debt sustainability indicators of government vis-à-vis best practice as well as making comparisons to countries in the region.

Based on the procedures performed, I observed the following;

- a. According to the Public Debt Management Framework (PDMF), Public debt is composed of external debt (Debt denominated in foreign currency) and domestic debt (stock of shilling denominated liabilities). The definition, however, excludes domestic arrears, pension liabilities which are on the rise across government. The total disbursed debt has increased by 22% from UGX.33.99 trillion as at 30th June 2017 to UGX.41.44 trillion as at 30th June 2018.
- b. There are a number of stringent loan conditions in the loan agreements signed by the Government of Uganda and these have further increased the cost of borrowing and at times expose Uganda's sovereignty to risk.

- c. There has been a huge increase in onlent loans to parastatals from UGX.431 billion in 2015/16 to UGX.4,634 billion in 2017/18 representing a 975% increment; however, this is happening in the face of failure by parastatals to repay loans earlier onlent. There is likelihood that the financing instruments being used are not appropriate for some parastatals.
- d. An assessment of Uganda's debt sustainability revealed that though Uganda compares well with other countries in the debt to GDP ratios, it fares poorly in interest to revenue and debt repayment to revenue ratios. This is largely due to the low tax to GDP ratios suffered by Uganda. As a result, Government is heavily relying on rolling over domestic debt.
- e. Government does not have a clear strategy that would protect the country against foreign exchange risk as a result of debt dominated in foreign currency. In the year under review, there was an exchange loss of UGX.2.4 trillion resulting from the translation of foreign denominated loans.

In response, Government has committed to addressing the above shortcomings by increasing efforts to collect domestic revenue, cutting back on short term domestic borrowing, initiating policies to support import substitution and export promotion, developing policies to deal with foreign exchange risk as well as developing new guidelines for loan negotiations. This is in line with the recommendations I have made to government. I await the outcome of this commitment

Emphasis of Matter

Without qualifying my opinion further, attention is drawn to the following additional matters which have also been disclosed in the financial statements;

- **Contingent Liabilities – UGX.9.4 trillion**

As disclosed in the statement of contingent liabilities, Government contingent liabilities have increased to UGX.9.4 trillion up from UGX.7.5 trillion reported in the previous year. The trend appears unsustainable in the event that a significant percentage crystallizes into liabilities.

- **Classified Expenditure**

As disclosed under note 8, a total of UGX.757 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.

Other Matter

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

- **Expenditure off the IFMS**

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 7 Ministries and Agencies which are on the IFMS, it was observed that 6 entities still 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. This practice exposes such funds to a risk of misuse.

The Accountant General explained that the identified expenditures are transfers made to regional offices where IFMS is not yet deployed. Progress is being achieved in rolling out IFMS to regional offices of entities. I advised the Accountant General to expedite the roll out so as to mitigate the exposure to risk of abuse.

- **Weaknesses in the E-Cash payment platform**

GOU has implemented wide-ranging Public Financial Management (PFM) reforms geared towards ensuring efficient, effective, transparent and accountable use of public resources as a basis for improved service delivery. These reforms have provided the foundation for improved transparency and accountability in public financial management process, however, one of the challenges that still exists is the management of cash transactions in government entities.

To further strengthen the management of cash transactions, Government acquired an e-cash solution to enable MDALGs efficiently process cash payments directly to beneficiaries without going through employee personal accounts. The objective of adopting e-cash system was to mitigate the risk associated with cash advances to employee personal accounts. The system is used by MDAs to effect one-time payments to mobile money accounts of persons not employed by the MDA.

A review of the system revealed major weaknesses in the controls which are likely to undermine the attainment of the stated objectives. It was noted that funds could be sent to bank accounts rather than mobile money, non-individual beneficiaries can be set up, multiple payments can be made to individual beneficiaries in the same seating and there was no cap on the amounts that can be sent.

As a result of the above weaknesses, I noted that payments were made to employee accounts instead of third parties, huge sums of money were transferred in single transactions to a beneficiary through the system and multiple payments were made to the same beneficiaries on the same day.

If the system weaknesses are not plugged, the intended objectives of the system may not be achieved as it appears to be creating a parallel payment platform to the IFMS. I have advised the Accountant General to consider strengthening the controls embedded on the system as it rolls it out to other MDAs.

- **Leased data and Internet Services for IFMS from private entities**

Section 4 (a) of the NITA-U Act provides that NITA-U shall provide internet services to the government. In addition, regulation 10 of the NITA-U (E-government) regulations provides that all public bodies shall use the NBI and electronic government infrastructure as the primary vehicle for all government data, internet and voice services.

I noted that the Ministry of Finance entered into contracts and continues to lease data and internet related services for its IFMS sites from private entities and pays them directly. In the year under review, a total of UGX.2,381,843,130 was paid to various local companies for the data communication. Interaction with NITA(U) revealed that their service to IFMS in the year under review had a 99% uptime, their coverage is countrywide and the current Rural Communication Infrastructure Project funded by the World Bank was to provide last mile connectivity to all major installations in the country. I noted that NITA(U) provides connectivity using the budget already availed to it through appropriation. The continued solicitation of services from private data providers is wasteful as the funds could be used to expedite last mile connection to the national backbone where needed.

Management in their response stated that the National Backbone Infrastructure (NBI) that is provided by NITA (U) has been adopted as the main link in all the sites within Kampala. The adoption of the NBI at other sites is ongoing and the roll out exercise has a target completion date of 31st March 2019 for sites where NITA-U link is accessible such as IFMS

sites. The second link, which is by a telecom company, will only be maintained for emergency purposes only at negotiated rates for IFMS regional centres.

I await the conclusion of this management initiative.

- **Conflict between Loan Agreement, Power Purchase Agreement and Generation and Sale License**

Article 3.1 and Appendix 1-A (11) of the loan agreements between GOU and the financing Bank for the construction of Isimba HPP and Karuma HPP requires UEGCL to enter into a power purchase agreement (PPA) with Uganda Electricity Transmission Company Ltd (UETCL) on a take or pay basis (also known as capacity payment). Part IV of the power purchase agreements signed between UEGCL and UETCL in relation to Karuma and Isimba respectively, and approved by EXIM Bank requires UETCL to make capacity payments to UEGCL. Under the capacity payment method, the purchaser is required to pay for the entire available capacity of the hydropower facility.

The government of Uganda guaranteed the above agreement between UETCL and UEGCL, implying that in case UETCL fails to pay, Government of Uganda would bridge the gap.

Contrary to this arrangement, it was noted that clause 6 and Annex D (2) of the generation and sale licenses issued by the Electricity Regulatory Authority (ERA) to UEGCL in relation to Karuma and Isimba authorises UEGCL to only charge UETCL an Energy charge. Under the energy charge method, the purchaser is only required to pay for energy consumed, as measured by a meter. The purchaser is not required to pay for the available energy that it does not consume.

UEGCL charging UETCL an energy charge and not requiring capacity payment implies flouting of the power purchase agreement and would require Government of Uganda through the Ministry of Finance to bridge the gap. Indeed the Solicitor General's advice dated 14th September 2018, forwarded to ERA by UEGCL, recommended for the amendment of the generation license to harmonize with the PPA and credit loan agreement. This has not been undertaken up to date. I advised the PS/ST to ensure that the license is harmonized with the agreements as advised by the Solicitor General to avoid crystallization of the guarantee.

Other Information

The Accounting Officer is responsible for the other information. The other information comprises the statement of responsibilities, statement from the Hon. Minister of Finance, Planning and Economic Development, statement from the Secretary to the Treasury, 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, 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, 2008, 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 2008 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 (NAA), 2008, I report to you, based on my work described on the audit of the GoU Consolidated Financial Statements that;

- Except for the matters raised in the compliance with legislation section below, and whose effect has been considered in forming my opinion on the GoU consolidated financial statements, the activities, financial transactions and information reflected in the consolidated financial statements that have come to my notice during the audit, are in all material respects, in compliance with the authorities which govern them.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

In accordance with Section 13 of the NAA, 2008, I have a responsibility to report material findings on the compliance of Treasury management with specific matters in key legislations. I performed procedures 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;

- **Government Commitments beyond Appropriation and off the IFMS**

Section 21(2) of the Public Finance Management Act 2015, states that a vote shall not take any credit from any local company or body unless it has no unpaid domestic arrears from a debt in a previous financial year, and it has the capacity to pay for the expenditure from the approved estimates as appropriated by Parliament for that year.

A review of the consolidated financial statements revealed that for 27 entities, their total expenditures plus new commitments for the year exceeded the appropriation for the year by a total of UGX.363,791,707,071. This implies that the Accounting Officers committed votes beyond the appropriation which contravenes the requirements under the Act. I observed that the IFMS has controls to avoid commitments beyond appropriation, implying that the commitments were done outside the IFMS system. The continued circumvention of budget controls leads to further accumulation of domestic arrears.

Management acknowledged that in some cases, commitments outside of the IFMS were done in breach of existing guidelines on committing government. But in other cases, the breach is unavoidable where the commitments arise from outside the organisation such as court awards. Management noted that the MTEF funding has been enhanced effective 2018/19 to clear all verified arrears progressively up to 2021/22 as per the Domestic Arrears Strategy. New measures will also be undertaken for cases of errant Accounting Officers who commit Government beyond the budget without justifiable reasons. I await the outcome of management's commitment.



John F.S. Muwanga

AUDITOR GENERAL

KAMPALA

27th December, 2018

**2.2 REPORT AND OPINION OF THE AUDITOR GENERAL ON THE
CONSOLIDATED FINANCIAL STATEMENTS OF DISTRICT LOCAL
GOVERNMENTS FOR THE YEAR ENDED 30TH JUNE 2018**

THE RT. HON. SPEAKER OF PARLIAMENT

Opinion

I have audited the consolidated financial statements of Local Governments Districts which comprise the consolidated Statement of Financial Position as at 30th June 2018, and the consolidated Statement of Financial Performance, consolidated Statement of Changes in Equity and consolidated statement of Cash flows together with other accompanying 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 2018 are prepared, in all material respects in accordance with section 51 of the Public Finance Management Act, 2015 and the Local Government Financial and Accounting Manual, 2007.

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAI), and the National Audit Act 2008. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of my report. I am independent of the Local Governments Districts 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' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to my audit of the consolidated financial statements in Uganda, and I have fulfilled my other ethical responsibilities in accordance with these 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. I have determined the matters described below as key audit matters to be communicated in my report;

- **Performance of Youth Livelihood Programme.**

The Youth Livelihood Programme (YLP) is a Government Programme being implemented under the Ministry of Gender, Labour and Social Development (MoGLSD) through the Local Government Administrations. The programme, which started in the financial year 2013-2014, was to respond to the existing challenge of unemployment among the Youth. The programme is implemented through the District and support to the vulnerable youth in form of revolving funds for skills development projects and income generating activities.

The audit focused on an amount of UGX.32.9 bn disbursed to 105 Districts in the Financial Years; 2013/2014 and 2014/2015 whose recovery period of three years had expired by 30th June 2018. The audit procedures performed included ascertaining the following;

- Whether all funds budgeted for YLP during the period under review were actually released and used only for the program.
- Whether all funds advanced to the youth groups were repaid in accordance with the agreed repayment schedule and to establish reasons for failure or delays to repay the funds.
- Whether all funds recovered during the period under review were transferred to the revolving fund account in Bank of Uganda and
- Whether on a sample basis the funded projects exist and are operating.

I made the following observations;

a. Underfunding of the Programme.

A review of the approved budget for the YLP program revealed that whereas the Districts had budgeted for a total amount of UGX. 35.2bn for the financial years 2013/2014 and 2014/2015, only UGX. 32.9bn was released resulting in a shortfall of UGX. 2,381,248,643. As a result only 15,979 (67%) of the proposed 23,850 projects were funded. This affected the number of youths who had been targeted by the program by benefiting only 195,644 out of 286,200 youths, (68%) by 30th June 2018. This undermined the intended objective of responding to the challenge of unemployment amongst the Youths.

The Accounting Officers mainly attributed this to budget cuts by the Ministry of Gender, Labour and Social Development (MGLSD) which has the final say in this programme.

I advised the Accounting Officers to continuously engage the MGLSD to ensure success of the programme.

b. Low recovery of Youth Livelihood Funds

I observed that whereas the groups funded in 2013/2014 and 2014/2015 were expected to have repaid a total amount of UGX.33.6 bn (Interest inclusive) by close of the financial year 2017/2018, only UGX.8.3 bn (24.7%) was collected leaving a balance of UGX.27.4 bn (75.3%).

Physical inspection was carried out on two selected projects per district (2013/2014) to ascertain whether they were in existence and executed in accordance with the operational guidelines. Out of the 172 inspected projects, only 63 projects were in existence (36%) while 109 projects were nonexistent.

Failure to repay in a timely manner implies that other eligible groups were unable to access the funds since this is a revolving fund.

According to the Accounting Officers, delayed repayment was mainly attributed to disintegration of groups and sharing of funds by members (45%), embezzlement of funds by group members (23%), failure of some projects especially agriculture

projects due to bad weather patterns (10%) and other reasons including lack of skills, Sensitization and insecurity (22%).

I advised Accounting Officers to seek for a lasting solution with all stake holders in order to address the challenge of youth unemployment.

c. Failure to transfer recovered funds to the recovery account in BOU.

A review of the bank statements of YLP collection accounts revealed that out of the recovered amount of UGX.8.3 bn from 105 districts, UGX.6.9 bn had been transferred to the National Revolving Fund Collection Account by the end of the financial year 2017/18. However the balance of UGX.1.4bn had not been transferred. This undermines the effective implementation of the program.

The Accounting Officers attributed this to the slow recovery rates and failure to allocate some recoveries to individual groups.

I advised the Accounting Officers to follow the programme guidelines in order to achieve the project objectives.

- **Implementation of the Uganda Road Funds**

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 PS/Secretary to the Treasury which shall bind the Accounting Officer to deliver on the activities in the work plan of the vote for a Financial year, submitted under section 13 (15)" of the said Act.

Regulation 18(3) of the Local Government Financial and Accounting regulations, 2007 requires budget estimates to be based on objectives to be achieved for the financial year and during implementation, effort to be made to achieve the agreed objectives or targets as per the programme of Council.

It has been observed over years that planned and budgeted for activities of a number of Local Governments are not implemented thereby affecting service delivery.

During the overall office wide planning, I identified risks such as inadequate release of funds and failure to undertake budget monitoring and supervision that are likely to be the causes of failure to implement the planned activities under Uganda road fund. The

focus was put on the planned major outputs under Uganda Road Fund which greatly impact on service delivery in the Local Governments Districts.

Consequently, I developed specific audit procedures which included to ascertain whether;

- The budgeted URF releases for Local Governments for the year under review were actually received ;
- The planned URF outputs were achieved;
- The monitoring and supervision was carried out by reviewing reports to assess performance.

Based on the procedures performed, the following observations were made;

a) Budget performance

A total of UGX.55.1bn was budgeted to cater for routine manual maintenance, routine mechanised maintenance, periodic maintenance and emergency activities on several District roads using Road gangs and the force Account mechanism. However, the Districts received UGX.55.3bn resulting into an excess of UGX. 0.16bn. The excess constituted 0.3% of the budgeted amount.

b) Status of implementation

A review of planned outputs against actual performance revealed the following;

- A total of 26,883.28 kms at an estimated cost of UGX.13bn was planned to be undertaken under routine manual maintenance. Audit noted that 20,487.29 kms (76%) were actually undertaken at a cost of UGX.10.1bn (77%).
- A total of 7,006.82 kms at an estimated cost of UGX.16.2bn was planned to be undertaken under routine mechanised maintenance. Audit observed that 6,698.9 kms (96%) were actually undertaken at a cost of UGX.15.8bn (97%).
- A total of 1,619.1 kms at an estimated cost of UGX. 9.7bn was planned to be undertaken under periodic maintenance. However, audit noted that 1,828.8 kms (113%) were actually undertaken at a cost of UGX.10.3bn (106%).

c) Field Inspections

Inspection carried out in 115 Districts revealed unsatisfactory and incomplete works in 31(27%) Districts as shown in the individual entity reports. The Accounting Officers attributed this to heavy rains and floods, failure to attract road gangs, budget cuts and high unit cost per kilometre.

I advised the Accounting Officers to engage relevant authorities to revise the funding model that suits the different localities.

Emphasis of Matter

Without qualifying my opinion, I draw attention to the following matters presented in the financial statements.

• Unpaid Pension and Gratuity Arrears

Districts had not paid pension and gratuity arrears totalling to UGX.20.7bn by the end of the financial year as disclosed in note 24 of the consolidated Financial Statements for the year ended 30th June 2018. The unpaid pension and gratuity negatively impacts on the well-being of the retired civil servants. The Accounting Officers attributed this to delayed access to the pension payroll.

I advised the Accounting Officers to follow-up the matter with the MoFPED and Ministry of Public Service to expedite the verification process and have the pension and gratuity arrears payments effected.

• Inadequate Controls Surrounding Management of Payables

I observed that payables increased from UGX.43.7bn to UGX.104.1bn as disclosed in the consolidated statement of financial positions for District Local Governments. The accumulation of payables may lead to litigation and payment of fines and penalties.

I advised the Accounting Officers to observe the commitment control system and to settle outstanding payables.

• Arrears of Revenue

Disclosed in the consolidated statement of Arrears of Revenue is UGX.10.8bn accumulated revenue arrears which have increased by 58% up from UGX.6.8bn reported in the previous

year. Money owed to Councils represents an idle asset as it denies them the opportunity of using the money to provide services promptly.

I advised the Accounting Officers to initiate measures to recover the outstanding amounts.

- **Contingent Liabilities**

Disclosed in the Consolidated Statement of Contingent Liabilities on page 32 of the Consolidated Financial Statements of the Local Governments is a contingent liability of UGX.2.4bn. These are as a result of legal proceedings lodged against the Districts. This appears unsustainable in the event that a significant percentage crystallizes into liabilities. I advised the Accounting Officers to explore the causes of the accumulation of contingent liabilities with a view of curtailing further increment.

- **Funds not accounted for**

An amount of UGX. 1.1bn included in the expenditure figures of the consolidated financial statement lacked supporting documents at the time of Audit. Consequently, I was unable to confirm that the funds were utilised for the intended purposes.

I advised the Accounting Officers to ensure that the funds are properly accounted for or else effect recovery from the responsible officers.

Other Matter

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

- **Local Revenue Performance**

Regulation 32 of the Local Governments Financial and Accounting Regulations, 2007 requires Councils to ensure collection of all budgeted revenue in an approved manner and the revenue banked intact in Council accounts. A review of revenue performance revealed that districts budgeted to collect UGX.18.6bn. However only UGX.11bn (59%) was released leading to an under collection of UGX.7.6bn (41%). Under collections negatively affect implementation of planned activities.

This was attributed mainly to challenges in revenue collections from tax parks, creation of new entities draught and natural calamities.

I advised the Accounting Officers to enhance the sensitisation of tax payers on tax compliance and to develop other strategies to enhance revenue collections.

Details of other information, Accounting Officers and my responsibilities are included in **Annexure 1.**

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 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.



John F.S. Muwanga

AUDITOR GENERAL

KAMPALA

22nd December, 2018.

2.3 REPORT AND OPINION OF THE AUDITOR GENERAL ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MUNICIPAL COUNCILS FOR THE YEAR ENDED 30TH JUNE 2018

THE RT. HON. SPEAKER OF PARLIAMENT

Opinion

I have audited the consolidated financial statements of Municipal Councils which comprise the consolidated Statement of Financial Position as at 30th June 2018, and the consolidated Statement of Financial Performance, consolidated Statement of Changes in Equity and consolidated statement of Cash flows together with other accompanying 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 Municipal Councils for the year ended 30th June 2018 are prepared, in all material respects in accordance with section 51 of the Public Finance Management Act, 2015 and the Local Government Financial and Accounting Manual, 2007.

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAI), and the National Audit Act 2008. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of my report. I am independent of the Municipal Councils 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' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to my audit of the consolidated financial statements in Uganda, and I have fulfilled my other ethical responsibilities in accordance with these 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. I have determined the matters described below as key audit matters to be communicated in my report;

- **Performance of Youth Livelihood Programme.**

The Youth Livelihood Programme (YLP) is a Government Programme being implemented under the Ministry of Gender, Labour and Social Development (MoGLSD) through the Local Government Administrations. The programme, which started in the financial year 2013-2014, was to respond to the existing challenge of unemployment among the Youth. The programme is implemented through the District and support to the vulnerable youth in form of revolving funds for skills development projects and income generating activities.

The audit focused on an amount of UGX.1,6Bn disbursed to 17 Municipal Councils in the Financial Years; 2013/2014 and 2014/2015 whose recovery period of three years had expired by 30th June 2018. The audit procedures performed included ascertaining the following;

- Whether all funds budgeted for YLP during the period under review were actually released and used only for the program.
- Whether all funds advanced to the youth groups were repaid in accordance with the agreed repayment schedule and to establish reasons for failure or delays to repay the funds.
- Whether all funds recovered during the period under review were transferred to the revolving fund account in Bank of Uganda and
- Whether on a sample basis the funded projects exist and are operating.

I made the following observations;

a. Underfunding of the Programme.

A review of the approved budget for the YLP program revealed that whereas the Municipal Councils had budgeted for a total amount of UGX.1.7bn for the financial years 2013/2014 and 2014/2015 , only UGX.1.6bn was released resulting in a shortfall of UGX.17,971,000.

This undermined the intended objective of responding to the challenge of unemployment amongst the Youths.

The Accounting Officers mainly attributed this to budget cuts by the Ministry of Gender which has the final say in this programme.

I advised the Accounting Officers to continuously engage the ministry of gender to ensure success of the programme.

b. Noncompliance with the repayment schedule

It was observed that whereas the groups funded in 2013/2014 and 2014/2015 were expected to have repaid a total amount of UGX.1.8bn (Interest inclusive) by close of the financial year 2017/2018, only UGX0.44bn (24.9%) was collected leaving a balance of UGX.1.3bn (75.1%). Physical inspection was carried out on two selected projects per Municipal Council to ascertain whether they were in existence and executed in accordance with the operational guidelines. Out of the 26 inspected projects, only 6 projects were in existence while 20 projects were non-existent.

Failure to repay in a timely manner implies that other eligible groups were unable to access the funds since this is a revolving fund.

According to the Accounting Officers, delayed repayment was mainly attributed to disintegration of groups and sharing of funds by members (45%), embezzlement of funds by group members (23%), failure of some projects especially agriculture projects due to bad weather patterns (10%) and other reasons including lack of skills, Sensitization and insecurity (22%).

I advised Accounting Officers to seek for a lasting solution with all stake holders in order to address the challenge of youth unemployment.

c. **Failure to transfer recovered funds to the recovery account in BOU.**

A review of the bank statements of YLP collection accounts revealed that out of the collected amount of UGX0.44bn only UGX0.4bn was transferred to the National Revolving Fund Collection Account by the end of the financial year 2017/18 leaving a balance of UGX0.079bn. This undermines the effective implementation of the program.

The Accounting Officers attributed this to the slow recovery rates and failure to allocate some recoveries to individual groups.

I advised the Accounting Officers to follow the programme guidelines in order to achieve the project objectives.

• **Implementation of the Uganda road Funds**

Section 45 (3) of the Public Finance Management Act, 2015 states that " An Accounting Officer shall enter into an annual budget performance contract with the Secretary to the Treasury which shall bind the Accounting Officer to deliver on the activities in the work plan of the vote for a Financial year, submitted under section 13 (15)" of the said Act.

Regulation 18(3) of the Local Government Financial and Accounting regulations 2007 requires budget estimates to be based on objectives to be achieved for the financial year and during implementation, effort to be made to achieve the agreed objectives or targets as per the programme of Council.

It has been observed over years that planned and budgeted for activities of a number of Municipal Councils are not implemented thereby affecting service delivery.

During the overall office wide planning, I identified risks such as inadequate release of funds and failure to undertake budget monitoring and supervision that are likely to be the causes of

failure to implement the planned activities under Uganda road fund. The focus was put on the planned major outputs under Uganda Road Fund which greatly impact on service delivery in the Municipal Councils.

Consequently, I developed specific audit procedures which included to ascertain whether;

- The budgeted URF releases for Local Governments for the year under review were actually received ;
- The planned URF outputs were achieved;
- The monitoring and supervision was carried out by reviewing reports to assess performance.

Based on the procedures performed, the following observations were made;

a) Budget performance

A total of UGX.24.4bn was budgeted to cater for routine manual maintenance, routine mechanised maintenance, periodic maintenance and emergency activities on several Municipal roads using Road gangs and the force Account mechanism. However, the Municipalities received UGX.24.5bn (resulting into an excess of UGX.112,625,251 . The excess constituted (0.5%) of the budgeted amount.

b) Status of implementation

A review of planned outputs against actual performance revealed the following;

- A total of 2,229 kms at an estimated cost of UGX.2.6bn was planned to be undertaken under routine manual maintenance. Audit revealed that 2,059 kms (92%) were actually undertaken at a cost of UGX.2.3bn (88%)
- A total of 741 kms at an estimated cost of UGX.4.1bn was planned to be undertaken under routine mechanised maintenance. Audit revealed that 877 kms (118%) were actually undertaken at a cost of UGX.4.2bn (103%)
- A total of 171 kms at an estimated cost of UGX. 11.6bn was planned to be undertaken under periodic maintenance. Audit revealed that 162 kms (97%) were actually undertaken at a cost of UGX.10.9bn (95%)

c) Field Inspections

Inspections carried out in 35 Municipalities revealed unsatisfactory and incomplete work in 8 Municipalities (23%) as shown in the individual entity reports. The Accounting Officers attributed this to heavy rains, delayed access to read equipment from districts, failure to attract road gangs and high unit costs per Kilometerage in some areas.

I advised the Accounting Officers to engage relevant authorities to revise the funding model to suite the different terrains and situations.

Emphasis of Matter

Without qualifying my opinion, I draw attention to the following matter presented in the financial statements –statement of financial performance

• Unpaid Pension and Gratuity Arrears

Municipal Councils had not paid pension and gratuity arrears amounting to UGX.2.3bn by the end of the financial year as disclosed in note 24 of the consolidated financial statement of Municipal councils for the year ended 30th June 2018, in their respective Financial Statements. The unpaid pension and gratuity negatively impacts on the well-being of the retired civil servants. The Accounting Officers attributed this to delayed access to the pension payroll arising from delays in verifying pension and gratuity files by the Ministry of Public Service.

I advised the Accounting Officers to follow-up the matter with the MoFPED and Ministry of Public Service to have the pension and gratuity areas payments effected in a timely manner.

• Funds not accounted for

An amount of UGX. 263,269,202 included in the expenditure figures of the consolidated financial statement lacked supporting documents at the time of Audit. Consequently, I was unable to confirm that the funds were utilised for the intended purposes. I advised the Accounting Officers to ensure that the funds are properly accounted for or else effect recovery from the responsible officers.

- **Inadequate Controls Surrounding Management of Payables**

It was observed that payables increased from UGX.19.9bn, to UGX.28.5bn as disclosed in the consolidated statement of financial positions for District Local Government. The accumulation of payables can lead to litigation, and payment of fines and penalties.

I advised the Accounting Officers to observe the comment control system and to settle outstanding commitments promptly.

- **Outstanding Arrears of Revenue**

Disclosed in the statement of consolidated Arrears of Revenue is UGX.8.3bn accumulated revenue arrears which have increased by 16% up from UGX.7.2bn reported in the previous year. Money owed to councils represents an asset that is idle as it denies them the opportunity of using the money to provide services promptly.

I advised the Accounting Officers to initiate measures to recover the outstanding amounts.

- **Contingent Liabilities**

Disclosed in the Consolidated Statement of Contingent Liabilities on page 61 of the Consolidated Financial Statements of the Local Governments is a contingent liability of UGX.1bn. These are as a result of legal proceedings lodged against the Municipal Councils. This appears unsustainable in the event that a significant percentage crystallizes into liabilities.

I advised the Accounting Officers to explore the causes of the accumulation of contingent liabilities with a view of curtailing further increment.

Other Matter

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

- **Local Revenue Performance**

Regulation 32 of the Local Governments Financial and Accounting Regulations, 2007 requires Councils to ensure collection of all budgeted revenue in an approved manner and the revenue banked intact in Council accounts. A review of revenue performance revealed municipal councils budgeted to collect UGX.20.1bn. However, only UGX.13.3bn (66%) was collected leading to a shortfall of UGX.6.8bn (34%).

The Accounting Officers attributed this to challenges in revenue collections from tax parks, creation of new entities, draught and natural calamities.

I advised the Accounting Officers to sensitize of tax payers on tax compliance and to develop other strategies to enhance revenue collections.

Details of other information, Accounting officer and my responsibilities are included in **Annexure 1.**

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 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.



John F.S. Muwanga

AUDITOR GENERAL

KAMPALA

22nd December, 2018.

PART 3: GOVERNMENT MINISTRIES, DEPARTMENTS AND AGENCIES (MDAS)

3.0 GOVERNMENT MINISTRIES, DEPARTMENTS AND AGENCIES (MDAS)

3.1 SUMMARY OF AUDIT RESULTS

I carried out 166 Financial Audits and 5 Engineering Audits, 2 under USMID (18 municipalities for two financial Years), 2 in Mulago and Butabika Hospitals, and 1 in Entebbe Senior Secondary School. Accordingly, the detailed reports have been issued to the individual entities.

Regarding the financial audits, 154 entities had unqualified opinions up from 149 entities last year. The qualified opinions on the other hand decreased by 3 to 13 and one adverse opinion.

S/N	FY	Type of Opinion				Total
		Unqualified	Qualified	Adverse	Disclaimer	
MDAs	2016/17	149	16	0	0	165
	2017/18	154	13	1	0	168

3.2 CROSS – CUTTING ISSUES FOR CONSIDERATION BY THE OVERSIGHT COMMITTEES

3.1.1 Budgeting and Budget Implementation

Over the years, planned and budgeted for activities are not adequately implemented thereby impacting on the achievement of the national objectives. I assessed the budgeting and implementation of key Ministries, Departments and Agencies to establish adequacy planning, budgeting, financial and annual physical performance by analysing government revenue and expenditure planning procedures, release of funds, testing consistency of planned outputs with the approved budget and verifying the accuracy and completeness of the reported actual outputs. Below are the key highlights of the findings, details are provided in my separate budget performance report and individual reports which have been issued separately.

- **National planning and assessment of Government performance**

I observed some gaps in Government planning and budgeting which affect the timeliness and accuracy of plans by Government. The shortcomings include;

- 1 out of 16 sectors delayed to submit sector plans.
- Lack of service delivery standards in all MDAs and LGs.
- Delay in issuing of circular for NDP III by NPA.
- Failure by NPA to undertake mid-term review assessment of the NPD II.
- Failure by 40 entities to submit strategic plans.
- Failure by some MDAs in attaining satisfactory score on Certificate of Compliance (CoC) 88 entities (66%) scored less than 60%

These gaps imply that the sector development plans may not be aligned with the NDP. Further, lack of service delivery standards implies that there is no bench mark for assessing service delivery and implementation of the NDP. In addition, the failure to undertake a mid-term review affects the planning of NDP III as the results of the midterm review are used to provide guidance to stakeholders in the development and timely implementation of NDP III.

There is need for NPA to follow up with the MDAs and LGs to ensure that the above challenges are addressed.

- **Implementation of planned /budgeted activities**

Unimplemented activities in MDAs

Section 45 of the Public Finance and Management Act, 2015, requires the Accounting Officer to control the regularity and proper use of the money appropriated to the vote. According to Section 45 (3) of the same Act, the Accounting Officer shall enter into an annual performance contract with the Secretary to Treasury which shall bind the Accounting Officer to deliver on the activities in the work plan for the vote for the financial year. Work plans are based on outputs to be achieved for the financial year and during implementation effort are required to be made to achieve the agreed objectives/targets for the entity within the available resources.

A review of the Ministerial policy statements, expenditures and performance reports revealed a number of entities implemented their activities in accordance to their plans. However, I noted that some entities did not implement activities as planned citing non-release of funds, late release of funds, delayed procurement processes. I also noted that there were diversions in a number of instances.

The most affected entities were Ministry of Works and Transport, Ministry of Health and Ministry of Education and Sports.

Details of implementation of planned activities are in my budget performance report issued separately.

I advised Accounting Officers to follow approved plans and appropriations in implementation of activities and follow up with MoFPED for full funding of activities.

- **Non Payment of Pension Arrears**

I noted that many votes were not paying pension and gratuity to beneficiaries. For MDAs, by the close of the f/y an amount of UGX35bn, up from UGX 17.34bn last financial year, which had been released for payment of pension was not paid out. The biggest amount, of UGX11.6bn is by Ministry of East African Affairs. For Local Governments, an amount of UGX30.6bn down from UGX100.7bn had not been spent by close of the year.

The Accounting Officers attributed this to non-existent pensioners, delayed verifications and late releases of funds. This negatively affects the delicate lives of senior citizens and has a direct impact on their human rights and needs to urgently be addressed.

- **Under absorption**

It was observed that there has been an improvement in the disbursement and absorption of loans; by the close of 2017/2018 only 10 loans were performing below expectation with absorption levels below 10%.

Several projects had not utilised significant amounts of funds released to them. For example USMID project which had disbursed an amount of UGX100.6bn to the Municipal Councils. I noted that an amount of UGX95bn was still on the accounts of 14 Municipal

Councils (UGX95bn) unutilised despite various incomplete/abandoned civil works due to non-payment to Contractors. A significant number of projects had delays in implementation with the Energy and Education sectors being the most affected.

Unspent funds imply delayed or non-implementation of planned activities for service delivery. The occurrence of these unspent balances was attributed by Accounting Officers to late release of funds from Ministry of Finance, Planning and Economic Development, inefficiencies in procurement units and incompetent contractors among others.

I advised the Accounting Officers to liaise with MoFPED for timely release of funds and streamline procurement and contract management processes.

3.1.2 Decentralization of Pension and Payroll Management

In financial year 2014/15, Government partially decentralized Pension management with the Planning (budgeting) and ensuring that processing of files is undertaken by MDAs and LGs. MOPS pledged to eventually have the decentralization of pension to be fully undertaken by all MDAs and LGs. Whereas the Government has made substantial progress in reducing the ghost pensioners, I noted that there were still gaps in the processing of Government employee emoluments as indicated below.

- I noted that 1674 staff from the June 2018 payroll deemed to have reached the mandatory retirement age were still on the active payroll and were paid a total of UGX.1.4bn during the month of June alone in form of salaries and allowances contrary to Public Standing Orders.
- Payroll of June 2018 revealed that pensioners in various Votes were employed on contract terms but there was no evidence indicating that their job positions required special skills. Some of the positions in question include; drivers, plant operators, accountants, administrative assistants, askaris and special constables which positions can easily be filled from the existing job market. Irregular employment of pensioners results into excess expenditure by Government and denies the unemployed access to government jobs.
- The system being used to manage the pension was unable to generate automatic notifications of the retirement due dates.

- There were delays in solving queried files as 931 files were queried and stored at the MOPS awaiting collection by the respective vote human resource officers for further action. I noted that it takes on average between 6 to 12 months for vote Human Resource Officers to pick up the queried files for correction.
- I noted from review of the IPPS electronic files that some pensioners were assigned multiple gratuity payments both on the payrolls and interface files. In the event that Votes do not carry out a review to ascertain the accuracy of the interface files uploaded on the IFMS, the possibility of double payments cannot be ruled out.

I note that Government is in the process of procuring a system that will solve these challenges. I await the outcome of this initiative for future pensions and call for immediate addressing of bottlenecks for the 931 pensioners.

3.1.3 Non-Compliance with Tax laws

During the year under review, a sample of MDAs did not comply with Tax laws in respect to deductions and remittances to UGX. 27.4 bn. The failure to deduct and remit taxes directly impacts on collections by the Uganda Revenue Authority. I advised Accounting Officers to comply with the tax law.

Table 3: Non-deduction and Non-remittance of taxes

S/N	Entity	Non deducted taxes	Non remitted taxes
1	Community Agricultural Infrastructure Improvement Programme – Project 3 (CAIIP – III)	-	18,287,066,139
2	Urban Markets and Marketing Development of Agricultural Products Project	-	6,184,417,820
3	District Commercial Services Support Project (DICOSS)	1,062,000	-
4	Soroti University	-	141,733,220
5	ADB V Support to Higher Education, Science & Technology-1273 (USD. 657,578.14)	2,450,004,629	-
6	Gulu University	324,624,045	-
7	Gulu Regional Referral Hospital	-	111,598,776
	Total	2,775,690,674	24,724,815,955

3.1.4 Wasteful/ Nugatory Expenditure

Good practice requires Accounting Officers to reduce cases of apparent waste, extravagant administration or failure to achieve value for money due to management's laxity in the conduct of operations. However, I noted wasteful expenditure to the tune of UGX 1.6 bn. These arose as a result of interest on late payments on VAT and breach of contracts. Table below refers. This affected the implementation of activities in the entities and on the overall service delivery.

I advised Accounting Officers to adhere to the contract arrangements with a view of avoiding such expenses.

Table 4: Wasteful/Nugatory Expenditure

S/N	Entity	Particulars	Amount
1	Ministry of Water and Environment and Urban Development	Interest charges	803,111,726
2	Ministry of Education and Sports	These include payment of interest on delayed payments, litigation costs for wrongful termination of contracts and refund of embezzled funds.	798,940,237
	Total		1,602,051,963

3.1.5 Outstanding Receivables

During the review, it was noted that receivables worth UGX. 60.8 bn were not collected by the various Ministries, Departments and Agencies and were therefore still outstanding as at 30th June 2018 as summarized in table below. This was a reduction from the total receivables of UGX. 74.8 bn as at 30th June 2017. There is a risk that the receivables may not be collected.

I advised the Accounting Officers to ensure timely collection of receivables and devise measures to enforce recovery.

Table 5: Outstanding Receivables

S/N	Entity Summary	Amount
1	Ministry of Justice & Constitutional Affairs	20,609,131,791
2	State House	590,200,000
3	Petroleum Fund	12,877,415,932
4	Water Supply And Sanitation Programme support (WSSP) I under JWESSP	32,064,486
5	Kyambogo University	4,684,030,407
6	Busitema University	246,527,500
7	Ministry of Education and Sports	21,609,448,397
8	Uganda Blood Transfusion Services	74,600,000
9	Jinja Regional Referral Hospital	109,663,453
	Total	60,833,081,966

3.1.6 Staff Shortages

I noted that out of the total Government staff establishment of 469,216 positions, only 311,987 positions had been filled leaving a gap of 157,229 representing 34% of vacant posts across MDAs/LGs. These vacant posts include key staffing posts such as Doctors, Clinical Officers, Professors, Theatre Staff, Human Resource Officers, Legal Officers and Commissioners among others.

The major staffing shortfalls were noted in Local Governments, Public Universities and Directorate of Public Prosecutions with staffing levels of only 30%, 40% and 41% respectively which are far below the recommended minimum staffing level of 65%. Police and Prisons are equally substantially affected. Inadequate staffing affects the timely implementation of entity activities and may adversely impact on the entities in the achievement of its strategic objectives. The matter requires urgent attention.

I advised Accounting Officers to make concerted efforts in engaging with all stakeholders to ensure that vacant posts are filled to enable the entities adequately deliver on their mandate.

3.1.7 Untitled Land/ encroached land/ other land matters

Land matters have again remained an issue featuring in my current year audit report. A number of instances have been noted where Government entities have continued to lose out on land to encroachers because the land is not fenced, surveyed and titled.

The entities that are greatly affected by this problem are Uganda Police (UPF), Prison Services and public universities.

Further, I noted that the Uganda Land Commission which is mandated to hold Government Land in trust does not have an updated register of all the land it holds in trust for Government. There is a need to address land issues in Government Institutions.

Table 6: Untitled/Land/Encroached land/Other Land Matter

S/N	Entity	Land Matter
1	Directorate of Public Prosecutions	The ODPP RSA Residence Kapchorwa building was constructed on land whose ownership was contested.
2	Uganda Police Force	Unsurveyed land, Untitled land, Encroachment on Natete land (total land with issues is approximately 570 acres. across the entire country)
3	Uganda Prisons Services	Unaccounted for land at Luzira (106.692 acres), Untitled and Unsurveyed land, Land with encroachments, disputes and encumbrances at Arua, Namalu, Amita, Ngenge, Ragem, Kotido, Bukedea and Budaka--un surveyed and un titled land is equivalent to 89 pieces of varying sizes across the country
4	Ministry of Defence and Veterans Affairs	Compensation of Land at Usuk, Ngariam Katakwi, JIE Block 4, Plot 21, Nakapirimor, Kotido District, Petero Bashaija (Estate of Maria Kakindu) Kabamba and Plot 20 Lugard Avenue, Entebbe (Total 7.675bn)
5	Ministry of Agriculture Animal Industry & Fisheries	Untitled Land(VODP), Missing land title and loss of land to Government Departments (Bukalasa Agricultural college)
6	Ministry of Tourism, Wildlife and Antiquities	6 pieces of land where museums are located did not have titles
7	Ministry of Water and Environment	Various water schemes built (construction cost over UGX50bn) across the country have no land titles
8	Public Universities (KYU, Soroti, Busitema, Muni, Gulu)	Illegal encroachment, underutilised and untitled land
9	Jinja Referral	Lack of Titles
10	Ministry of Science and Technology	Lack of Land Titles for PIBID Land (land at Sanga approximately 50 acres and land where the water source is located at Kyamugambira approximately 4 acres).

3.1.8 Court cases won by Government

I observed that a sum of UGX. 20.6bn was reported as cumulative arrears of revenue as at 30th June 2018 arising from won cases. There was no evidence to show that Management had collected any of the arrears although the Ministry continues to make payments for cases lost. There is a risk of loss of Government revenue arising from failure to enforce collection of revenue due from cases won.

The Accounting Officer explained that the Ministry has engaged external parties to follow up collection of the outstanding arrears of revenue from cases won.

I advised the Accounting Officer to expeditiously follow up the matter and have the outstanding revenue collected.

3.1.9 Pending legal cases

I noted that a number of entities had ongoing court cases whose outcomes were still uncertain. Notable among them were Ministry of Energy and Mineral Development and Makerere University as outlined in table below.

Table 7: Pending Legal Cases

S/N	Entity	Estimated legal cost	Remarks
1	Ministry of Energy and Mineral Development	389,800,000,000	several legal cases arising from land compensation claims for the Isimba and Karuma projects
2	Soroti University	1,025,265,000	
3	Makerere University	5,634,291,157	
4	Makerere University Business School	3,803,637,896	
	Total	400,263,194,053	

Their eventual determination and/or payment could negatively effect on the cash flows and ability of the concerned entities to continue as going concerns.

I advised Management to always ensure due diligence in carrying out their work to safeguard against litigation and consequential unfavourable outcomes.

3.3 Sectoral Key Findings

3.3.1 Accountability

a) Funding for Tax Incentives

The roles and objectives of the Tax Policy department under Ministry of Finance Planning and Economic Development (MoFPED) among others are to initiate, evolve and formulate policies to achieve economic policy goals and objectives including stimulating investments and also raise domestic revenues to finance the government budget. The department is also mandated to evaluate and advise on the impact of tax policy on taxpayers and the economy.

It was noted that the Ministry introduced a policy of paying taxes to URA on behalf of Companies in specific sectors such as the steel sector. In addition, the ministry also agreed to settle electricity bills for some firms in the textile industry. However, due to lack of a proper policy, it was observed that incentives are given without accompanying budget provisions and as such, this has always led to creation of domestic arrears under the Ministry. As such, by the close of the FY 2017/2018, domestic arrears attributable to these incentives had grown to UGX.153 bn up from UGX.83 bn in the previous year, this represented an 83% increase.

The Accounting Officer explained that the Tax and Energy incentive was not backed by relevant resources, which created domestic arrears.

I advised Government to consider establishing a policy framework for not only guiding the funding mechanism for such incentives but to also limit them to available resources.

b) Inadequate Project monitoring by Project Steering Committees

Project Steering Committees have a role to provide overall guidance on project activities and this is to be done on a regular basis. However, I noted 8 projects whose value amounted to USD.516,760,000 (UGX.1.912trillion) were experiencing difficulties in having these meetings undertaken. As a consequence, there were delays in approving and implementing work plans and manuals and policies approved. This has adverse effect on the timelines for implementation which could lead to extra costs in case of project extensions.

The Accounting Officers attributed this to difficulties in constituting these meetings as the membership consists of Permanent Secretaries that are usually busy on other assignments.

There is need for Government to review the compositions of these committees with a view to having alternative representatives at these meetings so that regular meetings can be undertaken.

3.3.2 Energy and mineral development sector

- **Funds withdrawn from the Petroleum Fund**

Section 58 of the Public Finance Management Act (PFMA), 2015, requires withdrawals from the Uganda Petroleum Fund (UPF) to the Uganda Consolidated Fund (UCF) to be made under authority granted by an Appropriation Act. In addition, section 59(3) requires that Petroleum revenues be used for financing infrastructure and development projects.

I noted that management transferred UGX.125.3 billion on 2nd November 2017 from the UPF to the UCF, without explicit mention of the UPF, in the Appropriation Act, as a source of funding. Instead the withdrawal was premised on the MTEF fiscal framework for financial years 2015/16-2021/22 submitted to Parliament which includes the different sources of revenues financing the budget.

In the absence of guidance from the Appropriation Act, which would indicate the activities for which the funds have been budgeted, there is no assurance as to whether the funds were used to finance infrastructure and development projects of Government, as provided for under Section 59(3) of the PFMA.

In response, management explained that the Appropriation Act, as defined in article 156 of the Constitution, provides for only expenditures but does not reflect the various sources of funding for the budget, and that discussions are ongoing to review the presentation of the Appropriation Act to incorporate funding sources.

I advised management to liaise with the relevant authorities to align the legal framework to sufficiently provide for a format of the Appropriation Act which shows the purpose, activities and amounts of the Petroleum Funds to be appropriated under the Consolidated

Fund, or to be transferred to the investment reserve account in accordance with the PFMA, 2015.

- **Delay to establish the Petroleum Investment Framework**

Section 62 and 63 of the PFMA 2015, requires that monies withdrawn from the Petroleum Fund to the Petroleum Revenue Investment Reserve (PRIR) shall be done with the approval of Parliament and warrant of the Auditor General. In addition the money shall be invested in accordance with the Petroleum Revenue Investment Policy issued by the Minister of Finance, Planning and Economic Development, in consultation with Secretary to the Treasury. Section 64 (3) also requires that Bank of Uganda (BoU) manages the PRIR within the framework of a written agreement entered into between the Minister and the Governor of Bank of Uganda. Section 66 further provides for the appointment of a Petroleum Investment Advisory Committee to advise the minister on investments to be undertaken under the Petroleum Revenue Investment Reserve.

However, three years after enactment of the law, the framework (PRIR, Policy, Committee, agreement) were not in place. It is commendable that BoU made call investments using the Petroleum Fund bank balance of USD.108,764,044, during the period under review and earned interest amounting to USD1,007,212.92. In the absence of an investment framework, I could not guarantee whether the investments provided value for money and maximum returns had been obtained without causing undue risks to the Fund. Though management stated that a Draft Investment Framework was in place, it had not been approved.

I advised the Accounting Officer to expedite the approval process of the Petroleum Investment Framework and appointment of an Investment Advisory Committee, in line with the requirements of the PFMA, 2015 to guide the Investment of funds from the Petroleum Fund. In addition, BoU should provide documentation regarding the type of investments, interest rates agreed and duration.

- **Court cases relating to compensation of sub-surface rocks**

I observed that there are a number of on-going court cases arising from legal suits by Project Affected Persons (PAPs) against the Ministry of Energy and Mineral Development.

The legal suits relate to compensations for sub-surface rocks amounting UGX. 389.8 billion as at 30th June 2018. An amount of UGX379.1 billion relates to compensation claims for land affected by the construction of Isimba HPP while UGX. 10.75 billion relates to the construction of Karuma HPP.

These court cases may result into the delays in the construction of the strategic dams thus resulting into increase of commitment fees and delay in achieving the intended objective of the project.

I advised Government to expedite the settlement of these court cases.

- **Delayed Completion of Projects due to Right of Way challenges**

I noted that a number of Projects under the Energy sector were not completed within the agreed contract periods. This was attributed to delays in compensation of Project Affected Persons, hence failure to access Right of Way (ROW). Many PAPs also refuse the valuations by Chief Government Valuer. The delay to complete the projects ranged from 4months to 8 years and resulted into contract cost escalations in some projects. For example the case of Mbarara-Nkenda transmission line which delayed for 8 years resulting into standby costs, additional supervising consultant's costs and interest charges totalling USD 9,936,215.1 and UGX.5.1bn and Hoima-Nkenda transmission line which delayed by two years and has resulted into standby costs of USD982,295.

I advised Government to acquire land before commencement of such major projects.

3.3.3 Education

a) Under absorption of Projects funds under MOES

Assessment of absorption of Loans and Grants from various development partners indicated low uptake of the funds given the remaining implementation period.

Table 8: Under absorption of project funds

Project	Loan Amount	Current Absorption	%age	Elapsed duration	End Date
(HEST-AfDB)	UA 67,000,000	UA35,804,422.4	53%	5 Years	30/06/2019
USDP-PSFU (World Bank)	USD.21,800,000	USD.4,090,945	19%	3 years	31/08/2020
USDP-MOES (World Bank)	USD.78,200,000	USD.1, 516,701.86	2%	3 years	31/08/2020
UTSEP (GLOBAL PARTNERSHIP FUND)	USD.100, 000,000	USD.54, 469,714	54%	4 years	30/06/2019

The Accounting Officer attributed the delays to;

- Low disbursement of funds due to delays in constituting the project coordination unit.
- Insufficient funds as a result of disbursement conditions by the World Bank such as matching grants under component 4 of Uganda Skills Development project and difficulties in securing internationally recognises Twinning Institutions to Support Local Technical colleges.
- Delayed signing of the Financing agreements by the Government of Uganda

I advised projects management to streamline planning and procurement processes so as to reduce the inefficiencies which are affecting the project implementation. I also advised the Implementing Ministries to put in place proper follow up procedures to ensure timely signing of Financing Agreements.

b) Review of Operations Of Public Universities

I undertook a review of management of operations of the 9 public universities for selected key areas. The audit focused on management of fees collection, management of University land, management of income generating assets, allocations to key budget areas, and staffing. The following were observed;

- **Implementation of Fees Collection policies**

I noted that nine (9) public universities had not fully implemented the measures put in place to ensure collection of all fees due to the University. This led to accumulation of tuition arrears amounting to UGX 11.841bn as at 30th June 2018. The arrears were majorly identified in Makerere (UGX 3.5bn), Kyambogo (UGX 4.5bn) and Gulu (UGX 1.4bn). Further analysis indicated that tuition arrears in 6 Universities span over a period of one year with UGX 4.058bn outstanding for 2 years and UGX 0.363bn outstanding for 3 years and above. The under collection of tuition fees affects implementation of planned activities and achievement of intended objectives.

I advised the Universities' management to ensure adequate adherence to guidelines set out in the fees management policies.

- **Illegal Occupancy of University facilities**

Physical inspections of the University premises revealed that 5 out of the 9 public Universities had over 380 private businesses (mostly small scale) occupying University facilities and space without tenancy agreements or Memorandum of understanding. This implies that the tenants illegally occupied the premises since there were no official tenancy agreements with the businesses. Due to lack of tenancy agreements, the tenants were neither paying the Universities tenancy fees nor utility fees for electricity and water consumed thus occasioning a financial loss to the Universities.

I advised management to develop policies on administering business operations at the universities.

- **Under collection of Rental fees from Tenants**

Review of tenancy agreements and rental collections for 2 Universities revealed that the Universities were supposed to collect UGX 2.179bn from tenants as per their tenancy agreements but only collected UGX 1.162bn resulting into a shortfall of UGX 1.017bn during the financial year. This presented an average increase of 143% in shortfall from UGX 0.460bn experienced the previous financial year. The uncollected rental fees may become irrecoverable from the tenants leading to revenue loss.

I advised management of the universities to put in place measures to ensure that all rental fees due to the universities are fully collected.

- **Inadequate budget allocation for Library function**

I noted that despite a general increment of provisions for Library resources between FY2016/17 and 2017/18, the allocations to library by all public Universities were at an average of 1.1% of the approved budget estimates below the prescribed allocation of 10% contrary to the University and Other Tertiary Institutional standards regulations, 2005. Insufficient funding to the Library limits the universities ability to facilitate research and growth in the existing and newly developed areas of study.

I advised management of the Universities to ensure that adequate funds are allocated for this function in line with the regulations.

c) **Status of stadia in the Country**

Despite the enormous success that Ugandan teams have shown in the recent past both on the local and international scene, especially in Athletics, Football, Netball, University Sport, Rugby; field inspections and review of the National Council Sports report on the status of stadia in the country revealed lack of; perimeter walls, water facilities, Lighting facilities, acceptable playing grounds, and functioning toilet facilities. Incidences of Land encroachment were also widely prevalent in stadia located in Municipal councils.

This has rendered most of the stadia unfavourable for hosting sporting activities which has limited talent growth in the country. This has also limited the ability of most sports federations and the National Council of Sport from achieving their core mandate of promoting sports development in the country.

Management explained that most of these stadia are owned by government and are managed as private enterprises under the control of Boards while others are managed by District Councils. I also observed that stadia do not receive any government financial support, and therefore cannot sustain their maintenance budgets.

I advised Management to develop a feasible strategy for improvement of sports facilities in the country and ensure that necessary approvals are obtained from line Ministries, Local Authorities and Departments for stadia Infrastructural funding.

3.3.4 Justice Law and Order Sector

- **Operationalization of regional Government analytical laboratories**

The Directorate of Government Analytical Laboratories (DGAL) opened regional laboratories in Mbarara, Gulu, Mbale, and Moroto. To date, a total of UGX.2.2bn has been invested in these facilities. The investment was aimed at having exhibits analysed locally and to reduce the referral of exhibits to Kampala for analysis. Although these regional offices were opened, they were non-operational. They lacked adequate staff and necessary equipment and had instead been turned into collection centers for exhibits and samples for onward transmission to Kampala. Failure to optimally utilize such resources not only denies the public the services of the Government chemist but also directly affects the delivery of justice.

For example, there has been accumulation of case back logs. During the year, DGAL received a total of 2000 case applications for various types of analyses but only managed to dispose only 726 cases translating into only 36.3% of the total applications received. Overall, DGAL has accumulated significant case backlog over the years with 5559 cases unattended to.

According to the Accounting Officer, a budget has been drawn to handle case backlog in FY 2019/20 amounting to UGX12.8bn.

There is need to prioritize the implementation of this case backlog strategy and engage Government to have the budget for this activity funded.

- **Failure to produce suspects in court and overstay of prisoners on remand**

Section 25(1) of Police Act requires that a police officer on arresting a suspect without a warrant shall produce the suspect so arrested before a magistrate's court within 48 hours unless earlier released on bond. A review of the case register and case files in 5 sampled police stations revealed that a number of suspects spent more than the 48 hours in cells without either being charged or being granted police bond. In some cases suspects spent

up to 200 hours without being charged. Keeping suspects beyond the mandatory 48 hours not only contravenes the provisions of the Act but also results in unnecessary expenditure for the force in terms of costs to maintain these suspects.

Relatedly, an analysis of the population of prisoners currently on remand revealed that the performance of Uganda Prison Services (UPS) in achieving the objective of addressing the problem of long stay on remand, high remand population and the observance of the right to fair and speedy trial was still unsatisfactory. A number of prisoners had stayed for long periods on remand and in some cases without being produced in court. It was noted that 2305 prisoners had stayed on remand for more than 3 years. Overstay on remand affects the delivery of justice to these suspects and is a contravention of the rights to a fair and speedy trial.

Management attributed the delays to inefficiencies in agencies within the sector that investigate, prosecute and try suspects which have a direct effect on the length of stay of these suspects. I advised UPF and UPS to liaise with responsible agencies to ensure that the suspects are arraigned in court within the mandatory period.

- **Management Information Systems within the JLOS sector**

I observed that the JLOS entities procured Management Information Systems at a cost of UGX.14.7bn to enable these entities undertake their mandates as follows.

Table 9: Details of Management Information systems within JLOS sector

Entity	System	Purpose of the system	Cost (bn)
Uganda Police Force	Crime Records Management Information System (CRMS)	Ensure that case investigations are automated and to improve efficiency within the investigations department of the UPF.	0.5
	Suspect Profile System (SPS)	To provide profiles of suspects through capture and storage of bio data, photographs, and thumbprints among other features, to help in quick identification of suspects.	
DPP	Prosecution Case Management Information	Improve case output through the use of computer-based systems, record and collect information pertaining to cases, rapidly transfer case details from law enforcement through the	14

	System (PROCAMIS)	use of computer and communications systems and roll over the system in all DPP Offices country wide.	
MOJCA	DCL Information Management System	The system among other functions was procured to; <ul style="list-style-type: none"> • Track on going cases giving details like; the lawyer handling the case, documents used in the case, status of the case, file movement, tasks handled during the case, and amounts claimed against Government. • store case information in soft copy • Run reports as requested. • Easily provide amounts claimed against Government as well as cases pending payment with their outstanding amounts. 	0.05
Judiciary		Government is yet to procure a System	0
Uganda Prison Service	Prisons staff Management System	Government is yet to procure a Human Management System to improve on the efficiency in prisons information.	.15
Total cost			14.7

However, I noted that the implementation of the MIS has had challenges towards attainment of its objective. For example, the system procured by DPP four (4) years ago has only had 11 (9.2%) out of the planned 119 stations covered and operational. The Accounting Officer attributed this to a number of reasons such as;

- Inadequate trained personnel
- Insufficient laptops and scanners
- Lack of training manuals and software review documents.
- Standalone systems which do not interface with other government systems.

Failure to operationalise the systems negates the purpose for which they were procured and may result in total waste of resources invested.

There is need for Government to undertake a comprehensive assessment of the level of implementation and ensure that these systems are fully operationalised as envisaged. These systems should be integrated if the information has to be effectively shared.

- **Outstanding court awards and compensations**

MOJCA had outstanding domestic arrears of UGX.664bn during the year ended 30th June, 2018. The bulk of the liabilities comprised of unsettled court awards and compensations amounting to UGX.655bn. A review of a sample of files revealed some cases that had not been paid nor considered for payment for close to 10 years after the award was made had accumulated interest totalling to UGX124bn.

Delay to settle the obligations have resulted into Government accumulating interest on the principal amounts.

I advised the Government prioritises settlement of these arrears to minimise the accumulation of avoidable interest payments.

3.3.5 Tourism Sector

- **Management of Museums and Monuments**

During the year under review, Government invested UGX 53,889,420 in establishing and managing 4 Museums in across the country. However, an inspection of these museums to establish how they are managed revealed that there was no Policy and Regulatory guidelines put in place to regulate access, management and accountability of old and new assets in the Museums and Monuments. What is guiding management and accountability of the historical monuments is a very old historic monuments Act that appears outdated. As a consequence, there are over 650 sites and monuments that have been documented but many of these are yet to be mapped and gazetted.

There were no funds provided in respect of research and promotional activities of the Museums implying that the expected value from undertaking research activities may not have been achieved. Government will not match the global standards as expected.

I also noted that 6 pieces of land where museums are located did not have titles. The affected Museums include those located in Kampala, Soroti, Kabale and Moroto.

There is need for Government to fund research activities in line with the provisions of the International Museum Standards a view of benefiting from global dynamic research activities

3.3.6 Works Sector

- **Expiry of Standard Gauge Railway Board (SGR)**

It was noted that all the Board members' terms expired in November 2017 and have not been renewed or replaced contrary to Section 4.4 of the SGR Project Governance Manual which requires members of the Board to hold office for a period of 2 years renewable at the discretion of the Minister of Works and Transport. For instance the Annual Board reports had not yet been prepared and submitted to the Minister.

Absence of a Board creates challenges in governance and execution of the Project's mandate.

The Accounting Officer explained that the issue of the expiry of the SGR board was brought to the attention of the Minister for further action.

I advised management to expedite the process of re-appointment or appointment of new Board members as required by the manual.

- **Development of New Kampala Port at Bukasa**

The Ministry of Works and Transport plans to contract a modern port at Bukasa on the shores of Lake Victoria as part of the development of the Central Corridor from Kampala across Lake Victoria to Mwanza, Musoma to Dar es Salaam on the Indian Ocean. The Central Corridor will provide an alternative route to the Northern corridor from Kampala to Mombasa hence promoting regional trade, increasing economic growth and integration, reducing heavy traffic on the Northern Corridor hence reducing road maintenance and cost of doing business. It was noted that the Master plan for the development of the new Kampala port at Bukasa was finalized. In addition the topographic survey was completed though the water lines are not yet complete. The training needs assessment report was prepared but no training was carried out.

Procurement of consultancy services for construction of start-up infrastructure (Road and Fence) is in advanced stage.

In spite of the above progress to date with the accompanying benefits for the country, it was noted that a budget provision for the compensation of 1,833 project affected persons (PAPs) estimated at UGX.87.5 billion had not been made in the financial year 2018/19. The implication is that the project may stall thereby impacting implementation of subsequent project phases.

3.3.7 Health Sector

- **Improvement of Health Services at Mulago Hospital and the City of Kampala Project (MKCCAP)**

The Government of the Republic of Uganda received a loan from the African Development Fund and the Nigerian Trust Fund towards the cost of the improvement of Health Services at Mulago Hospital and the City of Kampala Project. Specific objectives of the project included improvement of interrelationships of facilities and departments within and between the floors and blocks, improvement of the internal and external works, improve appropriateness of specification of finishes, overhaul and modernise the electro-mechanical works and enhancing the functionality of the hospital. I noted that whereas the civil works executed were generally in accordance with the agreed designs and specifications, there were some issues I noted that should be addressed to ensure delivery of the hospital infrastructure is as per the approved designs.

There was omission of essential components of works during planning and design review as a result of resource constraints. Owing to this, the Consultant was requested to design a reduced scope of rehabilitation works that would fit in the budget. This resulted in some essential components of the works such as organ transplant unit, paediatric ICU, pathology unit, landscaping and incinerator being omitted in the design review on the understanding that funds permitting, to be done in future. During execution of works, it became clear that some of the omitted works needed to be carried out and on this basis, MOH sourced for additional funding which substantially increased the project cost.

The project has experienced significant delays in execution. The original project period of 24 months had been exceeded by 16 months. Delays in execution of works were mainly attributed to delayed handover of sections of the site due to delayed relocation of patients to Kawempe and Kiruddu hospitals. The final section of the site was handed over in October 2016 (22 months after the project commencement) and yet clause 2.1 of the general conditions of contract of the signed contract states that the contractor will be given full access to site before commencement of works. Other reasons for delayed execution of works were; increased scope of works, late instructions and pending information from the consultant, delayed payment of VAT amounts, and delayed payment

of IPC no.13 by 69 days. Delayed execution of works resulted into additional costs of USD 380,000 incurred in extension of the supervising consultant's contract. Furthermore, Kiruddu hospital septic tank overflows from time to time due to overwhelming number of patients transferred from Mulago hospital posing a health risk to the users and neighbouring areas.

There is Lack of a maintenance plan for implemented Infrastructure. There are a lot of sophisticated installations, being done by international experts, yet the Contract did not allow for maintenance costs in case of any unforeseen future failures. It is evident that in case of future equipment failures, there will be either need for restoration by the same experts, or neglect which will mean non achievement of value for money on the implemented infrastructure. I advised the Accounting Officer to ensure that; a maintenance plan and budget is provided for maintaining the sophisticated installations at the Hospital Complex; and training of local personnel is undertaken since the installations were undertaken by international experts.

3.4 SUMMARY OF AUDIT RESULTS OF ENTITIES

This section includes all matters that were classified as matters of high significance during the audit. It summarises the findings in each individual audit report and includes all entities with modified and unmodified opinions. They comprise of findings in the basis for qualified opinion paragraphs, key audit matters, emphasis of matter, other matters and compliance matters raised. The details are in the individual reports issued separately to Parliament and Accounting Officers. **Refer to Annexure II**

PART 4: COMMISSIONS, STATUTORY AUTHORITIES AND STATE ENTERPRISES

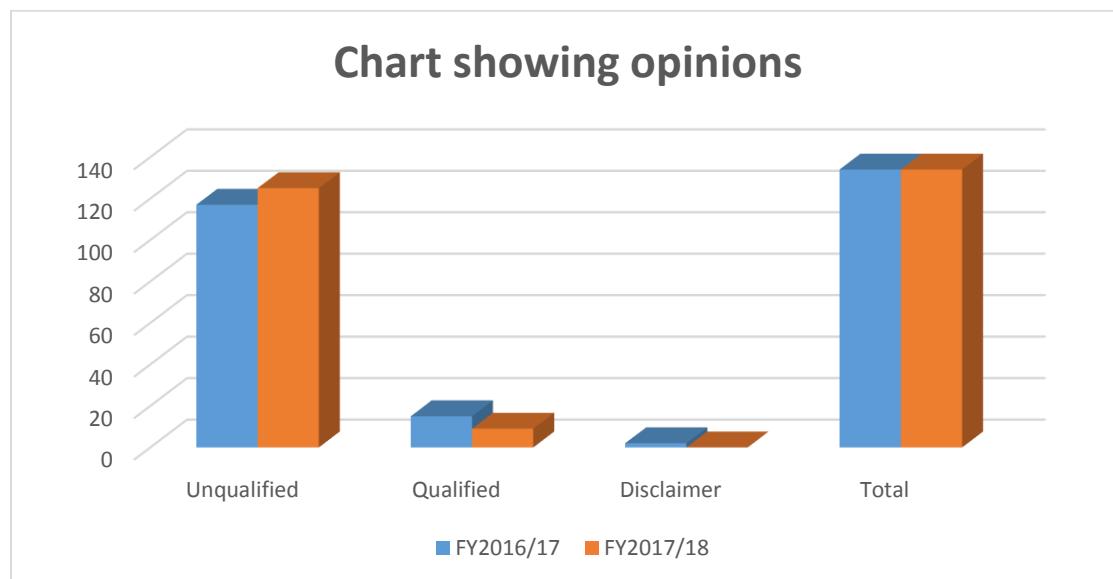
4.0 COMMISSIONS, STATUTORY AUTHORITIES AND STATE ENTERPRISES

4.1 SUMMARY OF AUDIT RESULTS

I carried out 134 Financial Audits for Commissions Statutory Authorities and State Enterprises and 13 Engineering Audits under UNRA during the year under review. Accordingly, the detailed reports have been issued to the individual entities. By the time of this report, 6 financial audits were still ongoing while 4 planned financial audits were not undertaken.

125 entities had unqualified opinions representing an increase of 6.8% from 117 unqualified opinions issued last year. The qualified opinions on the other hand decreased by 40% from 15 to 9 in the year under audit and the disclaimer of opinion also decreased by 100% from 2 to None. Chart below refers;

Figure 1: Summary of Opinions



4.2 FINANCIAL PERFORMANCE OF PUBLIC CORPORATIONS AND STATE ENTERPRISES FOR THE YEAR ENDED 30TH JUNE 2018

In line with the PFMA 2015, I reviewed the consolidated summary statement of Financial Performance of Public Corporations and State Enterprises for the year ended 30th June 2018 and noted the following:

4.2.1 Completeness of 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.

However, a comparison of the consolidated statement of treasury operations and the consolidated summary of financial performance of the public corporations and state enterprises revealed that entities with shareholders' equity of **UGX 15.7 Trillion** as at 30th June 2018 where government has controlling interest¹ were not consolidated. Below is a summary of financial performance of public corporations and state enterprise that were not consolidated.

Table 10: Un-Consolidated State Enterprises

S/N	Enterprise	Government Shareholding	Shareholders' Equity
1	National Social Security Fund	100%	9,936,291,648,000
2	Uganda Railways Corporation	100%	3,426,533,654,000
3	Uganda Electricity Generation Company Limited	100%	829,652,214,000
4	Uganda Electricity Transmission Company Limited	100%	379,189,000,000
5	National Housing and Construction Company Limited	51%	311,942,288,000
6	Uganda Property Holdings Limited	100%	229,950,802,062
7	Uganda Electricity Distribution Company Limited	100%	205,977,780,000
8	Nile Hotel International Limited	100%	193,584,509,164
9	Uganda Air Cargo Corporation	100%	76,361,088,653

¹ Ownership interest with enough voting shares, that is over 50%

10	Post Bank Uganda	100%	64,205,605,803
11	Uganda Wildlife Conservation Education Centre	100%	13,233,498,966
12	Uganda Printing and Publishing Corporation	100%	11,370,013,230
13	Uganda Seeds Limited	100%	6,678,058,279
14	NEC Farm Katonga Limited	100%	5,050,688,396
15	NEC Construction Works & Engineering Limited	100%	2,047,012,597
16	NEC Tractor Project	100%	1,910,356,736
17	NEC Tractor Hire Scheme Limited	100%	1,572,895,139
18	NEC Uzima Limited	100%	1,507,223,000
19	Uganda National Oil Company Limited	100%	0
Shareholders' Total Equity			15,697,058,336,025

This implies that the consolidated summary statement of financial performance of the public corporations and state enterprises is incomplete and thus does not reflect the accurate government ownership.

The Accountant General should maintain a comprehensive and up-to-date record for all the entities where government has controlling interest to reflect the true picture of government ownership, in line with the law.

4.2.2 Alignment of Reporting periods

Section 85(3) of the PFMA, 2015 requires State Enterprises or Public Corporations whose financial year end are not aligned with the Government of Uganda (GoU) financial reporting period of 30th June, to comply within three years after the commencement of this Act, which elapsed in the FY 2017/18.

I noted that most enterprises had complied with the directive of aligning their financial year ends with the GoU financial reporting period of 30th June, except Post Bank Uganda Limited and Pride Micro Finance which still have 31st December as their reporting period ends. These however have cited the provisions of the Financial Institutions Act as the impediment to compliance.

I advised the Accounting Officer to harmonise the PFMA 2015, with the Financial Institutions Act.

4.2.3 Financial Performance of Enterprises

The Government of Uganda (GoU) owns shares in a number of 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. I noted however that Nakivubo Memorial Stadium did not submit financial statements while results for Civil Aviation Authority relate to the year ended 30th June 2016.

A computation and analyses of the profitability, liquidity and gearing parameters of these enterprises revealed the following;

a) Profitability of Enterprises

Fourteen (14) out of the 29 State Enterprises analysed made profits in the year under review, with Bank of Uganda (BoU), National Social Security Fund (NSSF) and National Water and Sewerage Corporation (NWSC) posting profits of UGX 424bn, 240bn and 51bn respectively as shown in the table below.

Table 11: Profitability of Enterprises

No.	Enterprise	Profit After Tax - 2017/18 (UGX)	Profit After Tax - 2016/17 (UGX)	%age Change
1	Bank of Uganda	424,113,000,000	(95,982,000,000)	(542)
2	National Social Security Fund	240,444,091,000	11,003,211,000	2,085
3	National Water and Sewerage Corporation	51,188,903,000	26,711,133,000	92
4	Pride Micro Finance	16,496,928,000	15,046,452,000	10
5	Post Bank Uganda Limited	6,204,064,468	5,061,961,867	23
6	New Vision Printing and Publishing Company Limited (Dividend is proposed not declared)	2,318,223,000	14,685,000	15,686
7	Nile Hotel International Limited	1,521,712,661	761,162,918	100
8	Uganda Air Cargo Corporation	1,511,953,445	2,598,256,138	(42)
9	NEC Construction Works & Engineering Limited	795,920,408	781,979,028	2

10	NEC Tractor Hire Scheme Limited	752,282,106	439,878,942	71
11	NEC Luwero Industries Limited	230,073,329	(854,360,481)	(127)
12	Uganda Property Holding	125,315,766	553,504,151	(77)
13	Uganda Post Limited	100,495,000	(4,449,441,000)	(102)
14	Uganda Wildlife Conservation education Centre	65,550,177	89,060,223	(26)
15	NEC Tractor Project	(70,636,203)	(31,875,591)	122
16	Uganda Seeds Limited	(182,934,495)	48,162,092	(480)
17	Mandela National Stadium	(238,902,339)	(669,415,803)	(64)
18	NEC Farm Katonga Limited	(359,026,879)	38,464,862	(1,033)
19	NEC Uzima Limited	(385,744,000)	57,668,000	(769)
20	Uganda Printing and Publishing Corporation	(1,403,798,564)	(616,572,195)	128
21	Kilembe Mines Limited	(1,624,302,143)	(440,930,080)	268
22	National Housing and Construction Company Limited	(2,050,991,000)	12,863,781,000	(116)
23	Uganda Electricity Distribution Company Limited	(6,682,561,000)	(6,730,922,000)	(1)
24	Uganda National Oil Company Limited	(9,584,449,000)	(3,421,297,000)	180
25	Uganda Electricity Generation Company	(10,856,159,000)	(13,483,005,000)	(19)
26	Uganda Development Corporation (Group)	(17,571,299,000)	13,691,981	(128,433)
27	Civil Aviation Authority (2016)	(21,070,422,000)	11,922,770,000	(277)
28	Uganda Electricity Transmission Company Limited (prior year figure are for 6 months)	(75,526,000,000)	62,254,000,000	(221)
29	Uganda Railways Corporation	(93,036,050,000)	(199,481,183,000)	(53)

The worst performing State Enterprises were Uganda Railways Corporation (URC), Uganda Electricity Transmission Company Limited (UETCL) and Civil Aviation Authority with losses of UGX93bn, UGX75.5bn and UGX21bn respectively.

In comparison to the previous year, 12 enterprises posted improved (increased profits or reduced loss) performance, with New Vision Printing and Publishing Company Limited, NSSF, Kilembe mines registering over 200% percentage increase.

b) Return on Assets

Return on Assets (ROA) is an indicator of how profitable an enterprise is relative to its Total Assets. It measures management's efficiency in using the enterprise's assets to generate earnings. NEC Tractor Hire Scheme Limited, NEC Construction Works & Engineering Limited and Pride Micro Finance recorded Return on Assets of 43%, 27% and 7% respectively.

Apart from the banking institutions, which may not be asset intensive, the majority of the enterprises are suboptimal and inefficient in utilising their assets. The worst performing Enterprises were Uganda National Oil Company Limited, NEC Uzima Limited and Uganda Development Corporation. Details are shown in the table below.

Table 12: Returns on Assets

No.	Entity	Return on Assets
1	NEC Tractor Hire Scheme Limited	43.3
2	NEC Construction Works & Engineering Limited	26.8
3	Pride Micro Finance	6.7
4	National Water and Sewerage Corporation	3.2
5	National Social Security Fund	2.7
6	New Vision Printing and Publishing Company Limited (Dividend is proposed not declared)	2.7
7	Bank of Uganda	2.7
8	Post Bank Uganda Limited	1.8
9	Uganda Air Cargo Corporation	1.7
10	NEC Luwero Industries Limited	1.3
11	Nile Hotel International Limited	0.8
12	Uganda Wildlife Conservation education Centre	0.5
13	Uganda Electricity Distribution Company Limited	0.4
14	Uganda Post Limited	0.1
15	Uganda Property Holding	0.1
16	Mandela National Stadium	-0.1
17	Uganda Electricity Generation Company	-0.2
18	National Housing and Construction Company Limited	-0.5
19	Civil Aviation Authority (2016)	-2.4
20	Uganda Railways Corporation	-2.6
21	Uganda Seeds Limited	-2.7

22	Uganda Electricity Transmission Company Limited (prior year figure are for 6 months)	-2.9
23	NEC Tractor Project	-3.2
24	Kilembe Mines Limited	-4.3
25	NEC Farm Katonga Limited	-6.2
26	Uganda Printing and Publishing Corporation	-9.8
27	NEC Uzima Limited	-20.1
28	Uganda Development Corporation (Group)	-24.9
29	Uganda National Oil Company Limited	-178.5

c) Proposed Dividends

Furthermore, I observed that, out of the 17 profit making enterprises, only New Vision Printing and Publishing Company Limited proposed a dividend pay-out amounting to UGX1,912,500,000. In the year under review, it demonstrated this commitment by paying out dividends totalling UGX.101,037,000. Government should ensure that profit making enterprises provide a return to the investment made by government

d) Liquidity Assessment

I analysed the ability of state enterprises' to meet their short-term financial obligations by comparing the current assets and current liabilities. The ratio of Current Assets to Current Liabilities exceeding 2:1 is desirable, although acceptable current ratios vary between industrial sectors. I noted that 17 entities were above the ideal threshold, implying that they are able to meet their liabilities as they fall due. 7 entities were below the threshold and may have a challenge of paying their liabilities.

The liquidity assessment of four state enterprises namely Bank of Uganda, Pride Micro Finance, Post Bank Uganda Limited and NSSF was not made because the financial institutions have mandatory liquidity thresholds.

I further observed that 16 out of 24 entities had improved their liquidity ratios in comparison with the previous year.

Table 13: Liquidity of Enterprises

S/N	Entity	Liquidity 2017/18	Liquidity 2016/17	%age Change
1	NEC Farm Katonga Limited	305.9:1	0.7:1	43,809%
2	Uganda Seeds Limited	135:1	114:1	18%
3	Uganda Development Corporation	62.1:1	50:1	24%
4	NEC Tractor Project	8.3:1	7.5:1	11%
5	Nile Hotel International Limited	7.8:1	8.6:1	-9%
6	Uganda Electricity Generation Company Limited	7.6:1	7.2:1	6%
7	Uganda Railways Corporation	5.4:1	2.9:1	84%
8	NEC Luwero Industries Limited	5.1:1	19.8:1	-74%
9	NEC Tractor Hire Scheme Limited	5:1	1.6:1	216%
10	Uganda Electricity Distribution Company Limited	4.5:1	3.7:1	22%
11	NEC Construction Works & Engineering Limited	3.9:1	1.6:1	135%
12	New Vision Printing and Publishing Company Limited	3.6:1	3.1:1	14%
13	Uganda Property Holdings Limited	3.5:1	1.8:1	97%
14	National Housing and Construction Company Limited	2.5:1	2.8:1	-11%
15	NEC Uzima Limited	2:1	2.4:1	-16%
16	Kilembe Mines Limited	2:1	3.1:1	-36%
17	Uganda National Oil Company Limited	2:1	1.6:1	28%
18	Uganda Air Cargo Corporation	1.8:1	0.1:1	1,643%
19	Uganda Electricity Transmission Company Limited	1.5:1	1.4:1	7%
20	National Water and Sewerage Corporation	1.3:1	1.4:1	-8%
21	Uganda Post Limited	1.1:1	1:1	6%
22	Uganda Printing and Publishing Corporation	0.6:1	0.9:1	-29%
23	Uganda Wildlife Conservation education Centre	0.5:1	0.7:1	-27%
24	Mandela National Stadium	0.4:1	0.3:1	58%

I advised the Accounting Officers to ensure Treasury/working capital management is strengthened by ensuring speedy collection of debts and reduction of liabilities not guaranteed by enough assets.

e) Long-term Debt

Entities should be able to meet their long-term debt obligations. Gearing (debt) ratios measure the proportion of the enterprises' assets that are financed by debt. Although the risk levels vary from industry to industry, a debt ratio of more than 50% is considered undesirable. I noted that 4 State enterprises had debt ratios of more than 50% implying that their total assets were insufficient to cover their total debt. These were UEDCL, UEGCL, UETCL and NWSC.

Another 8 enterprises, namely Uganda Development Corporation, National Housing and Construction Company Limited, Kilembe Mines Limited, New Vision Printing and Publishing Company Limited, NEC Luwero Industries Limited, Uganda Post Limited, Uganda Air Cargo Corporation and Uganda Railways Corporation had debt ratios of less than 50% implying that owners' equity was sufficient to cover total debt.

I noted that 14 Statutory Enterprises were not highly geared, probably because being Government entities, they depended solely on Government funding (owners' equity) and internally generated revenue as shown in the table below.

Table 14: Enterprise Gearing

No.	Entity	Debt Ratio	
		2017/18	2016/17
1	Uganda Electricity Distribution Company Limited	87	86
2	Uganda Electricity Generation Company Limited	85	86
3	Uganda Electricity Transmission Company	84	74
4	National Water and Sewerage Corporation	63	59
5	Uganda Development Corporation	28	27
6	National Housing and Construction Company Limited	19	19
7	Kilembe Mines Limited	14	13

8	New Vision Printing and Publishing Company Limited	9	10
9	NEC Luwero Industries Limited	5	6
10	Uganda Post Limited	5	5
11	Uganda Air Cargo Corporation	3	3
12	Uganda Railways Corporation	1	2
13	NEC Construction Works & Engineering Limited	0	0
18	Uganda Printing and Publishing Corporation	0	0
19	Nile Hotel International Limited	0	0
20	NEC Uzima Limited	0	0
21	Pride Micro Finance	0	0
22	Post Bank Uganda Limited	0	0
23	Uganda Wildlife Conservation education Centre	0	0
24	Uganda Seeds Limited	0	0
25	NSSF	0	0
26	Uganda Property Holdings Limited	0	0

On a positive note though, some entities have reduced their debt-to-asset ratio in the year under review compared to 2016/17.

f) Interest cover

For some Companies that had taken on loans, I analysed their ability to service the loans through payment of interest, by using the interest cover. Interest cover looks at how many times a Company's operating profits exceed its interest payable. A cover of four (4) 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.

Going by the above, I noted that 6 State enterprises were better placed to meet their interest obligations, while 4 were not. The three worst performing State enterprises in this aspect were, Uganda Electricity Transmission Company Limited, National Housing and Construction Company Limited, and Uganda Post Limited which may have challenges meeting their interest obligations. Details are shown in the table below

Table 15: Enterprises' ability to service loan obligations

No.	Entity	Profit before Interest (Operating Profit) (UGX)	Interest (Financing cost) (UGX)	Number of Times
1	NEC Luwero Industries Limited	231,972,069	1,898,740	122.2
2	National Water and Sewerage Corporation	58,889,248,000	891,744,000	66.0
3	NEC Tractor Hire Scheme Limited	765,650,619	13,368,513	57.3
4	NEC Construction Works & Engineering Limited	810,468,628	14,548,220	55.7
5	NEC Tractor Project	69,353,628	1,282,575	54.1
6	Bank of Uganda	442,262,000,000	18,149,000,000	24.4
7	Uganda Property Holdings Limited	672,423,379	229,649,582	2.9
8	Uganda Post Limited	600,331,000	626,531,000	1.0
9	National Housing and Construction Company Limited	(101,502,000)	1,949,498,000	-0.1
10	Uganda Transmission Limited	Electricity Company (106,636,000,000)	588,000,000	-181.4

Through its oversight role, government should caution the management of these enterprises to limit the amounts of debt to manageable levels guaranteed by improved profitability.

Overall Conclusion/Recommendation

Whereas government policy to invest in critical sectors of the economy is commendable, it is important to ensure that enterprises are operating efficiently and profitable and able to service both short and long-term obligations to meet sector objectives. There is need for government to improve on supervision and monitoring of these entities. Introduction of performance based contracts with clear performance targets for management of these Entities will also enhance performance. In addition government could also explore avenues of procuring effective Public Private Partnerships to revamp the operations of some of these enterprises.

4.3 CROSS-CUTTING ISSUES FOR CONSIDERATION BY THE OVERSIGHT COMMITTEES

I noted cross-cutting issues affecting performance of Commissions, State Enterprises and Authorities which I bring to the attention for consideration by the Oversight Committees. These include:

4.3.1 Garnishee of Government Funds

I observed that a sum of UGX.16.85bn was garnisheed from 3 Government agency accounts resulting from court judgments to Creditors during the year under review. These include KCCA, URSB and Administrator General. (KCCA project KIIDP II, USD3.942m & URSB UGX 1.539bn)

The Garnishee order has often led to the suspension of the rights to withdraw funds from the entity accounts thus delaying or affecting implementation of planned activities. Furthermore if funds are not safeguarded from Garnishee orders, there is a likelihood that the Government activities will stall or project activities will be suspended.

Government in consultation with cabinet should develop strategies to safeguard funds from Garnishee orders.

4.3.2 Corporate Governance

Organizations established by Acts of Parliament, the Public Enterprises Reform and Divestiture Act (Cap 98) and The Companies Act, Cap 110 are required to have governing bodies and structures. A review of governance practices in a number of organizations revealed weaknesses in a number of Boards including expired boards, misunderstandings with management, lack of internal audit functions. Details as shown in the table below. I also noted that Uganda National Meteorological Authority and Uganda Seeds Company Limited had the same issues for over 2 years.

