



THE REPUBLIC OF UGANDA

REPORT OF THE AUDITOR GENERAL TO PARLIAMENT
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2019

OFFICE OF THE AUDITOR GENERAL
UGANDA

DECEMBER, 2019

TABLE OF CONTENTS

ABBREVIATIONS AND ACRONYMS	ix
GLOSSARY OF TERMS	xi
FOREWORD BY THE AUDITOR GENERAL.....	xii
PART 1: INTRODUCTION AND PURPOSE OF THE REPORT	1
1.0 INTRODUCTION AND PURPOSE	1
1.1 General Introduction	1
1.2 Purpose.....	1
1.3 Summary of Audit Results	2
1.3.1 General Performance.....	2
1.3.2 Summary of Opinions.....	3
PART 2: CONSOLIDATED FINANCIAL STATEMENTS	4
2.0 REPORT OF THE AUDITOR GENERAL ON THE CONSOLIDATED FINANCIAL STATEMENTS.....	4
2.1 REPORT AND OPINION OF THE AUDITOR GENERAL ON THE GOVERNMENT OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS	4
Qualified Opinion	4
Basis of Qualified Opinion.....	4
2.1.1 Mischarge of Expenditure – UGX.384,756,648,951	4
2.1.2 Unaccounted for Advances – UGX.19,522,744,433	4
Key Audit Matter	5
2.1.3 Implementation of the approved budget	5
Emphasis of Matter	8
2.1.4 Expenditure on unbudgeted Domestic Arrears – UGX.266,993,803,318	8
2.1.5 Payables – UGX.3,334,699,967,995.....	8
2.1.6 Contingent Liabilities – UGX.10,782,352,998,158	9
2.1.7 Classified Expenditure	9
Other Matters	9
2.1.8 Failure to Budget for Domestic Arrears	9
2.1.9 Garnishee of Government funds.....	9
2.1.10 Non-recapitalization of the Uganda Communications Employees' Pension Scheme.....	10
2.1.11 Duplication of investments in ICT infrastructure	11
2.1.12 Entities due for winding up	12
2.1.13 Revenue leakages due to non-collaboration of Government entities	13
2.1.14 Licensing of Gaming and Betting houses	14
2.1.15 Un approved salary structures and organograms	14
2.1.16 Continued expenditure off the IFMS - UGX.439,655,032,782 for votes on the IFMS.....	15

2.1.17 Failure by the Government to Pay Taxes for Organizations granted tax benefits - UGX.863,238,754,669	
15	
Other Information	16
Responsibilities of Management for the Consolidated Financial Statements	16
Auditor's Responsibilities for the Audit of the Consolidated Financial Statements	17
Other Reporting Responsibilities	18
Report on the Audit of Compliance with Legislation	18
2.2 REPORT AND OPINION OF THE AUDITOR GENERAL ON THE GOVERNMENT OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS OF DISTRICT LOCAL GOVERNMENTS FOR THE YEAR ENDED 30TH JUNE 2019	19
Qualified Opinion	19
Basis for Qualified Opinion.....	19
2.2.1 Unsupported adjustments to the statement of changes in equity worth UGX.13,882,193,895	19
2.2.2 Unsupported adjustment in the Cash-flow statement	19
2.2.3 Inconsistencies in the reported figures	19
Key Audit Matters	20
2.2.4 Implementation of Budget approved by Parliament	21
Emphasis of Matter	23
2.2.5 Inadequate controls surrounding management of payables	23
2.2.6 Unpaid Pension and Gratuity Arrears	23
Other Matters	23
2.2.7 Funds not accounted for.....	23
2.2.8 Borrowings	24
Other Reporting Responsibilities	24
2.3 REPORT AND OPINION OF THE AUDITOR GENERAL ON THE GOVERNMENT OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS OF MUNICIPAL COUNCILS FOR THE YEAR ENDED 30TH JUNE 2019.....	26
Qualified Opinion	26
Basis for Qualified Opinion.....	26
2.3.1 Misstatements in the consolidated financial statements	26
Key Audit Matters	27
2.3.2 Implementation of Budget Approved by Parliament.....	27
Emphasis of Matter	29
2.3.3 Payables, Borrowings and Pension Liabilities.....	29
2.3.4 Receivables	30
2.3.5 Unspent Salary balances.....	30
Other Matters	31
2.3.6 Under Staffing	31

2.3.7 Failure to consolidate all the Municipal Councils	31
Other Reporting Responsibilities	32
2.4 REPORT OF THE AUDITOR GENERAL ON THE GOVERNMENT OF UGANDA CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE OF PUBLIC CORPORATIONS AND STATE ENTERPRISES FOR THE YEAR ENDED 30TH JUNE 2019	33
PART 3: RESULTS OF AUDIT OF THEMATIC AND FOCUS AREAS.....	42
3.1 Performance of the Approved 2018/19 Budget.....	42
3.1.1 Performance at the national level and selected MDAs.....	42
3.1.2 Performance in the Local Governments	45
3.2 Compensations of Project Affected Persons (PAPS) and Acquisition of Right of Way	47
3.3 Management of the National Backbone Project	48
3.3.1 Limited use of the NBI/EG infrastructure	49
3.3.2 Limited use of the National data centre services	49
3.3.3 Coverage of the NBI.....	49
3.3.4 Underutilisation of the internet bandwidth	49
3.3.5 Cost of the internet bandwidth.....	50
3.4 Implementation of Performance Management Initiatives for Public Servants.....	50
3.5 Management of Petroleum Revenues and Recoverable Costs	51
3.6 Management of Domestic Arrears	53
3.6.1 Outstanding domestic arrears	53
3.6.2 Inadequate budget for domestic arrears.....	54
3.7 Management of Uganda Road Fund in Local Governments.....	54
3.7.1 Funding and expenditure of road fund activities.....	54
3.8 Management of the Youth Livelihood Program (YLP)	55
3.8.1 YLP at Ministry Level	55
3.8.2 Youth Livelihood Programme in the Local Governments.....	55
3.9 Management of Uganda Inter-Governmental Fiscal Transfers (UgIFT)	57
3.9.1 Financial audit of UgIFT in Local Governments.....	57
3.9.2 VFM report on UgIFT for the financial year 2017/18.....	59
3.10 Implementation of the Northern Uganda Social Action Fund III by Local Governments	61
3.11 Management of Water for Consumption and Production in Local Governments	62
3.12 Management of Uganda Women Entrepreneurship Programme in Local Governments	63
PART 4: RESULTS OF VALUE FOR MONEY AND SPECIALISED AUDITS	65
4.0 VALUE FOR MONEY AND SPECIALISED AUDITS.....	65
4.1 Value for Money Audit on production and productivity of the coffee sub sector	65
4.2 Value for Money Audit on the effectiveness of import inspections by UNBS in the regulation and enforcement of product standards	66

4.3	Value for Money Audit on implementation of Uganda Skills Development Facility (SDF) by the Private Sector Foundation Uganda	67
4.4	Value for Money Audit on licensing and enforcement of standards in downstream petroleum operations by Ministry of Energy and Mineral Development.....	68
4.5	Budget performance—An assessment of delivery of planned outputs by the Works and Transport Sector during the financial year 2018/19.....	69
4.6	Budget performance – an assessment of delivery of planned outputs by the Health Sector during the financial year 2018/19.....	71
4.7	Value for Money Audit on compensation of Project Affected Persons under the Karuma and Isimba Hydropower Projects and associated transmission lines	72
4.8	Value for Money Audit on the impact of Uganda Reproductive Health Voucher Project implemented by the Ministry of Health.....	74
4.9	Regulation and promotion of safe and reliable maritime services in the Water Transport Sub-Sector	76
4.10	Implementation of Kalangala Infrastructure Services Project (KIS)	77
4.11	Follow-up report on the Value for Money Audit on implementation of National Content in the oil and gas sector	80
4.12	Baseline Value for Money audit of the Uganda Inter Governmental Fiscal Transfer Programme.....	81
4.13	Value for Money audit of the Uganda Support to Municipal Infrastructure Development –Additional Funding (USMID-AF) programme for the financial year 2017/18	83
	PART 5: SUMMARY OF ENGINEERING AUDITS	84
5.0	Audit of infrastructure projects during the financial year 2018-2019 implemented by Ministries Departments and Agencies	84
5.1	Technical/Engineering Audit of the rehabilitation and expansion of Kayunga and Yumbe hospitals	84
5.1.1	Kayunga hospital	85
5.1.2	Yumbe hospital.....	86
5.2	Engineering Audit of a selected sample of road and bridge Projects implemented by Ministry of Works and Transport during the financial year 2018/19	87
5.3	Technical/ Engineering Audit of the two projects implemented by Uganda Civil Aviation Authority (UCAA).....	91
5.3.1	Design and build of Entebbe International Airport upgrading and expansion project.....	91
5.3.2	Modification of the Passenger Terminal Building at Entebbe International Airport.....	94
5.4	Engineering Audit of a selected sample of road development, bridge, rehabilitation and maintenance projects implemented by Uganda National Roads Authority (UNRA) during the year	96
	Key Audit Findings	97
5.5	Technical/Engineering Audit of the construction of staff houses in selected health facilities in seven districts of Karamoja Region I.E Kaabong, Kotido, Abim, Moroto, Napak, Amudat and Nakapiripirit under the Karamoja Region Staff Housing Project (KRSHP).....	101
	PART 6: SECTORAL AND LOCAL GOVERNMENTS CROSS CUTTING FINDINGS	104
6.0	KEY SECTORAL FINDINGS AND SUMMARY OF CROSS CUTTING ISSUES	104
6.1	Agriculture Sector	104

6.2	Justice Law and Order Sector	104
6.3	Public Administration Sector	105
6.4	Public Sector Management	107
6.5	Energy Sector	108
6.6	Security Sector	110
6.7	Lands Sector.....	111
6.8	Accountability Sector.....	112
6.9	Information Communication Technology Sector	112
6.10	Trade Sector.....	113
6.11	Gender and Social Development Sector	113
6.12	Cross cutting findings in Local Governments	114
	ANNEXURES	115
	ANNEXURE 1: OTHER INFORMATION, ACCOUNTING OFFICER'S AND MY RESPONSIBILITIES	115
	ANNEXURE II: SUMMARY ENTITY FINDINGS AND OPINIONS	117
	ANNEXURE III: SUMMARY FINDINGS OF LOCAL GOVERNMENTS.....	218
	ANNEXURE IV: REPORTS AND CONSOLIDATED GOVERNMENT OF UGANDA FINANCIAL STATEMENTS	284

LIST OF TABLES

Table 1: Status of Audit performance for audit year 2019.....	2
Table 2: Summary of Opinions.....	3
Table 3: Trend of Opinions for the last three years	3
Table 4: Showing budget performance findings	6
Table 5: Showing Inconsistencies in reported figures	20
Table 6: Showing differences in budget figures reported	20
Table 7: Showing Budget performance findings in districts	21
Table 8: Showing unaccounted for funds in districts.....	24
Table 9: Showing Misstatements in the consolidated financial statements of Municipal councils	26
Table 10: Showing budget performance findings in Municipalities	28
Table 11: Showing Payables, Borrowings and Pension Liabilities in Municipalities	30
Table 12: Showing Staffing Levels.....	31
Table 13: Showing Un-consolidated Municipalities.....	31
Table 14: Showing entities not Consolidated, but Disclosed in the consolidated summary statement	33
Table 15: Showing entities not reported or disclosed in the consolidated summary statement	34
Table 16: Showing Profitability of Enterprises	36
Table 17: Showing Return on Assets	37
Table 18: Showing Enterprise Liquidity	39
Table 19: Showing Enterprise Gearing	40
Table 20: Showing Enterprises' ability to service loan obligations	41
Table 21: Showing revenue performance of local governments.....	45
Table 22: Showing Levels of absorption of funds by Local governments	46
Table 23: Showing trend of domestic arrears.....	53
Table 24: Showing performance per category of works	54
Table 25: Showing unrecovered YLP funds	56
Table 26: Showing Non-Functional water facilities.....	62
Table 27: Showing Summary of Engineering Audits undertaken	84
Table 28: Showing Projects without adequate feasibility studies	87
Table 29: Showing findings from inspection of road works.....	90
Table 30: Showing results of assessment of quality of works	91
Table 31: Development and rehabilitation of projects.....	96
Table 32: Showing maintenance projects at Jinja Station.....	97
Table 33: Showing Maintenance projects at Hoima station	97
Table 34: Showing Unnecessary items in BOQs.....	98
Table 35: Showing Avoidable Interest on advance payments	99
Table 36: Showing delayed Payments to contractors	99
Table 37: Showing increase in project costs due to payments in foreign currencies	99
Table 38: Showing overpayments on excess quantities	100
Table 39: Showing Outstanding defects.....	100
Table 40: Showing Overpayments on the project for construction of staff houses in selected health facilities.	103

LIST OF FIGURES

Figure 1: Showing summary of opinions for the last 3 years	3
Figure 2: Extent of implementation of planned activities.....	44
Figure 3: Showing Contribution of each revenue source for Local Governments	45
Figure 4: Showing trend of domestic arrears for a period of three years	53

ABBREVIATIONS AND ACRONYMS

ACRONYM	DESCRIPTION
AG	Auditor General
AO	Accounting Officer
Bn	Billion
Tn	Trillion
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
LGs	Local Governments
MDAs	Ministries, Departments and Agencies
MDALGs	Ministries, Departments, Agencies & Local Governments
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
PSAs	Production Sharing Agreements
PS/ST	Permanent Secretary/Secretary to the Treasury
PSST	Permanent Secretary and Secretary to Treasury
SORA	Shared Over All Risk Assessment
TI	Treasury Instructions, 2017
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

Term	Meaning
Classified Expenditure	The expenses and commitments incurred by an authorised agency for the collection and dissemination of information related to national security interests
Contingent Liability	A potential liability that may occur depending on the outcome of an uncertain future event.
Domestic Arrears	Domestic arrears refer to short-term debts incurred by Governments against unpaid procurement invoices for supply of goods and services during the financial year
External Debt	Portion of a country's debt that was borrowed from foreign lenders including commercial banks, Governments or international financial institutions.
Garnish	Serve notice on (a third party) for the purpose of legally seizing money belonging to a debtor or defendant.
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.

FOREWORD BY THE AUDITOR GENERAL

In accordance with my audit mandate set out under Article 163 of the Constitution of the Republic of Uganda, 1995 (as amended) and the National Audit Act, 2008, I hereby present to you the Annual Audit Report on the Consolidated Public Accounts of Uganda; Local Government; and Summary Statement of Financial Performance of Public Corporations, and State Enterprises and Companies entities in which Government has a controlling interest. I also present to you a summary of key audit findings for the individual MDAs, Local Governments and, Corporations and State Enterprises audited.

The Office of the Auditor General (OAG)'s Corporate Strategy 2016-2021 emphasises robust reporting, high-quality audits and high performance, in its strategic goals. The OAG has adopted audit approaches which take into account audit quality and optimal use of resources while executing the audit mandate. One such approach is the SORAs Process hinged on the Risk Based Audit Approach to enable selection of the appropriate audit types and areas of focus to be implemented during the audit of various entities. The Risk Based Approach is closely linked to the OAG's pursuit of driving improvement in service delivery by Government for the benefit of Ugandan citizens.

In addition to the audit of the statements, I continued to focus on thematic approach for cross-cutting areas in government that in one way or another impact on service delivery. This year's major thematic areas are 1) Budget Implementation by government entities, 2) Compensations of project affected persons and acquisition of right of way, 3) Management of the National Backbone Project and 4) Staff Performance Management. Individual reports for these themes have been prepared.

The findings in my report require significant attention to facilitate effective accountability by those charged with public resources, oversight by Parliament and follow-up by members of the public and other interested parties.

It is my expectation that the report will enable enhancement of transparency, accountability and oversight.



John F.S. Muwanga
AUDITOR GENERAL

31st December, 2019

PART 1: INTRODUCTION AND PURPOSE OF THE REPORT

1.0 INTRODUCTION AND PURPOSE

1.1 General Introduction

I am required by Article 163(3) of the Constitution of the Republic of Uganda 1995 (as amended) and Sections 13 and 19 of the National Audit Act (NAA) 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 NAA 2008 further requires me to conduct the following audits;

- i. Financial audits
- ii. Value for money,
- iii. Gender and Environment and any other audits in respect of any project or activity involving public funds.
- iv. Classified expenditure
- v. Audit of all Government investments
- vi. Procurement Audits
- vii. 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;

- (i) A summary of audit results and opinions for audits done in the year
- (ii) Report and Opinion of the Auditor General on the;
 - Government of Uganda Consolidated Financial Statements for the year ended 30th June 2019
 - Annual Consolidated Financial Statements of District Local Governments for the year ended 30th June 2019
 - Annual Consolidated Financial Statements of Municipal Councils for the year ended 30th June 2019
 - Performance highlights of the Auditor General on the Consolidated Summary Statement of Financial Performance of Public Corporations and State Enterprises.
- (iii) Summary of Audit results from audit of specific thematic and focus areas
- (iv) Key findings, implications and recommendations from Value for Money audits.
- (v) Key findings, implications and recommendations from the Engineering Audits.
- (vi) Sectoral and cross cutting issues/findings, implications and recommendations from the audit of Ministries, Departments, Agencies, Commissions, Statutory Corporations and Local Governments.
- (vii) Summary of Audit findings of specific entities which include opinions from the audit of Ministries, Departments, Agencies, Commissions, Statutory Corporations and Local Governments (**Annexure II**).

1.3 Summary of Audit Results

1.3.1 General Performance

Contained in this report, are the results of a total of 4,274 audits, which I conducted and completed during the year against a plan of 5,431 audits. The audits include 4,207 financial audits comprising of 108 MDAs, 114 Commissions, Statutory Authorities and State Enterprises, 97 projects, 4 Production Sharing Agreements and 3,888 Local Governments and Tertiary Institutions. I have also included 11 Value for Money reports, 36 Forensic Investigations and Special Audits, 5 IT audits, 7 Specialised/Engineering audits and 4 Compliance/themes.

The Engineering Audit reports have been included in the individual entity reports, while the 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 2019

Type of Audit	Type of Entity	Planned Audits for the audit year 2019	Actual Performance as at 31 st December, 2019	Variance
Financial Audits	MDAs	114	108	6*
	Commissions, Statutory Authorities and State Enterprises	120	114	6*
	Projects	196	97	99*
	Districts	127	127	0
	Municipal Councils	41	41	0
	Town Councils 2016/2017 and 2017/2018	459	459	0
	Divisions 2016/2017 and 2017/2018	248	248	0
	Sub Counties 2015/2016, 2016/2017 and 2017/2018	3,681	2,922	759
Compliance Audit	Schools/Tertiary institutions	355	91	264
	Various entities (Themes)	4	4	0
	PSAs	4	4	0
Forensics/Special Audits	Various entities	56	36	20
VFM Studies	Various entities	10	11	(1)
Engineering Audits	Various entities	10	7	3**
IT Audits	Various entities	6	5	1
		5,431	4,274	1,157

* 4 missions (Ankara, Canberra, Kuala Lumpur, Abuja), Contingency Fund, Soroti University, UHPC, UNHRO, ULI, ACF, Uganda Seeds, Enterprise Uganda, 75 MUK projects, 17 MUST projects, ARSDP works, Kaphcorwa-Swam road, QUISP, DICOSS, Opuyo-Moroto Interconnection, Mirama-Kabale Transmission, ADB V HEST.