Table 16: Corporate governance weaknesses

S/N	ENTITY	GOVERNANCE ISSUE
1	Uganda Revenue Authority - Corporate Services	Absence of a Board Charter
2	Uganda Seeds Co Ltd.	Absence of a Board of Directors since January, 2008
3	Uganda Free Zones Authority	Lack of an Internal Audit function
4	National Agricultural Advisory Services-NAADS	legal mandate of NAADS (Irregular restructuring)
5	Management Training and Advisory Centre (MTAC)	Lack of a governing council
6	National Drug Authority	Board not fully constituted
7	National Medical Stores	Failure to provide for position of Deputy General Manager
8	National Information Technology Authority -Uganda	Board not fully constituted
9	Uganda Communication Commission	Conflicting sections of the Law in Regard to the Position of the Executive Director also being a Board Member
10	Uganda Institute of Communication and Information Technology	Unclear governance structure and legal status of the Institute
11	Uganda Posts Limited	Expired Contracts for Members of the UPL Board
12	Uganda Human Rights Commission	Only 3 of the 7 members were appointed
13	National Identification and Registration Authority (NIRA)	Lack of a fully constituted Board
14	National Planning Authority	Board not fully constituted
15	National Council for Disability	Failure to Hold Annual General Meeting
16	Uganda National Cultural Centre	Expiry of Board Tenure
17	Uganda National Children's' Authority	Lack of a governing board
18	Uganda Industrial Research Institute	Absence of a Board of Directors
19	Uganda National Council for Science and Technology	Absence of a fully constituted Governing Council, only 9 out of the 36 members are appointed
20	National Enterprise Corporation	Absence of an Audit Committee
21	Uganda Veterans Assistance Board	Failure to implement the mandate of Uganda Veterans Assistance Board
22	Uganda Wildlife Research and Training Institute	Inappropriate composition of the Governing Council and absence of academic Board

23	Nile Hotel International Limited	Continuous stay of the Board after the expiry of the two terms and override of managements responsibility by the board
24	Uganda National Meteorological Authority	Lack of a Board of Directors
25	Uganda Road Fund	Board misunderstandings. In spite of several meetings, chairperson has not signed any minutes
25	Civil Aviation Authority	Failure to assess likelihood of fraud and absence of related policies
26	Uganda Railways Corporation - SGR	The terms of all Board members for the Standard Gauge Railway Board had expired in November 2017

Noncompliance with corporate governance principles hinders oversight and may affect the implementation of the organisation policies and procedures. Key decisions like approval of procedures, manuals and budgets, staff recruitments and strategic plans are not made

I advised Management to comply with corporate governance principles as this will enhance efficiency and effectiveness of the institutions in attaining their prescribed mandate.

4.3.3 Pending Legal Cases

I noted that a number of entities had ongoing court cases with estimated legal costs amounting to UGX.531.4bn whose outcomes were still uncertain. Notable among them were, Uganda National Roads Authority (UNRA) Kampala Capital City Authority and NSSF whose contingent liability has been outstanding for over 2 years.

Table 17: Pending Legal Cases

S/n	Entity	No. of cases outstanding	Estimated legal cost-UGX	Remark
1	National Agricultural Advisory Services- NAADS	15	18,000,000,000	Estimated costs for outstanding court cases
2	Kampala Sanitation Program (KSP) - National Water	1	1,395,856,789	Impending Legal Suits on Disputed Compensation Offers/claims
3	Kampala Capital City Authority	N/A	39,818,479,736	For existing and potential legal claims
4	National Social Security Fund (NSSF)	1	42,200,000,000	Tax dispute with URA
5	Uganda National Roads Authority	N/a	430,013,722,276	Contingent Liabilities
Total			531,428,058,801	

Their eventual determination and/or payment could negatively affect the cash flows and ability of the concerned entities to continue as going concerns.

I advised Management to always ensure due diligence in carrying out their work to safeguard against litigation and consequential unfavourable outcomes.

4.3.4 Wasteful/ Nugatory Expenditure

I noted cases of nugatory expenditure totalling to UGX.65.3bn in a number of entities. These mainly arose as a result of failure to meet contractual and payment obligations among others. This affected the implementation of activities in the entities and on the overall service delivery.

Table 18: Wasteful/ Nugatory Expenditure

SN	Entity	Particulars	Amount (UGX)
1	National Agricultural Advisory Services- NAADS	Delayed delivery and installation of milk coolers and pineapple juice processing equipment to the intended beneficiaries, Extension of LCs as a result of non-performance	93,159,046
2	Electricity Regulatory Authority (ERA)	URA Penalty on under declared PAYE	108,389,948
3	Mbarara Nkenda-Tororo-Lira transmission line (UETCL)	Delayed acquisition of right of way (ROW) resulting into Standby costs, Interest charges and additional supervision costs to the contractor (UGX.5,076,700,788 + USD 9,936,215.1)	43,668,960,236
4	Uganda Electricity Transmission Company Limited	Surcharges for delayed payments to Bujagali Energy Limited (BEL)	391,752,610
5	Hoima-Nkenda Transmission Line Project (UETCL)	Costs resulting from delay to handover site to KEC due to right of way challenges (USD 982,295.99)	3,815,237,625
6	Uganda Posts Limited	Penalties and fines resulted from interest on late payments, breach of contracts and litigation costs	330,537,700
7	Kampala Capital City Authority	Interest charged for delayed payment of civil works	714,318,282
8	National Enterprise Corporation – Tractor Project	Nugatory interest paid to NSSF	21,761,163
9	National Information Technology Authority Uganda	Unused bandwidth	663,398,278
10	Uganda National Roads Authority	Interest on delayed payments	15,509,054,863
Total			65,316,569,751

Exchange rate used (1USD = UGX.3,884)

The wasteful expenditures could have been avoided if management of the respective entities had acted prudently.

I advised management of the affected entities to ensure adequate financial planning and to adhere to regulatory and contractual requirements in order to avoid wasteful expenditure.

4.3.5 Staff Shortages

A review of the approved staffing structures of various entities revealed a total of 2,380 vacancies in 24 entities. Some of the key vacant positions include; Commissioners, Directors and Managers. This could have been caused by inadequate funds and budget ceiling. The most affected entities include; National Identification and Registration Authority (NIRA), National Drug Authority and Uganda Institute of Communications Technology among others.

Table 19: Staff Shortages

S/n	Entity	Established posts	Filled posts	Vacant posts	%age of Gap
1	Financial Intelligence Authority	64	39	25	39%
2	National Population Council	84	49	35	42%
3	Public Procurement and Disposal of Public Assets Authority	132	101	31	23%
4	Uganda Retirement Benefits Regulatory Authority (URBRA)	58	30	28	48%
5	Dairy Development Authority	140	65	75	54%
6	National Agricultural Research Organization -NARO	994	881	113	11%
7	National Animal Genetics and Data Bank (NAGRIC)	313	142	171	55%
8	Higher Education Students Financing Board	36	21	15	42%
9	National Drug Authority	109	32	77	71%
10	Allied Health Professionals Council	69	45	24	35%
11	Uganda Cancer Institute	294	209	85	29%
12	Uganda Medical and Dental Practitioners Council	26	19	7	27%
13	National Information Technology Authority-Uganda	157	66	91	58%
14	Uganda Institute of Communications Technology (UICT)	107	44	63	59%
15	Uganda Registration Services Bureau - Operations	332	149	183	55%
16	Amnesty Commission	75	38	37	49%
17	National Identification and Registration Authority (NIRA)	864	206	658	76%
18	National Council for Disability	12	8	4	33%
19	National Women's Council	8	6	2	25%
20	National Youth Council	14	9	5	36%
21	Uganda National Cultural Centre	57	38	19	33%
22	Uganda Industrial Research Institute	560	282	278	50%

23	Uganda National Bureau Of Standards	640	306	334	52%
24	Uganda Wildlife Conservation & Education Centre (UWEC)	59	39	20	34%
	Total	5204	2824	2380	

Inadequate staffing affects the timely implementation of entity activities and may adversely impact on attainment of their strategic objectives.

The respective Accounting Officers were advised to liaise with all stakeholders and have the vacancies filled to enable the entities to adequately deliver on their mandate

4.3.6 Outstanding Receivables

I noted that receivables of UGX. 2.92trillion remained uncollected by various Commissions and Statutory Authorities by 30th June 2018. The receivables increased by 26.63% from UGX 2.31trillion in FY2016/17 as shown in the table below. This could have been caused by inadequate collection efforts or non-compliance with credit Management policies.

Table 20: Outstanding Receivables

S/N	Entity	Bal 2016/17 - UGX	Bal 2017/18 - UGX	%age change
1	Privatisation & Utility Sector Reform Project (Divestiture & Redundancy Accounts)	172,696,000,000	80,888,000,000	(53.16)
2	Uganda Revenue Authority - Revenue Collection Account	1,932,040,000,000	2,589,531,840,858	34
3	Custodian Board	-	3,126,497,383	100.00
4	Capital Markets Authority	239,714,000	194,784,000	(18.74)
5	Financial Intelligence Authority	113,996,000	127,106,000	11.50
6	Insurance Regulatory Authority	49,355,357	64,957,554	31.61
7	Public Procurement and Disposal of Public Assets Authority	12,314,825	-	(100.00)
8	Management Training and Advisory Centre (MTAC)	677,343,281	723,055,573	6.75
9	Hoima Nkenda transmission line	-	140,272,966	100.00
10	Rural Electrification Agency	64,854,115,321	87,202,173,016	34.46
11	Uganda Energy Credit Capitalisation Company Limited	570,132,000	825,705,000	44.83
12	The Interconnection of Electrical Grids Of Nile	-	981,333	100.00

	Equatorial Lakes Countries (NELSAP) Uganda Part			
13	Equal Opportunities Commission	239,749,390	211,105,359	(11.95)
14	Uganda National Cultural Centre	334,530,298	2,071,691,350	519.28
15	Joint Clinical Research Centre	-	4,689,310,000	100.00
16	National Drug Authority	17,927,749,070	22,338,224,283	24.60
17	National Medical Stores	11,825,660,000	8,091,650,000	(31.58)
18	Uganda Aids Commission	-	74,600,000	100.00
19	Rural Communications Development Fund	826,301,466	1,695,783,743	105.23
20	Uganda Broadcasting Corporation	13,011,508,074	25,038,763,268	92.44
21	Uganda Communications Commission (UCC)	21,300,000,000	26,170,253,357	22.87
22	Uganda Registration Services Bureau - Liquidation	-	6,252,764,629	100.00
23	Kampala Capital City Authority	47,156,334,104	44,095,770,425	(6.49)
24	Uganda Industrial Research Institute	-	78,138,376	100.00
25	Uganda National Council for Science and Technology	113,996,000	127,106,000	11.50
26	National Enterprise Corporation Construction Work and Engineering Ltd	519,194,053	505,324,165	(2.67)
27	National Enterprise Corporation	239,274,060	260,379,800	8.82
28	Uganda Hotel and Tourism Training Institute	207,034,396	124,268,897	(39.98)
39	National Environment Management Authority	20,863,895,193	15,307,218,000	(26.63)
	TOTAL	2,305,818,196,888	2,919,957,725,335	26.63

The outstanding receivables represent idle assets which constrain availability of cash for the entities' operations. There is a risk that the activities for which these receivables were appropriated were not carried out which could have affected the implementation of planned activities.

I advised Management of the affected entities to institute necessary measures to recover the funds.

4.3.7 Non-Compliance with statutory deductions

I noted that various entities contravened tax and NSSF laws; by failure to deduct withholding Tax of UGX 22.48m and PAYE of UGX 526m, non remittance of PAYE of UGX.23.75bn, VAT of UGX.3.96bn and NSSF of UGX.3.71bn during the year. Uganda Posts Limited, Kampala Capital City Authority, Uganda Revenue Authority - Corporate Services and Joint Clinical Research Centre were the most non-compliant entities.

Table 21: Noncompliance with statutory deductions

S/ N	Entity	Non Deduction of Taxes		Non Remittance of Statutory Deductions		
		PAYE	WHT	VAT	PAYE	NSSF
1	Uganda Revenue Authority - Corporate Services					3,675,217,390
2	Uganda Posts Limited			3,281,864,010	1,035,638,150	
3	National Agricultural Advisory Services-NAADS	442,536,000				
4	Electoral Commission		20,052,000			
5	National Library of Uganda					373, 510,209
6	National Youth Council				31,140,617	34,660,000
7	Uganda Export Promotion Board	28,515,000				
8	Kampala Capital City Authority			676,696,602	20,745,588,266	
9	Joint Clinical Research Centre				1,933,190,000	
10	Uganda Medical and Dental		2,430,540			

	Practitioner s Council					
11	Uganda Road Fund	55,602,000				
	Total	526,653,000	22,482,540	3,958,560,612	23,745,557,033	3,709,877,390

This could have been caused by inadequate funds to meet statutory obligations.

I explained to Management that failure to withhold tax attracts fines and penalties from the tax body.

I advised Management of the affected entities to ensure that statutory deductions are made and remitted timely in accordance with the provisions of the law in order to avoid penalties and interests.

4.3.8 Land Matters

A number of instances were noted where Government entities have continued to lose their land to encroachers because the land is not fenced, utilised, surveyed and titled.

Table 22: Land Matters

S/N	Entity	Issues
1	Uganda Bureau of Statistics	Lack of Certificate of Land Title for the Statistics House Plot 9 - Statistics Hous
2	Uganda Free Zones Authority	Lack of land title for land acquired at UGX.7.4 billion
3	Uganda Investment Authority	Failure to Revise the Service Charge from 0.5% and Ground Rent for Leased Land
4	Uganda Seeds Company Limited	Underutilization of land and other assets
5	Uganda Property Holdings	Lack of Certificate of Title for Masese Land (the Company land located on JJA 191 Folio 8 Plot 3 Industrial Estate Link in Masese Jinja)
6	National Agricultural Research Organization -NARO	Lack of certificates of land titles for most of the land at Research Institutions leading to encroachment
7	National Animal Genetics and Data Bank (NAGRIC)	8 out of the 12 ranches had land encroachment issues
8	Dairy Development Authority	Absence of land title, encroachment of school land, Dilapidated structure, no valid agreements with tenants
9	Mandela National Stadium - Namboole	Increased Encroachment on Stadium Land.
10	Hoima Nkenda transmission line	Delays in land titling
11	Mbarara Nkenda transmission line	Delays in land transfer and titling

12	Uganda National Oil Company	Lack of Title for assets transferred to the Company
13	Uganda Posts Limited	Lack of Land Titles for UPL Land - Plot 40 Margarita Road, Kasese; Plot 18-20 Gogonyo Road, Pallisa; Plot 76 Mawokota Block 92, Mpigi; Plot 6-10 Birch Avenue, Masaka; Plot 2-6 Mutekanga Road, Kamuli; Plot 1-11 Nsambya Road, Kampala
14	Law Development Centre	<ul style="list-style-type: none"> Untitled Land on plots 34, 89, 155, 159, 166, 170, 221, 222, 245, 450, 451, 464, 465, 466, 482, 481, 508-510, 613-615 Untitled Land in Kyadodndo and Bukoto
15	Uganda Human Rights Commission	Inadequate management of land assets
16	Parliamentary Commission	Absence of land titles for 3 plots; 16-18 on Parliament Avenue
17	National Library of Uganda	Forfeiture of land/Loss of land
18	NEC Head Quarter	Undeveloped Plot in Namanve Industrial Park
19	NEC Farm Katonga	Un-surveyed Land/untitled land blocks 274,378 and 386
20	National Water & Sewerage Corporation	Absence of land titles for assets taken over
21	National Forestry Authority	<ul style="list-style-type: none"> Over 2m Hectares of Forest cover lost in last 10yrs Loss of land in Buhungiro Central Forest Reserve in Kyegegwa District Encroachment on Namanve Central Forest Reserve
22	Uganda National Road Authority	<ul style="list-style-type: none"> Delayed return of residual Titles to Project Affected Persons (PAPs)
23	Uganda Railway Corporation	<ul style="list-style-type: none"> Un-titled land of over 362 sq meters at Nalukolongo leading to encroachment of some plots

I advised Management of the affected entities to process land titles and institute measures to recover land from the encroachers.

4.3.9 Procurement Anomalies

I noted in several instances that a number of commissions, statutory authorities and state enterprises did not comply with procurement guidelines during procurement and contract management. The anomalies included un-planned procurements, unjustified use of direct procurement, awards above market prices and un-documented procurements among others.

Table 23: Procurement Anomalies

S/n	Entity	Issues	Amount - UGX
1	Financial Investment Authority	Uncompetitive procurement of air tickets worth	162,261,990
2	Insurance Regulatory Authority	Incomplete Procurements	210,684,500
3	National Drug Authority	Non-delivery of items paid for during installation of Microbiology Laboratory	165,811,844
		Contracts awarded above budgeted provision	82,222,500
		Delay in execution of signed contracts	185,670,619
4	Uganda Aids Commission	Direct Procurements	36,978,521
5	Uganda Blood Transfusion Services	Un documented procurements under the regional blood banks	2,031,530,472
		Un-justified use of direct procurement method	36,279,935
		Failure to enter into framework contracts	
6	Uganda Communications Commission	Weaknesses in Contract Management	
7	Uganda Free Zones Authority	Procurement of air tickets by HR Department instead of PDU	
8	Uganda Institute of Communication and Information Technology	Direct Procurement	29,406,600
9	Uganda Heart Institute	Contracts above estimated prices	694,476,276
10	Uganda Investment Authority	Cancelled Procurements	2,417,186,147
		Unplanned Procurements	412,125,972
		Ineligible Revision of Contract Price by more than 15%	82,826,140
		Irregular Contract Amendment for Additional Quantities	
11	URA - Corporate Services	Failure to advertise a call for bids to provide support and maintenance of Disaster recovery site firewall	618,866,009
12	Uganda Virus Research Institute	Non-submission of final completion certificate for the contract for replacement of asbestos sheets	137,155,200
	Total		7,303,482,725

The Procurements in a number of cases were not competitive and the entities may not have achieved value for money.

I advised management to strengthen controls under procurement and always ensure compliance with the procurement laws.

4.4 SECTORAL KEY FINDINGS

4.4.1 ICT Sector

Redundant Resources

NITA-U signed a contract for the supply of bulk internet bandwidth of 10Gbps at a total of USD.4,745,000 for 15 years. However, it was observed that the current national bandwidth consumption stands at approximately 3 Gigabits per second (Gbps). I observed that the contract locks NITA-U into paying for the entire internet bandwidth even when not consumed. This implies that at the moment, 7Gbps is being paid for by NITA-U without corresponding commercial utilisation. Under the circumstances, this translates to wastage of the funds paid for the unutilized bandwidth. I advised the Accounting Officer to expedite connection of other commercial users to ensure 100% uptake.

I also observed, that 16 sites out of the 74 MDA sites visited did not utilize the NITA-U network, despite an investment of USD.172,400.8 (approx. UGX. 663,398,278.40). A total of 5.1808 Km, 50 manholes, 14 switches and 2 Optical Network Units (ONUs) were implemented towards these unutilized sites resulting in wasteful expenditure of the same magnitude. Management explained that in September 2017, government issued a directive to all MDAs to procure Internet Bandwidth from UTL, the Government entities that the NBI had been extended required clear guidance before service could be activated, and this hindered the provision of services.

I advise the government to streamline the utilisation of IT resources.

4.4.2 Science, Technology and Innovation Sector

Inadequacies in the Implementation of the Innovation Fund

The government created an innovation fund to support innovation, product development, and commercialization effective FY 2017/2018. The fund aims at enhancing the capacity of local scientists and breaking the bottlenecks along the research and innovation value chain leading towards a knowledge society. The Ministry of Science Technology and

Innovation is currently implementing the Fund through its three core agencies/subventions of; Uganda Industrial Research Institute (UIRI), the Uganda National Council of Science and Technology (UNCST), and Presidential Initiative on Banana Industrial Development (PBID).

During the financial year under review, a total of UGX.35bn was budgeted and released to the Ministry of Science, Technology, and Innovation for the innovation fund. I observed that there was no clear formula applied for the distribution of the funds across the implementing agencies. There were also no operational guidelines or policy on the management of the innovation funds.

As a result, of the total amount released to the ministry, UGX.28,340,742,072 was released to subventions and UGX.6,800,000,000 was retained by the Ministry for monitoring. The Ministry did not release a total of UGX.654,217,928 meant for subventions. I observed that there was scanty information relating to how the projects facilitated under the fund by the subventions (UNCST, UIRI and PBID) were identified. Under the circumstances, there is a risk that researchers with brilliant innovations may not be accorded the chance to benefit from the innovation fund. Besides, the lack of fund management guidelines exposes the fund to a risk of abuse.

The Accounting officer explained that the guidelines on Innovation fund are still in draft form and before cabinet for approval.

I advised Government to expeditiously develop elaborate Policy Guidelines for the smooth operationalization of the innovation fund to enable the creation of maximum impact.

4.4.3 Accountability Sector

Departed Asians Properties for which compensations were made

I noted that the Custodian board is in the process of winding up as evidenced by minute 34/DAPCB/2018 of the 16th meeting of the Board of Directors in which the Chairman emphasized the issue of winding up Custodian Board activities within one year. I noted that management is still in the process of claiming some assets which were not rightfully repossessed.

Management explained that 115 properties whose former owners had been earlier compensated through the British High Commission and 87 properties for which UNHCR made compensations to former owners way back in 1999, were not under the control of the Custodian Board by the time of the audit. The Board maintains that the seating tenants did not legally repossess the properties and are not paying rent. I noted that some of the properties are in prime locations of Kampala City, for example; Kampala road, Hannington road, Kololo hill drive, Clement Hill drive, Dewinton road, etc.

Given the impending winding up activities of the Board, there is a likelihood of closure without proper accountability of the said properties which places them at risk of being lost and occasioning a loss to Government.

I advised government to establish a proper mechanism of following up such assets even when the Board has wound up its activities to ensure proper accountability for the assets in question.

4.4.4 Works and Transport Sector

- **Delayed return of Residual Titles to Project Affected Persons (PAPs)**

It is a requirement under the Land Act 1998 subsection (3) for an authorized undertaker executing public works on land to promptly pay compensation to any person having an interest in the land for any damage caused to crops or buildings and for the land and materials taken or used for the works. In the process of compensation, UNRA should obtain titles for the land acquired and return them to the land owners after mutation.

Despite having raised this issue in the previous audits, the audit team noted that since 2014, approximately only 222 titles (5%) had been returned to PAPs out of over 4,319 titles collected. This implies that over 4,097 residual titles have not been returned to the affected persons. Of this number, about 169 titles were indicated ready though not yet returned to PAPs yet some of the roads were completed years back and are being used. There are potential risks that some of the land titles initially surrendered to UNRA may be untraceable.

I advised UNRA to liaise with Ministry of Lands to have this process fast-tracked.

- **Entebbe International Airport -Expansion Project Management**

On 8 October 2014, Civil Aviation Authority (CAA) and China Communications Construction Company (CCCC) entered into a contract for the upgrading and expansion of Entebbe International Airport (Phase 1). To access funding for the project, Government of Uganda (GoU), represented by the Ministry of Finance, Planning & Economic Development (MoFPED), signed a concessional agreement with EXIM Bank of China dated 31 March 2015 for a principal amount not exceeding Renminbi 1.26 Billion (USD 200 million) and interest to be charged at a rate of 2% per annum. Management fees and commitment fees payable are 0.25%. Subsequently, an on-lending agreement was signed between GoU and CAA in November 2015 in which GoU agreed to lend to CAA as borrower the amount borrowed (USD 200 million). The on-lending agreement also transferred all the obligations of GoU as principal borrower from EXIM Bank to CAA.

However, I noted that there are inconsistencies in the operationalisation of the requirements of the agreements.. The deemed actions of the different parties are contradictory to the requirements of the agreements. Some of the inconsistencies noted are highlighted below:

- CAA has not fulfilled the terms to fund the repayment reserve account, rather this has been done by GoU; Under the original Government Concessional loan agreement, although the GoU was to pay a management fee of Renminbi 1.315 million, this fee was paid by CAA;
- Under the refinancing agreement and funding of the escrow account, it is clearly stated that repayment of the loan is the responsibility of the end user (CAA) and the accounts should be funded using the revenues and collections from the operation of the airport. However, so far it is the Ministry of Finance that has made the interest payments and no revenue collections are being deposited on the escrow accounts as expected.

The inconsistencies in the operationalisation of the agreements and the involved parties' deemed actions represent non- compliance/ breach of contract that could result in penalties and even cancellation of the facility.

The initial contract signed between the contractor and CAA requires an independent consultant's verification report before the contract can be deemed to come into effect.

However, it was noted that the 2 subsequent addenda to this contract exclude this clause. Given the complexity and the nature of the agreement, involving an independent consultant's verification prior to and during construction would represent best practice and contribute to ensuring that the objective of value-for-money is achieved. I advised management to take the necessary steps to ensure that the operationalisation of the contracts and the actions of the different parties are in agreement with the original contracts signed and being adhered to by the different parties.

4.4.5 Trade and Industry Sector

- **Non-operational projects invested in through Uganda Development Corporation**

Since 2012, government has made investments in various projects, through Uganda Development Corporation (UDC), amounting to UGX70.1bn. I however noted that projects with investments of UGX53.2bn are not operational. Refer to table below for details.

Table 24: Non-operational projects

No	Investment	Amount spent in the FY 2017/2018	Accumulated Amount (UGX)
1	Soroti fruit Factory	2,563,768,000	13,353,129,943
2	Luwero fruit factory	0	367,142,000
4	Tea project	2,697,556,773	10,704,080,460
5	Kira Motor Corporation	3,509,089,000	7,156,734,353
6	Kira ashok	0	1,146,879,627
7	Sheet Glass	133,032,000	215,219,000
8	Uganda National Commodity Exchange	200,000,000	400,000,000
9	Zombo tea Factory	63,526,000	63,826,000
10	Atiak sugar factory	19,811,808,120	19,811,808,120
Sub-TOTAL		28,978,779,893	53,218,819,503
11	Kalangala Infrastructure Services (KIS)	0	16,867,500,000
Total			70,085,319,505

The only operational project of KIS with an investment of UGX 16.9bn and 45.7% shareholding by UDC has not declared any profits to UDC since 2012.

Government should ensure adequate follow up on the progress in order to achieve the intended objectives of eradicating poverty among communities.

I also noted that contrary to Section 4(e) of UDC Act which requires UDC to take over the interest of Government assets in order to manage, promote and facilitate the interest of Government in those entities this has not been achieved as envisaged in some of the assets that included Amber House, Embassy House, Development House, Munyonyo Commonwealth Resort, Nile Hotel, Phoenix Logistics and Tristar apparels. The continued exclusion of these assets from the envisaged management by UDC could lead to loss of revenue to Government.

UDC indicated that the process of taking over these assets is on-going and some of which are in the final stages.

Government should ensure the assets are placed under the control of UDC for better management.

4.4.6 Agriculture Sector

Implementation of Coffee Development Strategy

Government desires to accelerate coffee exports from 3.5 million 60-kg bags per year to 20 million 60-kg bags by 2020. To achieve this goal, HE the President directed that 300 million seedlings should be planted every year from FY2014/15 to FY 2017/18 financial years.

I noted that the UCDA had inspected and certified for export 4.4 million bags in the year which is a 0.9 million increase from 3.5 million bags in 2014 when the goal was set however, this goal may not be achieved in the set timelines due to the various challenges encountered during its implementation some of which include;

- Low survival rates of the seedlings planted at only 42%.
- Inadequate coffee extension workers as there are only 44 extension officers who provide extension services to over 1,000 sub-counties in the 104 coffee planting districts.
- Distribution of seedlings was not based on demand as the targeted farmers are not listed for purposes of distribution. Therefore there is minimal verification made as to whether the distributed seedlings are planted by farmers which is mainly attributed to the few extension workers;
- There is also lack of a farmers' register as UCDA did not maintain a farmers' register.

My inspection of coffee seedlings planted in Mukono, Pader, Gulu and Amuru Districts revealed confirmed the challenges indicated above.

Management explained that they had signed MoUs with private organizations that have extension staff and this is anticipated to provide additional support to farmers. In addition, management is building capacity of District and Sub County Extension staff within the Single-Spine Extension system to offer coffee specific knowledge and information to farmers.

Government should expedite the current recruitment drive under the single spine extension system to address the challenges in the Agriculture sector.

4.5 SUMMARY OF AUDIT RESULTS OF ENTITIES

This section summarises the findings in each individual audit report. It includes all entities with modified and unmodified opinions. These were classified as matters of high significance during audit and comprise of findings in the basis for qualified opinion paragraphs, key audit matters, emphasis of matter and other matters raised. The details are in the individual reports issued separately to Parliament and Accounting Officers. **Refer to Annexure III**

PART 5: LOCAL AUTHORITIES/ GOVERNMENTS

5.0 LOCAL AUTHORITIES/ GOVERNMENTS

5.1 SUMMARY OF AUDIT RESULTS

During the year ending December 2018, the directorate of Local Government planned to undertake 2,434 financial audits including; 121 Districts 41 Municipal Councils, 124 Divisions, 330 Town Councils, 355 Secondary Schools and Tertiary Institutions (Financial year 2017) and 1,463 sub counties .

However, by the end of the Audit year 2018, the Directorate had completed 121 Districts, 41 Municipal Councils, 355 secondary schools and Tertiary, while 440 sub counties were still work in progress and as detailed below;

Table 25: Summary of Audit Results

Entity category	Planned Audits	Completed audits	Percentage (%)	Audits in progress
Districts	122	122	100.0%	
Municipal Councils	42	42	100.0%	
Divisions	124	0*	0.0%	
Town Councils	330	0*	0.0%	
Secondary Schools and Tertiary Institutions	355	355**	100.0%	
Sub counties	1463	1042***		440
Total	2436	1561		

*incomplete due to budget cuts;

**reports were issued during the year.

***Lower local government for the FY 2014/2015 issued

I have also included the cross cutting issues in Secondary Schools and Tertiary Institutions for the audit of financial year 2017. In addition I have included the cross cutting issues arising from the audit of 1,042 Sub counties during the year 2014/15.

Finally my report gives a summary of Opinions on financial statements audited, the modified opinions issued including reasons for modification for consideration by the oversight committee of Parliament.

5.2 CROSS-CUTTING ISSUES FOR CONSIDERATION BY THE OVERSIGHT COMMITTEES

5.2.1 Performance of Youth Livelihood Program (YLP)

The Youth Livelihood Programme (YLP) is a Government Programme being implemented under the Ministry of Gender, Labour and Social Development (MoGLSD). The programme, which started in the financial year 2013-2014, was to respond to the existing challenge of unemployment among the Youths and is being implemented in all the 112 districts of Uganda (including Kampala), with a projected total budget of UGX.265 billion. It is also worth noting that the program is run on a revolving mechanism.

The results from my review of this program for the period 2013/2014 and 2014/15 have been reported on in section 2 of this report. This section relates to results from my review of the period 2015/16 to 2017/2018.

- Delays in fund access by the Youth groups**

I noted that although all funds disbursed from the ministry were duly received by the districts; many districts had delayed to remit funds to the YIGs for more than three months. Out of the UGX124,818,278,518 disbursed to the district for the period 2013/2014 to 2017/2018, a total amount of UGX.122, 232,424,586 was approved and disbursed to 15,949 Youth Groups leaving 2,585,853,932 withheld at the districts. Failure to timely disburse the funds affects implementation of projects and ultimately the rate of recovery. There is also the risk of misuse and diversion at the districts.

This was attributed to challenges of YIGs in obtaining TIN and supplier Numbers from URA and MOFPED, delays by YIGs opening bank accounts and failure by LGs to timely train the successful YIGs due to either lack of commitment or delayed release of operational funds.

- **Status of fund recovery**

Section 4.0(xvii) of the YLP program document, 2013 provides that the Youth Grants shall be administered in an interest-free Revolving Fund arrangement. It further provides that the overall period of repayment should not exceed 3 years. I noted the following:

a) **Recoveries From Ongoing Projects (2015/16 – 2017/18)**

Projects which received funding during the period 2015/2016 - 2017/2018 were considered to be ongoing and therefore presented partial recoveries.

During this period, an amount of UGX.83.3bn was disbursed to Youth Groups.

An analysis of performance over the period revealed that the rate improved over the period increasing from 24% in 2015/16 to 60% in 2017/18 as shown in below:

Table 26: Recoveries for on-going projects for 2015/16-2017/18

Financial Year	Due for recovery	Recovered	Rate
2015/16	11,290,540,819	2,673,218,476	24%
2016/17	12,121,547,096	6,309,586,720	52%
2017/18	18,905,742,549	11,421,195,874	60%

The positive trend was attributed to; Development and inclusion of performance indicators on YLP in the Annual Local Government Performance Assessment Tool; Invoking of sanctions against poor performing districts by suspending disbursement to the non-compliant DLGs; Undertaking of joint inspection activities at Local Government level to enhance accountability, reporting and responsiveness of DLGs in the implementation of the Programme; Regular joint monitoring and supervision of Local Governments and Youth Groups by the MoGLSD and MoLG; Increased sensitization on radio-talk shows, TVs and Community meetings by MoGLSD, RDCs, IGG and Youth Leaders to strengthen social accountability; Deployment of Programme Officers at the Regional level for close supervision and backstopping of the Local Governments; Collaboration with Police, IGG, and Judiciary to handle reported cases and routine monitoring and implementation support among others.

It should however be noted that while there has been a positive trend in fund recovery, the rate was still unsatisfactory an indication of continued program implementation challenges.

I advised management to address the causes of non-recovery identified above in order to minimise future losses and to be able to achieve the ultimate objective of reducing Youth unemployment.

- **Delays in revolving of recovered funds**

Out of the total amount of UGX.16.1bn received on the revolving fund account in BoU, UGX.8.1bn had been revolved to other Youth Groups. The balance of UGX.8.0bn (50%) was yet to be disbursed by 30th June 2018. This was attributed to delays by districts to submit the applications to the ministry. Delay in revolving funds to other eligible groups undermines the ultimate goal of the program.

I advised the Accounting Officer to adhere to the programme guidelines so that the funding in the revolving account is rolled out to other beneficiaries.

5.2.2 Accounting and Controls

- **Unverified Pension and Gratuity**

Although the Consolidated Financial Statements disclose an amount of UGX. 32.8bn as Gratuity and pension liabilities as at 30th June 2018, I observed that a total of UGX. 14.5bn was not properly supported with documentation.

Under the circumstances, I was not able to provide assurance that the amounts in question are genuine liabilities to government.

I advised the Accounting Officers to ensure that these pension arrears are paid after a comprehensive verification of the supporting documentation.

- **Mischarge of Expenditures**

I noted that during the year under review, a total of UGX 1.5bn was charged on items which do not reflect the nature of the expenditure.

This was majorly attributed to the accounting framework which has limited expenditure codes. Mischarge of expenditure undermines the purpose of budgeting as a control tool and impacts on the credibility of the financial statements.

I have advised the Accounting Officers to engage the Accountant General to address the matter.

- **Low absorption/Unspent Balances**

Section 45 (3) Public Finance Management Act (PFMA) 2015 provides that an Accounting Officer shall enter into an annual budget performance contract with the Secretary to the Treasury which shall bind the Accounting Officer to deliver on the activities in the work plan of the vote for a financial year submitted under section 13 (15). It was observed that in 10 Districts and in 1 Municipal Council an amount of UGX. 11,770,488,982 had not been utilised by the end of the financial year. Failure to implement all the planned activities is an indication of capacity gaps and delays in release of Funds.

I advised the Accounting Officers to engage Ministry of Local Government and Ministry of Finance Planning and Economic Development to address the challenges.

5.2.3 Assets Management

- **Management of Medical Equipment**

Inspection of 26 District hospitals and 90 Health Centre IV revealed that 9 (8%) Health Facilities did not have an inventory of all their medical equipment exposing the medical equipment to mismanagement and loss without trace. I further observed that a number of key medical equipment was either missing, non-functional or not in fair condition as summarised in the table below.

Table 27: Status of Medical Equipment

No	Basic Medical Equipment	Availability	Functional	Non Functional	% of Non-Functional
1	Vacuum Extractor	25	13	12	48%
2	Resuscitation manual adult	34	28	6	18%
3	Ultra sound scanner	25	17	8	32%
4	Centrifuge 8 piece electric1	30	21	9	30%
5	Blood pressure machines[bp]	212	157	55	26%
6	Oxygen cylinders (large size)	106	66	40	38%
7	Ophthalmoscope	39	20	19	49%
8	Blood bank refrigerator	54	31	23	43%
Total		525	353	172	

The above critical equipment was non-functional due to absence of technical staff required to maintain and operate them and lack of adequate maintenance budget.

During inspection I noted that there was no skilled personnel to handle the Ophthalmoscopes equipment used for eye examination in 30 (27%) out of the 110 Health Facilities visited.

Consequently, patients are referred to distant facilities to receive the same services putting their lives at risk. In addition lack of skilled staff required to handle and operate the specialist medical equipment leads to poor diagnosis and increased costs due to poor handling of equipment.

I advised the Accounting Officers to engage the relevant Authorities for funding the maintenance budget and recruitment of the required technical staff.

5.2.4 Management of Natural Environment

- **Lack of Environmental Committees**

Section 14 and 16 of the National Environment Act, 1995 requires the Authority shall, in consultation with the Local Councils to provide guidelines for the establishment of the Environment committee for each Local Council, in this Act referred to as a District or Municipal Environment Committee. The function of the committee among others is to coordinate the activities of the council relating to the management of the environment, ensure that there are appropriate mechanisms in place to address the poor practices on the natural resources and prepare a state of the environment report every year.

Contrary to the requirement under the Act, it was observed that out of 117 District, 38 (32%) did not have Environmental Committees. I further observed that out of the 44 Municipal Councils 7 (16%) did not have an Environment Committee in place.

Lack of the committee negatively impacts on the management of environment and natural resources in the Local Governments as there is no adequate monitoring and supervision of the usage of Natural Resources. This was mainly attributed to inadequate funding to facilitate the work of the Committee.

I advised the Accounting Officer to engage the relevant Authorities to ensure that funds are secured and the Environmental Committees are established in accordance with the Law.

- **Unlicensed Activities on Natural Resources**

Section 37(3) of the National Environment Management Act, 1995 requires that the authority may, in consultation with the lead agency and the District Environment Committee, declare any wetland to be a protected wetland, thereby excluding or limiting human activities in that wetland while Section.36 provides for restrictions on the use of wetlands and requires a person to obtain written approval from the authority given in consultation with the lead agency.

Audit inspection revealed that there were a number of unlicensed activities carried out on various wetlands and forests in form of cultivations, settlement and waste dumping. I observed that out of the 117 districts, 88 (75%) were affected by unlicensed activities in

the wetlands while 48 (41%) lacked a register of licensed activities on the gazetted wetlands.

The continued undertaking of these practices on the natural resources continues to have adverse effects on the environment like climate change and unbalanced eco system. This was majorly attributed to inadequate staffing coupled with limited funding to carry out the necessary monitoring activities, and lack of legal ownership of the natural resources.

I advised the Accounting Officers to address the issue of legal ownership, lack of registers and institute measures to ensure that utilisation of natural resources is in accordance with the law.

- **Existence and Functioning of the Physical Planning Committees**

I observed that 34 Districts and 13 Municipal Councils out of a total population of 117 and 44 respectively lacked Physical Planning Committees contrary to the Physical Planning Act, 2010. I further noted that, all the Local Governments with the committees in place, lacked representation of a Physical Planner/Architect from private practice as required by law. In addition I observed that in all Councils there was neither a budget nor expenditure on activities of the committee implying non-prioritization of their functioning.

Absence of planning committees affects physical planning as there is no oversight body to enforce existing plans which results in unplanned developments, increased land conflicts, encroachment, pollution, and flooding.

I advised the Accounting officers to ensure that the Physical Planning Committees are established, have detailed plans in place and budgeted for.

- **Garbage Management in Municipal Councils**

Section 39(1) of Local Government Act 1997 (as amended) empowers urban councils to make bye-laws in relation to their powers and functions. Part three of the Second Schedule of Local Government Act, 1997 Cap 243 (as amended) requires urban councils to offer sanitary services for the removal and disposal of garbage. Inspection revealed that 13

(33%) out of 39 Municipal councils (MCs) lacked bye laws in relation to management of garbage. I further noted that out of the 39 Municipal Councils 21 (54%) lacked transport equipment, composite sites and treatment facilities.

Consequently, large quantities of garbage remained uncollected and inappropriately disposed which is hazardous to human beings and the environment.

I advised the Accounting Officer to liaise the relevant authorities to ensure that by-laws are approved and enforceable and source funding for waste management.

- **Financial Statements for Lower Local Governments Financial Year 2014/2015**

In my audit reports for the two previous years, I noted that there was still a problem with presentation of financial statements in the Lower Local Governments.

In the financial year under review, I finalised 1042 audits of lower local governments earlier noted. The earlier noted shortcomings were persistent. The anomalies include;

- Non-adherence to presentation and disclosure requirements as per Local Government Financial and Accounting Manual 2007, for example, lack of cash flow statements, memorandum Statements and schedule.
- Lack of Board of survey reports
- Lack of other statements, schedules and Notes to the accounts.
- Incomplete Financial Statements
- Lack of accountability documents
- Un authorized excess expenditure
- Non-disclosure of Comparative figures in the Financial statements
- Misstatement of account balances.
- Non- preparation of primary books of accounts such as Ledgers, cash books, and vote books.
- Lack of Revenue Registers
- Failure to prepare 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. This was attributed to understaffing, lack of training, Low levels of practical experience by clerks and non-adherence to the guidance provided in the Local Governments' Financial and Accounting Manual 2007 and other accounting standards.

I advised the Accounting Officers to liaise with responsible authorities to address the staffing and capacity gaps in the Lower Local Governments.

5.3 SUMMARY OF AUDIT RESULTS OF SPECIFIC ENTITIES

The summary of audit results includes all matters that were classified as matters of high significance during audit. These comprise of matters in the basis for qualified opinion paragraphs, key audit matters, emphasis of matter and other matters raised. The details are in the individual reports issued to Parliament and Accounting Officers. **Refer to Annexure IV**

PART 6: VALUE FOR MONEY

6.0 VALUE FOR MONEY

6.1 OVERVIEW

This part contains summary reports of 10 Value for Money (VFM) audits undertaken during the audit year ended 31st December 2018. The summary reports contain the scope, key findings, conclusions and recommendations made for each of the VFM audits undertaken. The detailed reports have been separately issued and copies are available on the OAG website.

6.2 DEFINITION AND FOCUS OF VFM AUDITS

A VFM audit is an independent and objective examination of whether government undertakings, systems, operations, programmes, activities or operations are operating in accordance with the principles of economy, efficiency and effectiveness and whether there is room for improvement. Economy, efficiency and effectiveness (3Es) can be defined as follows:-

- **Economy** – Minimizing the cost of resources. The resources used should be available in due time, in an appropriate quantity and quality and at the best price.
- **Efficiency** – Getting the most from available resources. It is concerned with the relationship between resources employed and outputs delivered in terms of quantity, quality and timing.
- **Effectiveness** – concerns meeting the objectives set and achieving the intended results.

These principles (3Es) also encompass audits addressing environmental management and equity.

Value for Money audits are conducted in accordance with International Organization of Supreme Audit Institutions (INTOSAI) standards. Those standards require that a performance audit should be planned, conducted and reported on in a manner, which ensures that an audit of high quality is carried out in an economic, efficient and effective way and in a timely manner.

In carrying out such an audit, the auditor takes an analysis of the conditions that are necessary to ensure that the principles of economy, efficiency and effectiveness can be upheld. These conditions may include good management practices and procedures to ensure the correct and timely delivery of services. Where appropriate, the impact of the regulatory or institutional framework on the performance of the audited entity is also taken into account.

Value for Money Audits Undertaken

1. Performance audit of government of Uganda's preparedness for implementation of sustainable development goals (2030 agenda)
2. Management of wetlands in Uganda by the wetlands management department (WMD) under the ministry of water and environment (MWE)
3. The regulation of universities by the National Council of Higher Education
4. The identification and registration of persons by the National Identification and Registration Authority
5. Report on the facilitation and promotion of export trade by Uganda Export Promotions Board
6. An evaluation of the output based aid project implemented by Rural Electrification Agency
7. The reliability of meteorological information produced by Uganda National Meteorological Authority (UNMA)
8. Follow up report on the value for money audit on regulation and monitoring of drilling waste in the Albertine graben by the National Environment Management Authority (NEMA)
9. Budget performance by the health sector
10. Budget performance by the works sector

6.3 KEY FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

6.3.1 PERFORMANCE AUDIT OF GOVERNMENT OF UGANDA'S PREPAREDNESS FOR IMPLEMENTATION OF SUSTAINABLE DEVELOPMENT GOALS (2030 AGENDA)

The Sustainable Development Goals (SDGs) also referred to as the 2030 Agenda are a set of 17 aspirational goals elaborated through 169 targets and 232 indicators. The UN member states are expected to use SDGs to frame their agenda and political policies over the 15 years from January, 2016 to December, 2030. The SDGs form a cohesive and integrated package of global aspirations the world committed to achieve building on the accomplishments of their predecessors the Millennium Development Goals (MDGs). The 2030 Agenda seeks to drive the economic, environmental and social dimensions of sustainable development through five pillars namely; people, planet, prosperity, peace and partnerships.

During the United Nations General Assembly in New York, September 2015 the Government of Uganda was among the UN Member States that adopted the comprehensive, far reaching and people centred set of universal and transformative goals and targets. The declaration gave states the primary responsibility to follow-up and review, at the national, regional and global levels, the progress made in implementing the goals and targets over the fifteen years of the Agenda.

The preparation of Uganda's NDPII (2015/16-2019/20) coincided with the inter-governmental negotiations on the SDGs in 2015. This gave the Government of Uganda an opportunity to try and integrate the SDGs framework into its national plan, accelerate national efforts towards achieving a middle income status, while pursuing sustainable and inclusive development within the framework of the Uganda Vision 2040 and the second National Development (NDP II). Accordingly, Uganda was among the 22 countries that volunteered to conduct a National status review under the auspices of the first High Level Political Forum (HLPF) in July 2016 to establish the country's readiness.

The Office of the Prime Minister is charged with the responsibility of creating an enabling environment conducive to the implementation of SDGs. SDGs activities are guided by the established SDGs Coordination Framework, 2017 and SDGs roadmap, 2018.

The objective of this audit was to assess the Government of Uganda's preparedness to implement the 2030 Agenda.

KEY FINDINGS

The Government of Uganda (GoU) through the OPM has made strides in preparing the country for the implementation of SDGs. The government formulated the SDGs Coordination Framework in 2017 and launched the SDGs roadmap in 2018. As required by the SDGs Coordination Framework, the key institutional Technical Working Groups namely: the Planning; Data; Finance; Communication and advocacy; Coordination, Monitoring and Evaluation and reporting that should steer the SDGs function have been established and operationalised. However, this audit has identified key bottlenecks that still impede the full operationalisation of the SDGs activities as envisaged under the SDGs Coordination Framework as outlined below;

i. Integration of SDGs into National Context

Uganda committed to take ownership and establish national frameworks for the implementation and achievement of the 17 SDGs. NPA was expected to guide the review process for identification of applicable goals and targets, and how they were to be reflected in Uganda's development policies, strategies, and planning processes to identify areas for improvement. By the time of audit, June 2018, the NPA had not undertaken a review of the national policies and frameworks with respect to SDGs to identify gaps and develop an action plan to address them. There were no targeted reviews done to assess how the existing Comprehensive National Development Planning Framework (CNDPF), National Policy for Public Sector Monitoring and Evaluation (NPPSME), GAPR, and the Results Reporting Framework (RRF) accommodated the elements of SDGs.

ii. Alignment of Policies, Budgets and Programmes to SDGs

NPA undertook a preliminary assessment that put the level of NDPII alignment to the global targets of the SDGs at 69% (strategic level). However the road map developed was not clear on when and how the remaining 31% will be incorporated into the National development framework. It was also observed that NPA had not mapped and communicated the applicable targets and indicators for each sector, MDA, LGs, private partners and CSOs. In addition, guidelines for mainstreaming SDGs into sectors, MDAs

and Local government plans had not been developed. Without a framework for mainstreaming SDGs, assessment of alignment of sectors, MDAs and LGs to SDGs will present challenges.

iii. Policy integration and coordination

TWGs are not functioning as envisaged in the SDG coordination framework. The committees and TWGs were not fully constituted; there was no record of quarterly meetings and progress reports. None of the TWG had appointed its full membership, and assigned responsibilities to the various parties in the TWG.

iv. Creating ownership and engaging stakeholders in integrating the SDGs into the national context

Overall, the level of public awareness on SDGs in the country remained low as reflected in responses obtained through interviews conducted by the audit team in selected MDAs and LGs. There were no specific SDG outreaches organised to engage and get views of various stakeholders at regional and local government levels for consideration in the preparation process. Whereas the TWG on communication and advocacy had developed a communication framework for SDGs, it was yet to develop the communication and advocacy strategy. The MoICT&NG with support from UNDP had translated SDGs awareness messages into 10 local languages in form of brochures. However, the communication and advocacy TWG did not provide evidence of having disseminated them to sectors, MDAs, LGs and communities as intended.

v. Mobilizing resources and capacities for implementing the 2030 Agenda

The Finance TWG led by MoFPED was expected to use the identified national programs and applicable targets for Uganda to assess the resources needed in terms of financing and capacity development to deliver the 2030 Agenda. This was to include reviewing and enhancing the existing arrangements for mobilising resources, knowledge sharing, technology and partnerships for implementing the 2030 Agenda in Uganda. It was observed that MoFPED was in the process of developing a domestic revenue mobilization strategy for Uganda with the aim of raising tax-to-GDP ratio from 14% to 16% by 2019/20 in line with the set target under the NDPII and medium-term Sustainable National Development Plan. However the delay by NPA in identification and integration of all SDG

targets into the national development plans presents a risk that the current revenue mobilisation efforts may not fully address the needs of the 2030 Agenda. It was also observed that TWGs had not been facilitated to implement their planned activities.

vi. Monitoring, follow-up, review and reporting on progress towards the implementation of the 2030 Agenda

The 2030 Agenda required monitoring, follow up, review and reporting processes for SDGs to be a primary responsibility of every government. This required determination of applicable indicators, establish baseline data, and review and update the M&E frameworks to facilitate effective tracking of SDG implementation. The assessment conducted by UBOS for data in collaboration with the United Nations Statistics Division revealed that only 202 out of 230 global indicators were applicable to Uganda and the TWG had nationalized the applicable indicators and incorporated the Levels I, II and III indicators into the updated NSI framework. However, UBOS was yet to establish comprehensive baseline data on all applicable targets that would be used to track progress for SDGs implementation. In addition the data gap analysis of indicators for SDGs at program/service delivery points had not taken place. Although the NSS has the capacity to cover all the 202 indicators, the current modules used can only produce data for 85 indicators, of which data on 45 indicators was fully available while for the remaining 40, data could be obtained by UBOS with additional resources.

KEY RECOMMENDATIONS

- i. NPA should prioritise the review of policies, strategies and processes for effective integration of SGD. The OPM should undertake regular follow up of activities allocated to TWGs to ensure that all responsibilities assigned to TWG's are timely executed and reported on.
- ii. The OPM and NPA should fast track the review and update of the enabling tools and instruments for effective implementation of SDGs. The process of agreeing and mapping applicable targets and indicators to sectors, MDAs and LGs should be expedited.
- iii. The oversight role of parliament should be enhanced through sensitisation and revision of existing checklists to include SDG compliance. NPA should conduct the assessment of technical capacity of planners at the different planning levels, identify the gaps and

strengthen capacity to facilitate integrated and multi-sectoral development planning for SDGs.

- iv. The OPM should ensure full operationalisation of the SDGs coordination framework by ensuring full constitution of all TWGs, and quarterly progress meetings are held at all levels, reports prepared and reviewed by the respective organs.
- v. The MoICT&NG should fast track the full constitution and operationalisation of the communication and advocacy TWG.

OVERALL AUDIT CONCLUSION

Whereas the GoU committed to implement SDGs Agenda 2030 over the next 15 years from 2016 to 2030, formulated the SDGs Coordination framework and launched the SDGs roadmap in 2018, the existing gaps in the operationalisation of the SDGs framework pose a challenge in creating a suitable environment for their implementation. To ensure realisation of the expected benefits of the Agenda 2030, it is important that a comprehensive and supportive SDGs coordination framework and roadmap are fully operationalised and streamlined and the necessary capacities provided to all the TWGs, MDAs and LGs to allow them effectively implement their assigned roles and responsibilities.

6.3.2 MANAGEMENT OF WETLANDS IN UGANDA BY THE WETLANDS MANAGEMENT DEPARTMENT (WMD) UNDER THE MINISTRY OF WATER AND ENVIRONMENT (MWE)

The Wetlands Management Department (WMD) is charged with management and protection of wetlands in collaboration with NEMA, District Local Governments and other key players. However, a decline in the countrywide wetland coverage has been reported over the years with rampant encroachment for sand mining, cultivation, settlement and industrial establishment, reports of issuance of land titles in wetlands, among others.

In light of the above, the Office of the Auditor General conducted a Value for Money audit to establish the extent of reduction in wetland coverage countrywide and evaluate the adequacy of measures put in place by the Wetlands Management Department (WMD) to ensure protection and restoration of wetlands.

KEY FINDINGS

i. Status of Wetlands Countrywide

Wetland coverage dropped from 15.5% in 1994 to 13% in 2015. 50% of permanent loss happened in L. Kyoga and L. Victoria basins alone. Currently, 31% of the remaining wetlands countrywide are degraded, while 69% are intact. Almost half of degradation (46%) is in Eastern Uganda. 55% is in L. Kyoga drainage basin.

ii. Permits and Land Titles in Wetlands

During the review period, NEMA issued 239 wetland user permits, but it was noted that both NEMA and WMD had limited staff to monitor compliance countrywide, while the districts were underfunded to undertake this task. In addition, it was noted that land titles were issued for 782 plots wholly or partially located in wetlands in Kampala, Wakiso and Mukono alone, meaning that this figure is much higher countrywide. WMD reported that it had shared shapefiles showing wetland boundaries with MLHUD in 2015, though no evidence of this obtained. Importantly, cabinet resolved to cancel titles in wetlands in 2016. The estimated cost of cancellation for Kampala, Wakiso and Mukono only was 6.74 billion, but no funding had been released for this by the time of audit.

iii. Restoration of Wetlands

WMD's efforts to restore degraded wetlands fell far below the ideal, with only 0.3% of the required area having been restored in the 4 years under review, leaving a restoration shortfall of 99.7% less than two years to 2020. Moreover, annual wetland degradation continues to outpace restoration rates. However, WMD's shift to prevention of encroachment rather than emphasis on post-encroachment eviction and restoration is a step in the right direction.

iv. Demarcation and Gazetttement of Wetlands

WMD's delay to gazette wetlands and complete demarcation makes it difficult to identify wetland boundaries and encourages continued encroachment. There is also potential wastage of UGX 662,841,802 due to failure to utilize all pillars and beacons purchased for demarcation.

v. Promotion of Knowledge on Management of Wetlands

WMD has not prioritized implementation of the necessary measures to acquire, disseminate and promote knowledge on management of wetlands. For instance, WMD had not developed a wetlands inventory since the year 2000. Also, the NWIS is characterised by out-dated data, relevance for only 45 districts, limited accessibility and heavy software. In addition, no evidence was provided for training of staff and stakeholders using government releases over the 4 years under review despite expenditure amounting to UGX 207.23 million. As a result, there is insufficient knowledge to guide decision-making in management of wetlands both at national and local government levels.

vi. Coordination between WMD and NEMA

There was poor coordination between WMD and NEMA, characterised by unclear delineation of roles, responsibilities and expected outputs between WMD and NEMA; failure by NEMA to delegate to WMD the power to enforce compliance; differing visions of management of wetlands; conflicting decisions; gaps in information-sharing; and absence of a dispute-resolution mechanism and hierarchy of authority to step in in case of conflicts or differing positions between WMD and NEMA. However, government was taking action to improve coordination between the two agencies and more clearly define their respective roles in the revised National Environment Bill and the draft Wetlands Resources Bill.

KEY RECOMMENDATIONS

To Government

- i. Government should consider making it mandatory to involve environment officers in the titling process right from local government level;
- ii. Government should set up mechanisms to protect civil servants from pressure or undue influence from powerful actors in execution of their duties related to wetland management or issuance of titles;
- iii. Allegations of corruption in issuance of land titles in wetlands should be investigated and culprits given deterrent punishments.

iv. MoFPED should prioritise the release of funds to facilitate implementation of the cabinet decision to cancel land titles in wetlands and ensure vacation of the illegal occupants.

To WMD/ MWE

- i. WMD should engage MLHUD to ensure the shapefiles indicating wetland boundaries are shared with all districts/ land offices and utilised;
- ii. WMD should plan for and expedite the demarcation of critical wetland boundaries to ensure they are clearly visible;
- iii. WMD should train members of the Uganda Land Commission, District Land Boards and Area Land Committees on the requirements of the land and wetland laws, and what constitutes a wetland/ wetland boundary.
- iv. MWE should continuously engage MAAIF, MLHUD and other players to:
 - Expand interventions which seek to prevent wetland (re-)encroachment by addressing the factors that lead to encroachment such as declining fertility of traditional farmlands, water scarcity, unplanned urban expansion, to other areas not covered by the GCF projects;
 - Implement the plan to extend irrigation infrastructure especially in rice-growing regions to encourage the farmers to leave wetlands, after which they can re-generate on their own, saving government restoration costs;
- v. WMD, in consultation with NEMA and other relevant stakeholders, should develop guidelines or mechanisms to ensure wetland degraders pay for the costs of degradation.
- vi. MWE should endeavour to complete the demarcation of remaining sections of the wetlands during FY 2019/20 using the remaining pillars and beacons as committed.
- vii. MWE should prioritise completion of the wetlands coding and gazetttement activity.
- viii. The Accounting Officer MWE should prioritize compilation of an updated Wetlands inventory;
- ix. MWE Management should further upgrade and update the NWIS software and explore options to make it more easily accessible;

- x. The Accounting Officer (MWE) should ensure that released funds are spent on planned activities in order to meet performance targets.
- xi. MWE should prioritise completion of the draft legislation on wetlands and develop a framework to govern coordination between WMD, NEMA and other key players in management of wetlands.

OVERALL AUDIT CONCLUSION

Wetland coverage dropped significantly between 1994 and 2015 with the Lake Kyoga drainage basing experiencing particularly high levels of degradation and permanent loss of wetlands.

Government efforts to reverse this decline during the 4 years under review had registered little success mainly due to emphasis by WMD on restoration of degraded wetlands which is expensive and does not adequately address the factors that push people to encroach on wetlands; unclear delineation of roles, responsibilities and mandates between WMD, NEMA and other key players in regulation and management of wetlands; failure to utilise all pillars and beacons purchased for demarcation; gaps in collection and dissemination of knowledge on wetlands to stakeholders to guide decision-making; failure to utilise training funds for the intended purpose; delay to fund implementation of the Cabinet resolution to cancel land titles in wetlands; and limited funding to district local governments to restore, protect and manage wetlands.

On a positive note, however, it was observed that starting late in 2017, WMD had started implementing a project to address factors that encourage encroachment in 20 districts, and review of legislation to clarify the mandates and roles of the different players was in advanced stages. It is hoped that these on-going interventions, coupled with implementation of the proposed audit recommendations will go a long way in stemming the worrying trend of wetland loss and improve the management of wetlands in Uganda.

6.3.3 THE REGULATION OF UNIVERSITIES BY THE NATIONAL COUNCIL OF HIGHER EDUCATION

The National Council of Higher Education (NCHE) was established as the regulator of higher education to implement the Universities and Other Tertiary Institutions Act of Parliament (UOTIA, 2001 as amended). By the provisions of the Act, NCHE is mandated

to guide the establishment of institutions of higher learning as well as ensure delivery of quality and relevant education to all qualified persons.

NCHE has strived to achieve its mandate to ensure that sustainable quality higher education is provided at all Higher Educational Institutions in Uganda. However, there are chronic problems of staffing and inadequate research in universities² that impede the achievement of quality education. This is coupled with the increase in number of universities. To date, the country has 9 public and 43 private universities.

The overall objective of the study was to assess the extent to which NCHE has ensured that universities comply with the operational and quality standards necessary for the delivery of quality higher education in Uganda.

KEY FINDINGS

i. Monitoring and institutional audits

NCHE inadequately conducted monitoring and institutional audits during the period despite UGX 331,954,999 being provided. In the period 2015/16 to 2017/18 NCHE planned to undertake 60 monitoring visits of universities. Although management reported that they had conducted 30 monitoring visits, audit could only confirm eleven (11) monitoring visits, of which, three (3) were discussed by Council in the period. In addition, NCHE neither organised peer institutional audits nor undertook external institutional audits. This was due to inadequate allocation and utilisation of activity funds and low staffing to conduct the activity. This has led to universities continuing to run unaccredited/unrevised programmes, unreviewed charters and provisional licences, admitting students without equating their foreign study qualification, and universities providing education that is below standard and poor physical facilities. This affects the quality of higher education in the country.

ii. Conducting of tracer studies by NCHE and universities

NCHE conducted two tracer studies in 2011 and 2015 for cohorts of 2001 and 2011 respectively, contrary to the good practice of having studies conducted for cohorts of

² NCHE 2018 annual performance report

within 2-3 years. Moreover the studies were limited to an average of 6 universities and 16 programmes and 2000 graduates. The expected 2018 tracer study was not conducted despite UGX 90 million being budgeted in the period. The universities were also noted not to have conducted tracer studies. This was attributed to the universities not being compelled to undertake the studies. There is no information system in place to enable NCHE to track all graduates in the country. This contributes to the continuous mismatch between the needed graduate programmes and content with the labour market requirements.

iii. Minimum standards of courses of study

I also noted that NCHE had established minimum standards for only 43 (2%) of the 2,104 courses of study. By April 2016, 38 of the 43 courses had since expired and were neither reviewed nor published. This led to programmes being accredited without a check to up to date standards which may compromise the quality of programmes taught.

As a result, NCHE has accredited 2,100 programmes without checking them against up to date minimum standards for courses of study.

KEY RECOMMENDATIONS

The NCHE management should;

- i. Plan adequately, prioritize and allocate its resources, including the mandatory students' fees collections, to conduct its statutory obligations of monitoring and institutional audits, Tracer studies and minimum standards of courses of study.
- ii. Enforce compliance by ensuring that all Universities offering un-accredited and/or courses whose accreditations have unrevised submit them for review leading to accreditation and/or re-accreditation or else have their licenses revoked,
- iii. Enforce the conducting of tracer studies by the universities and consider developing guidelines and simpler templates for use by universities when undertaking tracer studies, and
- iv. Government should build and empower the capacity of NCHE to undertake its mandate adequately, through a renewed policy with punitive measures for non-compliance

OVERALL AUDIT CONCLUSION

Whereas the National Council of Higher Education has undertaken specific interventions aimed at increasing the quality of higher education in universities, inadequate monitoring and conducting of institutional audits and tracer studies and non-establishment of minimum standards of courses of study have resulted in universities mounting unaccredited and out-dated programmes, operating below the required quality assurance and capacity indicators, which has an effect on the quality of higher education. It is hoped that with the appropriate stakeholder engagement and policy review, the inadequacies in the higher education sector will be reduced to enable the country to benefit from improved quality of higher education, increase in employment prospects and more competent service delivery.

6.3.4 THE IDENTIFICATION AND REGISTRATION OF PERSONS BY THE NATIONAL IDENTIFICATION AND REGISTRATION AUTHORITY

Government undertook the identification and registration of persons as one of the ways to generating reliable identification data about persons living in Uganda. This information would be used for a number of purposes, such as facilitation of planning, helping strengthen security, among others.

Identification and registration of persons is a mandate of the National Identification and Registration Authority (NIRA). The authority is responsible for ensuring that citizens that meet the requirements are successfully identified and registered. Although this has been done there are complaints from members of the public about significant delays in the identification and registration of persons.

The Office decided to undertake a waiting time audit on the processes of identification and registration of persons. The results of the audit show that there areas of weaknesses in the timeliness with which NIRA identifies and registers persons as summarised below.

KEY FINDINGS

- i. There were delays in processing of applications during the period of review. The processing of new applications was delayed by an average of 156 days in 2015, 91 days in 2016 and 100 days in 2017.
- ii. Applications for replacements of lost identity cards were delayed by an average of 14 days

in 2016, and 49 in 2017. Applications for change of particulars were encumbered with an average delay of 83 days in 2016 and 37 days in 2017.

The delays were caused by a number of factors which include:

- i. A number of applicants faced challenges in comprehending the requirements of the enrolment forms. As a consequence, the applicants submit incomplete and inaccurate information which wastes a great deal of time at verification.
- ii. Shortage of staff at NIRA caused delays at enrolment, processing of applications and distribution of finished cards.
- iii. There were also delays in transmission of data by NIRA from the enrolment centres because the transmission is done manually rather than online. Similarly there were also delays in the delivery of finished cards to the collection centres.
- iv. There is currently no mechanism of tracking the progress of applications within the processing system and providing timely feedback to applicants where queries were raised on applications.

These weaknesses can, however be addressed if the following steps are taken:

KEY RECOMMENDATIONS

- i. Management should expedite the translation of the requirements of registration into local languages to ease enrolment.
- ii. Management should also liaise with the relevant stakeholders particularly the Ministry of Public Service and the Ministry of Finance to address the current staff shortages.
- iii. Management should also expedite the process of procuring service providers for the delivery of enrolment data to the processing centre and delivery of finished cards.
- iv. Management should expedite the process of reviewing the current processes and ensure that the system is fully automated to improve efficiency.
- v. Sensitise the public about the different processes of identification and registration to enable the applicants understand these processes which will in turn save time spent to identify and register citizens.

OVERALL AUDIT CONCLUSION

Although NIRA to a large extent, has undertaken the identification and registration of persons as mandated by the Registration of Persons Act, as observed a number of weaknesses still exist within the processes of identification and registration which have resulted in significant delays in processing of the applications. These delays can be significantly reduced if the weaknesses noted by the Audit are addressed.

6.3.5 REPORT ON THE FACILITATION AND PROMOTION OF EXPORT TRADE BY UGANDA EXPORT PROMOTIONS BOARD

Uganda mostly exports agricultural products which contribute 80% of her total exports. These products mainly include coffee, fish, maize, tobacco, tea, beans, and flowers among others.

The country is also making progress on the exportation of value added and manufactured products, such as base metal products, cement, sugar, plastics and cosmetics³.

Export promotion is a key Government priority and the Government recognises that one of the ways to improve the current balance of payments is to promote exports, ensure stable supply to target markets and ensure that exports are competitive and meet international standards. In a bid to realise this, Government has undertaken a number of initiatives aimed at promoting export growth among which was the creation of the Uganda Export Promotion Board (UEPB) to facilitate the development promotion and coordination of all export related activities.

A review of the performance of this Board revealed areas that need attention if UEPB is to achieve its objective. These include those highlighted in the following key findings:

KEY FINDINGS

- i. It was noted that the current coordination measures were ineffective in fostering the development of export trade. There is currently no formal and clear coordination framework through which UEPB engages the other sector players. Similarly, there is no clear definition of the roles and responsibilities of the key players within the export sector.
- ii. The trade and market information provided to exporters was in most cases not up to date

³ http://www.businessdirectory.com/export_promotion

while in other cases no information was available at all.

- iii. There was no evidence of regular review of policies, plans and strategies in the form of policy papers, policy briefs or reports. Similarly, there was no clear system of collecting feedback about the current polices through, for example regular surveys.
- iv. Some key aspects of building the capacity of exporters, such as, the implementation of the export curriculum, largely remained unimplemented. There was also no evidence that UEPB undertakes post training follow-ups to evaluate the impact of the training and offer post training support.

KEY RECOMMENDATIONS

- i. UEPB should spearhead efforts to put in place a proper coordination framework with the different sector players in order to harness the synergies that exist amongst the different stakeholders.
- ii. UEPB should ensure that funds released for provision of trade information are optimally utilised utilised for this purpose. UEPB should also find alternative ways of obtaining information about external markets rather than relying on the embassies and missions and regularly subscribe to online market and buyer information sources which provide reliable and up to date international market information.
- iii. UEPB should streamline the processes of reviewing existing policies and develop a comprehensive system of gathering feedback from exporters about the current export plans, policies and strategies.
- iv. UEPB should develop comprehensive training plans as a guide for implementing activities aimed at building the capacity of the exporters. UEPB in addition should desist from reallocating funds meant for capacity building of exporters.

OVERALL AUDIT CONCLUSION

The export trade sector has to a large extent not performed to its full potential because of a number of weaknesses, such as: inadequate coordination among the stakeholders, insufficient trade and market information, inadequate review of existing policies and strategies and failure to build the capacity of exporters. This sector can, however, perform better and make a bigger contribution to the economy if the identified weaknesses are addressed.

6.3.6 AN EVALUATION OF THE OUTPUT BASED AID PROJECT IMPLEMENTED BY RURAL ELECTRIFICATION AGENCY

By 2012 only 7% of the rural Ugandan households were connected. The low level of electricity access negatively affects government efforts to boost production, create jobs, provide clean source of energy and preserve the environment. The Output Based Aid (OBA) Project, implemented by the Rural Electrification Agency (REA) was funded by a grant of USD 20.2 million, contributed by the Global Partnership on Output-based Aid (GPOBA) and other stakeholders, including the International Development Association (IDA), KfW (German development bank). The project objective was to make access to grid electricity affordable for 132,500 poor households. However during implementation REA set targets for each Licence Distribution Companies totalling 152,861 households. Under the OBA project, service delivery is contracted out to licensed service providers. The overall audit objective was to evaluate the extent to which the OBA project achieved its expected outputs in due regard to the approved procedures and operations.

KEY FINDINGS

i. Extent of achieving target household connections

Apart from UMEME, one of the Licensed Distribution Companies (LDC), with an individual performance of 87.2%, all the other 7 LDCs did not meet their total individual target connections, all attaining less than 53% level of performance. This was attributed to project design issues, lack of capacity by the LDCs and inadequate consumer awareness.

ii. Extent to which procedures were undertaken in regard to the manual

Contrary to operational guidelines I noted that LDCs did not submit all required annual work plans and budgets in a timely manner and REA management contract management reports were not fully submitted. In addition to inadequate monitoring by management against the set result indicators, segregate accounts were neither opened nor internal audits undertaken despite the project having USD 1m budget to undertake the activity. As a result management's ability to assess, monitor and manage LDC's performance was curtailed.

iii. Extent to which operations were adequately undertaken.

In spite of the fact that the poverty mapping consultant only identified 42,134 out of the expected 250,000 eligible households for the OBA subsidy, a performance of 16.8%, REA paid Euro 83,361.69 (about 45% of the contract price) to the Consultant. Under the consumer awareness contract, inadequacies were noted in the implementation of the contract, leading to a claim by REA of Euros 243,510.24 (equivalent to UGX 779,232,780) from the consultant. With such shortcomings, there is doubt on how beneficiaries were identified. During physical verification various inadequacies were also identified, for instance, houses which were connected beyond the 35 meters and connections made to non-qualifying households.

KEY RECOMMENDATIONS

REA management should:

- i. Involve all the relevant stakeholders in project design to ensure that project implementation targets are met, connections are made to the intended beneficiaries and household connections are optimized.
- ii. Ensure that companies that undertake project implementation submit all the required plans so that project implementation can easily be tracked and corrective measures taken in a timely manner.
- iii. Ensure that it undertakes due diligence in procuring consultants and should undertake adequate contract management to ensure contract obligations are met.
- iv. Follow up and enforce reporting by LDCs to ensure that the reports are produced as required by the OBA operational manual, which should inform decision making by stakeholders.
- v. For future projects, consideration should be made for adequate physical verifications of connections to ensure reimbursements are made for only connections done in accordance with the specified criteria.
- vi. Institute a re-verification framework IVA in order to provide quality assurance of connections before reimbursements.

OVERALL AUDIT CONCLUSION

Whereas the Rural Electrification Agency under the Output Based Aid project was reported to have achieved 75.7 % of the project targeted connections of 152,861, inadequacies in planning, procurement, financial/contract management and reporting led to lower performance of a majority of LDCs. In addition, due to shortfalls by REA management in monitoring and audit, audit could not confirm whether the project met the anticipated 10% increase in rural electrification.

It is hoped that with the implementation of the new electricity connection policy that provides free household connection to all households in Uganda, the lessons identified and learnt under this study will be applied to efficiently and effectively fulfil the objectives of the new policy.

6.3.7 THE RELIABILITY OF METEOROLOGICAL INFORMATION PRODUCED BY UGANDA NATIONAL METEOROLOGICAL AUTHORITY (UNMA)

Most activities done by people, particularly outdoor activities, have to be done with weather in mind and therefore it is critical to provide meteorological services that support relevant national needs, such as: protection of life and property, safeguarding the environment and contributing to sustainable development. In the recent past, the impacts of climate change, such as: unreliable rains, increased frequency of floods, landslides, drought as well as disease outbreaks and epidemics like malaria and cholera, among others, have been rampant.

In Uganda, meteorological services are provided by Uganda National Meteorological Authority (UNMA) which is a semi-autonomous government institution and a Government's authoritative voice on weather and climate.

UNMA is mandated to promote, monitor weather and climate as well as provide weather predictions and advisories to Government and other stakeholders for use in the sustainable development of the country and these services are guided by the World Meteorological Organization (WMO) standards, International Civil Aviation Organization (ICAO) standards, the National Climate Change Policy 2015, and UNMA Act 2012.

The Office of the Auditor General undertook a value for money audit to assess the measures put in place by the Uganda National Meteorological Authority (UNMA) to produce and disseminate accurate, timely and comprehensive meteorological information

that meets the information needs of users. In order to achieve this, the audit assessed the procedures used by UNMA to carry out weather observations and whether they were in a manner prescribed by World Meteorological Organization standards, the process of data processing, analysis and storage and whether it was in accordance with the recommended best practices and the appropriateness of the dissemination mechanisms employed by UNMA to ensure that weather and climate products and services are received by the different stakeholders in a timely manner.

The study covered two financial years 2016/17 and 2017/18 focusing on functioning manual and automatic weather stations.

KEY FINDINGS

- i. By audit time, only Entebbe synoptic station was observing and reporting meteorological data throughout the 24 hours as required by WMO. The other synoptic stations were operating 12 hours during day but also had failed to observe the main standard hours of times of 3 am (0000z) and 9 pm (1800z).
- ii. Since February 2017, UNMA has no governing board that is responsible for recruiting and appointing staff and formulation of meteorology regulations.
- iii. Except for weather equipment at Entebbe synoptic station that were calibrated in January 2017, all the other equipment in different stations had not been calibrated by audit time.
- iv. Most weather parameters were being observed and reported by synoptic stations as required by WMO. However, Agromet stations were not observing and reporting soil temperature, soil moisture and evaporation necessary for agronomic applications. In addition, the hydromet stations were not observing and reporting all the parameters required by WMO. For instance Kyeonjo hydromet station only observed and reported rainfall for the two year period under study and hydro meteorological data on river water level, river discharge, suspended sediments in rivers, and water quality were not recorded.
- v. Except for Entebbe aerodrome station that reported aerodrome warnings and wind shear warnings as required by ICAO, the other four aerodrome stations that is Soroti Gulu, Kasese and Arua were not observing and reporting these parameters.

- vi. By audit time, only 29 (56%) out of 52 manual weather stations were functional, 43 automatic weather stations had been installed but also they were not regularly reporting and no weather radars had been installed.
- vii. By audit time, UNMA did not have a data backup system as required by WMO and only 80% of rainfall records and 40% of temperature records had been digitalized. The other weather parameters remained un-digitalized due to inadequate staff in this section, and less than 10% of the original manual weather records had been scanned.
- viii. Seasonal climate outlooks were not being received by the farmers on a quarterly basis. In addition, the fishermen, especially on Lake Victoria, were not receiving weather alerts.

OVERALL AUDIT CONCLUSION

Whereas meteorological services remain important in the sustainable development of the country and in reducing the environmental hazards that Uganda is currently facing, UNMA still faces challenges of inadequate essential equipment, uncalibrated equipment, limited coverage and functionality of stations and lack of high speed processing facilities, among others. The measures put in place by UNMA to produce and disseminate accurate, timely and comprehensive meteorological information are still inadequate and, therefore, UNMA's strategic objectives are likely not be achieved.

KEY RECOMMENDATIONS

- i. UNMA should liaise with the relevant authorities to ensure that the appointment of the board members is fast-tracked to ensure that substantive staff are recruited at all levels.
- ii. UNMA should prioritize calibration of equipment in its budget , pursue regional collaborative arrangements with other neighbouring states for possible partnerships and also in the long run set up calibration laboratories
- iii. UNMA Management should continue to plan and budget for the required equipment and instruments and also liaise with relevant authorities to ensure that stations are equipped with essential equipment and instruments.
- iv. UNMA should develop maintenance and replacement plans for the existing weather stations especially rainfall stations, and ensure that regular maintenance is carried out

- v. Staff in the data processing unit need more specialised training on the use of the CLIMSOFT so that they can be in position to perform troubleshooting and regular maintenance of the software instead of relying on hired experts.
- vi. UNMA should prioritize digitisation and scanning of original weather records by planning and budgeting for scanners, staff and data backup systems.
- vii. UNMA should enter into service level agreements with Internet providers to ensure that regular internet connectivity is maintained for models to run effectively on the server
- viii. UNMA should develop and implement a robust dissemination mechanism that will ensure all District production officers and other users receive weather and climate information in time. For instance, UNMA needs to work directly with farmer associations and fishermen groups to ensure that meteorological information is received by the individual persons in time.
- ix. UNMA should implement a feedback mechanism to allow production officers and extensions workers to log in complaints and suggest areas of improvement.

6.3.8 FOLLOW UP REPORT ON THE VALUE FOR MONEY AUDIT ON REGULATION AND MONITORING OF DRILLING WASTE IN THE ALBERTINE GRABEN BY THE NATIONAL ENVIRONMENT MANAGEMENT AUTHORITY (NEMA)

In 2014, my office undertook an Environment Audit on Regulation and Monitoring of Drilling Waste Management in the Albertine Graben by NEMA and a report was submitted to Parliament. The audit sought to ascertain how drilling waste was handled in the exploration phase between 2006 and 2014, since the volumes produced would only shoot up as activity entered the development and production phases.

The 2014 audit found that there was inadequate waste management legislation and as a result NEMA had directed all IOCs to hold the waste in waste consolidation areas (WCAs). It also found that IOCs did not prepare and submit self-monitoring reports to NEMA within the required time frame. Furthermore, while NEMA and Lead Agencies made efforts to monitor and enforce compliance to proper waste management practices in the Albertine Graben, performance gaps were identified in this area. Finally, NEMA did not independently verify laboratory results submitted by the IOCs.

The purpose of this follow-up was to: establish the extent to which NEMA had implemented the recommendations in the 2014 VFM report mentioned above; assess whether or not there had been improvements in management of drilling waste in the Albertine Graben; and assess whether any new recommendations were needed to ensure adequate management of drilling waste.

KEY FINDINGS

The audit team noted that out of the 12 recommendations made in the Auditor General's report of 2014, 4 were fully implemented, 6 were partially implemented while 2 had not been implemented at all.

However, it is important to note that the key recommendations of the 2014 audit, namely putting in place adequate legislation for management of drilling waste, and ensuring the waste held in Waste Consolidation Areas (WCAs) is treated and disposed of were fully implemented. The National Environment Bill, revised by NEMA to cater for oil and gas, was passed by Parliament on 14th November, 2018, and was awaiting the President's assent at the time of audit, after which the subsidiary legislation developed would be approved.

However, neither NEMA nor the Petroleum Authority of Uganda (PAU) consistently collected or analysed records of quantities of liquid waste held by the IOCs in the WCAs before or after 2014 and as a result, they were unable to detect or satisfactorily explain the significant difference in the quantity of liquid drilling waste generated by TUOP at the time of the 2014 audit and the time of this follow-up.

FOLLOW-UP RECOMMENDATIONS

- i. The Minister of Environment should ensure that the subsidiary environmental legislation is approved as soon as possible once H.E. the President assents to the revised National Environment Act, in order to empower NEMA and the relevant Lead Agencies to adequately regulate waste management in the oil and gas sector.
- ii. NEMA and PAU should investigate the cause of the discrepancy between the amount of liquid waste stored by Tullow Uganda Operations Pty at the time of the 2014 audit, and the actual amount disposed of.

- iii. In future, in cases where untreated liquid waste may be held, NEMA and PAU should periodically obtain accurate records of the quantities and analyse them to spot any anomalies and address them expeditiously.
- iv. NEMA should ensure that the waste disposed of is monitored at stipulated intervals by the regulated community (IOCs/ Waste disposal firms) and NEMA staff.

6.3.9 BUDGET PERFORMANCE BY THE HEALTH SECTOR

The health sector is one of the priority sectors of government that is critical in the attainment of Uganda Vision 2040 by producing a healthy and productive population that effectively contributes to socio-economic growth. The sector comprises a number of spending agencies (votes) namely; The Ministry of Health (Vote 014), National Medical Stores (Vote 116), Uganda Cancer Institute (Vote 114); Uganda Heart Institute (Vote 115); Uganda Blood Transfusion Service (Vote 151); Uganda Aids Commission (Vote 107), Health Service Commission (Vote 134), Mulago National Referral Hospital (Votes 161), Butabika National Mental Referral Hospital (Vote 162), 14 Regional Referral Hospitals (Votes 163 – 176), National Drug Authority, Joint Clinical Research Centre, Uganda Virus Research Institute, Uganda National Research Health Organization and Regulatory Councils, i.e. Uganda Medical and Dental Practitioners Council, Uganda Nurses and Midwives Council and Allied Health Practitioners Council.

Ministry of Health is the central agency in charge of policy analysis and formulation, strategic planning, provision of nationally coordinated services that include emergency preparedness, health research, and monitoring and evaluation of the overall health sector performance. The Health Sector Development Plan notes that in terms of planning, there is a major shortcoming where health sector targets and activities are set without the requisite costing of activities and allocation of required resources to meet them. Also, priorities are not adequately set, which makes it difficult to implement plans in resource constrained situations. The Government of Uganda has steadily increased its budget allocation of funds to the health sector; however, it continues to allocate less than 10% of its budget to health care, which is less than the 15% agreed in the Abuja Declaration by heads of African states. The current funding of US\$ 27 per capita per annum

expenditure on health care is far below the US\$ 44 per capita recommended⁴. Due to the resource constraints it is imperative that the available resources are utilized effectively to deliver on the health sector objectives.

The Office of the Auditor General undertook a value for money audit to assess the extent of delivery of planned outputs of eight (8) selected entities in the health sector in the financial year 2017/2018. The eight entities comprised of Ministry of Health, Mulago National Referral Hospital Complex, Uganda Blood Transfusion Services, Mbarara Regional Referral Hospital, Gulu Regional Referral Hospital, Mbale Regional Referral Hospital, Masaka Regional Referral Hospital and Fort Portal Regional Referral Hospital.

KEY FINDINGS

i. Extent of delivery of planned outputs

It was observed that out of the 52 sampled planned outputs in the 8 selected health sector entities, 14 outputs(27%) were fully achieved, 18 were partially achieved (34.6%) and 11 outputs were not implemented at all (21.2%). The extent of delivery for 9 (constituting 17.3%) of the planned outputs could not be assessed , because there were no performance targets and indicators set for the outputs. MoH which is the largest player in the sector was able to achieve 26% of its planned outputs; for the rest of the entities, the level of achievement ranged from 16.6% to 50%.

For the 18 outputs that were patially achieved under various entities, the major contributing factors for partial achievement were procurement delays, budget shortfalls, delayed release of funds and diversion of funds.

ii. Planning and Budgeting

Review of the certificate of compliance of the annual budget 2017/18 assessment report by National Planning Authority (NPA) indicated that the Health sector is 51.7 percent compliant. Specifically, the sector performed at 88%, 38.1%, 67.6% and 37.3% at planning, project implementation, budget process instruments (BFP and AB) and annual budget performance, respectively. The performance was on account of low budget

⁴ World Health Organization Profiles,
http://www.aho.afro.who.int/profiles_information/index.php/uganda:health_financing_system

absorption by the majority of health sector institutions especially under projects. In terms of strategic planning, the sector is doing well as six (6) out of the eight (8) selected entities had approved strategic plans. Also available is the approved health sector development plan which is aligned to the NDPII. However, Mulago Hospital Complex and Fort Portal RRH scored 0% at planning on account of not having approved strategic plans. It was also observed that under MoH there were a number of projects under implementation which were not among the interventions proposed in the NDPII.

iii. Release/ Funds disbursement performance

During the FY 2017/2018, out of the total UGX 1.95 trillion allocated to the Health Sector, UGX 1.28 trillion which represents 66% was released. All votes received about 100% of the budget except MoH which received only 36%. For the eight (8) selected entities it was observed that overall, 55.6% of the approved budget was realized by the entities. Most of the entities received their entire budgetary allocations except MoH .. For MoH, the shortfall was caused by low disbursement performance from external financing. In terms of counterpart funding, it was observed that government released all the expected counterpart funding contributions on all the externally funded projects. Due to the poor release performance especially by MoH, a number of outputs and targets were either not implemented or partially implemented.

iv. Utilization/ Absorption of funds

Out of the total release of UGX 1.28 trillion, the health sector spent a total of UGX 1.191 trillion representing 93.04% of the released amount. For the 8 selected entities, the analysis showed that the entities spent 79% of the amount released. The unutilized funds (UGX 99.4 billion) were mainly funds earmarked for pension, gratuity and social contribution and construction projects among others.

Failure to absorb funds was attributed to procurement delays and delayed verification of decentralised pensioners in Regional Referral Hospitals.

v. Further analysis of the performance of the selected outputs revealed that in addition to poor release performance, the delivery of the expected outputs was affected by budget variations such as reallocations, diversion/ mischarge of funds and delays in procurement. The analysis showed that for the eight (8) selected entities, on average over 50% (UGX 28 billion) of the funds released for the selected sub programs (outputs) were not spent on the planned outputs .This impacted on the achievement of the planned outputs. The Accounting Officers attributed this to resource constraints imposed by the MTEF limits issued by Ministry of Finance and the priority demands entities have to meet even where resources are not forthcoming.

vi. Monitoring and Evaluation

From the interviews held with project coordinators, heads of departments and Accounting Officers in the selected entities, the audit team established that there were no specific monitoring and evaluation work plans with clear set targets and indicators to facilitate monitoring of planned activities for the programs and projects selected for review. It was further noted through review of the expenditure files that although funds amounting to UGX 1,287,353,819 were spent on monitoring and evaluation of projects and programs, there were no specific monitoring and evaluation reports on file to confirm that the expected monitoring and evaluation activities were carried out and recommendations made for corrective action.

vii. Performance reporting

Review of the annual work plans, approved budget estimates and the 4th quarter cumulative performance reports indicated that in all the selected health sector institutions, there were some errors and inconsistencies in reporting on the delivery of outputs and in some instances there was no relationship between the planned outputs and the actual reported achievements. Also the revised approved budget figures in the Ministerial Policy Statements and cumulative vote performance reports were at variance with the actual revised budgeted figures captured in the IFMS.

KEY RECOMMENDATIONS

- i. The sector should strive to always give priority to the proposed NDPII health sector interventions and targets during planning and budgeting. The tendency to take on new projects outside NDPII projects should be restrained or undertaken in accordance with the national planning framework.
- ii. The Ministry should work closely with stakeholders to ensure that program activities are properly planned to facilitate timely disbursement of funds.
- iii. Accounting Officers should adhere to the approved budgetary allocations and work plans. Where inevitable, budget variations should be undertaken in accordance with the established procedures.
- iv. The sector should set realistic targets with clear performance indicators during planning and endeavour to revise the targets in case of low budget outturn caused by poor commitment from donors/Government to release all the funds as planned and in a timely manner.
- v. The sector should constitute M&E units to properly monitor implementation of activities, consolidate all the reports generated from the individual Programme/project monitoring teams/committees and follow up recommended corrective actions. In addition, the established units should ensure that specific M&E plans are developed with clear indicators and targets for assessing performance and ensure availability of accurate and timely information on health sector performance.
- vi. The sector should ensure that the performance is accurately reported to inform appropriate government policy actions.

OVERALL AUDIT CONCLUSION

Overall, the selected eight (8) entities in the sector partially achieved their expected planned outputs for the year. The delivery of the expected outputs and targets was affected by challenges in planning, budget shortfalls, funds absorption, procurement delays and budget variations among others. To improve on the output delivery, it is important that the existing challenges in monitoring and evaluation are also addressed to ensure corrective action and accurate information for decision making.

6.3.10 BUDGET PERFORMANCE BY THE WORKS SECTOR

Uganda's national transport system is comprised of road, rail, air and inland water transport modes thus the Transport sector is divided into sub sectors based on these modes. With over 90% of cargo freight and passengers moving by road, road transport is the core and dominant mode of transport. Air and rail transport modes are still growing with limited utilisation while inland water transport is less developed. Uganda Vision 2040 emphasizes that the country must urgently attain an integrated transport infrastructure network to spur its own economic growth; this will entail development of a highly interconnected transport network and services optimizing the use of rail, road, water and air transport modes. The Works and Transport sector is one of the priority sectors of Government and has been identified in the NDP II as a complementary sector which supports the key growth sectors. It is led by the Ministry of Works and Transport (MoWT) which is responsible for policy formulation, legislation, strategic planning, setting standards, regulation, and monitoring and evaluation of the Sector⁵. The other entities within the sector include, Uganda National Roads Authority (UNRA), Uganda Road Fund (URF), Uganda Railways Corporation (URC) and Civil Aviation Authority (CAA).

The Sector Development Plan (2015/16-2019/20) and Annual Sector Performance Report 2016/17 highlights various challenges within the sector such as inadequate funding; high costs of acquisition of land for the right of way for the development of infrastructure projects coupled with unfavourable land law which affects budget performance especially for externally financed projects in terms of project costs and completion period.

Inadequate infrastructure therefore remains one of the binding constraints to the country's economic growth with an estimated infrastructural financing gap of USD 0.4 billion per annum. In order to meet this gap, it is imperative that available resources are efficiently and effectively utilised in order to close the existing infrastructural funding gap and spur economic growth.

Due to the significant budget allocations made towards the sector, there are increasing demands for better performance and management of public resources within the sector. It is against this background that the Office of the Auditor General decided to undertake

⁵ Works and Transport sector Development plan 2015/16-2019/20 page 3

a value for money audit to assess extent of delivery of expected outputs by the Ministry and other entities within the sector during the financial year 2017/18. The audit focused on two entities namely: MoWT and UNRA.

KEY FINDINGS

Budget Implementation -Delivery of Expected Outputs

Out of a total of 39 sampled projects selected from 2 entities namely MoWT and UNRA, it was established that 11 outputs (28.2%) were achieved; and 20 (51.28%) outputs partially achieved. On the other hand, 4 (10.26%) key outputs were not achieved at all. Furthermore, of the 39 planned outputs, we were not able to assess the extent of delivery of outputs of 4 (10.26%) key planned outputs due to lack of adequate performance information. This assessment is consistent with the Certificate of Compliance 2017/18 by National Planning Authority which showed that, the sector was 54.4% compliant in terms of implementation of the budget.

Key factors impacting on the delivery of the expected outputs for the sector are expressed below.

i. Planning and Budgeting

Whereas the Sector Development Plan (SDP) is in tandem with the long-term national development goals and objectives, it was difficult to match the respective outputs in the NDPII and SDP. Additionally, in the Certificate of compliance issued by NPA 2017/18 it was observed that despite the good progress in the development of the sector plan, the plans are not translated into budget interventions necessary to achieve NDPII macroeconomic targets. It was also observed that the Ministry's five year strategic plan is still in draft form. In the absence of an approved strategic plan for the Ministry, the Ministry and indeed the sector may not be properly directed towards the achievement of the expected outputs given that the Ministry is responsible for policy formulation, legislation, strategic planning, setting standards, regulation, and monitoring and evaluation of the Sector.

ii. Release Performance and Absorption

The sector's approved budget for the year amounted to UGX.4.782 trillion, and UGX.4.260 trillion was released constituting 89% of the approved budget. Of the amount released, 89.4% was spent by the different entities under the works and transport sector. The budget shortfall of 11% was registered in external financing and this mainly affected UNRA where UGX 1,321,281,293,645 (68.5%) of the anticipated allocation from external financing was not realized; this was caused by appropriating funds for the critical oil roads yet at the time of budget approval, Government was still in the process of securing the funding from EXIM bank, and the process had not been finalised by end of FY 2017/2018. The MTEF figures for externally financed project are provided by the Ministry of Finance with limited input from UNRA. This created mismatch between the UNRA's actual budget requirements and appropriation.

iii. Re-allocation/virement worth UGX15 billion

The Ministry made reallocations amounting to UGX 15 billion to outputs that had not been initially planned but did not adjust the planned outputs to reflect the respective changes in budgetary allocations.

iv. Diversion of Funds

There were instances of mischarge of expenditure to budget lines with no relation to the expenditure in question. This impacted on the financing of the planned activities resulting in some activities not being implemented. A total of UGX.281.67bn was found to have been diverted by UNRA towards unrelated activities. Accounting Officers attributed this practice to budget constraints imposed by the MTEF limits issued by MOFPED and the priority demands accounting officers have to meet even in instances where resources are not forthcoming.

v. Inherent lags or delays in the procurement system and cost variations

It was observed that delays in procurement affected timely delivery of outputs. In UNRA for example, procurement delays were mainly caused by administrative reviews and sometimes bureaucratic processes to which procurements are subjected in fulfillment of the financing requirements.

Despite funds being released for acquisition of land, there was minimal progress during the financial year 2017/2018 caused partly by disagreements over land ownership and land compensation rates.

vi. Monitoring and evaluation of implemented activities

The Ministry developed a Monitoring and Evaluation Framework Policy. It was however noted that although the Ministry had a number of indicators that are being used to assess its annual performance like GAPR indicators set by OPM, MoFPED indicators, and those set within the Ministerial Policy Statement among others, the monitoring and evaluation framework had proposed use of only golden indicators for the assessment of performance. In the case of UNRA, it was observed that despite its critical role in the organization, the M & E function is part of the larger Corporate Strategy Management department and with no funds specifically allocated to the M&E function. This has rendered it less effective in its day to day operations.

vii. Performance Reporting

There is lack of standardized indicators for assessment of performance by the sector and as a result, the indicators are stated and described differently in the various reports and planning documents.

KEY RECOMMENDATIONS

- i. The sector should prioritize and budget for all those key priority interventions proposed in the NDPII and sector plans and expedite the approval of the ministry strategic plan.
- ii. The Ministry should ensure that the agreed arrangements for external financing are adequately planned and operationalized in time in order to address the shortfalls in external financing.
- iii. The Ministry should ensure that where re-allocations are approved, the corresponding outputs are adjusted to reflect the new outputs.
- iv. Diversion of funds should be avoided as it impacts on the implementation of planned activities.
- v. The Ministry should ensure that procurements are undertaken within the timelines prescribed in the procurement regulations.

- vi. The Ministry should standardize all the indicators used in performance reporting to avoid inconsistencies in performance reporting.
- vii. The Ministry should standardize indicator setting to enhance performance reporting.
- viii. The Ministry together with UNRA should continue engaging the responsible authorities to address the impediments to land acquisition for infrastructure projects.

OVERALL AUDIT CONCLUSION

Overall, the two selected sector entities partially and not fully achieved their outputs owing to various factors that included challenges in planning, budget shortfalls and absorption among others. Coupled with the gaps in the M&E function, these challenges have led to significant deviations from the annual planned activities in the sector. It is important that the sector addresses the gaps identified to improve on the achievement of the annual planned outputs.

Part 7: SPECIAL AUDIT REPORTS

7.0 SPECIAL AUDIT REPORTS FOR 2017/18

7.1 SUMMARY OF SPECIAL AUDIT RESULTS

Under the Directorate of Forensic investigations and IT I planned to carry out 36 audits. By the end of the financial year, I had concluded 25 audits leaving 11 audits outstanding. The table below refers.

Table 29: Special Audits conducted

Entity	Planned Audits	Actual Performance as at December 31 st 2018	Audits in progress
International Audits*	2	3	-1
Forensic/Special Audits**	30	20	10
IT Audits	4	2	2
TOTAL	36	25	11

NB: * denotes one more international audit undertaken although not included in the plan

** denotes five more special audits than planned

SN	SECTOR	NAME OF ENTITY	DETAILS OF THE AUDIT	STATUS
1	Accountability	PPDA;	Cooperative audit on public procurement systems in Uganda with a focus on Illicit Financial Flows	Report issued
2	Accountability	MoFPED	Austrian Development Cooperation to government of Uganda during FYs 2011/12, 2012/13 and 2015/16	Report issued
3	Education	Makerere University	Special investigation report into the alleged misappropriation of the school practice funds at the College of Education and External Studies at Makerere University	Report issued
4	Education	Barlonyo Technical Institute;	Barlonyo Technical Institute special investigation;	Report issued
5	Energy	UEGCL	UEGCL terminal benefits verification; Byaruhanga Joseph and Samuel Onapito	Reports issued (2)
6	Energy	MEMD/Karuma Dam	Investigation in MEMD on Karuma Reimbursements (paid invoices)	Report issued
7	Health	Arua Referral Hospital	Mismanagement of Funds at Arua Referral Hospital	Report with ADA
8	Health	Lira RRH	Special Audit of Lira Regional Hospital	Ongoing

SN	SECTOR	NAME OF ENTITY	DETAILS OF THE AUDIT	STATUS
9	Health sector	Moroto Regional Referral Hospital	Forensic audit on expenditures of Moroto Regional Referral Hospital	Report issued
10	Public admin	Parliament of Uganda	Special audit on the cost of air tickets at Parliament of Uganda	Report Issued
11	Works	Ministry of Works and Transport	Verification report of the terminal benefits of Mr. Reuben Kajwarire-former staff of Ministry of Works and Transport	Report Issued
12	Regional audits	African Union	A report of factual findings by the African Union Board of external auditors in connection with the operations of the Pan African Parliament	
13	Housing	NH&CC	NH&CC Investigation of CEO;	Report issued
14	ICT	UTL	UTL terminal benefits verification;	Ongoing
15	Public administration	Iganga Municipal Council	Alleged embezzlement, abuse of office and causing financial loss by officials from Iganga Municipal Council: (Youth Livelihood funds)	Draft report with PA
16	Public administration	Iganga Municipal Council	Payment of wrong salary scales & ghost salary loans, perpetuated by the municipal senior account	Report with SPA
17	Tourism	Uganda Wildlife Authority	Special audit on allegations of mismanagement, corruption, bribery and presentation of false financial statements against the Executive Director, UWA	Report issued
18		Kole District	Special audit report on the construction of selected roads, health and school infrastructure	Report Issued
19		Amudat district	Special audit of the construction of selected infrastructure in Amudat district	Report issued
20		Nakapiripirit	Special audit of the construction of selected infrastructure in Nakapiripirit district	Report Issued
21		Gulu District	Special audit report on the construction of boys dormitory at Northern Uganda Youth Development Centre (NUYDC)	Report Issued
22		Bundibugyo District	Special audit on the construction of teachers houses at Hakitengya community polytechnic in Bundibugyo District	Report Issued
23		Mbale Municipality	Special audit report on the construction of a water borne toilet at Mbale main Taxi-park by Mbale Municipality	Report Issued
24		Lira Municipality	Special audit report on implementation of infrastructure related works for the waste composting plant in Lira Municipality	Report Issued
25		Iganga district	Special audit report on the construction of classroom blocks and laboratory at Nakalama Senior Secondary school in Iganga district	Report Issued
26		Alebtong district	Special audit report on implementation of selected infrastructure in Alebtong district	Report Issued
27		Jinja district	Special audit report on implementation of selected road maintenance activities in Bugembe Town Council	Report Issued

ANNEXURES

ANNEXURE 1: OTHER INFORMATION, ACCOUNTING OFFICER'S AND MY RESPONSIBILITIES

Other Information

The Accounting Officer is responsible for the other information. The other information comprises the statement of responsibilities of the Accounting Officer and 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.

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, the Accounting Officers are accountable to Parliament for the funds and resources of the Votes/Entities under their control.

The Accountant General is appointed as the Accounting Officer and Receiver of Revenue for the Consolidated Fund. The Accountant General is therefore responsible for the preparation of Consolidated Financial Statements of Local Governments in accordance with the requirements of the Public Finance Management Act 2015, and the Local Governments Financial and Accounting Manual, 2007 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

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 as required by Article 163 of the Constitution of the Republic of Uganda, 1995 (as amended) and Sections 13 and 19 of the National Audit Act, 2008 are to obtain reasonable assurance about whether the consolidated 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 ISSAI's 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 consolidated financial statements.

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

- a) 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.
- b) 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 entity's internal control.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) 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 entity'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 consolidated 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 entity to fail to deliver its mandate.

- e) Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 consolidated 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.

ANNEXURE II: SUMMARY ENTITY FINDINGS OF MDAS

2.1 Adverse Opinions

S/N	Entity	BASIS OF OPINION	KEY AUDIT MATTER /EMPHASIS OF MATTER / OTHER MATTER/COMPLIANCE MATTERS
	JUSTICE, LAW AND ORDER SECTOR		
1.	Judiciary Department	<ul style="list-style-type: none"> Mischarge of expenditure UGX. 34,076,576,196 Ineligible expenditure incurred on Registrar High Court Account – UGX. 3,393,243,713 Accrued rent misstatement UGX. 2,781,289,345 Doubtful Accountabilities UGX. 76,075,000 	<ul style="list-style-type: none"> Budget shortfall of UGX. 375,994,125 Unimplemented Activities Domestic Arrears <ul style="list-style-type: none"> Increase in domestic arrears to UGX. 6,011,439,314 Under budgeting for domestic arrears of UGX. 2,756,289,477 to cater for UGX. 5,477,134,393 Failure to remit unexpended money to the Consolidated Fund UGX. 841,604,776 Expenditure with inadequate supporting documents UGX. 5,859,176,553 Missing expenditure vouchers UGX. 1,754,335,163 Irregular expenditure on facilitation allowance to staff UGX. 1,474,392,833 Incompletely vouched expenditure UGX. 823,842,243 Irregular advances to personal accounts UGX. 801,436,615 Increase in case backlog by 9.2%

			<ul style="list-style-type: none"> Unauthorized procurements UGX. 7,247,112,408 Inappropriate use of the Quotation method of procurement UGX. 371,049,525 Diversion of plea bargaining and JLOS Activities funds UGX. 162,450,000 Non implementation of approved structure
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2.2 Qualified Opinions

S/N	Entity	BASIS OF OPINION	KEY AUDIT MATTER /EMPHASIS OF MATTER/OTHER MATTER COMPLIANCE MATTERS
	JUSTICE, LAW AND ORDER SECTOR		
1.	Directorate of Citizenship and Immigration Control	<ul style="list-style-type: none"> Mischarge of expenditure worth UGX. 2,623,321,454 	<ul style="list-style-type: none"> Budget shortfall UGX.0.3bn Non implementation of budgeted activities Accumulation of domestic arrears UGX. 8,858,220,932 Under collection of NTR by UGX.1.566 billion. Failure to constitute the Board Over stay of staff on interdiction Ineffective management of visa system Lack of rent agreement with CAA
	PUBLIC SECTOR MANAGEMENT		
2.	The UNDP Funded Project Of Institutional	<ul style="list-style-type: none"> Questioned costs of USD 12,213 	<ul style="list-style-type: none"> Outstanding bank confirmations USD.18,134

	Effectiveness Implemented By Office Of The Prime Minister		
	PUBLIC ADMINISTRATION SECTOR		
3.	Paris	<ul style="list-style-type: none"> Misstatement of Cash in Transit UGX. 248,491,354 	<ul style="list-style-type: none"> Outstanding Revenue Arrears / UGX 419,461,724 Excess Expenditure UGX.227,160,944 Lack of Budgets for NTR
4.	Nairobi	<ul style="list-style-type: none"> Non reconciliation of rent revenue collections(overstated by UGX.97,901,972 	<ul style="list-style-type: none"> Outstanding arrears of revenue UGX.390,465,996. Misstatement of Account Balances UGX 30,067,218 Cash in Transit (overstated by UGX.26,863,909.) Unauthorized excess expenditure (UGX 404,094,476) Decline in rent revenue collections) Lack of Budgets for NTR
5.	Riyadh	<ul style="list-style-type: none"> Misstated Cash and Cash Equivalents 301.8 million 	
6.	Tehran	<ul style="list-style-type: none"> Unaccounted for Cash In Transit UGX. 58, 323,838 Un-supported adjustment of cash and cash equivalents UGX. 47,790,877 	<ul style="list-style-type: none"> Un- resolved Qualification Issues for Prior Year Un-authorized Excess Expenditure UGX. 334,903,850) Unsupported Cash and cash equivalents figure UGX. 47,790,877 Un- explained Adjustments Journals Non -Remittance of NTR UGX37,743,425

7.	Tokyo	<ul style="list-style-type: none"> • Mischarge of expenditure UGX. 507,832,344 	<ul style="list-style-type: none"> • Irregular payment of rent to 2 Foreign Service staff whose contracts had not been committed by Government UGX. 400,253,552 • Appointment of the Contracts Committee Members not approved by the ST/PS • Irregular constitution of the members of the contracts committee with two members who are not Ugandan Nationals • Members of the contracts committee also serving as members of the evaluation committee • Irregular payment of educational allowance UGX. 49,155,000 • Irregular cash payments to service providers UGX. 32,559,739
8.	Addis Ababa	<ul style="list-style-type: none"> • Mischarge of expenditure UGX. 556,705,700 • Excess expenditure UGX. 913,346,776 • Unaccounted for cash at hand UGX. 264,531,134 	<ul style="list-style-type: none"> • Mischarge of expenditure UGX. 556,705,700 • Excess expenditure UGX. 913,346,776 • Unaccounted for cash at hand UGX. 264,531,134 • Use of NTR/unspent funds at source UGX. 427,571,837 • Government land at Lebu allocated to a private developer • Irregular refund of medical issues UGX. 26,761,394 • Irregular payment of education allowance UGX. 58,868,865 • Expiry of contract of SFO • Irregular cash payments to service providers UGX. 443,018,372 • No evidence of appointment of members of the contracts committee

			<ul style="list-style-type: none"> Irregular composition of the membership of the contracts committee (one Ugandan and 2 Non-Ugandans) Contracts committee performing roles of the evaluation committee
9.	HEALTH SECTOR		<ul style="list-style-type: none"> Diversion/Mischarge of Funds UGX. 4,811,238,710 Unspent balances UGX.3,641,516,554 None Alignment of the Ministry's budget with the National Development Plan Domestic arrears UGX.42,597,252,938 Improvement of Health Services at Mulago Hospital and the City of Kampala Project (MKCCAP) <ul style="list-style-type: none"> Omission of essential components of works during planning and design review Delayed execution of works Validity of contractor's all risk policy Unspecified percentage for Subcontracting of works Non recovery of Advance Payment worth UGX.251,848,338, and retention worth UGX.628,710,846 Implementation and Payment of some Addendum Works before Contractual Approval by contracts committee Payment for unexecuted works USD.221, 142.63 Delayed payment of VAT and IPCs USD. 903,954.53 Lack of detailed measurement sheets

- Exaggerated rates for whole sum demolitions potential saving of UGX.80, 156, 800.
- Lack of a maintenance plan for implemented Infrastructure
- Inspection of works was carried out from 15th April 2018 to 30th May 2018 in the presence of Consultant and the Contractor's representatives. The following observations were made;
- Cracked terrazzo works.
- Poor bonding of tiles to walls
- Failed sections in compaction for driveway works
- Collapse of existing retaining wall behind Block J (Plant room)
- Improper disposal of demolished works
- Unpaved section at gate house (and several other locations on site)
- Silted drains at gate house, and block H
- Broken Window panes at several points
- Ponding at roof on block H – Pathology.
- Poorly placed window at block H, level 1
- Poorly installed window behind level 1 at block H, (before mortuary outdoor AC units)
- Poor concrete haunching behind kerbworks along Block F-extension

			<ul style="list-style-type: none"> ○ Silted concrete U-drain, and ponding at road section in front of Plant room. ● Transfers to National Medical Stores not Accounted for
10.	Gulu Regional Referral Hospital	<ul style="list-style-type: none"> ● Unaccounted for Funds UGX. 583,965,423 	<ul style="list-style-type: none"> ● Unimplemented budget activities ● Inadequate Controls Surrounding Management of Domestic Arrears – UGX 1,649,847,321 ● Unacknowledged Withholding Tax Remittances - UGX 111,598,776 ● Diversion of funds meant for construction of 54 Unit staff houses - UGX 146,500,000 ● Lack of Key senior staffs ● Underpayment of Disturbance Allowances to staff UGX. 11,560,043 ● Non-Tax Revenue (NTR) spent at source UGX 119,264,740 ● ● Condition of medical equipment ● Lack of updated inventory register for medical equipment ● Failure to maintain/Repair essential medical equipment ● Failure to use Equipment due to lack of Consumables
11.	Lira Regional Referral Hospital	<ul style="list-style-type: none"> ● Mischarged Expenditure - UGX.167,904,869 ● Unaccounted for funds - UGX.136,359,356 	<ul style="list-style-type: none"> ● Non Tax Revenue (NTR) Spent at source - UGX.15,475,663 ● Over statements of Benefits Expenditure - UGX.170,282,724 ● Unsupported Payables/Domestic Arrears - UGX.157,916,520

		<ul style="list-style-type: none"> Undisclosed Expenditure - UGX.298,206,573 Overstatement of Net worth - UGX.108,735,083 	<ul style="list-style-type: none"> Understaffing Condition of Medical Equipment Failure to plan for Consultancy Services Failure to provide a Performance Security
12.	Mbale Regional Referral Hospital	<ul style="list-style-type: none"> Unsupported Gratuity Payments UGX.695,585,680 	<ul style="list-style-type: none"> Unsupported domestic arrears UGX.752,666,672 Shortfall in Central Government Grants UGX.141,57,943 Understaffing Irregular Payment of Salaries to Retired Staff Lack of land titles shortage of medical equipment, (Condition of the Medical equipment) There was no fridge for storage of dead bodies (State of the Hospital Mortuary)
13.	Mubende Regional Referral Hospital	<ul style="list-style-type: none"> Mischarged Expenditure UGX.777,764,898 Un-supported Receivables UGX.215,408,183 	<ul style="list-style-type: none"> Budget shortfall of UGX.1,057,562,572 Non construction of the paediatrics and medical wards Domestic Arrears UGX.1,543,294,611 Poor Condition of Medical Equipment Poor maintenance of Medical Equipment
14.			<ul style="list-style-type: none">

2.3 Unqualified Opinions

S/N	Entity	KEY AUDIT MATTER /EMPHASIS OF MATTER/OTHER MATTER/COMPLIANCE MATTERS
	JUSTICE, LAW AND ORDER SECTOR	
1.	Ministry Justice & Const. Affairs	<p>Ministry of Justice and constitutional affairs</p> <ul style="list-style-type: none"> • Budget Shortfall UGX. 3,397,491,601 • Unimplemented Activities • Outstanding court awards and compensations and other domestic arrears UGX. 663,992,322,002 • Contingent Liabilities and guarantees UGX. 7,294,546,681,169 • Failure to enforce collection of revenue due from cases won by Government UGX. 20,609,131,791 • Mischarges of expenditure UGX. 124,775,000 • Non-prioritization of cases attracting high interest UGX. 123,670,379,996 • Staffing gaps-key unfilled positions include Directors, commissioners, and state attorneys <p>Administrator General</p> <ul style="list-style-type: none"> • Garnishee Order Bank Transfer UGX. 303,548,156 • Functions of the Administrator General – Administrator General is considered a Director reporting to Solicitor General. This is inconsistent with the regulations which require the Administrator General to be a Corporation sole by the name of the Administrator General of Uganda with perpetual succession and an Official Seal. • Inconsistencies in Establishment in the Directorate of the Administrator General – approved structure not consistent with Administrator General's Act.
2.	UNDP Projects- Rule of Law and Constitutional Democracy	<ul style="list-style-type: none"> • No Issue

3.	Support To Justice Law & Order Sector Program	<ul style="list-style-type: none"> • Revenue Shortfall of JLOS/SWAP UGX. 14,721,258,439 • Under absorption of funds UGX. 9,187,548,674 • Under funding of JLOS Secretariat UGX. 1,195,241,837 • Judiciary – Diversion of JLOS SWAP funds UGX. 599,417,382 • Unimplemented Activities under MoJCA, ODPP, ULR, JSC, LDC, MoLG and DCIC. • Delayed utilization of released project funds by DCIC UGX. 803,585,571 • UHRC – Delayed construction of Gulu Regional Offices • Failure to prepare and submit quarterly performance reports
4.	Directorate of Public Prosecutions	<ul style="list-style-type: none"> • Budget shortfall UGX. 1,302,834,578 • Unimplemented activities • Slow roll out/ expansion of PROCAMIS to ODPP Upcountry stations • Low case clearance rate - ODPP performed inadequately with a case disposal rate of 8% compared to previous financial years when performance stood at 25% in 2015/2016 and 11% in 2016/2017 respectively. • Land issues – ODPP RSA Residence in Kapchorwa was constructed on land under contestation of ownership • Staffing shortages 59%
5.	Uganda Police Force	<ul style="list-style-type: none"> • Non implementation of budgeted activities • Accumulation of domestic arrears UGX. 161,047,166,761 • Mischarge of expenditure UGX. 1,054,937,758 • Inadequate provisions for maintenance of existing fleet • Lack of an approved fleet management policy • Inadequate controls for fleet operational costs • Delays in some construction projects such as Natete police station • Un surveyed and untitled police land leading to encroachment • Non-operationalization of the Crime Records Management Information System (CRMS) and Suspect Profile System (SPS) • Un satisfactory performance in the investigation of crimes reported (only 22% successfully investigated and taken to court)

6.	Uganda Prisons Services	<ul style="list-style-type: none"> Budget short fall UGX.20bn Non implementation of budgeted activities Accumulation of domestic arrears UGX. 76,889,606,741 Mischarge of expenditure UGX. 717,886,075 Under collection of Non- Tax Revenue (NTR) by UGX. 16,755,347,833 (62%) Un-accounted for land at Luzira-106.692 acres Untitled and unsurveyed land land with encroachments, disputes and encumbrances at Arua, Namalu, Amita, Ngenge, Ragain, Kotido, Bukedea and Budaka Failure to fully operationalize the Human Resource Management Information system (HRMIS) Overcrowding in prisons Over-stay of prisoners on remand
7.	Ministry of Internal Affairs	<ul style="list-style-type: none"> Budget shortfall UGX.1.15bn Non implementation of budgeted activities Irregular accumulation of domestic arrears UGX. 132,097,495 Mischarge of expenditure worth UGX. 145,290,468 Payment of advances into personal accounts UGX. 196,274,547
8.	UNDP Projects- Peace and Security for Systems Resilience implemented by Ministry of Internal Affairs	<ul style="list-style-type: none"> No Issue
9.	Direktorate of Government Analytical Laboratory (DGAL)	<ul style="list-style-type: none"> Budget shortfall UGX.0.27bn Non implementation of budgeted activities Loss of equipment UGX. 26,386,790 Non-operationalization of regional labs Accumulation of case back logs Staffing gaps (64.5%)

PUBLIC SECTOR MANAGEMENT	
10.	OPM
	<ul style="list-style-type: none"> • Budget shortfall of UGX.10.96bn • Unimplemented activities • Inadequate controls surrounding management of domestic arrears-arrears incurred arrears outside the approved estimates appropriated by Parliament(UGX. 61,715,807) • Mischarged expenditure-UGX. 393,803,386 • Sustainability of Integrated Intelligent Computer (IICS) project under the Prime Minister Delivery Unit • Failure to fund capital budget of Northern Uganda Youth Development Centre(NUYCDC) • Lack of a Strategic Plan for NUYDC • Lack of Land titles for NUYDC • Failure to deduct NSSF worth UGX.11,565,000 • The KASIIMO initiative under the Luwero-Rwenzori Triangle program-Lack of verifiable database, Manual Veteran database
11.	NUSAID III
	<ul style="list-style-type: none"> • Under absorption of funds advanced for project activities (UGX. 66,46bn) • Unimplemented budgeted activities • Un accounted for Subproject Grants - UGX.0.72bn • Unaccounted for district operation funds - UGX.0.097bn
12.	MOLG
	<ul style="list-style-type: none"> • Budget shortfall of UGX.5.3bn • Inadequate controls surrounding management of domestic arrears UGX. 31,88 bn • Wrong categorization of scientists • Management of District Revolving Fund (DRF); • Absence of Memorandum of Understanding (MoU) • UGX.740,931,594 of lent funds had not been recovered from the districts • Diversion of fund monies to other Ministry activities- UGX.278,752,347 • Absence of a comprehensive database of Local administrative units

		<ul style="list-style-type: none"> Absence of a strategic plan
13.	The UNDP Funded Project of Inclusive and Sustainable New Communities In Uganda Implemented By Ministry Of Local Government	<ul style="list-style-type: none"> No issue
14.	MoPS	<ul style="list-style-type: none"> Budget shortfall of UGX.1.8 bn Under collection of Non Tax revenue at Civil Service College-UGX.0.21bn Inadequate controls surrounding management of domestic arrears GX. 1.24bn Failure to fully decentralize pension management Under staffing in Government-gap of 157,229 representing 34% of government posts across MDAs/LGs Retired persons on the active payroll-1,674 still on active payroll as per June 2018 payroll Irregular employment of pensioners on contract terms Inconsistencies in IPPS employee records such as wrong dates of birth, appointment dates earlier than dates of birth Lack of automatic notification of employees retirement due dates on the IPPS Delayed in solving queried files Multiple payments of gratuity
15.	UMMDAP	<ul style="list-style-type: none"> Budget shortfall of UGX. 4.9bn Unimplemented budget activities Outstanding VAT arrears - UGX.6,184,417,820 Diversion of project funds-UGX. 40,563,582 Delayed completion of additional civil works for Nyendo Market Performance as per the logical framework-additional works on Nyendo market stalled
16.	MATIP II	<ul style="list-style-type: none"> Under absorption of funds advanced for project activities UGX.22.15bn Unimplemented budget activities

		<ul style="list-style-type: none"> • Construction of Markets-some works below target of 15% for all markets • Diversion of Project Funds- UGX.127,538,713 • Shortfall in GOU counterpart funding of UGX.1,734,218,331 representing 62% of budget
17.	DOCTOR DIP	<ul style="list-style-type: none"> • Under absorption of funds advanced to districts to undertake official activities UGX.2.59bn • Unimplemented budget activities • Delayed Implementation of sub projects • Advance to Personal Accounts to undertake project activities- UGX. UGX.629,311,633
18.	PRELNOR	<ul style="list-style-type: none"> • Budget shortfall of UGX.3.19bn • Discrepancy between the project's and Ministry's budgets on GoU counterpart funding- UGX.417,593,000 • Diversion of GOU counterpart funding contribution to non - project activities- UGX.113,954,732 • Delay in acquisition of land for the construction of eight (8) satellite and three (3) bulk markets <ul style="list-style-type: none"> • MoU with District Farmers Association (DFA)-Under performance as per the annual performance targets with the District Farmers Association (DFA) • MoU with District Farmers Association (DFA) • Under performance as per the annual performance targets with the District Farmers Association (DFA) • Delayed procurement of walking tractors • Project performance against the Logical framework-partial/ non implementation of some activities
SECURITY		
19.	Ministry of Defence and Veterans Affairs	<ul style="list-style-type: none"> • Budget shortfall UGX.71.37bn • Un Implemented budget activities • Non- compliance with commitment control procedures UGX.654bn

		<ul style="list-style-type: none"> • Under-Budgeting for Domestic Arrears (Outstanding domestic arrears were UGX. 764,230,132,962 yet budget was UGX.145,592,926,044 • Irregular Patient Referrals to Nakasero Hospital • Unjustifiable Compensation for land occupied by UPDF at Usuk, Ngariam, Katakwi District • Un justifiable Payment to Pajimolugwar clan and Pajimokal clan in respect of land – UGX.1,756,170,429 • Un justified Payment of Land at JIE Block 4, Plot 21, Nakapiririmor, Kotido District – UGX.3,327,577,000 • Un justified Land compensation for Plot 20 Lugard Avenue, Entebbe – UGX.575,000,000 • Incomplete works at Peace Support Operation Training Centre (PSO TC)-SINGO • Abandoned motor vehicles at Peace Support Operation Training Centre (PSO TC)-SINGO • Abandoned Kaweweta construction sites works– UGX.3.1 billion • Incomplete Renovation works on the Administration Block at Lugazi • Land disputes at Kimaka • Failure to implement Presidential directive • Doubtful Supply of Jet Ranger spare parts by YAMASEC Ltd – USD.479,030.12 • Doubtful Fuel supply by Hared Petroleum Limited
20.	State House	<ul style="list-style-type: none"> • Un Implemented Budget activities • Non-compliance with commitment control procedures UGX.6.161 billion
21.	Office of the President	<ul style="list-style-type: none"> • Budget shortfall UGX.0.32bn • Under absorption of funds UGX.1.16bn • Unimplemented Budget activities • Non -compliance with commitment control procedures UGX.49.bn

		<ul style="list-style-type: none"> • Under-Budgeting for Domestic Arrears UGX. 42,708,736,813 • Limited Transport Equipment for RDCs and DRDCs • Insufficient Office space for newly created districts • Non Assessment of the impact of Patriotism programs
	AGRICULTURE	
22.	Ministry of Agriculture Animal Industry & Fisheries	<ul style="list-style-type: none"> • Budget shortfall UGX.22bn • Unspent funds 0.57bn • Unimplemented activities • Non-compliance with commitment control procedures UGX.27bn • Under budgeting for domestic arrears UGX.27bn • Untitled land in Kalangala and Buvuma under VODP • Lack of Performance indicators (Single Spine Extension System) • Slow recruitment process in Local Governments (Single Spine Extension System) • Missing land title and loss of land to Government entities (Bukalasa Agricultural College) • Loss of property due to fire (Bukalasa Agricultural College) • Failure to facilitate Demonstration and training activities at National Farmers Leadership Centre (NFLC) • Defunct Hatchery Lab/ Aquaria (Fisheries Training Institute) • Poor state of the boat yard (Fisheries Training Institute) • Asbestos roofing materials (Fisheries Training Institute)
23.	Vegetable Oil Development Project 2	<ul style="list-style-type: none"> • Budget shortfall UGX.51.6bn • Unimplemented budget activities • Failure to finance operations-Kalangala Oil Palm Growers Trust • Outstanding advances to farmers UGX.28bn • Failure to transfer recovered funds to the UCF UGX.4bn • Overall Performance as per Logical Framework • Shortage of land needed by BIDCO-Buvuma Island • Wasteful expenditure on acquired Land- Buvuma Island

		<ul style="list-style-type: none"> Failure to utilise acquired land by BIDCO- Buvuma Island Inadequate Project monitoring
24.	Agriculture Cluster Development Project	<ul style="list-style-type: none"> Budget short fall UGX.14.8bn Low absorption of funds UGX.30.14bn Unimplemented budgeted activities
25.	ATAAS (Grant) EU, WB and Danida - MAAIF	<ul style="list-style-type: none"> Non-implementation of budgeted activities Under absorption of funds 8.9bn Overall Performance as Per the Logical Frame work Implemented practices significantly below the planned targets (Sustainable Land Management) Delayed Disbursement of Funds to institutes Delays in the procurement process
26.	Regional Pastoral Livelihood Improvement Project	<ul style="list-style-type: none"> Budget shortfall UGX.7.01bn Under absorption of funds 32.6bn Non-implementation of budgeted activities Irregular payment of VAT on exempted supplies – UGX.139,703,172 Failure to supply vaccines Delayed deliveries Failure to deliver on second contract Irregular transfer of District Project funds to General Fund Account Delayed procurement process for Consultancy services for the design and construction of livestock watering facilities Inadequate Project Monitoring Delayed Disbursement of Funds to Implementing Districts Unimplemented Activities(Inspection in Katakwi District)
27.	Multi Sectoral Food Safety & Nutrition Project	<ul style="list-style-type: none"> Low Absorption funds-UGX.0.18 bn Irregular payment of VAT for exempted Projects UGX.0.2bn Irregular transfer of Project Funds to Iganga District General Fund Account (TSSA) UGX.0.209bn Non-compliance with the Project Appraisal Document guidelines-Bugiri District Insufficient Project Monitoring Failure to conclude on monitoring indicators

28.	Enhancement of National Food Security	<ul style="list-style-type: none"> Budget shortfall UGX.4.36bn Under absorption of funds UGX.0.76bn Non-implementation of budgeted activities Failure to hold Project Steering committee meetings
29.	USAKSS	<ul style="list-style-type: none"> Non-implementation of budgeted activities
	TOURISM SECTOR	
30.	Ministry of Tourism, wildlife and antiquities	<ul style="list-style-type: none"> Budget shortfall UGX0.8bn Non-Implementation of planned activities Low Absorption of funds – UGX0.26bn Inadequate controls surrounding domestic arrears UGX.3.6bn Mischarge of Expenditure - UGX.0.045 bn Lack of policy and regulatory guidelines for museum and monuments Manual System for the Museum this has made records prone to errors and sometimes difficult to access Lack of space for displaying several artifacts Unmapped and un-gazetted cultural sites Lack of funding for research and promotion of Museum activities Lack of Land titles for Museums Incomplete Asset Register Staffing Gaps Lack of Approved Strategic Plan for Affiliated Institutions Lack of Training Plan-UGX.0.088bn
	TRADE SECTOR	
31.	Ministry of Trade, Industry and Cooperatives	<ul style="list-style-type: none"> Budget short fall UGX.21bn Non-Implementation of planned activities Non- compliance with commitment control procedures UGX. 12bn Under budgeting for domestic arrears UGX. 12.1 bn Mischarge of expenditure UGX.0.039bn Delays in verifying and consolidating compensation claims for Cooperative Unions

		<ul style="list-style-type: none"> Failure to align the Ministry's Planning and Budgeting processes towards achieving NDP11 strategic sector objectives
32.	Great Lakes Trade Facilitation project	<ul style="list-style-type: none"> Budget shortfall UGX.1.3bn Non-Implementation of Budgeted activities Delays in counter-part project financing by GOU Failure to sign an MoU between MoTIC and MoWT Failure to implement an Integrated Financial Reporting System Status of the Aide Memoire on the implementation support mission May, 2018.
33.	Trade Capacity Enhancement Project (TRACE)	<ul style="list-style-type: none"> Inadequate utilization of the consultancy reports - UGX.0.12bn Delayed implementation of the Project Lack of inspection reports for motor vehicle repairs – UGX.0.017 bn
34.	District Commercial Services Support Project (DICOSS)	<ul style="list-style-type: none"> Irregular transfer of Project closing balances – UGX.0.002bn Incomplete production of documentary Video - UGX.05bn Non-deduction of tax – UGX.0.001bn Lack of Pre and Post inspection reports – UGX.0.011bn
	ENERGY SECTOR	
35.	ERT PCU	<ul style="list-style-type: none"> Budget shortfall Under absorption of Funds- USD 899,628.45 Delayed implementation of ERT III planned activities
36.	ESDP	<ul style="list-style-type: none"> Budget Shortfall Unauthorised excess expenditure
37.	MEMD	<ul style="list-style-type: none"> Implementation of Budget approved by Parliament Alignment of Budget Instruments to the National Development Plan II Default on payment of Annual Mineral Rent fees Undistributed Royalties Mischarge of Expenditure Funds Not accounted for Conflict Between Loan Agreement, Power Purchase Agreement and Generation and Sale Licence Thermal Power Subsidies/Capacity Charges

		<ul style="list-style-type: none"> Delayed completion of Projects Failure to implement the ICGLR Lusaka Declaration
38.	Energy For Rural Transformation III Implemented By PSFU	<ul style="list-style-type: none"> Slow implementation of the project work plan
39.	Uganda Clean Cooking Supply Chain Expansion Project (PSFU)	<ul style="list-style-type: none"> Failure to obtain direct funding from GoU
40.	UNDP Project- Improved Charcoal Production	<ul style="list-style-type: none"> No Issue
41.	Energy Fund	<ul style="list-style-type: none"> No Issue
42.	SMOGU	<ul style="list-style-type: none"> Revenue Shortfall and Unspent Balance
43.	Petroleum Fund	<ul style="list-style-type: none"> Delayed Remittance of Petroleum Revenues Funds withdrawn from the Petroleum Fund Delay to establish the Petroleum Investment Framework
44.	Fuel marking	<ul style="list-style-type: none"> Budget shortfall Failure to update the National Petroleum Information System (NPIS) Unguided mechanisms for identification of new fuel retail outlets
	LANDS SECTOR	<ul style="list-style-type: none">
45.	MolHUD	<ul style="list-style-type: none"> Delayed settlement of domestic arrears worth UGX.31,031,981,001 as at 30th June 2018 Non-alignment of the Ministry budget with the NDP II) Failure to achieve the planned/ intended outputs Immeasurable and non – time bound target activities /outputs Mischarge of Expenditure of UGX.202,140,410 Funds not accounted for of UGX.114,875,000 Revenue Shortfall i.e budget of UGX.87,587,613,316 but only UGX.68,364,555,397 was released Staffing gaps Lack of IT Strategic plan and ICT Management Arrangements
46.	Albertine Region Sustainable Development Project	<ul style="list-style-type: none"> No issue

47.	Uganda Support for Municipal Infrastructure Development (USMID)	<ul style="list-style-type: none"> Under-absorption of funds by the Municipal Councils. The total un-spent balances of UGX 95,006,243,857 (MCs) Under-absorption of funds by the Project Support Unit. UGX.6,722,829,229 remained unutilized (PSU)
48.	The UNDP Funded Project of Conservation And Sustainable use of the threatened Savannah Woodland In Kidepo Critical Landscape In North Eastern Uganda Implemented By National Environment Management Authority	<ul style="list-style-type: none"> Unverified bank balance
WATER AND ENVIRONMENT SECTOR		
49.	Ministry of Water and Environment	<ul style="list-style-type: none"> Implementation of Budget approved by Parliament i.e out of UGX 318.819 billion in Central Government Grants released to the entity, funds amounting to UGX 0.774 billion remained unspent at the year-end Domestic Arrears i.e only UGX. 7,470,000,000 budgeted but settled UGX. 70,762,775,313 Collection of NTR not budgeted for i.e NTR of UGX.826, 315,331 Nugatory Expenditure i.e interest charges totalling to UGX 803,111,726 Mischarge of Expenditure to the tune of UGX 432,857,655 Failure to undertake feasibility studies and EIAs
50.	Water Management and Development Project	<ul style="list-style-type: none"> NIL
51.	UNDP Project-Inclusive Green Growth	<ul style="list-style-type: none"> NIL

52.	Water and Sanitation Development Facility -Eastern (2017/18)	<ul style="list-style-type: none"> Revenue shortfall i.e only UGX.13,570,088,440 was received resulting into a shortfall of UGX.7,616,911,560 representing 36% Delayed completion of Namwiwa Town Water Supply System and Kamuli Faecal Sludge Management Facility Delayed completion of Bulegenyi Town Council water supply system Failure to recover connection fees from Local Governments Failure to operationalize Namagera Town Water Supply System (TWSS)
53.	Water and Sanitation Development Facility -South West (2017/18)	<ul style="list-style-type: none"> Budget on the GoU component of UGX.9,662,000,000, of which only UGX.9,033,240,721 was realised leading to a funding gap of UGX 628,759,279(7%) Delayed Completion of Projects Lack of Land titles for water Scheme Under absorption of funds i.e received funding of UGX.9,033,413,054 of which only UGX.8,518,800,507 was utilized leaving a balance of UGX.514,612,547 (6%)
54.	Farm Income Enhancement and Forestry Conservation Programme (FIEFOC)	<ul style="list-style-type: none"> Submission of an un-approved format of Financial Statements Revenue shortfall and low absorption of the GOU Counterpart funding National Project Coordinator (NPC) was not in charge of all payments under the GOU component Slow progress of construction works Slow implementation of the Agribusiness Development component
55.	Technical Assistance Under JWESSP	<ul style="list-style-type: none"> Failure to absorb Grant funds UGX.0.425bn Inadequate Management of Water Schemes Unappropriated Financing. UGX.1.997bn
56.	Water Supply And Sanitation Programme support (WSSP) I under JWESSP	<ul style="list-style-type: none"> Increase in outstanding receivables i.e increase from from UGX 20,944,986 in the prior year to UGX.0.032bn Lack of Land titles for Water Schemes
57.	Water Supply And Sanitation Programme support (WSSP) II under JWESSP	<ul style="list-style-type: none"> Revenue shortfall of UGX.11,254,934,070 (19%). Lack of land titles for Water Supply Systems

58.	JPF Consolidated	<ul style="list-style-type: none"> • Increase in domestic Arrears from UGX.146,378,000 to UGX.16,590,774,275 • Failure to refund tax paid out of the JPF funds i.e UGX.74,905,000 • Non-disbursement of the Donor Funds amounting to EUR.1,703,000 • Unimplemented activities due to Budget shortfall of shortfall UGX.10,362. • Lack of Land titles for Water Schemes • Under funding of Water Management Zones i.e received UGX 4.59Bn out of UGX.5,77bn budget
59.	Reduction of Emissions from Deforestation Forest Degradation project (REDD+)	<ul style="list-style-type: none"> • Failure to implement planned activities • Use of an inappropriate procurement method for air tickets
60.	Lake Victoria Environment Management Project (LVEMP)	<ul style="list-style-type: none"> • Shortfall in Project financing i.e over the project tenure which ended 30th June 2018, only 26,339,756.02 was disbursed, leading to a shortfall of USD.1,160,245 (IDA – USD.773,317 and GoU - USD.386,928). • Destruction of project structures and equipment • Advance payment to Contractor i.e entire contract amount of Euros 936,818.5 paid to the contractor before delivery
61.	Switch Africa Green Project - CLIMATE CHANGE UNIT	<ul style="list-style-type: none"> • Non - Implementation of the planned project activities
62.	Investment Plan Preparation Grant for the Strategic Plan for Climate Resilience	<ul style="list-style-type: none"> • Delayed Disbursement of project funds USD 126,906
63.	Nyabweya Forestry College	<ul style="list-style-type: none"> • Irregular giveaway of land • Slow progress in handling the Enabling Legislation • Delayed finalization of Water connections • Staffing Gaps • Lack of Board of Survey Report
64.	Water Management and Dev't Project – Ministry of Water and Environment	<ul style="list-style-type: none"> • Low absorption of project funds i.e only USD.39,383,706 of USD.55,210,508 absorbed • Non-implementation of planned projects

		<ul style="list-style-type: none"> • Presentation of Financial statements in an improper format
65.	Global Environment Facility PROJECT- WATER (Additional Funds to WSSP1)	<ul style="list-style-type: none"> • Increase in working Advances to UGX 0.562bn • Revenue Short fall UGX.4.944bn • Low absorption of disbursed funds UGX.3.398bn
66.	Multi- Lateral Lakes Edward & Albert Integrated Fisheries & Water Resources Management (LEAF II)	<ul style="list-style-type: none"> • Delays in Project Implementation • Failure to implement planned activities
67.	WSDF-E (2016/17)	<ul style="list-style-type: none"> • Failure to achieve planned consumer connections i.e only 813 of the 1,205 made • Delayed Payments to Contractors
68.	WSDF-South West (2016/17)	<ul style="list-style-type: none"> • Delayed Completion of Ishongororo Faecal Sludge Treatment Plant
EDUCATION SECTOR		
69.	Makerere University	<ul style="list-style-type: none"> • Budget Performance (Non-Tax Revenue shortfall of UGX.3,091,253,200). • Graduating Students with tuition arrears (UGX 214,040,650) • Outstanding Rental Fees UGX 737,195,025 • Funds not accounted for (UGX.181,570,073) • Encroachment of Land • Vacant and Undeveloped Land • Untitled Land • Staffing Gaps (1569 positions 36% vacant) • Inadequate Allocations to Library (0.21 of Budget) • Unclear status of Sponsored staff /55 failed to complete studies in time
70.	Norwegian Programme For Capacity Development In Higher Education And Research For Development (NORHED-MUK)	<ul style="list-style-type: none"> • Retirement of advances / accountability (Not being accounted for between 14 -60 days after completion of activity) • Lack of Budgetary Control Mechanism • Flouting of Procurement Regulations
71.	SIDA Bilateral Research Program- Makerere	<ul style="list-style-type: none"> • Weaknesses in implementation of Navision accounting software (Navision DRGT Live) • Incomplete budget set up in Navision DRGT Live software

		<ul style="list-style-type: none"> Under funding UGX.8.103bn (Non Compliance with specific agreement on research collaboration between Sweden and Makerere University) Unaccounted for advances UGX.0.031bn Makerere -SIDA program operation weaknesses Unremitted UGX.0.036bn
72.	Makerere University Regional Centre For Crop Improvement (MARCCI)	<ul style="list-style-type: none"> Delayed implementation of the project. Inter project borrowing Unsupported balances in Statement of reimbursable eligible expenditure program USD 55,628,894
73.	Africa Centre Of Excellence In Materials, Product Development And Nanotechnology (MAPRONANO) Project	<ul style="list-style-type: none"> Delayed implementation of the project Supply of Computers for Project staff under MAPRONANO ACE Project- Batch II Lack of Performance indicators (Single Spine Extension System)
74.	MUBS	<ul style="list-style-type: none"> Budget PerformanceUGX.987,344,450 in respect of NSSF arrears not budgeted for. Domestic Arrears / UGX. 10,793,305,009 accumulated Un- remitted functional fees to Makerere University (UGX.5,249,625,646) Failure to honor Bonding Agreements by Government Sponsored Staff Irregular Salary payments (UGX.274, 612,797) Non recovery of Utility Costs From Contractors (UGX. 392,294,857) Inadequate fund allocation to the Library Understaffing (1,517(60% vacant) Award of Contract in Foreign Currency
75.	Uganda Management Institute	<ul style="list-style-type: none"> Domestic Arrears/Accumulated UGX.4,279,801,852 Accumulated Receivables UGX 5,055,742,547
76.	Kyambogo University	<ul style="list-style-type: none"> Budget shortfall UGX. 2,618,528,260 (2%). Accumulation of domestic arrears UGX.11,050,752,481 Under collection of Invoiced revenue UGX 4,684,030,407 Funds not accounted for UGX. 387,211,784 Illegal occupancy of University land

		<ul style="list-style-type: none"> Undeveloped Land Illegal Occupancy of University facilities for business Under collection of Rental fees from Tenants UGX. 279,867,449- Inadequate budget allocation for the Library function 1%- Staffing Gaps (48%)
77.	Kyambogo University NORHED-MVP Project (Rehabilitation and Masters in Vocational Pedagogy)	<ul style="list-style-type: none"> Non-confirmation of receipt of funds UGX. 0.069bn
78.	Kyambogo University NORHED-Enabel Project	<ul style="list-style-type: none"> No issue
79.	Lira University	<ul style="list-style-type: none"> Outstanding fees obligations-Ugx.135,768,608 Understaffing of Academic Staff-65%. Procurements without Contracts Committee approval-Ugx.100,065,500 Irregular award of micro procurements Inadequate budget allocation for the Library-0.7%.
80.	Kabale University	<ul style="list-style-type: none"> Under absorption of funds-Ugx. 2,168,605,846 (10.7%). Accumulation of domestic arrears-Ugx.2,059,154,568. Understaffing of Academic Staff-78%. Inadequate Infrastructure Inadequate budget allocation for the Library-0.5%.
81.	Soroti University	<ul style="list-style-type: none"> Implementation of Budget approved by Parliament- under absorption by UGX. 1,700,840,349 Single sourcing of a legal firm Delayed Enrolment of Students Occupancy of University Land
82.	Mbarara University of Science and Technology	<ul style="list-style-type: none"> Revenue shortfall-Ugx. 1,316,226,685 (2.8%) Under absorption of warranted funds- UGX. 4,186,655,777 (9.3%). Weak Grants Management System Academic Staffing Gaps -606 (70%) Illegally Operating Businesses at University Campus

		<ul style="list-style-type: none"> Delayed procurements Inadequate Budget Allocation For The Library-0.3%
83.	The Pharm-Biotechnology And Traditional Medicine Center Eastern And Southern Africa Higher Education Centers Of Excellence II Project	<ul style="list-style-type: none"> Under absorption of funds USD.282,102 Unapproved Expenditure USD 16,931 Overpayment of Allowances UGX. 234,928,300 Lack of Strategic Supervision of the Project
84.	Busitema University	<ul style="list-style-type: none"> Budget shortfall UGX.1, 032,952,504 (2.8%) Loss of public Assets UGX.1,211,056,050 Long outstanding receivables UGX.246,527,500 Under-utilization of Land Staffing gaps 2,539 (85%) Inadequate Funding for Research -1.4% Inadequate Budget Allocation for the Library Function -1.4% Failure to Maintain Student Class Attendance Registers Non-involvement of External Examiners In Examinations Management
85.	Muni University	<ul style="list-style-type: none"> Under performance of Non Tax Revenue(NTR) collections Ugx.506, 356,743 (54.4%). Mischarge of expenditure UGX 58,129,306(0.47%). Staffing gaps in Academic departments-78 (71.4%) Undeveloped Land Inadequate Budget allocation to the Library function 1.9% Unauthorized Diversion of Living out Allowance-Ugx.223,678,184
86.	Ministry of Education and Sports	<ul style="list-style-type: none"> Revenue shortfall-Ugx. 9,787,625,760 (4%) Under absorption of warranted funds-Ugx.2.13Bn. (0.87%). Under release of Akii-bua stadium project funds-Ugx.1, 058,415,846. (38%). Delayed execution of construction of National High Altitude Training Centre (Kiprotich) Irregularities in development of Secondary school program Accumulation of Domestic Arrears UGX. 20,743,534,855 Outstanding receivables. UGX. 21,609,448,397

		<ul style="list-style-type: none"> • Mischarge of expenditure UGX. 2,329,121,943 • Un-accounted for advances UGX. 1,020,192,142 • Nugatory Expenditure UGX. 798,940,237 • Loss of Funds UGX. 190M
87.	African Centre For Agroecology And Livelihood Systems (ACALISE) Implemented By Uganda Martyrs University Under Africa Higher Education Centres Of Excellence (Ace Ii Project) Project	<ul style="list-style-type: none"> • Failure to Bank Externally Generated Funds on a Project Designated Bank Account
88.	The UNFPA Funded Programme Components Of Reproductive Health, Population & Development, And Gender Implemented By Ministry Of Education And Sports (UNFPA-MoES)	<ul style="list-style-type: none"> • Un utilized funds UGX 9,405,000 • Differences in amount in the FACE and the Independent Partner's (IP) cash book UGX1,201,722 • OFA balance does not agree to the reported cash book balance UGX 2,474,920 • Lack of procedures for verification of assets • Late payment of PAYE and NSSF • Delay in submission of FACE forms
89.	ADB V Support to Higher Education, Science & Technology-1273	<ul style="list-style-type: none"> • Unauthorized expenditure UGX. 20,075,756,670.25 (36.3%). • Funds not accounted for by Project Beneficiary Institutions-UGX. 1,331,111,563 • Low disbursement of project funds • Lack of policy on development of E-Content- • Lack of e-learning facilities, maintenance and usage plans and policies • Un-deducted Withholding Tax-UGX USD. 657,578.14 (UGX.2,450,004,629.17) • Un-Implemented Procurements
90.	Uganda Teacher and School Effectiveness Project-1296 IDA	<ul style="list-style-type: none"> • Budget Shortfall UGX. 23,778,128,306 (20%) • Under absorption of funds UGX. 29,304,223,100 (USD.8,031,294) (25%).

91.	Skills Development Project-1338-IDA-MOES Component	<ul style="list-style-type: none"> Budget shortfall UGX.73.431 billion (88.5%). Non quantification of activities in the project work plan Under absorption of funds USD.1, 516,701.86 (26.5%) Awarding of Local Contracts In Foreign Currency Delayed procurement of Twinning institutions
92.	Skills Development Project-1338-IDA- PSFU Component	<ul style="list-style-type: none"> Non-implementation of planned activities worth USD.3, 034,136(45%). Under absorption of project funds USD. 5,008,842 (23%)
93.	Gulu University	<ul style="list-style-type: none"> Unimplemented budget activities Un disclosed Domestic Arrears UGX.5,216,963,475 Teaching of Un-reviewed programs Un-Collected premium and ground rent Irregular Occupation of Premises- Statutory Deductions-PAYE of UGX.324,624,045 not remitted Undeveloped Land Inadequate University Infrastructure Loss of cash in transit- UGX.48, 527,800 Staffing Gaps Inadequate budget allocation to the Library
94.	Uganda Petroleum Institute Kigumba	<ul style="list-style-type: none"> Revenue shortfall UGX. 950,000,000 (10.6%). Under absorption of funds UGX. 2,152,057,819 (24%). <u>Lack of Practical Equipment for Upstream Operations Diploma Programme</u> Failure to meet Set Targets of the Strategic Plan Inadequate Funding for the Library Function -1.3%
95.	Albertine Region Sustainable Development Project-1310	<ul style="list-style-type: none"> Un-vouched Expenditure UGX.1,876,679, 037 Low absorption of Project Funds Delayed Implementation of the Project Staffing gap in the Project coordinating unit Variance between Procurements estimates and contract prices Procurement for consultancy for international twinning of Uganda Petroleum Institute at Kigumba (UPIK) Procurement of Consultancy Services for an International Twinning of Kichwamba Technical College-

	GENDER AND SOCIAL DEVELOPMENT SECTOR	<ul style="list-style-type: none"> •
96.	Ministry of Gender, Labour and Social Development	<ul style="list-style-type: none"> • YLP Low recovery rate 26%(KAM) • Domestic Arrears/Accumulated 7,136,094,043 • Performance of UWEP/recovery rate at 68% • Anomalies in rent for premises /UGX.129,743,733 accumulated interest on arrears
97.	Expanding Social Protection	<ul style="list-style-type: none"> • Untimely reconciliation of the Post Bank Uganda General Account • Advances carried forward from ESP I and late accountability of staff, fuel and district advances • Late remittance of PAYE and NSSF during the period under review • Untimely reconciliation of the transaction listings as per the programme accounting system maintained in Uganda and the one maintained in London • Beneficiary complaints (wrong payment amounts, incomplete enrolment, biometric failure)
	PUBLIC ADMINISTRATION SECTOR	
98.	Ministry of Foreign Affairs	<ul style="list-style-type: none"> • Budget Performance(Budget not aligned with public investment plans • Domestic Arrears /Accumulated payables UGX.67,230,639,091 • Staffing Gaps/80 posts (19%) vacant
99.	Ministry of East African Community Affairs (MEACA)	<ul style="list-style-type: none"> • Budget Performance /unspent balance of UGX.11,686,067,547 • Domestic arrears/Accumulated UGX.40, 456,672,649 • Understaffing/34(33%) vacant
100.	Bujumbura	<ul style="list-style-type: none"> • Non Recovery of Advance Payment Security (UGX.1, 070,244.7257) • Non submission of Progress Reports • Inadequate Control of Staff Accommodation
101.	Pretoria	<ul style="list-style-type: none"> • Unauthorized over expenditure (UGX 139,382,799)

102.	London	<ul style="list-style-type: none"> • Unauthorized excess expenditure- UGX.155,185,317 • Review of Implementation of Mission Chatter (OM) shortfall in expected lobby revenue short fall of US\$27M • Outstanding Rent on Commercial Property (OM) £59,117.50 • Inspection of Chancery
103.	Ottawa	<ul style="list-style-type: none"> • Unauthorized excess Expenditure -UGX 150,727,699 • Rental Expenditure -UGX.538,366,001 • Review of Implementation of Mission Chatter
104.	Washington	<ul style="list-style-type: none"> • Strategic Planning and Mission charter (draft strategic plan) • Performance measurement • Non-Accreditation • Staffing gaps • Medical Insurance
105.	New York	<ul style="list-style-type: none"> • Unauthorized Excess Expenditure UGX.0.571bn • Strategic Planning and Mission Charter – Mission uses a Mission Charter which is not approved • Utility and Cleaning Charges – actual expenditure incurred for those services far exceeds the expected proceeds
106.	Berlin	<ul style="list-style-type: none"> • Foreign Exchange Loss (EOM)(UGX.736, 579,803) • Unauthorized Excess Expenditure (UGX 13, 978,967)
107.	Mombasa	Nil
108.	Kigali	<ul style="list-style-type: none"> • Un-authorized Expenditure / UGX.359,481,704 • Accumulation of Domestic Arrears / UGX.391, 582,778
109.	Mogadishu	<ul style="list-style-type: none"> • Missing performance Assessment
110.	Kinshasa	<ul style="list-style-type: none"> • Failure to dispose of Public Assets
111.	Juba	<ul style="list-style-type: none"> • Nil
112.	Tripoli	<ul style="list-style-type: none"> • Non submission of Budget Performance Reports • Unauthorized utilization of NTR at source (UGX.11, 769,501) • Failure to submit a procurement plan to PPDA
113.	Geneva	<ul style="list-style-type: none"> • Lack of a Strategic plan • Unbudgeted for NTR
114.	Rome/FAO	<ul style="list-style-type: none"> • Outstanding Court cases • Failure to prepare a procurement plan • Non-submission of Quarterly Procurement Reports to PPDA

		<ul style="list-style-type: none"> • Un banked NTR • Non budgeting for NTR • Lack of a Strategic plan • Status of the Official Residence
115.	Cairo	<ul style="list-style-type: none"> • Renting of property • The Mission charter and performance reporting • Irregular payment of Education Allowance • Un translated Documents • Condition of the official residence and the chancery
116.	Moscow	<ul style="list-style-type: none"> • Renting of Property • The Mission Charter and Performance Reporting. • Un translated Documents
117.	Brussels	<ul style="list-style-type: none"> • Empty plot • Refund of Medical Expenses • Assets Management (Lack of Maintenance of the Chancery)
118.	Abuja	<ul style="list-style-type: none"> • Engraving of Mission Property • Refund of Medical Expenses • Lack of Board of Survey Report • Proposed Construction of Chancery Building on Plot 311 Cadastral Street
119.	Kuala Lumpur	<ul style="list-style-type: none"> • Unsupported medical refunds UGX. 48,293,717 • Unapproved mission charter • Non preparation and submission of procurement quarterly reports
120.	Canberra	<ul style="list-style-type: none"> • Grounded Vehicle • Unapproved Mission Charter • Non-appraisal of staff • Inadequate Functioning of the PDU
121.	Beijing	<ul style="list-style-type: none"> • Draft Strategic plan and mission charter • Cash Management (UGX.1,100,732,688 paid in cash)
122.	Guangzhou	<ul style="list-style-type: none"> • Excess Expenditure UGX.0.345bn • Unapproved (draft) Strategic Plan for the Mission
123.	Copenhagen	<ul style="list-style-type: none"> • Unauthorized Expenditure UGX.0.094 bn • Unspent Funds Not Returned To UCF UGX.0.202 bn

		<ul style="list-style-type: none"> • Lack of a Mission Charter
124.	Abu Dhabi	<ul style="list-style-type: none"> • Absence of an approved strategic plan and inconsistency strategic objectives • Changes in operation environment for the embassy • Failure to set up consulate in Dubai • Diplomatic anomaly-arrival of an incoming ambassador before the outgoing departs station
125.	Dar es salaam	<ul style="list-style-type: none"> • Absence of an approved strategic plan and inconsistency strategic objectives
HEALTH SECTOR		
126.	The UNFPA Funded Programme Ref Dcg.214/314/01 Implemented By The Ministry Of Health	<ul style="list-style-type: none"> • Insufficient Supporting Documentation UGX.12,254,974 • Non deduction of With Holding Tax (WHT) UGX.3,920,700
127.	Uganda Blood Transfusion Services	<ul style="list-style-type: none"> • Unspent balances/Budget shortfall of UGX.568,859,995 • Un documented procurements under the regional blood banks UGX.2,031,530,472
128.	Fort Portal Regional Referral Hospital	<ul style="list-style-type: none"> • Unimplemented budget activities • Inadequate controls surrounding management of Domestic arrears- UGX 362,688,782 • Under Budgeting for Domestic Arrears • Unspent Balances • Unauthorized Excess Expenditure • Non Delivery of Ambulance Equipment • Lack of Skilled Staff to handle Medical Equipment • Inadequate Medical Equipment • Condition of Medical Equipment • Hospital Governing Board not fully constituted
129.	Hoima Regional Referral Hospital	<ul style="list-style-type: none"> • Domestic Arrears • Inadequate medical equipment

		<ul style="list-style-type: none"> • Expired Drugs • Ineligible occupants in staff houses • Un-habitable houses • Irregularities in Prior year force account works • Collection of NTR on collection bank accounts • Utilisation of revenue at source • Staffing gaps
130.	Jinja Regional Referral Hospital	<ul style="list-style-type: none"> • Under Absorption of Funds • Outstanding Receivables - UGX 109,663,453 • Outstanding Payables - UGX 579,256,500 • Understaffing • Lack of Land titles • Inadequate medical equipment • Lack of Skilled Personnel to Manage Medical Equipment • Poor Condition of Medical Equipment
131.	Moroto Regional Referral Hospital	<ul style="list-style-type: none"> • Un spent balances • Lack of key staff in the hospital • Shortage of Medical equipment
132.	Soroti Regional Referral Hospital	<ul style="list-style-type: none"> • Revenue Shortfall • Budget Under Absorption • Unapproved Supplementary Funding • Un accounted for Funds • Under staffing • Unsupported Domestic Arrears • Lack of a Hospital Board • Management of the of Oxygen Plant and supply of oxygen

		<ul style="list-style-type: none"> • Shortage of medical equipment at the health facility • Utilization of Medical Equipment • Failure to supply ordered Medicines • Expired Drugs • Drug Stock Outs • Unapproved Variation
133.	Mbarara Regional Referral Hospital	<ul style="list-style-type: none"> • Domestic Arrears UGX.1,925,001,338 • Unauthorized Utilization of Non-Tax Revenue (NTR) • Understaffing in the Hospital • Expired Drugs • medical equipment is obsolete, faulty (Condition of medical equipment)
134.	Arua Regional Referral Hospital	<ul style="list-style-type: none"> • Non-Tax Revenue Under Collection (NTR) - UGX. 16,580,982 • Understaffing at the Hospital • Outdated Staff Establishment Structure • Grounded Motor Vehicles • Lack of a Technical Person on the Evaluation Committee (Irregularities in supply of station wagon) • Irregular award of Contract (Irregularities in supply of station wagon) • Irregular Composition of the Evaluation Committee (Irregularities in the Contract for Construction of a Seven Storey Staff House) • Irregular Contingencies in the Contract Sum (Irregularities in the Contract for Construction of a Seven Storey Staff House) • Irregular Arithmetic Correction of the BoQS (Irregularities in the Contract for Construction of a Seven Storey Staff House) • Irregular Award of a Contract for Consultancy in Supervision • Expired Period of the Hospital Board • Non-functional Medical Equipment
135.	Kabale Regional Referral Hospital	<ul style="list-style-type: none"> • Implementation of Budget as approved by Parliament

		<ul style="list-style-type: none"> • Understaffing • Status of Medical Equipment at the Hospital (non-existent, obsolete, faulty)
136.	Masaka Regional Referral Hospital	<ul style="list-style-type: none"> • Budget shortfall - UGX.163,626,271 • Unimplemented budget activities • Domestic arrears - UGX.148,981,874 • Poor Condition of Medical Equipment
137.	KAYUP project	<ul style="list-style-type: none"> • Unspent balances/Budget shortfall of USD 72,500
138.	Ministry of Health-US Centers for Disease Control and Prevention HIV-AIDS (CDC)	<ul style="list-style-type: none"> • Revenue shortfall of USD 1,446,691.39 • Unspent balances/Budget shortfall of USD 205,138.6 •
139.	Support to the Development of a specialized Maternal and Neonatal Health Care Unit in Mulago National Referral Hospital (Mulago III) project	<ul style="list-style-type: none"> • Non-Disclosure of Government of Uganda Co-funding in the project financial statements UGX 2,284,980,198 •
140.	Butabika Mental National referral hospital	<ul style="list-style-type: none"> • Under collection of NTR (AIA) (UGX.381,300,537) • Unspent releases (UGX.482,532,497) • Irregular Procurement of the Supervision team for Construction works • Protocol for approval of variations not followed • Absence of measurement sheets for certified works • Release of retention monies before issuance of a certificate of substantial completion (UGX 100,358,206) • Quality of construction works not tested • Use of different rates for similar items in variations • Omission of as-built drawings in the contract • Liquidated damages of UGX 87,683,718 not charged • Overpayment of UGX 81,267,400 due to discrepancies in certified quantities measured
141.	Uganda Reproductive Maternal and Clinical Health Services	<ul style="list-style-type: none"> • Low disbursement (72%) and utilization (23%) of project funds • Failure to constitute a delegated contracts committee

	Improvement Project (URMCHSIP)	
142.	East African Public Health Laboratory Networking Project (EAPHLNP II)	<ul style="list-style-type: none"> Unspent balances UGX. USD.1,843,037 Decline in project performance: 3 out of 6 project outcome indicators were achieved.
143.	Mulago National Referral Hospital	<ul style="list-style-type: none"> Unspent releases (UGX.3,502,000,000) Absence of an approved strategic plan Delays in Banking of Collections Lack of Hospital Management Board Staffing gaps Use of Inappropriate procurement method Procurement and execution of works worth (UGX 709,716,746) before Solicitor General's clearance Failure to obtain a performance security
144.	China- Uganda Friendship Hospital	<ul style="list-style-type: none"> Accumulation of utility arrears (UGX.344,755,371) Lack of a housing policy Failure to sign evaluation reports by some evaluation committee members Failure to state the date of expiry of bid validity in the bidding document
145.	Karamoja Region Staff Housing (KRSHP) project	<ul style="list-style-type: none"> Borrowed Funds from Ministry of Health Euros 22,302,24
146.	Uganda Sanitation Fund (USF) project	<ul style="list-style-type: none"> Under absorption of funds USD 91,235
147.	Uganda Reproductive Health Voucher Project (URHVP)	<ul style="list-style-type: none"> Delays in paying the Independent Verification Agent (IVEA) and the Voucher Management Agent (VMA) Delays in processing and reimbursement of claims by the VMA
148.	SUDS Project	<ul style="list-style-type: none"> No Issue
149.	MKCCAP project- (improvement of service delivery at Mulango Hosiptal and the City of Kampala	<ul style="list-style-type: none"> Diversion of Funds UGX. 531,276,815 Non payment of 6% Withholding Tax UGX. 22,785,876 Failure to implement supervision mission's recommendations
ACCOUNTABILITY SECTOR		
150.	Ministry of Finance, Planning and Economic Development	<ul style="list-style-type: none"> Under collection of revenue UGX.9.969bn.