**the 7 engineering audits undertaken covered 228 projects

1.3.2 Summary of Opinions

Of the 487 financial audits concluded for MDAs, Commissions, Statutory Authorities and State Enterprises, Projects, Districts and Municipalities, 433 (89%) entities had unqualified opinions and 54 (11%) entities had qualified opinions. The tables and figure 1 below provide the summary of the Opinions;

Table 2: Summary of Opinions

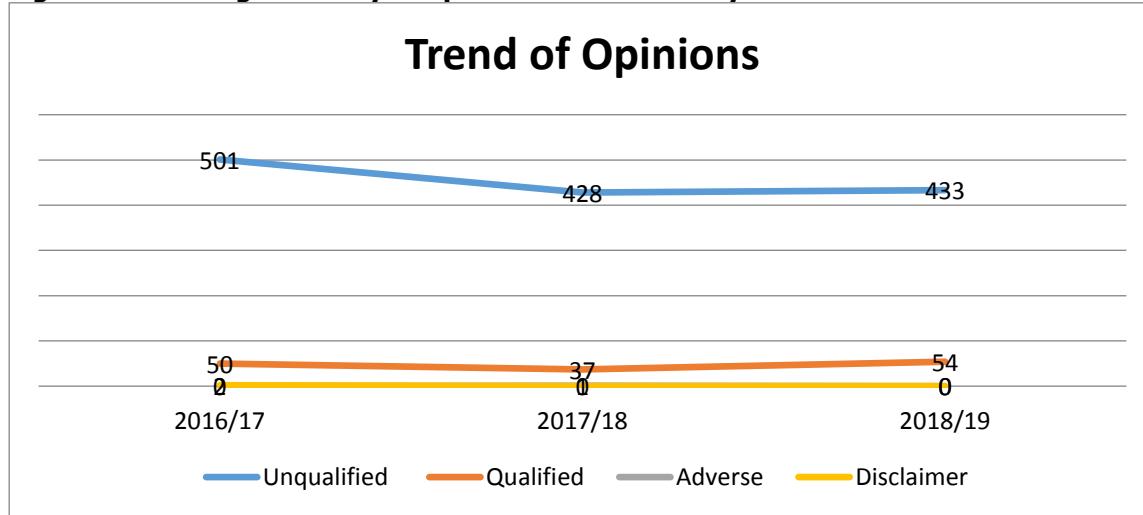
Category of Audited entities	Type of Opinions				Total
	Unqualified	Qualified	Adverse	Disclaimer	
Ministries, Departments and Agencies	90	18	0	0	108
Commissions, Statutory Authorities and State Enterprises	96	18	0	0	114
Projects	95	2	0	0	97
Districts Local Governments	115	12	0	0	127
Municipal Councils	37	4	0	0	41
TOTAL	433	54	0	0	487

***the opinions included in this table relate to financial audits for the financial year 2018/19*

Table 3: Trend of Opinions for the last three years

Type of Opinion	2018/19	2017/18	2016/17
Unqualified	433	428	501
Qualified	54	37	50
Adverse	0	1	0
Disclaimer	0	0	2
Total	487	466	553

Figure 1: Showing summary of opinions for the last 3 years



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

PART 2: CONSOLIDATED FINANCIAL STATEMENTS

2.0 REPORT OF THE AUDITOR GENERAL ON THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 REPORT AND OPINION OF THE AUDITOR GENERAL ON THE GOVERNMENT OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS

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 2019. These financial statements comprise of the consolidated Statement of Financial Position as at 30th June 2019, 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 consolidated financial statements of the Government of Uganda for the year ended 30th June 2019 are prepared, in all material respects, in accordance with Section 51 of the Public Finance Management Act, 2015 (as amended), and the Financial Reporting Guide, 2018.

Basis of Qualified Opinion

2.1.1 Mischarge of Expenditure – UGX.384,756,648,951

A review of the expenditures revealed that various entities charged wrong expenditure codes to the tune of UGX.384,756,648,951. 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.

2.1.2 Unaccounted for Advances – UGX.19,522,744,433

Expenditure by various entities amounting to **UGX.19,522,744,433** was not accounted for by the time of the audit contrary to the Public Finance and Accounting Regulations. In the 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 Matter

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

2.1.3 Implementation of the approved budget

Section 45 of the Public Finance and Management Act, 2015 (as amended), 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 is required to achieve the agreed objectives/targets for the entity within the available resources.

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. In the overall office-wide planning, I assessed risks like the inadequate release of funds and failure to undertake budget monitoring and supervision that are likely to be the causes of failure to implement planned activities. The focus was put on the planned outputs of the Ministries, Departments, Agencies and Local Governments which greatly impact on the wellbeing of communities.

Consequently, I developed procedures in order to address the performance of the budget of the Government;

- i. Ascertaining the amount received by the entities and the source of the funding
- ii. Inquiring from management of off-budget financing received and ascertaining the basis for the off-budget financing, if any.
- iii. Comparing the approved budget against the actual releases
- iv. Comparing the planned vote function outputs against the actuals and determining the variances
- v. Reviewing utilisation of the funds.

In order to achieve its objectives, the Government of Uganda planned to implement and achieve a number of both recurrent and development deliverables under various programmes in the various sectors. In addition to the findings detailed in the individual entity reports, the following overall findings were identified:

Table 4: Showing budget performance findings

SN	Finding	Recommendation																								
3.1	<p><u>Overall Revenue performance</u></p> <p>In the financial year ended 30th June 2019, Government set to collect a total of UGX.16,358 billion from tax and Non-tax revenue and also receive external grants to support the budget amounting to UGX.1.262 billion. Analysis of the revenue performance revealed that a total of UGX.17,856 billion was realised as detailed below;</p> <p>Table Showing revenue performance for the financial year 2018/19</p> <table border="1"> <thead> <tr> <th>Item</th><th>Budget (UGX' billion)</th><th>Actual (UGX' billion)</th><th>Shortfall (UGX' billion)</th></tr> </thead> <tbody> <tr> <td>Taxes</td><td>15,938</td><td>16,146</td><td>Nil</td></tr> <tr> <td>NTR</td><td>420</td><td>983</td><td>Nil</td></tr> <tr> <td>Grants</td><td>1,261</td><td>720</td><td>792</td></tr> <tr> <td>HPIC relief</td><td></td><td>7</td><td>NIL</td></tr> <tr> <td>Total</td><td>17,619</td><td>17,856</td><td></td></tr> </tbody> </table> <p>I noted that the performance for Tax and Non-tax revenue collections was satisfactory, given that for both sources, the actual collections exceeded the budgeted/planned collections. It was however noted, that a number of entities did not budget for Non-tax Revenue hence the 168% performance. Failure to have budgets implies that the performance by the concerned entities could not be assessed, since there were no targets on which to base.</p> <p>I further noted that Receipts from grants posted a deficit of UGX.792 billion (62%), which was attributed to failure to secure all the grants from which the revenue was anticipated. Management explained that grants are unpredictable. Often what is projected differs from what is realised. However, Government always takes corrective measures to ensure that the affected items of the budget are either funded through other means or suppressed.</p>	Item	Budget (UGX' billion)	Actual (UGX' billion)	Shortfall (UGX' billion)	Taxes	15,938	16,146	Nil	NTR	420	983	Nil	Grants	1,261	720	792	HPIC relief		7	NIL	Total	17,619	17,856		The Secretary to the Treasury should ensure that NTR budgets are incorporated in all entities that do collect such revenue to enable assessment of their performance at year end. Besides, there is need to establish the causes of shortfalls in grants to enable meaningful solutions to be implemented going forward
Item	Budget (UGX' billion)	Actual (UGX' billion)	Shortfall (UGX' billion)																							
Taxes	15,938	16,146	Nil																							
NTR	420	983	Nil																							
Grants	1,261	720	792																							
HPIC relief		7	NIL																							
Total	17,619	17,856																								
3.2	<p><u>Unspent warrants/under absorption of funds - UGX.548 billion</u></p> <p>It was observed that warrants worth UGX.31,194 billion were approved in respect of various entities for which only UGX.30,646 billion was paid out leaving UGX.548 billion unspent. The details are indicated in the table below;</p> <p>It was noted that 56% of the unspent funds related to non-wage expenditure while wage and development expenditure accounted for 24% and 20% respectively. Most of the unspent funds under wage related to pension payments implying that several planned pension payments were not made. The under absorption on development expenditure could also be as a result of weaknesses in the procurement planning in which the procurement processes are started late.</p> <p>A number of Accounting Officers stated that the current procurement law does not allow them to initiate a procurement before receiving funds</p>	I advised the PS/ST to only release Pension funds for verified pensioners. In addition, the procurement law can be revisited to move the requirement to confirm funds availability just before committing Government.																								

SN	Finding	Recommendation																
	<p>because there is a need to confirm funds availability at the very start of the process.</p> <p>Under absorption negatively affects service delivery since some of the planned projects and activities are not undertaken.</p> <p>Management explained that there is still a stock of unverified pensioners whose funds are released but are not paid until the verification process confirms their existence.</p>																	
3.3	<p><u>Transfers from Treasury</u></p> <p>During the year under review, Government budgeted to spend a total of UGX.32.7 trillion which was later revised to UGX.35.04 trillion. An analysis of releases revealed that a total of UGX.31.6 trillion was released against the budgeted amounts, thus representing 96% performance. A sum of UGX.3.8 trillion was not released. See table below;</p> <table border="1"> <thead> <tr> <th>Entity</th><th>Total Revised Budget (UGX)</th><th>Total Warrants (UGX)</th><th>Under release (UGX)</th></tr> </thead> <tbody> <tr> <td>Central Govt</td><td>31,669bn</td><td>27,959bn</td><td>3,709bn</td></tr> <tr> <td>Local Govt</td><td>3,377bn</td><td>3,236bn</td><td>141bn</td></tr> <tr> <td>Total</td><td>35,046bn</td><td>31,195bn</td><td>3,850bn</td></tr> </tbody> </table> <p>Failure to fully release the budgeted funds to the entities affected the implementation of the planned activities which were intended to contribute to the achievement of the NDPII and Vision 2040. The detailed impact of this shortfall on the entity activities has been reported in the individual entity reports. It was observed that whereas the performance contracts with Accounting Officers are premised on availing the appropriated budgets during the year, such contracts are not revised in situations of shortfalls in budgets.</p>	Entity	Total Revised Budget (UGX)	Total Warrants (UGX)	Under release (UGX)	Central Govt	31,669bn	27,959bn	3,709bn	Local Govt	3,377bn	3,236bn	141bn	Total	35,046bn	31,195bn	3,850bn	Although releases are in response to available cash resources, there is a need to provide guidance to MDAs in regard to prioritization of activities to the levels of availed resources in cases of shortfalls.
Entity	Total Revised Budget (UGX)	Total Warrants (UGX)	Under release (UGX)															
Central Govt	31,669bn	27,959bn	3,709bn															
Local Govt	3,377bn	3,236bn	141bn															
Total	35,046bn	31,195bn	3,850bn															
3.4	<p><u>Advance of funds to entities with Appropriation in Aid</u></p> <p>It was established that Government entities were advanced funds for the first quarter based on estimates they had projected to collect as AIA. Analysis of the performance of AIA revealed that 27 entities were advanced UGX.287,018,895,231 as AIA but only managed to collect UGX.247,515,584,719 resulting in a shortfall of UGX.39,503,310,512.</p> <p>It should be noted that the advance was based on 1st quarter collections only, but the entities failed to collect the same over the entire year.</p> <p>The unrecovered amount remains a receivable to Government from the affected entities.</p> <p>The occurrence poses a risk of the entities taking advantage of this window to overstate their expected NTR collections to justify the advances being requested.</p>	The Permanent Secretary/Secretary is advised to address the risks emerging from this reform.																

SN	Finding	Recommendation
	<p>Management explained that the receivable for 2018/19 is being recovered from the collections of entities in the current FY 2019/20. This reform is being evaluated for the 2020/2021 budget to address the revenue leakages and budgeting will be based on average actual AIA collections of the Votes from previous financial years.</p>	
3.5	<p>Un approved supplementary expenditure - UGX.1,156,476,963,925</p> <p>The public Finance management Regulations 2016 provide in Regulation 18(7) that any expenditure which is in excess of the appropriated budget of a vote and which is not in accordance with this section shall be treated as loss of public funds as provided for under section 79 (1) of the Act.</p> <p>I noted that in the FY 2018/19 the Minister approved a supplementary budget of UGX.1,772,222,007,231 in accordance with Regulation 18(3) of the PFMR 2016. In compliance with Section 25(1), the Minister sought approval of the said supplementary expenditure from Parliament. Parliament however approved and appropriated a total of UGX.615,745,043,306 leaving a variance of UGX.1,156,476,963,925 unapproved.</p> <p>In light of Regulation 18 (7), a loss of UGX.1,156,476,963,925 was occasioned owing to expenditures without an appropriation of Parliament.</p> <p>Management explained that the Ministry has since sought advice from the Attorney General who has advised that since the Minister's approval was in line with the law, the supplementary should be submitted as part of the Supplementary Appropriation Bill.</p>	<p>Government is advised to streamline the process for approval of supplementary funding to avoid a reoccurrence of such instances</p>

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;

2.1.4 Expenditure on unbudgeted Domestic Arrears – UGX.266,993,803,318

Included in the expenditure for the year is **UGX.266.994bn** that relates to domestic arrears payments which were not provided for in the budget 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.

2.1.5 Payables – UGX.3,334,699,967,995

As disclosed in the statement of financial performance, the payables have increased from **UGX.2,567,489,551,939** in 2017/2018 Financial Year (FY) to **UGX.3,334,699,967,995** in 2018/2019 FY, constituting a 29% increase. The amount represents 9% of the revised budget of Government of Uganda for the financial year 2018/19. This is an indication of an ineffective commitment control system. The growth trend appears unsustainable and on the rise.

2.1.6 Contingent Liabilities – UGX.10,782,352,998,158

As disclosed in the statement of contingent liabilities, Government contingent liabilities have increased to **UGX.10,782,352,998,158** in 2018/2019 FY up from **UGX.8,768,232,753,097** reported in the previous year 2017/2018. The trend appears unsustainable in the event that a significant percentage crystallizes into liabilities.

2.1.7 Classified Expenditure

As disclosed under note 8, a total of **UGX.1,303,000,000,000** 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 Matters

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

2.1.8 Failure to Budget for Domestic Arrears

Section 13(10) (a) (iv) of the Public Finance Management Act, 2015 (as amended) defines an annual budget as the financing estimates for the financial year to which the budget relates, including a plan for Government debt and any other financial liabilities for the financial year to which the annual budget relates.

Review of the approved budget estimates for the Government for the past two financial years indicated that the Accounting Officers did not make sufficient budget provisions towards the settlement of domestic arrears despite the accumulation of a total of **UGX.2,567,489,551,939** in un-paid obligations. The amount provided in the budget for 2018/19 was only **UGX.380,502,000,000** which is 15% of the reported arrears for the previous financial year.

I advised the Permanent Secretary/secretary to Treasury to devise means of obtaining funding to settle all the arrears and also instill measures to stop the accumulation of arrears by the respective MDALGs.

2.1.9 Garnishee of Government funds

The Civil Procedure Rules SI 71-1 provides for the attachment of debts under Order 23. It provides the procedure to be followed by a decree-holder to attach funds held by a third party on behalf of a judgment debtor. Garnishee proceedings are conducted through two stages;

- a) The first *garnishee order nisi* which is an order of attachment of the debts of the judgment debtor in the hands of the garnishee operates as an injunction to restrain the

- garnishee from paying money out of the attached funds until the judgment debtor is discharged or the garnishee order nisi is set aside. At this point, if the court is satisfied that there is a legitimate reason for not paying the judgment debt out of the attached debt, the court would halt the execution process by not issuing the garnishee order absolute.
- b) The second stage is the 'garnishee order absolute', which is an order to pay the judgment debt from the judgment debtor's debt under the garnishee. This ends the execution.

It was observed that in the FY 2018/19, a total of UGX.66,550,119,068 and USD.528,000 was attached by way of Garnishee orders against Government.

Audit observed that judgment debtors are increasingly resorting to the use of Garnishee orders against Government accounts as a means of enforcing because of the absence of a clear and proper procedure and policy for the effective settlement of decisions and orders entered against the GOU. It was also noted that Government officials neglect the 1st stage of the Garnishees by not applying to court for an explanation as to why they are unable to pay; subsequently, this results into a garnishee order absolute where funds are recovered automatically. The effect is that Government activities are impaired by the injunction of spending on said accounts by the judgment creditors.

In response, management explained that the Permanent Secretary/Secretary to the Treasury commenced negotiations with judgement creditors. The negotiations among others will involve agreement on the payment plan of the creditors. This is expected to minimize the garnishee of Government accounts. I advised the PS/ST should devise a strategy of managing the payment of debts arising out of court awards as a means of limiting recourse to garnishee of Government accounts.

2.1.10 Non-recapitalization of the Uganda Communications Employees' Pension Scheme

UCEPS was founded by Government of Uganda (Founder) on 15th March 1998, and established under an irrevocable trust in accordance with section 90 of the Uganda Communications Act, 1997.

A review of Scheme records revealed that an Actuarial valuation of the Scheme was commissioned in 2016 and an Actuarial Report was issued by the Consultant dated February 2019. The Actuarial Report revealed that total funding by the Founder (Government) to the tune of **UGX.102.7 Billion** is needed to clear the schemes arrears.

A detailed review of the Scheme's financial records revealed that GOU has over the years been contributing an average of UGX.2bn to meet the monthly pension requirements; however, huge arrears due to retired employees exist. Given the fact that the beneficiaries are of advanced age, there is a risk that they may not access funds due to them in their lifetime.

In response, I was informed by Management that the scheme had been transferred to the Ministry of ICT for proper budgeting and management. I await the outcome of this initiative.

2.1.11 Duplication of investments in ICT infrastructure

Section 4(b) of the NITAU Act 2009 stipulates that the authority should promote standardization in the planning, acquisition, implementation, delivery, support and maintenance of information technology equipment and services, to ensure uniformity in quality, adequacy and reliability of information technology usage throughout Uganda.

The following observations were noted during the year under review;

a) Optical Fibre Investment by UETCL

I noted that Government of Uganda has invested heavily in the extension of optical fibre network across different parts of the country under the NBI/EGI project using funds from external borrowing (Approximately USD.106M) for Phases I, II and III and (USD.85M) on phase IV. I further noted that UETCL (another Government agency) had also invested heavily in the ICT infrastructure.

A review of the harmonization map of the optical fibre network in the country revealed that NITA and UETCL were building identical infrastructure on the same routes, such as in Kampala, Malaba, Mbarara, Kasese, Tororo and Karuma. Whereas the two companies are serving different mandates for the use of the infrastructure, there was a need for the two Government agencies to cooperate to avoid duplication of the infrastructure, double funding for the same actives and further increasing the debt burden of the Country. I noted that UETCL has since secured a license from UCC to allow them to sell data services.

Multiple Government agencies investing in the OFC network will lead to underutilization, increased borrowing by the agencies to fund the infrastructure, increase in maintenance costs borne by the Government of the network.

The above duplications within the ICT sector, especially amongst MDAs, would have been avoided if a deliberate policy to have telecommunication players share infrastructure or sub-let from the existing NBI/EGI network was implemented. This would not only raise additional revenue but also lower costs to users.

b) Procurement of an Enterprise Resource Planning (ERP) system by Uganda Revenue Authority – UGX.32,079,727,632

Section 5 of the National Information Technology Authority NITA (U) Act 2009 mandates NITA(U) to identify and advise Government on all matters of information technology development, utilization, usability, accessibility and deployment including networking, systems development, information technology security, training and support. Section 32(3) of the same act makes it the duty of any organisation implementing Information Technology (IT) solutions to cooperate with NITA (U).

In developing the ERP system, management of Uganda Revenue Authority (URA) considered a number of options which included:

- i. Do nothing – where URA would maintain the status quo regarding corporate support systems,
- ii. Develop and integrate a solution in-house,
- iii. Procurement of cocktail of solutions, and
- iv. Enterprise resource planning system.

However, I did not obtain any evidence that management consulted NITA (U) while developing this system. Inquiry from NITA (U) revealed that the system acquired by URA is already available under the IFMS and IPPS and any missing modules could have been procured at a much cheaper price.

I observed that URA opted to procure the Enterprise Resource Planning System and spent a total of UGX.32.080bn for the supply, implementation, support and maintenance and is likely to incur more costs moving forward. Adoption of the IFMS by URA would have been a matter of customizing the system to the requirements of the business functions of URA or setting a separate set of books on the IFMS. This option would have been cheaper to implement, in terms of personnel and money, as Ministry of Finance, Planning and Economic Development (MoFPED) has now built capacity to extend the system to other Government units on top of supporting them.

I also noted that in the justification paper, the project estimated benefits realization of UGX.8,981,859,032 by the financial year 2018/19. However, no assessment has been done to confirm the cost-saving. I advised the PS/ST to introduce stricter controls at the budgeting stage to minimize such duplications, especially in the ICT infrastructure.

2.1.12 Entities due for winding up

a) Departed Asians' Property Custodian Board

According to minute 34/DAPCB/2018 of the 16th meeting of the Board of Directors of the DAPCB, the Chairman emphasized the issue of winding up Custodian Board activities within a period of one year. As such Management was expected to scale down activities as part of the winding-up process.

A review of the Entity's activities revealed that to the contrary, Management was undertaking more long term activities. There appears to be no move towards the winding up of the board as per the Board resolution. It was also noted that the funding for the Custodian Board was from the proceeds of the disposal of the properties whose stock has kept declining.

b) Privatization Unit

It was observed that in the Report of the Public accounts committee - Central Government on the Report of the Auditor General for the FY 2014/15 dated May 2018, the committee resolved that the Privatization Unit should be dissolved within three months from the date of adoption of the PAC report as a means of saving Government from nugatory expenditure.

Audit was not availed with any evidence of compliance with the said parliamentary decision. It is however important to note, that the dissolution of PU can only be undertaken through an

amendment of the Act that established it. I have not obtained any evidence of any kind of action in this regard.

c) Non-performing Assets Recovery Trust (NPART)

NPART was established in 1994 under the Nonperforming Assets Recovery Trust Act Cap 95 to hold and recover on behalf of the Government non-performing assets, which were transferred to it by UCB and UDB. Section 29 of the Act provides that the Act would continue in force for three years unless, upon the recommendation of the Minister, Parliament by resolution extends its duration for a further period.