	<ul style="list-style-type: none"> • Under absorption of funds meant for Construction of a new office block and staff parking UGX.6.962bn • Underfunding of subventions UGX.12.1Bn • Domestic arrears of UGX.193.113bn • Irregularities in the implementation of the USD.5 Cents/KWH Subsidy for the textile industry • Failure by GoU to meet contractual obligations with an Edible Oil refinery • Failure to recruit staff for the PPP Unit (Public-Private Partnerships Unit) • Escalating outstanding payables UGX. UGX.6,431,654,000 (Privatisation And Utility Sector Reform Project (Operations Account) • Long outstanding receivables UGX.127 billion (Privatisation And Utility Sector Reform Project (Divestiture And Redundancy Account) • Unapproved withdrawals from the Divestiture account UGX.70.434bn • Failure to Prepare and submit Annual reports to Parliament • Non preparation of financial statements (Tax Appeals Tribunal) • Irregular grant of Licenses (National Lotteries And Gamings Regulatory Board) • In adequate evidence on the Collection of Statutory Income UGX.503.865bn by the Board • Failure by the Agent to remit agreed on Government Revenues – National Lottery • Staffing Gaps • Un planned procurement (Procurement for consultancy services to develop an online budgeting system and provision of technical support) 	
151.	Directorate of Ethics and Integrity	<ul style="list-style-type: none"> • Under Staffing • Retrospective Approval of Procurements • Unauthorized Appointment of Local Contract Staff

	ICT SECTOR	•
152.	Ministry Of Science, Technology And Innovation	<ul style="list-style-type: none"> • Budget shortfall UGX.4.034bn • Understaffing • Lack of Contract Management Plans • Lack of Strategic Plan • Absence of an Audit Committee • Under releases of UGX.2.048bn • Un spent expenditure balances UGX.3,250bn • Failure to Return Unspent Balances UGX.1.303bn • Expired Term of the Board and Management Committee • Lack of Internal Audit Function • Lack of Land Titles for PIBID Land • Incomplete Works (Audit Inspection of TBI Factory) • Redundant Machinery (Audit Inspection of TBI Factory)
153.	Ministry Of Information Communication Technology And National Guidance	<ul style="list-style-type: none"> • Budget shortfall UGX.4,641bn • Under absorption of the funds UGX.2.99 bn • Outstanding domestic Arrears UGX.0.216bn • Unjustified Direct Procurements - UGX.0.457bn • Irregular Issuance of Framework Contract for Supply of IT Equipment - UGX.0.574 bn
	WORKS SECTOR	
154.	Ministry of Works and Transport	<ul style="list-style-type: none"> • Unimplemented Activities • Unapproved Strategic Plan • Shortfall of UGX. 159.68 bn (68%) from external funders • Outstanding Domestic Arrears UGX. 63,454,041,199 • Payment of unappropriated Domestic Arrears UGX. 10,530,170,770 • Mischarge of expenditure UGX. 937,469,458 • Unreported Payables of UGX. 4,146,803,220 • Nugatory Expenditure UGX. 252,154,884 • Lack of Academy Certification for East African Civil Aviation Authority

		<ul style="list-style-type: none"> • Lack of an approved legal framework for surviving institutions of the former East African Communities • Expiry of the Standard Gauge Railway Board • Low budget allocation for the estimated 1,833 Project Affected Persons (PAPs) at estimated cost of UGX. 87. bn for development of New Kampala Port at Bukasa. • Unplanned procurements worth UGX. 9,611,407,814 • Failure to appoint Contract Managers • Failure to prepare Contract Implementation Plans
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ANNEXURE III: SUMMARY FINDINGS OF COSASE

3.1 Unqualified Opinions

S/N	ENTITY	KEY AUDIT MATTERS / EMPHASIS OF MATTER / OTHER MATTERS / COMPLIANCE MATTERS
EDUCATION SECTOR		
1.	Education Service Commission	<ul style="list-style-type: none"> Undisclosed Domestic Arrears UGX.154,370,506 Weaknesses In Recruitment of Teachers Failure to Review the Terms and Conditions of Services and Implementation of the Scheme of Services
2.	National Council of Sports (NCS)	<ul style="list-style-type: none"> Underperformance of the Capital Budget- UGX. 432,858,565 (89%) Poor state of stadiums around the country Irregular management of consultancy Services For Securing The NCS land titles Lack of policy on grants to National sports associations
3.	National Curriculum Development Centre	<ul style="list-style-type: none"> Budget shortfall of UGX.167,658,947 (2.4%). Accumulation of domestic arrears amounting to UGX.322,018,763 Payment for unbudgeted domestic arrears amounting to UGX.59,339,749 Inadequate Transport Equipment to handle entity operations Delayed Enactment of the Teacher Education Policy
4.	Higher Education Students Financing Board	<ul style="list-style-type: none"> Budget shortfall of UGX.824,063,350 Under absorption of received funds amounting UGX. UGX.1,588,184,112 (7%). Under remittance of fees to Universities by UGX.2,536,478,640. Inadequate loan recovery measures Low levels of Student Financing, only 5247 (36%) out of 14507 qualifying students financed. Understaffing, 15 (42%) positions vacant.
5.	National Council for Higher Education	<ul style="list-style-type: none"> Non implementation of planned activities due to Revenue shortfall of UGX. UGX.1,280,578,101 (15.4%). Excess expenditure amounting UGX.662,046,582

6.	Economic Policy Research Centre (EPRC)	<ul style="list-style-type: none"> Noncompliance with the PPDA Act and Regulations
7.	Management Training and Advisory Centre (MTAC)	<ul style="list-style-type: none"> Non implementation of planned activities due to budget shortfall of UGX.300,094,000 (9%) Accumulation of domestic arrears amounting to UGX. 705,406,000 as at 30th June 2018 Long outstanding receivables amounting UGX.394,030,001 Lack of a governing council
8.	Uganda National Examinations Board	<ul style="list-style-type: none"> Non implementation of planned activities due to Revenue shortfall of UGX.6,616,671,878 (7.7%). Under absorption of received funds amounting UGX. 6,518,012,800 (8.3%).
ENERGY SECTOR		
9.	Atomic Energy Council	<ul style="list-style-type: none"> Budget shortfall UGX 1,988,347,430 Unspent Funds UGX 1,069,996,467 Facilities operating with unlicensed machines - 142 (34%) out of 417 Absence of Proper Protective Equipment
10.	Electricity Regulatory Authority	<ul style="list-style-type: none"> Nugatory Expenditure UGX 108,389,948 Underperformance in prepayment Meter conversion targets of UMEME Absence of a methodology for verifying costs High energy losses in the service territories Non-compliances to Quality of Standards by UMEME
11.	Hoima-Kinyara-Kafu Transmission Line Project	<ul style="list-style-type: none"> Un Spent Funds UGX.6,470,392,681 Outstanding compensations to Project Affected Persons (PAPs)
12.	Hoima-Nkenda Transmission Line Project	<ul style="list-style-type: none"> Long outstanding receivable UGX.140,272,966 Unspent Funds UGX.10,479,624,571 Costs resulting from delay to handover site to KEC Delays in Land Titling
13.	Mbarara-Nkenda And Tororo-Lira Transmission Lines Project	<ul style="list-style-type: none"> Interest claims and additional Costs on late invoice payments UGX.5,076,700,788 Delayed implementation of contracts

		<ul style="list-style-type: none"> • Supervising consultant cost escalations UGX.3,019,220,561 • Cancellation of loan by ADB • Delays in land transfer and titling process • Outstanding compensations to Project Affected Persons (PAPs) - 5,899 PAPs out of 6,509 compensated
14.	Interconnection Of Electrical Grids Of Nile Equatorial Lakes Countries (NELSAP) Uganda Part	<ul style="list-style-type: none"> • Under Absorption of Funds USD.2,029,494 • Receivables /Advance payments USD.486,440 • Delayed implementation of contracts
15.	Kilembe Mines Limited	<ul style="list-style-type: none"> • Outstanding Receivables UGX.1,333,353,917 • Non-Revaluation of Handed Back Assets worth UGX.23,252,471,833 • Unapproved Excess Expenditure UGX.408,814,486 • Non Compliance With Handover Procedures
16.	Petroleum Authority Of Uganda	<ul style="list-style-type: none"> • Budget Shortfall UGX.997,340,382 • Inconsistency in Presentation of Statements of Expenditure by Licensees • Low levels of employment of Ugandans by Licensees
17.	Rural Electrification Agency	<ul style="list-style-type: none"> • Budget Shortfall UGX.35,914,900,941 • Revenue Arrears UGX.10,358,804,214 • Escalating Receivables from the Uganda Electricity Transmission Company Limited 5% Levy by 44% from UGX.50,645,352,876 to UGX.73,003,978,668. • Failure to recover funds from Fersult Engineering UGX.3,405,000,000 • Unpaid energy bills to Uganda Electricity Transmission Company Limited by the Service providers UGX.558,851,527 • Failure to achieve annual connection targets • Delayed Implementation of Mini-Grid projects • Unapproved investments in the network by the service providers UGX 1,860,366,806 • High rate of energy losses in the service territories • Failure to set up a framework contract system for repairs and maintenance

		<ul style="list-style-type: none"> • High initial operational costs for areas taken over from Ferslult Engineering
18.	ERT REA	<ul style="list-style-type: none"> • Under-absorption of funds amounting UGX.12,445,086,358 (USD.3,378,759.30) representing an absorption rate of 18.9%. • Delayed commencement of Fast track lines. • Need to fast track preparations for grid intensification schemes
19.	Uganda Electricity Generation Company Limited	<ul style="list-style-type: none"> • Unbilled revenues from the Concession and Assignment Agreement • Cracks at Nalubaale Power Station • Delayed implementation of projects • Delays in Commissioning Hydro Power Plants (HPP) • Non- adherence to standards
20.	Uganda National Oil Company (UNOC)	<ul style="list-style-type: none"> • Lack of Title and Valuation for Assets transferred to the Company • Delayed UNOC Back-in for state participation as required by Petroleum Sharing Agreements (PSAs) • Management of Jinja Storage Tanks (Shortfall in minimum monthly throughput and stock requirements)
21.	Uganda Electricity Transmission Company Ltd (UETCL)	<ul style="list-style-type: none"> • Avoidable costs incurred - surcharges for delayed payments to Bujagali Energy Limited (BEL) amounting UGX.391,752,610 • Loss arising out of weaknesses in asset management – Vandalism of equipment worth UGX1,980,454,206. • Deemed energy purchases amounting to UGX.5,818,990,000 • Increase of 38.7bn (79%) in impairment and provisions for doubtful debts to UGX 87.9bn in FY2017/18. • Wayleaves included in Capital Work in Progress
22.	Electricity Sector Development (ESDP - UETCL Kawanda Masaka)	<ul style="list-style-type: none"> • No issue of high significance
23.	ERT (BOU)	<ul style="list-style-type: none"> • No issue of high significance

24.	Uganda Electricity Credit Capitalization Company Ltd (UECCCL)	<ul style="list-style-type: none"> • No issue of high significance
25.	ERT (UECCCL)	<ul style="list-style-type: none"> • No issue of high significance
26.	Uganda Rural Electricity Access Project (UREAP)	<ul style="list-style-type: none"> • Delayed Completion of Projects
WATER AND ENVIRONMENT SECTOR		
27.	National Environment Management Authority (NEMA)	<ul style="list-style-type: none"> • Budget shortfall of UGX 2,364,386,000 i.e 10% shortfall • Outstanding Receivables as at 30.6.2018 worth UGX 15,307,218,000 • Environment Levy/ Surcharge on used imports not remitted to NEF worth UGX 750.57billion • Inadequate funding to Local Governments for environmental management • Weaknesses in implementation of guidelines for sustainable use of disaster prone areas • Non-compliance with the Industrial waste disposal conditions • Inadequate management of health care waste
28.	National Forestry Authority (NFA)	<ul style="list-style-type: none"> • Budget shortfall of UGX.9, 495,799,333 (34%) • Authority's domestic arrears increased from UGX 8,600,817,000 in the prior year to UGX 10,446,677,000, an increase of UGX 1,845,860,000 (21%) • Loss of land in Buhungiro Central Forest Reserve in Kyegegwaa District • Encroachment on Namanve Central Forest Reserve • Lack of a training policy • Unlicensed activities in forest reserves
29.	Uganda National Meteorological Authority (UNMA)	<ul style="list-style-type: none"> • Budget Shortfall of UGX.2,867,081,172 (10.5%). • Lack of notice for occupation of land at various weather stations • Non-functional weather stations • Lack of a Board of Directors

30.	National Water & Sewerage Corporation	<ul style="list-style-type: none"> Failure to revalue Property, Plant and Equipment Absence of land titles for assets taken over Absence of abstraction and waste discharge permits
31.	Kampala Sanitation Program (KSP) - National Water	<ul style="list-style-type: none"> Delay to pay contractors by GoU to the tune of UGX.31,158,540,457 Impending Legal Suits on Disputed Compensation Offers/claims i.e Amount Claimed is UGX 1,395,856,789 but Compensated amount is UGX 115,616,970
32.	Protection of Lake Victoria Kampala Sanitation Programme (WATSAN)	<ul style="list-style-type: none"> No issue of high significance
33.	Water Management & Development Project (WMDP) - NWSC	<ul style="list-style-type: none"> No issue of high significance
PUBLIC ADMINISTRATION SECTOR		
34.	Electoral Commission (EC)	<ul style="list-style-type: none"> Budget Performance (UGX.180,366,759 (0.19%) Shortfall Failure to Collect NTR Non-deduction of withholding tax from Rental Expenses Funds not accounted for UGX.286,780,725 Outstanding advances amounting UGX.41,950,000
GENDER AND SOCIAL DEVELOPMENT SECTOR		
35.	National Council for Disability	<ul style="list-style-type: none"> Budget Performance/Budget Shortfall of 80% Understaffing - 4 positions (33%) vacant Failure to hold AGM
36.	National Library of Uganda	<ul style="list-style-type: none"> Shortfall in NTR Collections UGX.12,918,000 (40%) Outstanding NSSF Contribution arrears UGX.373,510,209 Expired Tenancy Agreement Forfeiture of Land
37.	National Women's Council	<ul style="list-style-type: none"> Budget Performance /only UGX 673,848,470 (76%) Staffing Gaps / 2 vacant positions
38.	Equal Opportunities Commission	<ul style="list-style-type: none"> Outstanding Receivables UGX.211,105,359 Staffing Gaps / 35 positions vacant 44%

39.	National Youth Council	<ul style="list-style-type: none"> Budget Performance (Revenue Shortfall UGX.290, 532,622 (27%). Non remittance Of statutory Deductions (UGX.65,800,617) Staffing Gaps / 5 positions vacant 36%
40.	Uganda National Cultural Centre	<ul style="list-style-type: none"> Payables Management (Accumulated UGX.1, 940,349,139) Accumulated Receivables UGX.2,071,691,350 Doubtful refund of Salary UGX.50,000,000 Staffing Gaps 19 (33%) posts vacant Expiry of Board Tenure
41.	Uganda National Children's Authority	<ul style="list-style-type: none"> Budget Performance budget shortfall of UGX.33,802,480 (3%). Lack of a Governing Board Unapproved Budget Temporary Appointments
42.	National Social Security Fund (NSSF)	<ul style="list-style-type: none"> Unallocated Members' Funds amounting Ushs 49.5 billion Disclosed Contingent liability of UGX.42.2bn in tax to URA
ACCOUNTABILITY SECTOR		
43.	Bank of Uganda	<ul style="list-style-type: none"> Impairment of amount due from Crane Bank Limited (in receivership) - UGX 235,922 Impairment of Bank of Uganda's capital
44.	Capital Markets Authority	<ul style="list-style-type: none"> No issue of high significance
45.	Deposit Protection Fund - BoU	<ul style="list-style-type: none"> No issue of high significance
46.	Financial Intelligence Authority	<ul style="list-style-type: none"> Domestic Arrears - UGX.215,837,175 Understaffing - 39 posts filled out of 64 Uncompetitive procurement of air tickets worth - UGX.162,261,990
47.	Insurance Regulatory Authority	<ul style="list-style-type: none"> Unimplemented activities - contracts valued at UGX.83,397,132 and the setting up of Insurance Appeals Tribunal Outstanding Receivables - 64,957,554 Delays in Construction of Insurance Regulatory Authority Office Building Incomplete Procurements valued at UGX.210,684,500
48.	National Population Council	<ul style="list-style-type: none"> Staffing Gap – 49 filled out of 84

49.	PPDA Appeals Tribunal	<ul style="list-style-type: none"> • Unutilized funds - UGX.166,049,143 • Lack of clear performance targets • Manual Financial management system in use
50.	Privatization & Utility Sector Reform Project (Divestiture & Redundancy Accounts)	<ul style="list-style-type: none"> • Long outstanding receivables - UGX.80.9 billion • Unauthorized withdrawals from the Divestiture account - UGX.69,706,812,638
51.	Public Procurement and Disposal of Public Assets Authority	<ul style="list-style-type: none"> • Budget shortfall of UGX.199,735,018 • Outstanding Payables - UGX.97,765,859 • Under Staffing– 101 filled out of 132
52.	Uganda Bureau of Statistics (UBOS)	<ul style="list-style-type: none"> • Budget Shortfall - UGX.660,203,337 • Under absorption of funds of UGX.619,715,120 • Lack of Certificate of Land Title for the Statistics House
53.	Uganda Free Zones Authority	<ul style="list-style-type: none"> • Land of land title for land acquired at UGX.7.4 billion • Procurement of air tickets by HR Department instead of PDU • Lack of an Internal Audit function
54.	Uganda Retirement Benefits Regulatory Authority (URBRA)	<ul style="list-style-type: none"> • Staffing Gaps - 30 filled out of 58 • Payments on behalf of MoFPED - UGX.401,945,391 • Delays in remitting collected revenue to BOU A/C - UGX.489,446,464 • Failure to remit unspent balances to the UCF (Expiry of Appropriation) -UGX.577,892,780
55.	Uganda Revenue Authority - Corporate Services	<ul style="list-style-type: none"> • Long Outstanding NSSF Arrears - UGX.3,675,217,390 • Excessive Cash withdrawals of UGX.12,985,802,703 in excess of the monthly cash limit of UGX.40,000,000 • Failure to advertise a call for bids to provide support and maintenance of Disaster recovery site firewall - UGX.618,866,009 • Absence of a Board Charter
56.	Uganda Revenue Authority - Revenue Collection	<ul style="list-style-type: none"> • Revenue collection shortfall of UGX.606.32 billion • Uncollectible Cash - UGX.1,031,840,858 • Un-receipted collections from BoU - UGX.130 billion • Domestic tax arrears - UGX.2.6 trillion • Un-collected stamp duty from Land transactions - worth UGX.239 billion

		<ul style="list-style-type: none"> Failure to track All High-Risk Goods - UGX.265,972,974,206 Failure to collect identified taxes - UGX.108,079,587,034 Issuance of Tax Clearing Certificates to Taxpayers with Tax arrears - UGX.809,611,255,873
57.	Uganda Seeds Company Limited	<ul style="list-style-type: none"> Current Account with PURSP - UGX.1,106,572,915 Underutilization of land and other assets Lack of Board of Directors Failure to maintain leased Assets (Machinery and Housing Estates)
58.	Uganda Property Holdings Limited (UPHL)	<ul style="list-style-type: none"> Long Overdue Trade Debtors (slow recovery) - reduced from UGX.2,015,270,471 as at 30th June 2017 to UGX.1,890,499,800 as at 30th June 2018 Lack of Certificate of Title for Masese Land
59.	Pride microfinance (MDI) – 31 st December 2017	<ul style="list-style-type: none"> Impairment of loans and advances to customers Information and communication technology changes
60.	Post Bank (U) Ltd – 31st December 2017	<ul style="list-style-type: none"> Impairment of loans and advances to customers
61.	Uganda Development Bank Ltd – 31st December 2017	<ul style="list-style-type: none"> Impairment of Loans and Advances
SCIENCE SECTOR		
62.	Uganda Industrial Research Institute	<ul style="list-style-type: none"> Budget shortfall of UGX.98,857,221 Un-implemented planned activities - UGX.1,651,510,600 Diversion of funds to unplanned activities - UGX.1,067,947,407 Failure to Budget for Domestic Arrears - UGX.831,107,348 Staffing Gaps – 282 filled out of 560 Uncollected Production fees of UGX.78,138,376 Innovation Fund Shortfall - UGX.3,339,800,000 Absence of a Board of Directors
INFORMATION AND COMMUNICATION TECHNOLOGY SECTOR		
63.	Uganda Institute of Communication and Information Technology	<ul style="list-style-type: none"> Budget shortfall of UGX.1,187,119,185 Unspent balance of UGX.516,347,166 Unclear governance structure and legal status of the Institute

		<ul style="list-style-type: none"> • Under Staffing – 44 filled out of 107 • Irregular Recruitment of Contract Staff • Direct Procurement worth UGX.29,406,600
64.	Uganda Posts Limited	<ul style="list-style-type: none"> • Budget shortfall of UGX.2,852,589,691 • Purchase of power backup UGX.263,450,880 not budgeted for • Outstanding Trade and other Payables - UGX.13,341,472,070 • Unpaid up Share Capital UGX.5,512,825,000 for 220,513 shares • Overdue Receivables - UGX.7,855,540,320 • Outstanding Levy on Gross Annual Revenue of UGX.631,517,772 • Nugatory Expenditure (fines, court awards and legal fees) of UGX.330, 537,700 • Expired Contracts for Members of the UPL Board • Lack of Land Titles for UPL Land - Plot 40 Margarita Road, Kasese; Plot 18-20 Gogonyo Road, Pallisa; Plot 76 Mawokota Block 92, Mpigi; Plot 6-10 Birch Avenue, Masaka; Plot 2-6 Mutekanga Road, Kamuli; Plot 1-11 Nsambya Road, Kampala • High Rate of Staff Turnover – 21 staff left org but were not replaced • Outstanding Tax Payments - UGX.4,317,502,160 (PAYE - UGX.1,035,638,150, VAT - UGX.3,281,864,010) • Non Alignment of Strategic Plan to the National Development Plan
65.	NITA - U	<ul style="list-style-type: none"> • Funding gap of UGX.30,542,595,353 • Impact of planned transfer of national backbone infrastructure to UTL (in Administration) • Unutilized Bulk Internet Bandwidth • Redundant Network investment • Staffing Gap – 66 filled out of 157 • Board not fully constituted

66.	Uganda Communications Commission (UCC)	<ul style="list-style-type: none"> Budget Shortfall - UGX.9,625,228,029 Delayed implementation of activities worth UGX.4,776,155,324 Overdue Trade Receivables - UGX.26,170,253,357 Under remittance of Share of 2% GAR - UGX.1,107,029,960) Unfair Disqualification of Bidder Weaknesses in Contract Management Conflicting sections of the Law in Regard to the Position of the Executive Director also being a Board Member
67.	Regional Communications Infrastructure Program (RCIP)	<ul style="list-style-type: none"> Funding gap of UGX.11,665,932,201 Unspent balance - USD.9,270,344.82 Inadequacy in staffing - No Project Accountant
68.	Rural Communications Development Fund (RCDF)	<ul style="list-style-type: none"> Unspent balance - UGX.10,987,226,459 Delays implementation of planned activities worth UGX.9,872,672,792 Unexplained share of the retained balance of Gross Annual Revenue - UGX.25,404,934,506
JUSTICE LAW AND ORDER SECTOR (JLOS)		
69.	Uganda Registration Services Bureau - Operations	<ul style="list-style-type: none"> Unspent Balances UGX. 835,642,612 Domestic Arrears UGX. 1,941,423,697 Irregular payments to Telecommunication Companies UGX.59,071,109 Staffing gaps 55%
70.	Uganda Registration Services Bureau - Liquidation	<ul style="list-style-type: none"> Low funds absorption UGX. 942,295,910 Failure to implement activities Delayed recovery of Receivables UGX. 6,252,764,629 Unauthorized Expenditure on Garnishee Absolute UGX. 1,539,042,978
71.	Uganda Human Rights Commission	<ul style="list-style-type: none"> Budget shortfall of UGX. 213,068,051 Unimplemented Activities Domestic Arrears UGX. 3,910,443,177 Inadequate management of land assets 3 plots at Buganda road comprise of old dilapidated buildings

		<ul style="list-style-type: none"> • Land in Gulu and Masaka remained un-developed • Irregular payments to Telecommunications Companies for providing telephone services and airtime auto load UGX. 77,541,448 • Delayed Appointment of the Commissioners and accumulation of case backlog. • Irregular payment of monthly allowances to Staff 3.7Bn
72.	Uganda Law Reform Commission	<ul style="list-style-type: none"> • Unimplemented Activities • Domestic Arrears UGX. 9,581,933 • Staffing Gaps 22%
73.	Judicial Service Commission	<ul style="list-style-type: none"> • Unimplemented Activities • Over paid Monthly pensions UGX. 30,874,922 • Low funds absorption/ Unspent Balances UGX. 959,018,284 • Case Backlog within the Complaints Management System
74.	National Identification and Registration Authority (NIRA)	<ul style="list-style-type: none"> • Mischarges of Expenditure – UGX.1,559,088,886 • Under collection of Non-Tax Revenue - shortfall of UGX.102,138,311,000 • Accumulation of contingent liabilities - UGX 1.2 billion • Lack of a fully constituted Board • Staffing Gaps 206 out of 864 positions filled • Absence of approved ICT Continuity plan, Disaster Recovery Plan and Absence of a Disaster Recovery Site
75.	Amnesty Commission	<ul style="list-style-type: none"> • Budget shortfall of UGX.167,200,000 (6%). • Partial implementation of planned activities. • Staffing Gaps - 37 vacant positions (49.4%).
LEGISLATURE SECTOR		
76.	Parliamentary Commission	<ul style="list-style-type: none"> • Budget shortfall of UGX. 4,519,137,627 (representing 1% of the approved budget) • Lack of policy guidelines for the motor vehicle scheme for members of parliament • Mischarge of expenditure-UGX.2,348,890,690(representing 0.5% of total expenditure) • Absence of land titles for the Commission for 3 plots (16-18 on Parliament Avenue)

		<ul style="list-style-type: none"> Absence of offsite backup system for Parliament Hansard Audio and Video recordings Payment to Uganda Police Operations - UGX.2,259,135,000 meant for maintenance of machinery and equipment but used for maintenance and servicing of security equipment at Parliament
PUBLIC SECTOR MANAGEMENT SECTOR		
77.	Local Government Finance Commission	<ul style="list-style-type: none"> Some activities were not implemented despite receiving 100% of budgeted finds Inadequate storage facilities Advance payment of contract gratuity-UGX. 98,340,191 Support to LGs to establish Local revenue databases- only 89 Votes of the 168 votes (Districts and Urban Councils) have established local revenue databases thus representing 52% coverage. Inactive disposal plan Change of special conditions of the bid document in the contract agreement
78.	National Planning Authority	<ul style="list-style-type: none"> Some activities were not implemented despite receiving 100% of budgeted finds Inadequate controls surrounding management of domestic arrears-arrears incurred outside the approved estimates appropriated by Parliament(UGX. 812,874,533) Delay in undertaking the Midterm review of NDP II Delayed issuance of planning circular for NDP-III Delayed Submission/non-preparation of Sector development Plans Lack of clear Service Delivery Standards for various sectors Sensitization of MDAs and LGs on the Certificate of compliance (CoC)-Lack of feedback and follow up mechanism Lack of guidelines to support the implementation of NPA regulations Lack of key risk management parameters to enable effective evaluation of budget compliance in MDAs/LGs

		<ul style="list-style-type: none"> • Board not fully constituted
79.	Kampala Capital City Authority	<ul style="list-style-type: none"> • Budget shortfall of UGX.44,237,573,141 (approximately 15%). • Non-implementation of planned activities • Accumulation of Domestic arrears to UGX.43,880,243,429 as at 30th June 2018. • Non-remittance of PAYE of UGX.20,745,588,266 and VAT of UGX.676,696,602 • Outstanding trade and other receivables amounting to UGX. UGX.44,095,770,425 • Legal costs paid - UGX19,445,101,578 and UGX.5,032,868,969 provision for legal costs for the period under review • UGX.433.8 million receivable from Multiplex as at 30th June 2018 and non-compliance of the contractor to contract terms • Nugatory expenditure in the form of Interest on Delayed Payments-UGX. 714,318,282 • Unapproved Human Resource Manual • Staffing gaps (out of 1464 positions required, only 1128 positions are filled resulting into a shortfall of 336 positions (representing 23%). • Certificate of compliance (CoC) by NPA – achievement of NDP II. • Issues from Field inspections
80.	Kampala Faecal Sludge Management Project (31 st December 2017)	<ul style="list-style-type: none"> • Under absorption of funds - only US\$.677,494 spent out of US\$.1,043,548 available representing an absorption capacity of 43.7%. • Inadequate Monitoring of waste management activities
81.	Kampala – Kigali Capital Cities Health Project (KCCHP) FK NORWAY (11 months period ended 31 st August 2017)	<ul style="list-style-type: none"> • Delays in the implementation of activities against the Logical framework.

82.	Kampala Institutional And Infrastructure Development Project Phase 2 (KIIDP 2)	<ul style="list-style-type: none"> Under-absorption of available funds (only UGX.68,788,030,111 spent out of UGX.174,084,665,219 representing budget absorption of 45%). Non-implementation of planned activities Contingent liability due to delay in site handover- UGX.6,630,071,834 Garnishee order on KIIDP2 Account - US\$. 3,942,647.4 Overall Performance as per the logical framework - delays in the implementation of a number of activities
83.	Public Service Commission	<ul style="list-style-type: none"> Non-implementation of planned activities Accumulation of domestic arrears amounting to UGX.245,367,756
84.	Parliamentary Pension Scheme	<ul style="list-style-type: none"> Expired trustee's licenses Failure by fund managers to provide complete and consolidated reports
85.	New Vision Printing And Publishing Company Limited	<ul style="list-style-type: none"> Receivables worth UGX.16.3 bn Manual computation of commissions.
86.	Uganda Printing and Publishing Corporation	<ul style="list-style-type: none"> Long Outstanding trade debtors UGX.2,199,595,369 Trade and other payables UGX.5,684,420,860 Failure to fulfil the objectives of the corporation Failure to prepare management reports
SECURITY SECTOR		
87.	NEC Head Quarter	<ul style="list-style-type: none"> Unspent Balance UGX.1,543,295,040 Over- due Creditors - UGX.65,292,458 Long outstanding Debtors UGX.260,379,800 Stale Investments - UGX.2,710,326,736 Undeveloped Plot in Namanve Industrial Park Absence of an Audit Committee
88.	NEC Farm Katonga	<ul style="list-style-type: none"> Budget shortfall of UGX.12,241,202,295 Outstanding trade creditors UGX.1.908,000 Failure to realise project objectives and loss of funds UGX.1,409,450,000 Un-surveyed Land/untitled land blocks 274,378 and 386 Un installed weighing scale

89.	NEC Tractor Project	<ul style="list-style-type: none"> Budget short fall of UGX.1,491,639,506 Outstanding Trade Debtors UGX.1,155,499,320 Unprofitable business operations - loss of UGX.60,721,203 Nugatory Expenditure UGX.21,761,163
90.	NEC Tractor Hire	<ul style="list-style-type: none"> Unimplemented Activities Failure to achieve the intended project objectives
91.	NEC Works	<ul style="list-style-type: none"> Budget shortfall of UGX.2,635,612,812 Unimplemented Activities Un-utilised equipment
92.	NEC UZIMA	<ul style="list-style-type: none"> Budget shortfall of UGX.2,779,585,000 Unimplemented Activities Unprofitable trading -loss of UGX.385,744,000 Incomplete water production records
93.	NEC Luwero industries	<ul style="list-style-type: none"> Unimplemented Activities Outstanding Trade Debtors UGX.410,966,171 Failure to dispose-off old assets Appointment of employees without Terms of service Irregular secondment of UPDF Personnel Irregular Medical Insurance Scheme – UGX.77,792,185
94.	Uganda Veterans Assistance Board	<ul style="list-style-type: none"> Duplication of activities Repair of Personal vehicles using UVAB Funds Failure to implement the mandate of Uganda Veterans Assistance Board
95.	Uganda Air Cargo	<ul style="list-style-type: none"> Long outstanding trade creditors worth UGX.13,512,333,853 Salaries payable amounting to UGX.3,509,535,137 Increased in Trade debtors from UGX.12,140,152,344 as at 30th June 2017 to UGX.16,524,194,436 as at 30th June 2018 Lack of Capital for Capitalisation Grounded C130 Aircraft
AGRICULTURE SECTOR		
96.	Uganda Coffee Development Authority	<ul style="list-style-type: none"> Unspent balances of UGX.1.6 billion Unimplemented budget activities Inadequate Controls Surrounding Management of Domestic Arrears - UGX.106,099,093,573

		<ul style="list-style-type: none"> • Failure to budget for domestic arrears • Low survival rates of the seedlings planted • Inadequate coffee extension workers • Distribution of seedlings not based on demand • Lack of a farmers' register • Unfunded priorities • Non-compliance with the revenue collection process for NTR
97.	National Agricultural Research Organization - NARO	<ul style="list-style-type: none"> • Budget shortfall of UGX.2,038,103,779 • Unimplemented budget activities • Inadequate Controls Surrounding Management of Domestic Arrears - UGX.630,364,872 • Failure to budget for domestic arrears • Lack of land titles leading to encroachment • Lack of a researchers register • Non-compliance with the Non tax Revenue collection process • Failure to operationalize the Agricultural Research Trust fund • Failure to obtain Intellectual Property Rights (IPR) • Staffing Gaps 881 out of 994 positions filled
98.	Agricultural Technology And Agribusiness Advisory Services Project – NARO Component	<ul style="list-style-type: none"> • Non-implementation of some of the planned activities. • Competitive Grant Scheme (CGS) Funds <ul style="list-style-type: none"> ➢ Failure to achieve CGS Project objectives ➢ Inadequate financial reporting of CGS projects • Non-execution of performance security and undated Contracts • Delayed completion of Milking Parlor at Nakyesasa • Kiige Satellite station-Incomplete Renovation of two (2) staff houses
99.	National Animal Genetics Centre and Data Bank	<ul style="list-style-type: none"> • Budget shortfall of UGX.2,910,000,000 • Unimplemented budget activities • Non-compliance with commitment control procedures- UGX.149,453,000 • Unbudgeted for domestic arrears- UGX.302,491,433 • Encroachment of ranch Land

		<ul style="list-style-type: none"> • Loss of Livestock, imported eggs and parent stock • Incomplete construction works in Mazuri Ranch, Njeru Stock Farm, Lusenke Ranch and Nshaara Ranch • Ineligible occupants in staff houses • Un-habitable houses due to fire and lack of roofs • Irregularities in Prior year force account works • Non-compliance with the Non Tax Revenue collection process • Utilisation of revenue at source UGX.68,243,150 • Staffing gaps 142 out 313 positions filled
100.	Cotton Development Organization	<ul style="list-style-type: none"> • Unspent balances of UGX.0.069 billion • Domestic Arrears UGX.317,468,006 • Over stocking of Cotton Lint
101.	Dairy Development Authority	<ul style="list-style-type: none"> • Unspent balances of UGX.98,282,172 • Unimplemented Activities • Inadequate Controls Surrounding Management of Domestic Arrears - UGX.252,173,569 • Failure to budget for domestic arrears • Failure to collect Revenue - UGX. 366,052,835 • Untitled land • Non-Operational milk processing factory • Encroachment of school land • Expiry of Performance Security • Failure to collect cess • Staffing Gaps 65 out of 140 positions filled
102.	National Agricultural Advisory Services-NAADS	<ul style="list-style-type: none"> • Unspent balances of UGX.807,208,268 (0.3%) • Non-implementation of some of the planned activities • Increase in domestic arrears from UGX.52,024,371,979 in the year 2016/2017 to UGX.57,631,295,228 in the current year. • Payment of un-budgeted prior year arrears amounting to UGX.48,634,712,458 • Payment for tea lead agency fees for Kabale and Kisoro districts

- Flawed MOU with regard to measurement of deliverables:
- Rationale for the 30% Lead agency fee on distributed tea:
- Partial consent settlement without Guarantee;
- Mischarge of Expenditure totalling to UGX.1,009,498,818
- Nugatory Expenditure – UGX 93,159,046
- Pending cases whose value was in excess of UGX.18 billion pending resolution by court
- Operation Wealth Creation vehicle status review
- Basis for computation of transport costs to the tune of UGX.1,978,744,208
- Sugarcane Production in Northern Uganda
 - Cane seed procurement-UGX.4,518,260,220
 - Non consideration of the evaluation methodology and criteria
 - Delayed delivery and Liquidated damages charges
 - Expiry of the Advance payment guarantee
 - Bush Clearing, Land preparation, Planting cane, weed management, manual and mechanical weeding, seed cane harvesting and loading-UGX.15,526,487,530
 - Irregular Advance payment security in form of Log books- UGX.4,657,946,259
 - Contract price adjustment:
- NAADS' restructuring and Legal Mandate
 - Irregular restructuring:-
 - Uncertainty on ownership of Assets:-
 - Liability against OWC:-
- NAADS' assets held by districts
- Failure to execute performance security worth UGX.23,325,873,958
- Recruitment of Civilians under Operation Wealth Creation
 - Unclear Authority for the recruitment of civilians
 - Non deduction of PAYE from OWC civilian staff

TRADE SECTOR	
103.	Uganda Development Corporation <ul style="list-style-type: none"> • Uncertainty of viability in investments of; • Lake Victoria Glass Works Limited UGX.215,219,000, • Atiak Sugar Factory-Horyal Investments Holding Company Ltd (HIHC) UGX.19,811,808,120 • Non transfer of shares to Ministry of Science, Technology and Innovations by UDC • Luwero Fruit factory Land not titled and valued • Limited progress on the development of the fruit factory • Delayed commencement of the fruit processing Plant • Investment of funds in Isingiro Fruit Factory without a memorandum of understanding • Failure to takeover Embassy House • Failure to take over Government interest in Munyonyo Commonwealth Resort Limited • Delays in transferring the supervision role of Phenix Logistics (Uganda) Limited to UDC
104.	Uganda National Bureau of Standards <ul style="list-style-type: none"> • Budget shortfall of UGX.1,487,803,407 (7%). • Non-implementation of planned activities • Staffing Gaps - 334 posts vacant representing a 46% vacancy level • Failure to implement entity mandate
TOURISM SECTOR	
105.	Uganda Hotel and Tourism Training Institute <ul style="list-style-type: none"> • Inadequate controls surrounding domestic arrears- UGX.375,262,369 • Long outstanding receivables-UGX.124,268,897 • Subvention funding shortfalls-UGX.150,000,000 • Lack of a capital budget • Lack of approved strategic plan • Officers in acting capacities beyond the recommended period • Failure to collect training levy • Lack of information Technology Policy • Unsatisfactory attainment of the objectives of the Institute's establishment

		<ul style="list-style-type: none"> • Lack of regulations to operationalize the HTTI Act, 2015
106.	Uganda Tourism Board	<ul style="list-style-type: none"> • Unspent balances of UGX.8,588,336,986 • Non-implementation of planned activities • Mischarge of Expenditure - UGX.539,557,555 • Un-supported travel abroad –UGX. 310,833,763 • Lack of policy on selection of entities or programs to support • Lack of Organogram • Lack of Records management Policy • Inadequate Store • Inadequate Licensing regulations
107.	Uganda Wildlife Conservation & Education Center (UWEC)	<ul style="list-style-type: none"> • Stalled Construction of the Floating Restaurant (Pier) • Inadequate Maintenance of Accommodation Facilities • Staffing Gaps 39 out of 59 positions filled
108.	Nile Hotel International	<ul style="list-style-type: none"> • Non-implementation of planned activities • Lack of Investment guidelines • Lack of mechanism to follow-up revenue collected by the Concessioner • Delayed takeover of Nile Hotel by UDC • Unauthorized procurement of a computerized Financial Management Information Systems • Board of Directors Overriding Management Responsibility • Continuous stay of Board of Directors
109.	Uganda Wildlife research and training institute	<ul style="list-style-type: none"> • Revenue Shortfall-UGX.363,085,041 • Lack of a capital budget • Lack of direct outlet for the institute students • Governance (Academic and Research Board (ARB), no member from the academic Board and failure to meet gender balance requirements) • Lack of regulations to operationalize the UWRTI Act, 2016 • Failure to Undertake research
110.	Uganda Wildlife Authority	<ul style="list-style-type: none"> • Non-implementation of planned activities despite 159% revenue performance. • Un-accounted for funds - UGX.313,909,855 • Non Remittance of Revenue to the District Local Authorities.

		<ul style="list-style-type: none"> • Advances to Individual Personal Accounts-UGX.675,081,912. • Lack of Certificates of compliance
	HEALTH SECTOR	
111.	Uganda Aids Commission	<ul style="list-style-type: none"> • Unspent balances – UGX.116,990,840 • Long outstanding domestic arrears – UGX.98,881,576 • Uncollected revenue arrears – UGX.74,600,000 • Failure to formulate Regulations • Award of Contract in Foreign currency – USD 16,525.66 • Direct Procurements – UGX.36,978,521
112.	Uganda Heart Institute	<ul style="list-style-type: none"> • Budget shortfall - UGX.346,379,949 • Unspent balances - UGX.1,011,533,283 • Contracts above estimated prices - UGX.694,476,276
113.	National Drugs Authority	<ul style="list-style-type: none"> • Shortfall in Revenue – UGX.2,362,404,483 • Planned activities not implemented - UGX 25,996,713,000 • Failure to revalue Non-current assets • Long Outstanding receivables - UGX.22,338,224,283 • Non-delivery of items paid for during installation of Microbiology Laboratory - USD 42,691 • Inadequate staffing at regional offices • Inadequate inspection by NDA Inspectors • 30 Pharmacies and drug shops out of 89 operating without a valid certificate of suitability of premises and valid operating license • Non-separation of expired drugs from unexpired ones noted in 31 out of 89 drug shops and pharmacies • Contracts awarded above budgeted provision – UGX.82,222,500 • Board not fully constituted
114.	National Medical Stores (NMS)	<ul style="list-style-type: none"> • Unsupported CDC project (receivable) - UGX 8,091,650,000 • Failure to provide for position of Deputy General Manager • Delay in execution of signed contracts - UGX 185,670,619
115.	Uganda Virus Research Institute	<ul style="list-style-type: none"> • Planned activities worth UGX.431,654,959 not implemented • Staff on extended probation periods • Non-replacement of the asbestos sheets

		<ul style="list-style-type: none"> Non-submission of final completion certificate for the contract for replacement of asbestos sheets - UGX.137,155,200
116.	Uganda Cancer Institute	<ul style="list-style-type: none"> Unspent balances UGX.1,421,808,924 Under-staffing - 294 approved positions, only 209 posts were filled, leaving 85 (29%) vacancies vacant.
117.	Joint Clinical Research Centre	<ul style="list-style-type: none"> Long outstanding Receivables (UGX 4,689,310,000) Outstanding PAYE arrears of UGX 1,933,190,000 Absence of an Evaluation Committee Irregular use of direct procurements
118.	Health Service Commission	<ul style="list-style-type: none"> Unspent balances of UGX.270,768,815 Payables totaling UGX.82,918,252 Advertised positions that did not attract candidates Staffing gaps Lack of standing orders for the health service Use of Non- Prequalified Firms
119.	Uganda Medical and Dental Practitioner's council	<ul style="list-style-type: none"> Inconsistencies in the Calculation of Depreciation Outdated procedures in the Financial Procedures Manual Staffing Gaps Non-deduction of Withholding Tax (UGX 2,430,540)
120.	Uganda Allied Health Profession Council	<ul style="list-style-type: none"> Revenue shortfalls (UGX.550,112,006) Unauthorized expenditure (UGX. 444,836,577) Inconsistencies in depreciation rates Uncompleted works for remodeling and renovation of Allied Health Professionals Council house Staffing gaps Failure to gazette recognized training institutions and licensed allied health units
WORKS SECTOR		
121.	Uganda Road Fund	<ul style="list-style-type: none"> Undisclosed non-produced assets worth UGX.1,510,000,000 Mischarge of expenditure – UGX.418,598,288 Reporting Inconsistencies Governance Issues <ul style="list-style-type: none"> ➢ Unsigned board minutes

		<ul style="list-style-type: none"> ➤ Non consideration of internal audit reports by the board • Unrecovered PAYE amounting to UGX.55,602,000 • Emergency road funds <ul style="list-style-type: none"> ➤ Unverified emergency sites ➤ Inadequate emergency intervention fund • Failure to apply the allocation formula for road maintenance funds
122.	Civil Aviation Authority (for the year ended 30 th June 2016)	<ul style="list-style-type: none"> • Entebbe International Airport -Expansion Project Management <ul style="list-style-type: none"> ➤ Inconsistencies in the operationalization of the requirements of the agreements signed ➤ Absence of evidence of involvement of an independent consultant and verification report during the year ended 30 June 2016 ➤ Need for a technical and final audit of the project • Management of Trade and Other Payables and Supplier Relationships • Recovery of Receivables from Government Entities <ul style="list-style-type: none"> ➤ Nakasongola Project Funding-Ugx 23 Billion ➤ Non-existence of recovery plan for Government debts • Compliance with safety regulations requirements - ICAO Safety Report • Corporate Governance (failure to assess likelihood of fraud or its consequences, absence of whistle blowing policy and no fraud Tracker)
123.	North Eastern Road-Corridor Asset Management Project (NERAMP)	<ul style="list-style-type: none"> • Financial statements May not be suitable for another purpose. • Maintenance of one bank account denominated in United States Dollars with Bank of Uganda.
124.	Busega – Mpigi Road Project	<ul style="list-style-type: none"> • Funds Utilization <ul style="list-style-type: none"> ➤ Diversion of Project funds – UGX.36,431,557,233 • Low disbursement of project funds • Delayed procurement

125.	Road Sector Support Project 4 (RSSP4)	<ul style="list-style-type: none"> • Compensation to the Project Affected Persons (PAPs) <ul style="list-style-type: none"> ➢ Delayed payment to Project Affected Persons (PAPs) ➢ Land Acquisition (Transfer/ sub-division of land) ➢ Delayed civil works ➢ Lack of evidence on approval of reviewed designs • Inter – Project Re-allocations-UGX. 10,397,460,757 • Noncompliance with contractual and statutory requirements (Insurance, Health and safety, NSSF, Laboratory equipment, and contractor mobilization)
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3.2 Qualified Opinions

S/N	ENTITY	BASIS OF OPINION	KEY AUDIT MATTERS / EMPHASIS OF MATTER / OTHER MATTERS / COMPLIANCE MATTERS
EDUCATION SECTOR			
1.	Mandela National Stadium Limited - Namboole	<ul style="list-style-type: none"> • Irregular Disclosure of Going Concern 	<ul style="list-style-type: none"> • Accumulation of Payables to UGX. 4,152,001,314 as at 30th June 2018. • Accumulation of Receivables to UGX.1,772,813,135 as at 30th June 2018. • Revenue shortfall of UGX 694,000,000 (15%) • Irregularities in outsourcing of Mandela Sports Hotel • Increased Encroachment on Stadium Land.
ENERGY SECTOR			
2.	Uganda Electricity Distribution Company Ltd (UEDCL) – 6 month period ended 30th June 2017	<ul style="list-style-type: none"> • Inappropriate assumptions on the useful life of utility assets 	<ul style="list-style-type: none"> • Failure to allot shares for converted loan equity worth UGX.249,968,844,000 • Outstanding amount from Umeme Ltd amounting UGX.65 billion

			<ul style="list-style-type: none"> • Un-recognised revenue from the assets leased to UMEME Ltd by UEDCL • Long outstanding receivables amounting UGX.68 bn from government.
	ACCOUNTABILITY SECTOR		
3.	Uganda Investment Authority (UIA)	<ul style="list-style-type: none"> • Misleading Statements of Appropriation 	<ul style="list-style-type: none"> • Budget shortfall of UGX.231,440,372 • Un-implement planned activities worth UGX.2,240,725,000 • Unauthorized excess expenditure above appropriated amount of UGX.3,821,846,055 • Outstanding payables of UGX.2,326,247,505 • Diversion of UGX.1,000,000,000 Meant for a Feasibility Study and Project Report for Kampala Industrial and Business Park, Namanve • Failure to Revise the Service Charge from 0.5% and Ground Rent for Leased Land • Cancelled Procurements worth UGX.2,417,186,147 • Unplanned Procurements - UGX.412,125,972 • Ineligible Revision of Contract Price by more than 15% -UGX.82,826,140 • Irregular Contract Amendment for Additional Quantities • Missing personal files for Executive Assistant to the Executive Director, Personal Assistant and Office Assistant
	SCIENCE SECTOR		

4.	Uganda National Council of Science and Technology	<ul style="list-style-type: none"> • Unaccounted for Funds - UGX.179,858,250 	<ul style="list-style-type: none"> • Budget shortfall of UGX.6,134,974,000 • Lack of operational guidelines for the Innovation Fund Management • Inspections of Projects • Lack of a fully constituted Governing Council
INFORMATION AND COMMUNICATION TECHNOLOGY SECTOR			
5.	Uganda Broadcasting Corporation (UBC)	<ul style="list-style-type: none"> • Payment for non-disclosed payables - UGX.494,913,134 • Unsupported Trade Payables - UGX.3,606,663,131 • Unaccounted for Funds UGX 163,252,000 	<ul style="list-style-type: none"> • Revenue shortfall of UGX.23.740bn – received UGX.12.540bn out of the budget of UGX.36.280bn • Other Payables - UGX.46,332,244,709 • Trade and other receivables - increased by 92% from UGX.13bn in the financial year 2016/17 to UGX.25bn in the FY 2017/2018. • Management of Bank Accounts • Remuneration of the Revamp Committee members • Review of the Revamp Committee outputs • Inconsistency in the tenure of Managing Director • Review of performance of the Board of Directors • Review of Internal Audit performance • Irregular recruitment of staff/Head Hunting • Procurement of Production Cameras and Accessories – UGX.236,921,112 • Irregular inclusion of a signatory on a Bank Account
JLOS			

6.	Law Development Centre	<ul style="list-style-type: none"> Mischarge of Expenditure UGX. 143,520,000 	<ul style="list-style-type: none"> Budget Shortfall UGX. 1,092,987,150 Failure to implement activities Domestic Arrears UGX. 1,295,479,419 Non-deduction of PAYE Tax and NSSF Standard contribution on gratuity payment of UGX. 905,280,000 Delayed acquisition of Land titles at Kibuga, Makerere, Kagugube, Kibuga Kyadondo West Buganda, Bukoto, Sabaadu and Kyadondo Mengo
TRADE SECTOR			
7.	Uganda Export Promotion Board	<ul style="list-style-type: none"> Mischarges of Expenditure- UGX.33,338,574 Un-accounted for funds- UGX.50,660,500 	<ul style="list-style-type: none"> Budget shortfall of UGX.440,174,957 (14%). Non-implementation of planned activities Lack of Certificate of compliance to National Development Plans (NDPs) Non Deduction of PAYE from staff - UGX.28,515,000
WORKS SECTOR			
8.	Uganda National Roads Authority	<ul style="list-style-type: none"> Mischarge of expenditure - UGX.314,601,320,733 	<ul style="list-style-type: none"> Accumulation of domestic arrears to UGX.224,723,792,116 as at 30th June 2018 from UGX.288,712,880,023 last year. Payment of unbudgeted domestic arrears amounting to UGX.257,342,732,289 Nugatory expenditure amounting to UGX.15,509,054,863 in interest on delayed payments. Budget Shortfall of UGX.1,327,579,924,254. Unspent balance of UGX.153,101,449,686. Failure to deliver planned outputs.

			<ul style="list-style-type: none"> • Implementation of Road maintenance projects; <ul style="list-style-type: none"> ➢ Absence of detailed road condition assessment ➢ Delayed advance payment ➢ Expired and Invalid performance guarantees ➢ Delayed payment of interim payment certificates ➢ Delayed project works against schedule. ➢ Overpayment – UGX.1,602,149,696 • Long outstanding receivables – UGX.414,712,475,445 • Potential loss of funds due to Contingent Liabilities amounting to UGX.430,013,722,276. • Delayed return of residual titles to PAPs • Un-utilized Road Maintenance project funds – UGX.2,907,291,011
9.	Uganda Railway Corporation	<ul style="list-style-type: none"> • Overstatement of revaluation gains on PPE – UGX.169,750,536,720 	<ul style="list-style-type: none"> • Unspent balance of UGX.15,185,202,331 • Doubtful receivables not provided for – UGX.11,389,270,000 • Increase in trade and other receivables from UGX.15,870,630,000 to UGX.17,276,742,000 • Increase in trade and other payables by 27% from UGX.4,956,919,000 to UGX.6,287,874,000 • Absence of a joint verification report on termination of the concession

			<ul style="list-style-type: none"> Failure to amend the accounting manual following abolition of pre-audit function Untitled land of over 362 square meters at Nalukolongo leading to encroachment of some of the plots
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1.1 Other Audits

S/N	ENTITY	REMARK
EDUCATION SECTOR		
1.	Nakivubo war memorial Stadium	<ul style="list-style-type: none"> Audit not done as No Financial Statements were produced
LANDS SECTOR		
2.	National Housing & Construction Company Limited	<ul style="list-style-type: none"> Un-completed Audit
ENERGY SECTOR		
3.	Uganda Electricity Distribution Company Ltd (UEDCL) – 2017/18	<ul style="list-style-type: none"> Un-completed Audit
WORKS SECTOR		
4.	Road Sector Support Project 5 (RSSP5) Bumbobi-Lwakhaka and Rukungiri-Kihih-Ishasha/Kanungu road works project	<ul style="list-style-type: none"> Audit in-progress
5.	Albertine region sustainable development project (ARSDP)	<ul style="list-style-type: none"> Audit in-progress
ACCOUNTABILITY SECTOR		
6.	Uganda Livestock Industries	<ul style="list-style-type: none"> Audit not done
7.	Credit Reference Bureau	<ul style="list-style-type: none"> Audit not done
8.	Micro Finance Support Centre (MSCL)	<ul style="list-style-type: none"> Audit not done
9.	Custodian Board	<ul style="list-style-type: none"> Un-completed Audit
HEALTH SECTOR		
10.	Uganda Nurses and Midwives Council	<ul style="list-style-type: none"> Un-completed Audit

ANNEXURE IV: SUMMARY FINDINGS OF LOCAL GOVERNMENTS

4.1 Qualified Opinions

SN.	ENTITY	BASIS FOR QUALIFIED OPINION	SUMMARY OF ISSUES
	GULU BRANCH		
1.	Amuru DLG	<ul style="list-style-type: none"> • Mischarged expenditure • Unaccounted for funds 	<ul style="list-style-type: none"> • Performance of Youth Livelihood Programme • Funding of the program • Non – compliance with the repayment schedule • Transfer of recovered funds to the recovery account in BOU • Inspection of performance of youth projects • Non – existence of Youth Interest Groups • Implementation of the Uganda Road Fund • Budget performance • Status of implementation • Summary of exceptions raised in the PPDA report • Management of natural resources • Lack of legal ownership of land, forests reserves and wetlands • Lack of land office and staffing • Unlicensed activities on natural resources • Management of capitation grants • Disclosure of capitation grants in financial statements • Basic medical equipment • Status of basic medical equipment • Lack of competent staff to handle medical equipment • Non utilization of medical equipment

2.	Apac DLG	<ul style="list-style-type: none"> • Unsupported expenditure transactions • Unexplained adjustment 	<ul style="list-style-type: none"> • Performance of Youth Livelihood Programme • Funding of the program • Non – compliance with the repayment schedule • Transfer of recovered funds to the recovery account in BOU • Inspection of performance of youth projects • Implementation of the Uganda Road Fund • Budget performance • Status of implementation • Unsupported domestic arrears • Unbudgeted for domestic arrears • Loss of district motor cycles • Outstanding electricity bill • Management of natural resources • Lack of legal ownership of land, forest reserves and wetlands • Unlicensed/illegal activities on Natural Resources • Physical Planning Committees • Existence of Physical Planning Committee • Capitation grant in Aninola Primary school • Disclosure of capitation grant funds in financial statements • Status of basic medical equipment • Inventory of Medical Equipment • Condition of Medical Equipment
3.	Kitgum DLG	<ul style="list-style-type: none"> • Unaccounted for funds 	<ul style="list-style-type: none"> • Performance of Youth Livelihood Programme • Funding of the programme • Non- compliance with the repayment schedule • Transfer of recovered funds to the recovery account in BOU • Inspection of performance of youth projects • Implementation of the Uganda Road Funds • Budget performance

			<ul style="list-style-type: none"> • Status of implementation • Pension and gratuity arrears • Local revenue shortfall • Unaccounted for SFG funds • Diversion of funds to non- budgeted for projects • Abandoned construction of motorized water solar system in Loborom HCIII Labongo Layamo sub counties • Summary of exceptions raised in the PPDA report • Management of natural resources • Lack of legal ownership of land, forests reserves and wetlands • Unlicensed Activities on Natural Resources • Absence of a District Environmental Committee • Management of road equipment • Failure to Maintain Road Equipment Records • Status of basic medical equipment • Absence of Basic Medical Equipment • Poor condition of medical equipment • Lack of qualified staff to Operate medical equipment in Health Units • Physical planning committee • Existence of Physical Planning Committee
4.	Kole DLG	Funds not accounted for	<ul style="list-style-type: none"> • Performance of Youth Livelihood Programme • Implementation of the Uganda Road Funds • Budget Performance • Status of implementation of URF • Under collection of local revenue • Summary of exceptions raised in the PPDA report • Physical Planning Committee • Existence of Physical Planning Committee

			<ul style="list-style-type: none"> • Management of Natural Resources • Lack of legal ownership of land, forests reserves and wetlands • Status of Basic Medical Equipment • Condition of Medical Equipment
5.	Lira DLG	<ul style="list-style-type: none"> • Mischarged expenditure • Unaccounted for funds • Unreconciled payments on the Lira DLG General Account • Unexplained payments • Unacknowledged remittances to Financial Institutions 	<ul style="list-style-type: none"> • Performance of Youth Livelihood Programme • Funding of the Programme • Non-compliance with the repayment schedule • Failure to Transfer recovered funds to the recovery account in BOU • Implementation of the Uganda Road Fund • Budget Performance • Status of Implementation • Under collection of local revenue • Unpaid salaries, pension and gratuity arrears • Understaffing • Summary of exceptions raised in the PPDA audit report <ul style="list-style-type: none"> • Management of Natural Resources • Unlicensed activities on natural resources • Management of solid waste at Aler Farm • Physical Planning Committee • Existence of Physical Planning Committee • Status of Basic Medical Equipment • Condition of Medical Equipment
6.	Pader DLG	Un-disclosed Advances Unaccounted for Funds	<ul style="list-style-type: none"> • Performance of Youth Livelihood Programme • Funding of the Program • Noncompliance with the Repayment Schedule • Failure to transfer recovered funds to the recovery account in BOU • Inspection of Performance of Youth projects • Implementation of the Uganda Road Funds • Budget Performance • Status of implementation

			<ul style="list-style-type: none"> • Unpaid Pensions Arrears • Under Collection of Local Revenue • Non-disbursement of YLP Project Funds to Youth Interest Groups • Summary of exceptions raised in the PPDA audit report • Management of natural resources • Lack of legal ownership of land, forests reserves and wetlands • Unlicensed /illegal activities on Natural resources • Status of Basic Medical Equipment • Physical Planning Committee • Existence of Physical Planning Committee • Performance of Physical Planning the Committee
	KAMPALA BRANCH		
7.	Mukono MC	Misstatement of Financial Statement	<ul style="list-style-type: none"> • Budget Performance under Uganda Road Fund • Under collection of Revenue - Property Tax • Compliance Matters • Lack of a landfill at the composting facility • Lack of Contract management plans and Implementation Reports • Construction of a 10 bed Maternity ward at Goma HC III • Lack of a contract Implementation plan and Supervision Reports
	MASAKA BRANCH		
8.	Lyantonde DLG	<ul style="list-style-type: none"> • Mischarged of expenditure 	<ul style="list-style-type: none"> • YLP-Low Recovery of Funds • URF-Performance of URF

			<ul style="list-style-type: none"> • Under Collection of Local Revenue • Delayed disbursement of YLP funds 2017/18 • Unlicensed activities on Natural Resources • Condition of Medical Equipment
	MBARARA BRANCH		
9.	Ishaka-Bushenyi MC	<ul style="list-style-type: none"> • Missing Procurement Records 	<ul style="list-style-type: none"> • Incompletely constituted Urban Physica Planning Committee • Planning Committee Incompletely constituted Urban Physical Planning Committee • Condition of Medical Equipment in Health Centre IV • Inadequate Equipment for Garbage Collection and Disposal
	MOROTO BRANCH		
10.	Kotido DLG	<ul style="list-style-type: none"> • Unsupported Pension Payments 	<ul style="list-style-type: none"> • YLP-Low Recovery of Funds • URF-Performance of URF • Release of Funds for the implementation of Duplicated Sub-Projects under NUSAf III • Un-Spent Conditional Grant • Under-Collection of Local Revenue • Delays in Implementation of NUSAf Sub-Projects • Construction of Council Hall • Incomplete and abandoned Contractual Obligations • Un-Sustainable Accumulation of Domestic Arrears • Lack of Land Titles • Inadequate Infrastructure in UPE Schools • Composition of Physical Planning Committee
11.	Amudat DLG	<ul style="list-style-type: none"> • Unsupported domestic arrears 	<ul style="list-style-type: none"> • YLP-Low Recovery of Funds • URF-Performance of URF

			<ul style="list-style-type: none"> • Under collection of local revenue UGX 25,045,553 • Unaccounted for funds • Non remittance of statutory deductions • Education Development Grant • Incomplete works • NUSAf3 Implementation • Community Access Roads (CARs) • District Environment Committee • Capitation grants • Capitation grant not in agreement with enrolment
12.	Kotido MC	<ul style="list-style-type: none"> • Unaccounted for Funds 	<ul style="list-style-type: none"> • Under Collection of Local Revenue • Unrealised Budget on Government grants • Lack of Basic Medical Equipment in Health Facilities • Management of Natural resources • Absence of a Municipal Environmental Committee • Garbage collection for Municipal Council • Failure to Undertake sensitization activities regarding garbage management • Lack of a garbage management system
SOROTI BRANCH			
13.	Amolatar DLG	<ul style="list-style-type: none"> • Unaccounted for Funds • Unverified Expenditure • Unsupported Payments for Pension and Gratuity Arrears 	<ul style="list-style-type: none"> • YLP-Low Recovery of Funds • URF-Performance of URF • Under Collection of Local Revenue • Financing the NUSAf 3 Program • Under Absorption of NUSAf 3 Project Funds • Failure to Dispose of Assets • Lack of Basic Medical Equipment in Health Facilities • Carrying out illegal activities on the Wet lands and Lake shores

			<ul style="list-style-type: none"> • Encroachment on forests reserves • Lack of proper demarcation of Natural resources' boundaries • Fairness of Evaluation • Tarmacking/Low cost Sealing of Corner Bangladesh • Award of VAT Contracts to non VAT registered contractor • Un-Updated Procurement contract Register • Capitation - Lack of Financial statements • Capitation Grant release to School • Procurement Compliance review by PPDA
14.	Amuria DLG	<ul style="list-style-type: none"> • Unsupported Pension and Gratuity Payments • Mischarge of Expenditure • Non-Disclosure of Un-Spent Balance in the Financial statements 	<ul style="list-style-type: none"> • YLP-Low Recovery of Funds • URF-Performance of URF • Domestic Arrears • Under Collection of Local Revenue • Under Staffing • Infrastructure in UPE Schools • Construction of Two classroom block at Agereger Primary School • Missing District Assets • Shortage of Medical equipment in various departments • Lack of a District Physical Development Plan • Unlicensed activities on the Natural Resources
15.	Kumi MC	<ul style="list-style-type: none"> • Unaccounted for funds • Unsupported Pension and Gratuity Payments 	<ul style="list-style-type: none"> • URF-Performance of URF • Under Collection of Local Revenue • Failure to remit shared revenue to Lower Local Governments • Lack of land titles for Municipal Land • Award of VAT inclusive contracts to Non VAT Registered Persons • Capitation - Failure to prepare Termly Financial Statements

		<ul style="list-style-type: none"> • Poor pupil to facilities ratio • Minimum Infrastructure Requirements for UPE Schools • Construction of a 5 stance pit latrine at Kapata Primary School • Construction of a 3 stance water closet • Budget performance FOR UWEP • Lack of a Municipality Environmental Action Plan • Lack of proper demarcation of Natural resources' boundaries • Carrying out illegal activities on the Wet lands • Lack of Register for Wetlands and Forests • Status of Medical Equipment at Kumi HCIV • Lack of a Physical Planning Committee • Capitation grants in UPE Schools
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4.2 Unqualified Opinions

SN.	ENTITY	KEY AUDIT MATTERS / EMPHASIS OF MATTER / OTHER MATTERS / COMPLIANCE MATTERS
Arua Branch		
1.	Arua DLG	<ul style="list-style-type: none"> • YLP-Low Recovery of Funds • URF-Performance of URF • Unspent Balance • Unlicensed Activities on Natural Resources • Failure to Prepare Annual District State of the Environment Report. • Budget for Physical Planning Committee. • Capitation Grant Release • Retired Staff still on Payroll • Lack of Land Titles
2.	Arua MC	<ul style="list-style-type: none"> • YLP-Low Recovery of Funds • URF-Performance of URF

		<ul style="list-style-type: none"> • Trade Creditors –URF • Potential Loss of Funds due to Intention to Sue the Municipal Council • Poor Debt Collection Management • Failure to Pay Approved Gratuities • Violation of the Commitment Control System • Budget Performance of Youth Livelihood Programme- 2017/18 • Budget Performance of UWEP • Late Access to funds by YIGs • Inadequate equipment and facilities to manage garbage • Condition of Medical Equipment at River Oli HCIV • Lack of Competent staff to handle ophthalmic Medical Equipment • Encroachment on Wetlands and River Banks
3.	Adjumani DLG	<ul style="list-style-type: none"> • YLP-Low Recovery of Funds • URF-Performance of URF • Lack of updated wetland register and un-demarcated wetlands • Inadequate Medical Equipment in Adjumani General Hospital • Under-funding –Capitation Grant
4.	Nebbi DLG	<ul style="list-style-type: none"> • YLP-Low Recovery of Funds • URF-Performance of URF • Destruction of Artificial forest under NUSAf3 Project • Delayed Release of NUSAf 3 project Funds to the Beneficiary Groups • Defects identified in a two Class Ro Block at Otwago Non-Formal Education Learning Centre • Understaffing • Failure to gazette and monitor wetlands • Failure to provide the prescribed documentation for road equipment • Lack of required Medical Equipment • Irregular Maintenance of Medical Equipment
5.	Nebbi MC	<ul style="list-style-type: none"> • Failure to update Property Valuations list • Failure to charge and collect property rates • Unlicensed activities on Natural resources

		<ul style="list-style-type: none"> Poor management of garbage disposal
6.	Maracha DLG	<ul style="list-style-type: none"> YLP-Low Recovery of Funds URF-Performance of URF Absence of a Distinct Environmental Committee Unlicensed activities on Natural resources Condition of medical equipment Under-collection of Local Revenue Failure to convene Quarterly Physical planning Meetings
7.	Koboko DLG	<ul style="list-style-type: none"> YLP-Low Recovery of Funds URF-Performance of URF Understaffing in Koboko Hospital Inadequate/shortage of medical equipment Lack of a Land register, wetland register and unclear boundaries of Natural resources of the district Un-licensed activities on the Kochi River Lack of a District environment Committee Failure to approve development plans by the Physical Planning Committee (PPC)
8.	Koboko MC	<ul style="list-style-type: none"> YLP-Low Recovery of Funds URF-Performance of URF Under collection of revenue/Local revenue shortfall UGX 171,767,355 Unaccounted for funds UGX 10,621,002 Cash Payments for various activities using the imprest account Unpaid Pension and Gratuity Liabilities UGX 156,655,291 Failure to maintain logbooks for road equipment and machinery By-laws regarding garbage management in the Municipality still in Draft form Lack of garbage transportation equipment and machinery Lack of legal ownership of the wetlands of the Municipality

		<ul style="list-style-type: none"> • Encroachment on Apa river wetlands • Unlicensed Car Washing Point in the wetlands along Apa River
9.	Yumbe DLG	<ul style="list-style-type: none"> • YLP-Low Recovery of Funds • URF-Performance of URF • Unspent Balance not returned to the Consolidated Fund • Delayed Disbursement of Funds to Groups • Failure to Remit Sub-counties' Share of Collected Local Revenue • Nugatory Expenditure • Lack of Budget Provisions for the Committee • Failure to Issue Occupational Permits, Monitor and Control Developments • Condition of Medical equipment • Inspections of Health Centres • Award of Contract to a Company that Failed the Eligibility Test • Wasteful Expenditure on Kurunga – Tokuru Road • PPDA Reports for FY 2017/18
10.	Zombo DLG	<ul style="list-style-type: none"> • YLP-Low Recovery Of Funds • URF-Performance of URF • Under collection of Local Revenue • Under staffing • Lack of legal ownership of land, forests reserves and wetlands. • Unlicensed activities on Natural resources
11.	Pakwach DLG	<ul style="list-style-type: none"> • URF-Performance of URF • Wrong calculation of PAYE deductions • Summary of exceptions raised in the PPDA report for F/Y 2017/18 • Encroachment and illegal Activities on wetlands and Forest reserves in the district • Inventory of medical equipment • Lack of Fully Constituted Physical Planning Committee

12.	Moyo DLG	<ul style="list-style-type: none"> • YLP-Low Recovery Of Funds • URF-Performance of URF • Trade Creditors –URF • Potential Loss of Funds due to Intention to Sue the Municipal Council • Poor Debt Collection Management • Failure to Pay Approved Gratuities • Budget Performance of Youth Livelihood Programme- 2017/18 • Under-collection of Local Revenue. • PPDA Audit Report • Failure to Prepare Annual District State of the Environment Report. • Unlicensed Activities on Natural Resources • Condition of Medical Equipment
	Fort portal Branch	
13.	Kamwenge DLG	<ul style="list-style-type: none"> • YLP-Performance • Underfunding of the programme • Noncompliance with the Repayment Schedule • Transfer of Recovered Funds to the Recovery Account in BOU. • Inspection of Performance of Youth projects • URF-Performance of URF • Unrealized Government Releases • Lack of land titles • Management of Natural Resources • Lack of legal ownership of land, forest reserves and wetlands • Lack of a District Environmental Committee • Capitation Grant • Underfunding • Under Staffing • Status of Basic Medical Equipment • Inventory of Medical Equipment • Condition of Medical Equipment • Competence of Staff to Handle Medical Equipment

		<ul style="list-style-type: none"> • Physical Planning Committee • Un performing physical planning Committee
14.	Fort Portal MC	<ul style="list-style-type: none"> • YLP-Low Recovery Of Funds • Underfunding of the Programme • Failure to transfer recovered funds to the recovery account in BoU • URF-Performance of URF • Local Revenue Shortfall - Contracted Revenue • Management of Natural Resources • Illegal activities on Natural resources
15.	Kabarole DLG	<ul style="list-style-type: none"> • YLP-Low Recovery Of Funds • Funding of the Programme Noncompliance with the Repayment Schedule • Failure to Transfer Recovered Funds to the Recovery Account in BOU. • Inspection of Performance of Youth projects • URF-Performance of URF • Under Collection of Local Revenue • Status of Basic Medical Equipment • Inadequate/ Un-available/ Faulty Medical Equipment
16.	Kasese DLG	<ul style="list-style-type: none"> • YLP-Low Recovery Of Funds • Funding of the Programme Noncompliance with the Repayment Schedule • Failure to Transfer Recovered Funds to the Recovery Account in BOU. • Inspection of Performance of Youth projects • URF-Performance of URF • Management of Natural Resources • Lack of Legal Ownership of Land, Forests Reserves and Wetlands. • Unlicensed/Illegal Activities on Natural Resources • Status of Basic Medical Equipment • Inventory of Medical Equipment • Poor Condition of Medical Equipment • Capitation Grant

		<ul style="list-style-type: none"> • Lack of financial statements and books of accounts for financial year 2017/2018 • Lack of an Annual Budget for Financial year 17/18
17.	Bundibugyo DLG	<ul style="list-style-type: none"> • URF-Performance of URF • Funds not accounted for • Local Revenue Shortfall • Underfunding of Youth Livelihood Programme • Inspection of Performance of Youth Projects • Garnish Orders fr Court Cases • Failure to remit Statutory deductions • Capitation Grants <ul style="list-style-type: none"> ✓ Lack of Financial Statements and Books of Accounts - Busu Primary School • Management of Natural Resources <ul style="list-style-type: none"> ✓ Failure to Demarcate and Monitor Natural resources ✓ Unlicensed Activities on the Forest Reserves ✓ Failure to Constitute the District Environment Committee • Management of Procurement • Payments made to companies over and above the awarded contract price • Status of Basic Medical Equipment <ul style="list-style-type: none"> ✓ Inadequate Medical Equipment
18.	Ntoroko DLG	<ul style="list-style-type: none"> • Performance of UR • Over-Payment of Salary Deductions • Management of Natural Resources • Unlicensed/Illegal Activities on Natural Resources • Lack of District Environmental Committee • Status of Basic Medical Equipment • Inadequate Medical Equipment
19.	Bunyangabu DLG	<ul style="list-style-type: none"> • PERFORMANCE OF URF URF-Performance of URF • Lack of Land Titles • Management of Procurement • Irregular Direct Procurements • Management of Natural Resources

		<ul style="list-style-type: none"> • Illegal Activities on Natural Resources • Absence of a District Environmental Committee • Inadequate/ Un-available/ Faulty Medical Equipment • Availability of Skilled Personnel to Manage Medical Equipment • Road Equipment • Lack of Logbooks for Se Motor Vehicles • Audit of Physical Planning Committees • Lack of a District Physical Development Plan • Budget for the Physical Planning Committee
20.	Kyegegwa DLG	<ul style="list-style-type: none"> • URF-Performance of URF • Budget performance • Status of Implementation • YLP-Low Recovery Of Funds • Underfunding of the Youth Livelihood Programme (2017/2018) • Non-compliance with the Repayment Schedule • Failure to transfer recovered funds to the recovery account in BOU. • Inspection of Performance of Youth projects • Management of Natural Resources • Unlicensed/Illegal Activities on Natural Resources • Lack of District Environmental Committee • Status of Basic Medical Equipment • Inadequate Medical Equipment • Poor Condition of Medical Equipment • Management of Road Equipment • Failure to maintain Road Equipment Records • Lack of Land Titles
21.	Kyenjojo DLG	<ul style="list-style-type: none"> • YLP-Low Recovery Of Funds • Underfunding of the programme • Noncompliance with the Repayment Schedule • Transfer of Recovered Funds to the Recovery Account in BOU. • Inspection of Performance of Youth projects • PPERFORMANCE OF URF • Budget performance • Status of Implementation • Capitation Grant

		<ul style="list-style-type: none"> • Lack of Financial Statements for the FY 2017/18 • Payroll • Commuted Pension and Gratuity (CPG) Over Payments • Audit of Physical Planning Committees • Lack of a District Physical Development Plan • Absence of Budget Allocation for Physical Planning Committees • Status of Basic Medical Equipment • Inadequate Medical Equipment
22.	Kasese MC	<ul style="list-style-type: none"> • YLP-LOW RECOVERY OF FUNDS • Underfunding of the programme • Noncompliance with the Repayment Schedule • Failure to Transfer of Recovered Funds to the Recovery Account in BOU. • Inspection of Performance of Youth projects • PERFORMANCE OF URF • Donor Funds Shortfall • Local Revenue Shortfall • Domestic Arrears • Management of Road Equipment • Idle Road Equipment • Garbage Management • Non-functional Equipment for Garbage collection and disposal • Lack of a Proper Solid Waste Management System • Management of Natural Resources • Lack of Legal Ownership of Land and Wetlands • Budgets for the Physical Planning Committee
GULU BRANCH		
23.	Agago DLG	<ul style="list-style-type: none"> • Performance of Youth Livelihood Program • Funding of the program • Non – compliance with the repayment schedule • Transfer of recovered funds to the recovery account in BOU • Inspection of performance of youth projects • Gratuity and pension arrears • Motor vehicles due for disposal • Summary of exceptions raised in the PPDA report

		<ul style="list-style-type: none"> • Management of Natural Resources • Absence of a district environmental Committee • Management of road equipment • Failure to maintain road equipment records • Inadequate maintenance of road equipment • Physical planning Committee • Existence of physical planning Committee • Capitation grant • Lack of financial statements
24.	Alebtong DLG	<ul style="list-style-type: none"> • Performance of Youth Livelihood Program • Funding of the program • Non – compliance with the repayment schedule • Transfer of recovered funds to the recovery account in BOU • Inspection of performance of youth projects • Implementation of Uganda Road Funds • Unpaid gratuity, salaries and pension arrears • Payment for no work done • Under staffing • Management of natural resources • Lack of legal ownership of land, forests reserves and wetlands • Existence of land office and staffing • District environment Committee • Unlicensed/ Illegal activities on natural resources • Management of road equipment • Failure to maintain road equipment records • Status of basic medical equipment • Physical planning Committee • Failure to institute a physical planning Committee • Capitation grant • Capitation grant releases to Agoro primary school • Supervision and monitoring reports by the district
25.	Apac municipal council	<ul style="list-style-type: none"> • Implementation of the Uganda Road Funds • Unpaid Pension Liabilities • Salary arrears • Management of natural resources

		<ul style="list-style-type: none"> • Lack of legal ownership of land, forests reserves and wetlands • Unlicensed/ illegal activities on natural resources • Management of Garbage • Lack of bye-laws regarding garbage management • Lack of a garbage management system
26.	Gulu DLG	<ul style="list-style-type: none"> • Performance of Youth Livelihood Programme • Failure to transfer recovered funds to the recovery account in BOU • Inspection of performance of youth projects • Implementation of the Uganda Road Funds • Budget performance • Status of implementation • Contingent liability • Unpaid pension and gratuity arrears • Payables • Incomplete and abandoned work • Incomplete renovation and expansion of OPD in Lugore HCII Palaro sub county • Incomplete/ abandoned low cost sealing of Laroo- Pageya Road 2Km • Non- disbursement of YLP funds for financial year 2017/2018 • Non-assessment of taxable revenue • Summary of exceptions raised in the PPDA report • Management of natural resources • Unlicensed activities on natural resources • The physical planning Committee • Establishment of the physical planning Committee • Performance of the physical planning Committee • Non budgeting for the physical planning Committee activities • Management of road equipment • Failure to maintain road equipment records • Non-functional/ grounded equipment • Status of basic medical equipment • Failure to record medical equipment in the district assets register • Missing procurement records
27.	Gulu municipal council	<ul style="list-style-type: none"> • Performance of Youth Livelihood Programme • Funding of the program

		<ul style="list-style-type: none"> • Noncompliance with the repayment schedule • Transfer of recovered funds to the recovery account in BOU • Inspection of performance of youth projects • Implementation of the Uganda Road Funds • Under-absorption/ Unspent balances • Unaccounted for funds • Uganda Support to Municipal Infrastructure Development Program (USMID) • Summary of exceptions raised in the PPDA report • Management of natural resources • Lack of legal ownership of land, forest reserves and wetlands • Unlicensed activities in the wetlands • Garbage Management • Lack of bye-laws regarding garbage management
28.	Kitgum municipal council	<ul style="list-style-type: none"> • Implementation of the Uganda Road Funds • Loss of funds due to garnishing • Payment for shoddy works • Under staffing • Delayed disbursement of funds to approved beneficiary groups 2017/2018 • Unexplained variances in amounts disbursed to YIGs • Failure to conduct property valuation • Garbage Management • Lack of bye-laws regarding garbage management • Break down of garbage collection equipment • Lack of a garbage management system • Performance of the Physical Planning Committee • Irregular appointment of a Land Surveyor • Inadequate funding of the physical planning Committee activities • Inadequate Performance of the Physical Planning Committee • Lack of contract management files
29.	Lamwo DLG	<ul style="list-style-type: none"> • Performance of Youth Livelihood Programme • Pension and Gratuity Arrears • Loss of 3 Motor Cycles

		<ul style="list-style-type: none"> • Summary of exceptions raised in the PPDA audit report • Management of natural resources • Lack of legal ownership of land, forests reserves and wetlands • Unlicensed activities on natural resources • Lack of District Land Office • Absence of the District Environmental Committee • Capitation grant • Capitation grant releases to school • Status of basic medical equipment • Poor condition medical equipment • Lack of Competent staff to Handle Medical Equipment
30.	Lira municipal council	<ul style="list-style-type: none"> • Performance of Youth Livelihood Programme • Funding of the Programme • Non-compliance with the Repayment Schedule • Transfer of recovered funds to the recovery account in BOU • Inspection of Performance of Youth projects • Implementation of the Uganda road Funds • Support to Municipal Infrastructure Development Program (USMID) • Management of natural resources • Lack of legal ownership of land, forests reserves and wetlands • Municipal Environmental Committee • Unlicensed/ illegal activities on Natural resources • Garbage management • Bye-laws regarding garbage management • Poor management of Solid Waste at Aler Composite Plant • Establishment of Urban Physical Planning Committees
31.	Nwoya DLG	<ul style="list-style-type: none"> • Performance of Youth Livelihood Programme • Funding of the Programme • Non-compliance with the Repayment Schedule • Transfer of recovered funds to the recovery account in BOU • Inspection of Performance of Youth projects • Implementation of the Uganda Road Funds • Budget performance • Status of implementation

		<ul style="list-style-type: none"> • Unpaid, Salaries , Pensions Gratuity Arrears • Payment for Work not done at Anaka Central P/S • Payment for Work not done at Todora HCII • Payment for Work not done at Lulyango Primary School • Construction of Box Culvert on Ceke Stream/ Diversion of Funds • Summary of exceptions raised in the PPDA audit reports • Management of Natural Resources • Lack of legal ownership of land, forests reserves and wetlands. • Unlicensed activities on natural resources • Status of Basic Medical Equipment • Condition/Status of medical equipment • Availability of skilled personnel to manage medical equipment • Physical Planning Committee • Existence of Physical Planning Committee • Capitation grant • Capitation grant releases to school
32.	Omoro DLG	<ul style="list-style-type: none"> • Implementation of the Uganda Road Funds • Unpaid Pension Liabilities • Un-disclosed Advances • Staff in acting Position beyond stipulated time • Salary Over payments • Management of Road Equipment • Lack of Up-to-date equipment registers • Failure to maintain road equipment records • Management of capitation grants • Disclosure of capitation grant funds in financial statements • Failure to prepare financial statements • Management of Natural Resources • Unknown Boundaries of Wetlands and Forest Reserves • Absence of a Physical Planning Committee
33.	Oyam DLG	<ul style="list-style-type: none"> • Performance of Youth Livelihood Programme • Funding of the Programme • Non-compliance with the repayment schedule • Transfer of recovered funds to the recovery account in BOU

		<ul style="list-style-type: none"> • Inspection of Performance of Youth projects • Implementation of the Uganda Road Funds • Unpaid Gratuity Arrears • Over expenditure on Council activities • Construction of Abok Seed School • Supply of Double Cabin Pickup • Summary of exceptions raised in the PPDA audit report • Incomplete Physical Planning Committee • Status of Basic Medical Equipment • Condition of Medical Equipment • Management of natural resources • Unlicensed /illegal activities on Natural resources
HOIMA BRANCH		
34.	Hoima DLG	<ul style="list-style-type: none"> • YLP-Low Recovery Of Funds • Performance Of URF • Under Collection of Local Revenue • Procurement Compliance review by PPDA • Failure to maintain records for the management of road equipment • Natural Resources Management • Lack of Environment Committee • Un-licensed activities on Gazetted Natural Resources • Inadequate Medical Equipment • Lack of Land Titles
35.	Buliisa DLG	<ul style="list-style-type: none"> • YLP-Low Recovery Of Funds • Performance Of URF • Under Collection of Local Revenue • Funding for program in 2017/2018 • Inadequate maintenance of road equipment • Natural Resources Management • Lack of Environment Committee • Lack of Titles for the District Land, forests and wetlands • Un-licensed Activities on Gazetted Natural Resources • Inadequate medical equipment • Physical Planning
36.	Kagadi DLG	<ul style="list-style-type: none"> • Performance Of URF

		<ul style="list-style-type: none"> • Salary Arrears • Budget Performance for Youth Livelihood Program for the FY 2017/18 • Lack of an Approved 5 year Development Plan • Natural Resources • Unlicensed/Unapproved Activities on Natural Resources • Lack of Legal Ownership of Forests Reserves and Wetlands • Status of Basic Medical Equipment. • Condition of Medical Equipment
37.	Kakumiro DLG	<ul style="list-style-type: none"> • Performance Of URF • Budget Performance • Budget performance for Youth livelihood program for the FY 2017/18 • Inspection of Youth Groups funded during 2017/18 financial year • Kasozi Youth Boda Boda Group • Natural Resources • Lack of legal ownership of land, forest reserves and wetlands • Unlicensed Activities on Natural Resources
38.	Kibaale DLG	<ul style="list-style-type: none"> • YLP-Low Recovery Of Funds • Payables • Budget Performance • Performance for Youth Livelihood Program Financial Year 2017/1 • Disbursement and recovery status of funds during 2017/18 • Performance Of URF • Inadequate Medical Equipment at KibaaleHC IV • Natural Resources • Lack of Legal Ownership of Land, Forest Reserves and Wetlands • Unlicensed Activities on Natural Resources
39.	Kiboga DLG	<ul style="list-style-type: none"> • YLP-Low Recovery Of Funds • Performance Of URF • Under Staffing • Natural Resources • Unlicensed Activities on Natural Resources • Inadequate medical equipment in Kiboga Hospital
40.	Kiryandongo DLG	<ul style="list-style-type: none"> • YLP-Low Recovery Of Funds • Performance Of URF • Domestic Arrears

		<ul style="list-style-type: none"> • Budget performance for Youth livelihood program for the FY 2017/18 • Delayed disbursement of funds to groups • Delayed payment of residual salary arrears • Condition of Medical Equipment
41.	Kyankwanzi DLG	<ul style="list-style-type: none"> • YLP-Low Recovery Of Funds • Performance Of URF • Reconciliation of Central Government Releases • Failure to Maintain Road Equipment Records • Lack of a Distinct Environmental Committee • Unlicensed Activities on Natural Resources • Inadequately funding for Natural Resource • Failure to have evidence of ownership of Land, forests and wetlands • Inadequate Medical Equipment 17 • Lack of Skilled Personnel to Operate an Anesthetic Machine
42.	Hoima DLG	<ul style="list-style-type: none"> • YLP-Low Recovery Of Funds • Performance Of URF • Procurement Compliance review by PPDA • Failure to maintain records for the management of road equipment • Lack of Environment Committee • Un-licensed activities on Gazetted Natural Resources • Inadequate Medical Equipment • Lack of Land Titles
43.	Hoima Municipal Council	<ul style="list-style-type: none"> • Performance Of URF • Accumulation of Domestic Arrears • Under Absorption of USMID Development Grant • Delayed Completion of USMID Projects • Irregular Procurement Method • Lack of Certificate of Ownership of Wetlands. • Unlicensed Activities in Wet Lands • Lack of Approved Bye-Laws Regarding Garbage Management • Lack of Proper Maintenance of Road Equipment
44.	Masindi DLG	<ul style="list-style-type: none"> • YLP-Low Recovery Of Funds • Performance Of URF

		<ul style="list-style-type: none"> • Pension Liability • Payables • Contingent Liabilities • Budget performance for Youth livelihood program for the FY 2017/18 • Failure to maintain road equipment records • Inadequate maintenance of road equipment • Lack of legal ownership of land, forests reserves and wetlands • Absence of a Distinct Environmental Committee • Unlicensed/ un approved activities on Natural resources • Physical planning at the district • Non-existence of Physical Planning Committee
45.	Masindi municipal council	<ul style="list-style-type: none"> • YLP-Low Recovery Of Funds • Performance Of URF • Unverified Accounts Payable • Non- remittance of Local Revenue to Divisions • Budget performance for Youth livelihood program for the FY 2017/18 • Inadequate maintenance of road equipment • Incomplete Physical Planning Committee • Un-licensed activities on Gazetted Natural Resources • Inadequate maintenance of garbage collection equipment
	JINJA BRANCH	
46.	Bugiri DA	<ul style="list-style-type: none"> • Performance of Youth Livelihood Programme • Implementation of the Uganda Road Fund • Under Collection of Local Revenue • Understaffing • Court cases • District Education Service Delivery • Summary of exceptions raised in the PPDA audit report of the District for the financial year ended 30th June, 2018

		<ul style="list-style-type: none"> • Management of Road Equipment • Physical Planning Committee • Medical Equipment • Management of natural resources • Capitation Grant
47.	Bugiri MC	<ul style="list-style-type: none"> • Implementation of the Uganda Road Fund • Incompletely Vouched Funds • Failure to Carry out Property Tax Assessment • Understaffing • Garbage Management • Lack of bye-laws regarding garbage management • Collection and Transportation of solid waste • Assessment of the Impacts of Municipal solid waste activities on the environment • Lack of a full Physical Planning Committee
48.	Iganga MC	<ul style="list-style-type: none"> • Performance of Youth Livelihood Programme • Implementation of the Uganda Road Fund (PERFORMANCE OF URF) • Domestic Arrears • Receivables • Capitalization of expenses on Roads and Bridges, computers and other equipment's in the financial statements • Failure to implement activities as per the Municipal Development Plan for the period 2015/16 - 2019/20 • Understaffing • Payment of deductions to Financial Institutions • Education Service delivery • Primary Leaving Performance • Staff Accommodation • Court cases • Natural Resources • Unlicensed/unapproved activities on Natural resources • Garbage Collection for Municipalities • Management of Road Equipment in the Local Governments

		<ul style="list-style-type: none"> • Failure to dispose of assets • Physical Planning Committees
49.	Jinja MC	<ul style="list-style-type: none"> • Performance of Youth Livelihood Programme • Implementation of the Uganda Road Fund • Payables and Pension Liabilities • Receivables • Domestic arrears paid outside appropriation • Uganda Support to Municipal Infrastructure Development Programme (USMID) • Management of Natural resources • Garbage Collection • Status of basic medical equipment • Management of Road Equipment in the Local Governments
50.	Iganga DA	<ul style="list-style-type: none"> • Performance of Youth Livelihood Programme • Implementation of the Uganda Road Fund (PERFORMANCE OF URF) • Lack of Land Titles • Court Cases • Payroll Management • Procurement • Capitation Grant • Status of basic medical equipment • Uganda Wen Empowerment Project • Management of Natural Resources • Failure to approve building plans
51.	Namayingo DA	<ul style="list-style-type: none"> • Performance of Youth Livelihood Programme • Implementation of the Uganda Road Fund (PERFORMANCE OF URF) • Under Collection of Revenue • Payroll Management • Inconsistencies between IPPS and IFMS payments • Irregular payment of Hard to reach allowances • Remittance of Shared Revenue to Lower Local Governments (LLGs) • Understaffing

		<ul style="list-style-type: none"> • Inadequate Water Coverage • Management of Natural resources
52.	Kamuli DA	<ul style="list-style-type: none"> • Performance of Youth Livelihood Programme • Implementation of the Uganda Road Fund (PERFORMANCE OF URF) • Revenue under performance • Excess payment of VAT to Contractors • Road Equipment • Loss of Assets by the District • Unlicensed/Unapproved Activities on Natural Resources • District physical planning Committee composition • Availability of skilled personnel to manage medical equipment • Health service delivery • Capitation and Education Service Delivery • District, Urban and Community Access Roads Minimum National Standards of Service Delivery
53.	Luuka DA	<ul style="list-style-type: none"> • Performance of Youth Livelihood Programme • Implementation of the Uganda Road Fund • Outstanding Payables and Pension Liability • Court cases • Lack of land titles • Management of Natural resources • Capitation Grant • Status of Basic Medical Equipment • Condition of Medical Equipment • Performance of the Physical Planning Committee • Road Equipment
54.	Mayuge DA	<ul style="list-style-type: none"> • Performance of Youth Livelihood Programme • Implementation of the Uganda Road Fund (PERFORMANCE OF URF) • Under absorption of funds • Understaffing • Lack of Land Titles • Inspections of Kityerera HCIV

		<ul style="list-style-type: none"> • Management of Natural Resources • Capitation Grant • Status of Basic Medical Equipment • Physical Planning Committees
55.	Namutumba DA	<ul style="list-style-type: none"> • Performance of Youth Livelihood Programme • Implementation of the Uganda Road Fund • Payables (Domestic Arrears) • Under Collection of Local Revenue • Over payment of salary • Education Service Delivery • Management of Natural Resources • Lack of Land Titles • Status of basic medical equipment • Physical planning Committee • Capitation Grant
56.	Lugazi MC	<ul style="list-style-type: none"> • Implementation of the Uganda Road Fund • Accumulation of domestic arrears • Failure to Implement Budget as approved by Council • Over Payments of Salary • Lack of Land Titles • Failure to communicate arithmetic corrections and price adjustments • Understaffing • Garbage Collection for Municipalities • Management of Road Equipment in the Local Governments • Physical Planning Committee
57.	Jinja DA	<ul style="list-style-type: none"> • Management of the Youth Livelihood project • Implementation of the Uganda Road Fund Domestic Arrears • Audit of Primary School • Understaffing • Management of Natural Resources • Status of Basic Medical Equipment in Health Facilities • Physical Planning Committees

58.	Buyende DA	<ul style="list-style-type: none"> • Performance of Youth Livelihood Programme • Implementation of the Uganda Road Fund • Domestic arrears • Budget Performance • Excess payment of VAT to Contractors • Unlicensed Activities on Natural Resources • Composition of the District Physical Planning Committee • Medical Equipment • Inadequate Basic Medical Equipment at Kidera HC IV
59.	Kamuli MC	<ul style="list-style-type: none"> • Youth Livelihood programme • Implementation of the Uganda Road Fund • Transfers to other government units • Over payment of salary • Lack of Land Titles • Underfunding in Capitation Grant • Understaffing • Management of Road Equipment • Management of natural resources • Garbage Management
60.	Kaliro DA	<ul style="list-style-type: none"> • Performance of Youth Livelihood Programme • Implementation of the Uganda Road Fund Failure to implement Budget as approved by Council • Understaffing • Inadequate Water Coverage • Accessibility Indicators • Management of Natural Resources • Status of basic Medical Equipment • Procurement
61.	Njeru MC	<ul style="list-style-type: none"> • Youth Livelihood programme • Implementation of the Uganda Road Fund • Receivables

		<ul style="list-style-type: none"> • Payables • Local Revenue Shortfall • Under Staffing • Lack of Physical Development Plans • Status of Staff and Accommodation in Health Centers • Lack of a Health Centre IV
	KAMPALA BRANCH	
62.	Buikwe DLG	<ul style="list-style-type: none"> • Performance of Youth Livelihood Programme • Underfunding of the Programme • Non-compliance with the Repayment schedule • Transfer of recovered funds to the Recovery Account in BOU • Inspection of Njeru Youth Group project • Implementation of the Uganda Road Funds • Budget Performance • Status of Implementation • Routine Manual Maintenance • Periodic Maintenance • Outstanding Commitments of UGX.110,530,664 • Un utilized Funds under ICEIDA Project • Insufficient School Infrastructure • Status of Fish handling Facility at Kiyindi • Inspection at Kawolo Hospital • Insufficient housing facilities at Kawolo Hospital • Stock out of Essential medicines and health supplies at Kawolo Hospital • Under staffing at Kawolo Hospital • Status of Basic Medical Equipment at Kawolo Hospital • Management and Utilization of Natural Resources • Pollution of Environment • Illegal sand mining on the lake • Lack of a fully constituted Physical Planning Committee
63.	Mukono DLG	<ul style="list-style-type: none"> • Performance of Youth Livelihood Programme • Funding of the Programme • Non-compliance with the Repayment Schedule • Transfer of recovered funds to the Recovery Account in BOU

		<ul style="list-style-type: none"> • Review of Sampled Youth Groups Files • Implementation of the Uganda Road Funds • Failure to carry out Property Valuation • Misdirected Secondary School Grants • Insufficient Infrastructure in UPE Schools • Under staffing • Management and Utilisation of Natural resources • Lack of a District Environment Committee • Lack of proper demarcation of wetlands • Unlicensed Activities in the Wetlands • Status of Basic Medical Equipment at Kojja HC IV • Poorly equipped Ophthalmic Department • Inadequate Beds in the Maternity Ward • Physical Planning Committees • Inadequate composition of the District Physical planning Committee • Lack of Physical Development Plans
64.	Wakiso DLG	<ul style="list-style-type: none"> • Performance of Youth Livelihood Programme • Implementation of the Uganda Road Funds • Delayed Works on Nansana-Kireka-Biira Road (1km) • Outstanding Commitments • Outstanding Salary Arrears of UGX.61,419,581 • Pension Arrears • Shortfall in Government Releases • Unspent/Un-Utilized conditional Grant • Pensioners not on the Payroll • Unrealized Royalties fr Ministry of Energy • Failure to meet minimum standards at Wakiso Health Centre IV • Entebbe Hospital - Outstanding utility bills • Audit of UPE Schools Capitation Grant • Mismanagement of UPE Funds at Kyengeza Muslim P/S • Insufficient Infrastructure in UPE Schools • Management of Procurement • Failure to prepare Evaluation tools • Irregularities in the procurement for the Rehabilitation of Boreholes

		<ul style="list-style-type: none"> • Lack of signed contracts • Management and Utilisation of Natural Resources • Lack of a land Register • Lack of a lease Register • Management of Road Equipment • Lack of Road safety Equipment • Non-functioning Road equipment • Inadequate mechanical imprest • Lack of Physical Planning Committee • Entebbe Hospital • Existence and Status of Medical equipment • Essential Medicines and Health supplies Stock Outs
65.	Buvuma DLG	<ul style="list-style-type: none"> • Performance of Youth Livelihood Programme • Underfunding of the Programme • Non Compliance with the Repayment Schedule • Transfer of recovered funds to the recovery account in BOU • Implementation of the Uganda Road Funds • Routine manual maintenance • Routine Mechanised Maintenance • Periodic Maintenance • Lack of Property Valuation Roll • Construction of the District Administration Block under Phase II • Un Confirmed Ownership of Land • Lack of Land titles • Under Staffing • Management and Utilization of Natural Resources • Lack of a District Environment Committee • Failure to carry out demarcation of Wetlands • Encroachment on Natural Resources • Status of Medical Equipment at Buvuma Health Centre IV • Lack of Essential Medical Equipment • Lack of Power at the Health Centre IV • Lack of a fully Constituted District Physical Planning Committee
66.	Nakasongola DLG	<ul style="list-style-type: none"> • Performance of Youth Livelihood Programme - Underfunding of the Programme

		<ul style="list-style-type: none"> - Non-compliance with the Repayment Schedule - Transfer of Recovered Funds to the Recovery Account in BOU - Inspection of Performance of Youth Projects • Implementation of the Uganda Road Funds <ul style="list-style-type: none"> - Budget Performance - Status of Implementation - Routine Manual Maintenance - Routine Mechanised Maintenance • Outstanding Pension and Un Paid Salaries • Under staffing • Staff on Interdiction • Lack of Property Valuation List • Delayed Disbursement of funds to Youth Groups for FYR:2017/18 • Non-functional wells and hand pumps • Management of Natural Resources • Lack of Land Register • Failure to secure Land Titles • Lack of Lease Register • Lack of a District Environment Committee • Insufficient Funding to the Natural Resources Unit • Unlicensed Activities carried out in the Gazetted Wetlands • Status of Basic Medical Equipment at Nakasongola HC IV • Physical Planning Committee • Lack of a fully constituted Physical Planning Committee • Inadequate Physical Planning Committee Meetings • Lack of Physical Development Plans
67.	Mityana DLG	<ul style="list-style-type: none"> • Performance of Youth Livelihood Programme • Implementation of the Uganda Road Funds • Budget Performance • Status of Implementation • Routine Manual Maintenance • Routine Mechanized Maintenance • Un realized Revenue • Delayed Remittance of funds to youth groups(2017/18) • Audit of Universal Primary Education Schools

		<ul style="list-style-type: none"> • Insufficient Infrastructure • Lack of access to safe water in schools • Inspection of School Facilities • Mityana Hospital • Insufficient Staff Housing facilities • Under Staffing (Un-filled Staff Positions) • Status of Basic Medical Equipment • Status of Medical Equipment at Health Centre IVs • Status of Basic Medical Equipment at Mityana Hospital • Capitation Grant not in agreement with enrolment • Management and utilisation of Natural Resources • Unlicensed Activities in Wetlands • Lack of an approved Physical Development Plan • Summary of exceptions raised in the PPDA audit report of the District for the financial year ended 30th June, 2018
68.	Mpigi DLG	<ul style="list-style-type: none"> • Performance of Youth Livelihood Programme • Underfunding of the Programme • Non-compliance with the Repayment schedule • Transfer recovered funds to the recovery account in BoU • Inspection of Nabusanke Youth Piggery Project • Lack of Physical address • Disintegration of Nabusanke Youth Piggery Project • Implementation of the Uganda Road Funds • Budget Performance • Status of implementation • Routine manual maintenance • Routine mechanised maintenance • Outstanding Pension and Gratuity Arrears • Lack of Property Valuation List • Insufficient School Infrastructure • Status of Lake Victoria Environment Management Project Phase II (LVEMP II) • Management of Natural Resources • Lack of Lease Register • Failure to Secure Land titles

		<ul style="list-style-type: none"> • Under performance of the district land board • Irregular Issuance of two land titles on the same piece of Land in Kamaliba • Lack of a District Environment Committee • Unlicenced Sand mining carried out in the Gazetted Wetlands • Lack of a District Environment Action Plan • Status of Basic Medical Equipment at Mpigi HC IV • Lack of Physical Development Plans • Inadequate Funding for the Physical Planning Committee
69.	Butambala DLG	<ul style="list-style-type: none"> • Performance of Youth Livelihood Programme • Implementation of the Uganda Road Funds <ul style="list-style-type: none"> - Budget Performance - Status of implementation - Routine manual maintenance - Routine mechanised maintenance - Periodic maintenance - In adequate Monitoring and Supervision of Road works • Un verified Outstanding Pension and Gratuity Payments • Under Staffing • Gombe Hospital • Inadequate Funding • Hospital Dilapidated Buildings • Discharge of Sewage into the Community by the Hospital • Lack of Land title for the Hospital • Management of Procurement • Drilling and Installation of Hand pump Borehole to Solar Powered Boreholes • Failure to Meet Evaluation Criteria • Inspection of the motorized Pump • Procurement Evaluation for Construction of classrooms at Mavugera P/S • Construction of Facilities at Bwetyabya UMEA P/S • Management of Natural Resources • Absence of Environment Committees

		<ul style="list-style-type: none"> • Conservation of Natural Resources • Encroachment on Forest Reserves • Un controlled Human Activities on Wetlands • Lack of a District Land Office • Lack of a Land Board • Inflated Pupil Enrolment • Status of Basic Medical Equipment at Gbe Hospital
70.	Kayunga DLG	<ul style="list-style-type: none"> • Performance of Youth Livelihood Programme <ul style="list-style-type: none"> - Underfunding of the Programme. - Noncompliance with the repayment schedule - Transfer of the Recovered Funds to the Recovery Account in BOU - Inspection of Performance of Youth projects - Kayonjo Piggery Youth Project - Record keeping - Bwetyaba Youth dairy Production - Record Keeping - Failed Youth Livelihood Projects • Implementation of the Uganda Road Funds <ul style="list-style-type: none"> - Budget Performance - Status of implementation - Routine manual maintenance - Under Utilization of Road Gangs - Routine mechanised maintenance - Periodic maintenance - Burnt district Grader • Outstanding Pensions • Outstanding Commitments • Construction of Nakyesa Public Latrine • High School Dropout Rates • Failure to collect Local service Tax (LST) fr Non-Government employees • Management and Utilisation of Natural Resources • Ruining and encroachment on wet land • Failure to demarcate wetlands • Lack of a District Environmental Action Plan

		<ul style="list-style-type: none"> • Status of Essential medical equipment at the Kayunga General Hospital • Challenges faced by Kayunga HCIVs • District Road Equipment Inadequate Road Equipment • In adequate Infrastructure in Primary schools
71.	Luwero DLG	<ul style="list-style-type: none"> • Performance of Youth Livelihood Programme <ul style="list-style-type: none"> - Under funding of the Programme - Non Compliance with Repayments Schedules - Un confirmed transfers of Recovered funds to Recovery Account in BOU - Inspection of performance of Youth Projects - Nakigoza Youth Tato Growing Project - Record keeping - Kanyogoga Youth Piggery Project - Poor Record keeping • Implementation of the Uganda Road Funds <ul style="list-style-type: none"> - Inspection of Kikoza-Kigoloba-Naluvule Road (8.9Kms) - Failure to carry out Routine Manual Maintenance on District Roads • Mischarge of Expenditure • Un accounted for funds • Financial Loss • Outstanding Creditors • Outstanding Salary and Pension Arrears • Diversion of PHC and Agricultural Extension Services Wage to Pay Primary Teachers Salary • Un-updated property valuation list • Under staffing and related • Un Recovered UWEP Revolving Funds • Un approved borehole Rehabilitation Assessments • Difficulties in accessing Road equipment fr Regional Workshops • Failure to Perform Physical count for students under USE • Review of Eye Clinic Donation at Luwero Health Centre IV • Management of Procurement • Absence of a Contracts Register • Absence of 10% Performance securities for Procurement contracts

		<ul style="list-style-type: none"> • Lack of a representative of Lower Local Government on Evaluation Committee • Management of Natural Resources • Environmental dilapidation of district wetlands • Failure to de-gazette Bombo Local Forest Reserve • Poor Status of basic Medical Equipment • Lack of a District Physical Development Plan • Absence of District land and Lease Registers • Absence of legitimate Registration of the District Land • Capitation Grants • Under funding of the USE and UPE capitation programs • Construction of a 2 classro block and others at Bulamba Primary Schoo • Status of Basic Medical Equipment
72.	Nakaseke DLG	<p>Performance of Youth Livelihood Programme</p> <ul style="list-style-type: none"> - Noncompliance with the Repayment schedule - Inspection of Performance of Youth projects - Lack of Project Records • Implementation of the Uganda Road Funds - Budget Performance - Status of implementation • Under staffing • Double Deployment of Head Teachers in One School • Delayed disbursement of funds to Youth and Wen Groups FYR 2017/18 • Construction of Primary Schools under Global Partnership for Education • Direct Payments by the Ministry of Education to the Contractor • Incomplete works • Construction works under School Facilities Grant • Lack of Basic Infrastructure in Primary Schools • Inspection of Semuto HCIV • Inadequate Funding of Nakaseke Hospital • Theft of Hospital equipment at Nakaseke Hospital • Management and Utilisation of Natural Resources • Lack of legal ownership of Nabika forest reserves and wetlands • Absence of a Distinct Environmental Committee • Lack of Lease Register

		<ul style="list-style-type: none"> • Illegal Land Management of the District land by Luwero District Land Board • Lack of a Wetlands Register • Degradation and Illegal activities on River Mayanja wetland • Lack of Land Title for health facilities • Status of basic medical equipment in health facilities
73.	Makindye MC	<ul style="list-style-type: none"> • Implementation of the Uganda Road Funds <ul style="list-style-type: none"> - Budget Performance - Status of implementation - Routine manual maintenance - Routine mechanized maintenance - Periodic maintenance - Unimplemented works - Inspection of Bunamwanya-Kisigula-Mutundwe Mirembe Road - Inadequate Road Equipment - Lack of Bill of Quantities/Detailed scope of works - Outstanding Commitments • Unspent Conditional Grants • Revenue Management • Lack of Local Revenue appeals tribunal • Under staffing • Lack of legal ownership of Municipal Assets • Developments on untitled land • Underfunded Youth Livelihood Program • Management and Utilization of Natural Resources • Illegal developments in Kaliddubi wetland • Status of Basic Medical Equipment at Ndejje HC1V • Garbage Management • Management of Procurement • Irregular Procurement for construction of a perimeter wall • Lack of Contract Implementation plans and management Reports • Physical Planning Committee • Capitation Grants • Under realization of Capitation Grants

		<ul style="list-style-type: none"> • Insufficient School Infrastructure
74.	Entebbe MC	<ul style="list-style-type: none"> • Implementation of the Uganda Road Funds <ul style="list-style-type: none"> - Budget Performance - Status of implementation - Routine manual maintenance - Routine mechanised maintenance - Periodic maintenance - Inadequate Road Equipment - Outstanding Pension Liability - Outstanding Commitments • Uganda Support to Municipal Infrastructure Development Programme (USMID) • Low Absorption of USMID Project Funds • Youth Livelihood Program Non Compliance with repayments Schedules • Education Services - Insufficient Infrastructure • Garbage Collection - Lack of sufficient equipment/facilities to collect garbage
75.	Nansana MC	<ul style="list-style-type: none"> • Implementation of the Uganda Road Funds <ul style="list-style-type: none"> - Budget Performance - Status of Implementation - Routine Manual Maintenance - Routine Mechanised Maintenance - Periodic Maintenance - Lack of Sufficient Road Equipment • Under Collection of Local Revenue • Review of Youth Livelihood Program Performance financial year 2017/2018 • Project Inspection • Kiteredde Youth Mukama Afaayo Piggery • Physical address • Maganjo B. Youth Peasant Welding & Metal Works • Physical Address • Failure to meet minimum standards of Primary Schools • Under staffing • Cposition of the Physical Planning Committee

		<ul style="list-style-type: none"> • Management and Utilization of Natural Resources • Lack of Municipal Environment Committee • Unauthorised Structures on Wetlands • Management of Garbage • Existence and Status of Medical Equipment at Buwambo HC1V
76.	Mityana MC	<ul style="list-style-type: none"> • Budget Performance under Uganda Road Fund <ul style="list-style-type: none"> - Status of implementation - Routine manual maintenance - Routine mechanised maintenance - Inspection of Wabigalo- Busubizi Road (Status of Road) - The Poor state of Main Street - Lack of Road Equipment • Under Collection of Local Revenue • Comingling of Property Tax with other Revenues • Lack of a Valuation Roll for Property Tax • Irregular Allocation of Classroom Block to Pre Primary Section • Incomplete works on Pit latrine constructed at NAKASETA P/S • Un Distributed Youth Livelihood program Funds financial year 2017/18 • Non functionality of the Stores system • Lack of an owned Office Premises • Understaffing • Management and Utilization of Natural Resources • Lack of Land Titles • Lack of inventory of wetlands (Un known wetlands) • Human Activities on Lake Wamala Buffer Zone • Garbage Management • Littering of Garbage • Absence of by-laws on Garbage Management • Failure to Maintain Data and Records on Garbage Volume • In appropriate Location of the Landfill • Lack of a Physical Development Plan
77.	Kira MC	<ul style="list-style-type: none"> • Implementation of the Uganda Road Funds • Under-funded emergency Road Works

		<ul style="list-style-type: none"> • Fragmentation of Resources under Up-grading of un-paved Roads to Bitumen standard • Inadequate Road Equipment • Incomplete works - Construction of Kira MC Administration Building Phase II • Under staffing • Lack of Land titles for UPE Schools • Inspection of Primary Schools • Management and Utilization of Natural Resources • Failure to demarcate wetlands • Establishment of Urban Physical Planning Committees • Garbage Collection Management • Inadequate Garbage transportation equipment – Hiring of Equipment
	MASAKA BRANCH	
78.	Lwengo DLG	<ul style="list-style-type: none"> • YLP-LOW Recovery Of Funds • Performance Of URF • Liabilities • Delayed Completion of valley tanks • Understaffing • Un demarcated boundaries of wetlands and forests. • Unlicensed activities on Natural Activities • Lack of sufficient funding to implement planned activities. • Underfunding of Nakateete Primary School • Poor Infrastructure of Nakateete primary School • Condition of Medical Equipment. • Understaffing at Lwengo Health Centre IV • Inadequate patients accommodation.
79.	Sembabule DLG	<ul style="list-style-type: none"> • YLP-Low Recovery Of Funds • Performance Of URF • Under Collection of Local Revenue • Unspent Conditional Grant • Under funding of YLP for 2017/18 • Unlicensed activities on Natural Resources • Absence of a District Environment Committee

		<ul style="list-style-type: none"> • Underfunding of St. Joseph Mateete Primary School. • Inadequate infrastructure of Mateete Primary School. • Poor Condition of Medical Equipment
80.	Bukansimbi DLG	<ul style="list-style-type: none"> • YLP-Low Recovery Of Funds • Performance of URF • Outstanding Commitments • Underfunding of YLP funds 2017/18 • Occupation of office building under construction. • Unlicensed activities on Natural Resources • Failure to maintain prescribed records of Road equipment • Lack of Physical Planning Committee members • Poor condition of Medical Equipment. • Understaffing.
81.	Masaka DLG	<ul style="list-style-type: none"> • Performance of YLP • Performance Of URF • Underfunding of funds 2017/18 • Delayed access of the pension payroll by the retired employees. • Delayed disbursement of funds • Under Collection of Local Revenue • Management of Natural Resources • Absence of a District Environment Committee • Unlicensed activities on Natural Activities • Status of infrastructure at Lwagulwe Mixed primary school • Poor condition of Medical Equipment.
82.	Masaka MC	<ul style="list-style-type: none"> • Performance of YLP • Performance Of URF • Un demarcated boundaries of wetlands and forests. • Unlicensed activities on Natural Activities. • Irregular title by Kampala University • Encroachment on Plot 21, 23, 25,27, 29, 31, 33 and 35 Grant street. • Failure to obtain titles

		<ul style="list-style-type: none"> • Irregular transfer of Council property by District Land Board • Failure to Vacate Council property.
83.	Mubende DLG	<ul style="list-style-type: none"> • Performance of YLP • Performance Of URF • Unspent conditional grants • Under Collection of Local Revenue • Excess funding of YLP- funds 2017/18 • Summary of excepts raised in PPDA reports • Management of Natural Resources • Un demarcated boundaries of wetlands and forests. • Unlicensed activities on Natural Activities. • Underfunding of Bweyongedde Primary School • Status of Basic Medical Equipment. • Management of Road Equipment
84.	Kalungu DLG	<ul style="list-style-type: none"> • Performance of YLP • Performance Of URF • Under Collection of Local Revenue • Ghost schools receiving capitation grants • Underfunding disbursement of YLP funds. • Alteration of work plans without Council approval • Summary of exceptions raised in PPDA reports • Un demarcated boundaries of wetlands and forests. • Lack of sufficient funding to implement planned activities • Conditions of Medical Equipment. • Inspection of Bukulula Health centre IV
85.	Rakai DLG	<ul style="list-style-type: none"> • Performance of YLP • Performance Of URF • Unspent conditional grants • Under Collection of Local Revenue • Excess funding of funds 2017/18 • Summary of excepts raised in PPDA reports • Un demarcated boundaries of wetlands and forests.

		<ul style="list-style-type: none"> • Lack of sufficient funding to implement planned activities. • Lack of environment Committee • Underfunding of Kiwenda Primary school • Lack of adequate toilet facilities at Kiwenda Primary school. • Inadequate Medical Equipment at Rakai Hospital.
86.	Kyotera DLG	<ul style="list-style-type: none"> • Performance of YLP • Performance Of URF • Unspent conditional grants • Disbursement of YLP funds 2017/18 • Un demarcated boundaries of wetlands and forests. • Unlicensed activities on Natural Resources • Lack of sufficient funding to implement planned activities. • Underfunding of Kyotera Central Primary School • Conditions of Medical Equipment at Kalisizo Hospital and Kakuuto Health Centre IV.
87.	Mubende MC	<ul style="list-style-type: none"> • Performance of YLP • Performance Of URF • Accumulation of domestic arrears. • Failure to receive funds of 2017/18 • Un demarcated boundaries of wetlands and forests. • Unlicensed activities on Natural Resources • Understaffing
88.	Gba DLG	<ul style="list-style-type: none"> • Performance of YLP • Performance Of URF • Under Collection of Local Revenue • Un demarcated boundaries of wetlands and forests. • Unlicensed activities on Natural Resources • Lack of sufficient funding to implement planned activities. <p>Capitation Grant</p> <ul style="list-style-type: none"> • Underfunding of Bukandula Primary School <p>Status of Basic Medical Equipment.</p> <ul style="list-style-type: none"> • Conditions of medical equipment

		<ul style="list-style-type: none"> • Understaffing at Maddu Health Centre Four • Understaffing
89.	Kalangala DLG	<ul style="list-style-type: none"> • Performance of YLP • Performance Of URF • Under Collection of Local Revenue • Lack of register for wetlands • Unlicensed activities of Natural Resources • Physical Planning Committee • Capitation Grant • Underfunding of Kibanga Primary School • Status of Basic Medical Equipment. • Management of Road equipment.
90.	Butaleja DLG	<ul style="list-style-type: none"> • YLP-low recovery of funds • Performance of URF • Pension Liabilities • Under-collection of Local Revenue • Lack of legal ownership of land, forests reserves • Non-existence of land office and staffing. • Unlicensed/illegal activities on Natural resources. <p>Management of road equipment</p> <ul style="list-style-type: none"> • Failure to maintain road equipment log sheets • Status of basic medical equipment • Condition of medical equipment • Competence of staff to handle medical equipment • Non disposal of obsolete equipment
91.	Bukwo DLG	<ul style="list-style-type: none"> • YLP-low recovery of funds • Performance of URF • Outstanding pension and gratuity • Under collection of Local Revenue • Staffing gaps • Status of the Medical equipment at Bukwo District Hospital • Non Existence of the District Environment Committee's

		<ul style="list-style-type: none"> Absence of the Physical Planning Committee
92.	Sironko DLG	<ul style="list-style-type: none"> YLP-low recovery of funds Performance of URF Pension Arrears Under-collection of Local Revenue Failure to assess and collect property taxes Unlicensed activities on Natural resources Performance of Physical Planning Committee
93.	Namisindwa DLG	<ul style="list-style-type: none"> Performance Of URF YLP-low recovery of funds Unpaid salaries Excess Expenditure Understaffing Construction of District administration block Failure to conduct a comprehensive revenue assessment Disaster management - Effect of Heavy rains Lack of legal ownership of land, forests reserves and wetlands Lack of a District Environmental Committee Unlicensed activities on Natural resources Failure to maintain road equipment records Condition of medical equipment
94.	Budaka DLG	<ul style="list-style-type: none"> YLP-low recovery of funds Performance of URF Budget Performance of Uganda Wen Entrepreneurship Programme District Court Cases Lack of Land Titles Lack of legal ownership of forests reserves and wetlands Unlicensed activities carried out in the gazetted wetlands Inventory of Medical equipment Competence of staff to handle medical equipment Condition of the Medical equipment Composition of Physical Planning

95.	Bududa DLG	<ul style="list-style-type: none"> • YLP-low recovery of funds • Performance of URF • Salary Arrears • Contingent Liabilities • Inadequate maintenance of road equipment • Non-functional and non-existent medical equipment • Un-licensed mining and quarrying • Inactive District Environment Committee • Staffing and Human Resource Management • Understaffing • Un-reconciling enrollment figures • Lack of Land Titles • Non-disposal of Obsolete Assets
96.	Bulambuli DLG	<ul style="list-style-type: none"> • YLP-low recovery of funds • Performance of URF • Condition of medical equipment • Natural Resources • Lack of District Environment Committee
97.	Busia DLG	<ul style="list-style-type: none"> • YLP-low recovery of funds • Performance of URF • Failure to recover local revenue for Sub-counties • Poor Contract management • Unlicensed activities on natural resources • Failure to gazette land for wetlands and forests • Poor maintenance of medical equipment • Payment for unsuccessful repair of X-ray machine
98.	Busia MC	<ul style="list-style-type: none"> • Performance Of URF • Under-collection of Local Revenue • Status of Basic Medical equipment at Busia Health Centre I • Lack of an Urban Physical Development Plan

		<ul style="list-style-type: none"> • Budget for the Urban Physical Planning Committee • Lack of a garbage management system • Failure to maintain road equipment records • Non-disposal of obsolete assets
99.	Butebo DLG	<ul style="list-style-type: none"> • Performance Of URF • Local Revenue Shortfall • Failure to carry out local revenue enumeration and assessment • Absence of a District Environmental Committee • Unlicensed activities carried out in the gazetted wetlands • Lack of clear boundaries of wetlands • Lack of Financial Statements for Nasenyi Primary School • Inadequate supervision by district officials • Lack of District Physical Planning Committee • Encroachment on council land at Nasuleta Health Centre II
100.	Kapchorwa DLG	<ul style="list-style-type: none"> • YLP-Low Recovery of Funds • Performance of URF • Outstanding rent arrears • Missing vouchers • Failure to sign Financing agreements with Youth Groups • NUSAf Project Operations, shortcomings on Chebaser-kapkwaterny car sub-project (road construction) • Unrealized Royalties Revenue • Outstanding Rent Arrears • Shortfall in Central Government Transfers • Staffing Gaps • Stalled construction of the new Administration Block • Status of Medical Equipment in the Hospital • Inadequate medical equipment • Failure to prepare defect reports • Defects on the construction of maternity ward in Tumboboi Sub-county • Lack of legal ownership of land, forests reserves • Absence of a Distinct Environmental Committee • Unlicensed activities on Natural resources

		<ul style="list-style-type: none"> • Budget for the Physical Planning committee • Physical Planning Committee Performance
101.	Kapchorwa MC	<ul style="list-style-type: none"> • YLP-low recovery of funds • Performance of URF • Under-collection of Local Revenue • Unsupported/unauthorized supplementary budget • Understaffing • Lack of a physical planning committee • Lack of certified by laws on garbage management • Failure to undertake sensitization activities regarding garbage management • Inadequate facilities to collect garbage • Improper dumping of garbage • Lack of Local and Municipal Environment Committee's
102.	Kibuku DLG	<ul style="list-style-type: none"> • YLP-Low Recovery of Funds • Performance of URF • Double transfer of UWEP funds • Staffing Gaps • Irregular Payment of Salaries to Retired Staff • Natural Resources • Lack of Certificate of Ownership of Wetlands • Unlicensed Activities in Wet Lands • Mismanagement of the District's Natural Resources • Lack of Land Titles • Poor condition of medical equipment • Lack of skilled personnel to manage medical equipment • Non-disposal of obsolete equipment • Defects regarding the slitting, drilling and installation of bore holes • Failure to meet minimum required Standards of UPE School • Evaluation of Internal Audit function
103.	Kween DLG	<ul style="list-style-type: none"> • YLP-Low Recovery of Funds • Performance of URF

		<ul style="list-style-type: none"> • Under-collection of Local Revenue • Budget Performance • Lack of financial statements • Existence of land office and staffing • Absence of a District Environment Committee • Unlicensed activities on Natural resources • Composition of the district physical panning committee. • Non-existence of ophthalmic department • Idle Ultra Sound Scan • Inadequate medical Equipment
104.	Manafwa DLG	<ul style="list-style-type: none"> • YLP-Low Recovery of Funds • Performance of URF • Receivables • Unacknowledged erroneous transfer of funds • Unrecovered Loans • Late Release and Disbursement of Funds • School Facilities Grant (SFG) anomalies • Existence of land office and staffing • Lack of Local and District Environment Committees • Non-functional and non-existent medical equipment
105.	Mbale DLG	<ul style="list-style-type: none"> • YLP-Low Recovery of Funds • Performance of URF • Pension Liabilities • Procurements not reported to PPDA • Failure to fully implement the procurement plan • Budgetary Shortfall • Ineffective Land Board • Under realization of land fees
106.	Mbale MC	<ul style="list-style-type: none"> • YLP-Low Recovery of Funds • Performance of URF • Under collection of local revenue

		<ul style="list-style-type: none"> • Lack of certified by-laws on garbage management • Lack of appropriate garbage management equipment • Budgetary Shortfall • Lack of Local and Municipal Environment Committees • Asbestos roof • Inadequate desks • Lack of a land title • Inadequate staff houses • Under-funding of Physical Planning department
107.	Pallisa DLG	<ul style="list-style-type: none"> • YLP-Low Recovery Of Funds • Performance of URF • Receivables • Irregular Excess Expenditure on Councilors' Emoluments • Inactive District Environment Committee • Un-licensed Activities on Wetlands • Inactive physical planning committee • Non-functional and non-existent medical equipment
108.	Tororo DLG	<ul style="list-style-type: none"> • YLP-Low Recovery Of Funds • Performance of URF • Transfers of UWEP funds to MoGLSD • Failure of council to sit in the whole financial Year • Non-operational district service commission • Lack of Local Environment Committees • Inadequate monitoring and supervision of the usage of Natural Resources • Existence of land office and staffing • Demarcations and size of the wetlands • Failure to report a fraudulent company to PPDA • Procurement not in the procurement Plan • Audit of SOP-SOP Primary School under capitation Grant • Inadequate ambulance services • Inadequate Health and safety measures • Status of the Basic Medical equipment • Understaffing • Failure to Implement Budget as approved by Parliament • Local Revenue Shortfall

		<ul style="list-style-type: none"> • Revenue Accountability and contracts
109.	Tororo MC	<ul style="list-style-type: none"> • Performance of URF • Non-funding of the Physical Planning Committee activities • Failure to implement solid waste management strategy • Lack of a Proper Solid Waste Management System • Lack of appropriate garbage management equipment • Budget Shortfall • Inadequate monitoring and supervision of the usage of Natural Resources under the Municipal
	MBARARA BRANCH	
110.	Mbarara DLG	<ul style="list-style-type: none"> • YLP-Low Recovery Of Funds • Shortfall in central government grants • Mischarge of expenditure • Nugatory Expenditure • Irregular Payment of VAT • District Natural Resources • Delayed Modification Works on Defective Road Equipment • PPDA Findings
111.	Bushenyi DLG	<ul style="list-style-type: none"> • YLP-Low Recovery Of Funds • Performance of URF • Under-collection of revenue • Outstanding receivables not supported • Delayed Modification Works on Defective Road Equipment • Lack of Land Titles • PPDA Report • Legal ownership of land, Forests Reserves and Wetlands • Unlicensed Activities in Wetlands and Forest Reserves • Condition of medical equipment
112.	Mbarara MC	

		<ul style="list-style-type: none"> • YLP-Low Recovery Of Funds • Performance of URF • domestic arrears • under collection of revenue • shortfall in government releases • Inadequate medical equipment • Failure to Implement planned Output • Inadequate garbage funding • Inadequate equipment in garbage collection • Waste collection and transportation equipment as well as post plants not in place • Assessment of the Impacts of municipal solid waste activities on the environment • Other Challenges on garbage collection at the Municipal.
113.	Mita DLG	<ul style="list-style-type: none"> • YLP-LOW RECOVERY OF FUNDS • Staffing • Medical Equipment • Non-functional Medical Equipment • Lack of staff in the Natural Resources Sector • Unlicensed Activities on District Wetlands
114.	Sheema DLG	<ul style="list-style-type: none"> • YLP-LOW RECOVERY OF FUNDS • PERFORMANCE OF URF • Pension and Gratuity arrears • Under-collection of local revenue • Shortfall in Government grants • Audit of procurement of public works 6 • Contract Awards that did not meet the evaluation criteria • Lack of evidence of receipt of invitation to Bid by bidders 7 • Absence of a Physical Planner on the Physical Planning committee (PPC) • Budget Allocation to the Physical planning committee • Lack of a wetlands register

		<ul style="list-style-type: none"> • Lack of key personnel in the Natural resources department • Lack of Basic Medical Equipment • Poor Condition of Medical Equipment • Non-maintenance of records • Safe Equipment operation practices • Inadequate capitation grant releases to the school 15
115.	Sheema MC	<ul style="list-style-type: none"> • YLP-LOW RECOVERY OF FUNDS • Garbage collection and Management 6 • Lack of waste treatment facility and post plant • Lack of Physical planner in private practice • Physical planning committee • Unlicensed activities on Natural resources
116.	Buhweju DLG	<ul style="list-style-type: none"> • YLP-LOW RECOVERY OF FUNDS • PERFORMANCE OF URF • Pension and gratuity arrears • Un-supported Royalties received • Understaffing • Lack of legal ownership of land, forests reserves and wetlands. • Absence of a Distinct Environmental committee • Unlicensed Activities on Natural resources • Existence of Physical Planning committee • committee Performance • Capitation grant releases to school • Lack of Basic Medical Equipment I • Condition of medical equipment
117.	Rubirizi DLG	<ul style="list-style-type: none"> • YLP-LOW RECOVERY OF FUNDS • PERFORMANCE OF URF • Under Collection of Local Revenue • Unlicensed Activities on District Wetlands • Non-demarcation of Natural Resources

		<ul style="list-style-type: none"> • Unlicensed activities on the crater lakes Inadequate basic medical equipment • Medical equipment due for service
118.	Kanungu DLG	<ul style="list-style-type: none"> • PERFORMANCE OF URF • Under Collection of Local Revenue • Lack of land titles • Capitation Grant not in agreement with Enrolment • Lack of Basic Medical Equipment • Poor condition of Medical Equipment • Lack of License to Operate Xray Machine in Kambuga Hospital • Non-demarcation of Natural Resources
119.	Kisoro DLG	<ul style="list-style-type: none"> • YLP-LOW RECOVERY OF FUNDS • PERFORMANCE OF URF • Under Collection of Local Revenue • Non deduction of Local Service Tax <ul style="list-style-type: none"> • Capitation grant releases to the school • Poor Condition of medical equipment • Unlicensed Activities on District Wetlands • Failure to demarcate natural resources • Lack of District Environment Action Plan • Failure to Fully Constitute a Physical Planning Committee
120.	Kisoro MC	<ul style="list-style-type: none"> • PERFORMANCE OF URF • Failure to Fully Constitute Municipal Council Physical Planning Committee (PPC) • Inadequate equipment for garbage collection and transportation • Waste treatment facilities as well as cpost plants not in place • Lack of garbage by-laws • Under-remittance of shared Local Revenue

121.	Kabale DLG	<ul style="list-style-type: none"> • PERFORMANCE OF URF • Pension liabilities • Unlicensed Activities on District Wetlands • Under-funding • Lack of Basic Medical Equipment • Medical Equipment in Poor Working Condition • Grounded road equipment
122.	Kabale MC	<ul style="list-style-type: none"> • PERFORMANCE OF URF • Under Collection of Local Revenue • Lack of land titles • Lack of a Wetlands Register • Unlicensed Activities on Municipal Wetlands • Lack of Essential Medical Equipment
123.	Isingiro DLG	<ul style="list-style-type: none"> • PERFORMANCE OF URF • Under Collection of Local Revenue • Unaccounted for Funds • Under collection of revenue • Lack of land titles • Land Encroachment • Under funding of Kyashojwa Primary School • Lack of a fully-fledged district lands office • Unlicensed activities on Natural resources
124.	Ibanda DLG	<ul style="list-style-type: none"> • YLP-LOW RECOVERY OF FUNDS • PERFORMANCE OF URF • Pension and Gratuity arrears • Understaffing • Inadequate medical equipment • Condition of medical equipment

		<ul style="list-style-type: none"> • Failure to demarcate Natural Resources • Construction of Mortuary and 2 stance VIP latrine
125.	Ibanda MC	<ul style="list-style-type: none"> • PERFORMANCE OF URF • Payables • Garbage Management • Inadequate garbage funding • Inadequate equipment and facility for garbage management
126.	Rukungiri DLG	<ul style="list-style-type: none"> • YLP-LOW RECOVERY OF FUNDS • Under Collection of Local Revenue • Unbudgeted Destic Arrears • Lack of legal ownership of land, forests reserves and wetlands • Unlicensed activities on Natural resources • Lack of up to date wetlands register • Non-Demarcation of Natural Resources • Inadequate maintenance of road equipment • Existence of Physical Planning Committee • Obsolete and faulty medical equipment • Lack of Basic Medical Equipment • Payroll • Understaffing
127.	Rukungiri MC	<ul style="list-style-type: none"> • YLP-LOW RECOVERY OF FUNDS • Under Collection of Local Revenue • Understaffing • Lack of legal ownership of land, forests reserves and wetlands • Unlicensed Activities on • Lack of Basic Medical Equipment Condition of medical equipment • Inadequate equipment for garbage collection • Lack of bye-laws regarding garbage management • Existence of Urban Physical Planning Committees •
128.	Rukiga DLG	

		<ul style="list-style-type: none"> • PERFORMANCE OF URF • Under-collection of revenue • Shortfall in Grants and Other Transfers • YLP-LOW RECOVERY OF FUNDS 2017/185 • Projects inspection – Youth Livelihood Programme • Ntungamo boda boda transport 5 • Kishongati Soap and Cosmetics Project 5 • Understaffing <ul style="list-style-type: none"> • Lack of legal ownership of land, forests reserves and wet lannds • Lack of a District Environmental committee • Unlicensed activities on Natural resources • Condition of medical equipment • Lack of Basic Medical Equipment
129.	Rubanda DLG	<ul style="list-style-type: none"> • YLP-LOW RECOVERY OF FUNDS • PERFORMANCE OF URF • Under Collection of Local Revenue • Revenue budget shortfall-central government grants. • Under-funding of the Natural Resources sector • Unlicensed Activities on Natural Resources • Absence of a District Environmental Committee • Inadequate Medical Equipment in Health Centre IVs • Lack of a Physical Planning committee • Management of Road Equipment • Delayed Modification Works on Defective Road Equipment
130.	Kiruhura DLG	<ul style="list-style-type: none"> • YLP-LOW RECOVERY OF FUNDS • PERFORMANCE OF URF <ul style="list-style-type: none"> • Non-maintenance of essential records • Capitation grant releases to school • Inadequate basic medical equipment • Failure to fully constitute District Physical Planning committee (PPC)
131.	Ntungamo DLG	<ul style="list-style-type: none"> • YLP-LOW RECOVERY OF FUNDS • PERFORMANCE OF URF

		<ul style="list-style-type: none"> • Payables and pension liability • Emoluments to Councilors • Encroachment on Natural Resources • Condition of medical equipment • Grounded Road Equipment
132.	Ntungamo MC	<ul style="list-style-type: none"> • YLP-LOW RECOVERY OF FUNDS • PERFORMANCE OF URF • Shortfall in central grants releases • Encroachment on forest reserves and wetlands
133.	Mbarara MC	<ul style="list-style-type: none"> • YLP-LOW RECOVERY OF FUNDS • PERFORMANCE OF URF • Domestic Arrears • Under-collection of local revenue • Shortfall in Government Release • Inadequate medical equipment in Mbarara Municipal Council Health Centre IV • Failure to Implement planned Output • Inadequate garbage funding • Inadequate equipment in garbage collection • Waste collection and transportation equipment as well as post plants not in place • Assessment of the Impacts of municipal solid waste activities on the environment • Other Challenges on garbage collection at the Municipal.
	MOROTO BRANCH	
134.	Abim DLG	<ul style="list-style-type: none"> • Performance of YLP • Performance Of URF • Accumulation of domestic arrears • Under Collection of Local Revenue • Failure to apply prescribed guidelines in operating road equipment • Lack of a Physical Planning Committee

		<ul style="list-style-type: none"> • Failure to constitute a District Environmental Committee • Lack of a District Environment Action Plan • Lack of Register for Land, Wetlands and Forests • Unlicensed activities on the Natural Resources
135.	Napak DLG	<ul style="list-style-type: none"> • Performance of YLP • Performance Of URF • Accumulation of domestic arrears • Under Collection of Local Revenue • Unrealised Budget on grants • Stalled Construction of Council chambers • Lack of land titles • Under Staffing • Failure to meet the Minimum Standards in UPE Schools • Lack of a District Environment Committee • Lack of Register for Land, Wetlands and Forests • Unlicensed activities on the Natural Resources
136.	Moroto DLG	<ul style="list-style-type: none"> • Performance of YLP • Performance Of URF • Accumulation of domestic arrears • Unspent balance • Irregular payment of night allowances to council members • Failure to apply prescribed guidelines in operating the road equipment • Failure to constitute a District Environment Committee • Lack of a District Environment Action Plan • Lack of Register for Wetlands and Forests
137.	Nakapiripirit DLG	<ul style="list-style-type: none"> • Performance of YLP • Performance Of URF • Domestic Arrears • Un-Spent Conditional Grants • Failure to Utilize Appropriated NUSAf II Funds

		<ul style="list-style-type: none"> • Under Collection of Local Revenue • Abandoned Motor Vehicle • Irregular Sale of Solar Panels • Diversion of Council Assets to Personal Use • Grounded Motor Vehicles • Failure to access the payroll by new staff • Failure to access Pensions by Eligible Pensioners • Construction of an irrigation system • Un-demarcated Natural Resources • Illegal activities on gazetted natural resources • Failure to appoint a District Environment Committee • Lack of legal ownership of land, forest reserves and wetlands • Absence of a District Lands Office • Status of health facilities • Shortage of Medical Equipment • Medical equipment in poor working condition • Under Staffing • Failure to appoint Contract managers/supervisors
138.	Kaabong DLG	<ul style="list-style-type: none"> • Performance of YLP • Performance Of URF • NUSAf3 Implementation • Delayed disbursement of funds to groups • Delayed implementation of NUSAf 3. • Doubtful transfer of UGX. 3,333,857,143 • Medical Equipment • Lack of a medical equipment inventory • Shortage of Medical equipment • Management of Natural Resources • Un-demarcated Natural Resources • Unlicensed activities on Natural resources • Absence of a District Environmental Committee
139.	Moroto MC	<ul style="list-style-type: none"> • Performance of YLP • Performance Of URF

		<ul style="list-style-type: none"> • Under Collection of Local Revenue • Uganda Support to Municipal Infrastructure Development Programme (USMID) • Diversion of UGX. 113,148,947 • Unbanked Local Revenue • Over expenditure regarding PERFORMANCE OF URF operations • Irregular award of road rehabilitation Contract UGX.430,379,418 • Direct Procurements worth UGX 35,000,000 • Acquisition of land without Technical input of the Chief government Valuer • Failure to avail work plans and budgets for USMID expenditure • Failure to account for funds on a quarterly basis using the prescribed forms • Un-availed USMID Procurement Files • Failure by Moroto Municipal Council to develop by-laws on garbage collection
	SOROTI BRANCH	
140.	BUKEDEA DLG	<ul style="list-style-type: none"> • Performance of YLP • Performance Of URF • Pension and Gratuity Arrears • Un-Spent Conditional Grant • Reconciliation of Central Government Releases • Salary Arrears • Lack of Annual Budgets by Primary Schools • Dilapidated school Accommodation and Classroom Structures • Poor pupil to facilities ratio • Unlicensed activities on Natural resources • Shortage of medical equipment at the health facility • Non-Functional Medical Equipment • Idle and non-functioning dental machine
141.	DOKOLO DLG	<ul style="list-style-type: none"> • Performance of YLP • Performance Of URF • Pension and Gratuity Arrears

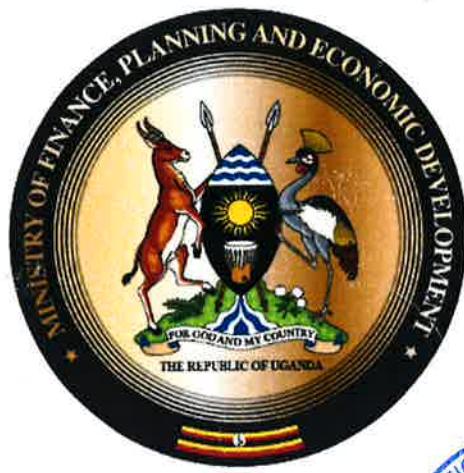
		<ul style="list-style-type: none"> • Under Collection of Local Revenue • Reconciliation of Central Government Releases • Accumulation of Arrears of Revenue • Un remitted Payroll deductions • Under Staffing • Audit of UPE Schools • Delayed Release of Approved funds 2017/2018 • Lack of legal ownership of Forest reserves and Wetlands • Unlicensed Activities on Natural Resources • Shortage of Medical Equipment at Dokolo HC IV • Inadequate availability of protective wear • Absence of district physical planning committee
142.	KATAKWI DLG	<ul style="list-style-type: none"> • Performance of YLP • Performance Of URF • Accumulation of Domestic Arrears • Unrealized Budgeted Revenue • Un-Spent Conditional Grants • Capitation grant - Lack of Financial Statements • Lack of Basic Medical Equipment in Health Facilities • Failure to supply ordered Medicines • Drug Stock Outs • Existence and Performance of Physical Planning Committee • Absence of District Environment Committee • Lack of a District Environment Action Plan
143.	KABERAMAIDO DLG	<ul style="list-style-type: none"> • Performance of YLP • Performance Of URF • Salary and Pension Arrears • Payment of avoidable court awards • Un-Spent Conditional Grant • Under Staffing • Delayed deletion of retired/dead staff • Capitation Grants in UPE Schools • Non-disposal of obsolete Assets

		<ul style="list-style-type: none"> • Lack of the district environmental committee • Unlicensed activities on Natural resources • Shortage of medical equipment at the health facility • Inadequate availability of protective wear • Lack of skilled personnel to operate specialty equipment • Absence of district physical planning committee
144.	KUMI DLG	<ul style="list-style-type: none"> • Performance of YLP • Performance Of URF • Domestic Arrears • Under-collection of Local Revenue • Pension and Gratuity Arrears • Revenue Budget Performance • Under Staffing • Lack of Capacity to Develop Prime Land • Poor Pupil to Facilities Ratio in Primary Schools • High Number of Court Cases and Contingencies • Delayed Release of Approved funds for 2017/2018 • Lack of Legal Ownership of Forest Reserves and Wetlands • Unlicensed Activities On Natural Resources • Shortage of medical equipment at the health facility • Inadequate availability of protective wear
145.	NGORA DLG	<ul style="list-style-type: none"> • Performance of YLP • Performance Of URF • Under Staffing • Construction of a 4 in 1 Staff House at Aciisa Primary School • Delayed release of approved funds 2017/2018 • Lack of Annual Work Plan and Annual Budget by Primary Schools • Failure to Conduct Termly Stock Counts and Maintain Inventory Cards • Unlicensed Activities on Natural Resources • Lack of Legal Ownership of Forest Reserves and Wetlands • Shortage of medical equipment at the health facility • Inadequate availability of protective wear
146.	OTUKE DLG	<ul style="list-style-type: none"> • Performance of YLP

		<ul style="list-style-type: none"> • Performance Of URF • Unsupported Pension and Gratuity Payments • Revenue Budget Performance • Under-collection of Local Revenue • Under Staffing in Orum HCIV • Poor pupil to facilities ratio • Lack of legal ownership of Forest reserves and Wetlands • Unlicensed activities on Natural resources • Shortage of medical equipment at the health facility • Lack of Budget for the Physical Planning committee • Revenue generated by committees • Lack of Safe Work Procedures for the road equipment • Procurement Compliance review by PPDA
147.	SOROTI DLG	<ul style="list-style-type: none"> • Performance of YLP • Performance Of URF • Under-collection of Local Revenue • Revenue Budget Performance • Un-Spent Conditional Grant • Pension and Gratuity Arrears • Lack of Land Titles for the District Land • Under Staffing • Minimum Infrastructure Requirements at the Schools • Poor pupil to facilities ratio • Delayed Release of Approved funds for 2017/2018 • Budget Performance UWEP • Unlicensed Activities on the Natural Resources • Lack of Medical Equipment • Non Functioning Medical Equipment • Failure to allocate funds to the Physical Planning Committee
148.	SERERE DLG	<ul style="list-style-type: none"> • Performance of YLP • Performance Of URF • Under-collection of Local Revenue • Unbudgeted Domestic Arrears

		<ul style="list-style-type: none"> • Understaffing • Encroachment on Forests Reserves • Lack of proper demarcation of Natural resources' boundaries • Status of basic medical equipment in Serere HC IV • Capitation Grant
149.	SOROTI MC	<ul style="list-style-type: none"> • Performance Of URF • Revenue Budget Performance • Mischarge of Expenditure • Un-Verified Pension and Gratuity Payments • Un-Spent Conditional Grant • Budget performance • Uganda Support to Municipal Infrastructure Development Programme (USMID) • Lack of a Municipality Environmental Action Plan • Lack of proper demarcation of Natural resources' boundaries • Carrying out illegal activities on the Wet lands • Lack of Register for Wetlands and Forests • Status of Medical Equipment at Princess Diana IV • Budget for the Physical Planning committee • Lack of Bye-Laws Regarding Garbage Management • Insufficient equipment/facilities to collect garbage • Capitation - Failure to prepare Termly Financial Statements • Poor pupil to facilities ratio

ANNEXURE V: 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 2018

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Statement of Responsibilities

The Consolidated Financial Statements set out on pages 19 to 85 have been prepared by the Accountant General in accordance with Section 51(1) of the Public Finance Management Act (PFMA), 2015[the Act] as amended and related Public Finance Management Regulations 2016.

The Minister of Finance, Planning and Economic Development is the head of the Treasury as mandated under Section 10 of the PFMA. The Minister is responsible for the supervision and control of all matters relating to the financial affairs of Government including the management of the Consolidated Fund.

Under the provisions of Section 11 of the Act, the Secretary to the Treasury is an adviser to the Minister on economic, budgetary and financial matters of the Nation. The Secretary to the Treasury is also responsible for setting standards for the management systems and monitor the performance of those systems. This is in addition to management of the Consolidated Fund and any other fund as may be assigned by the Minister.

Under Section 46 of the PFMA 2015, the Accountant General is responsible 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.

To the best of my knowledge the Consolidated Financial Statements have been prepared in accordance with generally accepted accounting practices and aligned to the Government of Uganda legal and regulatory framework that govern public finances.


L. Semakula

Accountant General

To the best of my knowledge these Consolidated Financial Statements 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 for the financial year ended 30th June, 2018.


Patrick Ocaillap
For: Permanent Secretary / Secretary to the Treasury

To the best of my knowledge the Consolidated Financial Statements and the financial information contained therein have been prepared in accordance with the Act.


Hon. Matia Kasaija (MP)
Minister for Finance, Planning & Economic Development

Statement from the Hon. Minister of Finance, Planning and Economic Development

The Central Government consolidated financial statements for the financial year 2017/2018 indicate the extent to which Government has adhered to the budget objective through compliance to the Appropriation Act and Statutory provisions. These Consolidated Financial Statements present the overall performance of Government as a means of accountability to the people of the Republic of Uganda.

Government's policy, priorities and programmes as well as resource allocations were all aligned towards achieving the commitments in the Second National Development Plan (NDP II) and focused on transforming Uganda from a peasant to a modern and prosperous country as stipulated in Vision 2040.

During the financial year, the Ugandan economy registered a higher growth of 3.9% up from 3.2% in FY 2016/17, with an economy size of UGX 101.8 Trillion equivalent to USD 27.9 Billion. The economic growth strategy under the theme: *Industrialisation for job creation and shared prosperity* for FY 2017/2018 hinged on the following four pillars;

- (i) Increasing production and productivity in the key primary growth sectors of Agriculture, Tourism and Minerals, Oil and Gas.
- (ii) Industrialisation through Value Addition
- (iii) Enhanced Private Sector Development, and Increased Public Sector Efficiency

Key sector performance highlights for the financial year 2017/18 are summarized below;

(i) Revenue Collection

URA collected a net revenue of UGX 14,407 Billion against a set target of UGX 15,062 billion, representing a 96% performance and growth of 14.1% as compared to last financial year. The revenue growth was mainly due to initiatives including tax payer education, Tax Register Expansion Program and Block Management.

Despite the revenue growth above, URA fell short of its collection target by over UGX 600 billion. The failure to meet the revenue collection target was due to underperformance in some of the macroeconomic assumptions that were used in arriving at the revenue collection targets. Some of the key sectors (manufacturing and trade) which are major contributors to the national tax revenue performed below the set target in the course of the financial year.

(ii) Road sector

Under the road infrastructure development, Government through Uganda National Roads Authority (UNRA) invested UGX. 1.99 trillion in capital investments mainly in projects for upgrading and rehabilitation of paved road network. By 30 June 2018, 380 Kms of paved roads had been delivered while 839 Kms were at various stages of development. Some of the substantially completed roads were Kampala- Entebbe Expressway, Ntungamo to Mirama Hills on the Uganda Rwanda boarder, Mukono-Katosi/Nyenga , Fort Portal – Kamwenge, Mpigi-Kanoni Road, Kanoni –

Sembabule and Sembabule – Villa Maria, Olwiyo-Gulu Gulu- Acholibur . 525m span cable stayed bridge, the Second Nile Bridge at Jinja.



Figure 1: 2nd Nile Bridge, Jinja



Figure 2 : A section of the Entebbe Express Highway

(iii) Energy Sector

Under the Energy Sector, Government continued investment in various projects to boost power generation which once completed will add 939 MW to the National Grid. Key among these include the following; -

- a) **Development of Karuma Hydropower plant Project (600MW):** The physical progress as at the end of the FY was 78.27% with the net financial performance standing at 58.7%. The Resettlement Action Plan (RAP) stands at 95% complete with residue cases in court, physical resettlement and the pending reservoir land acquisition. Overall construction of the substations and the Karuma interconnection transmission line is currently at 28%. The Karuma dam Project is currently being fast-tracked to facilitate evacuation of power.

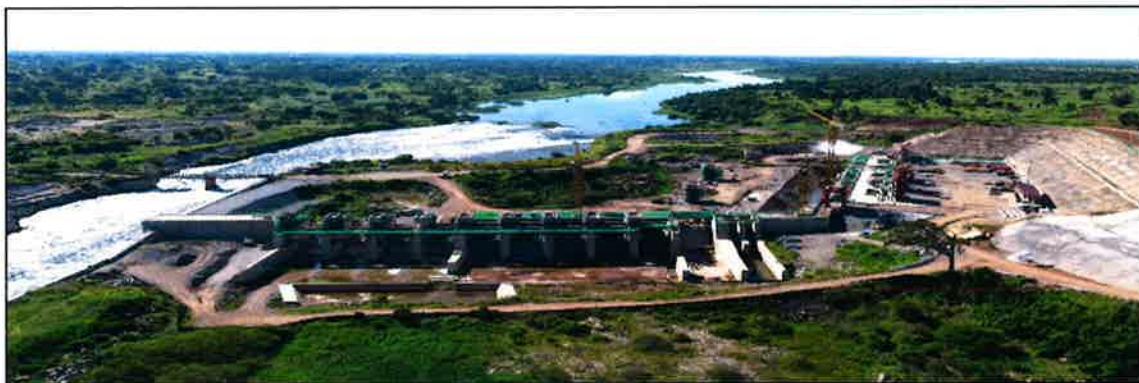


Figure 3 : Aerial view of Karuma dam

- b) **Isimba Hydropower Project (183 MW):** The physical progress and associated transmission line as at 30th June, 2018 was 85% with the net financial performance standing at 63.4%. To-date, the RAP for Isimba is at 98.9% for the Dam site, 93.7% for the reservoir and 90.63% for the transmission line.



Figure 4 : Switchyard installations at Isimba

- c) **GETFIT Portfolio (156.5MW):** Hydro power plants already commissioned and in operation are Muvumbi 6.5MW, Siti 1- 5.0MW, Rwimi- 5.4 MW, Lubilia- 5.4MW); and Soroti Solar 10 MW, and Tororo Solar (10MW)

(iv) Oil, and Gas

Government has also taken a number of important steps towards facilitating oil production. Negotiations of the Project Agreements for the Refinery Project between GoU and the M/s Albertine Graben Refinery Consortium (AGRC) were concluded on 10th April 2018. The Lead Investor Consortium shall now commence of the Front End Engineering Design (FEED) that will inform the Final Investment Decision (FID) of the Refinery Project. The acquisition of the Refinery Project Land was completed and construction of the Hoima Airport commenced in January 2018.

(v) Education

Government has registered improvements in access to education at 95.9 of primary going children can now access schools within a 5 kilometers reach with current enrolment at 10.2 million pupils. There has also been infrastructure improvements covering rehabilitation of primary schools,

installation of lightning arrestors and completion of civil works in various teaching facilities for Public Universities.

(vi) Health

Government has registered improvement in the health sector with declined infant mortality rate to 43 per 1000 in 2016 from 54 per 1000 live births in 2011, HIV prevalence rate also declined to 6% down from 7.3% in 2011. The construction, expansion, rehabilitation and equipping of Mulago National Referral Hospital is expected to be completed in 2018 together with the 320 bed specialized Maternal and neonatal Health care Unit. The Cancer Institute and Uganda Heart Institute was expended and equipped with advanced treatment management equipment to facilitate improved health care.

(vii) Water

Rural water coverage improved to 71% as compared to 68% in 2016. This improved performance has been a result of new water supply and sanitation systems in various districts. Government also drilled water wells and hand pumps in some of the water stressed areas. In addition, water works were constructed at Kapeeka and heater systems in Soroti, Bushenyi and Masindi expanded.

(viii) Agriculture

The Agriculture sector growth doubled during the year from 1.6% of the previous year to 3.2%. The improved performance being a result of better weather conditions, control of pests and diseases, as well as targeted government interventions, particularly in seed distribution and provision of better extension services.

The proceeding financial year will mainly consolidate ongoing investments in key priorities of Security, Infrastructure and Human Capital development, aiming at spurring agriculture, industrialization, productivity enhancement and private sector development.

The Ministry acknowledges all taxpayers and the development partners for financing the 2017/2018 appropriated budget as presented in these Consolidated Financial Statements.


Hon. Matia Kasaija (MP)
Minister for Finance, Planning & Economic Development

Statement from the Secretary to the Treasury

Mandate

The financial statements for the year ended 30 June 2018 have been prepared in accordance with the provisions of the Public Finance Management Act, 2015 as amended and related Public Finance Management Regulations 2016. These financial statements have been prepared using the modified cash basis of accounting as detailed on pages 34-39 of this report. The modified cash basis of accounting has been consistently applied over the years in preparing the financial statements.

Purpose of Consolidation

The Consolidated Financial Statements provide information on the financial performance and Government's ability to meet current and future obligations. This is achieved through the presentation of the Consolidated Statements of financial performance, financial position and cash flow.

Public Finance Management reforms

During financial year 2017/18, government continued its commitment to improving transparency and accountability for public resources. Below is a highlight of the progress of some of the reforms that were undertaken; -

(i) Enhanced control and reporting through computerization of the Government operations

IFMS was implemented in all the central government votes and in 83 local governments. During the financial year, 25 more local governments were connected to IFMS and 59 IFMS Tier II Local Government votes successfully transitioned to IFMS Tier I. The migration is aimed at rationalizing and integrating PFM systems in order to enhance control and ease consolidated reporting of government operations. Automation has enhanced commitment control during budget execution together with enhanced regulation under the PFMA 2015 as amended and related regulations and instructions. In addition, this minimizes recurrent costs and duplicate investments in ICT infrastructure.

Under the Ms Navision for the Missions abroad, the pilot phase for upgrading the system implemented in 2009, to MS NAV 2018, was also concluded in four selected missions of Washington, Canberra, London and Beijing. The upgraded version will be rolled out to the remaining 31 missions within the coming 2 years.

(ii) Timeliness and regularity of accounting

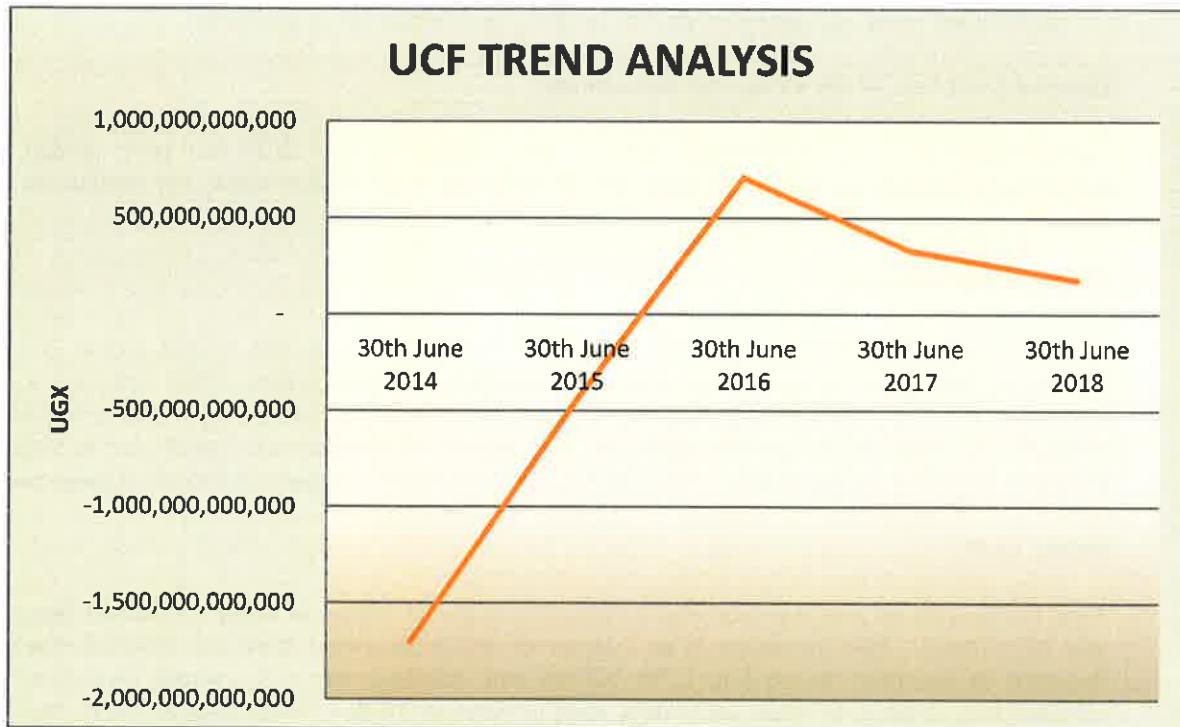
The quality and timeliness of government financial statements has greatly improved as a result of increased automation through IFMS. The IFMS implementation has facilitated regular and timely bank account reconciliations and financial reporting resulting in improved quality of reporting. The professional certification sponsorship program has been successful in imparting skills and professional values to accountants currently at 182 within Accountant General's Office. This initiative together with various capacity building efforts has contributed to improvements in public financial management.

(iii) Results focused Budgeting

The Program Based Budgeting (PBB) was instituted and successfully rolled out to all Ministries, Agencies and Local Governments through the Program Budgeting System (PBS). PBB directly links results to outputs and related budgets in order to provide accountability for resources provided. The PBS was used for budget and annual work plans' preparation and is the basis for generation of the consolidated budget of government. During the year, a PBS/IFMS interface was also developed, and successfully used to upload the approved budget for FY 2018/19 into IFMS. This interface now offers a faster, fully automated, secure and seamless integration of PBS with IFMS.

(iv) Improved Cash Management and predictability in funding

The Treasury Single Account (TSA) has been a milestone in improving government cash management and predictability in availability of funds for commitment of expenditure. It is on account of this reform that the Uganda Consolidated Fund (UCF) has had a positive balance since March 2016. To further cement this reform, plans are underway to operate one TSA for the entire government. It is planned to merge the current central government TSA and local government TSA. Government has also changed its planning horizon from one month to three informed by better quarterly updates of the cash flow projections.



(v) Enhanced transparency and accountability of Cash Payments

To further enhance transparency and accountability of manual cash payments, the E-cash platform was designed as a secure, efficient, transparent and accountable system with the overall objective of addressing the abuse previously associated with cash imprest and advances through individual staff accounts. The system ensures that money is paid directly to the individual beneficiary's mobile phone or bank account and that cash transactions are authorized, traceable and that full accountability is available in real-time. During the year, E-cash system was successfully rolled out to 98 Central Government votes and 12 Public Universities and Tertiary Institutions (PUSATIs).

(vi) Improved effectiveness of Payroll controls and Pension Management

There have been significant improvements in the management of payroll and pensions covering decentralization of payment processing to Accounting Officers, verification and audit of payroll, biometric data, and clearance of pension and gratuity arrears apart from those of the military and ex-service men. The monthly payments of salaries and pension has been streamlined which has greatly improved accuracy and timeliness of payments.

General Overview of the Financial Statements

Government's financial performance for the year ended 30 June 2018 has been guided by principles laid out in the budget strategy that are reflected in the parliamentary appropriations for the year.

Revenue Performance

Domestic revenue collection improved from Shs 13,426 billion to Shs 15,220 billion (13.4% increment) during the financial year. For the financial year under review, URA collected a net revenue of UGX 14,063 billion against the set target of UGX 15,062 billion, representing a growth of 12.4% as compared to last Financial year. The growth in revenue was mainly due to various initiatives including tax payer education, Tax Register Expansion Program and Block Management

Public Debt

Total Public debt increased to Shs 44,676 billion from 36,711 billion as at the end of last financial year 2016/2017. This increment is as a result of deficit financing from the financial markets (issuance of securities worth Shs 1,796 billion) and drawings targeted towards investment in infrastructure projects in roads and energy such as Karuma Hydro Power Project, Earth Moving equipment and Kabaale International Airport. However, despite the increment, when the future debt payment obligations are discounted to today's value, the Public Debt to GDP ratio (30.1%) is still lower than the sustainability threshold of 50% beyond which Public debt becomes unsustainable.

Budget financing

The proportion of the total budget excluding external project financing amounted to 77 %. Government registered an increase in development expenditure as compared to the increase in revenue collections. The development financing was largely through concessional and non-concessional loans, and to a lesser extent through domestic borrowing, which increased tremendously from UGX 612 billion last year to UGX 1,796 billion this year.

Government continues to pursue reforms geared towards improvement of efficiency and effectiveness in public financial management in order to achieve economic transformation and value in delivery of services.

The Treasury appreciates all Accounting Officers who on a timely basis submitted their financial and other reports to facilitate the Consolidation of these Financial Statements.

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Patrick Ocaillap
For: Permanent Secretary / Secretary to the Treasury

Statement from the Accountant General

Introduction

These consolidated financial statements (CFS) provide a record of the Government's financial performance, consolidated cash flows, and consolidated financial position for the financial year 2017/2018. The CFS provide a summary of the Central Government's financial resources and their application in line with the financial year 2017/2018 appropriation for the benefit of the people of the Republic of Uganda.

Scope

The Consolidated Financial Statements present transactions of central government votes which include; Ministries, Agencies, Referral Hospitals and Missions abroad. Local Governments have been included only to the extent of central government transfers to support their operations. In addition, separate consolidated financial statements have been prepared for local governments. A consolidated summary statement of the financial performance of public corporations, state enterprises and companies where Government has controlling interest has also been separately prepared.

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 basis of Accounting where revenue is recognised when received and expenditures recognised when incurred has been consistently applied 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. All Central Government votes have been consolidated on a line by line basis.

Overview of operating results

The summary of Government's financial performance and position for the year ended 30 June 2018 is presented below in respect to Revenue, Expenditure, Assets and liabilities.

Revenue Performance

Revenue comprises receipts from taxes, non-tax revenue in respect to fees, licenses and administrative charges and grants. The bulk of the revenues are collected by Uganda Revenue Authority (URA) in the form of Taxes, Levies and Duties.

Below is the Analysis of Revenue Performance for the Past Seven years:-

Table I: Movement in revenue collections over the last seven years;

Revenues(billion)	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Taxes	6,622	7,231	8,094	9879	11,036	12,516	14,063
NTR	898	386	464	320	611	910	1,157
External Grants	237	241	474	566	539	505	1015
Total	7,757	7,858	9,032	10,765	12,186	13,931	16,234
% Movement		1%	15%	19%	13%	14%	17%

An analysis of revenue trend over the past seven years is illustrated below:

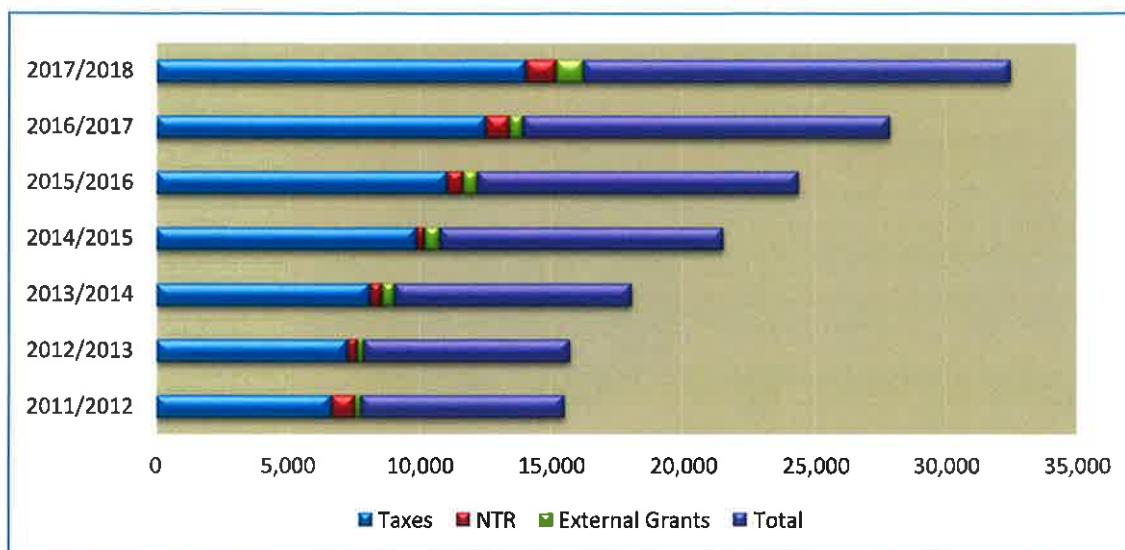


Figure 1: Revenue Trend for the Last Seven Years

Total revenue for financial year 2017/18 amounted to Shs 16,234 billion as compared to Shs. 13,931 billion in the FY2016/17 representing a 17% growth. Over the seven years, Tax collections have consistently been the largest proportion of total revenues collected. Non tax revenues have also shown a consistent growth over the last 4 financial years from FY 2014/15.

The increase in the URA collections is as a result of improvement in financial management reforms and policies in both collection and reporting for government revenues. For instance the transfer of the administration of NTR from the votes to URA.

The trend in the past seven years as illustrated in table I and Figure 1 above shows a consistent increase in revenue collections. Total revenue collections during the financial year of Shs. 16,234 billion representing a growth of 109% in absolute terms from Shs. 7,757 billion collected in the financial year 2011/2012.

The composition of Government revenues for the financial year under review is as illustrated below:

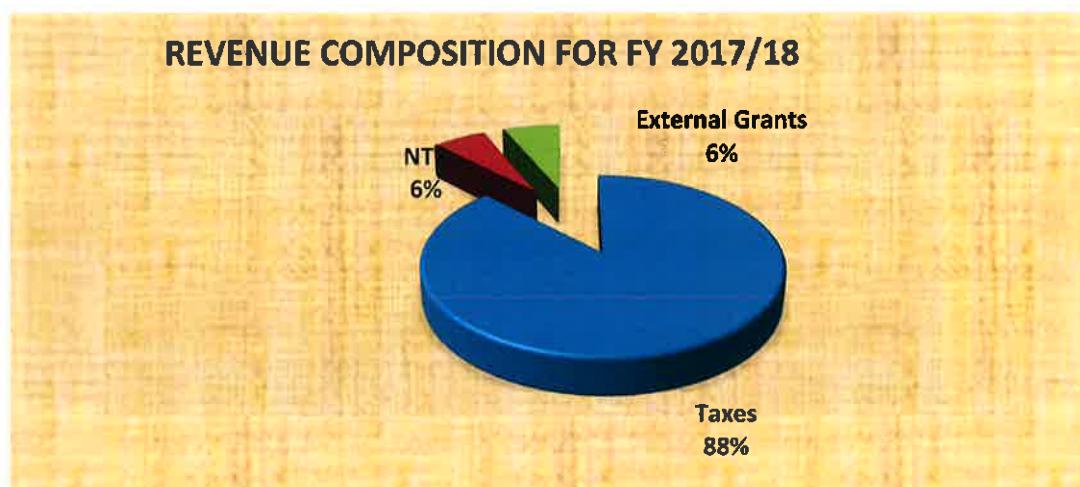


Figure 2: Revenue Composition for 2018

Net tax revenues for financial year 2017/18 increased to Shs 14,063 billion (Shs 14,027 billion collected by URA excluding refunds and 35 billion by KCCA) from Shs 12,516 billion of the previous financial year representing growth of 12% in absolute terms. However, URA still fell short of its revenue target for the period by over 600 billion.

During the year, external assistance from the development partners increased by 101% (FY 2016/17 Shs 505 billion: FY 2016/17 Shs 1,015 billion). Non Tax Revenue Collection improved by 27 % from Shs 910 in FY 2016/17 to Shs 1,157 in FY 2017/18. The disbursed amounts for external assistance funds targeted specific priority sectors as agreed between GoU and the development partners.

Expenditure

Total operating expenditure during the financial year 2017/18 increased by Shs. 1,913 billion (16.9%) to Shs. 18,333 billion from Shs. 15,681 billion registered in the prior financial year 2016/17. The operating expenditure excludes the financing costs and foreign exchange losses that in total amount to 19.1% of the total expenditures.

Although the expenditure on physical infrastructure decreased to Shs 2,171 billion from Shs 2,873 billion reported in the previous financial year, the percentage of infrastructure expenditure against total expenditure is significant amounting to 10%. This indicates governments continued focus on investment in infrastructure development in line with the National Development Plan.

The bulk of total expenditure consists of transfers to other Organizations (51%) which include transfers to Local governments, subventions, projects and contributions to international organizations. The other major expenditure categories include goods and services consumed (17%), employee costs (12%) and finance costs (10%) as illustrated in Figure 3 below.

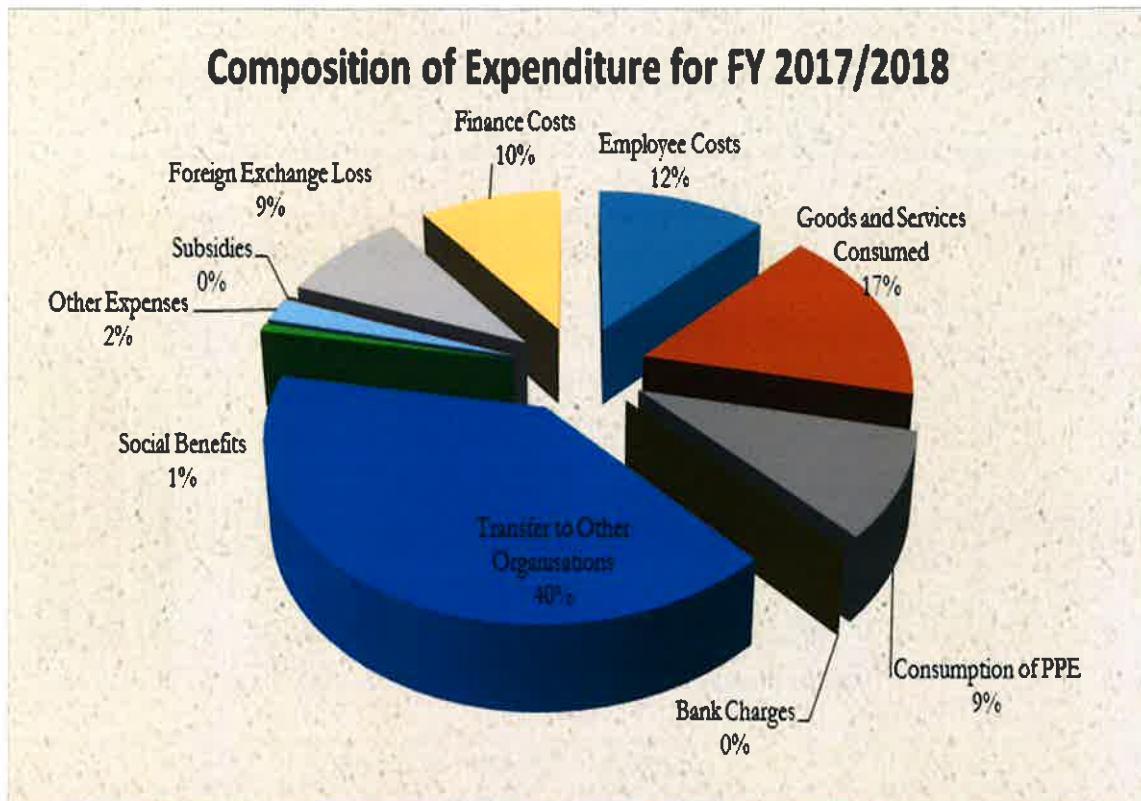


Figure 3: Expenditure Composition

Assets

The current government accounting policy is that purchased property, plant and equipment with the exception of the Non-produced assets is fully depreciated 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 moves towards adoption of accrual International Public Sector Accounting Standards (IPSAS).

Assets	2015/16 Shs (million)	2016/17 Shs (million)	2017/18 Shs (million)
Non Produced Assets	1,222,860	1,722,715	2,466,744
Cash and cash equivalents	1,346,414	1,369,666	1,815,159
Receivables	1,786,334	1,419,763	5,468,436
Investments	5,742,173	6,679,208	7,184,890
Total	10,097,781	11,191,352	16,935,229

Table II: Showing the trend of Assets over the last 3 years

During the financial year ended 30th June, 2018, total assets increased by 51% as indicated in Table II above. The major increase in the total assets is attributed to recognition of the receivable of on lending(36% of total assets) related to Isimba Hydro Power Project, Karuma Hydro Power Dam, National Transmission Backbone, and Upgrade and Expansion of Entebbe Airport.

A three year analysis of the composition of government assets is illustrated below:

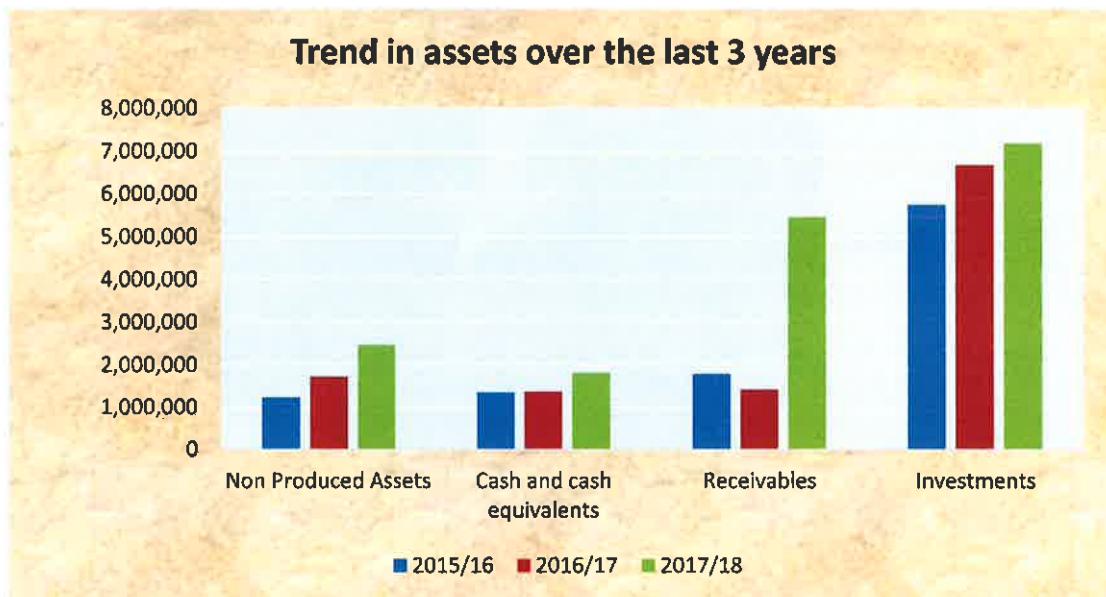


Figure 4: Asset Trend over the last 3 years

Total liabilities

During the financial year, the total liabilities increased by Shs 7,965 billion from Shs 36,711 billion to Shs 44,676 billion (22% growth) in comparison to the prior financial year's increase of Shs 5,367 billion(17% growth). The largest increase is attributable to the domestic and external borrowings.

Table III: Movement in Liabilities over the past 3 years;

Liabilities (Shs)	2015/2016	2016/2017	2017/2018
Borrowings	29,028,978,959,915	33,719,220,674,491	41,446,114,972,391
Payables	1,692,936,368,937	2,284,964,328,329	2,567,489,551,939
Deposits	59,661,236,651	83,228,627,225	92,503,183,108
Pension liabilities	561,454,457,691	623,472,077,638	569,607,591,939
Total liabilities	31,343,031,023,194	36,710,885,707,683	44,675,715,299,377
Percentage Movement		17%	22%

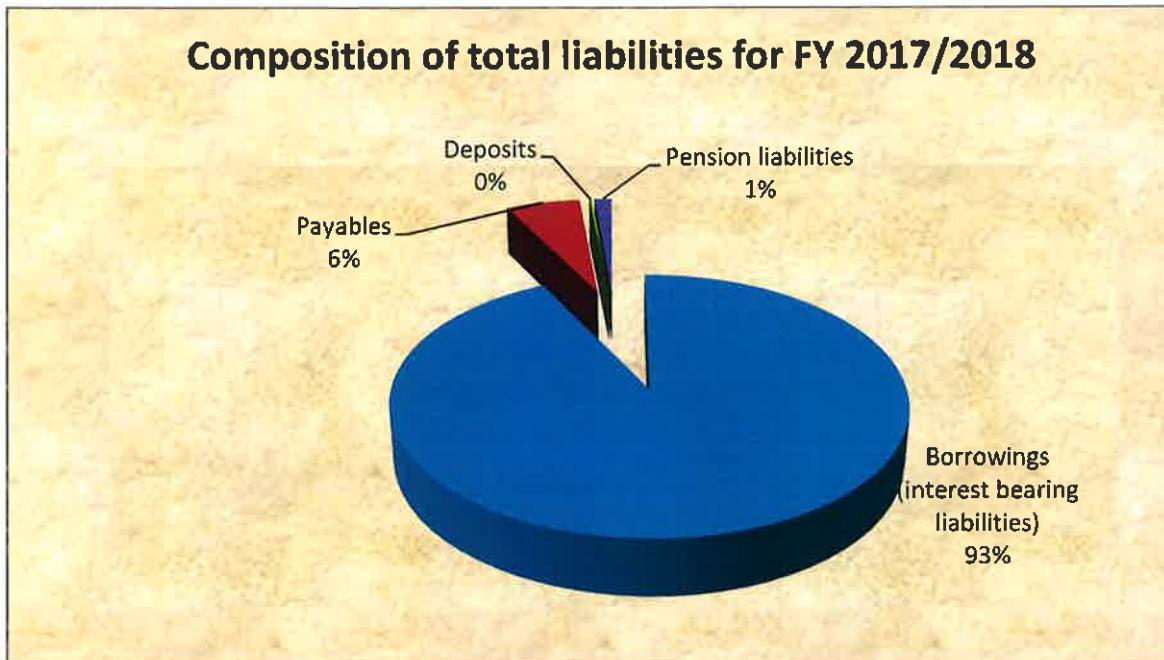


Figure 5: Composition of Liabilities

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 3 years shows an increasing trend in both domestic and external debt but still remains below the sustainability bench mark of 50% debt to GDP.

Table IV: Movement in Borrowings (Interest bearing Debt) over the past 3 years

Borrowings Shs(millions)	2015/2016	2016/2017	2017/2018
Domestic borrowings	10,758,750	11,407,325	13,059,757
External borrowings	17,983,247	22,102,550	28,386,358
Total	28,741,997	33,509,875	41,446,115

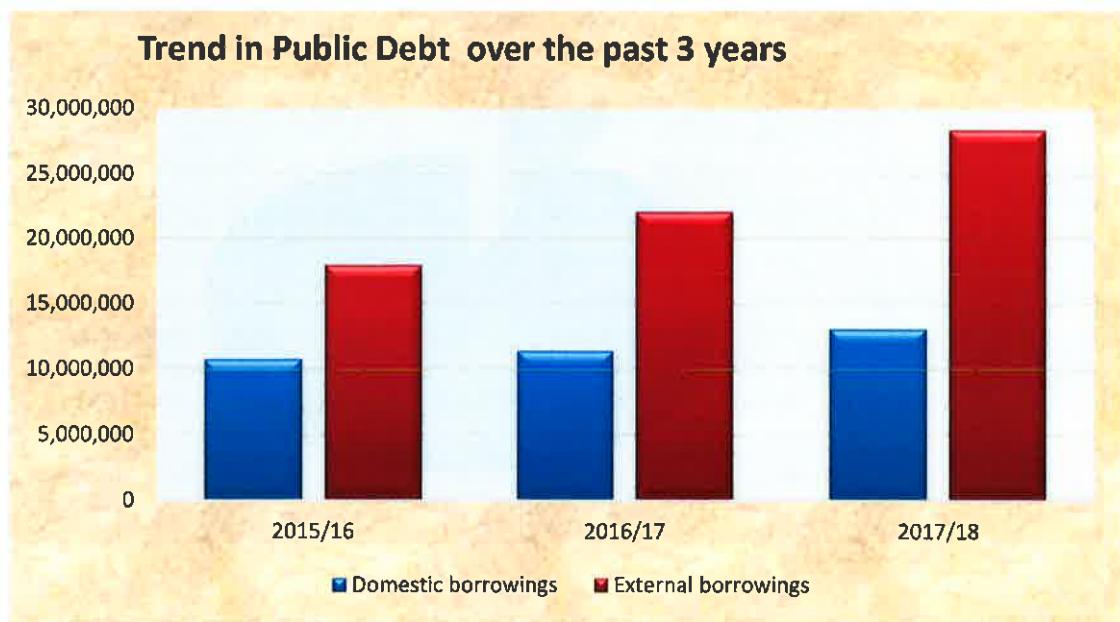


Figure 6: Public Debt over three years

Domestic debt stock which principally consists of Government Treasury bills and bonds increased by Shs 1,652 billion from Shs 11,407 billion as at 30th June 2017 to Shs 13,060 billion at the end of financial year 2017/2018 on account of the increased issuance of domestic debt to finance the budget (during the year under review, yields in the financial markets for securities increased significantly)

External debt stock (drawn and outstanding) continued to grow at 27% (by Shs 6,181bn) during the financial year from Shs 22,205 billion to Shs 28,386 billion which was a higher percentage than that reported in the prior financial year 2016/2017. The increment is as a result of government's increased need to invest in large infrastructure projects i.e. Karuma Hydro Power, Earth Moving equipment and Kabaale International Airport. It should be noted that Government of Uganda is increasingly moving away from concessional borrowing to commercial borrowing because of 2 main factors;

- Given the high investments being undertaken in infrastructure projects Government needs to borrow at non concessional terms. As much as possible, Government is taking advantage of the diminishing concessional opportunities.
- The economy has improved as rated by the rating agencies and therefore Government moved to the next bracket of not being eligible for big concessional financing.