Parliament by a resolution passed on the 26th day of October 1999, extended the Act for two years. In another resolution, parliament extended the lifespan of NPART for an additional 2 years with effect from the 9th October 2005 ending the 9th October 2007, as a winding up period. It is observed that no additional extension for the said period has been sanctioned by the parliament to-date. Government continues to spend money on NPART without any legal basis as its mandate has long expired without any further renewals.

Management explained that the winding-up bill for NPART had been completed and is awaiting placement of the order paper in Parliament.

I advised the PS/ST to come up with clear roadmaps for winding up of the entities in issue.

2.1.13 Revenue leakages due to non-collaboration of Government entities

Section 3 of the URA Act provides that the function of URA is to administer and give effect to the laws or the specified provisions of the laws set out in the First Schedule to the Act, and for this purpose to assess, collect and account for all revenue to which those laws apply.

Audit observed that there were several leakages in revenue collections arising out of failures in coordination between different agencies of Government and Uganda Revenue Authority as indicated below;

- a) A total of UGX.54bn was never collected due to non-coordination between URA and the Gaming board
- b) A total of UGX.393,799,543,265 was never collected due to failure by URA to access IFMS data
- c) A number of expatriates do not pay PAYE due to failure by the Directorate of Immigration to share work permits issued with URA
- d) A number of driving permits are issued without paying the requisite taxes
- e) A number of instruments are registered by the Ministry of Lands without paying the requisite stamp duty.

The Ministry agreed that sharing of information across Government was critical for improving tax compliance. They further explained that NITA-U had started a process of procuring an integration platform which will further ease access to information.

I advised the PS/ST to use his position to craft a strategy that ensures the timely sharing of information by Government agencies for easy collection of the applicable taxes.

2.1.14 Licensing of Gaming and Betting houses

The Lotteries and Gaming Act provides for the establishment of the National Lotteries and Gaming Regulatory Board. It also provides for licensing and regulation of lotteries, gaming and betting; to provide for taxation of casinos, gaming and betting activities. The Act further provides that a person shall not establish or operate a casino or provide a gaming or betting machine without a license issued under this Act. Section 4 of the Act mandates the Board to license and regulate the management and operation of lotteries, gaming, betting and casinos in Uganda.

Audit noted that the LGRB issues licenses to operators for a period of 12 months. In a letter dated 14th May 2019, the Minister of Finance Planning and economic development directed the board to stop licensing of the gaming until further guidance was given by Cabinet. Audit observed that by the time of the audit, there was no guidance on whether licenses should be given by the board for the year 2020. I noted that a budgetary allocation of UGX.9.570bn was made for the Board in the 2019/2020 budget in spite of uncertainty in their continuation.

It is, however, important to note that the decision of Cabinet may restrict the mandate of the board created by a statute of parliament and expose the Government to legal action from different operators who invested in the gaming industry. Management explained that the Hon. Minister of Finance in a letter dated 30th October 2019 authorized the Lotteries and Gaming Regulatory Board to renew licenses for the existing operators who are compliant with the current law, pending further guidance from Cabinet.

Government should expedite providing the further guidance required in this regard, as indicated in the letter from the Minister.

2.1.15 Un approved salary structures and organograms

Section (A-a) paragraph 14 of the Public Service Standing Orders 2010, stipulates that the Permanent Secretary of the Ministry of Public Service is responsible for determining the terms and conditions of service and structures of the public service in consultation with the Secretary to Treasury wherever proposals involve an increased expenditure of public funds.

Audit of the Human resource functions in the various Government Ministries revealed the existence of a number of projects and units operating within the existing setup and whose funding was done from the Uganda Consolidated fund. A number of irregularities were identified as listed below;

- a) Contrary to the public service standing orders that stipulate that the Responsible Permanent Secretary of the Ministry of Public Service shall determine the structure, terms and conditions of service, there were no such approvals obtained from the ministry of public service.

- b) There were no approved organograms to support the staffing levels in the units in issue. This is despite the fact that staff numbers in these units have continued to grow but there was no basis for the continued recruitments.
- c) Though the funding for the staff of the units is provided by the Government of Uganda, the staff occupying similar positions in the approved Government of Uganda job and person specifications were being paid salaries that are far above those approved in the GOU salary structure without justification.

There is no evidence that the PS/ST approved the salary structures as required by the standing orders; despite the absence of such approval the PS/ST has continued to provide contract staff salaries to these staff in the budget. The PS/ST was advised to consider stopping the release of funds for unapproved contract staff salaries.

2.1.16 Continued expenditure off the IFMS - UGX.439,655,032,782 for votes on 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 Ministries, it was observed that several 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. Under the circumstances, it is difficult to ensure that the financial statements give a true picture of what transpired and these funds are also exposed to a risk of misuse.

Management attributed the above occurrence to limited resources with priority being accorded to votes (MALGS). However, the big projects (size of the budget and remaining life) have been included in the priority schedule smaller projects and subventions will be considered later. It is projected that by FY 2021/2022 IFMS will be rolled out to all the remaining entities.

The Secretary to the Treasury was advised to issue a directive requiring all expenditure to be done through the IFMS for votes which are already on the system.

2.1.17 Failure by the Government to Pay Taxes for Organizations granted tax benefits - UGX.863,238,754,669

Government of Uganda through the Ministry of Finance Planning and Economic Development granted Tax holidays to 67 companies for VAT, PAYE, Income Tax and Withholding Tax. The Government committed to settling the taxes with URA for the listed companies.

Verification of the Government Tax arrears as at 30th June 2019 revealed that Government owes URA UGX.863,238,754,669 in taxes. The arrears were accumulated from as far back as 2005 and whereas the principal tax is UGX.569,437,538,931 this has accrued interest to the tune of UGX.293,801,215,737 which is 51% of the principal amount owed.

I noted that since committing to settle the taxes, the Government has not paid and every other year the taxes keep accumulating interest. The arrears are reflected in the URA revenue

statements as collectable, yet Government has not shown any commitment to settle the obligations. I further observed that, although a waiver has since been granted to taxes owed by Government, URA considers these to be arrears for private companies.

Management informed me that under Section 40A. (2) of the Tax Procedures Code (Amendment) Act, 2019, tax arrears were written off. Failure to budget and account for taxes on donor-funded projects has now been dealt with by exempting donor-funded imports, in accordance with the 5th Schedule to the East African Community (EAC) Customs Management Act, and the deeming provision under the VAT Act. The tax incentives regime was also expanded to cater for facilitation hitherto paid for by the Ministry.

I await the implementation of the above initiatives.

Other Information

The Accounting Officer is responsible for the other information. The other information comprises the statement of responsibilities, a statement from the Hon. Minister of Finance, Planning and Economic Development, a statement from the Secretary to the Treasury, a statement from the Accountant General, and other supplementary information. The other information does not include the consolidated 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 consolidated financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially consistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

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

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

In preparing the consolidated financial statements, the Accountant General is responsible for assessing the Government's ability to continue delivering its mandate, disclosing, as applicable, matters related to affecting the delivery of the mandate of the Government of Uganda, and using the

Financial Reporting Guide 2018 unless the Accountant General has a realistic alternative to the contrary.

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

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

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

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

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

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

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

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

Other Reporting Responsibilities

In accordance with Section 19(1) of the National Audit Act (NAA), 2008, I report to you, based on my work described on the audit of the GoU Consolidated Financial Statements that, 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 Government, with specific matters in key legislations. I performed procedures primarily to identify findings but not to gather evidence to express assurance.

There was no material finding in respect of the compliance criteria for the applicable subject matters.



John F.S. Muwanga
AUDITOR GENERAL
KAMPALA

30th December, 2019

2.2 REPORT AND OPINION OF THE AUDITOR GENERAL ON THE GOVERNMENT OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS OF DISTRICT LOCAL GOVERNMENTS FOR THE YEAR ENDED 30TH JUNE 2019

THE RT. HON. SPEAKER OF PARLIAMENT

Qualified Opinion

I have audited the consolidated Financial Statements of District Local Governments which comprise the consolidated Statement of Financial Position as at 30th June 2019, 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, except for the possible effects of the matters described in the Basis for Qualified Opinion section of my report, the consolidated financial statements of District Local Governments for the year ended 30th June 2019 are prepared in all material respects, in accordance with Section 51 of the Public Finance Management Act (PFMA), 2015 (as amended) and the Financial Reporting Guide, 2018.

Basis for Qualified Opinion

2.2.1 Unsupported adjustments to the statement of changes in equity worth UGX.13,882,193,895

I reviewed the consolidated statement of changes in equity on page 12 of the financial statements and noted unsupported adjustments of UGX.21,729,219,382 to the opening balance.

A review of the supporting schedule attached to the financial statements for the affected districts' financial statements revealed that only UGX.7,847,025,487 is supported leaving the above balance of UGX.13,882,193,895 unsupported.

2.2.2 Unsupported adjustment in the Cash-flow statement

I reviewed the consolidated cash flow statement on page 13-14 of the financial statements and noted that adjustments to the opening balance of UGX.7,136,795,502 were not adequately supported.

In addition, transfers to treasury worth UGX.29,660,043,671 in the reconciliation of the movement of cash during the year could not be ascertained.

2.2.3 Inconsistencies in the reported figures

I observed that the consolidated statement of financial performance on page 11 reported total revenue amounting to UGX.3,271,716,281,980, while the consolidated statement of revenues and expenditure by vote on pages 15 to 18 reported total revenues of UGX.2,741,786,749,768, leaving an unexplained variance of UGX.529,929,532,212. The same figures are also inconsistent with those in the trial balance presented for audit as shown below;

Table 5: Showing Inconsistencies in reported figures

Component	Consolidated Trial Balance - UGX	Consolidated Statement of financial performance - UGX	Consolidated Statement of Revenues and expenditures - UGX
Revenue	2,756,044,761,260	3,271,716,281,980	2,741,786,749,768
Expenditure	3,236,853,082,750	3,224,076,127,666	3,151,673,782,346
Approved estimates	3,545,357,933,930		3,425,934,945,393

I re-performed consolidation procedures for a sample of 55 District Local Governments (DLGs) and noted that the figures captured in the consolidated financial statements are different from those reported in the Districts' separate financial statements for the same votes. The total variances amounted to debit variances and credit variances of UGX.13,685,441,700 and UGX.5,851,129,656 respectively. Furthermore, it was noted that various account items were affected.

The budgeted figures reported in the consolidated statement of revenues and expenditures by votes are materially different from the budgeted figures of the same votes in the separate financial statement. The performance analysis presented in the same statement thereof is misrepresented as shown in the table below;

Table 6: Showing differences in budget figures reported

District	Revised Approved Estimates as per Separate Financial Statements - UGX	Approved Estimates as per Consolidated Financial Statements - UGX	Variance - UGX
Yumbe	58,606,874,146	33,900,994,925	24,705,879,221
Pallisa	32,025,074,730	31,624,272,347	400,802,383
Hoima	26,223,578,523	25,835,055,445	388,523,078
Nakapiripirit	19,065,094,620	13,076,041,000	5,989,053,620
Total	135,920,622,019	104,436,363,717	31,484,258,302

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 District Local Governments 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 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 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;

2.2.4 Implementation of Budget approved by Parliament

It has been observed over years that activities that are planned and budgeted for by Local Governments are either poorly implemented or not implemented at all, which affects service delivery, the improvement of the people's wellbeing and the country's ability to attain the National Development Plan (NDP) II goals. In addition, there have been increased requests from Parliament, Local Leaders and the citizenry in general for special audits, all pointing to ineffective implementation of various programmes. I therefore considered the risk that there may be challenges in budget implementation.

It is against this background that budget performance was considered as a key audit matter for the audit year. The focus was on the attainment of planned outputs, which greatly affect the wellbeing of communities and have a bearing on attainment of programme objectives.

Consequently, I developed specific audit procedures to;

- i. Establish the revenue performance for the year under review (extent of revenue collection, including local revenue).
- ii. Ascertain the extent of absorption of released funds, including conditional grants and donor funds.
- iii. Assess the extent of attainment of key planned outputs.

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

Table 7: Showing Budget performance findings in districts

S/N	Issue/Observation				Recommendation(s)								
2.2.4.1	<u>Revenue Performance</u> <p>Section 3.3(1) of the LGFAM, 2007, under budget principles guides that estimates must reflect revenue, which can be realized from anticipated conditions. Section 3.4.1(4) further requires realistic revenue forecasting as a precondition for successful budgeting.</p> <p>I reviewed the consolidated statements of revenues and expenditure by vote on pages 15 to 18 of the financial statements and noted that out of the budgeted total revenue of UGX.3,425,934,945,393 for the year 2018/19, a sum of UGX.2,741,786,749,768 was realized representing a performance level of 80% of the target.</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th>Approved/Revised Estimates (UGX Billions)</th><th>Releases (UGX Billions)</th><th>Variance (UGX Billions)</th><th>Percentage performance</th></tr> </thead> <tbody> <tr> <td>3,425</td><td>2,741</td><td>684</td><td>80%</td></tr> </tbody> </table> <p>The above analysis shows that there was a general shortfall in funding in the consolidated revenue sources for the districts by UGX.684,148,195,625.</p> <p>The shortfall affected implementation of planned activities which in turn negatively impacts on service delivery.</p>				Approved/Revised Estimates (UGX Billions)	Releases (UGX Billions)	Variance (UGX Billions)	Percentage performance	3,425	2,741	684	80%	I advised the Local Governments to engage the relevant authorities to honor their obligations.
Approved/Revised Estimates (UGX Billions)	Releases (UGX Billions)	Variance (UGX Billions)	Percentage performance										
3,425	2,741	684	80%										

	<p>This was mainly attributed to local revenue shortfall arising from the creation of new administrative units and shortfalls in donor funding due to unrealistic budgeting.</p> <p>However, as noted in the Basis for opinion section above, the inconsistencies in the budgeted and revenue figures reported in the various statements could affect the accuracy of the performance reported above.</p> <p>The issue was brought to the attention of the Secretary to Treasury.</p>																						
2.2.4.2	<p><u>Absorption of Released Funds</u></p> <p>Section 15 (1) of the Public Finance and Management Act, 2007 states that after approval of the annual budget by Parliament, the Secretary to Treasury shall issue the annual cash flow plan of Government, based on the procurement plans, work plans and recruitment plans approved by Parliament. Section 15 (2) states that the annual cash flow plan issued under subsection (1) shall be the basis for release of funds by the Accountant General to the Accounting Officers. Further to this, section 15 (3) requires an Accounting Officer to commit the budget of a vote, based on the annual cash flow plan issued under this section.</p> <p>I noted that out of the total releases to the District Local Governments of UGX.3,271,716,281,980, a sum of UGX.3,224,076,127,666 was spent representing an absorption level of 98% as shown in the Table below:</p> <table border="1"> <thead> <tr> <th>Released Funds [A]</th><th>Expenditure [B]</th><th>Under absorption [A-B]</th></tr> </thead> <tbody> <tr> <td>Trillion(UGX)</td><td>Trillion(UGX)</td><td>Trillion(UGX)</td></tr> <tr> <td>3.271</td><td>3.224</td><td>0.047</td></tr> </tbody> </table> <p>The above analysis implies that, generally, the Districts absorbed all the funds warranted to implement the District activities. However, it was further observed that there was excess expenditure over the amounts warranted of UGX.47 billion.</p> <p>I brought the above issue to the attention of the Secretary to Treasury.</p>	Released Funds [A]	Expenditure [B]	Under absorption [A-B]	Trillion(UGX)	Trillion(UGX)	Trillion(UGX)	3.271	3.224	0.047	I commend the Accounting Officers for the efforts to fully absorb all released funds and advised them to seek council authority in case of any excess funding.												
Released Funds [A]	Expenditure [B]	Under absorption [A-B]																					
Trillion(UGX)	Trillion(UGX)	Trillion(UGX)																					
3.271	3.224	0.047																					
2.2.4.3	<p><u>Mischarge of Expenditure</u></p> <p>A review of the Payment files revealed that a total of UGX.1,512,771,829 was mischarged to different account codes as per the Table below.</p> <table border="1"> <thead> <tr> <th>S/N</th><th>Local Government</th><th>Amount Mischarged (UGX)</th></tr> </thead> <tbody> <tr> <td>1</td><td>Apac DLG</td><td>102,869,260</td></tr> <tr> <td>2</td><td>Kasese DLG</td><td>198,979,678</td></tr> <tr> <td>3</td><td>Bundibugyo DLG</td><td>228,327,849</td></tr> <tr> <td>4</td><td>Luwero DLG</td><td>478,762,310</td></tr> <tr> <td>5</td><td>Kapchorwa DLG</td><td>503,832,732</td></tr> <tr> <td colspan="2">TOTAL</td><td>1,512,771,829</td></tr> </tbody> </table> <p>Mischarge of expenditure impacts on the credibility of the financial statements since the figures reported therein do not reflect the true amounts expended on the respective items. In addition, it negatively</p>	S/N	Local Government	Amount Mischarged (UGX)	1	Apac DLG	102,869,260	2	Kasese DLG	198,979,678	3	Bundibugyo DLG	228,327,849	4	Luwero DLG	478,762,310	5	Kapchorwa DLG	503,832,732	TOTAL		1,512,771,829	I advised the Local Governments to engage the Ministry of Finance during the budgeting process and ensure strict adherence to the legal framework regarding reallocation of funds.
S/N	Local Government	Amount Mischarged (UGX)																					
1	Apac DLG	102,869,260																					
2	Kasese DLG	198,979,678																					
3	Bundibugyo DLG	228,327,849																					
4	Luwero DLG	478,762,310																					
5	Kapchorwa DLG	503,832,732																					
TOTAL		1,512,771,829																					

	<p>affects the implementation of activities from which the funds were reallocated.</p> <p>Accounting Officers mainly attributed this to constraints during budget uploading on the IFMS and inadequacies of the inbuilt Chart of Accounts under the Programme Based Budgeting System (PBS).</p>	
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Emphasis of Matter

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

2.2.5 Inadequate controls surrounding management of payables

I observed that payables increased from UGX.104,061,463,566 to UGX.148,056,101,815 as disclosed in the consolidated statement of financial position on page 12 for District Local Governments. The accumulation of payables may lead to litigation and payment of fines and penalties.

I advised the local Governments to observe the commitment control system and to settle the outstanding payables.

2.2.6 Unpaid Pension and Gratuity Arrears

Districts had not paid pension and gratuity arrears totalling to UGX.28,689,443,061 by the end of the financial year as disclosed in note 24 of the consolidated Financial Statements. The unpaid pension and gratuity negatively impact on the well-being of the retired civil servants.

This was mainly attributed to delayed access to the pension payroll.

I advised the Local Governments 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.

Other Matters

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

2.2.7 Funds not accounted for

Section 43 (2) of the Local Governments Financial and Accounting Regulations, 2007, requires the administrative advances to be accounted for within one month. Section 2.2.1 (6) of the same regulations requires the Head of Finance to ensure that all payment vouchers are supported by relevant documents.

An amount of UGX.342,077,239 included in the expenditure figures of the consolidated financial statements lacked supporting documents at the time of audit as shown below;

Table 8: Showing unaccounted for funds in districts

S/N	Local Government	Incompletely vouched Expenditure
		(UGX)
1	Aleptong DA	56,514,200
2	Amuru DA	51,358,200
3	Apac DA	144,930,601
4	Bugiri DA	45,595,600
5	Bukedea DA	9,713,000
6	Katakwi DA	6,910,638
7	Oyam DA	27,055,000
Total		342,077,239

Consequently, I was unable to confirm that the funds were utilised for the intended use.

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

2.2.8 Borrowings

I noted a movement in borrowings in note 22 of the financial statements from UGX.404,060,600 to a nil balance. However, review of the consolidated cash flow statements under financing activities revealed that no disclosure of any repayments both external and other domestic borrowings was made during the year.

I could not therefore confirm that this obligation was settled. The issue was brought to the attention of the Secretary to Treasury.

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.

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 Local Governments, with specific matters in key legislations. I performed procedures primarily to identify findings but not to gather evidence to express assurance.

There was no material finding in respect of the compliance criteria for the applicable subject matters.



John F.S. Muwanga
AUDITOR GENERAL
KAMPALA
30th December, 2019

2.3 REPORT AND OPINION OF THE AUDITOR GENERAL ON THE GOVERNMENT OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS OF MUNICIPAL COUNCILS FOR THE YEAR ENDED 30TH JUNE 2019

THE RT. HON. SPEAKER OF PARLIAMENT

Qualified Opinion

I have audited the accompanying Consolidated Financial Statements of Municipal Councils, which comprise the Statement of Financial Position as at 30th June 2019, the Statement of Financial Performance, Statement of Changes in Equity, 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, except for the possible effects of the matters described in the Basis for Qualified Opinion section of my report, the consolidated financial statements of Municipal Councils for the year ended 30th June, 2019 are prepared in all material respects, in accordance with Section 51 of the Public Finance Management Act (PFMA), 2015 (as amended) and the Financial Reporting Guide, 2018.