External borrowing is dominated by multilateral development partners (IDA and ADF) at 68%, 31% by bilateral development partners (China and JICA) and 1% by commercial banks (Standard Chartered Bank and AKA).

As at 30th June 2018, the committed but undisbursed debt was Shs 17.3 trillion of which Shs. 6.63 trillion is bilateral and Shs 0.17 trillion is commercial Banks and UGX 10.5 trillion being multi-

lateral. The total committed debt [including both outstanding and undisbursed] is therefore Shs 45.7trillion. It should be noted that undisbursed amounts are a combination of phased life cycle given the nature of projects (multi-year) and the challenges of low absorption.

However, the Ministry is aware of the challenges causing low project funds absorption and will continue its efforts towards improving project implementation across the entire project cycle, which include production of high quality feasibility studies, and proper/timely management of the land acquisition process.

Financing costs (interest and commitment fees) for the outstanding borrowings increased to Shs 2,289 billion from Shs 2,287 billion in the financial year 2017/18 on account of increased stock of both domestic and external debt. The CFS show a net operating deficit (amount by which expenditure exceeded total revenues) of Shs 6,427 billion for the financial year ended 30 June 2018 (FY 2016/17: deficit of Shs 4,927 billion). The increase in the deficit is attributable to increased borrowings and prevailing economic challenges faced during the financial year including the weakening of the shilling leading to the foreign exchange loss of Shs. 2,039 billion compared to a loss of Shs 890 billion in the previous year.

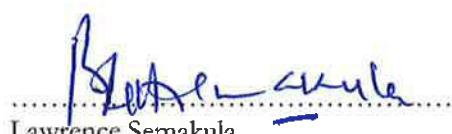
Contingent Liabilities

Contingent liabilities at the financial year end comprise of outstanding amounts guaranteed by the Government in respect of loans, public loan issues, recoverable costs from oil and gas exploration, and probable obligations resulting from outstanding litigation against Government. Over 98% of the Contingent liabilities disclosed in the memorandum in these financial statements arise from legal proceedings, and recoverable costs. All recoverable costs disclosed relate to the period 2001 to 2011.

Conclusion

Government is 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. In a bid to improve public accountability and also achieve harmonization within the East African Community, Government has embarked on the preparation of a roadmap to transit from the modified cash basis of accounting to accrual basis of accounting.

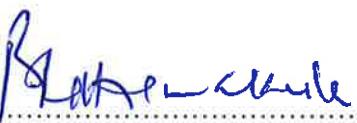
For effective interpretation, the financial statements should be read in conjunction with the underlying notes and schedules.

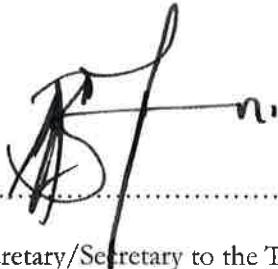

.....
Lawrence Semakula
Accountant General

Consolidated Statement of Financial Performance [Based on classification of expenditures by nature]

	Notes	30 June 2018 Shs.	30 June 2017 Shs.
Operating revenue			
Taxes	3	14,062,545,873,976	12,515,770,731,291
Non – Tax revenue	4	1,157,042,912,405	909,960,483,910
Grants Received	5(a)	1,014,715,121,545	505,308,685,269
HIPC Relief	6	-	-
Total operating revenue		16,234,303,907,926	13,931,039,900,470
Operating expenses			
Employee costs	7	2,710,496,834,581	2,636,260,844,370
Goods and services consumed	8	3,767,061,054,094	3,431,461,241,696
Consumption of Property, Plant & Equipment	9	2,171,134,228,179	2,872,847,877,660
Bank Charges	10	114,472,399	197,433,271
Subsidies	11	-	93,629,000
Transfers to other Organizations	12	8,991,710,403,219	5,970,038,019,572
Social benefits	13	175,661,929,033	171,297,121,659
Other expenses	14	516,610,794,355	598,374,663,572
Transfer to the Petroleum Fund		-	-
Total operating expenses		18,332,789,715,860	15,680,570,830,800
Surplus / (Deficit) from operating activities		(2,098,485,807,934)	(1,749,530,930,330)
Foreign exchange loss (Gain)	15	2,039,325,478,083	890,990,125,929
Finance costs	16	2,289,020,479,900	2,287,434,186,964
Bad Debts expenses	17	-	-
Surplus / (Deficit) for the year		(6,426,831,765,917)	(4,927,955,243,223)

The Notes and schedules set out on pages 32 to 83 form an integral part of the financial statements.

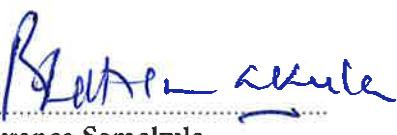

Lawrence Semakula
Accountant General


Patrick Ocaillap
For: Permanent Secretary/Secretary to the Treasury

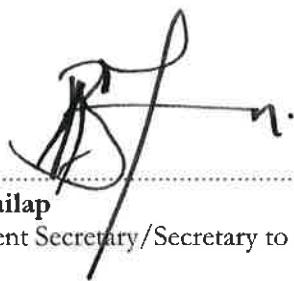
The Consolidated Statement of Financial Position

	Notes	30 June 2018 Shs.	30 June 2017 Shs.
ASSETS			
Non Produced Assets	18	2,466,743,612,449	1,722,714,664,545
Cash and cash equivalents	19	1,815,158,728,634	1,369,665,759,472
Receivables	20	5,468,436,291,713	1,419,762,673,618
Investments	21	7,184,890,454,345	6,679,208,363,648
Total assets		16,935,229,087,141	11,191,351,461,283
LIABILITIES			
Borrowings	22	41,446,114,972,391	33,719,220,674,491
Payables	23	2,567,489,551,939	2,284,964,328,329
Deposits	24	92,503,183,108	83,228,627,225
Pension liabilities	25	569,607,591,939	623,472,077,638
Total liabilities		44,675,715,299,377	36,710,885,707,683
Net liabilities		(27,740,486,212,236)	(25,519,534,246,400)
REPRESENTED BY:		(27,740,486,212,236)	(25,519,534,246,400)

The Notes and schedules set out on pages 32 to 83 form an integral part of the financial statements.



Lawrence Semakula
 Accountant General



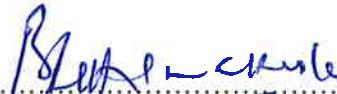
Patrick Ocaillap
 For: Permanent Secretary/Secretary to the Treasury

ACCOUNTANT GENERAL'S OFFICE
 GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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 2017					
At 1 July 2016	(21,534,705,195,248)	-	33,599,825,965	255,855,610,606	(21,245,249,758,677)
Surplus (Deficit) for the year: Statement of Financial Performance	(4,927,955,243,223)				(4,927,955,243,223)
Net adjustments to opening reserves	406,135,707,313			14,765,959,346	420,901,666,659
-Withdrawals from the Fund			(16,806,088,211)	(71,693)	(16,806,159,904)
-Replenishments to the Fund			13,561,778,327	236,013,470,418	249,575,248,745
At 30 June 2017	(26,056,524,731,158)	-	30,355,516,081	506,634,968,677	(25,519,534,246,400)
FY ended 30 June 2018					
At 1 July 2017	(26,056,524,731,158)	-	30,355,516,081	506,634,968,677	(25,519,534,246,400)
Surplus (Deficit) for the year: Statement of Financial Performance	(6,426,831,765,917)		-	-	(6,426,831,765,917)
Net adjustments to opening reserves	4,272,454,121,618			26,093,373,452	4,298,547,495,070
-Withdrawals from the Fund			(30,355,516,081)	(125,300,650,824)	(155,656,166,905)
-Replenishments to the Fund			-	62,988,471,916	62,988,471,916
At 30 June 2018	(28,210,902,375,457)	-	-	470,416,163,221	(27,740,486,212,236)
Notes to the financial statements	26	27	28	29	

The Notes and schedules set out on pages 32 to 83 form an integral part of the financial statements.

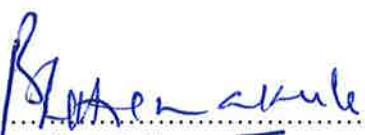

Lawrence Semakula
 Accountant General

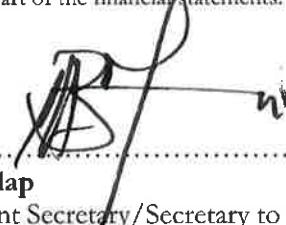

Patrick Ocaillap
 For: Permanent Secretary / Secretary to the Treasury

Consolidated Cash Flow Statement [Direct Method]

	30 June 2018 Shs.	30 June 2017 Shs.
CASH FLOWS FROM OPERATING ACTIVITIES		
Total receipts from operating revenues were (see below):	16,525,302,736,217	14,459,376,840,917
PAYMENTS FOR OPERATING EXPENSES:		
Employee costs	2,688,237,367,352	2,603,669,047,105
Goods and services consumed	3,371,359,490,985	2,970,261,525,290
Bank Charges	114,472,399	197,433,271
Subsidies	-	93,629,000
Transfers to Other Organizations	8,961,707,030,151	5,936,864,105,487
Social benefits	175,661,929,033	170,518,874,931
Other expenses	373,829,874,427	330,981,781,254
Finance costs	2,289,020,479,900	2,232,366,021,825
Advances paid	307,035,921,214	179,068,600,363
Outstanding letters of Credit	27,522,449,960	2,825,295,073
Interest arrears paid	-	288,236,234,546
Domestic arrears goods & services paid in the year	994,698,583,310	744,982,769,007
Domestic arrears pension paid during the year	56,155,915,986	42,898,828,414
Foreign exchange gain-Realized	(17,379,452,169)	(12,651,885,568)
Transfer to the Petroleum Fund	-	-
Total payments for operating activities	19,227,964,062,548	15,490,312,259,998
Net cash outflows from operating activities	(2,702,661,326,331)	(1,030,935,419,081)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	1,946,657,250,811	2,537,350,350,048
Non Produced Assets	695,105,723,818	491,786,062,771
On-lending to state enterprises	-	-
Investments in Private companies	102,774,577	3,003,000,000
Net cash outflows from investing activities	2,641,865,749,206	3,032,139,412,819
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of Government treasury bills	3,933,639,532,865	3,688,997,923,460
Proceeds from issue of Government bonds	2,307,536,621,621	1,976,989,026,043
Re-purchase of Government bonds & treasury bills	(4,588,264,322,892)	(5,064,800,526,209)
Proceeds from external borrowings	4,630,303,500,768	3,482,349,083,101
Repayments of external borrowings	(681,269,997,233)	(190,517,436,130)
Repayment of domestic loans	-	-
Proceeds from other domestic (on lent) loans	-	-
Net cash flows from financing activities	5,601,945,335,129	3,893,018,070,265
Net Increase in cash and cash equivalents	257,418,259,592	(170,056,761,635)

The notes and schedules set out on pages 32 to 83 form an integral part of the financial statements.


Lawrence Semakula
Accountant General


Patrick Ocaillap
For: Permanent Secretary/Secretary to the Treasury

**ACCOUNTANT GENERAL'S OFFICE
GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

Cash Flow Statement for the year ended 30 June 2018 [Direct Method] (continued)

For cash flow purposes receipts from operating revenue comprise:

	Notes	30 June 2018 Shs.	30 June 2017 Shs.
Operating revenue			
Total Revenue as per Financial Performance		16,234,303,907,926	13,931,039,900,470
Add: Last year's receivable received- URA		-	399,203,633,523
: Advances recovered during the year		270,809,769,974	421,695,422,930
: Deposits received		20,189,058,317	28,337,935,358
: Proceeds from disposal of Investments			
Total Operating Revenue		16,525,302,736,217	14,780,276,892,281
Less: Amounts with URA not yet remitted		-	320,900,051,364
Grants received as HIPC/MDRI in Kind		-	-
Revenue in Kind (Tax waivers)		-	-
Total cash receipts from operating activities		16,525,302,736,217	14,459,376,840,917

Reconciliation of movement of cash during the year

		30 June 2018 Shs.	30 June 2017 Shs.
At the beginning of the year		1,369,542,371,357	1,346,191,339,352
Net adjustments from Accounting Officers' Cash Flow Statements		182,341,512,930	45,947,027,024
Energy Fund Transfers		(30,355,516,081)	(3,244,309,884)
Replenishment of the Petroleum Fund		36,212,100,836	150,705,076,500
Net increase in cash from the Cash Flow Statement		257,418,259,592	(170,056,761,635)
At the end of the year		1,815,158,728,634	1,369,542,371,357

Net cash and bank balances comprise of;

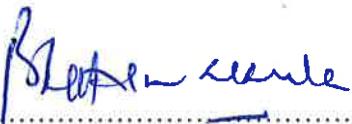
	Notes	30 June 2018 Shs.	30 June 2017 Shs.
Cash and bank balances	18	1,815,158,728,634	1,369,665,759,472
Less Bank overdraft with BoU and others	21(b)	-	(123,388,115)
Net cash and bank balances		1,815,158,728,634	1,369,542,371,357

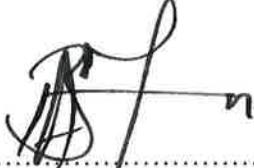
The Notes and schedules set out on pages 32 to 83 form an integral part of the financial statements.

Statement of Outstanding Public Debt

	Notes	30 June 2018		30 June 2017	
		Shs.		Shs.	
DOMESTIC DEBT					
Borrowings from the central bank-BoU		0		123,388,115	
Payables including deposits		2,659,992,735,047		2,368,192,955,554	
Pension Liabilities		569,607,591,939		623,482,077,638	
Borrowings from domestic financial institutions					
Treasury bills		3,522,984,489,393		3,148,740,531,580	
Government Bonds		9,536,772,071,195		8,258,584,015,513	
Interest payable on treasury bills and bonds		0		0	
Unpaid Reimbursements to BoU		0		106,175,477,031	
Other Payables					
Total domestic debt		16,289,356,887,574		14,505,298,445,431	
EXTERNAL DEBT					
Borrowings from multilaterals	22c	19,175,561,587,807		16,438,626,794,183	
Borrowings from bi-laterals	22	9,018,169,907,609		5,766,960,468,069	
Borrowings from commercial banks		192,626,916,387		0	
Total external debt		28,386,358,411,803		22,205,587,262,252	
TOTAL PUBLIC DEBT		44,675,715,299,377		36,710,885,707,683	

The Notes and schedules set out on pages 32 to 83 form an integral part of the financial statements.


Lawrence Semakula
Accountant General


Patrick Ocaillap
For: Permanent Secretary/Secretary to the Treasury

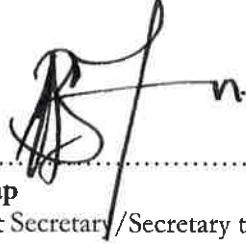
ACCOUNTANT GENERAL'S OFFICE
GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Statement of Outstanding Advances and Loans issued by Government

	Notes	30 June 2018 Shs.	30 June 2017 Shs.
ADVANCES			
Advances and prepayments		459,484,197,533	539,617,240,062
Letters of Credit		66,610,507,124	12,950,808,269
Total advances		526,094,704,657	552,568,048,331
Other Receivables		307,514,582,675	115,895,573,370
LOANS			
Loans to State Enterprises		4,624,366,872,309	419,938,868,481
Loans to agencies		26,929,101	26,929,101
Loans to private organizations		10,433,202,971	10,433,202,971
Other loans			
Total loans		4,634,827,004,381	430,399,000,553
Total outstanding advances and loans		5,468,436,291,713	1,098,862,622,254

The Notes and schedules set out on pages 32 to 83 form an integral part of the financial statements.

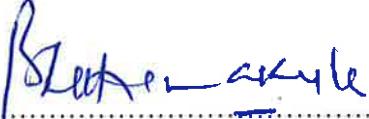

Lawrence Semakula
Accountant General

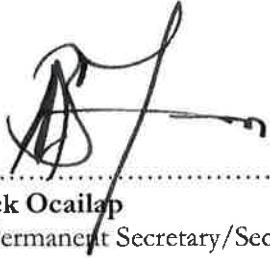

Patrick Ocaillap
For: Permanent Secretary/Secretary to the Treasury

Statement of Investments held by the Government

	Notes	30 June 2018 Shs.	30 June 2017 Shs.
Securities other than equity			
-Corporate bonds			-
-Promissory notes			-
-Debentures			-
-Fixed deposits			
-Shares in Public corporations		4,760,259,039,526	4,453,626,466,788
-Other securities-IMF		1,967,752,057,440	1,803,706,306,300
Sub-total		6,728,011,096,966	6,257,332,773,088
Shares and other equity			
-Shares in public corporations			
-Shares in other entities		456,879,357,379	421,875,590,560
Sub-total		456,879,357,379	421,875,590,560
Financial derivatives			
Total investments		7,184,890,454,345	6,679,208,363,648
Analyzed between			
Domestic investments		4,760,259,039,526	4,453,626,466,788
Foreign investments		2,424,631,414,819	2,225,581,896,860
Total investments		7,184,890,454,345	6,679,208,363,648

The Notes and schedules set out on pages 32 to 83 form an integral part of the financial statements.


Lawrence Semakula
Accountant General


Patrick Ocaillap
For: Permanent Secretary/Secretary to the Treasury

ACCOUNTANT GENERAL'S OFFICE
 GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Consolidated Summary Statement of Appropriation

Summary	Approved estimates Shs.	Actual released Shs.	Actual expenditure Shs.	Variance Shs.
Ministries	4,990,621,282,623	4,400,708,786,758	4,383,682,367,376	606,938,915,247
Agencies	17,487,048,897,243	14,646,216,737,821	14,656,856,419,811	2,830,192,477,432
Referral Hospitals	192,416,003,763	169,788,537,130	171,824,623,140	20,591,380,623
Embassies and Missions	159,503,008,165	153,801,360,651	157,129,609,449	2,373,398,716
Local Governments	2,765,191,642,427	2,619,372,733,897	2,619,372,733,897	145,818,908,530
Totals for 30 June 2018	25,594,780,834,222	21,989,888,156,257	21,988,865,753,673	3,605,915,080,548
Totals for 30 June 2017	22,306,392,180,048	20,118,897,237,891	21,138,347,257,359	1,168,044,922,689

Reconciliation to the GoU total approved Budget:

<i>Approved Budget as above</i>	<i>25,594,780,834,222</i>
<i>Add: External Project Financing(Not included in the Consolidation)</i>	<i>5,242,560,652,268</i>
<i>Total GoU Approved Budget</i>	<i>30,837,341,486,490</i>

The Notes and schedules set out on pages 32 to 83 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 2018 Shs.	30 June 2017 Shs.
Ministries	7,684,955,239,369	-	-	6,542,612,670	6,239,060,346,107
Agencies	476,210,494,742	-	-	1,200,000,000	1,215,580,044,808
Referral Hospitals	-	-	-	-	-
Embassies and Missions	-	-	-	1,624,000,224	1,559,185,218
Total contingent liabilities	8,161,165,734,111			9,366,612,894	7,456,199,576,133
Analyzed as follows:					
Domestic contingent liabilities	8,161,165,734,111	-	-	9,366,612,894	7,456,199,576,133
External contingent liabilities					
At 30 June 2018	8,161,165,734,111			9,366,612,894	7,456,199,576,133
At 30 June 2017	6,840,743,570,499	595,657,134,640	19,798,870,994	7,456,199,576,133	

The Notes and schedules set out on pages 32 to 83 form an integral part of the financial statements.

Consolidated Statement of Outstanding Commitments

[As submitted and signed by accounting Officers]

	Rent and Utilities	Contributions to Int Organisations	Court awards and Compensations	Other Payables	Pensions and Gratuity	Total
Ministries	10,398,534,100	128,807,338,731	600,543,747,061	643,555,704,368	557,673,368,615	1,940,978,692,875
Agencies	103,254,545,992	96,321,573	330,647,869,024	738,057,815,656	10,845,436,821	1,182,901,989,066
Referral Hospital	1,632,705,987	-	-	9,171,713,017	1,088,786,503	11,893,205,507
Missions Abroad	2,308,305	-	-	1,320,948,125	-	1,323,256,430
Total 30 June 2018	115,288,094,384	128,903,660,304	931,191,616,085	1,392,106,181,166	569,607,591,939	3,137,097,143,878
Total 30 June 2017	32,233,450,548	83,743,431,241	701,027,380,102	1,467,960,066,438	623,472,077,638	2,908,436,405,967

The Notes and schedules set out on pages 32 to 83 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 2018 Shs.
Ministries	-	-	-	-	-
Agencies	-	-	-	-	-
Referral Hospitals	-	-	-	-	-
Embassies and Missions	-	-	-	-	-
At 30 June 2018					
At 30 June 2017					

The Notes and schedules set out on pages 32 to 83 form an integral part of the financial statements.

ACCOUNTANT GENERAL'S OFFICE
GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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 2018 Shs.	Total losses at 30 June 2017 Shs.
Ministries	1,443,496,342	1,313,296,297	2,756,792,639	2,635,532,992
Agencies	174,366,911	3,532,232,343	3,706,599,254	2,237,734,413
Referral Hospitals	-	-	-	-
Embassies and Missions	50,295,227	7,353,836	57,649,063	50,295,227
At 30 June 2018	1,668,158,480	4,852,882,476	6,521,040,956	4,923,562,632
At 30 June 2017	1,746,464,793	3,177,097,839	4,923,562,632	

The Notes and schedules set out on pages 32 to 83 form an integral part of the financial statements.

Consolidated Statement of Arrears of Revenues

[As submitted and signed by Accounting Officers]

	Arrears of Revenue 30 June 2017 Shs.	Total Revenue billed during the year Shs.	Actual Amounts collected during the year Shs.	Amount remitted to the Consolidated Fund during the year Shs.	Arrears of Revenue Shs.	Cumulative Arrears of Revenue at 30 June 2018 Shs.
Ministries	-	44,791,599,649	44,791,599,649	44,466,052,703	-	-
Agencies	-	1,028,770,714,576	1,028,770,714,576	870,450,336,003	-	-
Referral Hospitals	-	7,640,320,035	7,640,320,035	5,563,278,614	-	-
Embassies and Missions	-	16,371,903,550	16,371,903,550	8,111,407,902	-	-
As at 30 June 2018	-	1,091,574,537,810	1,091,574,537,810	928,591,075,222	-	-
As at 30 June 2017	-	154,918,930,331	129,392,340,325	110,537,865,475	18,854,474,850	-

The Notes and schedules set out on pages 32 to 83 form an integral part of the financial statements.

ACCOUNTANT GENERAL'S OFFICE
GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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 Shs.	Plant –machinery, trucks machinery Shs.	Others- computers, copiers Shs.	Total value of property, plant & equipment purchased during the year 30 June 2018 Shs.	Total value of property, plant & equipment purchased- 30 June 2017 Shs.
Ministries	281,093,118,432	84,946,349,835	196,662,236,420	562,701,704,687	976,247,896,309
Agencies	1,840,944,607,445	120,942,646,567	282,531,541,190	2,244,418,795,202	2,330,171,116,866
Referral hospitals	25,171,490,946	4,109,893,873	14,420,698,445	43,702,083,264	42,339,159,143
Embassies/Missions	9,869,862,665	5,522,511,431	24,994,748	15,417,368,844	15,875,768,113
At 30 June 2018	2,157,079,079,488	215,521,401,706	493,639,470,803	2,866,239,951,997	3,364,633,940,431
At 30 June 2017	2,354,874,733,106	704,016,761,245	305,742,446,080	3,364,633,940,431	

The Notes and schedules set out on pages 32 to 83 form an integral part of the financial statements.

Notes to the Financial Statements

1.0 General Information

The consolidated financial statements of the Government of Republic of Uganda have been prepared in accordance with the requirements of the Public Finance Management Act, 2015 as amended.

The Government reporting entities, referred to as central Government votes 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 cash basis of accounting as modified with regard to recognition of liabilities, letters of credit, on lent loans and other prepayments, and revenue from Uganda Revenue Authority has been consistently used. 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.

The cash basis applied recognizes revenue when received not when earned, expenditure in the period it is incurred. Purchases of assets including immovable property, plant and equipment with the exception of non-produced assets are expensed fully in the year of purchase.

(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.

(ii) Government Business Entities

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.

Government Business Entities are included in the consolidated Government Accounts at 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:

- (i) fully funded by a Government
- (ii) jointly funded by Government and a development partner
- (iii) 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 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 exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of financial performance.

(iii) Consolidation of Government entities

The results and financial position of all the Government entities that transact mainly in foreign currencies are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each profit and loss account are translated at ruling spot exchange rates on the transactions dates.

(d) Reporting Period

The reporting period for these financial statements is the financial year of the Government, which runs from 1 July 2017 to the 30 June 2018.

The Budget forecast is the original forecast as amended by subsequent supplementary budgets for the year as appropriated by Parliament.

(e) Revenue

Revenue represents cash 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 is proceeds from sales of designated services by Government entities. Sales of services are recognized in the period in which the payment for the service is received and not necessarily when the service is rendered.

Non-Tax Revenue, whether directly collected by the entity or collected by another entity on its behalf is recognized when received.

(f) Expenses

Expenditure is recognized when incurred. All unpaid expenses (liabilities) that have been verified are 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 it is received.

(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.

a. 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.

b. 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 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.

Transfers of unspent cash balances to the Consolidated Fund are treated as a direct movement in reserves of the accounting entity and reflected as part of the changes in net financial worth.

(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.

**ACCOUNTANT GENERAL'S OFFICE
GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

(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 in 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 2018

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 2018 for major currencies was:

	Actual 30 June 2018 Shs	Actual 30 June 2017 Shs
United States Dollar	3,879.75	3590.90
Japanese Yen		31.89
British Pound	5,100.91	4666.38
Euro	4,498.26	4102.61
SDR/AFU/IDI	5,450.74	4993.62

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 2018 Shs.	30 June 2017 Shs.
Customs and exercise taxes	4,638,648,168,227	4,118,045,622,626
Taxes on gains and profits, fees and licenses including VAT	9,600,061,025,890	8,523,369,794,220
KCCA Taxes	35,354,385,594	37,084,418,604
Sub-total	14,274,063,579,711	12,678,499,835,450
Less Tax refunds, mineral royalties, and bail deposits	(211,517,705,735)	(162,729,104,159)
Total taxation revenues	14,062,545,873,976	12,515,770,731,291

Note 4 - Non-Tax Revenues [NTR]

The collection of NTR is now largely being undertaken by URA. NTR principally comprises the following:

	30 June 2018 Shs.	30 June 2017 Shs.
Investment income	152,604,066,760	78,118,868,051
Dividends	10,625,235,854	10,455,450,254
Rent	35,336,010,102	24,814,536,193
Other property income	19,911,720,226	12,889,186,166
Income from Disposal of Assets	69,222,377,713	52,219,850,858
Administrative fees and licenses	553,661,650,253	530,254,265,518
Fines and penalties	8,468,613,914	9,915,291,156
Miscellaneous revenue	307,213,237,583	191,293,035,714
Total Non-Tax Revenue	1,157,042,912,405	909,960,483,910

Note 5 - External Assistance Received

External Assistance was received in the form of loans and grants from 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:

**ACCOUNTANT GENERAL'S OFFICE
GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

Notes to the Financial Statements for the year ended 30 June 2018

5(a) Grants received

	30 June 2018 Shs.	30 June 2017 Shs.
Grants Received		
Grants from foreign Governments	180,735,781,390	166,704,095,071
Grants from multilateral organizations	833,979,340,155	338,604,590,198
Total grants received	1,014,715,121,545	505,308,685,269
5(b) Loans		
Loan Funds		
Loans from foreign Governments	2,715,940,831,019	1,570,725,832,143
Loans from Commercial Banks	172,138,348,925	-
Loans from multilateral organizations	1,742,224,320,824	1,911,623,250,958
Total	4,630,303,500,768	3,482,349,083,101
Total External Assistance (4(a) +4(b))	5,645,018,622,313	3,987,657,768,370

Note 6 – HIPC Relief

Relief under Highly Indebted Poor Countries [HIPC] arrangement included

	30 June 2018 Shs.	30 June 2017 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 2018 Shs.	30 June 2017 Shs.
Wages and salaries	2,446,605,213,506	2,344,261,882,983
Social Contributions	107,767,224,917	95,686,227,027
Other employment costs	156,124,396,158	196,312,734,360
Total employee costs.	2,710,496,834,551	2,636,260,844,370

Notes to the Financial Statements for the year ended 30 June 2018

Note 8 - Goods and services consumed

These comprise:

	30 June 2018 Shs.	30 June 2017 Shs.
General expenses	774,936,035,730	766,014,150,780
Communications	65,131,268,422	56,660,527,056
Utility and property expenses	393,550,959,489	245,523,476,737
Supplies and services	1,480,522,624,264	1,434,337,019,547
Professional services	198,357,838,430	140,992,579,057
Insurances and licenses	12,855,050,304	11,048,657,944
Travel and transport	443,737,226,572	403,349,636,630
Maintenance	397,970,050,883	373,535,193,945
Total goods and services	3,767,061,054,094	3,431,461,241,696

Included in Supplies and services is classified expenditure amounting to Ugx 757 billion.

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 2018 Shs.	30 June 2017 Shs.
Buildings and structures	1,461,973,355,670	1,863,088,670,335
Machinery, furniture	141,102,876,694	591,208,228,409
Transport Equipment	74,418,525,012	112,808,532,836
Other fixed assets	493,639,470,803	305,742,446,080
Total value of property, plant and equipment expensed	2,171,134,228,179	2,872,847,877,660

Note 10 – Bank Charges

The total bank charges comprise;

	30 June 2018 Shs.	30 June 2017 Shs.
Bank charges -Treasury	114,472,399	197,433,271
Bank charges- From MDAs	-	-
Total	114,472,399	197,433,271

**ACCOUNTANT GENERAL'S OFFICE
GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

Notes to the Financial Statements for the year ended 30 June 2018

Note 11 - Subsidies

Subsidies paid during the year are summarized as below:

	30 June 2018 Shs.	30 June 2017 Shs.
To public corporations		-
To private enterprises		93,629,000
To private individuals		-
Total subsidies for the year		93,629,000

Note 12 – Transfers to Other Organizations

The Government paid grants during the year to the following:

	30 June 2018 Shs.	30 June 2017 Shs.
To international organization	84,533,704,038	61,939,367,462
To other non-consolidated Government units	6,237,876,240,213	3,249,812,134,531
To resident non-Government units	49,927,725,071	112,304,195,792
To local Governments	2,619,372,733,897	2,545,982,321,787
Total grants for the year	8,991,710,403,219	5,970,038,019,572

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 2018 Shs.	30 June 2017 Shs.
Pensions	173,259,640,828	164,386,131,972
Social security benefits	2,402,288,205	6,910,989,687
Total	175,661,929,033	171,297,121,659

Note 14 - Other expenses

These comprise:

	30 June 2018 Shs.	30 June 2017 Shs.
Property expenses other than interest	2,146,965,521	417,316,062
Miscellaneous expenses	514,463,828,834	597,957,347,510
Total other operating expenses	516,610,794,355	598,374,663,572

Notes to the Financial Statements for the year ended 30 June 2018

Note 15 - Foreign exchange gains and losses

	30 June 2018 Shs.	30 June 2017 Shs.
Realised loss (gain)	(17,379,452,169)	(12,651,885,568)
Un/realized loss	2,056,704,930,252	903,642,011,497
Un/realized gain	-	-
Net foreign exchange (gains)/ losses	2,039,325,478,083	890,990,125,929

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 2018 Shs.	30 June 2017 Shs.
Interest on external borrowings	351,595,600,840	329,328,293,237
Interest on treasury bills/bonds	1,937,424,879,060	1,958,105,893,727
Interest on other domestic borrowings	-	-
Total finance costs	2,289,020,479,900	2,287,434,186,964

Note 17 - Bad debts expenses

	30 June 2018 Shs	30 June 2017 Shs
Provision at the beginning of the year- at 1 July	-	-
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	-	-

Note 18: Non Produced Assets

	30 June 2018 Shs.	30 June 2017 Shs.
Land	2,447,798,557,812	1,708,874,062,328
Cultivated Assets	18,945,054,637	13,802,233,448
Other Naturally occurring assets	-	38,368,769
Total	2,466,743,612,449	1,722,714,664,545

**ACCOUNTANT GENERAL'S OFFICE
GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

Notes to the Financial Statements for the year ended 30 June 2018

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.

	30 June 2018 Shs.	30 June 2017 Shs.
DOMESTIC		
Revenue accounts	32,831,301,934	11,522,940,363
Expenditure accounts held with Bank of Uganda	514,946,021	11,363,031,576
Project accounts	170,362,618,861	65,569,615,951
Contingency Fund account	-	30,355,516,081
Energy Fund	457,538,747,288	421,326,646,452
Petroleum Fund Account	3,119,314,540	13,848,524,812
Collection accounts	594,203,974,480	895,808,369
Cash in transit	10,071,800	62,696,321,078
Cash at hand- Imprest	536,847,063,711	719,601,194,053
Others including Treasury accounts	1,795,428,038,635	1,337,179,598,735
Sub-total cash and cash equivalents- domestic		
FOREIGN		
Revenue Accounts	4,372,301,748	2,503,820,204
Expenditure Accounts	11,219,617,677	24,853,328,497
Project Accounts	539,686,232	14,095,110
Collection accounts	40,863,245	147,523,145
Cash in transit	2,085,391,611	3,813,966,226
Cash at hand- Imprests	776,223,489	800,798,304
Others	696,605,997	352,629,251
Sub-total cash and cash equivalents- foreign	19,730,689,999	32,486,160,737
Total cash and cash equivalents	1,815,158,728,634	1,369,665,759,472

Note 20 - Receivables

Receivables include amounts due from the Uganda Revenue Authority (the URA) in respect of taxes and non-tax revenues collected but not remitted to the Consolidated Fund by the year end, on-lent amounts due from Government entities, letters of credit not retired and other advances.

	30 June 2018 Shs.	30 June 2017 Shs.
Due from the URA	-	320,900,051,364
Loans- domestic	4,634,827,004,381	430,399,000,553
Domestic Advances	459,484,197,533	539,617,240,062
Letters of Credit	66,610,507,124	12,950,808,269
Other accounts receivable- domestic	307,514,582,675	115,895,573,370
Total Receivables	5,468,436,291,713	1,419,762,673,618
Less provision for bad debts	-	-
Net Receivables	5,468,436,291,713	1,419,762,673,618

Receivables are reconciled to the Statement of Outstanding Loans issued by the Government as follows:

	30 June 2018 Shs.	30 June 2017 Shs.
Total receivables as above	5,468,436,291,713	1,419,762,673,618
Less: Amount due from the URA	-	(320,900,051,364)
Balance of Loans issued by Government- See Statement of Outstanding Loans issued	5,468,436,291,713	1,098,862,622,254

Notes to the Financial Statements for the year ended 30 June 2018

Note 21 - Investments

Comprise investments as follows:

	30 June 2018 Shs.	30 June 2017 Shs.
Securities other than shares (long-term)-domestic		-
Shares and other equity-domestic	4,760,156,264,949	4,445,801,555,798
Securities other than shares-foreign	102,774,577	7,824,910,990
Shares and other equity	456,879,357,379	421,875,590,560
Deposits with IMF	1,967,752,057,440	1,803,706,306,300
Total investments	7,184,890,454,345	6,679,208,363,648

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 2018 Amounts Shs.	% Total Borrowings	30 June 2017 Amount Shs.	% Total Borrowings
DOMESTIC				
Currency and deposits				
Securities other than shares (21a)	13,059,756,560,588	32%	11,407,324,547,093	32%
Loans (21b)	-	0%	106,308,865,146	3%
Shares and other equity (public corporations)				
Total domestic borrowings	13,059,756,560,588	32%	11,513,633,412,239	35%
FOREIGN				
Currency deposits				
Securities other than shares				
Loans (see below) (21c)	28,386,358,411,803	68%	22,205,587,262,252	65%
Shares and other equity (public corporations)				
Total external borrowings	28,386,358,411,803	68%	22,205,587,262,252	65%
Total borrowings	41,446,114,972,391	100%	33,719,220,674,491	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 2018 Shs.	30 June 2017 Shs.
DOMESTIC		
Treasury bills	3,522,984,489,393	3,148,740,531,580
Government bonds	9,536,772,071,195	8,258,584,015,513
TOTAL	13,059,756,560,588	11,407,324,547,093

**ACCOUNTANT GENERAL'S OFFICE
GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

Notes to the Financial Statements for the year ended 30 June 2018

Note: Promissory notes were written off during the year
Maturity dates of treasury bills are analyzed as below:

	30 June 2018 Shs.	30 June 2017 Shs.
91-day bills	57,410,053,793	39,007,074,764
182-day bills	351,991,117,268	258,837,679,621
273 day bills	-	-
364-day bills	3,113,583,318,332	2,850,895,777,195
Total value of treasury bills	3,522,984,489,393	3,148,740,531,580

ii) Government bonds

By 30th June 2014, unredeemed bonds were as below;

	30 June 2018 Shs.	30 June 2017 Shs.
Bonds to be redeemed between 1-2 years	508,305,343,893	825,804,713,383
Bonds to be redeemed between 2-3 years	1,174,871,189,921	728,223,889,921
Bonds to be redeemed between 3-5 years	3,613,115,703,430	3,440,196,166,221
Bonds to be redeemed between 5-10 years	2,624,867,266,891	2,084,867,266,891
Bonds to be redeemed after ten years	1,615,612,567,060	1,179,491,979,097
Total value of treasury bonds	9,536,772,071,195	8,258,584,015,513

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 2018 Shs.	30 June 2017 Shs.
DOMESTIC		
Loans from commercial banks	-	-
Principal Reimbursements	51,168,064,138	51,168,064,138
Interest payable- on treasury bonds	55,007,412,893	55,007,412,893
Interest payable- on treasury bills	-	-
Listing Fees	10,000,000	10,000,000
Others- Including overdrafts	123,388,115	123,388,115
Total domestic loans	106,308,865,146	

Note 22(c) - Foreign borrowings comprise the following:

	30 June 2018 Shs.	30 June 2017 Shs.
FOREIGN		
Loans from Multi-lateral organizations	19,175,561,587,807	16,438,626,794,183
Loans from foreign Governments -bilateral	9,018,169,907,609	5,766,960,468,069
Loans from Commercial Banks	192,626,916,387	-
Total external borrowings	28,386,358,411,803	22,205,587,262,252

Note 22 (d) - Loans from multi-lateral organizations

Notes to the Financial Statements for the year ended 30 June 2018

Include borrowings from foreign Governments, from international financial institutions, and from any other foreign private financial institutions.

These are summarized as follows:

	30 June 2018 Shs.	% of Total multi- lateral debt	30 June 2017 Shs.	% of total multi- lateral debt
African Development Fund	4,600,762,072,667	24%	3,982,082,521,592	24%
International Monetary Fund	-	0%	-	-
International Development Association	11,935,344,121,041	62%	10,124,828,217,706	65%
Sub-total	16,536,106,193,708	86%	14,106,910,739,298	
Others	2,639,455,394,099	14%	2,331,716,054,885	10%
Total multi-lateral debts	19,175,561,587,807	100%	16,438,626,794,183	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 2018 Shs	% of total bi-lateral debt	30 June 2017 Shs.	% of total bi- lateral debt
From OECD countries	7,906,355,602,367	88%	1,136,920,058,986	16
From non-OECD countries	1,111,814,305,242	12%	4,630,040,409,083	84
Total loans from bi-laterals	9,018,169,907,609	100%	5,766,960,468,069	100

Effective rates of interests

The effective weighted average interest rate for external borrowings at the balance sheet date was as follows:

	30 June 2017 Interest rate %	30 June 2014 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 2018 Shs.	30 June 2017 Shs.
DOMESTIC PAYABLES		
Accounts payables	244,191,754,688	115,976,881,789
Other accounts payable	2,323,297,797,251	2,168,987,446,540
Total payables	2,567,489,551,939	2,284,964,328,329

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 2018 Shs.	30 June 2017 Shs.
Deposits received	92,503,183,108	83,228,627,225
Total	92,503,183,108	83,228,627,225

Note 25- Pension liabilities

ACCOUNTANT GENERAL'S OFFICE
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Notes to the Financial Statements for the year ended 30 June 2018

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 2018 Shs.	30 June 2017 Shs.
Former East African Community employees		-
Former employees of the Military Service	508,636,383,717	525,009,771,838
Former employees of the Public Service	11,221,896,893	21,475,622,989
Former employees of the Education Service	-	-
Former employees of the Police and Prison Service	-	-
Gratuity arrears	49,749,311,329	76,986,682,811
Total	569,607,591,939	623,472,077,638

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 2018 Shs.	30 June 2017 Shs.
At beginning of the year, 1 July 2016	(26,056,524,731,158)	(21,534,705,195,248)
Re-statement of external debt, on-lent loans and investments and others	4,272,454,121,618	406,135,707,313
Surplus for the year- see Statement of Financial Performance	(6,426,831,765,917)	(4,927,955,243,223)
At end of the year, 30 June 2018	(28,210,902,375,457)	(26,056,524,731,158)

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 2018 Shs.	30 June 2017 Shs.
At the beginning of the year	-	-
Additions through appropriations	-	-
Balance at the end of the year	-	-

Note 28 – Energy Fund

	30 June 2018 Shs.	30 June 2017 Shs.
Energy Fund (b/f)	30,355,516,081	33,599,825,965
Withdrawals from the Fund	(30,355,516,081)	(16,806,088,211)
Replenishment from the Fund		13,561,778,327
Balance at the end of the year	-	30,355,516,081

Notes to the Financial Statements for the year ended 30 June 2018

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 2018 Shs.	30 June 2017 Shs.
Petroleum Fund b/f	506,634,968,677	255,855,610,606
Withdrawals from the Fund	(125,300,650,824)	(71,693)
Replenishment from the Fund	62,988,471,916	236,013,470,418
Adjustment to the Fund	26,093,373,452	14,765,959,346
Balance at the end of the year	470,416,163,221	506,634,968,677

ACCOUNTANT GENERAL'S OFFICE
GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Statement of Appropriation by vote for the year ended 30 June 2018
[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	127,187,516,598	125,705,838,537	125,705,838,537	1,481,678,061
State House	324,518,465,791	324,137,486,641	323,675,765,251	842,700,540
Office of the Prime Minister	123,049,693,419	112,088,273,042	112,149,988,849	10,899,704,570
Ministry of Defence	1,487,813,896,521	1,416,440,021,706	1,415,824,563,068	71,989,333,453
Ministry of Public Service	25,420,662,107	21,355,002,558	21,355,002,558	4,065,659,549
Ministry of Foreign Affairs	57,567,149,928	54,733,727,270	54,733,727,270	2,833,422,658
Ministry of Justice and Const'l Affairs	150,853,985,768	143,798,086,059	143,798,086,059	7,055,899,709
Ministry of Finance, Planning and Econ De	311,242,108,562	301,835,053,411	298,570,237,161	12,671,871,401
Ministry of Internal Affairs	19,268,770,766	18,507,034,810	18,504,140,356	764,630,410
Ministry of Agric, Animal Ind and Fisheries	174,054,064,748	151,405,666,381	151,412,007,838	22,642,056,910
Ministry of Local Government	46,762,810,404	39,961,841,107	39,971,415,819	6,791,394,585
Ministry of Lands, Housing & Urban Devt	85,487,613,316	66,696,761,194	66,688,580,646	18,799,032,670
Ministry of Education and Sports	253,119,663,438	243,232,037,678	232,342,138,440	20,777,524,998
Ministry of Health	103,263,134,090	93,008,948,609	94,046,837,440	9,216,296,650
Ministry of Trade and Industry	89,384,744,672	66,893,718,999	66,894,280,519	22,490,464,153
Ministry of Works & Transport	250,547,020,198	245,306,961,925	244,208,402,095	6,338,618,103
Ministry of Energy and Minerals	442,935,617,484	407,790,564,708	407,790,564,708	35,145,052,776
Ministry of Gender, Labour and Social Devt	173,742,450,213	144,387,056,160	142,586,501,299	31,155,948,914
Ministry of Water & Environment	488,498,323,769	317,573,273,605	317,588,642,774	170,909,680,995
Ministry of Communication & ICT	46,311,166,095	38,669,229,970	38,707,712,915	7,603,453,180
Ministry of East African Affairs	63,841,606,753	52,155,539,206	52,069,555,800	11,772,050,953
Ministry of Tourism & Heritage	87,798,395,638	15,026,663,182	15,058,377,974	72,740,017,664
Ministry of Science, Tech & Innovation	57,952,422,345	53,918,429,251	53,918,429,251	4,033,993,094
Totals for 30 June 2018	4,990,621,282,623	4,400,708,786,758	4,383,682,367,376	553,020,485,996
Totals for 30 June 2017	4,252,084,649,387	3,743,714,750,703	4,113,105,952,641	138,978,696,746

Statement of Appropriation by vote for the year ended 30 June 2018
[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)	135,164,744,893	134,788,750,768	134,747,878,801	416,866,092
Electoral Commission	97,022,518,600	96,842,151,841	96,642,461,202	380,057,398
Inspector General of Government	43,933,290,171	41,475,651,919	41,476,376,851	2,456,913,320
Parliamentary Commission	561,262,886,652	556,743,749,025	556,743,749,025	4,519,137,627
Law Reform Commission	10,277,438,005	10,008,891,041	10,008,756,401	268,681,604
Uganda Human Rights Commission	18,308,369,785	18,095,301,734	18,093,454,643	214,915,142
Uganda Aids Commission	7,240,509,572	7,098,918,722	7,098,918,722	141,590,850
National Planning Authority	23,508,357,779	23,506,256,726	23,506,256,726	2,101,053
Law Development Centre	13,631,389,236	12,005,969,398	12,021,390,000	1,609,999,236
Uganda Industrial Research Institute	14,152,156,456	14,053,299,234	14,053,299,234	98,857,222
Busitema University	36,505,945,702	35,472,993,198	35,464,904,075	1,041,041,627
Directorate of Ethics and Integrity	6,076,693,064	2,265,836,530,241	2,116,052,344,633	114,131,878
Uganda National Roads Authority	3,593,846,542,489	18,443,460,549	18,445,630,323	1,477,794,197,856
Uganda Cancer Institute	20,289,576,700	18,443,460,549	16,770,825,547	1,843,946,377
Uganda Heart Institute	18,095,195,138	15,016,431,805	304,074,897,000	1,324,369,591
National Medical Stores	304,074,897,442	304,077,582,254	8,660,977,515	442
Uganda Tourism Board	18,313,936,072	8,659,337,379	417,393,231,990	9,652,958,557
Uganda Road Fund	417,423,905,425	417,393,231,990	24,859,146,846	30,673,435
Uganda Registration Services Bureau	26,789,791,605	24,859,146,846	24,859,146,846	1,930,644,759
National Citizenship & Imm Ctrl	49,478,853,225	47,170,328,676	47,170,328,676	2,308,524,549
Diary Development Authority	6,965,970,923	6,634,499,001	6,634,499,001	331,471,922
KCCA	286,554,765,833	162,887,690,412	241,618,326,063	44,936,439,770
Rural Electricity Agency	124,816,000,000	88,901,099,059	88,794,594,448	36,021,405,552
Equal Opportunity Commission	7,344,884,991	7,335,453,131	7,335,156,947	9,728,044
NAGRC &DB	14,778,824,859	11,663,140,420	11,249,793,624	3,529,031,235
NITA-U	55,614,024,751	35,615,373,663	35,617,186,483	19,996,838,268
Muni University	14,805,273,989	12,164,510,289	12,288,632,230	2,516,641,759
UNEB	85,594,018,373	38,293,169,692	78,977,345,694	6,616,672,679
Financial Intelligence Authority	8,599,943,777	8,599,943,778	8,599,943,778	(1)
Treasury Operations	8,643,676,550,357	7,754,364,329,564	7,754,364,329,564	889,312,220,793
Office of the Auditor General	56,363,415,627	56,231,045,095	56,298,349,695	65,065,932
Education Service Commission	6,911,788,542	6,412,649,052	6,412,649,052	499,139,490
Directorate of Public Prosecution (DPP)	32,275,384,598	30,967,550,020	30,967,550,020	1,307,834,578
Health Service Commission	5,670,563,032	5,148,706,109	5,145,210,687	525,352,345
Makerere University (MUK)	266,507,513,584	236,787,560,177	241,042,136,102	25,465,377,482
Mbarara University	46,349,973,348	44,329,123,975	39,027,276,483	7,322,696,865
Makerere University Business School	74,808,807,105	48,832,057,574	68,055,616,076	6,753,191,029
Kyambogo University (KYU)	121,816,085,712	117,428,761,147	119,619,243,073	2,196,842,639
Uganda Management Institute	32,064,666,880	15,313,092,988	29,879,670,014	2,184,996,866
Uganda Revenue Authority (URA)	388,472,437,542	388,472,436,996	388,472,436,996	546
National Agriculture Research Organisatn	46,200,146,579	42,503,205,096	42,503,255,943	3,696,890,636
Uganda Bureau of Statistics (UBOS)	53,072,013,810	51,792,095,353	51,792,095,353	1,279,918,457
Uganda Police	645,108,010,440	642,303,280,106	644,233,821,189	874,189,251

ACCOUNTANT GENERAL'S OFFICE
GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Statement of Appropriation by vote for the year ended 30 June 2018
[As submitted and signed by Accounting Officers]

Name of agency	Approved estimates	Actual released	Actual expenditure	Variance
	Shs.	Shs.	Shs.	Shs.
Uganda Prisons	203,492,809,378	172,988,535,419	180,713,496,111	22,779,313,267
Public Service Commission	6,463,510,975	6,367,316,561	6,367,365,191	96,145,784
Local Government Finance Commission	5,600,123,029	5,596,909,207	5,597,018,947	3,104,082
Judicial Service Commission	8,577,013,785	7,617,677,693	7,617,677,693	959,336,092
Gulu University	39,697,751,484	33,402,146,412	37,138,586,093	2,559,165,391
National Environment Mgt Authority	24,485,385,086	10,980,001,955	10,980,271,447	13,505,113,639
Uganda Blood Transfusion Service	13,351,347,860	12,768,942,826	12,601,806,914	749,540,946
National Agricultural Advisory Services	279,704,838,142	278,731,701,844	264,282,577,768	15,422,260,374
Public Procurement & Disposal of Assets	13,402,960,644	13,203,225,626	13,187,616,352	215,344,292
Uganda National Bureau of Standards	39,969,545,776	38,465,947,996	38,465,947,996	1,503,597,780
Cotton Development Organisation	23,365,496,844	22,282,058,673	22,282,058,673	1,083,438,171
Uganda Land Commission	45,707,289,765	31,620,131,486	31,619,621,508	14,087,668,257
National Forestry Authority	29,507,999,516	18,853,788,615	18,648,343,716	10,859,655,800
External Security Organisation	39,282,828,421	39,282,828,000	39,282,828,000	421
Coffee Development Authority	76,900,188,785	71,083,308,916	70,998,109,831	5,902,078,954
Lira University	13,068,494,591	11,944,431,808	12,629,497,811	438,996,780
Uganda National Metrological Authority	29,554,600,361	23,912,171,308	24,487,519,189	5,067,081,172
National Curriculum Dev't Centre	7,093,943,434	6,926,284,487	6,926,623,004	167,320,430
Uganda Virus Research Institute	7,343,779,107	6,889,807,191	6,889,624,140	454,154,967
DIRECTORATE OF GOVT ANALYTICAL LAB	9,047,879,858	8,775,026,604	8,775,026,604	272,853,254
Uganda Export Promotion Board	3,233,042,170	2,785,578,006	2,785,578,006	447,464,164
Kabale University	21,719,941,130	19,003,788,304	19,006,700,708	2,713,240,422
Soroti University	12,582,021,079	11,053,233,710	10,881,180,651	1,700,840,428
NIRA	94,128,043,360	64,730,359,196	66,115,966,299	28,012,077,061
Totals for 30 June 2018	17,487,048,897,243	14,802,237,418,435	14,815,354,136,223	2,690,591,346,680
Totals for 30 June 2017	15,001,566,570,558	13,526,195,681,035	14,176,790,439,399	824,776,131,159

Statement of Appropriation by vote for the year ended 30 June 2018
[As submitted and signed by Accounting Officers]

REFERRAL HOSPITALS

Referral hospital	Approved estimates Shs.	Actual released Shs.	Actual expenditure Shs.	Variance Shs.
Mulago Hospital Complex	75,976,325,878	68,306,786,116	69,817,932,598	6,158,393,280
Butabika Hospital	13,155,979,043	12,247,511,864	12,248,371,096	907,607,947
Arua Hospital	6,811,472,738	6,309,659,855	6,309,659,855	501,812,883
Fort Portal Hospital	7,421,696,859	6,133,576,896	6,133,576,896	1,288,119,963
Gulu Hospital	7,635,638,215	6,623,474,126	6,703,400,126	932,238,089
Hoima Hospital	7,259,207,482	5,632,461,369	5,706,840,137	1,552,367,345
Jinja Hospital	9,733,600,833	7,993,843,862	8,009,906,242	1,723,694,591
Kabale Hospital	6,656,451,067	5,879,638,117	5,882,523,208	773,927,859
Masaka Hospital	6,996,832,753	6,606,542,183	6,416,286,521	580,546,232
Mbale Hospital	11,040,980,046	10,899,382,103	10,698,422,888	342,557,158
Soroti Hospital	6,548,114,173	5,457,845,526	5,236,386,812	1,311,727,361
Lira Hospital	6,645,769,826	6,200,212,564	5,966,720,427	679,049,399
Mbarara Regional Hospital	8,162,842,626	6,866,290,603	8,048,576,761	114,265,865
Mubende Regional Hospital	5,672,844,338	4,615,281,585	4,615,281,585	1,057,562,753
Moroto Regional Hospital	5,995,666,149	4,546,908,600	4,555,260,668	1,440,405,481
Naguru Referral Hospital	6,702,581,737	5,469,121,761	5,475,477,320	1,227,104,417
Total for 30 June 2018	192,416,003,763	169,788,537,130	171,824,623,140	20,591,380,623
Total for 30 June 2017	180,261,870,490	153,993,905,406	154,864,536,791	25,397,333,699

ACCOUNTANT GENERAL'S OFFICE

GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Statement of Appropriation by vote for the year ended 30 June 2018
[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	18,337,494,254	13,248,387,255	17,133,034,608	1,204,459,646
Uganda High Commission in the United ,UK	6,327,981,739	6,327,981,740	6,321,124,260	6,857,479
Uganda High Commission in Canada	4,579,509,249	4,579,508,998	4,703,726,146	(124,216,897)
Uganda High Commission in India	4,495,401,599	4,495,401,590	4,362,229,177	133,172,422
Uganda High Commission in Egypt	2,649,633,632	2,649,633,360	2,630,134,948	19,498,684
Uganda High Commission in Kenya	3,557,015,528	3,557,015,528	3,530,131,219	26,884,309
Uganda High Commission in Tanzania	4,366,446,790	4,366,446,411	4,570,570,288	(204,123,498)
Uganda High Commission in Nigeria	2,666,000,026	2,665,998,222	2,852,733,343	(186,733,317)
Uganda High Commission in South Africa	3,145,349,953	3,145,349,605	3,005,354,110	139,995,843
Uganda Embassy in the United States	7,328,348,153	7,328,347,999	7,157,099,634	171,248,519
Uganda Embassy in Ethiopia	2,341,201,988	2,314,001,990	3,227,348,764	(886,146,776)
Uganda Embassy in China	5,241,991,849	5,241,991,849	5,191,696,036	50,295,813
Uganda Embassy in Rwanda	2,945,308,132	2,568,330,997	3,079,786,376	(134,478,244)
Uganda Embassy in Switzerland	7,006,224,256	7,006,224,000	7,022,888,010	(16,663,754)
Uganda Embassy in Japan	4,677,389,303	4,677,388,837	4,807,795,700	(130,406,397)
Uganda Embassy in Saudi Arabia	2,876,601,201	2,876,601,200	2,690,174,157	186,427,044
Uganda Embassy in Denmark	4,395,124,401	2,876,601,200	2,690,174,157	1,704,950,244
Uganda Embassy in Belgium	6,331,617,449	4,395,123,997	4,189,887,612	2,141,729,837
Uganda Embassy in Italy	5,031,882,309	6,331,616,977	5,131,818,469	(99,936,160)
Uganda Embassy in DRC	3,168,898,685	5,031,881,979	5,077,746,155	(1,908,847,470)
Uganda Embassy in Sudan	2,483,277,650	3,168,898,686	2,171,167,604	312,110,046
Uganda Embassy in France	5,270,531,873	2,482,277,652	2,572,998,188	2,697,533,685
Uganda Embassy in Germany	4,806,524,174	5,270,531,873	5,244,888,106	(438,363,932)
Uganda Embassy in Iran	2,866,750,278	4,806,523,955	4,756,414,639	(1,889,664,361)
Uganda Embassy in Russia	3,350,391,065	2,866,750,201	2,891,611,137	458,779,928
Uganda Embassy in Australia	4,225,668,622	3,350,391,064	3,251,476,450	974,192,172
Uganda Embassy in Juba	4,299,149,591	4,225,668,585	3,892,615,652	406,533,939
Uganda Embassy in Abu Dhabi, UAE	4,662,306,046	4,299,149,592	4,293,525,664	368,780,382
Uganda Embassy in Burundi	9,013,689,610	4,112,306,045	4,117,590,165	4,896,099,445
Uganda Embassy in Guangzhou	3,844,718,316	9,019,465,490	9,145,172,616	(5,300,454,300)
Uganda Embassy in Ankara	3,530,300,723	3,844,717,999	4,221,912,805	(377,194,489)
Uganda Embassy in Mogadishu	3,219,047,505	3,530,300,724	4,068,007,458	(848,959,953)
Uganda Embassy in Malaysia	2,944,872,548	3,219,047,505	3,255,736,019	(310,863,471)
Uganda Consulate in Mombasa	976,625,098	2,944,872,547	2,896,572,328	(1,919,947,230)
Uganda Embassy in Algiers	2,539,734,570	976,624,999	974,467,449	1,565,267,121
Total for 30 June 2018	159,503,008,165	153,801,360,651	157,129,609,449	2,373,398,716
Total for 30 June 2017	154,231,463,495	149,010,578,960	147,604,006,741	6,627,456,754

Statement of Contingent Liabilities as at 30 June 2018
[As submitted and signed by Accounting Officers]

MINISTRIES

Ministry	Legal proceedings Shs.	Guarantees & indemnities Shs.	Other Contingent Liabilities Shs.	Total Contingent Liabilities 30 June 18 Shs.	Total Contingent Liabilities 30 June 17 Shs.
Office of the President	-	-	-	-	-
State House	-	-	-	-	-
Office of the Prime Minister	-	-	-	-	-
Ministry of Defence	-	-	-	6,542,612,670	-
Ministry of Public Service	-	-	-	-	89,035,905,010
Ministry of Foreign Affairs	-	-	-	-	-
Ministry of Justice and Constitutional Affairs	7,294,546,681,169			7,294,546,681,169	5,510,583,811,126
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 & Sports	-	-	-	-	-
Ministry of Health	550,000,000			550,000,000	6,748,728,628
Ministry of Trade & Industry				-	-
Ministry of Works & Transport				-	-
Ministry of Energy and Minerals	389,858,558,200	-	-	389,858,558,200	-
Ministry of Gender, Labour and Social Development	-	-	-	-	-
Ministry of Water & Environment	-	-	-	-	-
Ministry of Communication & ICT	-	-	-	-	-
Ministry of East African Affairs	-	-	-	-	-
Ministry of Tourism & Heritage	-	-	-	-	-
Ministry of Science, Tech & Innovation	-	-	-	-	-
Total at 30 June 2018	7,684,955,239,369			7,691,497,852,039	6,239,060,346,107
Total at 30 June 2017	6,239,060,346,107			6,239,060,346,107	

ACCOUNTANT GENERAL'S OFFICE
GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Statement of Contingent Liabilities as at 30 June 2018
[As submitted and signed by Accounting Officers]

AGENCIES

Agency	Legal proceedings	Guarantees & indemnities	Other Contingent Liabilities	Total Contingent Liabilities	30 June 2017
Judiciary	-	-	-	-	-
Electoral Commission	-	-	-	-	-
Inspector General of Government's Office	-	-	-	-	-
Parliamentary Commission	-	-	-	-	-
Law Reform Commission	-	-	-	-	-
Uganda Human Rights Commission	-	-	-	-	-
Uganda Aids Commission	-	-	-	-	-
National Planning Authority	-	-	-	-	-
Uganda Industrial Research Institute	82,239,068	-	-	82,239,068	-
Directorate of Ethics & Int	-	-	-	-	-
Uganda National Roads Authority (UNRA)	437,246,601,530	-	-	437,246,601,530	476,331,503,659
Uganda Cancer Institute	-	-	-	-	-
Uganda Heart Institute	-	-	-	-	-
Uganda Tourism Board	-	-	-	-	-
Uganda Road Fund	-	-	-	-	-
Uganda Registration Serv Bureau	-	-	-	-	-
National Citizenship & IC	-	-	-	-	-
KCCA	33,388,407,902	-	-	33,388,407,902	124,485,609,676
Rural Electrification Agency	-	-	-	-	-
Equal Opportunities Commission	-	-	-	-	-
NAGRC&DB	-	-	-	-	-
NITA-U	-	-	-	-	-
Treasury Operations	0	577,160,029,389	20,458,137,635	597,618,167,024	614,563,223,140
Office of the Auditor General	-	-	-	-	-
Education Service Commission	-	-	-	-	-
Directorate of Public Prosecutions	-	-	-	-	-
Health Service Commission	-	-	-	-	-
National Agricultural Research Organization	-	-	-	-	-
Uganda Bureau of Statistics	-	-	-	-	-
Cotton Development Organization	-	-	-	-	-
Uganda Police	-	-	-	-	-
Uganda Prisons	-	-	-	-	-
Public Service Commission	-	-	-	-	-
Local Government Finance Comm	-	-	-	-	-
Judicial Service Commission	-	-	-	-	-
Gulu University	-	-	-	-	-
National Environment Mgt Auth.	-	-	-	-	-
Uganda Blood Transfusion Service	-	-	-	-	-
NAADS	-	-	-	-	-

Statement of Contingent Liabilities as at 30 June 2018
[As submitted and signed by Accounting Officers]

Agency	Legal proceedings	Guarantees & indemnities	Other Contingent Liabilities	Total Contingent Liabilities	30 June 2017
PPDA	190,000,000	-	-	190,000,000	180,000,000
Uganda National Bureau of Standards	-	-	-	-	-
Cotton Development Organization	-	-	-	-	-
Uganda Land Commission	-	-	-	-	-
National Forestry Authority	-	-	-	-	-
External Security Organization	-	-	-	-	-
Coffee Development Authority	1,485,692,513	-	-	1,485,692,513	-
Uganda Export Promotion Board	-	-	19,708,333	19,708,333	19,708,333
Mbarara University	96,154,901	-	-	96,154,901	
Makerere University Business School	3,803,637,896	-	-	3,803,637,896	
National Identification & Registration Authority	-	-	1,200,000,000	1,200,000,000	
Total for 30 June 2018	476,210,494,742	-	1,200,000,000	477,410,494,742	1,215,580,044,808
Total for 30 June 2017	600,997,113,335	595,657,134,640	18,925,796,833	1,215,580,044,808	

**ACCOUNTANT GENERAL'S OFFICE
GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

**Statement of Contingent Liabilities as at 30 June 2018
[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 2017 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	-	-	-	-	-
Mototo Reg Hospital	-	-	-	-	-
At 30 June 2018	-	-	-	-	-
At 30 June 2017	-	-	-	-	-

Statement of Contingent Liabilities as at 30 June 2018
[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 2017 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	-	-	820,000,000	820,000,000	820,000,000
Uganda Embassy in China	-	-	117,889,167	117,889,167	53,074,161
Uganda Embassy in Rwanda					-
Uganda Embassy in Switzerland			686,111,057	686,111,057	686,111,057
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 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					-
At 30 June 2018	0	0	1,624,000,224	1,624,000,224	1,559,185,218
At 30 June 2017	686,111,057	-	873,074,161	1,559,185,218	

Statement of Outstanding Commitments by vote for the Year ended 30 June 2018
[As submitted and signed by accounting Officers]

MINISTRIES

	Rent and Utilities	Contributions to International Organisations	Court awards and compensations	Other Payables	Pensions and Gratuity	Total
Office of the President	-	-	20,957,640,252	28,096,987,770	-	49,054,628,022
State House	461,319,442	-	5,700,000,000	-	-	6,161,319,442
Office of the Prime Minister	283,538,735	-	898,622,201	-	-	1,188,935,34
Ministry of Defence	-	-	145,518,286,898	508,636,383,717	-	654,154,670,915
Ministry of Public Service	-	-	1,845,607,464	-	-	1,845,607,464
Ministry of Foreign Affairs	67,230,639,091	-	-	-	-	67,230,639,091
Ministry of Justice and Constitutional Affairs	5,319,591,234	-	598,295,356,289	3,538,368,559	-	607,153,316,082
Ministry of Finance, Planning and Economic	-	-	200,749,583,393	-	-	200,749,583,393
Ministry of Internal Affairs	50,938,810	-	-	81,158,685	-	132,097,495
Ministry of Agriculture, Animal Industry and	23,836,374,883	-	-	906,502,185	2,321,874,138	27,064,751,206
Ministry of Local Government	312,399,123	-	33,324,832,785	-	-	33,637,231,908
Ministry of Lands, Housing & Urban Devt	144,154,691	-	30,887,826,310	-	-	31,031,981,001
Ministry of Education and Sports	-	-	20,743,534,855	-	-	20,743,534,855
Ministry of Health	-	-	43,515,530,682	-	-	43,515,530,682
Ministry of Tourism, Trade and Industry	395,013,069	11,263,236,898	524,537,132	-	-	12,182,787,099
Ministry of Works & Transport	-	-	63,454,041,199	-	-	63,454,041,199
Ministry of Energy and Minerals	-	1,106,388,799	23,483,032,496	-	-	24,695,568,448
Ministry of Gender, Labour and Social Devt	2,982,703,271	-	2,248,390,772	-	-	5,231,094,043
Ministry of Water & Environment	-	-	47,426,599,272	-	-	47,426,599,272
Ministry of Communication and ICT	216,260,737	-	-	-	-	216,260,737
Ministry East African Affairs	232,614,988	21,718,676,047	-	-	-	40,456,912,674
Ministry of Tourism, Wildlife & Heritage	-	3,652,023,013	-	-	-	3,652,023,013
Ministry of Science, Technology & Innovation	-	-	-	-	-	-
June 30, 2018	10,398,534,400	128,807,338,731	600,543,747,061	643,555,704,368	557,673,368,615	1,940,978,692,875
June 30, 2017	1,682,591,419	83,743,431,241	690,446,262,310	678,635,566,175	599,321,226,311	2,053,829,077,456

Statement of Outstanding Commitments by vote for the Year ended 30 June 2018
[As submitted and signed by accounting Officers]

AGENCIES

	Rent and Utilities	Contributions to International Organisations	Court awards and compensations	Other Payables	Pensions & Gratuity	Total
Judiciary (Office of Judicature)	3,372,733,970	-	-	2,638,705,344	-	6,011,439,314
Electoral Commission	-	-	-	3,147,328,204	-	3,147,328,204
Inspector General of Government	-	-	-	2,029,233,018	-	2,029,233,018
Parliamentary Commission	-	-	-	-	-	-
Law Reform Commission	-	-	-	9,447,293	-	9,447,293
Uganda Human Rights Commission	872,122,800	-	72,228,262	2,966,092,115	-	3,910,443,177
Uganda AIDS Commission	-	-	-	98,881,576	-	98,881,576
National Planning Authority	-	-	-	812,874,533	-	812,874,533
Law Development Centre	-	-	-	-	-	-
Uganda Industrial Research Institute	1,290,513,798	-	-	-	-	1,290,513,798
Busitema University	-	-	-	-	1,795,918,787	1,795,918,787
Directorate of Ethics and Integrity	-	-	-	-	-	-
Uganda National Roads Authority	-	-	-	224,723,792,116	-	224,723,792,116
Uganda Cancer Institute	-	-	-	2,169,774	-	2,169,774
Uganda Heart Institute	-	-	-	2,860,990,861	-	2,860,990,861
National Medical Stores	-	-	-	75,458,531,639	-	75,458,531,639
Uganda Tourism Board	-	-	-	-	-	-
Uganda Road Fund	932,612,361	-	-	3,285,516	-	3,285,516
Uganda Registration Services Bureau	-	-	-	989,164,425	-	989,164,425
National Citizenship & Imm Crl	-	-	-	8,858,220,932	-	8,858,220,932
Diary Development Authority	-	-	-	240,252,,334	-	240,252,334
KCCA	-	-	-	13,942,834,540	-	13,942,834,540
Rural Electricity Agency	-	-	-	-	-	-
Equal Opportunity Commission	-	-	-	-	419,054,339	419,054,339
NAGR&DB	141,650,188	-	-	149,453,658	-	149,453,658
NITA-U	-	-	-	7,778,861,631	-	7,920,511,819
Muni University	-	-	-	1,118,612,827	-	1,118,612,827
UNEB	-	-	-	-	-	-
Financial Intelligence Authority	-	-	-	215,837,175	-	215,837,175
Treasury Operations	-	-	-	329,685,016,536	30,646,929	329,715,663,465
Office of the Auditor General	-	-	-	-	188,018,324	188,018,324
Education Service Commission	-	-	-	-	-	-
Directorate of Public Prosecution	321,149,350	-	-	-	11,377,139	332,526,489
Health Service Commission	82,362,144	-	-	556,108	-	82,918,252

Statement of Outstanding Commitments by vote for the Year ended 30 June 2018
[As submitted and signed by accounting Officers]

	Rent and Utilities	Contributions to International Organisations	Court awards and compensations	Other Payables	Pensions & Gratuity	Total
Makerere University (MUK)	-	-	-	43,381,526,826	8,431,068,232	51,812,595,058
Mbarara University	-	-	-	1,844,144	-	1,844,144
Makerere University Business School	-	-	-	10,793,305,009	-	10,793,305,009
Kyambogo University (KYU)	-	-	-	11,050,752,481	-	11,050,752,481
Uganda Management Institute	-	-	-	4,279,801,852	-	4,279,801,852
Uganda Revenue Authority (URA)	-	-	-	-	-	-
NARO	485,175,959	-	145,188,913	-	-	630,364,872
Uganda Bureau of Statistics (UBOS)	-	-	-	-	-	-
Uganda Police	63,847,100,358	-	890,624,226	96,309,442,177	-	161,047,166,761
Uganda Prisons	24,578,172,025	-	52,375,413,359	-	76,953,585,584	-
Public Service Commission	-	-	-	237,458,257	-	237,458,957
Local Government Finance Commission	-	-	-	109,740	-	109,740
Judicial Service Commission	-	-	-	-	-	-
Gulu University	-	-	-	4,059,014,694	-	4,059,014,694
NEMA	-	-	-	269,492	-	269,492
Uganda Blood Transfusion Service	92,905,587	-	30,821,137	-	-	123,726,724
National Agricultural Advisory Services	-	-	37,368,615,141	-	37,368,615,141	-
Public Procurement & Disposal of Assets	55,820,379	-	-	-	55,820,379	-
Uganda National Bureau of Standards	-	-	-	-	-	-
Cotton Development Organisation	7,152,227,073	-	-	-	-	-
Uganda Land Commission	-	-	-	-	-	-
National Forestry Authority	-	-	-	-	-	-
External Security Organisation	-	-	-	18,935,477,438	-	18,935,477,438
Office Development Authority	-	96,321,573	-	106,002,772,000	-	106,099,093,573
Lira University	-	-	-	359,022,554	-	359,022,554
Uganda National Meteorological Authority	-	-	-	1,157,024,951	-	1,157,024,951
National Curriculum Development Centre	-	-	-	3,230,870	-	3,230,870
Uganda Virus Research Institute	-	-	-	-	-	-
Directorate Of Gov't Analytical Lab	-	-	-	-	-	-
Uganda Export Promotion Board	-	-	-	2,059,154,568	-	2,059,154,568
Kabale University	-	-	-	-	-	-
Soroti University	-	-	-	-	-	-
NIRA	-	-	-	1,431,796,605	-	1,431,796,605
Total June 30, 2018	103,254,545,992	96,321,573	330,647,869,024	738,057,815,656	10,845,436,821	954,679,581,336
Total (June 30, 2017)	29,746,183,481	-	10,581,117,792	779,190,373,278	22,978,673,147	842,496,847,698

Statement of Outstanding Commitments by vote for the Year ended 30 June 2018
[As submitted and signed by accounting Officers]

REFERRAL HOSPITALS

	Rent and Utilities	Contributions to International Organisations	Court awards and compensations	Other Payables	Pensions & Gratuity	Total
Mulago Hospital Complex	-	-	-	4,261,691,744	-	4,261,691,744
Butabika Hospital	79,897,600	-	-	-	-	-
Arua Hospital	-	-	10,972,860	-	-	90,870,460
Fort Portal Hospital	-	-	289,753,402	-	-	289,753,402
Gulu Hospital	-	-	689,383,835	-	-	689,383,835
Hoima Hospital	359,397,397	-	965,040,414	-	-	1,324,437,811
Jinja Hospital	579,256,500	-	-	-	-	579,256,500
Kabale Hospital	116,814,128	-	1,872,691	-	-	118,686,819
Masaka Hospital	-	-	7,540,154	-	-	7,540,154
Mbale Hosptial	-	-	10,960,283	-	-	10,960,283
Soroti Hospital	157,314,484	-	374,860	-	-	157,639,344
Lira Hospital	340,025,878	-	30,620,457	-	-	542,583,501
Mbarara Regional Referral Hosp	-	-	1,008,152,002	916,849,337	-	1,925,001,339
Mubende Reg Hospital	-	-	1,543,294,611	-	-	1,543,294,611
Moroto Reg Hospital	-	-	7,350,333	-	-	7,350,333
Naguru Referral Hospital	-	-	344,755,371	-	-	344,755,371
June 30, 2018	1,632,705,987	-	9,171,713,017	1,088,786,503	11,893,205,507	
June 30, 2017	756,179,555	-	8,168,607,834	1,172,178,180	10,096,965,569	

Statement of Outstanding Commitments by vote for the Year ended 30 June 2018
[As submitted and signed by accounting Officers]

EMBASSIES/MISSIONS

	Rent and Utilities	Contributions to International Organisations	Court awards and compensations	Other Payables	Pensions and Gratuity	Total
Ugandan Mission at the UN, New York	2,308,305	-	-	215,880,501	-	218,188,806
Uganda High Commission in United Kingdom	-	-	-	-	-	-
Uganda High Commission in Canada, Ottawa	-	-	-	-	-	-
Uganda High Commission in India, New Delhi	-	-	-	177,995,596	-	177,995,596
Uganda High Commission in Egypt, Cairo	-	-	-	160,495,318	-	160,495,318
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	-	-	-	374,407,763	-	374,407,763
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	-	-	-	15,825,075	-	15,825,075
Uganda Embassy in Italy, Rome	-	-	-	204,713,932	-	204,713,932
Uganda Embassy in DRC, Kinshasa	-	-	-	-	-	-
Uganda Embassy in Sudan, Khartoum	-	-	-	-	-	-
Uganda Embassy in France, Paris	-	-	-	-	-	-
Uganda Embassy in Germany, Berlin	-	-	-	-	-	-
Uganda Embassy in Tehran	-	-	-	-	-	-
Uganda Embassy in Moscow	-	-	-	118,453,209	-	118,453,209
Uganda Embassy in Canberra	-	-	-	-	-	-
Uganda Embassy in Juba	-	-	-	-	-	-
Uganda Embassy in Abu Dhabi, UAE	-	-	-	-	-	-
Uganda Embassy in Bujumbura, Burundi	-	-	-	-	-	-
Uganda Embassy in Guangzhou	-	-	-	39,790,558	-	39,790,558
Uganda Embassy in Ankara	-	-	-	-	-	-
Uganda Embassy Mogadishu	-	-	-	-	-	-
Uganda Embassy in Malaysia	-	-	-	-	-	-
Uganda Consulate in Mombasa	-	-	-	3,378,707	-	3,378,707

Statement of Outstanding Commitments by vote for the Year ended 30 June 2018

[As submitted and signed by accounting Officers]

	Rent and Utilities	Contributions to International Organisations	Court awards and compensations	Other Payables	Pensions and Gratuity	Total
Uganda Embassy in Algiers	-	-	-	-	-	-
Total June 30, 2018	2,308,305	-	-	1,320,948,125	-	1,323,256,430
Total June 30, 2017	48,496,093	-	-	1,965,019,151	-	2,013,515,244

ACCOUNTANT GENERAL'S OFFICE

GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Statement of losses of public moneys and stores written off, and claims abandoned by vote during the year ended 30 June 2018 [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 Shs.	Total losses at 30 June 2017 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	-	-	-	-	-
At 30 June 2018					
At 30 June 2017					

Statement of losses of public moneys and stores written off, and claims abandoned by vote during the year ended 30 June 2018[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 2018 Shs.	Total losses at 30 June 2017 Shs.
Judiciary	-	-	-	-	-
Electoral Commission	-	-	-	-	-
Inspector General of Government's Office	-	-	-	-	-
Parliamentary Commission	-	-	-	-	-
Law Reform Commission	-	-	-	-	-
Uganda Human Rights Commission	-	-	-	-	-
Uganda Aids Commission	-	-	-	-	-
National Planning Authority	-	-	-	-	-
Uganda Industrial Research Inst	-	-	-	-	-
Directorate of Ethics & Integrity	-	-	-	-	-
Uganda National Roads Authority	-	-	-	-	-
Uganda Cancer Institute	-	-	-	-	-
Uganda Heart Institute	-	-	-	-	-
Uganda Tourism Board	-	-	-	-	-
Uganda Road fund	-	-	-	-	-
Uganda Registration Serv. Bureau	-	-	-	-	-
National Citizenship & Imm. ctrl	-	-	-	-	-
KCCA	-	-	-	-	-
Rural Electrification Agency	-	-	-	-	-
Equal Opportunities Commission	-	-	-	-	-
NAGRC&DB					
NITA-U					
Treasury Operations	-	-	-	-	-
Office of the Auditor General					
Education Service Commission	-	-	-	-	-
Directorate of Public Prosecution	-	-	-	-	-
Health Service Commission	-	-	-	-	-
National Agricultural Research Organization	-	-	-	-	-
Uganda Bureau of Statistics	-	-	-	-	-
Uganda Police	-	-	-	-	-
Uganda Prisons	-	-	-	-	-
Public Service Commission	-	-	-	-	-
Local Government Finance Commission	-	-	-	-	-
Judicial Service Commission	-	-	-	-	-
National Environment Management Authority	-	-	-	-	-
Uganda Blood Transfusion Service	-	-	-	-	-
NAADS	-	-	-	-	-
PPDA	-	-	-	-	-
UNBS	-	-	-	-	-
Uganda Lands Commission	-	-	-	-	-
External Security Organization	-	-	-	-	-
At 30 June 2017					
At 30 June 2014					

ACCOUNTANT GENERAL'S OFFICE

GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

**Statement of losses of public moneys and stores written off, and claims abandoned by vote
during the year ended 30 June 2018 [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 Shs.	Total losses at 30 June 2017 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	-	-	-	-	-
At 30 June 2017	-	-	-	-	-
At 30 June 2014	-	-	-	-	-

Statement of losses of public moneys and stores written off, and claims abandoned by vote during the year ended 30 June 2018 [As reported and signed by Accounting Officers]
EMBASSIES/MISSIONS

Embassy/Mission	Losses of public moneys (cash and cash equivalents)	Values of stores written off	Claims abandoned During the year	Total losses written off 30 June 2018	Total losses 30 June 2017
	Shs.	Shs.	Shs.	Shs.	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	-	-	-	-	-
At 30 June 2017	-	-	-	-	-
At 30 June 2014	-	-	-	-	-

ACCOUNTANT GENERAL'S OFFICE

GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

**Statement of losses of public moneys and stores reported by vote during the year ended
30 June 2018 [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 2018 Shs.	Total losses reported at 30 June 2017 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	-	854,130,397	854,130,397	854,130,397
Ministry of Finance, Planning and Economic Dev't	-	5,700,000	5,700,000	5,700,000
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 and Sports	190,559,647	-	190,559,647	-
Ministry of Health	-	-	-	-
Ministry of Trade and Industry	-	-	-	-
Ministry of Works, Housing and Communications	571,007,200	361,765,900	932,773,100	932,773,100
Ministry of Energy and Minerals	-	-	-	-
Ministry of Gender, Labor and Social Dev't	-	5,700,000	5,700,000	75,000,000
Ministry of Water & Environment	-	78,000,000	78,000,000	78,000,000
Ministry of Communication & ICT	-	-	-	-
Ministry of East African Affairs	-	8,000,000	8,000,000	8,000,000
Ministry of Tourism & Heritage	-	-	-	-
Ministry of Science, Tech & Innovation	-	-	-	-
At 30 June 2018	1,443,496,342	1,313,296,297	2,756,792,639	2,635,532,992
At 30 June 2017	1,344,636,695	1,290,896,297	2,635,532,992	

**Statement of losses of public moneys and stores reported by vote during the year ended
30 June 2018 [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 2018 Shs.	Total losses reported at 30 June 2017 Shs
Judiciary	-	-	-	-
Electoral Commission	-	898,529,286	898,529,286	898,529,286
Inspector General of Government's Office	-	-	-	-
Parliamentary Commission	-	-	-	-
Law Reform Commission	-	-	-	-
Uganda Human Rights Commission		1,211,056,050	1,211,056,050	1,211,056,050
Uganda Aids Commission	-	-	-	-
National Planning Authority	33,655,551	18,333,391	51,988,942	51,988,942
Uganda Industrial Research Institute	-	-	-	-
Directorate of Ethics & Integrity	-	-	-	-
Uganda National Roads Authority	-	-	-	-
Uganda Cancer Institute	-	486,839,839	486,839,839	486,839,839
Uganda Heart Institute	-	-	-	-
Uganda Tourism Board	-	160,362,000	160,362,000	-
Uganda Road Fund	-	-	-	-
Uganda Registration Services Bureau	13,900,260	1,400,000	15,300,260	15,300,260
National Citizenship & Imm Ctrl	-	3,620,000	3,620,000	3,620,000
KCCA	-	223,200,000	223,200,000	223,200,000
Rural Electrification Agency	-	-	-	-
Equal Opportunities Commission	-	-	-	-
National Animal Genetic Resource Centre and Data Bank(NAGRC&DB)	-	-	-	-
National Information Technology Authority-Uganda (NITA-U)	-	104,000,000	104,000,000	104,000,000
Treasury Operations	-	-	-	-
Office of the Auditor General	-	-	-	-
Education Service Commission	-	-	-	-
Directorate of Public Prosecution	-	-	-	-
Health Service Commission	1,400,000	-	1,400,000	1,400,000
National Agricultural Research Organisation	-	-	-	-
Uganda Bureau of Statistics (UBOS)	126,811,100	90,958,142	217,769,242	217,769,242
Uganda Police	-	58,286,304	58,286,304	58,286,304
Uganda Prisons	175,765,960	-	175,765,960	175,765,960
Public Service Commission	-	-	-	-
Local Government Finance Commission	-	-	-	-
Judicial Service Commission	-	-	-	-
National Environment Management Authority	-	-	-	-
Uganda Blood Transfusion Service	-	-	-	-
National Agricultural Advisory Services	-	-	-	-
Public Procurement & Disposal of Assets	-	-	-	-
Uganda National Bureau of Standards	-	1,034,580	1,034,580	1,034,580
Cotton Development Organisation	-	-	-	-
Uganda Lands Commission	-	-	-	-
External Security Organisation	-	-	-	-
Directorate of Government Analytical	-	26,386,791	26,386,791	-
At 30 June 2018				-
At 30 June 2017	351,532,871	1,886,201,542	2,237,734,413	2,237,734,413