Basis for Qualified Opinion

2.3.1 Misstatements in the consolidated financial statements

I compared amounts in the individual audited financial statements for 21 Municipal Council votes out of the 38 consolidated municipal council financial statements with the amounts reported in the consolidated financial statements and noted over statements of UGX.34,070,098,484 and understatements of UGX.22,887,260,006 in the different components as shown in the table below.

Table 9: Showing Misstatements in the consolidated financial statements of Municipal councils

Component	No. of MC s	Individual Audited FS - UGX	Consolidated FS - UGX	Over statements - UGX	Under statements - UGX
Revenue (Understatement)	08	78,930,558,848	75,354,525,393	0	3,576,033,455
Revenue (Overstatement)	05	49,314,657,042	50,119,650,527	804,993,485	0
Expenditure (Understatement)	09	96,282,163,770	79,641,509,077	0	16,640,654,693
Expenditure (Overstatement)	11	126,078,995,857	152,692,102,042	26,613,106,185	0
Cash and cash equivalents	01	4,057,992,257	4,047,751,013	0	28,547,633
Receivables	04	16,626,999,255	15,407,719,099	0	1,219,280,156
PPE (Understatement)	03	58,774,857,742	57,913,574,503	0	861,283,239
PPE (Overstatement)	01	82,873,874,209	87,178,572,949	4,304,698,740	0
Payables (Understatement)	04	3,271,835,280	2,781,932,767	0	489,902,513

Component	No. of MC s	Individual Audited FS - UGX	Consolidated FS - UGX	Over statements - UGX	Under statements - UGX
Payables (Overstatement)	01	342,068,960	2,668,383,034	2,326,314,074	0
Pension Liability	01	283,603,749	212,045,432	0	71,558,317
Contingent Liabilities	01	1,240,772,497	1,261,758,497	20,986,000	0
Total Misstatements				34,070,098,484	22,887,260,006

This affected the accuracy and reliability of the consolidated financial statements of the Municipal Councils.

I advised the Secretary to Treasury to ensure that proper reconciliations are done with Local Governments for correct amounts to be reflected in the consolidation statements.

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 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 Organisation of Supreme Audit Institutions (INTOSAI) Code of Ethics, the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audits of Consolidated Financial Statements in Uganda. I have fulfilled my ethical responsibilities in accordance with the other requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 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 the key audit matters to be communicated in my report.

2.3.2 Implementation of Budget Approved by Parliament

It has been observed over years that activities that are planned and budgeted for by Local Governments are either poorly implemented or not implemented at all, which affects service delivery, the improvement of the people's wellbeing and the country's ability to attain the National Development Plan (NDP) II goals. In addition, there have been increased requests from Parliament, Local Leaders and the citizenry in general for special audits, all pointing to ineffective implementation of various programmes. I therefore considered the risk that there may be challenges in budget and programme implementation.

It is against this background that budget performance was considered as key audit matter for the audit year. The focus was on the attainment of planned outputs, which greatly affect the wellbeing of communities and have a bearing on attainment of programme objectives.

Consequently, I developed specific audit procedures to;

- i. Establish the revenue performance for the year under review (extent of revenue collection, including local revenue).
- ii. Ascertain the extent of absorption of released funds, including conditional grants and donor funds.
- iii. Assess the extent of attainment of key planned outputs.

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

Table 10: Showing budget performance findings in Municipalities

SN	Issue/Observation	Recommendation									
2.3.2.1	<p><u>Revenue Performance</u></p> <p>Section 3.3(1) of the LGFAM, 2007, relating to budget principles, guides that estimates must reflect revenue, which can be realized from anticipated conditions. Section 3.4.1(4) further requires realistic revenue forecasting as a precondition for successful budgeting.</p> <p>I reviewed the Appropriation Schedules of the financial statements for 38 Municipal Councils and noted that out of the budgeted revenue of UGX.545,068,542,082 for the year 2018/19, UGX.405,324,682,731 (74%) was realised leading to shortfall of UGX.139,743,859,351 (26%) of the target.</p>	I advised the Local Governments to initiate strategies to ensure that budgeted revenue is realised.									
2.3.2.2	<p><u>Absorption of funds</u></p> <p>Section 15 (1) of the Public Finance Management Act, 2015 states that after approval of the annual budget by Parliament, the Secretary to Treasury shall issue the annual cash flow plan of Government, based on the procurement plans, work plans and recruitment plans approved by Parliament. Section 15 (2) states that the annual cash flow plan issued under subsection (1) shall be the basis for release of funds by the Accountant General to the Accounting Officers. Further to this, section 15 (3) requires an Accounting Officer to commit the budget of a vote, based on the annual cash flow plan issued under this section.</p> <p>I noted the following;</p> <p>Out of the total revenue realised of UGX.405,324,682,731, UGX.451,805,040,858 was spent by the entities representing an absorption level of 111% as shown in the table below:</p> <table border="1" data-bbox="404 1558 1237 1706"> <thead> <tr> <th data-bbox="404 1558 682 1643">Revenue Realised [A]</th><th data-bbox="682 1558 926 1643">Expenditure [B]</th><th data-bbox="926 1558 1237 1643">Overspent [A-B]</th></tr> <tr> <td data-bbox="404 1643 682 1679">bn</td><td data-bbox="682 1643 926 1679">bn</td><td data-bbox="926 1643 1237 1679">bn</td></tr> </thead> <tbody> <tr> <td data-bbox="404 1679 682 1714">405.324</td><td data-bbox="682 1679 926 1714">451.805</td><td data-bbox="926 1679 1237 1714">(46,480)</td></tr> </tbody> </table> <p>The above implies that the Municipal Councils absorbed all the available funds in excess of the realised amount to implement the Council activities.</p>	Revenue Realised [A]	Expenditure [B]	Overspent [A-B]	bn	bn	bn	405.324	451.805	(46,480)	I advised the Local Governments to ensure that proper budgeting is done based on realistic forecasts and that warranting is based on such estimates. The Local Governments were also advised to always seek supplementary approval for the excess funds.
Revenue Realised [A]	Expenditure [B]	Overspent [A-B]									
bn	bn	bn									
405.324	451.805	(46,480)									
2.3.2.3	<u>Mischarge of Expenditure</u>										

SN	Issue/Observation	Recommendation															
	<p>Paragraph 10.4.1 of the Treasury Instructions, 2017 requires that in reviewing payment requests, an Accounting Officer shall have a primary responsibility of ensuring that there is no mischarge and diversion of funds through wrong coding of transactions. An Accounting Officer shall be held personally liable for any wrong charge accounts used for expenditure incurred by his or her vote.</p> <p>A review of the sample of 21 Municipal Council's payment files revealed that a total of UGX.1,478,412,806 was mischarged to different account codes as per the table below.</p> <table border="1"> <thead> <tr> <th>S/N</th><th>Local Government</th><th>Amount (UGX)</th></tr> </thead> <tbody> <tr> <td>1.</td><td>Fort Portal MC</td><td>1,025,896,407</td></tr> <tr> <td>2.</td><td>Jinja MC</td><td>306,513,100</td></tr> <tr> <td>3.</td><td>Kamuli MC</td><td>146,003,299</td></tr> <tr> <td colspan="2">TOTAL</td><td>1,478,412,806</td></tr> </tbody> </table> <p>Mischarge of expenditure impacts on the credibility of the financial statements since the figures reported therein do not reflect the true amounts expended on the respective items. In addition, it negatively affects the implementation of activities from which the funds were reallocated.</p> <p>This was majorly attributed to poor uploading of the budgets on to IFMS.</p>	S/N	Local Government	Amount (UGX)	1.	Fort Portal MC	1,025,896,407	2.	Jinja MC	306,513,100	3.	Kamuli MC	146,003,299	TOTAL		1,478,412,806	I advised the Local Governments to streamline the budgeting processes and ensure that proper charging of accounts is done.
S/N	Local Government	Amount (UGX)															
1.	Fort Portal MC	1,025,896,407															
2.	Jinja MC	306,513,100															
3.	Kamuli MC	146,003,299															
TOTAL		1,478,412,806															

Emphasis of Matter

Without qualifying my opinion further, I draw attention to the following matters presented and disclosed in the Consolidated Financial Statements.

2.3.3 Payables, Borrowings and Pension Liabilities

A review of the consolidated statement of financial position for Municipal Councils and note 22-24 of the consolidated financial statements revealed that although payables reduced by UGX.4,701,398,056 (15%), from UGX.31,347,679,251 to UGX.26,646,281,195, the outstanding payables remain a financial burden to the Municipalities.

I further noted that the short- and long-term borrowings increased by 45% and 249% respectively as shown in the table below. The accumulation of payables may lead to litigation and payment of fines and penalties.

Table 11: Showing Payables, Borrowings and Pension Liabilities in Municipalities

Details	2019 (UGX)	2018 (UGX)	Decrease/ Increase - UGX	Percentage Change
Current Liabilities				
Borrowings (Short term)	309,951,664	217,655,963	92,295,701	42%
Payables	24,075,228,782	28,514,331,251	(4,439,102,469)	-16%
Pension Liability	1,066,735,090	2,273,928,574	(1,207,193,484)	-53%
Total Current liability	25,451,915,536	31,005,915,788	(5,554,000,252)	-18%
Non-current Liabilities			0	
Long-term borrowings	1,194,365,659	341,763,463	852,602,196	249%
Payables	-	-		
Pension liability	-	-		
Total non-current liability	1,194,365,659	341,763,463	852,602,196	249%
Total Liabilities	26,646,281,195	31,347,679,251	(4,701,398,056)	-15%

I advised the Local Governments to adhere to the commitment control system and also settle the outstanding obligations.

2.3.4 Receivables

A review of the consolidated statement of financial position of Municipal Councils and note 18 of the consolidated financial statements revealed that receivables increased by UGX.8,252,586,423 (44%); from UGX.18,906,454,489 to UGX.27,159,040,912. There is a risk that the Local Governments may not recover these funds.

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 Local Governments to initiate measures to recover the outstanding amounts.

2.3.5 Unspent Salary balances

A review of consolidated statement of financial performance for Municipal Councils and note 16 revealed that UGX.4,310,090,037 (64%) out of UGX.6,759,826,897 transferred to treasury, related to unspent salary balances which could have affected recruitment and staffing levels in the Local Governments thereby affecting service delivery.

I advised the Local Governments to liaise with Ministry of public service to ensure staff are recruited in time for the efficient delivery of services in their Local Governments.

Other Matters

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

2.3.6 Under Staffing

A comparison of a sample of Municipal Council staff establishments against the available staff revealed under staffing. Out of the available establishment of 6 Municipalities, out of the expected 1176 positions, only 596 positions had been filled, leaving a staffing gap of 580, representing 49%.

The Municipal Councils with the biggest percentage of unfilled positions were Kapchorwa MC and Kitgum MC with percentages of 68% and 57 % respectively as shown in the table below.

Table 12: Showing Staffing Levels

S/N	Local Government	Establishment	Filled Positions	Vacancies	% Vacancies
1.	Kapchorwa MC	166	53	113	68%
2.	Kitgum MC	167	71	96	57%
3.	Nansana MC	92	45	47	51%
4.	Tororo MC	385	187	198	51%
5.	Iganga MC	131	89	42	32%
6.	Lugazi MC	235	151	84	36%
Total		1176	596	580	49%

As a result, a number of staff were either in acting capacity or assignment basis. The failure to fill the vacant posts leads to underperformance, inefficiency and stress arising from work overload.

This was mainly attributed to the banned on fresh recruits by the Ministry of public service
I advised the Local Governments to continue engaging the responsible authorities to address the matter.

2.3.7 Failure to consolidate all the Municipal Councils

A review of the consolidated financial statements of local Governments revealed that three (3) Municipal Councils of Arua, Mubende and Ntungamo with total budget and actual expenditure of over UGX.18 billion were not consolidated as shown below;

Table 13: Showing Un-consolidated Municipalities

Entity	Approved/revised Budget - UGX	Actual Expenditure - UGX
Arua Municipal Council	8,938,115,260	8,378,526,033
Mubende Municipal Council	7,044,556,795	6,683,920,226
Ntungamo Municipal Council	3,775,541,705	3,338,906,042
Total	19,758,213,760	18,401,352,301

This was attributed to delay in submission of financial statements by the respective entities for consolidation.

The Accountant General explained that the submission rate was expected to improve going forward with the increase in the number of votes connected to IFMS and enhancement of systems support through the establishment of the regional Treasury Service centres.

I urged the Local Governments to ensure that they all submit their financial statements timely for consolidation.

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 Consolidated Financial Statements, that 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 Municipal Councils, with specific matters in key legislations. I performed procedures primarily to identify findings but not to gather evidence to express assurance.

There was no material finding in respect of the compliance criteria for the applicable subject matters.



John F.S. Muwanga
AUDITOR GENERAL
KAMPALA

30th December, 2019

2.4 REPORT OF THE AUDITOR GENERAL ON THE GOVERNMENT OF UGANDA CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE OF PUBLIC CORPORATIONS AND STATE ENTERPRISES FOR THE YEAR ENDED 30TH JUNE 2019

According to Section 3 of the Public Finance Management Act (PFMA), 2015 (as amended), Public Corporation and State Enterprises are defined as follows;

"A Public Corporation means an authority established by an Act of Parliament other than a local Government which receives a contribution from public funds, and any public body which in a financial year receives any income from public funds".

"A State Enterprise means a body established under any Act other than the Company's Act or a local Government council, and a company registered under the company's Act in which the Government or a state enterprise has controlling interest".

From the above definitions I noted that 68 entities comprising of 39 profit making companies/state enterprises and 29 non-profit statutory corporations were supposed to be consolidated. Some entities which fall under the above definitions were excluded and reported on in the consolidated accounts of Government.

Section 52 (1c) of the Public Finance Management Act (PFMA), 2015 (as amended) requires the Accountant General, within three months after the end of each financial year, to prepare and submit to the Minister 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.

In line with the PFMA 2015, I reviewed the Consolidated Summary Statement of the Financial Performance of Public Corporations and State Enterprises for the year ended 30th June 2019, and noted the following;

2.4.1 Completeness of the Consolidated Summary Statement of Performance

A review of the consolidated summary statement of performance of Public Corporations and State Enterprises revealed that 16 entities were disclosed as not consolidated due to failure to submit the summary statement of financial performance for consolidation, the entities are listed below;

Table 14: Showing entities not Consolidated, but Disclosed in the consolidated summary statement

S/N	Enterprise
1	Allied Health Professionals Council
2	Hotel and Tourism Training Institute
3	Nakivubo War Memorial Stadium
6	National Council for Children
5	National Council for Disability
6	National Council of Sports
7	Uganda Airlines Limited
8	National Women Council
9	National Youth Council
10	Uganda Air Cargo Corporation

S/N	Enterprise
11	Uganda Livestock Industries
12	Uganda Medical & Dental Practitioners Council
13	Uganda Nurses and Midwives Council
14	Uganda Seeds Ltd
15	Uganda Railways Corporation
16	The Microfinance Support Centre Ltd

I further noted that 16 entities which qualify for consolidation as statutory corporations and state enterprises were neither reported nor disclosed in the consolidated summary statement of performance contrary to the provisions in the PFMA as indicated in the table below;

Table 15: Showing entities not reported or disclosed in the consolidated summary statement

S/N	Enterprise
1	Nakawa Vocational Training Institute
2	Uganda Crane Industries Ltd.
3	Amber House
4	Uganda Energy Credit Capitalization Co. Ltd
5	Micro Finance Support Centre Uganda LTD
6	National Social Security Fund
7	Capital Markets Authority
8	Civil Aviation Authority
9	National Lotteries Board
10	Enterprise Uganda
11	Tax Appeals Tribunal
12	National Council for Science and Technology
13	National Populations Council
14	Insurance Regulatory Authority
15	National Council for Older Persons
16	National Library of Uganda

I also noted that included in the consolidated summary statement, is Bank of Baroda with a recorded net worth of UGX.392,691,620, however I was not provided with evidence of Government ownership in the Bank.

This implies that the consolidated summary statement of financial performance of public corporations and state enterprises is incomplete and does not reflect the accurate status of Government ownership and interest in all Public Corporations, State Enterprises and Companies.

Management in their response explained that the Accountant General issues end of year circular which clearly spells out the timelines for submission in accordance with the PFMA 2015 requirements. However, some 30% of Public Corporations did not submit Financial Statements for consolidation. However, the affected entities have been notified to ensure submission in the right format for financial reporting for consolidation.

I advised Government to issue comprehensive guidelines in respect of entities to be consolidated in the summary statement of performance, and timelines for the entire consolidation process to ensure compliance with the requirements of PFMA, 2015.

2.4.2 Un-harmonised Financial Reporting Framework for Financial Performance of Public Corporations and State Enterprises

Whereas the Accountant General has issued the financial reporting guidelines 2018 to be followed by all Government Ministries, Departments and Agencies (MDAs) while preparing financial statements, a number of Public Corporations and State Enterprises have developed their own Accounting manuals while some have adopted other reporting frameworks such as IFRS and IPSAS, among others.

Un-harmonised financial reporting frameworks affect accurate consolidation of performance results of such entities.

Management explained that S46 (a) of the PFMA mandates the Accountant General to specify the basis of accounting to be adopted by all entities. In compliance with the above, the Accountant General through the financial reporting guide advised entities on the respective reporting frameworks to be followed. A harmonized reporting template was developed and issued with the respective entities to aid in the preparation of the Consolidated Statement of performance. This is within the mandate of the Accountant General given by PFMA 2015 as stated above.

Although the Accountant General reportedly issued the guidance, entities continued to prepare accounts in different formats and Accounting frameworks.

2.4.3 Adoption of different accounting policies for statutory corporations and state enterprises

Whereas Government has adopted the modified cash basis of accounting for most of her entities, there are other entities that have adopted different accounting policies such as accrual basis of accounting and cash basis of accounting.

The different accounting policies affect consistencies in reporting across the different entities besides making it quite difficult to consolidate performance and undertake unbiased comparison.

Management in their response took note of the audit observation and promised to progressively monitor and evaluate the appropriate reporting format to achieve a harmonized framework in the future.

Management is advised to expedite the process of harmonising the accounting policies and reporting framework across all Government institutions to achieve uniform and balanced reporting of the entities' performance.

2.4.4 Financial Performance of Public Corporations and State 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 observed that financial institutions, such as; Pride Micro Finance, Post Bank Uganda Limited, and Uganda Development Bank were assessed for the period ending 31st December 2018 due

to the fact that their financial years do not follow the Government financial year end of 30th June. In addition, entities such as Uganda Railways Corporation, Uganda Printing and Publishing Corporation, Uganda Seeds Limited, National Housing and Construction Company Limited and Enterprise Uganda were not sampled for assessment because they had not submitted audited accounts at the time of concluding this review.

I noted that the Government Consolidated Summary Statement of financial performance of public corporations and State enterprises only reported on; Government shareholding, total income, total expenditure, dividends declared, retained earnings, and net worth of entities. However, key performance assessment parameters, such as; profitability, return on assets, liquidity assessment, long-term debt, and interest cover were not reported on. As a result, I computed these ratios for further analysis of performance of entities using audited financial statements and noted the following:

a) Profitability of Enterprises

I noted that Nineteen (18) out of the 26 State Enterprises analysed made profits in the year under review, with National Water and Sewerage Corporation (NWSC), Uganda Electricity Transmission Company Limited (UETCL) and Civil Aviation Authority (CAA) posting profits of UGX 85.7bn, UGX 64.6bn and UGX 45.5bn respectively.