ACCOUNTANT GENERAL'S OFFICE
GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

**Statement of losses of public moneys and stores reported by vote during the year ended
 30 June 2018 [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 2018 Shs.	Total losses reported at 30 June 2017 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	-	4,731,960	4,731,960	4,731,960
Lira Hospital	-	-	-	-
Mbarara Regional Hospital	-	-	-	-
Mubende Reg Hospital	-	-	-	-
Moroto Regional Hospital	-	-	-	-
Naguru referral Hospital	-	-	-	-
At 30 June 2018	-	4,731,960	4,731,960	4,731,960
At 30 June 2017	-	4,731,960	4,731,960	-

**Statement of losses of public moneys and stores reported by vote during the year ended
30 June 2018 [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 2018 Shs.	Total losses as reported at 30 June 2017 Shs.
Uganda Mission at the United Nations, NY	-	-	-	-
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	-	-	-	-
Uganda Embassy in Rwanda	-	-	-	-
Uganda Embassy in Switzerland	-	-	-	-
Uganda Embassy in Japan	-	1,236,806	1,236,806	-
Uganda Embassy in Libya	-	-	-	-
Uganda Embassy in Saudi Arabia	-	-	-	-
Uganda Embassy in Denmark	-	-	-	-
Uganda Embassy in Belgium	-	-	-	23,138,762
Uganda Embassy in Italy	27,156,465	6,117,030	33,273,495	33,273,495
Uganda Embassy in DRC (Kinshasa)	-	-	-	-
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 2018	50,295,227	7,353,836	57,649,063	56,412,257
At 30 June 2017	50,295,227	6,117,030	56,412,257	

**Statement of Arrears of Revenues, by vote, as at 30 June 2018
[As submitted and signed by Accounting Officers]**

MINISTRIES

Ministry	Arrears of Revenue 30 June 2017 Shs.	Total Revenue billed during the Year Shs.	Actual amounts collected during the year Shs.	Amounts remitted to the Consolidated Fund during the year Shs.	Arrears of Revenue Shs.	Cumulative Arrears of Revenue at 30 June 2018 Shs.
Office of the President	-	48,530,330	48,530,330	48,530,330	-	-
State House	-	27,240,000	27,240,000	66,910,595	-	-
Office of the Prime Minister	-	211,490,094	211,490,094	211,490,094	-	-
Ministry of Defence	-	1,882,355,500	1,882,355,500	1,882,355,500	-	-
Ministry of Public Service	-	785,315,931	785,315,931	540,423,240	-	-
Ministry of Foreign Affairs	-	235,062,600	235,062,600	235,062,600	-	-
Ministry of Justice and Constitutional Affairs	-	165,814,762	165,814,762	165,814,762	-	-
Ministry of Finance, Planning and Economic Development	-	3,425,459,000	3,425,459,000	3,425,459,000	-	-
Ministry of Internal Affairs	-	1,158,384,219	1,158,384,219	1,158,384,219	-	-
Ministry of Agriculture, Animal Industry and Fisheries	-	2,442,749,208	2,442,749,208	2,442,749,208	-	-
Ministry of Local Government	-	93,066,350	93,066,350	93,066,350	-	-
Ministry of Lands, Housing and Urban Development	-	1,667,794,203	1,667,794,203	1,667,794,203	-	-
Ministry of Education and Sports	-	94,380,000	94,380,000	94,380,000	-	-
Ministry of Health	-	275,922,398	275,922,398	275,922,398	-	-
Ministry of Trade and Industry	-	53,170,000	53,170,000	53,170,000	-	-
Ministry of Works, Housing and Communications	-	8,638,820,000	8,638,820,000	8,638,820,000	-	-
Ministry of Energy and Minerals	-	18,087,847,408	18,087,847,408	18,087,847,408	-	-
Ministry of Gender, Labour and Social Development	-	1,511,897,501	1,511,897,501	1,511,897,501	-	-
Ministry of Water & Environment	-	826,315,331	826,315,331	826,315,331	-	-
Ministry of Communication & ICT	-	3,025,854,543	3,025,854,543	2,905,529,693	-	-
Ministry of East African Affairs	-	400,000	400,000	400,000	-	-
Ministry of Tourism and Heritage	-	133,730,271	133,730,271	133,730,271	-	-
Ministry of Science, Tech and Innovation	-	-	-	-	-	-
At 30 June 2018	-	44,791,599,649	44,791,599,649	44,466,052,703	-	-
At 30 June 2017	-	38,313,600,983	38,313,600,983	35,970,229,833	-	-

Statement of Revenues, by vote, as at 30 June 2018 [As submitted and signed by Accounting Officers]

AGENCIES

Ministry/ Agency	Arrears of Revenue 30 June 2017	Total Revenue billed during the Year	Actual amounts collected during the year	Amounts remitted to the Consolidated Fund during the year	Arrears of Revenue 30 June 2018	Cumulative Arrears of Revenue at 30 June 2018
	Shs.	Shs.	Shs.	Shs.	Shs.	Shs.
Judiciary	-	6,072,646,844	6,072,646,844	6,072,646,844	-	-
Electoral Commission	-	448,257,600	448,257,600	448,257,600	-	-
Inspector General Of Government	-	619,213,000	619,213,000	616,722,000	-	-
Parliamentary Commission	-	1,264,693,832	1,264,693,832	1,264,693,832	-	-
Law Reform Commission	-	43,860,250	43,860,250	43,860,250	-	-
Uganda Human Rights Commission	-	2,735,604	2,735,604	2,735,604	-	-
Uganda Aids Commission	-	136,117,000	136,117,000	136,117,000	-	-
National Planning Authority	-	62,370,805	62,370,805	62,370,805	-	-
Law Development Centre	-	5,420,266,535	5,420,266,535	5,357,515,597	-	-
Uganda Industrial Research Inst	-	238,500,649	238,500,649	238,500,649	-	-
Buitema University	-	5,601,000,000	5,601,000,000	5,601,000,000	-	-
Directorate Of Ethics & Integrity	-	1,250,000	1,250,000	1,250,000	-	-
Uganda National Roads Authority	-	63,698,584,769	63,698,584,769	63,698,584,769	-	-
Uganda Cancer Institute	-	1,170,588,074	1,170,588,074	1,143,456,261	-	-
Uganda Heart Institute	-	4,228,364,501	4,228,364,501	3,877,615,072	-	-
Uganda National Medical Stores	-	-	-	-	-	-
Uganda Tourism Board	-	283,347,332	283,347,332	277,266,332	-	-
Uganda Road Fund	-	79,691,000	79,691,000	79,691,000	-	-
Uganda Registration Services Bureau	-	39,954,469,012	39,954,469,012	39,954,469,012	-	-
National Citizenship & Imm Control	-	196,144,234,185	196,144,234,185	196,144,234,185	-	-
Dairy Development Authority	-	446,036,598	446,036,598	412,591,455	-	-
KCCA	-	44,075,116,686	44,075,116,686	-	-	-
Rural Electrification Agency	-	31,171,060,798	31,171,060,798	24,700,283,189	-	-
Equal Opportunities Commission	-	2,497,750	2,497,750	31,141,781	-	-
NAGRUC &DB	-	1,252,898,671	1,252,898,671	1,113,456,767	-	-
Nira-U	-	11,348,204,833	11,348,204,833	9,469,774,890	-	-
Mbari University	-	424,382,457	424,382,457	240,000,000	-	-
UNEB	-	40,684,176,002	40,684,176,002	-	-	-
Financial Intelligence Authority	-	500,000	500,000	500,000	-	-
Treasury Operations	-	230,231,812,896	230,231,812,896	230,231,812,896	-	-
Office of the Auditor General	-	69,956,000	69,956,000	69,956,000	-	-
Education Service Commission	-	7,350,000	7,350,000	7,350,000	-	-
Directorate of Public Prosecution	-	20,300,000	20,300,000	20,300,000	-	-

**Statement of Arrears of Revenues, by vote, as at 30 June 2018
[As submitted and signed by Accounting Officers]**

Ministry / Agency	Arrears of Revenue 30 June 2017 Shs.	Total Revenue billed during the Year Shs.	Actual amounts collected during the year Shs.	Amounts remitted to the Consolidated Fund during the year Shs.	Arrears of Revenue 30 June 2018 Shs.	Cumulative Arrears of Revenue at 30 June 2018 Shs.
Health Service Commission	-	7,950,000	7,950,000	-	7,950,000	7,950,000
Makere University	88,271,686,316	88,271,686,316	88,271,686,316	68,640,142,918	-	68,640,142,918
Mbarara University	8,991,492,385	8,991,492,385	8,991,492,385	10,802,353,650	-	10,802,353,650
Makere University Business School	38,967,322,943	38,967,322,943	38,967,322,943	20,558,205,727	-	20,558,205,727
Kyambogo University	67,563,187,261	67,563,187,261	67,563,187,261	65,794,390,956	-	65,794,390,956
Uganda Management Institute	21,513,364,716	21,513,364,716	21,513,364,716	8,384,528,397	-	8,384,528,397
URA	510,963,654	510,963,654	510,963,654	-	-	-
National Agricultural & Research Org.	5,590,346,851	5,590,346,851	5,590,346,851	5,590,346,851	-	-
Uganda Bureau Of Statistics	163,018,914	163,018,914	163,018,914	163,018,914	-	-
Uganda Police	23,141,510,811	23,141,510,811	23,141,510,811	22,449,151,221	-	-
Uganda Prisons	10,083,601,100	10,083,601,100	10,083,601,100	2,477,201,100	-	-
Public Service Commission	-	-	-	-	-	-
Local Government Finance Com	7,625,050	7,625,050	7,625,050	7,625,050	-	-
Judicial Service Commission	9,230,700	9,230,700	9,230,700	9,230,700	-	-
NEMA	7,274,598,841	7,274,598,841	7,274,598,841	4,104,878,751	-	-
Gulu University	8,200,200	8,200,200	8,200,200	8,200,200	-	-
Uganda Blood Transfusion Service	7,790,000	7,790,000	7,790,000	7,790,000	-	-
National Agricultural Advisory Services	4,030,000	4,030,000	4,030,000	4,030,000	-	-
PPDA	658,375,045	658,375,045	658,375,045	658,375,045	-	-
Uganda National Bureau Of Standards	20,177,872,036	20,177,872,036	20,177,872,036	20,177,872,036	-	-
Cotton Development Organization	4,068,916,245	4,068,916,245	4,068,916,245	4,068,916,245	-	-
Uganda Land Commission	5,245,668,980	5,245,668,980	5,245,668,980	5,245,668,980	-	-
National Forestry Authority	9,196,994,232	9,196,994,232	9,196,994,232	8,493,540,903	-	-
External Security Organization	-	-	-	-	-	-
Uganda Coffee Dev Authority	20,507,728,784	20,507,728,784	20,507,728,784	20,326,979,954	-	-
Lira University	2,073,847,410	2,073,847,410	2,073,847,410	1,960,750,000	-	-
UNIMA	1,222,938,310	1,222,938,310	1,222,938,310	1,196,223,200	-	-
NCDC	183,500,000	183,500,000	183,500,000	169,500,000	-	-
Uganda Virus Research Institute	-	-	-	-	-	-
DGAL	-	-	-	-	-	-
Uganda Export Promotions	-	-	-	-	-	-
Kabale University	5,198,158,694	5,198,158,694	5,198,158,694	4,909,000,000	-	-
Soroti University	54,621,665	54,621,665	54,621,665	54,621,665	-	-
National Identification & Registration	2,861,689,750	2,861,689,750	2,861,689,750	2,861,689,750	-	-

**Statement of Arrears of Revenues, by vote, as at 30 June 2018
[As submitted and signed by Accounting Officers]**

Ministry/ Agency	Arrears of Revenue 30 June 2017 Shs.	Total Revenue billed during the Year Shs.	Actual amounts collected during the year Shs.	Amounts remitted to the Consolidated Fund during the year Shs.	Arrears of Revenue 30 June 2018 Shs.	Cumulative Arrears of Revenue at 30 June 2018 Shs.
Authority						
At 30 June 2018	-	957,978,778,470	957,978,778,470	800,985,573,270	-	-
At 30 June 2017	-	93,143,918,851	67,617,328,845	55,947,349,200	-	-

**Statement of Arrears of Revenues, by vote, as at 30 June 2018
[As submitted and signed by Accounting Officers]**

REFERRAL HOSPITALS

Referral hospital	Arrears of Revenue 30 June 2017 Shs	Total Revenue billed during the Year Shs.	Actual amounts collected during the year Shs.	Amounts remitted to the Consolidated Fund during the year Shs.	Arrears of Revenue Shs.	Cumulative Arrears of Revenue at 30 June 2018 Shs
Mulago Hospital Complex	2,459,499,780	2,459,499,780		2,312,310,577	-	
Bwabwata Hospital	1,118,699,463	1,118,699,463		1,076,000,000	-	
Aruza Hospital	83,419,018	83,419,018		70,600,400	-	
Fort Portal Hospital	446,143,627	446,143,627		436,523,244	-	
Gulu Hospital	303,618,226	303,618,226		157,843,073	-	
Hoima Hospital	156,601,052	156,601,052		82,222,284	-	
Jinja Hospital	282,373,000	282,373,000		34,200,000	-	
Kabale Hospital	373,302,603	373,302,603		400,200,000	-	
Masaka Hospital	226,664,299	226,664,299		230,305,199	-	
Mbale Hospital	251,500,000	251,500,000		251,500,000	-	
Soroti Hospital	29,727,029	29,727,029		20,318,154	-	
Lira Hospital	17,065,500	17,065,500		-	-	
Mbarara Regional Hospital	1,039,971,234	1,039,971,234		255,192,683	-	
Mubende Reg Hospital	714,966,203	714,966,203		110,000,000	-	
Moroto Reg Hospital	20,423,000	20,423,000		10,063,000	-	
Naguru Referral Hospital	116,346,001	116,346,001		116,000,000	-	
At 30 June 2018	7,640,320,035	7,640,320,035		5,563,278,614	-	
At 30 June 2017	-	6,380,759,000		5,267,609,431	-	

Statement of Revenues, by vote, as at 30 June 2018
[As submitted and signed by Accounting Officers]

EMBASSIES/MISSIONS Embassy/Mission	Arrears of Revenue 30 June 2017 Shs	Total Revenue billed during the Year Shs.	Actual amounts collected during the year Shs.	Amounts remitted to the Consolidated Fund during the year Shs.	Cumulative Arrears of Revenue at 30 June 2018 Shs.	
					Shs.	Shs.
Uganda Mission at the United Nations	6,722,984,984	6,722,984,984	6,722,984,984	115,168,785		
Uganda High Commission in the UK	1,448,886,534	1,448,886,534	1,448,886,534	969,686,817		
Uganda High Commission in Canada	95,367,976	95,367,976	95,367,976	67,537,899		
Uganda High Commission in India	233,248,210	233,248,210	233,248,210	237,497,678		
Uganda High Commission in Egypt	226,215,439	226,215,439	226,215,439	212,004,937		
Uganda High Commission in Kenya	477,985,143	477,985,143	477,985,143	472,106,383		
Uganda High Commission in Tanzania	39,816,173	39,816,173	39,816,173	100,056,087		
Uganda High Commission in Nigeria	250,853,815	250,853,815	250,853,815	250,103,250		
Uganda High Commission in South Africa	995,179,035	995,179,035	995,179,035	905,323,368		
Uganda Embassy in the United States	1,137,388,529	1,137,388,529	1,137,388,529	1,133,402,658		
Uganda Embassy in Ethiopia	558,102,844	558,102,844	558,102,844	280,883,514		
Uganda Embassy in China	53,907,545	53,907,545	53,907,545	63,636,509		
Uganda Embassy in Rwanda	90,601,229	90,601,229	90,601,229	93,050,429		
Uganda Embassy in Switzerland	217,976,639	217,976,639	217,976,639	472,520,764		
Uganda Embassy in Japan (Tokyo)	301,528,221	301,528,221	301,528,221	166,568,013		
Uganda Embassy in Libya (Tripoli)	202,735,144	202,735,144	202,735,144	187,783,450		
Uganda Embassy in Saudi Arabia	349,347,358	349,347,358	349,347,358	81,602,923		
Uganda Embassy in Denmark	373,564,123	373,564,123	373,564,123	166,965,648		
Uganda Embassy in Belgium (Brussels)	178,530,257	178,530,257	178,530,257	120,112,892		
Uganda Embassy in Italy (Rome)	826,042,161	826,042,161	826,042,161	776,764,850		
Uganda Embassy in DRC (Kinshasa)	120,988,556	120,988,556	120,988,556			
Uganda Embassy in Sudan (Khartoum)	343,473,127	343,473,127	343,473,127	301,987,657		
Uganda Embassy in France (Paris)	88,610,724	88,610,724	88,610,724	226,453,552		
Uganda Embassy in Germany (Berlin)	37,743,425	37,743,425	37,743,425	853		
Uganda Embassy in Iran (Tehran)	56,763,360	56,763,360	56,763,360	54,358,234		
Uganda Embassy in Russia (Moscow)	195,022,782	195,022,782	195,022,782			
Uganda Embassy in Australia-Canberra	517,154,848	517,154,848	517,154,848	398,079,950		
Uganda Embassy in Ankara	77,771,827	77,771,827	77,771,827	105,186,912		
Uganda Embassy in Juba	23,136,941	23,136,941	23,136,941	61,483,633		
Uganda Embassy in Abu Dhabi (UAE)	32,160,215	32,160,215	32,160,215	25,545,547		
Uganda Embassy in Burundi	62,102,982	62,102,982	62,102,982	30,584,159		
Uganda Embassy in Guangzhou	1,349,439	1,349,439	1,349,439	3,460,041		
Uganda Embassy in Somalia	17,128,886	17,128,886	17,128,886	16,803,843		
Uganda Embassy in Malaysia	1,779,211	1,779,211	1,779,211			
Uganda Consulate in Mombasa	16,456,168	16,456,168	16,456,168	4,686,667		
Uganda Embassy in Algiers						
At 30 June 2018	16,371,903,550	16,371,903,550	16,371,903,550	8,111,407,902		
At 30 June 2017	17,080,651,497	17,080,651,497	17,080,651,497	13,352,677,011		

**ACCOUNTANT GENERAL'S OFFICE
GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

Statement of stores and other assets (physical assets) acquired, by vote during the year ended 30 June 2018 [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 2017 Shs.
Office of the President	1,157,770,621	3,758,310,024	88,000,000	5,004,080,645	4,741,992,453
State House	940,000,000	7,218,411,302	7,149,999,654	15,308,410,956	16,590,174,744
Office of the Prime Minister	7,633,871,413	2,459,999,999	-	10,093,871,412	5,113,050,991
Ministry of Defence	16,410,087,000	7,151,960,227	-	23,562,047,227	27,453,504,552
Ministry of Public Service	701,558,392	1,102,031,365	760,940,000	2,564,529,757	1,749,198,800
Ministry of Foreign Affairs	-	661,153,891	50,990,598	712,144,489	771,185,047
Ministry of Justice and Constitutional Affairs	531,545,404	3,497,313,355	-	4,028,858,759	3,691,225,212
Ministry of Finance, Planning and Economic Development	689,325,125	11,731,856,544	255,913,206	12,677,094,875	29,422,304,094
Ministry of Internal Affairs	-	750,000,001	44,050,718	794,050,719	3,191,032,933
Ministry of Agriculture, Animal Industry and Fisheries	19,058,040,357	5,684,708,647	665,937,200	25,408,686,204	2,766,843,375
Ministry of Local Government	11,643,251,914	2,094,516,883	281,941,000	14,019,709,797	41,629,363,152
Ministry of Lands, Housing and Urban Development	-	3,863,465,656	122,906,605	3,986,372,261	738,645,120
Ministry of Education and Sports	35,106,544,359	2,369,929,234	58,297,301	37,534,770,894	49,606,067,339
Ministry of Health	13,605,613,815	74,763,500	211,000,000	13,891,377,315	24,021,477,525
Ministry of Trade and Industry	6,089,623,133	6,938,729,211	3,979,999,999	17,008,352,343	9,398,115,500
Ministry of Works and Transport	21,949,141,212	4,549,767,285	12,604,048,501	39,102,956,998	458,394,396,711
Ministry of Energy and Minerals	36,520,475,362	6,533,612,506	8,913,331,579	51,967,419,447	41,765,810,616
Ministry of Gender, Labour and Social Development	88,950,175,959	5,503,933,188	746,699,999	95,200,809,146	70,444,975,502
Ministry of Water & Environment	6,607,460,021	5,223,269,834	158,029,197,551	169,859,927,406	171,591,858,677
Ministry of Communication & ICT	12,288,634,345	1,031,291,403	1,523,784,682	14,843,710,430	4,845,337,169
Ministry of East African Affairs	-	949,999,911	-	949,999,911	566,854,958
Ministry of Tourism and Heritage	1,210,000,000	772,062,000	675,198,000	2,657,260,000	7,754,481,839
Ministry of Science, Tech & Innovation	-	1,025,263,869	499,999,827	1,525,263,696	
As at 30 June 2018	281,093,118,432	84,946,349,835	196,662,236,420	562,701,704,687	976,247,896,309
As at 30 June 2017	322,789,754,737	455,168,190,465	198,289,951,107	976,247,896,309	

Statement of stores and other assets (physical assets) acquired, by vote during the year ended 30 June 2018 [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 2017
Judiciary	635,000,000	3,434,500,002	-	4,069,500,002	2,591,083,448
Electoral Commission	-	155,112,508	-	155,112,508	200,000,011
Inspector General of Government's Office	-	375,913,680	-	375,913,680	424,526,821
Parliamentary Commission	36,554,013,943	6,391,527,773	-	42,945,541,716	14,006,395,802
Law Reform Commission	-	371,577,013	-	371,577,013	26,510,000
Uganda Human Rights Commission	-	411,000,337	-	411,000,337	305,833,656
Uganda Aids Commission	24,126,221	93,659,703	-	117,785,924	50,242,983
National Planning Authority	207,920,000	451,247,988	184,999,999	844,167,987	998,149,273
Law Development Centre	872,759,758	150,000,000	100,000,000	1,122,759,758	2,042,998,936
Uganda Industrial Research Inst.	931,999,999	1,403,028,913	568,638,003	2,903,666,915	2,218,297,199
Busitema University	1,052,913,014	327,264,822	-	1,380,177,836	1,335,137,806
Directorate of Ethics & Integrity	-	210,596,691	-	210,596,691	210,596,691
Uganda national Roads Authority	1,615,761,425,618	29,820,895,788	10,432,291,220	1,656,014,612,626	1,897,310,151,984
Uganda Cancer Institute	9,305,114,000	1,130,148,104	-	10,435,262,104	8,344,648,301
Uganda Heart Institute	-	300,000,000	3,998,305,281	4,298,305,281	3,923,074,533
Uganda National Medical Stores	-	-	-	-	-
Uganda Tourism Board	-	261,318,434	-	261,318,434	166,643,868
Uganda Road Fund	1,999,999,574	318,054,439	-	2,318,054,013	888,642,344
Uganda Registration Services Bureau	-	1,131,006,640	-	1,131,006,640	-
NC&IC	4,288,500,802	10,848,626,994	-	15,137,127,796	30,268,674,101
Diary Development Authority	389,696,713	517,541,012	4,500,000	911,737,725	1,423,720,483
Kampala Capital City Authority	56,596,953,853	299,836,186	-	56,896,790,039	59,059,314,657
Rural Electrification Agency (REA)	-	-	69,448,350,776	69,448,350,776	63,733,791,503
Equal Opportunities Commission	20,000,000	279,758,000	-	299,758,000	50,000,000
NAGRC &DB	3,620,000,000	2,180,000,000	400,187,000	6,200,187,000	8,116,592,474
NITA-U	11,730,000	29,999,998	44,894,180	86,624,178	-
Muni University	1,418,390,934	1,543,389,301	393,983,512	3,355,763,747	3,779,519,594
Uganda National Examinations Board	-	2,404,050,000	-	2,404,050,000	1,081,473,333
Financial Intelligence Authority	-	465,000,000	-	465,000,000	839,999,704
Treasury Operations	-	-	-	-	-
Office of the Auditor General	1,551,789,736	2,422,414,106	-	3,974,203,842	4,825,462,236
Education Service Commission	-	363,673,502	-	363,673,502	653,006,611
Directorate of Public Prosecution	1,012,463,128	499,910,880	4,096,295,311	5,608,669,319	6,693,141,481
Health Service Commission	-	263,399,681	-	263,399,681	446,709,379
Makerere University	2,845,483,762	2,232,569,801	8,778,316	5,086,831,879	7,718,843,814
Mbarara University	2,495,483,339	423,385,714	129,456,546	3,048,325,599	2,240,630,762
Makerere University Business School	4,637,678,954	326,575,125	587,940,085	5,552,194,164	1,487,985,799
Kyambogo University	3,201,788,937	1,582,353,616	190,079,215	4,974,221,768	3,536,594,631
Uganda Management Institute	1,601,307,016	344,016,045	275,282,908	2,220,605,969	719,477,727
Uganda Revenue Authority	-	-	-	-	-
National Agricultural Research Organisation	1,200,000,000	2,301,000,000	950,000,000	4,451,000,000	449,000,000
Uganda Bureau of Statistics	445,971,148	1,701,017,136	-	2,146,988,284	3,964,779,484
Uganda Police	23,670,162,289	100,000,000	189,469,445,395	213,239,607,684	108,514,264,939
Uganda Prisons	14,284,142,590	7,939,817,643	-	22,223,960,233	16,112,708,020
Public Service Commission	-	482,539,400	-	482,539,400	783,744,200
Local Government Finance Commission	-	571,699,040	-	571,699,040	413,272,675
Judicial Service Commission	-	288,492,481	-	288,492,481	238,758,912
Gulu University	1,419,054,303	655,261,637	-	2,074,315,940	2,405,909,857
NEMA	-	224,150,550	269,713,453	493,864,003	311,347,037
Uganda Blood Transfusion Service	-	341,657,495	-	341,657,495	369,716,111

**ACCOUNTANT GENERAL'S OFFICE
GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

Statement of stores and other assets (physical assets) acquired, by vote during the year ended 30 June 2018 [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 2017
National Agricultural Advisory Services	-	2,124,681,400	-	2,124,681,400	508,966,800
Public Procurement & Disposal of Assets	1,900,000,001	419,701,774	-	2,319,701,775	524,368,668
Uganda national Bureau of Standards	8,069,064,314	1,973,318,323	720,000,000	10,762,382,637	5,361,190,837
Cotton Development Organization	4,059,349,100	-	-	4,059,349,100	6,142,000,000
Uganda Land Commission	27,994,585,659	429,999,950	-	28,424,585,609	34,221,713,706
National Forestry Authority	197,735,000	120,073,750	-	317,808,750	835,332,908
External Security Organization	-	392,000,000	-	392,000,000	392,000,000
Uganda Coffee Development Authority	-	-	-	-	-
Lira University	2,298,319,050	522,497,450	-	2,820,816,500	2,772,288,153
Uganda National Meteorological Authority	250,252,160	5,033,472,389	-	5,283,724,549	5,959,473,575
National Curriculum Development Centre	-	116,784,930	-	116,784,930	99,563,196
Uganda Virus Research Institute	250,000,000	-	149,999,991	399,999,991	-
Directorate Of Government Analytical Lab	100,000,000	4,619,999,000	104,999,999	4,824,998,999	3,150,157,001
Uganda Export Promotion Board	-	339,999,999	-	339,999,999	340,981,899
Kabale University	603,205,375	984,493,822	-	1,587,699,197	338,815,170
Soroti University	3,166,227,155	1,000,649,063	3,400,000	4,170,276,218	4,242,891,773
National Identification & Registration Auth	-	14,495,986,539	-	14,495,986,539	-
At 30 June 2018	1,840,944,607,445	120,942,646,567	282,531,541,190	2,244,418,795,202	2,330,171,116,866
At 30 June 2017	2,005,672,461,618	219,997,062,782	104,501,592,466	2,330,171,116,866	-

Statement of stores and other assets (physical assets) acquired, by vote during the year ended 30 June 2018 [As submitted and signed by Accounting Officers]

REFERRAL HOSPITALS

Referral hospital	Property, buildings, highways Shs.	Plant -Machinery, trucks Shs.	Others-computers, copiers Shs.	Total value of fixed asset acquired 30 June 2018 Shs.	Total value of fixed assets acquired 30 June 2017 Shs.
Mulago Hospital Complex	10,000,000,000	-	12,520,000,000	22,520,000,000	20,209,305,752
Butabika Hospital	1,369,936,595	287,379,773	119,942,100	1,777,258,468	1,678,104,937
Arua Hospital	614,853,926	393,390,000	76,717,531	1,084,961,457	895,586,517
Fort Portal Hospital	860,428,343	-	174,645,600	1,035,073,943	1,021,697,098
Gulu Hospital	1,388,000,000	98,700,000	-	1,486,700,000	1,058,428,543
Hoima Hospital	-	100,000,000	960,000,000	1,060,000,000	910,243,734
Jinja Hospital	787,845,437	596,744,010	-	1,384,589,447	1,058,428,688
Kabale Hospital	1,190,000,000	197,849,885	-	1,387,849,885	1,058,376,307
Masaka Hospital	2,003,000,000	-	-	2,003,000,000	3,065,998,280
Mbale Hospital	1,999,666,267	557,788,832	500,000,000	3,057,455,099	5,057,622,085
Soroti Hospital	568,150,377	-	21,393,214	589,543,591	959,857,143
Lira Hospital	1,387,000,000	100,000,000	-	1,487,000,000	1,395,738,866
Mbarara Regional Hospital	1,251,610,000	700,000,000	-	1,951,610,000	1,548,322,343
Mubende Reg Hospital	-	383,405,130	-	383,405,130	1,058,152,870
Moroto Reg Hospital	1,200,000,000	288,000,000	-	1,488,000,000	391,538,190
Naguru Referral Hospital	551,000,001	406,636,243	48,000,000	1,005,636,244	971,757,790
As at 30 June 2018	25,171,490,946	4,109,893,873	14,420,698,445	43,702,083,264	42,339,159,143
As at 30 June 2017	19,735,756,211	19,652,500,425	2,950,902,507	42,339,159,143	

ACCOUNTANT GENERAL'S OFFICE

GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Statement of stores and other assets (physical assets) acquired, by vote during the year ended 30 June 2018 [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 2018 Shs.	Total value of fixed assets acquired 30 June 2017 Shs.
Uganda Mission at the United Nations, NY	67,231,755	546,526,167	-	613,757,922	913,971,412
Uganda High Commission in the UK	172,949,077	324,990,575	-	497,939,652	219,618,140
Uganda High Commission in Canada	128,383,029	58,971,549	-	187,354,578	781,106,120
Uganda High Commission in India	-	161,935,454	-	161,935,454	265,811,407
Uganda High Commission in Egypt	-	309,989,532	-	309,989,532	717,232,023
Uganda High Commission in Kenya	-	186,347,240	-	186,347,240	629,136,597
Uganda High Commission in Tanzania	515,930,849	208,514,700	-	724,445,549	2,152,177,802
Uganda High Commission in Nigeria	250,355,699	142,304,376	-	392,660,075	79,785,388
Uganda High Commission in South Africa	-	177,508,508	-	177,508,508	321,568,879
Uganda Embassy in the United States	-	101,264,464	-	101,264,464	548,717,644
Uganda Embassy in Ethiopia	-	-	-	-	120,137,949
Uganda Embassy in China	-	382,351,268	-	382,351,268	351,309,347
Uganda Embassy in Rwanda	175,862,938	20,311,565	-	196,174,503	1,111,783,217
Uganda Embassy in Switzerland	-	181,941,376	-	181,941,376	184,501,588
Uganda Embassy in Japan/Algiers	-	50,533,179	-	50,533,179	145,788,869
Uganda Embassy in Libya	-	-	-	-	198,033,682
Uganda Embassy in Saudi Arabia	-	85,475,541	-	85,475,541	103,111,751
Uganda Embassy in Denmark	256,103,374	86,667,697	-	342,771,071	691,421,634
Uganda Embassy in Belgium	254,060,035	-	-	254,060,035	707,720,188
Uganda Embassy in Italy	-	-	-	-	180,769,953
Uganda Embassy in DRC	156,132,612	40,830,737	20,555,196	217,518,545	1,172,311,430
Uganda Embassy in Sudan	-	52,428,258	-	52,428,258	264,663,994
Uganda Embassy in France	-	-	-	-	554,670,702
Uganda Embassy in Germany	-	176,761,106	-	176,761,106	258,838,578
Uganda Embassy in Iran	-	-	-	-	7,188,853
Uganda Embassy in Russia	-	147,335,574	-	147,335,574	261,051,358
Uganda Embassy in Australia	-	69,735,672	-	69,735,672	138,786,046
Uganda Embassy in Juba	-	844,955,435	-	844,955,435	329,209,862
Uganda Embassy in Abu Dhabi	-	139,008,018	-	139,008,018	207,277,868
Uganda Embassy in Burundi	7,198,638,217	168,590,798	-	7,367,229,015	698,458,446
Uganda Embassy Guangzhou	-	69,589,286	-	69,589,286	454,289,262
Uganda Embassy Ankara	-	323,116,199	4,439,552	327,555,751	172,047,986
Uganda Embassy in Mogadishu	694,215,080	366,730,169	-	1,060,945,249	433,445,633
Uganda Embassy in Malaysia	-	37,125,911	-	37,125,911	193,787,555
Uganda Consulate in Mombasa	-	11,999,900	-	11,999,900	306,036,950
Uganda Embassy in Algeria	-	48,671,177	-	48,671,177	-
As at 30 June 2018	9,869,862,665	5,522,511,431	24,994,748	15,417,368,844	15,875,768,113
As at 30 June 2017	6,676,760,540	9,199,007,573	-	15,875,768,113	

Government of the Republic of Uganda



Reports and Consolidated Financial Statements of the Local Governments

For the year ended 30 June 2018

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Statement by the Secretary to the Treasury

Statement by the Secretary to the Treasury

The financial Statements for the financial year ended 30 June 2018, set out on pages 11 to 67 have been prepared in accordance with the provisions of the Public Finance Management Act, 2015 as amended [PFMA].

The Consolidated Financial Statements of Local Governments (LGs) comprise of the District Local Governments (DLGs) and Municipal Councils (MCs). The DLGs financial statements have been prepared using the modified cash basis of accounting. Under modified cash basis of accounting, revenues are recognized when received and not necessarily when earned while expenditure is recognized when incurred.

The MCs financial statements have been prepared using the accrual basis of accounting where all revenues with the exception of central government grants and expenditures are recognized when earned and incurred and not when received and paid respectively. Central government grants on the other hand are recognized when received.

The LGs financial performance for the year ended 30 June 2018 has been driven by national priorities as approved by parliament for the year and in accordance with the National Development Plan (NDP) II priorities for the year. The total local revenue collected by LGs during the year amounted to Shs.86.4bn compared to Shs.83bn in FY2016/17 representing a 4.1% increase.

In addition, there was an increase in the approved central government transfers by Shs.304bn from Shs.2.514tn in FY2016/17 to Shs.2.818tn in FY2017/18. This is an indication of government's continued commitment towards decentralization in an effort to improve service delivery at community level.

During FY 2017/18, government allocated significant amount of resources towards improving accountability for public resources, transparency and improving efficiency in financial operations through automation of systems, alignment of processes and the strengthening of oversight institutions. Significant progress has been achieved in deepening the Integrated Financial Management System (IFMS) and the TSA framework for LGs which has provided better visibility with reference to both LG revenue and expenditure.

As demonstrated, Government is steadily improving revenue collection and financial reporting at the Local Government level.



Ocailap Patrick

For: Permanent Secretary / Secretary to the Treasury
Ministry of Finance, Planning and Economic Development

Commentary on the Financial Statements by the Accountant General

Commentary to the Financial Statements by the Accountant General

Introduction

These annual consolidated financial statements (CFS) of the Local Governments (LGs) of Uganda comprise of the District Local Governments (DLGs) and Municipal Councils (MCs). During the financial year ended 30 June 2018, LGs were provided with necessary capacity building in the preparation of financial statements to ensure timely preparation of quality reports. A total of 100% and 80% of DLGs and MCs respectively submitted their financial statements on time for consolidation. This represents an improvement of 11% and 9% for DLGs and MCs respectively comparison to FY2016/17.

Scope

All LGs have been fully consolidated except for eight (8) Municipalities that did not submit financial statements in time for consolidation. These include; Iganga, Masindi, Ntugamo, Bushenyi-Ishaka, Makindye Ssabagabo, Kisoro, Kitgum and Kumi Municipal Councils.

Due to the differences in the accounting policies between DLGs and MCs, the CFS are presented in two separate sections i.e. section A is for DLGs and section B is for MCs. DLGs prepare their financial statements using the modified cash basis of accounting where revenue is recognized when cash is received not necessarily when earned while expenditure is recognized largely when incurred and not when paid. On the other hand, MCs prepare their financial statements using the accrual basis of accounting. In a bid to improve public accountability and also achieve harmonization within the East African Community, there will be a transition in the coming financial years from the modified cash basis of accounting to full accrual basis of accounting for all LGs.

Below is the summary of the LGs financial performance and financial position for the financial year ended 30 June 2018. Details are contained in the financial statements.

DLGs Financial Performance

Revenue Performance

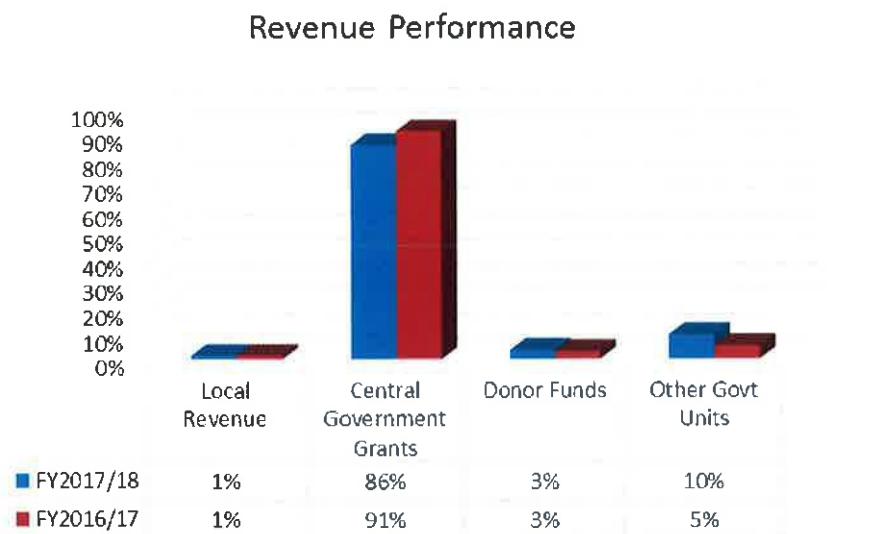
Revenue comprises of local revenue (local service tax, land fees, business and, administrative fees and licenses, hotel and other taxes, investment income, dividends, rent, disposals, sale of goods & services, court & other fines and penalties), Central Government grants (conditional, unconditional and equalization grants), external assistance (foreign governments and international organizations), transfers from other government units – appropriated to a vote and transferred to LGs for execution of intended activities for example Youth Livelihood Program (YLP) and funding from the Uganda local government association (ULGA).

The bulk of total revenue for the year was from central government grants. The total central government grants received by DLGs amounted to Shs.2.534tn which is 86% of the total funding for LGs (Shs.2.959tn).

Commentary on the Financial Statements by the Accountant General

The revenue from external assistance was Sh.102bn (3%) and that from other government units amounted to Shs.285bn (10%). Local revenue was 1% (39bn) of total revenue collected for the year.

The graph below shows the breakdown of DLGs revenue by source.



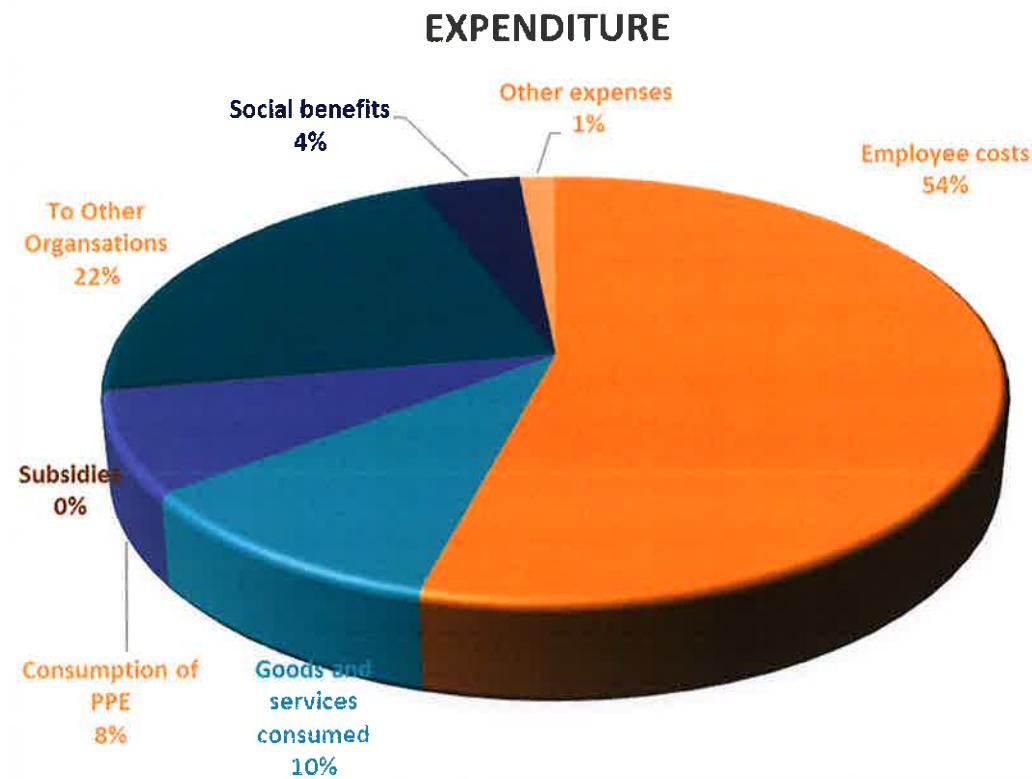
Expenditure

Overall total operating expenditure during the FY2017/18 was Shs.2.915tn (124% performance) against the overall initial budget of Shs.2.356tn. The 24% expenditure beyond the appropriation is as a result of the revised budgets approved at the local council level.

The total operating expenditure during the financial year 2017/18 was Shs.2.915tn of which employee costs accounted for 54%, goods and services 10%, consumption of PPE 8%, Subsidies, transfer to other organisations 22%, social benefits 4% and other expenses 2%.

This is illustrated below:

Commentary on the Financial Statements by the Accountant General



Total Assets

The current accounting policy at DLGs is that purchased property, plant and equipment is fully depreciated in the year of purchase and as a result, these capital items are not reflected as part of total assets in the statement of Financial Position. Government assets shown in the statement of financial position comprise principally non-produced assets acquired including land, cash and bank balances, receivables, and equity investments. This presentation will gradually change as government moves towards adoption of accrual accounting.

With respect to IFMS and TSA rollout, the implementation of TSA operations to local governments to improve cash management, foster resource absorption, enhance service delivery, transparency and accountability. Fifty nine (59) LGs were rolled back from Tier II and activated on Tier I at the end of FY2017/18 and started operations from 1st July 2018.

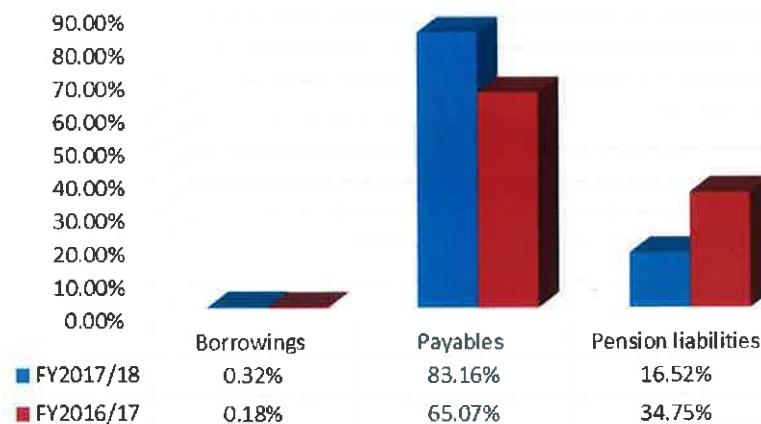
Total Liabilities

The total liabilities comprise of payables, pension liabilities and borrowings. As at 30th June 2018, these stood at Shs.125bn reflecting an increase of 86% from Shs.67bn in FY2016/17. This is attributed to the increase of deposits received and advances for YLP and UWEP.

This is illustrated below;

Commentary on the Financial Statements by the Accountant General

District Liabilities



Municipal Councils Performance

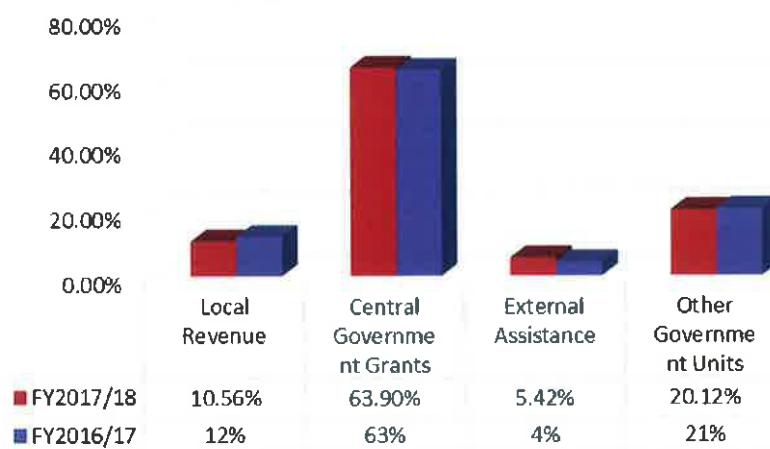
Revenue

The total revenue for the MCs amounted to Shs.445bn of which Central Government grants amounted to Shs.284bn representing 64%, donor funds was Sh.24bn (5%) and that from other government units amounted to Shs.89bn (20%). Local revenue was 11% (47bn) of total revenue collected for the period.

As with the DLGs, the largest source of revenue for MCs was Central Government grants.

The breakdown of MCs revenue for the reporting period under review is as illustrated below:

Revenue Performance



Commentary on the Financial Statements by the Accountant General

The MCs revenue performance shows an increase in total revenues for FY17/18 compared to the FY16/17. The increase in total revenue is majorly composed of Central Government Grants and external assistance which registered an increase of 10% and 40% respectively.

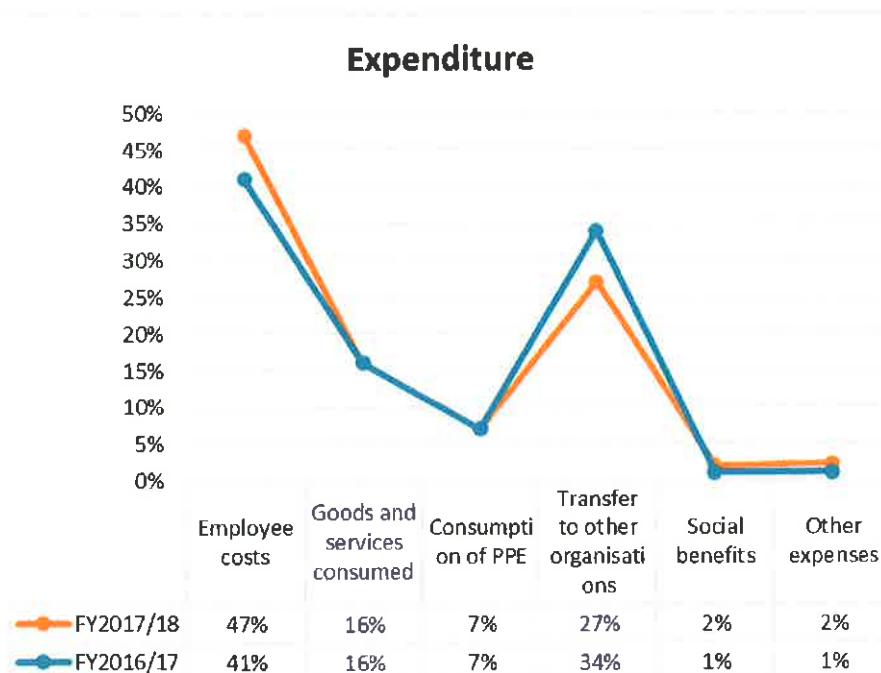
Expenditure

Overall total operating expenditure during the FY2017/18 amounted to Shs.365bn (97% performance) against the overall budget of Shs.379bn.

The breakdown of which is in the table below;

Expenditure item	Amount Shs.	Percentage
Employee Costs	170,623,753,631	47
Goods and Services	59,028,489,572	16
Consumption of PPE	24,790,608,382	7
Transfer to other Organisations	97,762,092,831	27
Social Benefits	5,667,607,487	2
Other Expenses	7,995,339,500	2
Total Expenditure	365,867,891,403	100

An analysis of the operating expenditure of MCs before financing costs is illustrated below:



MCs biggest expenditure is on employee costs followed by transfers to other organisations. These transfers are normally to different divisions within the municipality to cater for and fund their budgets.

Commentary on the Financial Statements by the Accountant General

Total Assets

The government policy for MCs is that Property, Plant and Equipment is initially measured at historical cost on the date of acquisition or recognized at fair value in the absence of the former. Assets are then depreciated over their useful economic life and therefore recognized in the statement of financial position. All other assets are also recognized in the statement of Financial Position as guided by accrual basis of accounting.

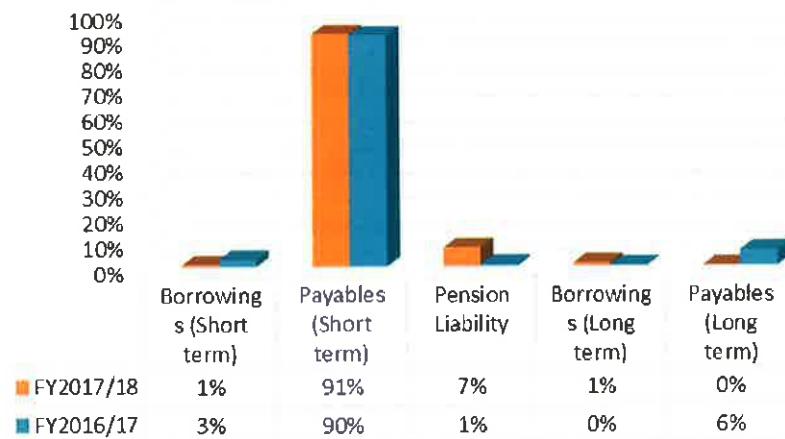
With respect to Integrated Financial Management System (IFMS) and TSA rollout, the implementation of TSA operations to local governments to improve cash management, foster resource absorption, enhance service delivery, transparency and accountability, during the FY2017/18 IFMS was rolled out to eighteen (18) MCs.

IFMS will be rolled out to an additional seven (7) MCs in FY2019/2020 any remaining MCs will be implemented in FY2020/21.

Total Liabilities

The total liabilities comprise of payables, pension liabilities and borrowings (short and long term). These were Shs. 31bn which is an increase of 48% from Shs. 21bn in FY2016/17. This is attributed to the increase in deposits received for UWEP and YLP.

Municipal Council Liabilities



Commentary on the Financial Statements by the Accountant General

Conclusion

The financial performance for LGs during FY2017/18 is consistent with Government's goal of invest in agriculture, tourism and minerals, industrialization through value addition, enhanced private sector development and increased public sector efficiency. This seeks to strengthen Uganda's competitiveness for sustainable wealth creation, employment, industrialization for job creation and shared prosperity to drive the achievement of middle income status.

Government is 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.

For effective interpretation, the financial statements should be read in conjunction with the underlying notes and schedules.


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Lawrence Semakula

Accountant General

| Section A: District Local Government

**Consolidated Financial Statements Districts Local
Government**

For the Year Ended 30 June 2018

[Modified Cash Basis of Accounting]

Consolidated Statement of Financial Performance

[Based on classification of expenditures by nature]

	Note	Actual 30 June 2018 Shs	Actual 30 June 2017 Shs
OPERATING REVENUE			
Revenue			
Local Revenue	2	39,373,431,172	35,274,140,802
Central Government Grants	3	2,533,845,487,030	2,390,405,038,709
Donor Funds	4	102,418,056,059	63,181,318,612
Transfers received from Other Government units	5	285,176,624,171	136,614,961,628
Total Revenue		2,960,813,598,432	2,625,475,459,751
OPERATING EXPENSES			
Expenses			
Employee costs	6	1,579,311,180,601	1,434,638,707,312
Goods and services consumed	7	304,411,530,404	250,084,862,061
Consumption of property, plant & equipment	8	225,821,714,551	161,861,919,820
Subsidies	9	1,191,434,969	265,104,609
Transfers to other Organisations	10	635,616,967,879	655,822,420,348
Social benefits	11	124,882,701,510	75,500,379,795
Other expenses	12	43,403,039,213	35,865,582,790
Total operating expenses		2,914,638,569,127	2,614,038,976,735
Surplus / (Deficit) from operating activities		46,175,029,305	11,436,483,016
Foreign exchange loss (Gain)	13	-	-
Bad Debts expenses	14	-	-
Transfers to Treasury	15	20,325,163,122	14,974,691,769
Surplus / (Deficit) for the year		25,849,866,183	-3,538,208,753

Notes and schedules set out on pages 18 to 40 form an integral part of the financial statements.


Lawrence Semakula
Accountant General


Ocailap Patrick
For: Permanent Secretary/ Secretary to the Treasury

The Consolidated Statement of Financial Position

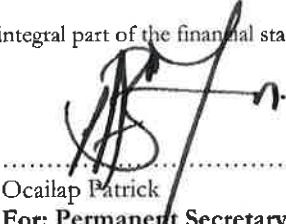
	Notes	30 June 2018 Shs.	30 June 2017 Shs.
ASSETS			
Cash and cash equivalents	16	47,072,577,658	36,030,778,086
Receivables	17	92,388,900,805	39,139,443,421
Inventories	18	823,643,982	132,671,361
Investment Properties	19	-	-
Investments	20	2,500,000,000	-
Non-Produced Assets	21	2,923,469,271	136,598,059
Total assets		145,708,591,716	75,439,490,927
LIABILITIES			
Borrowings	22	404,060,600	118,910,600
Payables	23	104,061,463,566	43,605,504,762
Pension liabilities	24	20,670,224,592	23,284,224,226
Total liabilities		125,135,748,758	67,008,639,588
Net Assets		20,572,842,958	8,430,851,339
REPRESENTED BY:-			
Closing Net worth		20,572,842,958	8,430,851,339

Statement of changes in Equity (Net worth)

	Note	30 June 2018 Shs	30 June 2017 Shs
At 1 July - Net worth Last Year (B/F)		8,430,851,339	39,075,701,260
Less: Transfers to the UCF account (Previous Year Balances)		-	-
Add/ (Less): Adjustments to the opening balance		(13,707,874,564)	(27,106,641,168)
Revaluation Reserve		-	-
Add: Excess of revenue over expenditure for the Year (see statement of Financial Performance)		25,849,866,183	(3,538,208,753)
At 30 June - Closing Net Financial Worth		20,572,842,958	8,430,851,339

Notes and schedules set out on pages 18 to 40 form an integral part of the financial statements.


Lawrence Semakula
Accountant General


Ocailap Patrick
For: Permanent Secretary/ Secretary to the Treasury

Consolidated Cash Flow Statement [Direct Method]

	30 June 2018 Shs	30 June 2017 Shs
CASH FLOWS FROM OPERATING ACTIVITIES		
Revenue from Operating activities		
Local Revenue	39,373,431,172	35,274,140,802
Central Government Grants	2,533,845,487,030	2,390,405,038,709
Donor Funds	102,418,056,059	63,181,318,612
Transfers received from Other Government units	285,176,624,171	136,614,961,628
Deposits received	38,713,373,201	28,184,946,608
Advances recovered	2,595,593,238	1,762,103,007
Less Transfer to Treasury (Balances)	(20,325,163,122)	(14,974,691,769)
Total Operating revenue	2,981,157,260,714	2,640,447,817,597
PAYMENTS FOR OPERATING EXPENSES.		
Employee costs	1,573,773,179,525	1,426,770,756,019
Goods and services consumed	298,756,724,585	245,878,156,886
Subsidies	1,191,434,969	265,104,609
Transfers to Other Organisations	632,580,528,382	655,822,420,348
Social benefits	112,979,520,953	69,347,104,807
Other expenses	40,509,622,381	34,873,174,773
Foreign exchange loss/(gain)	-	-
Net Advances paid	40,711,744,598	33,219,483,204
Domestic arrears paid during the year	46,361,202,722	13,539,972,380
Pension Arrears paid during the Year	-	-
Losses of cash	-	-
Letters of Credit receivable	-	-
Total payments for operating activities	2,746,863,958,115	2,479,096,968,733
Net cash inflows/(outflows) from operating activities	234,933,443,634	160,731,644,571
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	222,321,618,590	160,770,317,772
Purchase of non-produced assets	2,139,416,266	(175,277,974)
Proceeds from sale of property, plant and equipment	-	-
Purchase of investments	-	-
Proceeds from sale of investments	-	-
Net cash inflows/(outflows) from investing activities	224,461,034,856	160,595,039,798
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from external borrowings	-	-
Repayments of external borrowings	-	-
Proceeds from other domestic borrowings	-	-
Repayments of other domestic borrowings	-	-
Net cash flows from financing activities	10,472,408,778	136,604,773
Net increase (decrease) in cash and cash equivalents	10,472,408,778	136,604,773

Notes and schedules set out on pages 18 to 40 form an integral part of the financial statements.

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Cash Flow Statement for the period ended 30 June 2018 [Direct Method] (continued)

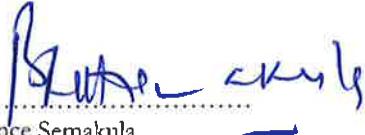
Reconciliation of movement of cash during the year

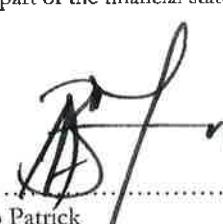
		30 June 2018 Shs.	30 June 2017 Shs.
At the beginning of the year		35,967,827,840	49,601,676,241
Less: Transfers to the UCF account (Previous Year Balances)			
Add/ (Less): Adjustments to the opening balance		632,341,040	(13,770,724,712)
Net increase in cash from the Cash Flow Statement		10,472,408,778	136,604,773
At the end of the year		47,072,577,658	35,967,827,840

Net cash and bank balances comprise of;

	Notes	30 June 2018 Shs.	30 June 2017 Shs.
Cash and bank balances	16	47,072,577,658	36,030,778,086
Less Bank overdraft with BoU and others	16	-	(62,950,246)
Net cash and bank balances		47,072,577,658	35,967,827,840

Notes and schedules set out on pages 18 to 40 form an integral part of the financial statements.

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Lawrence Semakula
Accountant General

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Ocaillap Patrick
For: Permanent Secretary / Secretary to the Treasury

Consolidated Statement of Revenues and Expenditure by Vote

Districts	Approved/Revised Estimates Shs	Actual Revenue Shs	Actual Expenditure Shs	Over/Under Expenditure Shs
Adjumani	29,926,257,063	17,924,982,784	25,587,927,446	4,338,329,617
Apac	35,885,296,000	35,610,398,527	37,387,589,665	(1,502,293,665)
Arua	85,174,851,917	69,503,921,656	67,942,639,619	17,232,212,298
Bugiri	25,574,879,000	22,523,528,225	24,216,686,437	1,358,192,563
Bundibugyo	27,681,311,248	22,577,266,521	26,325,887,774	1,355,423,474
Bushenyi	25,970,068,000	20,781,966,515	21,717,088,834	4,252,979,166
Busia	29,418,366,000	25,737,214,815	28,735,264,855	683,101,145
Gulu	30,411,406,447	23,486,038,088	22,290,265,621	8,121,140,826
Hoima	30,378,676,582	29,625,302,586	29,731,969,821	646,706,761
Iganga	41,681,600,815	41,680,053,803	41,607,701,242	73,899,573
Jinja	37,491,544,774	35,802,567,957	33,021,075,451	4,470,469,323
Kabale	32,705,565,049	25,167,759,184	28,092,827,787	4,612,737,262
Kabarole	30,136,756,978	28,415,027,599	25,453,361,598	4,683,395,380
Kaberamaido	20,936,806,179	16,088,304,879	17,008,118,746	3,928,687,433
Kalangala	19,760,591,954	7,855,472,825	19,131,069,402	629,522,552
Kamuli	37,788,939,877	32,582,567,996	35,565,802,166	2,223,137,711
Kamwenge	29,543,739,085	23,062,776,380	26,359,732,363	3,184,006,722
Kanungu	32,611,925,481	27,073,385,703	29,641,277,076	2,970,648,405
Kapchorwa	14,657,615,199	10,335,184,538	13,588,233,175	1,069,382,024
Kasese	56,139,168,735	56,029,148,249	56,053,822,965	85,345,770
Katakwi	21,492,980,564	18,416,760,950	18,259,799,797	3,233,180,767
Kayunga	28,819,190,000	28,817,101,164	28,620,723,916	198,466,084
Kibaale	19,231,195,904	15,994,243,892	15,991,134,793	3,240,061,111
Kiboga	17,706,848,381	17,182,482,821	17,133,164,135	573,684,246
Kisoro	30,739,571,179	27,586,470,002	29,443,131,869	1,296,439,310
Kitgum	28,743,398,381	21,627,889,823	27,768,777,853	974,620,528
Kotido	16,945,394,000	6,986,760,039	14,106,567,893	2,838,826,107
Kumi	23,012,243,156	19,066,994,727	21,681,281,986	1,330,961,170
Kyenjojo	28,299,603,771	22,578,290,161	26,962,212,101	1,337,391,670
Lira	34,892,440,891	27,798,692,783	32,852,203,005	2,040,237,886
Luwero	47,230,727,872	43,811,929,937	45,728,790,868	1,501,937,004
Masaka	20,766,563,684	18,680,914,801	19,383,283,194	1,383,280,490
Masindi	23,963,857,656	17,733,072,631	21,908,077,826	2,055,779,830
Mayuge	30,943,955,784	26,970,928,600	28,411,021,933	2,532,933,851
Mbale	39,556,057,962	34,359,984,492	38,033,833,867	1,522,224,095
Mbarara	35,654,806,629	29,936,404,976	30,622,515,947	5,032,290,682
Moroto	14,493,741,318	10,212,488,530	13,997,275,290	496,466,028
Moyo	30,845,619,117	17,398,151,523	23,817,222,759	7,028,396,358
Mpigi	25,015,462,285	21,112,803,389	23,410,215,711	1,605,246,574
Mubende	34,805,694,770	28,843,772,340	32,171,364,039	2,634,330,731
Mukono	34,441,174,550	32,697,962,708	34,156,458,458	284,716,092
Nakapiripirit	19,198,017,000	11,559,438,886	17,490,029,919	1,707,987,081
Nakasongola	21,875,007,081	19,082,825,892	21,033,510,451	841,496,630
Nebbi	30,827,994,765	19,571,544,360	25,669,218,765	5,158,776,000

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Districts	Approved/Revised Estimates Shs	Actual Revenue Shs	Actual Expenditure Shs	Over/Under Expenditure Shs
Ntungamo	44,733,831,976	37,169,916,702	39,875,872,470	4,857,959,506
Pader	27,614,696,037	20,446,244,906	25,684,190,127	1,930,505,910
Pallisa	25,452,559,451	22,250,679,736	24,548,360,605	904,198,846
Rakai	32,747,612,036	24,820,292,055	26,384,190,732	6,363,421,304
Rukungiri	34,687,574,162	29,006,651,578	33,195,768,955	1,491,805,207
Sembabule	22,130,345,401	19,108,974,784	20,520,567,403	1,609,777,998
Sironko	26,028,596,528	21,810,131,998	24,565,849,017	1,462,747,511
Soroti	25,796,655,000	18,606,220,866	22,894,067,942	2,902,587,058
Tororo	48,026,606,452	38,858,099,531	42,847,942,522	5,178,663,930
Wakiso	68,085,308,467	50,292,826,466	57,838,290,322	10,247,018,145
Yumbe	37,764,411,378	28,724,032,349	36,306,949,423	1,457,461,955
Buraleja	28,354,890,154	21,285,176,841	23,885,297,820	4,469,592,334
Ibanda	17,351,233,896	14,698,716,268	17,073,770,901	277,462,995
Kaabong	29,358,254,000	15,035,866,042	20,300,271,907	9,057,982,093
Isingiro	33,665,522,049	25,111,491,302	29,286,213,000	4,379,309,049
Kaliro	19,330,410,000	18,012,608,219	18,935,505,525	394,904,475
Kiruhura	21,774,733,368	18,670,658,348	21,113,400,334	661,333,034
Koboko	21,667,452,376	11,229,701,278	17,577,129,344	4,090,323,032
Amolatar	15,770,398,979	12,293,715,370	15,890,806,453	(120,407,474)
Amuria	24,666,087,034	21,554,418,461	24,437,370,347	228,716,687
Manafa	21,929,078,360	18,407,792,600	22,050,248,460	(121,170,100)
Bukwo	16,172,034,421	13,156,208,301	15,125,062,940	1,046,971,481
Mityana	26,749,738,368	20,420,084,739	22,904,510,641	3,845,227,727
Nakaseke	27,294,205,670	18,032,646,119	22,173,614,921	5,120,590,749
Amuru	24,392,996,880	15,035,226,113	20,195,143,539	4,197,853,341
Budaka	18,918,178,006	16,680,221,167	18,984,807,729	(66,629,723)
Oyam	33,521,283,000	27,298,996,098	31,470,182,018	2,051,100,982
Abim	19,403,796,448	11,016,655,811	14,964,827,717	4,438,968,731
Namutumba	20,587,335,527	17,692,541,576	20,122,300,087	465,035,440
Dokolo	19,645,990,456	15,783,582,678	18,759,669,506	886,320,950
Buliisa	12,350,121,100	8,169,554,316	10,650,156,567	1,699,964,533
Maracha-Terego	21,000,680,433	16,080,441,058	19,623,943,500	1,376,736,933
Bukedea	23,530,229,000	19,838,667,822	19,675,901,146	3,854,327,854
Bududa	18,733,223,162	17,430,477,576	18,404,972,846	328,250,316
Lyantonde	15,680,477,835	10,094,176,251	12,869,501,723	2,810,976,112
Amudat	10,635,144,000	5,259,477,502	12,935,552,819	(2,300,408,819)
Buikwe	31,497,749,805	15,060,451,368	28,467,229,963	3,030,519,842
Buyende	17,965,290,180	14,677,869,020	16,001,561,167	1,963,729,013
Kyegegwa	16,442,686,373	11,796,093,034	15,106,788,059	1,335,898,314
Lamwo	19,851,667,531	12,273,906,013	19,009,308,100	842,359,431
Otuke	12,977,106,000	9,761,571,199	11,375,671,931	1,601,434,069
Zombo	18,478,446,020	15,320,906,090	18,359,602,691	118,843,329
Alebtong	20,123,146,000	16,425,069,051	19,843,337,339	279,808,661
Bulambuli	17,029,847,604	14,998,222,905	17,346,459,581	(316,611,977)
Buvuma	9,435,962,620	6,861,269,700	8,710,092,313	725,870,307
Gomba	13,666,802,594	12,347,008,497	13,400,227,223	266,575,371

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Districts	Approved/Revised Estimates Shs	Actual Revenue Shs	Actual Expenditure Shs	Over/Under Expenditure Shs
Kiryandongo	21,654,045,455	14,914,502,219	20,068,194,235	1,585,851,220
Luuka	18,103,663,184	17,016,649,169	18,538,812,149	(435,148,965)
Namayingo	16,558,951,949	14,311,719,907	15,928,455,077	630,496,872
Ntoroko	9,734,840,000	6,737,079,301	8,131,204,996	1,603,635,004
Serere	23,486,512,422	19,325,449,571	23,314,920,017	171,592,405
Kyankwanzi	16,410,000,000	14,348,929,946	16,392,001,878	17,998,122
Kalungu	22,040,468,428	16,101,784,065	18,542,945,044	3,497,523,384
Lwengo	22,483,752,577	18,600,936,910	21,964,939,353	518,813,224
Bukomansimbi	14,000,634,681	11,202,599,077	13,783,836,730	216,797,951
Mitooma	18,944,981,986	16,469,257,486	18,794,444,517	150,537,469
Rubirizi	11,211,130,892	9,625,446,973	11,212,831,189	(1,700,297)
Ngoma	15,376,955,000	13,325,404,150	15,410,876,979	(33,921,979)
Napak	18,603,880,000	9,908,470,584	16,028,042,910	2,575,837,090
Kibuku	19,363,829,826	15,860,120,215	19,132,098,690	231,731,136
Nwoya	16,074,752,913	11,563,147,889	16,063,739,832	11,013,081
Kole	20,799,608,000	18,675,137,768	21,994,387,516	(1,194,779,516)
Butambala	15,155,612,579	13,137,387,072	14,996,172,326	159,440,253
Sheema	22,114,094,424	15,340,500,878	18,111,250,421	4,002,844,003
Buhweju	9,029,733,368	7,702,395,411	8,800,304,930	229,428,438
Agago	24,275,994,000	18,870,602,909	23,066,314,778	1,209,679,222
Kween	13,211,067,425	10,588,663,453	13,139,546,118	71,521,307
Kagadi	22,805,505,597	19,108,025,222	22,852,650,942	(47,145,345)
Kakumiro	14,337,470,116	11,513,300,985	12,909,039,164	1,428,430,952
Omoro	20,774,779,045	16,666,436,437	20,022,111,213	752,667,832
Rubanda	17,527,308,000	15,322,931,139	15,829,029,119	1,698,278,881
Namisindwa	18,094,997,652	18,849,056,226	19,497,881,885	(1,402,884,233)
Pakwach	13,352,959,289	10,819,016,789	13,355,247,220	(2,287,931)
Butebo	12,403,342,000	11,352,607,000	11,965,171,600	438,170,400
Rukiga	16,317,898,600	11,499,766,240	12,122,231,417	4,195,667,183
Kyotera	24,783,094,221	22,325,656,971	24,759,077,267	24,016,954
Bunyagabu	13,949,962,962	12,298,072,793	12,939,436,571	1,010,526,391
Total for 30 June 2018	2,989,379,135,811	2,402,177,372,716	2,749,469,844,176	239,909,291,635
Total for 30 June 2017	2,712,755,244,215	2,254,879,443,844	2,481,353,418,430	231,401,825,785

Notes and schedules set out on pages 18 to 40 form an integral part of the financial statements.

Notes to the Financial Statements

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.

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The Financial Statements have consistently been prepared using the modified cash basis of accounting except where stated otherwise. The modified cash basis of accounting recognizes revenue when cash is received and expenses (except for expenses approved to be accrued) when paid.

7) Going concern consideration

The financial statements have been prepared on a going concern basis.

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..... to the next 30 June..... 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. A 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) Central Government Grants

Central Government Grants comprise the conditional, unconditional and equalization grants. Central government grants are recognised when as such when received with the exception of conditional grants that are recognised when earned. Conditional grants are recognised as deferred income (liability) until the conditions for which they were sent are met. As per the provisions of the PFMA 2015, unspent conditional grants should be remitted to the Uganda Consolidated Fund Account at the closure of the financial year.

ii) Donor Funds

These include grants which are received by the entity either as cash or in-kind. All grants (aid assistance) are recognized as income when received. In-kind receipts (donations) are recognized at fair value.

iii) Transfers received from other government units

Comprise funds appropriated under one vote but transferred to another vote for execution of the intended activities of the former. These might include road maintenance funds from the Road fund, immunization funds from Ministry of health among others. These funds are recognised when received.

iv) Local Revenue

These comprise local service tax, land fees, hotel tax, and other non-tax Revenues that are collected by the entity. Local revenue whether directly collected by the entity or collected by another entity on its behalf is recognized when received.

12) Expenses

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Generally, expenditure is recognized when it is incurred and settled within the financial year. Qualifying unsettled expenditure is recognised in the Statement of Financial position as payables.

13) Property, Plant and Equipment (physical assets or fixed assets)

Property, plant and equipment (PPE) principally comprises buildings, dams, roads and highways, hydropower stations, plant, vehicles, equipment, and any other infrastructure assets but does not include land and regenerative natural resources such as forests and mineral resources.

Acquisitions of PPE are recorded in the asset register on receipt of the item at cost and expensed fully through the Statement of Financial Performance. Cost of the item is defined as the total cost of acquisition. Where the cost of the PPE cannot be determined accurately, the PPE is stated at fair value. Subsequent repairs and maintenance costs of PPE are also expensed as goods and services consumed in the Statement of Financial Performance.

Proceeds from disposal of property, plant and equipment are recognized as non-tax revenue in the period in which it is received.

14) 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.

15) 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.

16) 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.

17) 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 in the course of the financial year.

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.

18) Receivables

(i) Advances and other receivables

Receivables 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.

19) 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.

20) 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.

21) 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.

22) 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.

23) 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.

24) 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.

25) Contingent liabilities

Contingent liabilities are disclosed in a memorandum statement (Statement of Outstanding Commitments) 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. Contingent assets are not recognized nor disclosed.

26) Commitments

Commitments include operating and capital commitments arising from non-cancelable contractual or statutory obligations. Interest commitments on loans and commitments relating to employment contracts are not included in the Statement of Outstanding Commitments. 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 in the Statement of Outstanding Commitments.