Table 16: Showing Profitability of Enterprises

No.	Enterprise	Profit After Tax (UGX)	
		2018/19	2017/18
1	National Water and Sewerage Corporation	85,700,275,000	51,188,903,000
2	Uganda Electricity Transmission Company Limited	64,639,000,000	(75,526,000,000)
3	Civil Aviation Authority (June 2019)	45,508,158,000	3,718,584,000
4	Uganda Electricity Generation Company	24,783,518,000	(10,856,159,000)
5	Pride Micro Finance (Dec 2018)	15,111,855,000	16,496,928,000
6	Uganda Development Bank (Dec 2018)	9,486,394,000	8,306,247,000
7	New Vision Printing and Publishing Company Limited	3,909,242,000	4,620,769,000
8	Post Bank Uganda Limited (Dec 2018)	3,498,702,610	6,204,064,468
9	Nile Hotel International Limited	1,228,312,941	1,521,712,660
10	Uganda Property Holding	1,223,239,694	125,315,766
11	NEC Construction Works & Engineering Limited	1,187,509,276	795,920,408
12	NEC Tractor Hire Scheme Limited	1,052,806,406	752,282,106
13	NEC Luwero Industries Limited	367,940,424	230,073,329
14	Uganda Wildlife Conservation education Centre	285,709,550	65,550,176
15	Uganda Post Limited	188,856,000	100,495,000
16	Mandela National Stadium	137,505,004	238,902,339
17	NEC Uzima Limited	57,922,292	(385,744,000)
18	NEC Farm Katonga Limited	29,730,502	(359,026,879)
19	Capital markets Authority	(43,833,000)	1,330,205,000
20	NEC Tractor Project	(389,305,722)	(70,636,203)
21	Kilembe Mines Limited	(2,321,001,684)	(1,624,302,143)

No.	Enterprise	Profit After Tax (UGX)	
		2018/19	2017/18
22	Uganda Air Cargo Corporation	(3,726,108,262)	1,511,953,454
23	Uganda Broadcasting Corporation	(6,790,341,186)	(379,729,597)
24	Uganda Electricity Distribution Company Limited	(9,596,178,000)	(6,305,106,000)
25	Uganda Development Corporation (Group)	(17,571,299,000)	383,820,000
26	Bank of Uganda	(855,582,000,000)	424,113,000,000

The worst performing State Enterprises were Bank of Uganda (BoU), Uganda Development Corporation (UDC) and Uganda Electricity Distribution Company Limited (UEDCL) with losses of UGX.855.6bn, UGX.17.6bn and UGX.9.6bn, respectively.

In comparison to the previous year, 13 enterprises posted improved (increased profits or reduced loss) performance, with Uganda Electricity Generation Company, Uganda Property Holding and Civil Aviation Authority registering over 300% percentage increase. On the other hand, Uganda Development Corporation, Uganda Air Cargo Corporation and Bank of Uganda posted losses for the year from profit positions in the previous year with reduction in performance of over 300%.

b) Return on Assets

The Return on Assets (ROA) shows the percentage of how profitable a company's assets are generating revenue. 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 have persistently recorded impressive performance posting Return on Assets of 40.5%, 9.5% and 5.7%, respectively.

Majority of the enterprises are suboptimal and inefficient in utilising their assets. The worst performing Enterprises were NEC Tractor Project, Uganda Development Corporation and Kilembe Mines Limited.

Table 17: Showing Return on Assets

No.	Entity	Return on Assets (%)	
		2018/19	2017/18
1	NEC Tractor Hire Scheme Limited	40.53	43.3
2	NEC Construction Works & Engineering Limited	9.48	26.8
3	Pride Micro Finance (Dec 2018)	5.67	6.7
4	New Vision Printing and Publishing Company Limited	4.42	2.7
5	Civil Aviation Authority June 2019	3.79	0.32
6	National Water and Sewerage Corporation	3.53	3.2
7	Uganda Development Bank (Dec 2018)	2.84	2.79
8	NEC Uzima Limited	2.78	(20.1)
9	Uganda Wildlife Conservation education Centre	2.07	0.5
10	Uganda Electricity Transmission Company Limited	1.94	(2.9)
11	NEC Luwero Industries Limited	1.83	1.3
12	Post Bank Uganda Limited (Dec 2018)	0.92	1.8

No.	Entity	Return on Assets (%)	
13	Nile Hotel International Limited	0.58	0.8
14	NEC Farm Katonga Limited	0.57	(6.2)
15	Uganda Property Holding	0.49	0.1
16	Uganda Electricity Generation Company	0.40	(0.2)
17	Uganda Post Limited	0.20	(4.6)
18	Mandela National Stadium	0.08	(0.1)
19	Capital markets Authority	(0.57)	17.05
20	Uganda Electricity Distribution Company Limited	(0.58)	0.4
21	Uganda Broadcasting Corporation	(2.30)	(0.13)
22	Uganda Air Cargo Corporation	(4.21)	1.7
23	Bank of Uganda	(5.26)	3.2
24	Kilembe Mines Limited	(5.81)	(4.3)
25	Uganda Development Corporation (Group)	(14.54)	(4.9)
26	NEC Tractor Project	(18.99)	3.2

c) Dividends

I observed that, out of the 18 profit making enterprises, only Uganda Property Holding proposed a dividend pay-out of UGX.100,000,000. In the year under review, New Vision Printing and Publishing Company Limited paid out dividends declared for the previous year totalling UGX.870,659,000.

I advised Government to ensure that profit making enterprises provide a share of Government dividend.

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 is desirable, although acceptable current ratios vary between industrial sectors.

I noted that 12 entities were above the ideal threshold, implying that they are able to meet their liabilities as they fall due although 7 of these enterprises had very high ratios exceeding 10. 7 entities had ratios below 1.5 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 Uganda Development Bank was not made because the financial institutions have mandatory liquidity thresholds.

Table 18: Showing Enterprise Liquidity

No.	Entity	Current Ratio	
		2018/19	2017/18
1	NEC Farm Katonga Limited	938.09	305.92
2	NEC Tractor Hire Scheme Limited	15.86	4.96
3	Uganda Development Corporation (Group)	14.68	62.07
4	NEC Tractor Project	14.16	8.32
5	Uganda Electricity Generation Company	12.74	7.62
6	Capital markets Authority	11.58	11.91
7	Nile Hotel International Limited	10.60	7.82
8	Uganda Electricity Distribution Company Limited	9.37	4.65
9	NEC Luwero Industries Limited	5.04	5.07
10	New Vision Printing and Publishing Company Limited	4.21	3.60
11	Uganda Property Holding	3.34	4.05
12	Civil Aviation Authority June 2019	3.09	1.89
13	Uganda Electricity Transmission Company Limited	1.80	1.47
14	National Water and Sewerage Corporation	1.80	1.31
15	Kilembe Mines Limited	1.66	2.00
16	Uganda Air Cargo Corporation	1.29	1.76
17	NEC Construction Works & Engineering Limited	1.15	3.85
18	Uganda Post Limited	1.13	1.09
19	Uganda Broadcasting Corporation	0.54	0.54
20	Mandela National Stadium	0.54	0.43
21	Uganda Wildlife Conservation education Centre	0.41	0.49
22	NEC Uzima Limited	0.33	2.04

I advised Government to ensure management of these entities strengthen their Treasury/working capital management strategies to ensure speedy collection of debts and reduction of liabilities.

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 8 State enterprises had debt ratios of more than 50% implying that their total assets were insufficient to cover their total debt. These included; UEDCL, UETCL, UEGCL, NEC Construction Works, Post Bank Uganda, Bank of Uganda, Pride Micro Finance and NWSC.

18 enterprises had debt ratios of less than 50% implying that owners' equity was sufficient to cover total debt. Further analysis noted that 9 enterprises had very low gearing levels below 10% indicating availability of untapped source of financing for growth.

Table 19: Showing Enterprise Gearing

No.	Entity	Debt Ratio (%)	
		2018/19	2017/18
1	Uganda Electricity Distribution Company Limited	88.12	86.97
2	Uganda Electricity Transmission Company Limited	87.79	87.48
3	Uganda Electricity Generation Company	87.28	85.44
4	NEC Construction Works & Engineering Limited	86.73	25.83
5	Post Bank Uganda Limited (Dec 2018)	81.33	82.40
6	Bank of Uganda	80.97	75.50
7	Pride Micro Finance (Dec 2018)	58.55	58.70
8	National Water and Sewerage Corporation	58.30	68.20
9	Civil Aviation Authority June 2019	48.88	49.51
10	NEC Uzima Limited	44.21	9.83
11	Uganda Development Bank (Dec 2018)	31.48	31.27
12	Uganda Post Limited	21.12	19.69
13	Uganda Development Corporation (Group)	20.38	29.43
14	New Vision Printing and Publishing Company Limited	19.89	20.05
15	Uganda Broadcasting Corporation	17.81	17.72
16	Uganda Air Cargo Corporation	16.70	15.17
17	Kilembe Mines Limited	13.71	15.61
18	Capital markets Authority	8.44	8.24
19	NEC Tractor Project	7.04	11.98
20	NEC Luwero Industries Limited	6.74	10.67
21	NEC Tractor Hire Scheme Limited	5.42	16.78
22	Uganda Wildlife Conservation education Centre	2.81	3.61
23	Mandela National Stadium	2.53	2.28
24	Uganda Property Holding	0.63	0.62
25	Nile Hotel International Limited	0.25	0.37
26	NEC Farm Katonga Limited	0.02	0.04

In comparison to the previous year, NEC construction works increased its gearing from 25.8% to 86.7%, NEC Uzima also increased from 9.8% to 44.2% while NEC Tractor project, NEC Luwero industries and NEC Tractor hire scheme had reduced gearing by over 30% from the previous year. The rest of the entities had no notable change in the gearing levels.

f) Interest cover

I analysed the interest cover of enterprises that had taken on loans to establish their ability to service the loans through payment of interest. Interest cover looks at how many times a Company's operating profits exceed its interest payable. A cover of 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.

I noted that 8 State enterprises were better placed to meet their interest obligations, while 7 were not. The three worst performing State enterprises in this aspect were Bank

of Uganda, Uganda Broadcasting Corporation and NEC Tractor Project, which may have challenges meeting their interest obligations.

Table 20: Showing Enterprises' ability to service loan obligations

	Entity	Profit before Interest - UGX	Interest (Financing cost) - UGX	Interest Cover (No. of times)
1	NEC Luwero Industries Limited	1,605,446,322	2,898,800	553.8
2	Uganda Property Holding	2,295,266,559	18,139,200	126.5
3	NEC Construction Works & Engineering Limited	1,174,872,802	12,636,474	93.0
4	NEC Tractor Hire Scheme Limited	1,031,670,365	21,136,041	48.8
5	NEC Farm Katonga Limited	28,230,596	1,499,906	18.8
6	National Water and Sewerage Corporation	55,246,011,000	5,993,271,000	9.2
7	Uganda Development Bank (Dec 2018)	15,810,821,000	2,217,024,000	7.1
8	Uganda Post Limited	307,786,000	54,711,000	5.6
9	Pride Micro Finance (Dec 2018)	28,944,865,000	7,666,079,000	3.8
10	Uganda Electricity Generation Company	23,922,515,000	8,256,418,000	2.9
11	Civil Aviation Authority June 2019	48,737,266,000	20,574,758,000	2.4
12	Post Bank Uganda Limited (Dec 2018)	14,004,100,319	8,465,096,709	1.7
13	Bank of Uganda	(727,747,000,000)	127,835,000,000	-5.7
14	Uganda Broadcasting Corporation	(6,790,341,186)	34,468,397	-197.0
15	NEC Tractor Project	(390,592,922)	1,287,200	-303.4

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 such investments are operating efficiently and effectively to meet Government objectives. There is need for Government to improve on supervision and monitoring of these entities. In addition, Government should issue comprehensive guidelines on the consolidation process and consider preparing a comprehensive Consolidated Summary Statement of Performance to include key performance measurement parameters as noted above.

PART 3: RESULTS OF AUDIT OF THEMATIC AND FOCUS AREAS

This part contains the key audit findings of 4 thematic areas (3.1 to 3.4) and 8 focus areas (3.5 to 3.12) undertaken during the audit year ended 31st December 2019. The detailed reports of the thematic areas have been separately issued and copies are available.

3.1 Performance of the Approved 2018/19 Budget

3.1.1 Performance at the national level and selected MDAs

Government approved a budget of UGX.32 trillion for the financial year 2018/19. This was later revised to UGX.35 trillion through supplementary allocations. The theme for the budget was "Industrialization for job creation and shared prosperity" The focus was productivity improvement, infrastructure development, improvement in the delivery of services, investment promotion and private sector growth, harnessing tourism potential, improving governance and pay reform and public debt management.

I undertook a review of the performance/implementation of the 2018/19 approved budget and observed the following.

a) Government revenue and expenditure

Government planned to collect revenue of UGX.17.62tn from taxes, NTR and grants. UGX.17.86tn was realised which represents 101% revenue performance. In addition Government expected to fund the balance of UGX.17.41tn through domestic borrowing, budget support, external financing (both concessional and non-concessional loans), Appropriation on Aid collected by government departments as well as domestic debt refinancing.

Out of a total budget of UGX.35.03tn, UGX.31.194tn was released leaving a balance of UGX.3.84tn. This translated in performance of 89.03%. Out of the total releases of UGX.31.194tn, UGX.30.646tn was spent leaving unspent balance of UGX.548bn representing absorption of 98.2%.

b) Un approved supplementary expenditure

Section 25(1) of the PFMA, 2015 provides that the Minister may approve a supplementary budget up to 3% of appropriated budget but is required to seek retrospective approval from Parliament within 4 months.

During the year under review, the Minister approved a supplementary budget of UGX.1,772,222,007,231. However, upon tabling the expenditure to Parliament, only UGX.615,745,043,306 was approved leaving UGX.1,156,476,963,925 un approved.

I advised the Minister to seek further guidance on how such reflected funds should be treated.

c) Implementation of Government projects

I observed that 43 Government Projects had funds available of UGX.2.31tn to implement project activities. However, only UGX.1.58tn was spent resulting into unutilised balance of UGX.736bn which represents a low absorption capacity of 68%. This was majorly attributed to delays in approving work plans, long procurement processes, delays in signing of contracts and slow execution of works among others.

As a result, there were partial or non-implemented planned activities, interest charges on unwithdrawn funds of UGX.90.6bn, increased project administration costs as a result of project extensions, and delayed service delivery to the beneficiary communities.

I advised the Government to work closely with the relevant stakeholders to fast track implementation of project activities and ensure project milestones are achieved.

d) Garnishee of Government funds

In the FY 2018/19, a total of UGX.66,550,119,068 and USD.528,000, on seventeen (17) bank accounts, was attached by way of Garnishee orders against Government. I observed that judgment debtors are increasingly resorting to the use of Garnishee orders against Government accounts as a means of enforcement. This was partly due to absence of a clear and proper procedure and policy for the effective settlement of court decisions and orders entered against the GOU. The effect is that planned Government programmes are not implemented.

Government should devise a strategy of managing the payment of debts arising out of court awards as a means of limiting recourse to garnishee of Government accounts

e) Analysis of the extent of implementation of Planned Activities

I sampled 78 entities with a total budget of UGX.14.2 tn (40.5% of the national budget) and 6,262 activities for further analysis of the extent of implementation of planned activities. Based on the work I performed I noted the following;

i. Failure to budget for Non-Tax Revenue (NTR)

Twelve (12) entities representing (15%) of the sample did not budget for NTR contrary to PFMR. Despite the non-budgeting the entities collected NTR of UGX. 8.3bn as NTR Failure to budget for NTR was mainly due to non-registration of entities on the URA web portal to enable MoFPED generate estimates. In addition the PBS module could not allow the inputting of NTR budget estimates. Failure to budget for NTR makes it impossible to assess the performance of these entities in achieving the NTR targets.

ii. Off budget financing

Twenty one (21) of the Seventy eight (78) sampled entities received off budget financing amounting to UGX.320bn representing 10% of the total approved budgets of these (21) entities. These funds were never transferred to the UCF contrary to the PFMA. Non remittance of off budget funds is contrary to the law and may also result in duplication of activities.

iii. Unquantified outputs/activities

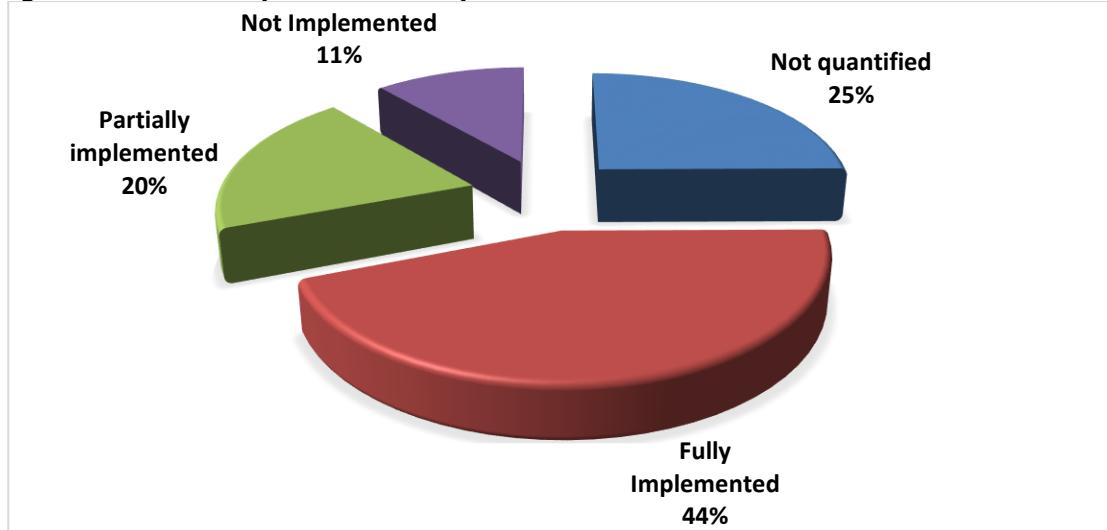
Out of a total of 6,262 activities planned for implementation in the 78 sampled entities, I assessed the implementation of 4,248 activities representing 68% of the total planned activities in the sampled entities.

I noted that out of the 4,248 activities assessed, 1,056 (25%) activities were not quantified to enable measurement of performance. The failure to quantify out-puts was a result of absence of M&E functions to review work plans and the information entered in the PBS by the planners. In some cases planners were not conversant with the PBS system and needed training while some entities lacked planners. Non quantification of outputs/activities makes it difficult to assess the extent to which the entities have undertaken the implementation of planned activities.

iv. Implementation of Quantified outputs/activities

Out of a total of 3,192¹ quantified activities assessed, 1,883 (44%) activities were fully implemented, 829 (20%) were partially implemented, while 480 (11%) activities were not implemented at all. The partial and non-implementation of activities/outputs was attributed to unrealistic targets that are not based on past experience, inadequate funding, poor contract management practices, burden of settling domestic arrears, change of priorities without corresponding availability of resources and garnishee orders on Government accounts. Partial and non-implementation of activities denies the beneficiaries the intended services.

Figure 2: Extent of implementation of planned activities



Government is advised to address the challenges in budgeting such as limitations of the PBS, lack of M & E officers, provision of resources and implementation of the planned activities to enable the achievement of the objectives of the NDP II.

¹ Total Sampled Out-puts (4,248) minus what was not quantified (1,056)

3.1.2 Performance in the Local Governments

I reviewed the performance in a sample of 101 (60%) out of 168 Districts and Municipalities and made the following observations:

a) Revenue Performance

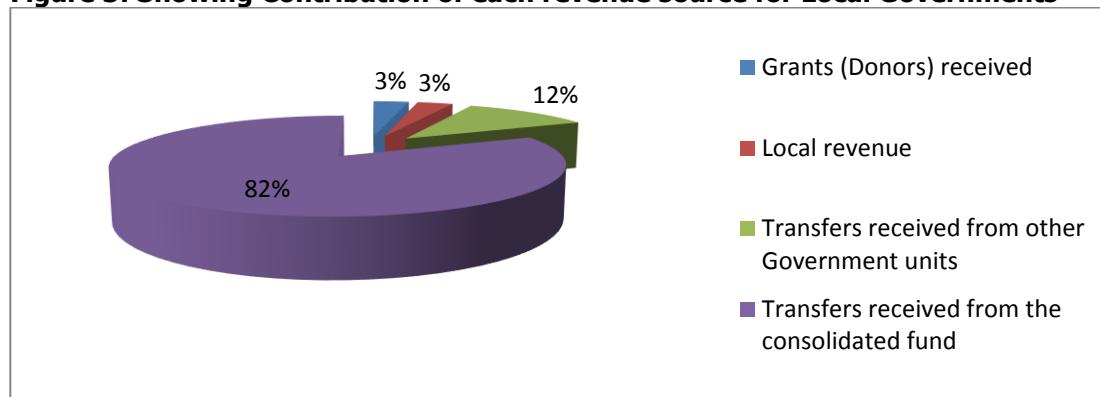
I compared the approved Budget against the warrants (releases) and noted that Transfers received from the consolidated fund performed at 99%, while Local revenue performed at 76% of budget contributing only 3% towards the total warrants/releases. Transfers received from other Government units performed at 81% and Grants (donors funding) performed at 65% as shown in the table below:

Table 21: Showing revenue performance of local governments

No	Revenue Source	Approved Budget - UGX	Warrants/Releases - UGX	%age performance
1	Transfers received from the consolidated fund	2,163,167,916,562	2,137,213,915,252	99%
2	Local revenue	112,458,420,725	85,219,652,840	76%
3	Transfers received from other Government units	374,774,295,347	304,433,083,584	81%
4	Grants (Donors funding) received	131,084,401,244	84,666,243,311	65%
	Total	2,781,485,033,878	2,611,532,894,987	94%

The analysis showing the contribution of each revenue source towards the total warrants/releases is shown below:

Figure 3: Showing Contribution of each revenue source for Local Governments



The Accounting Officers attributed the underperformance to low revenue base, the splitting and creation of new Administrative Units, budget cuts and unrealistic budgeting.

I advised the Local Governments to engage the relevant authorities to honour their obligations and develop strategies to enhance local revenue collections.

b) Local Revenue Performance

I reviewed the Tax and NTR estimates which constitute Local revenue and noted that out of the budgeted local revenue of UGX.112,458,420,725 for the financial year 2018/19, only UGX.85,219,652,840 was collected, representing a performance of 76% of the target.

It was observed that out of the sample of 101 entities, 51 (50%) districts and Municipalities registered local revenue performance of 75% and above, 27 (27%) registered a moderate performance of 50% to 74% while, 23 (23%) performed below 50%.

The districts of Kaabong, Kween and Bulambuli registered the highest performance of 211%, 200% and 154% respectively while Tororo, Bundibugyo and Kibaale registered the lowest performance of 18%, 14% and 11% respectively.

The Accounting Officers attributed the performance to low tax base, creation of new entities which reduced local revenue collections changes in tax policy, natural calamities, animal quarantine and negative attitude towards paying taxes. I advised the Local Governments to initiate measures to ensure that all budgeted local revenue is realised.

c) Unrealised Donor Funding (Grants received)

I noted that the 101 (60%) entities budgeted to receive UGX.131,084,401,244 from development partners to fund health and education related activities. However, only UGX.84,666,243,311 (65%) was realized leading to unrealised funds of UGX.46,418,157,933 (35%).

The Accounting Officers attributed the shortfall to the budget estimates that are prepared on the assumption that the local Governments would receive the same donor funding of the prior years.

Consequently, planned activities funded by development partners such as immunisation, HIV, malaria treatment and construction of primary schools were not implemented.

I advised the Local Governments to engage the relevant agencies to honour their obligations.

d) Absorption of funds

I noted that out of the total warrants (releases) of UGX.2,611,532,894,987 the Local Governments spent UGX.2,498,855,842,038 (96%) representing an under-absorption of UGX.112,677,052,949 (4%) as shown in the table below;

Table 22: Showing Levels of absorption of funds by Local governments

Warrants (Released Funds) (UGX)	Expenditure (UGX)	Unspent (UGX)
2,611,532,894,987	2,498,855,842,038	112,677,052,949

The unutilized UGX.112,677,052,949 was swept back to the Consolidated Fund. Consequently, the intended outputs were not fully achieved. Under absorption was attributed to mainly unpaid salaries due to delayed recruitment of staff and hybrid procurement procedures under the UgIFT programme.

I advised the Local Governments to liaise with the District Service Commissions, Ministry of Public Service, Ministry of Health and Ministry of Education and Sports to address bottlenecks in staff recruitments and UgIFT programs.

e) Implementation of Key Outputs

During the year under review, Districts and Municipal Councils planned to implement and achieve both recurrent and development activities under various programmes. The key deliverables for the financial year were highlighted in the memorandum Statement of Performance of the entities' financial statements.

I inspected a sample of 358 projects and sub projects under UgIFT, NUSAf3, URF, Water, YLP and UWEP programmes in 43 LGs representing (26%) of the 168 LGs audited to establish the status of implementation. The results of inspections revealed that 210 (59%) projects/subprojects were fully achieved, 112(39%) partially implemented while the balance of 36(10%) were not implemented at all.

As a result, the community was denied the opportunity to access services required to improve their standard of living.

I also noted that the presentation of key outputs in the statement of performance differed across entities. Out of 43 entities, 22 (51%) LGs did not quantify their outputs/activities to enable assessment of the level of implementation.

The Accounting Officers attributed the partially and non-implemented projects and subprojects mainly to budget cuts and the hybrid procurement procedures. The differing presentation of key outputs in the statement of performance was attributed to inadequate guidance on the preparation of the statement from the Accountant General.

I advised the Local Governments to engage relevant Ministries to address the hybrid procurement challenges and also, to engage the Accountant General for the required guidance on the preparation of the statement of performance.

3.2 Compensations of Project Affected Persons (PAPS) and Acquisition of Right of Way

The National Development plan II for 2015/16-2019/20 and the Energy Sector Development Plan for the same period, target enhancement of power generation capacity through construction of Hydropower Power Plants and expansion of electricity transmission lines in different areas of the Country.

Government spent USD.330,690,000 (approximately UGX.1.25 trillion²) in 3 financial years (2016/17, 2017/18 and 2018/19) on 18 projects over 50 districts in counterpart funding

² Taking an average exchange rate of UGX.3800:1USD

towards payment of compensation of Project Affected Persons (PAPS). I selected 4 projects with a compensation value of UGX.96.785 billion and observed the following key matters:

- a) There were significant delays in undertaking Resettlement Action Plan (RAP) Studies and Social Impact Assessment with a time lag of 3 to 5 years which led to delayed commencement of projects after the loan effective dates, and as a result Government paid a sum UGX.37.37 billion and UGX.0.815 billion in commitment fees on loans acquired for the industrial park and Mbarara-Nkenda projects.
- b) The project cut-off dates were not communicated to the communities and as a result PAPs continued to develop their land and transacting other businesses after completion of the developments inventory. This resulted in increased compensation on Mbarara-Nkenda and Kawanda-Masaka by UGX.1.153 billion.
- c) Several valuation disputes which ended up raising the cost of the projects as a result of revaluation. For example, Mbarara-Nkenda and Kawanda-Masaka project cost increased by UGX.13.36 billion and 28.76 billion, respectively.
- d) The low absorption rate of compensation funds released by Government on two projects of industrial park and Mbarara-Nkenda projects, where out of the released UGX.200.6 billion, only 110.5 billion had been paid out indicating an absorption rate of only 55%.
- e) Despite the availability of funds for compensation by Government, PAPs delayed to be paid. 30% of paid PAPs took between 1 and 2 years to be paid contrary to the required six months. As a result of the delay, 37 legal suits were made against UETCL amounting to UGX.42.9 billion.

The Value for Money audit undertaken in this area and reported separately in part 4, of this report revealed that the land acquisition and compensation process faced four major challenges, namely:

- i. Increasing compensation costs of over UGX.28.54 billion due to delayed commencement of compensation, registration of new claims, non-standardised application of valuation rates and payment for land held in trust for Ugandans;
- ii. Misalignment of the corridor for Karuma-Lira transmission line due to erroneous control points;
- iii. Extension of the activity beyond the planned timeframe, due to grievances by PAPs and delayed feedback from coordinating agencies; and
- iv. Claims for rock deposits which risk doubling the costs of compensation for Karuma and increasing those for Isimba by up to 12 times. In addition, the 119 vulnerable PAPs displaced under Karuma are yet to be resettled.

I advised Government to take a holistic review of the compensation processes to iron out deficiencies which lead to unnecessary leakage of funds.

3.3 Management of the National Backbone Project

Section 4 (a) of the NITA 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.

The NBI/EGI project is an important intervention by GOU to address the challenge of internet connectivity and ICT infrastructure to enhance e-Government services across Government entities in the whole country; which is in line with the NDP priorities and Vision 2040. To date, the GOU has invested a total of USD.191 million in the NBI/EGI project. A review of the operations of the NBI/EGI revealed the following:

3.3.1 Limited use of the NBI/EGI infrastructure

I noted that a total of 445 sites out of the envisaged 20,000 are connected to the NBI and of these 369 are using the related services. 76 sites though connected to the NBI, are not utilising the available services. Under the circumstances, Government is still a long way from realising its target of having all Government sites connected to the NBI. Since the law requires all Government data to be transmitted via the NBI there is need to enforce this by making sure that all connected sites use this service.

The UGX.1.047bn spent on last-mile connection infrastructure to the 76 sites which are not using the NBI services may be wasted if the investment is not put to proper use and the equipment may become obsolete before usage. Relatedly a total of UGX.25 bn was in the FYs 17/18 and 18/19 used by MDAs, which are connected to the NBI, to pay for alternative internet bandwidth service providers. This is against the law and because their budgets had already been included in the NITA-U budget it points to wastage.

3.3.2 Limited use of the National data centre services

Government has so far invested USD12,410,794 on setting up a national data centre. Currently, 82 out of 342 Government online applications are using the data centre services. It should be noted that running parallel data centres is costly for the Government due to the duplication of costs. Currently, 40% of the available data centre capacity is being utilized. I advised Government to ensure that all new data centre implementations and upgrades are approved by NITA-U before budget allocation, this way NITA-U will ensure that all applications that can be accommodated come on board.

3.3.3 Coverage of the NBI

NITA-U has so far laid 2324Km of optic fibre cable under phase I-III. Currently, Phase IV expected to extend the network to West-Nile and three boarder towns is underway. However, a number of last-mile connections have not been done hence the low numbers in connectivity. Most parts of the North and North East have not been covered due to lack of financing and will be covered under phase V. I advised NITA-U to expedite the last mile connections in the pipeline as well as developing a plan to finance phase V.

3.3.4 Underutilisation of the internet bandwidth

NITA-U procured 10Gbps upstream internet bandwidth under an indefeasible right to use arrangement. Currently, 50% of this capacity is commercially utilised with the rest offered as free WiFi. This has contributed to the high cost of the internet bandwidth as the sites which use the 50% subsidise the WiFi offered for free. Government is urged to expedite the last mile connections in the pipeline and also involve the private sector in the uptake of this bandwidth.

3.3.5 Cost of the internet bandwidth

NITA-U buys upstream internet bandwidth at a cost of USD.2.6 Mbps per month and sells to users at a cost of USD.70 Mbps per month.

The selling price is driven by maintenance costs, cost of upstream bandwidth and the non-tax revenue transferred to Treasury.

The cost is still high partly due to the underutilisation referred to above, maintenance costs and the high cost for the upstream bandwidth. However, it should also be noted that 50% of this cost is transferred to the UCF as Non-Tax Revenue.

This cost can be driven downwards if Government makes a deliberate effort to increase uptake by users and also implement a policy for shared infrastructure services to lower maintenance costs. In addition, if the Government revenue portion of USD 35 Mbps is waived the cost can come down by 50%.

3.4 Implementation of Performance Management Initiatives for Public Servants

Shortcomings were noted in the implementation of the provisions in the Circular Standing Instructions and Public Service Standing Orders on staff performance management in a sample of entities during the year as highlighted below;

- a) Out of the 1337 senior managers (U2 and above/Heads of departments) in 45 entities only 278 (21%) had developed performance agreements. The absence of Performance Agreements limits effective accountability and demonstration of commitment to the Government's strategic goals as specified in the National Development Plan.
- b) Out of the 16,104 staff in 46 entities, only 1,711(11%) had developed performance plans. In the circumstances, the basis against which individual performance achievements can be measured at the end of the assessment period is not provided.
- c) Out of 17,176 staff in 47 entities, only 676 (4%) carried out quarterly performance reviews. This inhibited management from evaluating and identifying performance constraints to take remedial action during the year.
- d) Out of 13,298 staff files analyzed in 45 entities, only 4,684 (35%) had carried out performance appraisals as at 31st July 2019. In the circumstances, management is unable to determine the extent to which set performance targets are achieved and is also unable to enforce the rewards and sanctions guidelines as they largely depend on the performance appraisal process.
- e) After the appraisal process, gaps were identified and these were supposed to feed into the performance improvement plan for the entity. It was observed that only 2 entities (Ministry of Education and Sports and Education service commission) of the 45 entities analyzed had performance improvement plans developed. In the circumstance, management is unable to identify the capacity needs and analyse the underlying reasons for poor performance.
- f) Out of the 21 entities reviewed on existence and functionality of rewards and sanctions committees, only 16 entities had functional rewards and sanction committees, besides the 16 existing committees, only 3 committees carried out the reward function as required. I noted that the rewarding of employees was not prioritized by the committees however, focus was on sanctions.

- g) In regard to monitoring of staff performance, I noted that out of the 23 entities reviewed, 21 had a mechanism for monitoring staff attendance. Further, I noted that for entities where manual registers were used, the system was not effective since there were no departure registers. In entities that used the biometric system it was not rolled out in all the entry points and offices of the different entities. I also noted that entities that complied lacked attendance reports.
- h) None of the sampled entities submitted reports on performance agreements, performance appraisals, performance improvement plans and absenteeism to MoPS. The non-submission of reports makes it difficult for the Ministry of Public Service to carry out the monitoring process.
- i) In regard to existence of client charters, only 6 entities out of 19 entities reviewed had client's charters. Without client charters, it becomes difficult for the entity clients to understand what they can reasonably expect from service providers.

I also reviewed 11 entities that do not entirely follow standing instructions issued by the Ministry of Public service but have Human Resource Manuals and report to the Boards and noted that out of the 1,719 staff reviewed, 1,202 had carried out performance appraisals representing 70%. I also noted that only 6 out of the 11 entities had a mechanism of monitoring staff attendance in place.

The above shortcomings were attributed to inadequate awareness of the requirements in the policies issued, inadequate follow up by the HR managers and Accounting Officers to ensure compliance, the peculiarity of some entities like Judiciary, Police, Defence and Prisons whose staff activities require a different tool to that motivates staff and address challenges of frequent rotation.

I advised the Ministry of Public Service to sensitise staff on the importance of the staff performance initiatives and also design appropriate appraisal tool to meet the challenges of the different organizations.

3.5 Management of Petroleum Revenues and Recoverable Costs

The Petroleum Fund is established by Section 56 of the Public Finance and Management Act, 2015 (as amended). The Fund serves as a depository for all revenues accruing to Government from petroleum operations and other related activities. Withdrawals from the Fund are made by appropriation to either the Uganda Consolidated Fund (UCF) or to the Petroleum Revenue Investment Reserve (PRIR). The transfers to the Consolidated Fund are supposed to support the national budget on infrastructure development while those to the PRIR are for future investment.

At the beginning of the year, the Fund had an opening balance of UGX.457.5 billion and it received revenue totaling to UGX.56.7 billion during the year. A sum of UGX.200 billion was transferred to the Consolidated Fund for budget support. I reviewed the operations of the Fund and noted the following:

a) Absence of a Fiscal Rule in the Management of the Petroleum Fund

The withdrawal of funds from the UPF is guided under Section 58 (a & b) of the PFMA, 2015, whereby the funds following Parliamentary Appropriation and issuance of a grant of Credit by the Auditor General are credited to the Uganda Consolidated Fund (UCF)

for budget support or to the Petroleum Revenue Investment Reserve (PRIR) for investment.

A fiscal rule is a framework which guides Government fiscal policy. In the natural resources sub-sector, a fiscal rule is a multiyear constraint on Government spending, deficit or public debt accumulation. It helps to commit Government to stable macroeconomic policy, which is necessary for growing and diversifying an economy dependent on large, finite and volatile natural resource revenues. A fiscal rule improves Government performance, public financial management and is used to objectively determine how much a country should be spending and investing from its natural resources revenue.

I noted that the process of appropriation and eventual transfer of Petroleum funds to either the UCF or PRIR is not guided by any fiscal rule, but left to the discretion of the Ministry of Finance, Planning and Economic Development during the budget formulation process, and Parliament, which lacks guidance in assessing and approving Government proposed spending and investment of oil revenues during appropriation.

The lack of a fiscal rule can lead to undesirable spending and investment decisions by Government that may not be economical, especially in times of economic instability.

Government explained that draft fiscal rule options had been developed and were awaiting Cabinet approval. I advised Government to expedite the process of approval of the fiscal rule.

b) Lack of an approved Petroleum Investment Framework

I noted that although Government appointed the Investment Advisory Committee (IAC), there was no approved Petroleum Revenue Investment Policy (PRIP) and Investment Framework developed to guide on the operations of the Petroleum Revenue Investment Reserve by BoU.

Lack of an approved PRIP delays appropriation of petroleum funds for investment and their subsequent investments to grow the Fund, and without an operational management agreement, the funds will continue to remain unutilized on the Petroleum Fund account without maximizing any returns that could have been obtained if funds were invested without causing undue risk to the PRIR.

Management explained that the appointed Investment Advisory Committee (IAC) reviewed both the Petroleum Revenue Investment Policy and the Operational Agreement between Bank of Uganda and MoFPED and forwarded for approval and signature.

I advised Government to expedite the approval of the Petroleum Investment Policy and the operational agreement between BoU and Government.

c) Draw down of funds from the Petroleum Fund

A sum of UGX.200 billion was transferred from the Petroleum Fund to the Consolidated Fund as part of domestic financing for the financial year budget 2018/19. However, there was no explicit disclosure of the infrastructure and development projects that

would be funded from the petroleum revenues and I therefore could not confirm whether the amount was used to finance infrastructure development of Government.

Management explained that internal discussions on formulating procedures and specific guidance for operations under the UPF are still ongoing, that will enable detailing the information needed.

I advised Government to expedite the process of formulating sufficient procedures to ensure clarity in the appropriation of funds from the UPF to the Uganda Consolidated Fund and the Petroleum Revenue Investment Reserve.

3.6 Management of Domestic Arrears

3.6.1 Outstanding domestic arrears

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

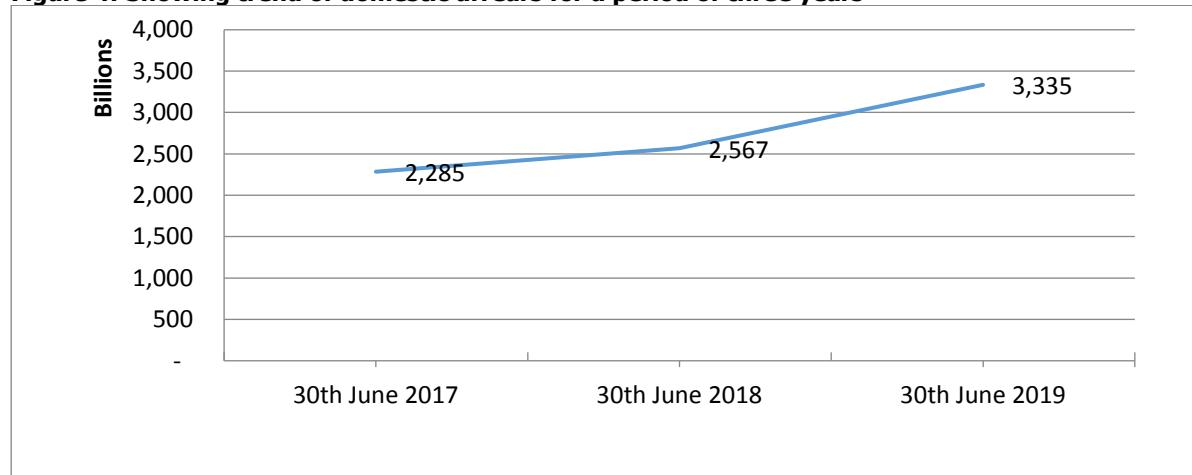
However, the trend of the domestic arrears for the past three years has continued to escalate despite several interventions by the Treasury. See table and figure below.

Table 23: Showing trend of domestic arrears

No	Year End	Amount (UGX)	% Increase/decrease
1	30 th June 2017	2,284,964,328,329	0
2	30 th June 2018	2,567,489,551,939	12.4%
3	30 th June 2019	3,334,699,967,995	29.9%

Source: Audited financial statements

Figure 4: Showing trend of domestic arrears for a period of three years



Continued incurrence of domestic arrears adversely hampers budget performance in the subsequent year as outputs anticipated in the appropriated budget cannot be attained due to settlement of the arrears.

I advised Government to strictly adhere to the Government commitment control system to minimise incurring new arrears.

3.6.2 Inadequate budget for domestic arrears

Section 13(10) (a) (iv) of the Public Finance Management Act, 2015 defines an annual budget as the financing estimates for the financial year to which the budget relates, including a plan for Government debt and any other financial liabilities for the financial year to which the annual budget relates.

Review of the approved budget estimates for the Government for the past two financial years indicated that the Accounting Officers did not make sufficient budget provisions towards the settlement of domestic arrears despite the accumulation of a total of UGX.2,567,489,551,939 in un-paid obligations. The amount provided in the budget for 2018/19 was only UGX.380,502,000,000 which is 15% of the reported arrears for the previous financial year.

I advised the Permanent Secretary/Secretary to Treasury to devise means of obtaining funding to settle all the arrears and also instill measures to stop the accumulation of arrears by the respective MDALGs.

3.7 Management of Uganda Road Fund in Local Governments

Uganda Road Fund (URF) is a Government of Uganda programme with an overall purpose of ensuring that all public roads are maintained at all times through the provision of adequate and stable financing for routine and periodic maintenance undertaken by designated agencies. Road maintenance is essential in order to: preserve the roads in good condition for the social and economic welfare of the communities.