27) 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

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Other Notes to the Financial Statements

Note 1 - 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 2017 for major currencies was:

	Actual 30 June 2018 Shs	Actual 30 June 2017 Shs
United States Dollar	-	-
Japanese Yen	-	-
British Pound	-	-
Euro	-	-
SDR/AFU/IDI	-	-

Source: Bank of Uganda website

Note 2 – Local Revenue

	30 June 2018 Shs.	30 June 2017 Shs.
Local Service Tax	9,353,365,665	8,626,010,302
Land Fees	2,923,828,693	2,775,127,456
Business Licenses	1,808,170,221	1,660,797,163
Local Hotel tax	111,781,715	68,811,272
Other Gen Taxes on Goods & Services	3,883,687,184	3,696,952,676
Other Tax Revenues	4,068,103,309	3,159,511,606
Dividends	341,608,726	-
Rent	1,946,118,864	1,031,583,336
Disposal of Assets	528,507,037	979,058,593
Sale of Goods & Services	4,677,914,787	5,325,991,131
Administrative fees and licences	5,590,857,921	3,603,706,762
Court fine & Penalties	4,839,441	19,954,744
Other Fines & Penalties	594,499,853	766,281,031
Miscellaneous & unidentified revenues	3,540,147,756	3,560,354,730
Total Local Revenue	39,373,431,172	35,274,140,802

Note 3 – Central Government Grants

	30 June 2018 Shs.	30 June 2017 Shs.
Conditional Grants	1,951,365,681,853	1,809,213,832,460
Unconditional Grants	503,371,656,968	520,028,804,795
Equalisation Grants	79,108,148,209	61,162,401,454
Total Central Government Grants	2,533,845,487,030	2,390,405,038,709

Note 4 – Donor Funds

	30 June 2018 Shs.	30 June 2017 Shs.
Grants Received		
Grants from foreign governments	45,626,406,498	16,857,890,482
Grants from International organisations	56,791,649,561	46,323,428,130
Total grants	102,418,056,059	63,181,318,612

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Note 5 – Transfers received from Other Government Units

	30 June 2018 Shs.	30 June 2017 Shs.
Transfers received from other Govt Units- current	148,720,678,870	78,425,491,175
Transfers received from other Govt Units- Capital	136,455,945,301	58,189,470,453
Total Transfers received from Other Government Units	285,176,624,171	136,614,961,628

Note 6 - Employee costs

Principally comprise:

	30 June 2018 Shs.	30 June 2017 Shs.
Wages and salaries	1,512,466,177,807	1,373,044,418,590
Social Contributions	38,060,068,540	27,798,424,601
Other employment costs	28,784,934,254	33,795,864,121
Total employee costs.	1,579,311,180,601	1,434,638,707,312

Note 7 - Goods and services consumed

These comprise:

	30 June 2018 Shs.	30 June 2017 Shs.
General expenses	86,447,657,771	82,317,191,984
Communications	2,384,695,306	1,548,519,540
Utility and property expenses	6,598,316,555	5,776,690,195
Supplies and services	71,609,755,296	51,079,326,512
Professional services	2,080,601,933	2,373,750,342
Insurances and licenses	27,854,432	178,167,008
Travel and transport	105,231,499,245	84,089,406,669
Maintenance	30,031,149,866	22,721,809,811
Total goods and services	304,411,530,404	250,084,862,061

Note 8 - 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 2018 Shs.	30 June 2017 Shs.
Buildings and structures	160,768,696,319	105,378,658,925
Machinery, furniture	12,732,799,752	13,224,791,144
Transport Equipment	5,718,027,647	8,808,434,064
Other fixed assets	46,602,190,833	34,450,035,687
Total value of property, plant and equipment expensed	225,821,714,551	161,861,919,820

Note 9 – Subsidies

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The total Subsidies comprise;

	30 June 2018 Shs.	30 June 2017 Shs.
To public corporations	-	-
To private enterprises	1,191,434,969	265,104,609
To private individuals	-	-
Total subsidies for the year	1,191,434,969	265,104,609

Note 10 – Transfers to Other Organizations

The DLGs paid grants during the year to the following;

	30 June 2018 Shs.	30 June 2017 Shs.
To Foreign Govts	-	-
To International Organizations	1,466,762,211	-
To other Govt Units	627,394,358,385	649,741,506,324
To resident non-government units	6,755,847,283	6,080,914,024
Total Transfers for the period	635,616,967,879	655,822,420,348

Note 11 - Social benefits

Social benefits paid during the year comprise;

	30 June 2018 Shs.	30 June 2017 Shs.
Pensions	102,188,620,919	70,077,095,784
Employer Social benefits	22,694,080,591	5,423,284,011
Total social benefits	124,882,701,510	75,500,379,795

Note 12 - Other expenses

These comprise:

	30 June 2018 Shs.	30 June 2017 Shs.
Property expenses other than interest	1,563,439,299	3,007,003,721
Miscellaneous expenses	41,669,428,049	32,431,552,308
Goods Purchased for resale	170,171,865	427,026,761
Total other operating expenses	43,403,039,213	35,865,582,790

Note 13 - Foreign exchange gains and losses

	30 June 2018 Shs.	30 June 2017 Shs.
Realised loss (gain)	-	-
Un/realized loss	-	-
Un/realized gain	-	-
Net foreign exchange (gains)/ losses	-	-

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Note 14 – Bad Debts expense

	30 June 2018 Shs.	30 June 2017 Shs.
Provision at the beginning of the year- at 1 July 17	-	-
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 period - at 30 June 18	-	-

Note 15 – Transfers to Treasury

	30 June 2018 Shs.	30 June 2017 Shs.
Non-Tax Revenue	3,640,060,669	-
Unspent Salary Balances	9,683,141,613	10,089,784,870
Expenditure Account Balances	7,001,960,840	4,884,906,899
Total	20,325,163,122	14,974,691,769

Note 16 – Cash and cash equivalents

	30 June 2018 Shs.	30 June 2017 Shs.
DOMESTIC		
Revenue accounts	4,842,955,150	4,868,666,616
Expenditure accounts	8,248,754,373	7,903,512,226
Project Accounts	31,398,083,633	19,042,506,203
Collection accounts	508,866,146	3,183,627,641
Cash in transit	109,231,526	160,738,435
Cash at hand- Imprest	284,984,856	10,570,448
Others	1,679,701,974	1,909,248,347
Total cash and cash equivalents	47,072,577,658	36,030,778,086

Note 17- Receivables

These comprise:

	30 June 2018 Shs.	30 June 2017 Shs.
Domestic		
Loans (Short Term) Others	4,619,440,630	-
Advances	24,080,915,179	8,484,619,132
Outstanding Letters of Credit	-	-
Other accounts receivable- domestic	63,688,544,996	30,149,683,670
Total domestic receivables	92,388,900,805	38,799,482,221
Foreign		
Advances	-	-
Outstanding Letters of Credit	-	-
Other accounts receivable- Foreign	-	339,961,200
Total foreign receivables	-	339,961,200
Total Receivables	-	39,139,443,421
Less provision for bad debts	-	-
Net Receivables	92,388,900,805	39,139,443,421

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Note 18 - Inventories

These comprise:

	30 June 2018 Shs.	30 June 2017 Shs.
Strategic stock -Petroleum Products	-	-
Other Inventories	823,643,982	132,671,361
Total inventories	823,643,982	132,671,361

Note 19- Investments Properties

	30 June 2018 Shs.	30 June 2017 Shs.
At the beginning of the year 1 July	-	-
Additions/Acquisitions made during the year	-	-
Disposals during the year	-	-
Total Cost of Investment Properties	-	-

Note 20- Investments

	30 June 2018 Shs.	30 June 2017 Shs.
Securities other than shares-domestic	2,500,000,000	-
shares and other equity - Domestic	-	-
Securities other than shares-foreign	-	-
Total investments	2,500,000,000	-

Note 21- Non-Produced Assets

	30 June 2018 Shs.	30 June 2017 Shs.
Land	1,771,319,179	129,015,457
Cultivated Assets	1,052,795,681	6,882,000
Other Naturally Occurring Assets	99,354,411	700,602
Total Non-Produced Assets	2,923,469,271	136,598,059

Note 22 - Borrowings

	30 June 2018 Shs.	30 June 2017 Shs.
Domestic		
Loans from commercial banks	404,060,600	48,073,081
Interest payable on bank loans/borrowings	-	-
Other/Overdraft	-	62,950,246
Total current borrowings	404,060,600	111,023,327
Foreign		
Loans from multi laterals	-	7,887,273
Loans from foreign Governments	-	-
Loans from commercial banks	-	-
Interest payable on bank loans/borrowings	-	-
Other	-	-
Total non-current borrowings	-	7,887,273
Total borrowings	404,060,600	118,910,600

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Note 23 - 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 2018 Shs.	30 June 2017 Shs.
Trade Creditors	11,469,018,797	5,859,558,435
Sundry Creditors	4,466,629,849	1,562,327,538
Committed Creditors	6,738,043,032	2,392,766,616
Accountable advances	10,223,654,437	1,629,344,012
Withholding tax payable	657,317,686	140,263,335
Deposits received	51,361,791,665	23,868,970,120
Advances from other Government units	17,758,187,523	6,812,879,617
Clearing transfers from other gov't units	-	631,806,947
Miscellaneous accounts payables	1,386,820,577	707,588,142
Total payables	104,061,463,566	43,605,504,762

Note 24- Pension liabilities

	30 June 2018 Shs.	30 June 2017 Shs.
Former employees in Public Service	8,405,142,511	13,684,480,059
Former employees of the Education Service	159,709,162	821,801,887
Gratuity Arrears	12,105,372,919	8,777,942,280
Total pension liabilities	20,670,224,592	23,284,224,226

Consolidated Statement of Arrears of Revenues

DISTRICTS	Arrears of Revenue 6/30/2017	Total Revenue billed during the Year	Actual amounts collected during the year	Cumulative Arrears of Revenue as at 30/6/2018
	Shs.	Shs.	Shs.	Shs.
Adjumani	-	449,313,000	441,776,408	7,536,592
Apac	274,144,545	717,020,000	633,652,201	83,367,799
Arua	-	582,707,352	582,707,352	-
Bugiri	52,444,263	301,784,737	142,068,290	159,716,447
Bundibugyo	-	185,958,656	185,958,656	-
Bushenyi	11,777,086	107,742,000	335,004,854	(227,262,854)
Busia	11,820,540	320,531,920	320,531,920	-
Gulu	-	606,756,000	513,070,816	93,685,184
Hoima	-	1,023,185,402	1,023,185,402	-
Iganga	-	230,471,141	230,471,141	-
Jinja	-	1,247,354,829	1,230,881,537	16,473,292
Kabale	-	224,857,147	224,857,147	-
Kabarole	-	484,762,585	484,762,585	-
Kaberamaido	-	213,632,363	203,502,151	10,130,212
Kalangala	-	904,298,000	216,949,954	687,348,046
Kamuli	550,938,966	946,665,000	270,773,973	675,891,027
Kamwenge	-	1,052,421,085	1,052,421,085	-
Kanungu	-	245,001,560	245,001,560	-
Kapchorwa	64,711,633	198,000,000	181,081,902	16,918,098
Kasese	-	1,280,269,880	1,280,269,880	-
Katakwi	-	243,454,882	243,454,882	-
Kayunga	849,080	280,000,000	278,920,699	1,079,301
Kibaale	-	210,670,000	206,348,942	4,321,058
Kiboga	-	425,078,680	370,585,017	54,493,663
Kisoro	-	399,670,000	303,823,530	95,846,470
Kitgum	84,656,142	992,607,876	216,810,749	775,797,127
Kotido	-	157,323,941	157,323,941	-
Kumi	70,169,678	454,748,380	221,434,694	233,313,686
Kyenjojo	41,017,035	183,702,965	222,249,292	(38,546,327)
Lira	61,435,655	627,166,146	346,020,896	281,145,250
Luwero	9,205,444	532,166,882	445,897,835	86,269,047
Masaka	-	251,001,797	251,001,797	-
Masindi	3,150,000	999,543,000	288,717,595	710,825,405
Mayuge	-	277,450,000	181,034,739	96,415,261
Mbale	1,068,067,399	1,184,563,359	339,064,345	845,499,014
Mbarara	318,266,875	916,321,452	1,136,033,334	(219,711,882)
Moroto	346,458,963	547,284,000	522,227,209	25,056,791
Moyo	259,882,153	822,707,195	637,111,254	185,595,941
Mpigi	7,323,051	389,918,834	389,918,834	-
Mubende	62,096,516	1,090,485,260	859,313,345	231,171,915
Mukono	-	612,250,309	611,127,979	1,122,330
Nakapiripirit	-	176,944,000	131,067,377	45,876,623
Nakasongola	158,615,661	501,150,000	553,261,143	(52,111,143)
Nebbi	-	231,654,200	231,667,033	(12,833)

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DISTRICTS	Arrears of Revenue 6/30/2017	Total Revenue billed during the Year	Actual amounts collected during the year	Cumulative Arrears of Revenue as at 30/6/2018
Ntungamo	695,406,002	569,520,467	472,849,969	96,670,498
Pader	225,243,661	676,038,000	305,079,632	370,958,368
Pallisa	-	164,792,878	164,792,878	-
Rakai	-	716,690,000	225,022,712	491,667,288
Rukungiri	-	657,216,165	376,819,571	280,396,594
Sembabule	-	377,660,279	377,660,279	-
Sironko	798,947,791	382,010,000	263,779,107	118,230,893
Soroti	-	417,410,150	417,410,150	-
Tororo	1,365,500,060	1,319,433,012	644,552,023	674,880,989
Wakiso	10,000,000	1,999,649,612	1,737,028,052	262,621,560
Yumbe	-	218,829,199	218,829,199	-
Butaleja	166,344,835		128,990,144	(128,990,144)
Ibanda	1,176,299	655,568,701	654,708,000	860,701
Kaabong	-	181,212,762	181,212,762	-
Isingiro	-	178,563,909	178,563,909	-
Kaliro	316,587,000	316,587,000	154,734,063	161,852,937
Kiruhura	-	710,291,000	362,563,970	347,727,030
Koboko	-	259,969,433	259,969,433	-
Amolatar	-	435,797,597	435,797,597	-
Amuria	-	236,804,789	236,804,789	-
Manafa	-	283,837,300	283,837,300	-
Bukwo	-	112,765,992	112,765,992	-
Mityana	-	337,819,070	337,819,070	-
Nakaseke	181,033,846	1,064,604,588	570,692,289	493,912,299
Amuru	2,238,068	1,093,040,000	1,089,974,518	3,065,482
Budaka	-	213,980,013	213,980,013	-
Oyam	225,678,818	836,522,000	685,801,803	150,720,197
Abim	-	90,545,050	90,545,050	-
Namutumba	-	380,793,000	95,785,025	285,007,975
Dokolo	218,589,466	226,500,000	176,770,350	49,729,650
Buliisa	-	302,212,100	190,444,341	111,767,759
Maracha-Terego	-	215,062,000	114,791,457	100,270,543
Bukedea	-	196,638,882	196,638,882	-
Bududa	-	166,282,542	166,282,542	-
Lyantonde	-	126,375,025	126,375,025	-
Amudat	1,437,402	54,032,650	28,987,097	25,045,553
Buikwe	6,976,635	529,571,325	529,571,325	-
Buyende	37,499,177	170,200,000	91,058,020	79,141,980
Kyegegwa	-	227,000,000	224,425,185	2,574,815
Lamwo	109,625,893	80,437,477	80,437,477	-
Otuke	-	130,065,734	130,065,734	-
Zombo	-	262,651,000	180,235,534	82,415,466
Alebtong	48,981,927	165,101,150	153,560,045	11,541,105
Bulambuli	-	163,928,172	163,928,172	-
Buvuma	-	189,126,000	83,743,644	105,382,356
Gomba	-	128,480,100	128,480,100	-
Kiryandongo	-	446,984,000	248,164,269	198,819,731
Luuka	-	113,203,196	113,203,196	-

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

DISTRICTS	Arrears of Revenue 6/30/2017	Total Revenue billed during the Year	Actual amounts collected during the year	Cumulative Arrears of Revenue as at 30/6/2018
Namayingo	16,265,853	254,213,078	247,852,577	6,360,501
Ntoroko	-	469,004,414	469,004,414	-
Serere	2,002,000	282,479,619	279,479,619	3,000,000
Kyankwanzi	4,982,100	260,000,000	259,060,050	939,950
Kalungu	157,454,037	375,762,300	160,496,652	215,265,648
Lwengo	-	186,998,695	186,998,695	-
Bukomansimbi	-	148,358,846	148,358,846	-
Mitooma	-	550,470,448	550,470,448	-
Rubirizi	104,471,855	104,379,187	104,379,187	-
Ngora	52,715,623	779,639,000	113,288,561	666,350,439
Napak	-	164,125,883	164,125,883	-
Kibuku	-	71,994,000	74,470,680	(2,476,680)
Nwoya	-	570,561,685	570,561,685	-
Kole	204,175,496	256,733,000	175,910,028	80,822,972
Butambala	-	104,833,779	104,833,779	-
Sheema	103,427,416	302,300,000	267,557,443	34,742,557
Buhweju	-	136,300,805	136,300,805	-
Agago	-	286,700,000	132,535,335	154,164,665
Kween	-	220,646,070	220,107,984	538,086
Kagadi	-	210,694,000	203,316,859	7,377,141
Kakumiro	-	131,426,880	131,426,880	-
Omoro	-	248,603,738	248,603,738	-
Rubanda	-	155,616,655	155,616,655	-
Namisindwa	-	130,523,500	130,523,500	-
Pakwach	-	166,637,885	166,637,885	-
Butebo	-	140,000,000	104,175,515	35,824,485
Rukiga	-	391,621,000	79,181,518	312,439,482
Kyotera	-	376,629,546	376,629,546	-
Bunyagabu	-	62,649,436	62,649,436	-
At 30 June 2018	8,513,791,945	50,152,302,583	39,373,431,172	10,778,871,411
At 30 June 2017	10,279,952,762	42,106,610,059	35,273,865,081	6,832,744,978

Consolidated Summary Statement of Contingent Liabilities

Districts	Legal proceedings	Guarantees & indemnities	Guarantees of bank Overdrafts	Other Contingent	Total 30-Jun-2018	Total 30-Jun-2017
	Shs.	Shs.	Shs.	Shs.	Shs.	Shs.
Kapchorwa	-	300,168,863	-	64,511,000	364,679,863	92,428,300
Kayunga	51,547,700	-	-	-	51,547,700	51,547,700
Masindi	-	-	-	161,050,000	161,050,000	-
Moyo	-	-	-	-	-	180,000,000
Mpigi	157,084,103	-	-	-	157,084,103	-
Mubende	117,389,200	-	-	-	117,389,200	257,389,200
Nakapiripirit	-	-	-	-	-	111,000,000
Nebbi	359,297,184	-	-	-	359,297,184	-
Sembabule	-	-	-	-	-	663,134,050
Isingiro	150,000,000	-	-	-	150,000,000	200,000,000
Kiruhura	-	-	-	-	-	12,600,000
Manafa	-	-	-	-	-	14,600,100
Dokolo	-	-	-	288,959,106	288,959,106	649,021,799
Buliisa	-	-	-	-	-	37,000,000
Bulwaju	40,680,000	-	-	26,315,000	66,995,000	68,686,365
Agago	20,000,000	-	-	-	20,000,000	-
Kakumiro	250,000,000	-	-	-	250,000,000	250,000,000
Pakwach	-	-	-	370,000,000	370,000,000	-
Total for 30 June 2018	1,145,998,187	300,168,863	-	910,835,106	2,357,002,156	2,587,407,514
Total for 30 June 2017	1,795,216,900	300,168,863	-	736,084,549	2,531,301,449	

Consolidated Statement of Outstanding Commitments

[As submitted and signed by accounting Officers]

Districts	Operating Commitments	Capital Commitments	Outstanding Commitments long-term	Total Commitments 30-Jun-2018	Total Commitments 30-Jun-2017
	Shs.	Shs.	Shs.	Shs.	Shs.
Adjumani	575,781,057	-		575,781,057	370,682,500
Apac	1,121,653,489	-		1,121,653,489	-
Arua	1,087,878,122	-		1,087,878,122	-
Bugiri	957,853,513	-		957,853,513	-
Bundibugyo	538,926,000	-		538,926,000	-
Busenyi	-	-		-	-
Busia	-	-		-	2,771,157,325
Gulu	18,776,700	-		18,776,700	-
Hoima	792,976,258	-		792,976,258	-
Iganga	99,665,936	-		99,665,936	-
Jinja	499,419,015	-		499,419,015	-
Kabale	1,591,719,180	-		1,591,719,180	1,395,400,470
Kabarole	728,300,507	-		728,300,507	-
Kaberamaido	678,332,345	-		678,332,345	933,185,485
Kalangala	205,295,883	-		205,295,883	256,450,300
Kamuli	486,502,199	-		486,502,199	1,762,080,495
Kamwenge	425,182,436	-		425,182,436	339,961,200
Kanungu	363,808,700	-		363,808,700	459,766,177
Kapchorwa	591,031,491	-		591,031,491	-
Kasese	1,439,576,058	-		1,439,576,058	1,492,586,657
Katakwi	75,369,889	-		75,369,889	745,459,883
Kayunga	605,053,057	-		605,053,057	538,888,941
Kibaale	361,344,072	-		361,344,072	912,592,803
Kiboga	290,448,287	-		290,448,287	21,118,811
Kisoro	928,123,051	-		928,123,051	1,213,670,574
Kitgum	674,135,113	-		674,135,113	716,386,034
Korido	21,206,315	-		21,206,315	199,674,652
Kumi	175,015,785	-		175,015,785	10,114,793
Kyenjojo	466,081,314	-		466,081,314	610,748,127
Lira	458,240,000	-		458,240,000	493,047,000
Luwero	215,488,518	-		215,488,518	554,930,860
Masaka	298,701,513	-		298,701,513	360,463,660
Masindi	478,813,839	-		478,813,839	4,436,748
Mayuge	979,302,465	-		979,302,465	109,256,000
Mbale	888,445,800	-		888,445,800	520,513,012
Mbarara	542,139,206	-		542,139,206	65,475,245
Moroto	466,899,650	-		466,899,650	10,125,000
Moyo	121,270,086	-		121,270,086	346,384,372
Mpigi	304,905,331	-		304,905,331	228,581,604
Mubende	1,883,900,227	-		1,883,900,227	35,846,051
Mukono	358,918,496	-		358,918,496	-

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Districts	Operating Commitments Shs.	Capital Commitments Shs.	Outstanding Commitments long-term Shs.	Total Commitments 30-Jun-2018 Shs.	Total Commitments 30-Jun-2017 Shs.
				30-Jun-2018 Shs.	30-Jun-2017 Shs.
Nakapiripirit	1,015,605,258	-	-	1,015,605,258	593,500,000
Nakasongola	402,461,500	-	-	402,461,500	-
Nebbi	504,230,457	-	-	504,230,457	640,741,131
Ntungamo	1,640,539,744	-	-	1,640,539,744	364,540,550
Pader	448,844,274	-	-	448,844,274	2,419,342
Pallisa	812,045,705	-	-	812,045,705	315,404,000
Rakai	676,454,900	-	-	676,454,900	290,940,932
Rukungiri	449,867,273	-	-	449,867,273	804,040,900
Sembabule	386,207,000	-	-	386,207,000	17,725,163
Sironko	378,651,150	-	-	378,651,150	356,331,000
Soroti	714,756,238	-	-	714,756,238	650,000
Tororo	394,789,500	-	-	394,789,500	2,275,534,504
Wakiso	672,919,436	-	-	672,919,436	869,272,640
Yumbe	871,874,239	-	-	871,874,239	-
Butaleja	1,307,660,292	-	-	1,307,660,292	475,085,557
Ibanda	392,246,624	-	-	392,246,624	501,855,591
Kaabong	-	-	-	-	1,001,789,579
Isingiro	1,488,739,040	-	-	1,488,739,040	1,555,288,558
Kaliro	228,914,397	-	-	228,914,397	1,212,199,693
Kiruhura	692,133,178	-	-	692,133,178	574,825,500
Koboko	748,251,476	-	-	748,251,476	333,811,363
Amolatar	528,451,695	-	-	528,451,695	-
Amuria	865,479,159	-	-	865,479,159	265,950,620
Manafa	1,405,219,057	-	-	1,405,219,057	14,160,100
Bukwo	688,526,275	-	-	688,526,275	104,325,000
Mityana	651,297,045	-	-	651,297,045	45,807,000
Nakaseke	387,256,191	-	-	387,256,191	610,801,612
Amuru	739,062,997	-	-	739,062,997	104,163,000
Budaka	1,065,754,996	-	-	1,065,754,996	582,924,678
Oyam	996,946,777	-	-	996,946,777	497,505,504
Abim	20,601,774	-	-	20,601,774	-
Namutumba	625,430,835	-	-	625,430,835	427,294,499
Dokolo	717,290,418	-	-	717,290,418	-
Buliisa	497,053,434	-	-	497,053,434	21,813,000
Maracha-Terego	505,992,288	-	-	505,992,288	342,418,500
Bukedea	-	-	-	-	-
Bududa	750,053,928	-	-	750,053,928	147,876,169
Lyantonde	565,209,849	-	-	565,209,849	-
Amudat	566,371,150	-	-	566,371,150	-
Buikwe	660,066,948	-	-	660,066,948	320,610,332
Buyende	696,836,000	-	-	696,836,000	-
Kyegegwa	579,943,000	-	-	579,943,000	424,541,220
Lamwo	844,909,456	-	-	844,909,456	552,120,073
Otuke	497,445,130	-	-	497,445,130	869,544,877
Zombo	1,118,510,756	-	-	1,118,510,756	427,312,449
Alebtong	314,818,577	-	-	314,818,577	805,553,000
Bulambuli	582,346,000	-	-	582,346,000	164,899,900

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Districts	Operating Commitments Shs.	Capital Commitments Shs.	Outstanding Commitments long-term Shs.	Total Commitments 30-Jun-2018 Shs.	Total Commitments 30-Jun-2017 Shs.
				30-Jun-2018 Shs.	30-Jun-2017 Shs.
Buvuma	752,712,620	-		752,712,620	-
Gomba	238,820,000	-		238,820,000	-
Kiryandongo	1,465,654,033	-		1,465,654,033	28,507,644
Luuka	422,784,136	-		422,784,136	859,621,879
Namayingo	352,670,200	-		352,670,200	758,130,000
Ntoroko	136,871,778	-		136,871,778	172,921,552
Serere	728,321,667	-		728,321,667	1,278,564,611
Kyankwanzi	128,056,500	-	-	128,056,500	237,460,050
Kalungu	352,931,886	-		352,931,886	30,614,313
Lwengo	891,980,423	-		891,980,423	726,412,378
Bukomansimbi	339,729,406	-		339,729,406	703,132,604
Mitooma	-	-		-	-
Rubirizi	24,078,150	-		24,078,150	21,038,076
Ngora	24,526,661	-		24,526,661	-
Napak	432,033,264	-		432,033,264	1,707,863,985
Kibuku	601,547,781	-		601,547,781	-
Nwoya	278,132,000	-		278,132,000	351,582,385
Kole	199,169,000	-		199,169,000	467,362,193
Butambala	419,771,101	-		419,771,101	399,033,659
Sheema	563,656,017	36,050,674		599,706,691	599,998,482
Buhweju	323,288,747	-		323,288,747	359,507,855
Agago	933,664,037	-		933,664,037	1,551,973,103
Kween	286,040,000	-		286,040,000	517,078,818
Kagadi	315,226,940	-		315,226,940	486,463,624
Kakumiro	251,176,702	-		251,176,702	331,946,900
Omoro	499,932,691	-		499,932,691	159,014,500
Rubanda	367,171,620	-		367,171,620	-
Namisindwa	926,946,282	-		926,946,282	-
Pakwach	819,334,000	-		819,334,000	-
Butebo	225,108,000	-		225,108,000	-
Rukiga	275,336,191	-		275,336,191	-
Kyotera	-	-		-	-
Bunyagabu	-	-		-	-
At 30 June 2018	67,471,218,152	36,050,674	-	67,507,268,826	48,142,790,926
At 30 June 2017	47,426,404,892	716,386,034	-	48,142,790,926	

**Summary Statement of losses of public moneys and stores
written off, and claims abandoned**

District	Losses of public moneys (cash and cash equivalents)	Values of losses of stores	Total losses reported as at 30/6/2018	Total losses reported at 30/6/2017
	Shs.	Shs.	Shs.	Shs
Buliisa	-	-	-	31,055,000
Maracha-Terego	-	-	-	13,145,436
Buikwe	-	-	-	417,507,007
At 30 June 2018	-	-	-	430,652,443
At 30 June 2017	417,507,007	13,145,436	430,652,443	

Notes and schedules set out on pages 18 to 40 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]

Districts	Losses of public moneys (cash and cash equivalents) Shs.	Values of losses of stores Shs.	Total losses reported as at 30 June 2018 Shs.	Total losses at 30 June 2017 Shs.
Luwero	19,692,950	-	19,692,950	19,962,950
Rukungiri	-	-	-	7,950,000
Tororo	-	-	-	650,000
Butaleja	-	-	-	15,755,000
Buikwe	-	-	-	13,755,496
Lamwo	-	8,531,036	8,531,036	-
Otuke	-	32,000,000	32,000,000	32,000,000
Kalungu	-	4,923,491	4,923,491	4,923,491
Rubirizi	-	-	-	19,510,000
Omoro	29,131,500	-	29,131,500	31,631,500
At 30 June 2018	48,824,450	45,454,527	94,278,977	170,006,596
At 30 June 2017	107,012,100	49,855,496	170,006,596	

Notes and schedules set out on pages 18 to 40 form an integral part of the financial statements.

Statement of stores and other assets (physical assets) purchased
 As submitted and signed by Accounting Officers]

Districts	Non Produced Assets	Property-land, buildings, highways	Plant, machinery,MV, furniture	Others- computers, copiers	Total value of property, plant & equipments purchased during the year 30-Jun- 2018	Total value of property, plant & equipments purchased in 30- Jun-2017
	Shs.	Shs.	Shs.	Shs.	Shs.	Shs.
Adjumani	-	1,053,788,866	-	222,840,250	1,276,629,116	2,256,384,633
Apac	-	1,389,201,706	222,000,000	-	1,611,201,706	1,646,261,645
Arua	6,000,000	6,545,354,475	311,201,626	680,464,517	7,543,020,618	4,189,324,988
Bugiri	-	1,212,343,464	17,305,000	433,220,279	1,662,868,743	1,851,467,914
Bundibugyo	-	15,000,000	18,000,000	-	33,000,000	294,661,914
Bushenyi	-	265,856,398	11,870,001	230,129,001	507,855,400	0
Busia	-	1,750,698,250	430,517,033	392,832,531	2,574,047,814	1,416,491,989
Gulu	-	632,328,824	34,877,882	171,871,964	839,078,670	0
Hoima	-	-	-	-	-	0
Iganga	-	889,815,139	306,664,794	596,508,595	1,792,988,528	1,841,461,321
Jinja	-	682,255,620	2,000,000	375,627,992	1,059,883,612	0
Kabale	-	603,212,547	260,224,712	155,582,000	1,019,019,259	1,388,827,185
Kabarole	-	2,160,449,336	51,379,000	339,707,000	2,551,535,336	2,591,752,551
Kaberamaido	-	1,264,640,930	61,246,521	1,336,483,644	2,662,371,095	2,002,087,568
Kalangala	-	4,322,230,622	6,798,000	306,411,283	4,635,439,905	3,496,733,400
Kamuli	-	614,248,305	62,388,000	525,315,745	1,201,952,050	1,399,007,978
Kamwenge	-	1,205,141,924	-	500,032,061	1,705,173,985	1,826,127,849
Kanungu	-	605,400,881	41,691,720	368,684,837	1,015,777,438	3,219,001,002
Kapchorwa	-	253,236,725	10,200,000	-	263,436,725	0
Kasese	-	2,203,014,853	-	285,015,129	2,488,029,982	3,212,714,118
Katakwi	-	1,246,794,376	61,164,429	141,161,081	1,449,119,886	1,289,050,457
Kayunga	-	1,584,336,393	5,625,000	560,124,569	2,150,085,962	1,459,887,131
Kibaale	-	1,338,262,694	3,377,592	1,229,900,460	2,571,540,746	2,042,906,619
Kiboga	-	495,498,494	71,783,247	349,764,652	917,046,393	739,650,578
Kisoro	-	665,289,859	2,348,538	-	667,638,397	560,507,269
Kitgum	-	1,233,695,533	139,444,200	465,154,522	1,838,294,255	1,507,140,557
Kotido	-	874,016,492	313,238,366	4,868,048,526	6,055,303,384	3,576,942,182
Kumi	-	1,146,893,108	66,781,250	509,479,524	1,723,153,882	1,679,237,980
Kyenjojo	-	1,400,352,397	116,260,000	447,586,962	1,964,199,359	1,693,137,871
Lira	-	-	-	-	-	0
Luwero	-	1,382,494,738	21,563,300	550,035,246	1,954,093,284	2,141,793,327
Masaka	-	241,902,562	40,568,000	374,854,777	657,325,339	1,085,755,424
Masindi	-	1,644,929,362	21,803,746	355,309,970	2,022,043,078	1,266,697,742
Mayuge	-	1,140,005,894	-	757,307,216	1,897,313,110	1,016,178,068
Mbale	-	679,458,574	110,700,208	622,754,827	1,412,913,609	0
Mbarara	-	1,677,535,730	-	542,859,620	2,220,395,350	986,836,320
Moroto	-	-	-	-	-	0
Moyo	-	1,001,982,384	147,965,216	-	1,149,947,600	1,108,258,199
Mpigi	-	741,003,423	-	-	741,003,423	0

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Districts	Non Produced Assets	Property-land, buildings, highways	Plant, machinery,MV, furniture	Others-computers, copiers	Total value of property, plant & equipments purchased during the year 30-Jun-2018	Total value of property, plant & equipments purchased in 30-Jun-2017
Mubende	-	1,097,982,320	46,993,598	1,632,167,818	2,777,143,736	2,663,163,902
Mukono	-	421,129,336	-	-	421,129,336	925,997,996
Nakapiripirit	-	1,195,568,141	394,045,742	3,501,347,609	5,090,961,492	1,950,263,767
Nakasongola	-	965,880,940	50,000,000	261,500,000	1,277,380,940	0
Nebbi	-	1,116,867,739	62,116,800	422,706,309	1,601,690,848	1,368,733,846
Ntungamo	-	1,380,792,692	85,000,000	1,281,755,576	2,747,548,268	0
Pader	-	-	30,000,000	279,252,000	309,252,000	1,567,952,624
Pallisa	-	929,228,117	9,732,832	805,833,591	1,744,794,540	1,712,856,155
Rakai	-	1,869,157,984	36,565,901	327,581,000	2,233,304,885	1,175,204,015
Rukungiri	-	2,874,474,759	204,999,417	-	3,079,474,176	1,130,251,684
Sembabule	-	895,349,314	43,242,459	563,542,306	1,502,134,079	1,199,131,663
Sironko	-	482,268,554	17,793,490	307,847,248	807,909,292	1,232,961,742
Soroti	-	819,220,505	182,373,280	235,076,130	1,236,669,915	1,364,811,013
Tororo	-	2,172,035,758	38,485,000	54,562,812	2,265,083,570	1,926,877,965
Wakiso	-	10,378,258,691	116,203,999	844,345,331	11,338,808,021	11,833,141,802
Yumbe	79,779,033	5,743,403,528	128,620,682	640,449,616	6,592,252,859	0
Butaleja	-	5,315,744	-	-	5,315,744	502,136,874
Ibanda	-	293,946,766	132,640,000	643,927,533	1,070,514,299	656,450,018
Kaabong	-	1,671,844,074	25,550,000	262,949,312	1,960,343,386	1,058,659,450
Isingiro	591,530,068	612,078,692	29,271,496	492,175,657	1,725,055,913	916,945,764
Kaliro	-	211,866,294	503,261,687	-	715,127,981	254,720,000
Kiruhura	-	2,075,623,226	7,539,973	-	2,083,163,199	1,499,321,742
Koboko	-	1,958,146,068	526,459,475	104,753,912	2,589,359,455	838,559,528
Amolatar	-	821,634,051	59,755,057	-	881,389,108	1,098,295,872
Amuria	-	1,616,727,567	704,232,743	981,934,571	3,302,894,881	3,080,134,664
Manafwa	-	1,936,356,515	13,889,196	25,689,450	1,975,935,161	878,072,709
Bukwo	-	729,449,646	49,000,000	43,999,600	822,449,246	889,767,686
Mityana	-	1,934,975,462	82,000,000	390,993,000	2,407,968,462	906,314,874
Nakaseke	-	2,030,401,837	35,217,892	362,393,226	2,428,012,955	768,268,313
Amuru	-	1,918,205,268	161,500,000	1,002,499,049	3,082,204,317	2,900,193,067
Budaka	-	403,866,207	31,720,634	-	435,586,841	1,233,811,712
Oyam	-	3,493,101,272	866,737,106	-	4,359,838,378	2,399,371,319
Abim	-	498,410,069	31,789,768	77,568,409	607,768,246	0
Namutumba	-	-	-	-	-	0
Dokolo	-	1,877,515,010	165,456,613	410,277,377	2,453,249,000	0
Buliisa	-	223,574,076	64,847,920	237,201,053	525,623,049	932,091,863
Maracha-Terego	-	1,069,212,062	68,521,559	209,930,025	1,347,663,646	1,617,043,790
Bukedea	858,369,141	691,034,672	332,495,484	167,431,614	2,049,330,911	1,357,784,905
Bududa	-	1,540,466,135	562,591,083	40	2,103,057,258	1,661,335,000
Lyantonde	-	1,369,275,868	181,454,716	337,359,150	1,888,089,734	1,513,994,303
Amudat	-	468,557,929	3,038,646,375	180,294,341	3,687,498,645	0
Buikwe	-	10,128,212,727	36,508,464	5,014,142	10,169,735,333	7,444,426,690
Buyende	-	1,496,436,467	214,116,354	129,425,317	1,839,978,138	1,428,177,306
Kyegegwa	-	660,962,315	4,820,000	-	665,782,315	875,724,353

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Districts	Non Produced Assets	Property-land, buildings, highways	Plant, machinery,MV, furniture	Others-computers, copiers	Total value of property, plant & equipments purchased during the year 30-Jun-2018	Total value of property, plant & equipments purchased in 30- Jun-2017
Lamwo	-	569,699,637	178,931,302	471,351,312	1,219,982,251	1,450,720,217
Otuke	-	1,254,512,040	45,366,720	215,587,101	1,515,465,861	1,660,442,819
Zombo	553,738,024	1,201,327,614	92,924,411	-	1,847,990,049	754,237,939
Alebtong	-	1,396,219,938	58,560,000	526,190,139	1,980,970,077	1,688,361,124
Bulambuli	-	616,707,704	67,992,373	457,512,562	1,142,212,639	1,148,828,592
Buvuma	-	1,371,479,296	22,464,000	410,927,163	1,804,870,459	933,880,402
Gomba	-	-	16,417,549	-	16,417,549	130,000,000
Kiryandongo	-	2,420,638,142	101,292,353	530,732,309	3,052,662,804	2,347,744,432
Luuka	-	501,239,743	-	-	501,239,743	895,641,219
Namayingo	-	986,589,208	26,878,400	453,074,471	1,466,542,079	1,247,991,746
Ntoroko	-	264,936,624	-	120,473,760	385,410,384	923,759,971
Serere	-	1,078,515,338	149,335,830	296,425,797	1,524,276,965	2,646,202,699
Kyankwanzi	-	1,451,267,016	14,190,000	383,883,160	1,849,340,176	969,951,262
Kalungu	20,000,000	801,751,383	114,813,089	-	936,564,472	383,296,524
Lwengo	30,000,000	2,525,090,051	15,000,000	420,250,616	2,990,340,667	1,544,722,199
Bukomansimbi	-	1,219,959,711	66,000,000	-	1,285,959,711	566,485,500
Mitooma	-	1,712,889,008	-	159,347,160	1,872,236,168	910,299,747
Rubirizi	-	359,839,783	-	286,922,953	646,762,736	499,750,941
Ngora	-	814,158,012	40,552,065	637,091,647	1,491,801,724	1,045,901,617
Napak	-	686,720,935	13,347,900	161,968,526	862,037,361	1,645,172,015
Kibuku	-	716,700,783	900,439,591	-	1,617,140,374	1,341,613,590
Nwoya	-	1,207,287,759	-	312,157,389	1,519,445,148	1,764,871,483
Kole	-	916,688,273	544,487,008	-	1,461,175,281	1,120,184,366
Butambala	-	713,617,332	43,491,738	5,965,840	763,074,910	416,859,981
Sheema	-	1,354,353,792	302,063,193	-	1,656,416,985	1,028,819,053
Buhweju	-	572,806,854	6,806,400	-	579,613,254	1,075,893,243
Agago	-	1,277,037,277	269,369,460	29,695,257	1,576,101,994	1,371,636,558
Kween	-	242,101,000	40,000,000	60,500,000	342,601,000	450,590,197
Kagadi	-	3,156,856,331	27,960,000	903,748,131	4,088,564,462	3,364,248,057
Kakumiro	-	1,496,093,931	110,199,000	624,905,225	2,231,198,156	2,720,352,470
Omoro	-	449,534,543	80,604,000	2,356,623,717	2,886,762,260	1,551,955,062
Rubanda	-	840,024,284	157,432,174	29,853,304	1,027,309,762	536,991,066
Namisindwa	-	1,230,000,000	431,853,650	-	1,661,853,650	
Pakwach	-	864,359,596	305,858,597	253,606,275	1,423,824,468	
Butebo	-	1,100,429,503	319,659,000	439,414,000	1,859,502,503	
Rukiga	-	803,191,394	391,980,860	135,130,115	1,330,302,369	
Kyotera	-	1,102,235,777	237,115,122	-	1,339,350,899	
Bunyagabu	-	1,250,351,432	910,257,438	-	2,160,608,870	
At 30 June 2018	2,139,416,266	160,768,696,319	18,450,827,399	46,602,190,833	227,961,130,817	161,686,641,846
At 30 June 2017	(175,277,974)	105,378,658,925	22,033,225,208	34,450,035,687	161,686,641,846	-10,987,949

| Section B : Municipal Councils

Consolidated Financial Statements of Municipal Councils For the Year Ended 30 June 2018

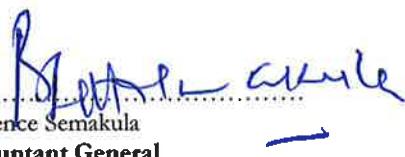
[Based on Accrual Basis of Accounting]

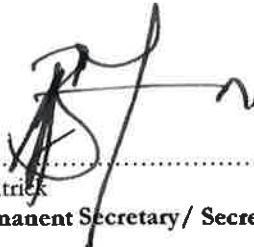
ACCOUNTANT GENERAL'S OFFICE
 LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Consolidated Statement of Financial Performance
 [Based on classification of expenditures by nature]

	Note	Actual 30 June 2018 Shs	Actual 30 June 2017 Shs
OPERATING REVENUE			
Revenue			
Local Revenue	2	47,054,392,943	47,742,357,251
Central Government Grants	3	284,592,939,782	259,139,399,994
Donor Funds	4	24,143,544,941	17,223,730,053
Transfers received from Other Government units	5	89,604,903,720	84,088,080,900
Total Revenue		445,395,781,386	408,193,568,198
OPERATING EXPENSES			
Employee costs	6	170,623,753,631	132,512,015,462
Goods and services consumed	7	59,028,489,572	51,666,755,518
Consumption of property, plant & equipment	8	24,790,608,382	21,018,049,980
Subsidies	9	0	0
Transfers to other Organisations	10	97,762,092,831	109,015,310,261
Social benefits	11	5,667,607,487	3,089,340,200
Other expenses	12	7,995,339,500	4,643,159,437
Total operating expenses		365,867,891,403	321,944,630,858
Surplus / (Deficit) from operating activities		79,527,889,983	86,248,937,340
Foreign exchange loss (Gain)	13	0	0
Finance costs	14	0	0
Bad Debts expenses	15	0	0
Transfers to Treasury	16	3,218,409,594	1,486,907,926
Surplus / (Deficit) for the year		76,309,480,389	84,762,029,414

Notes and Schedules set out on pages 47 to 65 form an integral part of the financial statements.


 Lawrence Semakula
 Accountant General


 Ocailap Patrick
 For: Permanent Secretary / Secretary to the Treasury

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

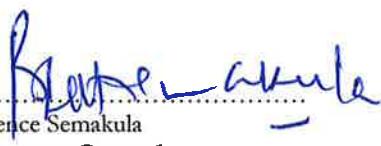
Consolidated Statement of Financial Position

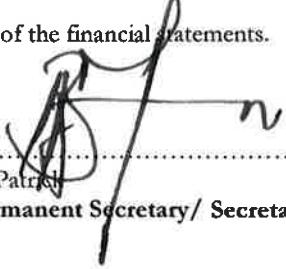
	Notes	30 June 2018 Shs	30 June 2017 Shs
ASSETS			
Current Assets			
Cash and cash equivalents	17	100,462,128,549	119,271,193,840
Receivables	18	18,906,454,489	11,571,493,861
Inventories	19	386,148,801	491,721,211
Investments (Short term)	20(a)	1,150,000,000	1,150,000,000
Total current assets		120,904,731,839	132,484,408,912
Non-Current Assets			
Investments (Long term)	20(a)	696,088,783	-
Investment Properties	20(b)	-	-
Property, Plant and Equipment	21	538,731,948,670	392,530,749,169
Total non-current assets		539,428,037,453	392,530,749,169
Total Assets		660,332,769,292	525,015,158,081
LIABILITIES			
Current Liabilities			
Borrowings (Short term)	22	217,655,963	567,532,043
Payables	23	28,514,331,251	18,702,653,826
Pension Liability	24	2,273,928,574	149,359,264
Total Current liability		31,005,915,788	19,419,545,133
Non-current Liabilities			
Long-term borrowings	22	341,763,463	23,218,042
Payables	23	0	1,238,118,231
Pension liability	24	0	0
Total non-current liability		341,763,463	1,261,336,273
Total Liabilities		31,347,679,251	20,680,881,406
Net assets (liabilities)		628,985,090,041	504,334,276,675
REPRESENTED BY:-			
Net worth/ Equity		628,985,090,041	504,334,276,675

Statement Of Changes In Equity (Net Worth)

	Notes	30 June 2018 Shs	30 June 2017 Shs
Opening Balance		504,334,276,675	210,703,560,403
Add/ (Less): Adjustments to the opening balance		48,341,332,977	208,868,686,858
Add: Surplus/deficit for the year (<i>see statement of Financial Performance</i>)		76,309,480,389	84,762,029,414
At 30 June - Closing Net Financial Worth		628,985,090,041	504,334,276,675

Notes and Schedules set out on pages 47 to 65 form an integral part of the financial statements.


Lawrence Semakula
Accountant General


Ocailap Patrick
For: Permanent Secretary / Secretary to the Treasury

ACCOUNTANT GENERAL'S OFFICE
 LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Consolidated Cash Flow Statement [Direct Method]

	30 June 2018 Shs	30 June 2017 Shs
CASH FLOWS FROM OPERATING ACTIVITIES		
Revenue from Operating activities		
Local Revenue	43,947,419,829	47,544,240,751
Central Government Grants	284,592,939,782	259,139,399,994
Donor Funds	24,143,544,941	17,223,730,053
Transfers received from Other Government units	89,604,903,720	84,088,080,900
Deposits received	8,314,811,655	10,702,917,591
Advances recovered	1,437,800,773	1,216,888,798
Less Transfer to Treasury (balances)	3,218,409,594	1,486,907,926
Total Operating revenue	448,823,011,106	418,428,350,161
PAYMENTS FOR OPERATING EXPENSES:		
Employee costs	169,490,425,824	132,137,357,510
Goods and services consumed	56,662,571,318	50,802,986,532
Subsidies	-	-
Transfers to other Organisation	96,567,705,311	109,015,310,261
Social benefits	3,957,899,904	3,089,340,200
Other expenses	8,006,885,685	4,243,892,643
Foreign exchange loss/(gain)	-	-
Net Advances paid	6,356,815,520	2,646,175,077
Domestic arrears paid during the year	12,980,217,405	7,539,529,652
Pension Arrears paid during the Year	-	-
Losses of cash	-	-
Letters of Credit receivable	-	150,000,000
Total payments for operating activities	354,022,520,967	309,624,591,875
Net cash inflows/(outflows) from operating activities	94,800,490,139	108,803,758,286
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	128,857,979,079	90,970,931,134
Proceeds from sale of property, plant and equipment	-	-
Purchase of investments	-	-
Proceeds from sale of investments	-	-
Total payments for investing activities	128,857,979,079	90,970,931,134
Net cash inflows/(outflows) from investing activities	(34,057,488,940)	17,832,827,152
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from external borrowings	-	-
Repayments of external borrowings	-	-
Proceeds from other domestic borrowings	-	-
Repayments of other domestic borrowings	-	-
Net cash flows from financing activities	(34,057,488,940)	17,832,827,152
Net increase (decrease) in cash and cash equivalents	(34,057,488,940)	17,832,827,152

Notes and Schedules set out on pages 47 to 65 form an integral part of the financial statements.

Lawrence Semakula
 Accountant General

Ocallap Patrick
 For: Permanent Secretary / Secretary to the Treasury

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Cash Flow Statement for the year ended (continued)

Reconciliation of movement of cash during the year

	Notes	30 June 2018 Shs	30 June 2017 Shs
Opening Balance		119,348,465,691	52,431,593,549
Add/ (Less): Adjustments to the opening balance		15,171,151,798	49,084,044,990
Net increase (decrease) of cash from the <i>Cash flow Statement</i>		(34,057,488,940)	17,832,827,152
At the end of the year		100,462,128,549	119,348,465,691

For purposes of the cash flow statement, cash and cash equivalents comprise

		30th June 2018 Shs	30th June 2017 Shs
Cash and bank balances	17	100,462,128,549	119,271,193,840
Less bank overdrafts	20(b)	-	77,271,851
Net cash and bank balances		100,462,128,549	119,348,465,691

Notes and Schedules set out on pages 47 to 65 form an integral part of the financial statements.

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Lawrence Semakula
Accountant General

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Ocailap Patrick
For: Permanent Secretary / Secretary to the Treasury

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

**Statement of Revenues and Expenditure by vote
[As submitted and signed by Accounting Officers]**

Vote	MUNICIPALS	Approved/Revised	Actual Revenue	Actual Expenditure	Over/Under Expenditure
751	Arua Municipal Council	14,087,845,508	14,087,845,508	12,033,739,502	2,054,106,006
752	Entebbe Municipal Council	17,650,893,383	17,650,896,383	13,633,816,030	4,017,077,353
753	Fort-Portal Municipal Council	21,154,830,166	7,969,180,903	13,368,437,513	7,786,392,653
754	Gulu Municipal Council	67,792,233,343	34,955,237,449	15,854,789,897	51,937,443,446
755	Jinja Municipal Council	26,519,907,071	26,517,332,791	25,673,669,015	846,238,056
757	Kabale Municipal Council	14,652,551,031	13,857,732,550	11,716,089,755	2,936,461,276
758	Lira Municipal Council	20,376,438,619	20,376,438,619	12,540,877,775	7,835,560,844
759	Masaka Municipal Council	16,536,115,970	16,411,167,449	11,430,046,828	5,106,069,142
760	Mbale Municipal Council	34,227,304,511	24,014,457,327	21,351,080,108	12,876,224,403
761	Mbarara Municipal Council	42,578,140,435	29,587,667,943	22,977,355,975	19,600,784,460
762	Moroto Municipal Council	5,268,407,458	3,402,074,916	3,193,532,094	2,074,875,364
763	Soroti Municipal Council	19,087,648,267	13,510,840,564	11,090,915,666	7,996,732,601
764	Torooro Municipal Council	17,636,292,055	5,861,106,183	7,631,456,011	10,004,836,044
770	Kasese Municipal Council	11,630,519,265	8,235,677,805	9,184,455,559	2,446,063,706
771	Hoima Municipal Council	15,187,535,169	15,187,535,169	10,962,229,807	4,225,305,362
772	Mukono Municipal Council	14,851,267,630	14,806,072,466	13,118,069,791	1,733,197,839
773	Iganga Municipal Council	4,822,148,643	4,134,761,633	4,134,761,633	687,387,010
774	Masindi Municipal Council	6,972,992,368	6,972,326,509	6,972,326,509	665,859
775	Ntungamo Municipal Council	3,038,762,281	3,038,762,278	3,038,762,278	3
776	Busia Municipal Council	5,676,034,638	5,389,535,194	4,923,298,488	752,736,150
777	Bushenyi-Ishaka Municipal Council	5,971,307,399	5,971,304,692	5,971,304,692	2,707
778	Rukungiri Municipal Council	5,845,967,545	5,969,024,357	5,753,888,755	92,078,790
779	Nansana	13,490,741,713	13,816,793,952	12,509,239,772	981,501,941
780	Makindye Ssabagabo	5,396,170,498	5,188,936,871	5,188,936,871	207,233,627
781	Kira	12,172,525,915	12,156,482,711	11,327,005,996	845,519,919
782	Kisoro Municipal Council	1,793,803,214	1,669,455,647	1,669,455,647	124,347,567
783	Mityana Municipal Council	7,441,316,169	7,427,206,906	6,951,915,436	489,400,733
784	Kitgum Municipal Council	6,133,313,916	6,133,313,913	6,133,313,913	3
785	Koboko Municipal Council	5,920,257,483	5,829,922,856	5,631,459,165	288,798,318
786	Mubende Municipal Council	6,750,933,000	6,159,170,778	6,224,387,094	526,545,906
787	Kumi Municipal Council	4,327,365,528	3,753,167,748	3,753,167,748	574,197,780
788	Lugazi Municipal Council	7,872,969,803	7,026,436,810	7,166,978,039	705,991,764
789	Kamuli Municipal Council	5,777,204,857	5,267,646,528	5,264,853,643	512,351,214
790	Kapchorwa Municipal Council	5,977,469,395	5,909,360,647	5,601,460,579	376,008,816
791	Ibanda Municipal Council	8,162,045,687	8,481,268,529	8,275,773,020	(113,727,333)
792	Njeru Municipal Council	9,200,901,221	8,044,788,710	7,490,028,939	1,710,872,282
793	Apac Municipal Council	4,722,956,515	4,017,010,600	4,165,203,322	557,753,193
794	Nebbi Municipal Council	6,323,542,308	4,255,422,356	4,603,197,296	1,720,345,012
795	Bugiri Municipal Council	3,888,327,434	3,844,881,860	3,838,756,888	49,570,546
796	Sheema Municipal Council	9,178,519,246	8,886,800,358	8,729,754,867	448,764,379
797	Kotido Municipal Council	4,684,873,335	4,320,630,766	3,631,285,070	1,053,588,265
	Total	520,780,379,992	420,095,677,234	364,711,076,986	156,069,303,006

Notes and Schedules set out on pages 47 to 65 form an integral part of the financial statements.

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LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Notes to the Financial Statements

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.

28) 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.

29) 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.

30) 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 which, shall be paid into and shall form part of the Consolidated Fund 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 withdrawn 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.

31) 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

32) 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 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 on an accrual basis of accounting. Under the accrual basis of accounting, revenue is recognized generally in the period in which it is earned and not when it is received, while expenditure is recognized in the period in which it is incurred not paid. This will give raise to accounts receivables and payables. However, grants from the central government are recognised when received.

33) Going concern consideration

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the reporting period.

34) Presentation currency

The reporting & presentation 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. Therefore the Uganda Shilling is both the functional and presentation currency.

35) Reporting Period

The reporting period for these financial statements is the financial year of the Government of Uganda that runs from 1 July to the next 30 June. 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.

36) Approved budget/appropriation

The Budget forecast is the original forecast as amended by subsequent supplementary budgets for the year as presented appropriated by Parliament.

37) Revenue

Revenue represents cash received by the entity during the financial year and comprises Local revenue, Central Government Grants, Donor Funds and transfers received from other government units.

(i) Central Government Grants

Central Government Grants comprise the conditional, unconditional and equalization grants. Central government grants are recognised when as such when received with the exception of conditional grants that are recognised when earned. Conditional Grants received by the local government from the Treasury or other government unit should on receipt, be treated as clearing inter-government transfers (current liabilities/accounts payable). Conditional Grants will only be reclassified as revenue (recurrent or capital receipts) after the local government to which the transfers were made has rendered a return (accountability) indicating the actual activities for which the funds were expended. Otherwise, inability to provide accountability renders the funds reimbursable to the Treasury or the other government unit where they originated.

(ii) Local Revenue

Local Revenue involves taxes like local service tax, land fees, business licenses and other non-tax revenue sources. Non-Tax Revenue is proceeds from sales of designated services by government entities. Local revenue, whether directly collected by the entity or collected by another entity on its behalf is recognized when earned.

(iii) Transfers from other government units

Comprise funds appropriated under one vote but transferred to another vote for execution of the intended activities of the former. These might include road maintenance funds from the Road fund, immunization funds from Ministry of health among others. These funds are recognised when received.

(iv) Donor Funds

These include grants which are received by the entity either as cash or in-kind. All grants (aid assistance) are recognized as income when received. In-kind receipts (donations) are recognized at fair value.

38) 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 exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Financial Performance.

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

39) Gains

Unrealized foreign exchange gains/(losses) on monetary assets and liabilities including those on marketable securities held for trading purposes are not recognized in the Statement of Financial Performance.

Unrealized gains or losses, excluding foreign exchange gains/(losses), arising from changes in the value of investments and marketable securities held for investment purposes are also not recognized in the financial statements.

40) Property, Plant and Equipment (physical assets or fixed assets)

Property, Plant, and Equipment (PPE) are tangible items that are held for use in the production or supply of goods or services, or for administrative purposes; and are expected to be used during more than one reporting period. These are tangible non-current assets including infrastructure assets, specialized military equipment, machinery, furniture, vehicles, and other equipment.

The cost of an item of PPE shall be recognized as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the entity; and the cost or fair value of the item can be measured reliably. PPE is initially measured at historical cost on the date of acquisition or recognized at fair value in the absence of the former. Historical cost includes expenditure directly attributable to the acquisition of the Asset. The day to day servicing of PPE will be recognized in the statement of performance as repairs and maintenance expense and not included in the carrying amount of the asset.

Subsequent to initial recognition, an item of PPE is measured at either at cost less any accumulated depreciation or at a revalued amount, being its fair value at the date of the revaluation, less any subsequent accumulated depreciation, and subsequent accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Revaluation increases or decreases shall be recognized in the revaluation reserve in the statement of Changes in Equity.

Depreciation is calculated on the depreciable amount using the reducing balance method (cost less salvage/residual value times depreciation rate). Non produced assets are depreciated at a zero rate. The various asset classes, descriptions together with their respective depreciation rates are detailed in the table below.

Asset Class	Description	Depreciation rate
(a) Buildings and structures		
Non-Residential Buildings	All commercial buildings, military purposes other than dwellings	
Residential Buildings	All residential buildings for residential purposes houseboats, mobile homes, and caravans	
Roads and Bridges	highways, roads, streets, bridges, Airfields/ runways, railways and subways	
Other Structures	Sewers, waterways, harbors, dams, and other waterworks. Shafts, tunnels and other structures associated with mining subsoil assets. Outdoor sport and recreation facilities. Communication lines, power lines, and pipelines.	5%
(b) Machinery, furniture and vehicles		
Transport Equipment	motor vehicles, trailers and semi-trailers, ships, railway locomotives, motor cycles and bicycles	30% for > 7 tonnes 20% for < 7 tonnes
Earth Moving Equipment	Earth Moving Equipment	30%
Machinery and Equipment	ICT Equipment/Data handling equipment Electrical Machinery, precision and optical, medical appliances	40% 30%

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LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Asset Class	Description	Depreciation rate
Furniture and Fittings	Furniture and sculptures, cabinets, paintings & and other works of art or antiques, other collections of considerable value e.g Museum display collections	20%
Aircrafts	All aircrafts costs	
Non Produced assets	Land, cultivated Assets and other naturally occurring assets	0%

Items of PPE are derecognized when the asset is disposed of, or when they are no further economic benefits or service potential expected for their use. The gain/loss arising from the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance. Proceeds from disposal of property, plant and equipment are recognized as non-tax revenue in the period when it is due.

41) Receivables

(i) Advances and other receivables

Receivables are carried at original historical cost. Bad debts when identified are written –off as per procedure outlined in the Financial Regulations. Bad debts are written-off with the approval of Parliament or Local Council, when identified and shown 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 in the following period when the goods and services are delivered.

42) Inventories

Comprise consumable supplies are expensed in the period in which they are paid for. 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. All inventory items at year-end are reflected using FIFO cost formula.

43) 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.

Donor funded project expenditure is recognized in the statement of financial performance of the reporting entity

44) 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.

ACCOUNTANT GENERAL'S OFFICE
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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.

45) 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.

46) 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.

47) Unspent or restricted cash balances

In accordance with the requirement of the Public Finance Management Act, 2015, unspent conditional cash balances by municipal councils at the end of the financial year are returned to the Consolidated Fund.

Any cash balances at the end of a reporting date that have restrictions of its use are disclosed in the notes to the financial statement. Any appropriation that is unutilized at the year-end but which is due to be transferred back to the Consolidated Fund is an example of restricted cash balance at the year end.

48) 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.

49) 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.

50) Contingent liabilities

Contingent liabilities are recorded in the Statement of Contingencies Liabilities when the contingency becomes evident. Contingent liabilities comprise government guarantees issued, court awards that have been appealed by the Attorney General, those arising from Public Private Partnerships (PPPs) etc. Contingent assets are neither recognized nor disclosed.

51) Outstanding Commitments

Commitments include operating and capital commitments arising from non-cancelable contractual or statutory obligations. Interest commitments and loans and commitments relating to employment contracts are not included in the Statement of Outstanding Commitments. 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 bank as payables and in the Statement of Outstanding Commitments.

(b) Current and non-current liabilities

This represents domestic and foreign liabilities /commitments and should be classified as a current liability when, it;

- Is expected to be settled in the normal course of the entity's operating cycle; or
- Is due to be settled within twelve months of the reporting date

All other liabilities with a remaining term longer than one year are classified as non-current liabilities.

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LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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. Otherwise, the financial statements are consolidated 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 2018

Other Notes to the Financial Statements

Note 1: Exchange Rates

All monetary amounts in the financial statements are expressed in Uganda Shillings, the legal tender. The Uganda Shilling closing rates (the Bank of Uganda middle rate) for major currencies were:

	30 June 2018 Shs	30 June 2017 Shs
United States Dollar	-	-
British Pound	-	-
Euro	-	-

Note 2: Local Revenues

Tax revenues comprise both direct and indirect taxes levied and collected on behalf of Government.

	30 June 2018 Shs	30 June 2017 Shs
Local Services Tax	3,205,040,613	3,439,206,936
Land fees	1,897,816,373	3,731,910,637
Business Licenses	5,313,219,818	5,226,348,065
Local hotel tax	861,319,593	596,826,176
Other general taxes on goods and services	5,083,534,680	5,185,843,153
Other tax revenues	7,948,210,941	10,154,205,427
Investment Income	414,671,329	392,438,500
Dividends	43,000,000	-
Rent	4,509,921,458	1,934,912,850
Disposal of Assets	638,378,835	2,000,000
Sale of Goods and services	8,467,171,472	9,467,397,275
Administrative fees and licenses	4,067,643,560	4,522,180,567
Court fines and Penalties	10,500,000	1,483,000
Other fines and penalties	78,525,792	576,277,226
Miscellaneous and unidentified revenue	4,515,438,479	2,511,327,439
Total	47,054,392,943	47,742,357,251

Note 3: Central Government Grants

	30 June 2018 Shs	30 June 2017 Shs
Conditional Grants	190,640,513,104	155,085,101,270
Unconditional Grants	91,242,644,498	99,523,756,430
Equalization Grants	2,709,782,180	4,530,542,294
Other Grants	-	-
Total	284,592,939,782	259,139,399,994

Note 4: Donor Funds

	30 June 2018 Shs	30 June 2017 Shs
Grants from foreign governments	843,970,825	5,938,390,455
Grants from International Organisations	23,299,574,116	11,285,339,598
Total	24,143,544,941	17,223,730,053

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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 2018 Shs	30 June 2017 Shs
Transfers received from other Gov't units- Current	23,064,978,086	10,058,025,339
Transfers received from other Gov't units- Capital	66,539,925,634	74,030,055,561
Total	89,604,903,720	84,088,080,900

Note 6: Employee Costs

Employee costs principally comprise:

	30 June 2018 Shs	30 June 2017 Shs
Wages and salaries	155,844,631,252	126,050,118,010
Social contributions	2,380,812,746	1,233,052,398
Other employment costs	12,398,309,633	5,228,845,054
Total employee costs.	170,623,753,631	132,512,015,462

Note 7: Goods and Services

Expenditure on goods and services during the year principally comprise the following:

	30 June 2018 Shs	30 June 2017 Shs
General expenses	18,036,559,610	18,400,915,816
Communications	1,573,315,734	420,751,029
Utility and property expenses	2,303,880,874	1,898,460,764
Supplies and services	13,981,792,034	13,303,607,259
Professional services	3,404,419,225	3,028,144,875
Insurances and licenses	15,883,628	54,645,578
Travel and transport	10,494,169,273	7,683,061,317
Maintenance	9,218,469,194	6,877,168,880
Total cost of goods and services	59,028,489,572	51,666,755,518

Note 8: Consumption of Property, Plant and Equipment (Fixed Assets)

As per the accounting policy, this note caters for the depreciation expense incurred during the year.

	30 June 2018 Shs	30 June 2017 Shs
Buildings and structures	18,380,574,444	15,942,226,601
Machinery, furniture	2,196,952,647	2,430,312,266
Transport Equip (Motor vehicles)	3,330,518,627	2,326,986,488
Other fixed assets	882,562,664	318,524,625
Total value of property, plant and equipment expensed	24,790,608,382	21,018,049,980

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LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Note 9: Subsidies

Subsidies paid during the year are summarized as below:

	Actuals 30 June 2018 Shs	Actuals 30 June 2017 Shs
To public corporations	-	-
To private enterprises	-	-
To private individuals	-	-
Total subsidies for the year	-	-

Note 10: Transfers to other Organizations

Transfers made during the year are summarized as below:

	Actuals 30 June 2018 Shs	Actuals 30 June 2017 Shs
Transfer to foreign Governments	-	-
Transfers to International Organisations	-	-
Transfers to other government units	97,574,779,342	108,684,704,261
To resident non-government units	187,313,489	330,606,000
Total transfers	97,762,092,831	109,015,310,261

Note 11: Social Benefits

Social benefits paid during the year comprise:

	Actuals 30 June 2018 Shs	Actuals 30 June 2017 Shs
Pensions	4,243,951,402	1,131,349,933
Employer Social benefits	1,423,656,085	1,957,990,267
Total social benefits	5,667,607,487	3,089,340,200

Note 12: Other Operating Expenses

These comprise:

	Actuals 30 June 2018 Shs	Actuals 30 June 2017 Shs
Property expenses other than interest	632,264,559	2,768,266,514
Miscellaneous other expenses- current	7,363,074,941	1,874,892,923
Miscellaneous other expenses- capital	-	-
Goods Purchased for resale	-	-
Total other operating expenses	7,995,339,500	4,643,159,437

Note 13: Foreign Exchange Gains and Losses

During the year, foreign exchange losses and gains were as follows:

	30 June 2018 Shs	30 June 2017 Shs
Realized loss (gain)	-	-
Un/realized loss	-	-
Un/realized gain	-	-
Net foreign exchange (gains)/ losses	-	-

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Note 14: Finance Costs

	30 June 2018 Shs	30 June 2017 Shs
Interest on domestic borrowings	-	-
Interest on Treasury Bills/Bonds	-	-
Interest on external borrowings	-	-
Total finance costs - at 30 June	-	-

Note 15: Bad Debt Expense

	30 June 2018 Shs	30 June 2017 Shs
Provision at the beginning of the year- at 1 July	-	-
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	-	-

Note 16: Transfers to the Treasury

These comprise transfers back to the Consolidated Fund of unspent balances from the respective expenditure accounts.

	30 June 2018 Shs	30th June 2017 Shs
Unspent Salary balances	2,287,640,735	688,868,091
Expenditure account balances	930,768,859	798,039,835
Total for the year.	3,218,409,594	1,486,907,926

Note 17: Cash and cash equivalents

	30 June 2018 Shs	30 June 2017 Shs
DOMESTIC		
Revenue accounts	3,281,315,972	4,964,979,887
Expenditure accounts	7,588,567,241	15,912,891,746
Project accounts	89,211,788,701	97,147,624,698
Collection accounts	264,967,598	790,740,513
Cash in transit	53,023,318	813,000
Cash at hand- Imprest	-	5,050,285
Others	62,465,719	449,093,711
Total cash and bank balances	100,462,128,549	119,271,193,840

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Note 18: Receivables

Comprise the following receivables at the end of the year net of any provision for receivables doubtful of recovery.

	30th June 2018 Shs	30th June 2017 Shs
DOMESTIC		
Loans (short-term) -others	1,271,770,084	422,421,467
Advances	4,415,330,438	1,977,388,399
Outstanding letters of credit	-	-
Other accounts receivable	13,219,353,967	9,171,683,995
Total domestic receivables	18,906,454,489	11,571,493,861
FOREIGN		
Loans (short-term) -others		
Advances		
Other accounts receivable		
Total foreign receivables		
Total receivables		
Less provisions against doubtful accounts		
Net receivables	18,906,454,489	11,571,493,861

Note 19: Inventories

Comprise strategic stock and other inventories purchased which have not been expensed.

	30 June 2018 Shs	30 June 2017 Shs
Strategic stock-petroleum products		-
Other inventories(goods purchased for re-sale)	386,148,801	491,721,211
Total inventories	386,148,801	491,721,211

Note 20(a): Investments

Comprise investments as follows:

	30 June 2018 Shs	30 June 2017 Shs
Current Investments		
Securities other than shares (long-term)-domestic	1,150,000,000	1,150,000,000
Shares and other equity-domestic	-	-
Securities other than shares-foreign	-	-
Fixed Deposits	-	-
Total Current Investments	1,150,000,000	1,150,000,000
Non-current Investments		
Securities other than shares (long-term)-domestic	696,088,783	-
Shares and other equity-domestic		-
Securities other than shares-foreign		-
Fixed Deposits		-
Total non-current Investments	696,088,783	-
Total investments	1,846,088,783	1,150,000,000

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Note 20(b): Investment 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 2018 Shs	30 June 2017 Shs
At the beginning of the year – 1 July	-	-
Additions/acquisitions made during the year	-	-
Disposals made during the year	-	-
Total cost of investment properties – 30 June	-	-

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 21: Property, Plant and Equipment

	Cost Shs	30 June 2018 Acc. Depreciation Shs	30 June 2018 Net Book Value Shs	30 June 2017 Net Book Value Shs
Non-Produced assets	-	-	124,791,361,912	124,145,197,903
Non-Residential buildings	-	19,137,261,122	89,151,388,423	72,961,763,976
Residential buildings	-	1,722,726,630	9,891,191,361	9,569,094,037
Roads and bridges	-	37,762,870,295	287,729,624,892	160,879,956,528
Transport equipment	-	11,323,310,137	7,687,389,813	8,570,134,783
Machinery and equipment	-	8,805,495,223	8,299,027,362	7,811,829,712
Furniture and fittings	-	1,773,079,975	6,576,418,416	6,173,232,172
Other fixed assets	-	832,493,242	4,605,546,491	2,419,540,057
Total	-	81,357,236,624	538,731,948,670	392,530,749,169

Note 22: Borrowings

	30th June 2018 Shs	30th June 2017 Shs
Current		
Overdraft	-	77,271,851
Loans from commercial banks	139,650,594	490,260,192
Interest payable on bank loans/borrowings	78,005,369	-
Loans from multi laterals	-	-
Loans from foreign Governments	-	-
Other	-	-
Total current borrowings	217,655,963	567,532,043
Non-Current		
Loans from commercial banks	265,285,080	23,218,042
Interest payable on bank loans/borrowings	76,478,383	-
Loans from multi laterals	-	-
Loans from foreign Governments	-	-
Other	-	-
Total non-current borrowings	341,763,463	23,218,042
Total borrowings	559,419,426	590,750,085

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Note 23: Payables

These are principally accounts payables, domestic and otherwise, outstanding at the year-end and comprise:

	30 June 2018 Shs	30 June 2017 Shs
Current Payables		
Trade Creditors	1,988,066,168	1,188,599,255
Sundry Creditors	2,568,082,291	1,618,541,603
Committed Creditors	1,660,771,300	231,580,090
Accountable advances	450,918,600	-
Withholding tax payable	227,262,255	33,824,546
Deposits received	17,364,305,945	1,006,470,337
Advances from other Government units	1,199,556,897	28,649,300
Clearing transfers from other gov't units	-	14,258,234,453
Miscellaneous accounts payables	3,055,367,795	336,754,242
Total current payables	28,514,331,251	18,702,653,826
Trade Creditors		-
Sundry Creditors		-
Committed Creditors		-
Accountable advances		-
Withholding tax payable		-
Deposits received		896,735,475
Advances from other Government units		-
Miscellaneous accounts payables		341,382,756
Total non-current payables		1,238,118,231
Total payables	28,514,331,251	19,940,772,057

Note 24: Pension liabilities

Pension liabilities have been accrued in the financial statements because it is the policy of Government to pay pensions to all former employees of the Government who qualified for pension under the provisions of the Pensions Act, Cap 281. In accordance with the provisions of the Pensions Act

	30th June 2018 Shs	30th June 2017 Shs.
Current Pension Liabilities		
Former employees in Public Service	833,680,125	50,408,051
Former employees of the Education Service	137,603,425	-
Gratuity Arrears	1,302,645,024	98,951,213
Total current pension liabilities	2,273,928,574	149,359,264
Non-Current Pension Liabilities		
Former employees in Public Service		
Former employees of the Education Service		
Gratuity Arrears		
Total non- current pension liabilities	2,273,928,574	149,359,264
Total		

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Statement of Arrears of Revenues
[As submitted and signed by Accounting Officers]

	Municipal	Arrears of Revenue 30-Jun-2017	Total Revenue billed during the Year	Actual amounts collected during the year	Cumulative Arrears of Revenue at 30-Jun-2018
					Shs.
751	Arua Municipal Council	-	1,461,085,700	1,461,085,700	-
752	Entebbe Municipal Council	253,778,889	3,954,019,975	3,318,755,924	889,042,940
753	Fort-Portal Municipal Council	-	1,900,859,508	1,777,576,508	123,283,000
754	Gulu Municipal Council	370,423,092	2,882,197,408	2,623,189,425	629,431,075
755	Jinja Municipal Council	18,857,531	6,587,425,720	6,587,425,720	18,857,531
757	Kabale Municipal Council	124,356,560	982,576,262	1,005,881,342	101,051,480
758	Lira Municipal Council	42,540,000	1,140,991,807	1,140,991,807	42,540,000
759	Masaka Municipal Council	-	1,915,776,821	1,915,776,821	-
760	Mbale Municipal Council				-
761	Mbarara Municipal Council	20,094,038	3,161,776,938	3,166,927,588	14,943,388
762	Moroto Municipal Council	62,016,353	636,665,027	353,988,813	344,692,567
763	Soroti Municipal Council	-	684,895,167	684,895,167	-
764	Tororo Municipal Council	213,124,456	883,128,058	783,845,449	312,407,065
770	Kasese Municipal Council	-	448,275,118	448,275,118	-
771	Hoima Municipal Council	1,018,368,433	2,280,589,568	1,490,545,187	1,808,412,814
772	Mukono Municipal Council	310,057,476	1,794,938,974	1,644,535,329	460,461,121
773	Iganga Municipal Council				-
774	Masindi Municipal Council				-
775	Ntungamo Municipal Council				-
776	Busia Municipal Council	24,574,000	542,018,160	353,323,340	213,268,820
777	Bushenyi-Ishaka Municipal Council				-
778	Rukungiri Municipal Council	-	334,953,699	334,953,699	-
779	Nansana	81,854,222	2,599,096,740	2,273,044,501	407,906,461
780	Makindye Ssabagabo				-
781	Kira	136,346,060	3,914,007,222	3,914,007,222	136,346,060
782	Kisoro Municipal Council				-
783	Mityana Municipal Council	16,468,059	1,107,646,941	348,603,861	775,511,139
784	Kitgum Municipal Council				-
785	Koboko Municipal Council	47,233,250	478,749,000	293,030,145	232,952,105
786	Mubende Municipal Council	32,549,980	626,830,810	583,734,045	75,646,745
787	Kumi Municipal Council				-
788	Lugazi Municipal Council	500,703,536	904,264,590	1,173,740,658	231,227,468
789	Kamuli Municipal Council	102,510,661	191,863,810	191,863,810	102,510,661
790	Kapchorwa Municipal Council	-	121,636,000	60,525,075	61,110,925
791	Ibanda Municipal Council	12,987,016	695,287,000	530,001,680	178,272,336
792	Njeru Municipal Council	100,735,938	1,473,996,337	1,184,305,497	390,426,778
793	Apac Municipal Council	-	124,147,250	116,343,654	7,803,596
794	Nebbi Municipal Council	184,942,084	231,316,301	119,178,429	297,079,956
795	Bugiri Municipal Council				-
796	Sheema Municipal Council	14,020,000	772,525,948	723,360,148	63,185,800
797	Kotido Municipal Council	144,672,467	358,972,000	134,111,859	369,532,608
	At 30 June 2018	3,833,214,101	45,192,513,859	40,737,823,521	8,287,904,439
	At 30 June 2017	3,623,142,041	48,441,659,906	44,893,095,906	7,171,706,041

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Statement of Contingent Liabilities
[As submitted and signed by Accounting Officers]

Municipal Council	Legal proceedings	Guarantees & indemnities	Guarantees of bank Overdrafts	Other Contingent Liabilities	Total Contingent Liabilities 30-Jun-2018	30-Jun-17
	Shs.	Shs.	Shs.	Shs.	Shs.	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	824,000,000	-	-	-	824,000,000	-
Mbale Municipal Council	-	-	-	-	-	-
Mbarara Municipal Council	-	-	-	-	-	-
Moroto Municipal Council	36,500,000	-	-	-	36,500,000	-
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	-	-	-	-	-	-
Makindye Ssabagabo	-	-	-	-	-	-
Kira	-	-	-	-	-	-
Kisoro Municipal Council	-	-	-	-	-	-
Mityana Municipal Council	-	-	-	-	-	-
Kitgum Municipal Council	-	-	-	-	-	-
Koboko Municipal Council	20,986,000	-	-	-	20,986,000	-
Mubende Municipal Council	52,200,000	-	-	-	52,200,000	32,500,000
Kumi Municipal Council	-	-	-	-	-	-
Lugazi Municipal Council	-	-	-	-	-	-
Kamuli Municipal Council	-	-	-	-	-	-
Kapchorwa Municipal Council	-	-	-	54,062,497	54,062,497	18,613,000
Ibanda Municipal Council	-	-	-	-	-	-
Njeru Municipal Council	-	-	-	-	-	-
Apac Municipal Council	-	-	-	-	-	-
Nebbi Municipal Council	-	-	-	-	-	-
Bugiri Municipal Council	-	-	-	-	-	-
Sheema Municipal Council	-	-	-	-	-	-
Kotido Municipal Council	-	-	-	-	-	-
At 30 June 2018	933,986,000	0	0	54,062,497	988,048,497	51,113,000
At 30 June 2017	32,500,000	0	0	18,613,000	51,113,000	51,113,000

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Statement of Outstanding Commitments
[As submitted and signed by accounting Officers]

	Municipals	Operating Commitments Shs.	Capital Commitment Shs.	Outstanding Commitments Long Term Shs.	Total Commitments 30-Jun-18 Shs.	Total Commitments 30-Jun-17 Shs.
751	Arua Municipal Council	-	-	-	-	-
752	Entebbe Municipal Council	1,653,641,725	-	-	1,653,641,725	-
753	Fort-Portal Municipal Council	172,996,534	-	-	172,996,534	1,750,829,088
754	Gulu Municipal Council	6,938,856	-	-	6,938,856	-
755	Jinja Municipal Council	789,784,852	-	-	789,784,852	5,125,470
757	Kabale Municipal Council	24,996,150	-	-	24,996,150	-
758	Lira Municipal Council	205,988,000	-	-	205,988,000	240,724,499
759	Masaka Municipal Council	118,920,600	-	-	118,920,600	228,817,218
760	Mbale Municipal Council	199,305,022	-	-	199,305,022	30,836,000
761	Mbarara Municipal Council	622,210,876	-	-	622,210,876	274,947,305
762	Moroto Municipal Council	132,542,337	-	-	132,542,337	11,655,156
763	Soroti Municipal Council	713,553,549	-	-	713,553,549	332,004,281
764	Tororo Municipal Council	418,901,474	829,066,090	-	1,247,967,564	-
770	Kasese Municipal Council	235,661,526	-	-	235,661,526	75,319,956
771	Hoima Municipal Council	5,648,118,554	-	-	5,648,118,554	7,351,023,359
772	Mukono Municipal Council	485,171,600	-	-	485,171,600	32,544,442
773	Iganga Municipal Council	-	-	-	-	-
774	Masindi Municipal Council	-	-	-	-	-
775	Ntungamo Municipal Council	-	-	-	-	-
776	Busia Municipal Council	-	-	-	-	-
777	Bushenyi-Ishaka Municipal Council	-	-	-	-	-
778	Rukungiri Municipal Council	70,887,973	-	-	70,887,973	-
779	Nansana	50,500,000	-	-	50,500,000	30,768,933
780	Makindye Ssabagabo	-	-	-	-	-
781	Kira	221,305,000	-	-	221,305,000	383,503,000
782	Kisoro Municipal Council	-	-	-	-	333,075,435
783	Mityana Municipal Council	129,347,500	-	-	129,347,500	-
784	Kitgum Municipal Council	-	-	-	-	289,165,579
785	Koboko Municipal Council	306,191,817	-	-	306,191,817	17,750,000
786	Mubende Municipal Council	138,117,597	-	-	138,117,597	162,369,286
787	Kumi Municipal Council	-	-	-	-	200,241,700
788	Lugazi Municipal Council	307,297,437	-	-	307,297,437	-
789	Kamuli Municipal Council	62,190,000	-	-	62,190,000	27,582,545
790	Kapchorwa Municipal Council	441,037,000	-	-	441,037,000	37,528,201
791	Ibanda Municipal Council	160,119,325	-	-	160,119,325	-
792	Njeru Municipal Council	118,227,665	105,622,679	-	223,850,344	-
793	Apac Municipal Council	309,734,104	-	-	309,734,104	-
794	Nebbi Municipal Council	160,206,128	-	-	160,206,128	19,371,055
795	Bugiri Municipal Council	435,383,797	-	-	435,383,797	41,219,127
796	Sheema Municipal Council	236,803,696	-	-	236,803,696	21,514,371
797	Kotido Municipal Council	530,479,518	-	-	530,479,518	-
	At 30 June 2018	15,106,560,212	934,688,769	-	16,041,248,981	12,090,829,072
	At 30 June 2017	11,944,888,873	145,940,199	-	12,090,829,072	12,090,829,072

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

**Statement of losses of public moneys and stores written off, and claims abandoned
[As reported and signed by Accounting Officers]**

Municipal Council	Losses of public moneys (cash and cash equivalents)	Value of losses of stores	Total losses reported as at 6/30/2018	Total losses reported at 30 June 2017
	Shs.	Shs.	Shs.	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	-	-	-	-
Makindye Ssabagabo	-	-	-	-
Kira	-	-	-	-
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	-	-	-	-
Ibanda Municipal Council	-	-	-	-
Njeru Municipal Council	-	-	-	-
Apac Municipal Council	-	-	-	-
Nebbi Municipal Council	-	-	-	-
Bugiri Municipal Council	-	-	-	-
Sheema Municipal Council	-	-	-	-
Kotido Municipal Council	-	-	-	-
At 30 June 2018	-	-	-	-
At 30 June 2017	-	-	-	-

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

**Statement of losses of public moneys and stores
[As submitted and signed by Accounting Officers]**

Municipal Council	Losses of public moneys (cash and cash equivalents) Shs.	Value of losses of stores Shs.	Total losses reported as at 6/30/2018 Shs.	Total losses reported at 30 June 2017 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	-	-	-	-
Makindye Ssabagabo	-	-	-	-
Kira	-	-	-	-
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	-	-	-	-
Ibanda Municipal Council	-	-	-	-
Njeru Municipal Council	-	-	-	-
Apac Municipal Council	-	-	-	-
Nebbi Municipal Council	-	-	-	-
Bugiri Municipal Council	-	-	-	-
Sheema Municipal Council	-	-	-	-
Kotido Municipal Council	-	-	-	-
At 30 June 2018	-	-	-	-
At 30 June 2017	-	-	-	-

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

**Statement of stores and other assets (physical assets) acquired
[As submitted and signed by Accounting Officers]**

	Municipals	Property-land, buildings, highways	Plant, machinery,MV, furniture	Others- computers, copiers	Total value of property, plant & equipments purchased during the year 2018	Total value of property, plant & equipments purchased 2017
751	Arua Municipal Council	20,545,842,615	5,581,438,293	-	26,127,280,908	8,286,862,631
752	Entebbe Municipal Council	26,579,334,373	160,530,103	-	26,739,864,476	-
753	Fort-Portal Municipal Council	10,698,766,570	317,760,292	454,731,817	11,471,258,679	1,949,571,557
754	Gulu Municipal Council	74,173,631,570	3,274,898,284	31,524,158	77,480,054,012	22,829,801,382
755	Jinja Municipal Council	21,886,513,608	789,826,933	639,741,662	23,316,082,203	4,955,626,830
757	Kabale Municipal Council	13,031,358,105	565,494,595	-	13,596,852,700	-
758	Lira Municipal Council	64,372,041,483	327,976,105	-	64,700,017,588	6,448,557,646
759	Masaka Municipal Council	29,441,966,194	911,901,571	21,178,056	30,375,045,821	8,244,682,474
760	Mbale Municipal Council	45,601,284,517	44,696,666	(77,245)	45,645,903,938	1,114,904,078
761	Mbarara Municipal Council	31,403,071,585	1,353,212,094	403,708,030	33,159,991,709	17,521,498,149
762	Moroto Municipal Council	8,773,959,543	218,122,155	-	8,992,081,698	2,589,783,857
763	Soroti Municipal Council	81,737,011,519	640,460,190	103,114,780	82,480,586,489	2,919,805,594
764	Tororo Municipal Council	16,716,595,449	2,020,854,510	30,876,000	18,768,325,959	-
770	Kasese Municipal Council	5,227,637,847	279,640,027	-	5,507,277,874	1,239,770,929
771	Hoima Municipal Council	19,523,166,714	148,530,272	-	19,671,696,986	4,639,277,320
772	Mukono Municipal Council	9,712,512,441	690,060,965	1,243,594,121	11,646,167,527	420,580,437
773	Iganga Municipal Council	-	-	-	-	1,081,379,417
774	Masindi Municipal Council	-	-	-	-	486,175,182
775	Ntungamo Municipal Council	-	-	-	-	-
776	Busia Municipal Council	6,005,606,192	523,107,458	1,102,178,784	7,630,892,434	715,672,942
777	Bushenyi-Ishaka Municipal Council	-	-	-	-	-
778	Rukungiri Municipal Council	687,777,785	956,914,532	9,538,021	1,654,230,338	-
779	Nansana	2,487,822,100	514,542,559	69,005,224	3,071,369,883	1,290,265,626
780	Makindye Ssabagabo	-	-	-	-	-
781	Kira	4,920,805,259	672,981,865	20,643,592	5,614,430,716	2,174,043,053
782	Kisoro Municipal Council	-	-	-	-	654,472,265
783	Mityana Municipal Council	803,395,879	282,999,886	56,304,600	1,142,700,365	-
784	Kitgum Municipal Council	-	-	-	-	93,481,403
785	Koboko Municipal Council	3,636,341,616	458,202,230	1,121,486	4,095,665,332	373,011,478
786	Mubende Municipal Council	1,178,724,399	73,747,548	30,784,120	1,283,256,067	9,312,000
787	Kumi Municipal Council	-	-	-	-	306,173,492
788	Lugazi Municipal Council	1,911,157,080	792,211,158	3,975,745	2,707,343,983	-
789	Kamuli Municipal Council	1,065,972,617	122,833,726	96,218,600	1,285,024,943	269,175,851
790	Kapchorwa Municipal Council	472,141,442	81,252,600	83,952,970	637,347,012	624,446,001
791	Ibanda Municipal Council	1,212,728,686	52,255,675	61,149,258	1,326,133,619	-
792	Njeru Municipal Council	3,953,535,942	90,823,211	6,224,500	4,050,583,653	-
793	Apac Municipal Council	1,168,855,297	295,326,206	3,811,114	1,467,992,617	-
794	Nebbi Municipal Council	1,145,351,082	29,959,254	36,455,810	1,211,766,146	-
795	Bugiri Municipal Council	439,931,322	79,358,473	6,356,400	525,646,195	257,331,039
796	Sheema Municipal Council	414,908,540	145,327,896	24,103,371	584,339,807	353,218,631
797	Kotido Municipal Council	633,817,217	65,588,259	65,331,517	764,736,993	8,286,862,631
	At 30 June 2018	511,563,566,588	22,562,835,591	4,605,546,491	538,731,948,670	90,948,881,264
	At 30 June 2017	25,232,350,875	2,404,847,101	41,707,450		27,678,905,426

Government of the Republic of Uganda



**Consolidated Summary Statement of Financial Performance of
Public Corporations and State Enterprises
For the year ended 30 June 2018**

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 2018

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Consolidated Summary Statement of Financial Performance of Public
Corporations and State Enterprises
For the Financial Year ended 30 June 2018

Commentary on the Financial Performance by the Accountant General

The Summary Statement of financial performance set out on pages 3 to 5 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. This grace period expired this financial year 2017/18.

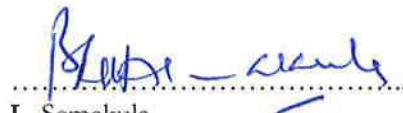
Out of the 64 entities reported last financial year, 38 State Enterprises and Public Corporations complied in aligning their financial years to 30th June by the end of the financial year. The financial institutions did not comply citing the provisions of the Financial Institutions Act which requires reporting as at 31st December. The following have been excluded from the list of State Enterprises and Public Corporations;

- National Forestry Authority which is a vote
- Amber house limited is a subsidiary under Uganda Development Corporation,
- Diary Corporations Limited was privatized and
- Kinyara Sugar Works Ltd which was divested in FY 2016/17.

Below is a summary of the entities that prepared and submitted the summary statement of financial performance as at 30th June 2018;

Number of entities	Period of Financial Statements
24	1st July 2017 – 30th June 2018
1(Mandela National Stadium)	1st January 2017 – 30th June 2018.
1(Uganda Development Bank)	6 months ending 30th June 2018

During the period, 30 entities did not submit the summary statement of financial performance for consolidation


L. Semakula

ACCOUNTANT GENERAL

**Government of the Republic of Uganda
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Entity

Entity	Government Shareholding	Total Income	Total Expenditure	Dividends declared	Retained Earnings	Net worth
NON FINANCIAL SECTOR CLASS						
National Council for Disability	100.0%	985,388,986	976,114,471	-	(131,501,487)	(131,501,487)
Tax Appeals Tribunal	100.0%	2,038,975,220	2,037,985,786	-	-	-
Uganda Communication Commission	100.0%	98,359,761,931	90,620,063,359	-	58,099,904,729	143,648,575,273
Kilembe Mines Limited	100.0%	2,328,249,292	4,767,790,663	-	5,566,954,751	31,905,726,082
Electricity Regulatory Authority	100.0%	25,040,704,742	18,119,430,365	-	17,855,148,584	14,564,273,950
Uganda Development Corporation	100.0%	3,417,863,022	15,107,289,066	-	(11,834,719,652)	73,945,586,686
New Vision Printing and Publishing Company Ltd	53.34%	91,395,065,000	87,683,886,000	-	27,028,215,000	70,363,896,000
Enterprise Uganda	-	2,875,525,278	2,875,436,815	-	88,463	88,463
Uganda Post Limited	100.0%	17,384,374,920	17,037,202,580	-	-	77,051,884,720
Management Training and Advisory Centre (MTAC)	-	3,103,331,000	3,152,577,000	-	-	34,591,243,000
National Enterprises Corporation (NEC)	100.0%	22,208,705,753	24,196,205,839	-	(26,942,178,074)	34,098,073,106
Civil Aviation Authority (CAA)	100.0%	204,888,114,780	179,169,603,184	-	442,303,780,397	632,848,864,061
National Population Council	100.00%	7,847,015,641	7,846,720,344	-	-	1,535,897,344
National Water and Sewerage Corporation	100.0%	387,625,350,000	327,612,278,000	-	233,119,595,000	563,944,956,000
Uganda Free Zones Authority	100.0%	12,091,253,003	12,091,353,003	-	-	-
Uganda Investment Authority	-	11,381,299,628	15,770,823,770	-	64,593,476,516	68,664,871,841
Uganda Wildlife Conservation Education Centre	-	4,647,099,039	4,581,566,562	-	6,143,293,510	13,233,481,266
FINANCIAL SECTOR CLASS						
Housing Finance Bank Limited	49.18%	118,319,224,953	96,691,769,652	11,961,677,906	61,511,641,992	135,535,364,635
Pride Microfinance Limited	100.0%	41,889,953,280	35,335,991,997	-	81,323,364,281	106,530,714,281
Capital Markets Authority	100.0%	6,166,175,000	5,256,631,000	-	4,825,125,000	4,825,124,000
Insurance Regulatory Authority	100.0%	14,148,174,578	8,712,572,176	-	32,853,097,975	32,853,097,975
Bank of Uganda	100.0%	952,771,000,000	456,484,000,000	-	1,780,283,000,000	3,955,469,000,000
Uganda Retirement Benefits Regulatory Authority	-	10,309,238,203	9,350,516,612	-	641,457,708	3,234,949,665
Micro Finance Support Centre	-	16,001,142,000	14,201,162,000	-	641,457,708	93,160,897,000
Non-Financial Sector - 18 mths Ending 30th Jun 18						
Mandela National Stadium	100.0%	3,562,752,207	3,801,634,546	-	-	177,743,849,172

Government of the Republic of Uganda
Consolidated Summary Statement of Financial Performance of Public Corporations and State Enterprises
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Entity	Government Shareholding	Total Income	Total Expenditure	Dividends declared	Retained Earnings	Net worth
Financial Sector - 6 mths Ending 30th Jun 2018						
Uganda Development Bank	18,263,243,000	13,351,844,000		52,137,046,000	231,339,069,000	
NOT SUBMITTED						
Allied Health Professionals Council						
Amnesty Commission						
Economic Policy Research Centre						
Hotel and Tourism Training Institute						
Nakivubu War Memorial Stadium						
National Council for Children						
National Council for Higher Education	100.00%					
National Council of Sports						
National Drug Authority						
National Housing and Construction Company Ltd	51.00%					
National Library of Uganda						
National Lotteries Board						
National Women Council						
National Youth Council	100.00%					
Nile Hotel International Limited	100.00%					
Uganda Air Cargo Corporation	100.00%					
Uganda Broadcasting Corporation (UBC)	100.00%					
Uganda Electricity Distribution Company Ltd	100.00%					
Uganda Electricity Generation Company Ltd	100.00%					
Uganda Electricity Transmission Company Ltd	100.00%					
Uganda Livestock Industries	100.00%					
Uganda Medical & Dental Practitioners Council						
Uganda National Council of Science & Technology						
Uganda National Cultural Centre	100.00%					
Uganda Nurses and Midwives Council						
Uganda printing and publishing Corporation(UPPC)	100.00%					

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Entity	Government Shareholding	Total Income	Total Expenditure	Dividends declared	Retained Earnings	Net worth
Uganda Property Holdings Limited	100.00%	-	-	-	-	-
Uganda Railways Corporation	100.00%	-	-	-	-	-
Uganda Seeds Ltd	100.00%	-	-	-	-	-
Uganda Wildlife Authority	100.00%	-	-	-	-	-
TOTAL		2,079,048,980,456	1,456,832,468,790	11,961,677,906	2,829,998,248,401	6,500,957,782,033

L. Semakula
 ACCOUNTANT GENERAL