I carried out an audit to ascertain, the program funding, utilization and whether activities were implemented in accordance with the work plan and to the desired quality. A sample of 84 (50%) out of the 168 Local Governments were selected for the audit and the following observations were made:

3.7.1 Funding and expenditure of road fund activities

A total of UGX 85,118,798,101 was budgeted to cater for routine manual maintenance, routine mechanised maintenance, periodic maintenance, mechanical imprest, administration and emergency activities in 84 Local Governments using Road gangs and the Force on Account mechanism.

It was noted that out of UGX.86,231,873,402 that was received by 84 Local Governments, UGX.85,436,866,110 (99%) was utilised resulting into under absorption of UGX.795,007,292 (1%). This affected the implementation of some the planned road works.

The performance per category of works undertaken is shown in the table below;

Table 24: Showing performance per category of works

Nature of planned activities	Planned (KM)	Achieved (KM)	%age achievement
Routine Manual Maintenance	17,215	15,967	93
Routine Mechanised Maintenance	6,760	6,852	101
Periodic Maintenance	1,090	1,068	98
Total	25,065	23,887	

- i. From the above summary, I noted that Routine Mechanised Maintenance achieved the best results at 101% while Routine Manual Maintenance and Periodic Maintenance performed at 93% and 98% respectively.
- ii. Field inspections on 50 of the sampled Local Governments revealed that despite of the URF intervention, the road network was not in a very good state characterised by; Incomplete works on roads, culverts lacking head walls, poor drainage, potholes and gullies on several roads, roads in immotorable state and narrowed carriage way.

The Accounting Officers attributed the shortcoming to budgetary constraints to carry out emergency works fully, heavy rains experienced during the year, poor terrain and nature of the soils.

I advised the Local Governments to engage relevant authorities to ensure increased funding and ensure that all planned works are implemented.

3.8 Management of the Youth Livelihood Program (YLP)

3.8.1 YLP at Ministry Level

During the financial year 2018/19, the Youth Livelihood program only received UGX.48.4 billion (73.9%) out of its annual approved budget of UGX.65.6 billion. The districts have continued not to remit recovered programme funds back to the national recovery account on a timely manner. This year, UGX.2.9 billion remained on various district recovery accounts. In addition, up to UGX.5.6 billion of the recovered funds could not be tagged to any district or youth group. There has been limited progress in revolving the fund, as districts have been delaying the processing and submission of the youth group applications to the ministry. Out of UGX.26.5bn of the recovered funds, only UGX.9.4bn was revolved to other youth groups leaving a balance of UGX.17.1bn unutilised on the national recovery account.

I advised Government to consider automating the operations of the Program which will ensure linking of the group disbursements, repayments, district submissions, district recovery accounts, and the National recovery account with an objective of ensuring timely access to all data related to the Program for proper decision making.

3.8.2 Youth Livelihood Programme in the Local Governments

The Youth Livelihood Programme (YLP) is a Government Programme implemented under the Ministry of Gender, Labour and Social Development (MoGLSD), aimed at responding to the existing challenge of unemployment among the Youths.

The programme provides support to the vulnerable youth in form of revolving funds for skills development projects and income generating activities initiated by the youth groups. I reviewed the project funding, status of funds recovery and the performance of YLP Groups and made the following observations:

a) Funding of YLP program

I reviewed a sample of 82 Districts and Municipal Councils and noted that Government, since inception of the programme in 2013/14, had disbursed a total of UGX.45,511,988,506 to the youth Groups.

b) Un-recovered Program Funds

I reviewed the funds recovery status and noted that out of the total funds disbursed of UGX.45,511,988,506, only UGX.10,487,010,800 (23%) had been recovered, since programme inception.

The recovery status varied in the sampled Districts and Municipal Councils, with the best performance levels registered in Ibanda District, Ibanda Municipal Council and Bushenyi District with 64%, 63% and 57% respectively. The worst performing Districts, with recovery outturn of 3%, and 5% were Namutumba and Kiboga Districts respectively.

The reasons for low recovery of program funds varied. I analyzed the causes and noted that group disintegration (65%) was the major reason characterised by youth sharing the disbursed money and going their separate ways. Enterprise Failure and Inadequate monitoring and evaluation followed with 11% each, as detailed below;

Table 25: Showing unrecovered YLP funds

S/N	Causes of non-recovery of Funds	Frequency	%age Frequency
1	Group Disintegration	30	65
2	Enterprise Failure	5	11
3	Inadequate M&E	5	11
4	Lack/limited markets for produce	2	4
5	Non availability of produce	2	4
6	Poor choice of enterprise	2	4
Total		46	100

The failure by Government to recover the funds implies that other eligible youth groups fail to access the would-be revolving funds which curtail participation in the program.

Government should reinvigorate the program by ensuring that youth groups are adequately sensitized on enterprise management and group dynamics before accessing funding. In addition, technical support, monitoring and supervision of youth enterprises should be mainstreamed into the routine community development activities of the Districts and Municipal Councils.

c) Transfer of funds to the National Revolving Fund Account

Districts and Municipal Councils are supposed to transfer recovered funds to the National Revolving Fund Collection Account in Bank of Uganda (BoU) to be revolved to new Youth Interest Groups.

I noted that out of the recovered funds of UGX.10,487,010,800, funds amounting to UGX.10,276,978,717 was transferred to the National Revolving Fund Account in Bank of Uganda leaving a balance of UGX.210,032,083 as un-transferred by close of the year.

Accounting Officers of the affected votes attributed the short coming to the slow rate of repayments by the groups hence the wait for funds to accumulate before transfer.

The Accounting Officers should timely transfer all recovered funds to the National Revolving Fund Account so that other Youth groups can have access to funding leading to increased participation in income generating activities.

d) Performance of YLP Groups

Sixty-eight (68) Youth Groups in the Districts and Municipal Councils were visited with a view of ascertaining group existence, participation and status of the enterprises. I noted that 10 (15%) of the groups were generally okay, given that the groups existed, maintained some records and the youth were earning income from the enterprises.

For, the other 58 (85%) youth groups, three major recurring problems (other than failure to repay the funds) were noted, as below:

- i. Forty-four percent of the Youth Groups had disintegrated, mostly after sharing money disbursed to them. In these instances, the group members could not be traced or were being run by one or two members out of the original number that formed the group.
- ii. Nine (09%) percent failed in their enterprises. In some instances due to animal diseases like swine fever (affects pigs), limited (seasonal) supply of produce.
- iii. Thirty-two percent had no proper records, making it hard to establish group activities, practices and challenges.

The Accounting Officers attributed the above anomalies to insufficient funds for the monitoring and supervision of the YLP beneficiary groups. The failure rate of the youth projects may not help solve the unemployment challenge among the Youths in the country.

Monitoring and supervision of YLP groups should be mainstreamed within the routine community development activities of the Local Governments to enable proper, adequate and timely provision of technical support.

3.9 Management of Uganda Inter-Governmental Fiscal Transfers (UgIFT)

3.9.1 Financial audit of UgIFT in Local Governments

The Uganda Inter-Governmental Fiscal Transfers Program for Results (UgIFT) is a Government Program being implemented under the Ministry of Health, and the Ministry of Education and sports, through the Districts and Municipal Councils. The program which started in the financial year 2018/19 was designed to address the financing gaps in service delivery specifically in the Health and Education sectors.

I carried out the audit to establish whether; Project funds were budgeted, disbursed and utilized in the implementation of planned project activities. I sampled 86 out of 168 Districts and Municipal councils and the following observations were made;

a) Under absorption of funds

i. Construction of seed secondary schools

Government budgeted for UGX.31,029,864,314 in respect of construction of 48 seed secondary schools in 48 Local Governments. The Local Governments received UGX.28,485,765,095 (92%) during the year and UGX.15,434,973,436 was paid to several contractors representing an absorption level of funds of 54%. The unspent balances of UGX.13,050,791,659 (56%) were swept back to the Consolidated Fund.

I further noted that the construction of the seed secondary schools were multi-year contracts to be implemented over a three year period and therefore constructions were on phased approach.

Failure to adequately plan and achieve the targeted outputs leads to the significant unspent balances.

I advised the Accounting Officer to ensure that annual budgets for multi-year projects are harmonized with the expected level of outputs.

ii. Upgrade of Health Centers IIs to III

Similarly, Government budgeted for UGX.17,581,095,191 in respect of construction for upgrading 37 Health centers II to III in 30 Local Governments. The entities received UGX.17,535,749,328 (100%) during the year and UGX.7,490,553,264 was paid to several contractors representing an absorption level of 43%. The unspent balances of UGX.10,045,196,064 (57%) were swept back to the Consolidated Fund and re-voted in the subsequent financial year.

Consequently, the upgrading of Health Centre IIs was largely not completed within the financial year, denying the intended services to the beneficiaries.

The Accounting Officers attributed the under absorption to delays in the Hybrid procurement system adopted by the line Ministries of Education and Health which took long to be concluded and the administrative reviews occasioned by PPDA. Besides, procurements were in lots whereby a contractor had several contracts which were beyond the contractors capacity thereby delaying contract works.

I advised the Local Governments to initiate measures aimed at ensuring that the above challenges are addressed to ensure that the planned activities are implemented on schedule.

iii. Land Ownership

According to the Administrative Circular issued by the MoFPED on 3rd May 2018 Local Governments were requested to ensure that all Local Government projects are constructed on owned land.

I observed that projects in 6 LGs were constructed on disputed land. Consequently, projects whose construction had started stalled as a result of these disputes.

The Accounting Officers attributed the shortcoming to lack of land titles and delays in acquisition of land from the local community. Consequently, the funds released for the seed secondary schools and Health Centers were swept back to the Consolidated Fund.

I advised the Local Governments to resolve the land disputes and ensure that the projects are completed.

iv. The hybrid procurement process

I reviewed the hybrid procurement system and noted as follows:

- There was no evidence that PPDA approved the hybrid procurement guidelines.
- Task and Guidance No.5 of the above procedures require that procurement of contractors be made in clusters of 5 LGs to attract competent, experienced contractors to enable the benefits of economies of scale. However, clusters of ten were instead noted. As a result, the contractors seemed to concentrate their efforts on some projects and left others to lag behind. They were overwhelmed with work.
- I observed that, although the Ministry of Education had guided that the construction of the seed school would be phased in 3 financial years; they did not set the minimum expected coverage for each phase and scope of works to be done, therefore making it difficult to measure the impact of each release of funds.

3.9.2 VFM report on UgIFT for the financial year 2017/18

As part of this program, the Office of the Auditor General undertook a Baseline Value for money Audit for the 2017/2018 Financial Year expenditures in both Health and Education sectors for a sample of selected primary schools and health Units together with the infrastructure projects implemented by 30 Local Governments. The purpose of the Value for money audit was to provide a baseline that will facilitate monitoring and assessment of the programme outcomes during the process of implementation of the programme. 30 Local Governments (LGs) comprising 22 districts and 8 Municipalities were selected for the assessment and assessed along three thematic areas namely; Utilisation of funds, Delivery of Infrastructure and Delivery of services. The detailed findings of the VFM study are in part 4 of this report.

In summary, the following were observed:

a) Utilisation of funds

I noted that out of sampled schools, 93.6% was utilised and absorbed as intended. However, outliers of non-utilisation and absence of financial records was observed in some entities. Further there were time overruns, non-adherence to procurement and the standard allocation of UPE funds per pupil per annum of UGX.10,000 was not adhered to with the minimum allocated amount of all LGs was UGX.3,770, the maximum was UGX.36,222.

b) Delivery of Infrastructure

I noted that the detailed engineer's estimates were prepared for only 31 (19%) of the 165 construction projects in 8 LGs Assessed and certified works in most LGs were not supported with measurement sheets. Further, gaps in supervision arrangements were observed, quality control was not being emphasized, facilities constructed were not being utilised for the intended purposes in most of the LGs and maintenance and repair of facilities was not being prioritized.

c) Delivery of services in education and health

In education, there was low P7 completion rate with FY 2016/2017 being 61.5%, 111 out of 172 schools achieved desired target of 89% pass rate, pupil attendance was less than 50%, Pupil to teacher ratio (PTR) was 60:1 yet the recommended PTR is 53:1 or less, teacher attendance was poor and 51% of the schools were inspected 3 times in the academic year as recommended by the Ministry. Further the average cost of teaching per pupil per term across all schools was UGX.57,217, the average number of classrooms is 1:88 below the national standard of 1:55 and the availability of other vital infrastructure such as toilet stances, text book per pupil ratio among others was far below the national standards.

In health, health facilities did not register any maternal deaths in the year, the length of stay at the individual health unit ranged from 0.5 to 4 days, 53 HCs out of 77 (68%) did not register still births, various health facilities visited experienced stock out of medical supplies, facilities visited did not have the required number of staff, the average bed occupancy rate was 62% and 72.2% for HCIII and HC IV respectively and noted absence of essential equipment.

I advised the Ministries of Education and Health to enhance the capacity of procurement and engineering functions, liaise with the Ministry of Works to develop standard guideline for costing infrastructural works, enhance Quality control and quality assurance of works during construction.

Further, the education sector should address the inequality relative to the national standard in the allocation of UPE funds and sensitise and create awareness of the value of education, District/Municipal Education officers should make routine follow-ups, ensure more teachers are recruited to match the increasing enrolment of pupils, improve the schools inspection function and address the inequality relative to the average unit cost of teaching per pupil across schools.

The health sector should ensure equitable allocation and regular flow of PHC funds, address the challenge of drug and medical supplies stock outs and liaise with the Ministry of Local Government and the Health Service Commission to ensure that more medical staff is recruited to match the increasing demand for effective delivery of health services.

3.10 Implementation of the Northern Uganda Social Action Fund III by Local Governments

Northern Uganda Social Action Fund (NUSAF) 3 is a World Bank funded project, implemented in 55 districts aimed at leveraging on the achievements of NUSAF 1 and 2 to ensure the inclusion of the poor and vulnerable populations of the Northern part of the country in the country's development process.

I sampled 27 (49%) districts that benefited from the project to ascertain funding, number of groups funded and status of implementation of sub-groups, and made the following observations:

a) Project Funding and number of Groups supported

Analysis of funding in the sampled 27 districts, revealed that UGX.58,829,932,867 was received out of the total budgeted amount of UGX.59,790,162,414, representing a performance of 98%.

Only three (11%) Districts of Moroto, Alebtong and Apac received funding in excess of their respective budgets, by 114%, 65% and 10%. The remaining 24 either received less or exact amount as budgeted.

The disbursed funds supported 1,689 (92%) sub-groups out of the planned number of 1,844. The underfunding of UGX.689,418,853 resulted in 155 sub-groups not funded, thus not benefiting from the project.

The Accounting Officers attributed the failure to fund all planned groups to underfunding.

I advised Government, through the responsible Ministries to increase funding to the beneficiary districts so that the objective of inclusion of the poor and vulnerable populations of the North in the development process is fully achieved.

b) Status of implementation of sub-projects

From the 27 districts, I inspected 75 sub-projects engaging in a wide range of activities/enterprises, and noted that 24 recorded Notable Achievements in their enterprises while 51 had implementation challenges that hampered progress in their enterprises.

The sub-groups attributed the notable achievement to five factors, notably adequate monitoring and supervision (35%), training (32%), and proper project selection (21%).

The groups that experienced implementation challenges on the other hand gave nine reasons, of which the averaging three were poor monitoring and sensitization (30%), inadequate capacity of members to implement projects (18%) and poor training (15%).

In the circumstance, there is risk that the sub-projects that faced implementation challenges may not prosper leading to the project failing to fully meet the objective of uplifting the poor and vulnerable population of the Northern part of the country.

Government should adequately fund the auxiliary activities of training, monitoring and supervision and properly support sub-groups in project selection and capacity building to enable proper implementation of project activities.

3.11 Management of Water for Consumption and Production in Local Governments

The Rural Water Supply and Sanitation Department (RWSSD) under the Directorate of Water Development in the Ministry of Water and Environment is responsible for the provision of safe water and sanitation services in rural areas across the country. According to Water and sanitation Joint sector review 2018, the development partners noted the modest progress made in many of the undertakings, but also the challenges encountered in monitoring of the key performance indicators. It is upon this background that an audit on operation and maintenance of water was carried out and the following observations were noted:

a) Non-functional Water facilities

A review of the quarterly reports and interview with the District Water Engineers in a sample of 29 (22%) Districts out of 134 revealed that some of the water sources like bore holes and springs were no longer functioning as shown below:

Table 26: Showing Non-Functional water facilities

	Item Description	Total in the 29 sampled District	Functional	Non-functional	% of Non-functional
Water for Use (Rural water facilities)	No. of protected springs	4,362	3,625	737	17%
Water for Use (Rural water facilities)	No. of shallow wells with pumps	4,923	3,413	1,510	31%
Water for Use (Rural water facilities)	Number of deep boreholes with hand pump	9,914	8,345	1,569	16%

Further analysis of the water situation in districts revealed that shallow wells with pumps had the most non-function water points with 31% average rate followed by protected springs with a 17% average non-functional rate across districts. I noted that the worst affected Local Government was Hoima District Local Government with overall non-functional facilities at 43.2% while the best performing districts were Iganga and Amuria with an average functional rate of 97%.

Lack of functional water facilities makes water access to some of the communities a challenge which is against the millennium goals of free and easy access to water for all.

The Accounting Officers attributed the shortcoming to facilities that had over-lived their life span and require major rehabilitation and inadequate budget for water infrastructure maintenance.

I advised the Local Governments to ensure that strategies are laid to ensure functionality of the water facilities.

3.12 Management of Uganda Women Entrepreneurship Programme in Local Governments

The Uganda Women Entrepreneurship Programme (UWEP) is an initiative by the Government to improve women access to financial services, equip them with the skills for enterprise growth, value addition and marketing of products and services. The women are availed interest-free revolving credit to initiate or strengthen their enterprises.

I reviewed project funding, funds recovery, inspected UWEP groups, and made the following observations:

3.12.1 At Ministry Level

During the year, out of UGX.38.7bn budgeted for Uganda Women Enterprise Program (UWEP) activities; UGX.33.22bn (85.8%) was released indicating a shortfall of 14.2%. Like the YELP, the UWEP recovered funds from the women's groups at the district level, was not remitted to the national programme recovery account in a timely manner. I noted that UGX 1.15bn remained unremitting by the districts. In addition, up to UGX 0.595bn on the recovery account, could not be tagged to any women group or district as recovered.

I advised Government to consider automating the operations of the Program which will ensure linking of the group disbursements, repayments, district submissions, district recovery accounts, and the National recovery account with an objective of ensuring timely access to all data related to the Program for proper decision making.

3.12.2 At district level

a) Funding of UWEP program

I reviewed a sample of 72 Districts and Municipal Councils and noted that they received a total of UGX.16,783,865,199, since program inception in the financial year 2016/17, to fund UWEP activities. The districts of Tororo, Ngora and Rukungiri received the highest amounts of UGX.690,971,500, UGX.586,221,989 and UGX.550,433,000 respectively.

b) Recovery of UWEP funds

Out of the UGX.16,783,865,199 disbursed to the 72 Districts and Municipal Councils, only 30% (UGX.5,059253,425) had been recovered by the time of audit.

The best performing Districts and Municipal Councils in terms of recovery of UWEP funds from the groups were Buliisa District, Kumi Municipal Council and Kiruhura District with performance levels of 89%, 77% and 74% respectively. The worst performing were Serere District, Namisindwa District and Pallisa District with performances of 4%, 5% and 6% respectively.

The low recovery of UWEP funds was attributed to failed projects and insufficient funding for monitoring and supervision of the project activities.

Failure to repay in a timely manner implies that other eligible women groups did not access the would-be revolving funds thus limiting the number of participating women in program activities.

Government should provide support to the UWEP groups to address the implementation challenges, so that groups start earning income, which will result in repayment of outstanding amounts to the revolving fund.

c) Inspection of UWEP Projects

I undertook physical inspection on 26 selected UWEP projects in 26 Districts and Municipal Councils with the aim of establishing status of groups and I noted that 16 (62%) groups existed and were implementing group activities. Three of the groups had fully repaid the funds to the respective Districts and Municipal Councils.

For the remaining 10 groups, the following three recurring problems were noted;

- i. Five (5) representing 50% had failed and the groups had disintegrated. In some instances, one or two members out of the original number that formed the group, were the only ones participating.
- ii. Three (3) representing 30% had changed enterprise.
- iii. Two (2) representing 20% did not maintain proper records making it hard to establish group activities, practices and challenges.

The Accounting Officers attributed the above anomalies to insufficient funds for the monitoring and supervision of the UWEP beneficiary groups, leading to mismanagement of funds.

In the circumstances, the project objective of improving women access to financial services, equipping them with skills for enterprise growth, value addition and marketing of produce may not be achieved.

Government should adequately fund the monitoring, supervision, and technical backstopping of UWEP project to address implementation challenges leading to attainment of project objectives.

PART 4: RESULTS OF VALUE FOR MONEY AND SPECIALISED AUDITS

4.0 VALUE FOR MONEY AND SPECIALISED AUDITS

This part contains summary reports of 11 Value for Money (VFM) audits undertaken during the audit year ended 31st December 2019. The summary reports contain the 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.

4.1 Value for Money Audit on production and productivity of the coffee sub sector

The Government has focused on coffee as one of the priority agricultural enterprises because of its potential for the high contribution to export earnings and percentage contribution to the country's GDP. To harness the potential, Government intervened by providing UGX.231bn through UCDA towards the provision and distribution of production inputs over the past five years.

This intervention has resulted into provision of over one (1) billion free coffee seedlings to farmers which has led to an increment in the total coffee tree population by 141%. The intervention has also stimulated the increase in coffee production and export volumes by 68% and 29% respectively. Increase in export volumes have led to increased export earnings by 3.48% from US\$ 402 million in FY 2014/15 to US\$ 416 million in FY 2018/19.

Despite the interventions made by Government, the estimated coffee yield of 0.6T/Ha (0.44kg/tree) has not increased to meet the expected yield of 1.5T/Ha (1.05kg/tree). Further, the rate of survival of the coffee seedlings distributed to the farmers was below 55% during the year under review.

The low yields and low survival rates were attributed to the following:

- a) Late delivery of coffee seedlings where farmers receive the seedlings towards the end of the rainy season (on average 49 days after the onset of the rainy season), inadequate preparation of gardens by the farmers (70% of the farmers visited had not registered to receive coffee seedlings), limited support to farmers with other inputs such as fertilizers and pesticides and inadequate extension services with one extension officer supporting two (2) to three (3) districts.
- b) Distribution of low yielding coffee varieties. It is noted that NaCORI phased out the Robusta elite variety in 2009 for a number of reasons like susceptibility to wilt disease and developed improved new coffee varieties (Kituza Robusta 1-10). However, the 3,104 nursery operators certified by UCDA have not adopted the new coffee varieties and have continued to supply the phased-out variety (elite seed).
- c) Inadequate coordination among key stakeholders in the coffee sub sector since the coordination committees (Inter-agency Committee and the District Steering Committee) were not instituted and there was no operational framework between UCDA, NaCORI and farmers to ensure that there is a strategic and cooperative partnership among NaCORI, nursery operators and farmers.

These weaknesses can be addressed by registering and organizing farmers into groups to efficiently facilitate extension support, improve accessibility to agro-inputs such as fertilizers and pesticides, promote the use of appropriate planting materials as guided by the coffee research and develop a joint operational framework to harmonize coordination among key stakeholders.

4.2 Value for Money Audit on the effectiveness of import inspections by UNBS in the regulation and enforcement of product standards

Government has made a number of interventions in a bid to curb the proliferation of substandard products on the Ugandan Market. The funding for UNBS for instance has increased by more than 65% from UGX.3.7Bn to UGX.6.3Bn in the last three years. This had translated in increased regulatory activity in the form of increased inspections, increased standards, increased sample testing and increased market surveillance. The coordination with other stakeholders such as URA has also significantly improved.

Despite this, there is a lot of public outcry about the existence of substandard products on the Uganda market. I undertook a study on the effectiveness of import inspections by UNBS and observed the following;

- a) UNBS still has challenges of coverage of all the entry points through which imports access the market. As a result, 22% of the imports which should have been inspected in the last three years were never examined.
- b) There were several challenges in the Pre-Verification of Conformity (PVoC) inspection system such as inspection of group cargo, limited supervision of PVoC agents by UNBS, failure of these agents to undertake due diligence among others. As a result, an average of 22% of the goods with clearance certificates that were retested at the entry points were found non-compliant with standards.
- c) Although the turnaround time for testing samples was within the timeliness of the client charter, traders indicated that these were still long and resulted in additional costs of doing business for the traders of up to UGX 10-20 million per container in some cases which lead to some traders abandoning commodities or bypassing the official importation channels which increases the volume of uninspected goods.
- d) The testing methods were not comprehensive in some aspects; as a result, some hazardous ingredients were not tested even where samples were taken to the laboratories.
- e) There were weaknesses in the enforcement and market surveillance functions. For instances there were no corrective actions recommended for 74% of the cases where noncompliance with standards was found, while in 64% of the cases where corrective actions were recommended there was no evidence of follow up of implementation of the recommendations.

The effects of the gaps noted can be minimised by developing strategies which involve increasing presence at all entry points, strengthening the supervision of PVoC agents, sensitizing and engaging traders about PVoC requirements, reducing on the turnaround

times for testing processes, and strengthening the market surveillance function by marking it more effective.

4.3 Value for Money Audit on implementation of Uganda Skills Development Facility (SDF) by the Private Sector Foundation Uganda

The Uganda Skills Development Project (USDP) is part of Government of Uganda's strategic effort to promote skills development so as to spur productivity, economic development and increase employment. The project received USD 100 million (UGX.370.8 billion) funded by a loan acquired from the World Bank. The project commenced in April 2015 and is scheduled to close on 31st August 2020. The Skills Development Facility (SDF) is one of the 4 Components of USDP charged with implementing skilling initiatives under the Private Sector Foundation Uganda (PSFU) with a budget of USD 21.8 million (UGX.80.8 billion).

The overall objective of this audit was to assess the extent to which the PSFU had implemented the Skills Development Facility (SDF) in regard to timeliness and effectiveness of selected outputs, from inception up to 30th June 2019. The following key observations were noted;

- a) Significant delay on the commencement of the project after approval of the loan by the World Bank. The project attained effectiveness on 26th October 2016, one year after approval and as a result, Government incurred interest, fees and other charges on the loan to the tune of USD.193,052.67 (UGX.715,823,856) as at 30th September 2019.
- b) As of 30th June 2019, 299 grants had been awarded out of the planned 474 projects (63%) leading to the training of 46,000 compared to 25,000 envisaged by the Project. However, there were no grants awarded under window 4 of the SDF.
- c) Delayed release of funds, whereby SDF had only received 43.3% (USD.9,428,842) of its five-year budget and had utilized 84.3% of this amount as at 30th June 2019. This was caused by the delayed award of grants whereby it took between 5 and 12 months to complete an award process.
- d) I also noted slow disbursement of funds by the project whereby out of UGX.33 Billion contracted as at 30th June 2019, only UGX.16.2 Billion (49%) had been disbursed. In addition, UGX.8.9 Billion of the disbursed funds remained un-accounted for as at 30th June 2019.
- e) Although trainings were conducted by grantees, there were inadequacies in the development, assessment and review of the skills needs gaps by the grantees and the due diligence consultants. There were no assessments of the individual trainers and training material by a relevant body. In the circumstances there is a risk that these inadequacies affected the conduct of the skills initiatives.

I advised Government to ensure proper project preparations and ensure projects commence as planned with limited bottlenecks. In addition, the project management should consider reviewing the grant award processes and cut out inefficiencies identified during initial project implementation.

4.4 Value for Money Audit on licensing and enforcement of standards in downstream petroleum operations by Ministry of Energy and Mineral Development

The Department of Petroleum Supply (DPS) together with the Technical Petroleum Committee (TPC), under the Ministry of Energy and Mineral Development supervises and monitors the importation, exportation, transportation, processing, supply, storage, distribution and marketing of petroleum products. There has been an increase in the volume of trade of petroleum products with Import expenditure on petroleum products rising from US\$775 million (UGX.2.87 Trillion) in 2016 to US\$ 1,017.1 million (UGX.3.77 Trillion) in 2017³.

There has been a public outcry on adulteration of fuel, mislabeling of products, and short weighting of petroleum products at some fuel stations, as well as the escalating number of fuel stations in un-gazetted places.

I carried out a VFM audit to assess licensing and enforcement of standards in downstream petroleum operations by Ministry of Energy and Mineral Development, and noted the following key matters:

a) Compliance with the set facility standards, regulations and guidelines

Out of a total of 1695 fuel stations inspected over a period of 3 years 1503 (89%) had fuel pumps properly located, 1095 (65%) had the right plot size, 1088 (54%) had appropriate fire emergency preparedness mechanism, 850 (50%) had well maintained office blocks and canopies. However, out of a total of 1695 fuel stations inspected over a period of 3 years only 10 (1%) carried out environmental audit reports, 211 (12%) possessed EIA certificates, 201 (12%) had well maintained forecourts, 225 (13%) had oil interceptors. Similarly, 236 (14%) fuel stations carried out training of staff on health and safety, 252 (15%) had proper drainage, and only 548 (32%) possessed valid operating license.

I noted low quality of fuel sold at outlets with average failure rate over the three years of 6%, (5% in 2016/17, 9% in 2017/18, and 5% in 2018/19). There were repeat offenders on the name and shame list used by the MEMD to curb adulteration of fuel.

b) Licensing of fuel operators and facilities

A number of outlets were found operating without the prerequisites for possession of a license, contrary to the operational guidelines. Of the 984 fuel stations in the MEMD database, 363 fuel stations did not possess EIAs, 205 fuel stations did not possess construction permits and 698 fuel stations did not possess construction completion certificates, yet they were licensed.

c) Inspections and monitoring

Although the Department of Petroleum Supply carried out inspections, its work plans were inadequate as they did not specify the number of inspections to be carried out per quarter. In addition, the monitoring checklist used by MEMD lacked some parameters specified in the Standards (US-947-1) set by UNBS. The Monitoring and

³ Using BoU Exchange rate 1 USD=UGX.3707.92 as at 23rd December, 2019

Enforcement division was not adequately staffed to efficiently cover the volume of work, and the Feedback provided by MEMD to the fuel stations was not always adequate, specific, measurable, and time bound.

d) Enforcement

MEMD did not adequately compel fuel stations to adhere to the requirements of the US 947-1 Standards, Petroleum Laws and Regulations since fuel stations with inadequacies were found dispensing fuel to consumers. There were no guidelines in regard to the timing of enforcement upon conclusion of inspection and monitoring visits, as enforcement was only done when funds were available.

In addition, the follow up mechanism on previous actions on enforcement was weak without specific actions being taken and reported on.

I advised Government to strengthen its licencing, inspection, and enforcement processes by ensuring that critical stakeholders (MEMD, NEMA, UIA, URA, UNBS, District local councils, and Police) collaborate and share information to ensure effective enforcement of compliance.

4.5 Budget performance—An assessment of delivery of planned outputs by the Works and Transport Sector during the financial year 2018/19

The Works and Transport sector continues to be among the key Government priorities. In the financial year under review (2018/2019), the Sector was allocated 15.93% of the national budget as per the Approved Budget Estimates for the year.

In the year under review, the major planned activities of the sector included; revival of the National Airlines (MoWT), Development of Bukasa Port (MoWT), upgrading and expansion of the Entebbe International Airport (CAA) and construction of various major national roads such as the Northern bypass (UNRA) and the Kampala flyover (UNRA), improving the Kampala-Mukono passenger railway line (URC) and release of road maintenance funds to designated agencies (URF).

I assessed the extent to which the sector was able to deliver on the planned outputs for the year 2018/2019 and observed the following;

- a) Out of the 169 outputs planned for implementation by the 5 entities in the sector, a sample of 72 outputs was selected for the assessment. It was established that 6 outputs (8%) of planned outputs were achieved, 32 outputs (44%) were partially achieved; while 28 outputs (39%) were not achieved. The performance of 6 outputs (8%) was not established.
- b) In terms of implementation of activities that contribute to the various sampled 119 activities, it was established that overall, 28 activities (24%) were fully implemented, 30 activities (25%) were partially implemented while 55 activities were not implemented at all (46%). Further, for the 6 activities (5%), the extent of delivery could not be established due to lack of supporting documentation- such as monitoring reports- for the reported performance.

- c) A comparison with the performance of last year was also undertaken for MoWT and UNRA. The comparison shows a decline in performance from 28% (FY 2017/18) to 9% (FY 2018/19). On the other hand, the proportion of outputs not achieved increased from 21% to 33.3% in the current year.

The factors affecting sector performance included;

a) Planning and Budgeting

There were cases of non-quantification of output indicators, inconsistent indicators and targets in the Sector Development Plan and NDP. In addition, the planning function in a number of entities was constrained and could not operate effectively.

b) Release performance and absorption

Out of the approved sector budget of UGX.4,915.464bn, UGX.4,768.625bn (97%) was released out of which UGX.4,372.981 bn was spent (92%). In spite of this good revenue performance, entities like URC realized only 27% of its budget which affected their operations. UNRA absorbed only 89% of its budget due to projects whose financing agreements had not been finalized. For example, UGX.228.4 bn was appropriated for the critical oil roads before the loan was approved; UGX.79.7 bn was also appropriated for Muyembe-Nakapiripirit and Rwenkunye-Apac roads yet the loans had expired and were still under re-negotiation.

c) Diversion of funds

For the sampled outputs, it was established that a total of UGX.342.6 billion was diverted towards other activities without authority (UGX.341.2 billion relates to UNRA alone).

d) Timeliness of the procurement process

A lot of time was lost between initiation of procurement and contract signing. I noted procurement delays beyond the recommended 60 days with some procurements ranging between 30 days to 4 years.

e) Monitoring and evaluation of implemented activities

The entities lacked monitoring and evaluation tools such as specific work plans with clear set targets and verifiable performance indicators to facilitate routine data collection, analysis and reporting of information on the progress of implementation. For some of the entities, there were no monitoring reports to confirm that M&E activities were undertaken.

f) Performance Reporting

Inconsistencies in the amounts reported as budgeted, released and spent as well as the actual outputs achieved during the year were noted in the information reported in the sector budget performance reports and the statement of performance presented in the financial statements of the entities as at 30th June 2019.

4.6 Budget performance – an assessment of delivery of planned outputs by the Health Sector during the financial year 2018/19

The Health Sector is one of the priority sectors of Government that is critical to attainment of Uganda's Vision 2040 by producing a healthy and productive population that effectively contributes to socio-economic growth.

GoU has steadily increased its budget allocation of funds to the Health Sector. For example, in FY 2018/2019, the allocation to the sector increased by 24.95% from that of FY 2017/2018.

I assessed the extent of delivery of planned outputs by 9 selected health sector entities of Ministry of Health, Mulago National Referral Hospital Complex, Uganda Blood Transfusion Services, National Medical Stores, Uganda Heart Institute, Uganda Cancer Institute, National Drug Authority, Butabika National Mental Referral Hospital and Health Service Commission and observed the following;

- i. Out of the sampled 109 outputs, 19 outputs (17.43%) were fully achieved, 44 outputs (40.36%) were partially achieved while 18 outputs (16.51%) were not achieved at all. Further, I noted that 28 outputs (25.68%) were not quantified to enable measurement of performance.
- ii. Since activities facilitate achievement of planned outputs, a similar assessment was undertaken to establish the extent of implementation of the output activities. For the sampled outputs, there were 312 activities planned to be implemented to achieve the expected outputs. The analysis showed that 144 activities (46.15%) were fully achieved, 75 activities (24.04%) were partially achieved while 52 activities (16.67%) were not achieved at all. Further, 41 activities (13.14%) were not quantified to facilitate performance measurement.

For the 40.36% outputs partially achieved and 16.51% outputs not implemented at all in various selected entities, the contributing factors for either partial or non-achievement of planned outputs were as follows:

a) Planning and Budgeting

Financing of the sector institutions is not informed by the projections of the sector and entity strategic plans. In terms of allocations, there were significant variances between the annual work plans and the entity strategic plans. The lack of alignment between the projected resource requirements in the strategic plan and the annual resource planning renders the aspirations in the plan difficult to achieve.

b) Release performance and Under absorption

Out of UGX.2.3 tn allocated to the Health Sector, UGX.1.9 tn (83%) of the total budget was released. Most affected were MoH and UCI which received only 60.95%, and 42.52% respectively.

Out of the 9 selected entities, Parliament appropriated UGX.1,707.555 billion to cater for recurrent expenditure (UGX.519.788 bn) and capital development (UGX.1,187.752

bn). However, there was a shortfall of 37.14% on the capital development budget which was attributed to externally financed projects.

For the 9 selected entities, out of the total release of UGX.1,278.388 bn, UGX.1,118.613 bn representing 87.50% of the released amount was spent while UGX.159.775 bn (12.50%) was not absorbed. The most affected entity in terms of absorption was MoH that was unable to absorb 22.74% of its capital development release.

c) Diversion of funds

UGX 7.3 billion (11.36%) of the funds spent in relation to 6 of the 9 selected entities was diverted from the planned outputs towards other activities without authority.

d) Monitoring and Evaluation

I noted inadequate monitoring and evaluation of planned activities. While MOH and Butabika had budget provisions for monitoring and evaluation, other institutions like UHI, NMS, HSC and Mulago Hospital did not have budget allocations for M&E. In addition, for those entities with M&E allocations (UGX 13.32 billion) there were no specific monitoring and evaluation reports on file to confirm that M7E was carried out. UGX.1.6bn was diverted by MoH in the circumstance.

e) Performance reporting

Financial statements and the annual vote performance reports for the year indicated that 8 of the 9 selected health sector institutions had inconsistencies between the figures in the vote performance reports and the entity financial statements. Errors totalled to UGX.130.86bn. Further Inconsistencies were also noted in the results of the delivery of outputs reported in the budget performance reports and the financial statements.

f) Procurement delays

I noted that unutilised amounts relate to funds earmarked for construction projects, procurement of specialized medical equipment, among others. The failure to absorb funds was attributed to procurement delays.

I advised the entities within the Sectors to address the challenges in budgeting, provision of resources and implementation of the planned activities to enable the achievement of the objectives of the NDP II.

4.7 Value for Money Audit on compensation of Project Affected Persons under the Karuma and Isimba Hydropower Projects and associated transmission lines

In a bid to increase electricity supply countrywide, GoU decided to construct Karuma and Isimba Hydropower projects, as well as their associated transmission lines, namely Karuma-Kawanda, Karuma-Lira, Karuma-Olwiyo and Isimba-Bujagali.

Acquisition of project land and compensation of persons affected by these projects was supposed to be undertaken by Ministry of Energy and Mineral Development (MEMD) and

Uganda Electricity Transmission Company Limited (UETCL) but delays in this process and potential increments in land acquisition costs were reported owing to rejection of compensation rates offered, as well as demands for compensation for rock deposits thus affecting timely completion of the electricity projects.

I undertook a study to find out the extent to which land acquisition and compensation of Project Affected Persons (PAPs) had been done in a cost-effective, fair and timely manner and observed the following;

a) Status of RAP implementation/land acquisition

A total of UGX.94.88 bn (86.82%) had been paid to 8,285 PAPs (90.65%) for 8,365.16 acres (89.55%) of the land required. Regarding resettlement, by 16th December 2019 (over six years after construction works were launched), MEMD had not built resettlement houses for the 119 vulnerable PAPs displaced by Karuma dam while UETCL had, on the other hand, constructed and handed over 34 out of 50 planned resettlement houses to vulnerable PAPs affected by the transmission lines under their charge.

b) Changes on Government compensation amounts

I noted that the initial CGV-approved compensation amounts increased for all projects by a range of 6.81% to 160.98%, except for Isimba-Bujagali transmission line where a reduction was registered. The increments were mainly due to non-standardised application of property values/ rates which resulted in significantly higher land values used in the supplementary valuation reports of the Karuma-Kawanda and Karuma-Lira-Olwiyo transmission lines. For instance, 191 sampled PAPs had their property valuation increase by UGX.12 billion due to increment in average price per acre from UGX.15.04 million per acre, to UGX.56.65 million per acre. Amounts payable to individual PAPs also increased between 0.71 and 4,000 times of the original assessed value.

c) Weaknesses in existing gazetttement procedures

Weaknesses in existing gazetttement procedures allowed some PAPs to undertake developments, sell their land or process titles on the project land after it was gazetted. This led to six claims for additional payments amounting to UGX.763.18 million following titling after the cut-off date. 95 other land transactions/ transfers were observed along the Karuma – Kawanda transmission line after the cut-off date.

d) Misalignment of the acquired corridor

During surveying for compensation and erection of the towers of the Karuma-Lira transmission line, the RAP implementation consultant and the contractor hired by UETCL used different control points. However, the Secondary control points used were later found to be inaccurate and this resulted in the line constructed being misaligned to the land acquired. This exposes UETCL to potential extra payment of at least UGX 1.43 billion.

e) Payment of PAPs occupying land held in trust for Ugandans

It was observed that UGX.748.8 million was paid to 63 PAPs occupying land held in trust for Ugandans due to failure by responsible Government agencies to secure this land.

f) Titling of acquired land and registration of easements

Titling of project land was still incomplete, largely due to on-going land acquisition, reluctance by land owners to hand over titles, and delays in the land registration process largely at the Uganda Land Commission and the Land Registry in the Ministry of Lands, and no easements had been registered in the wayleaves for the transmission lines.

g) Timeliness of cash compensation

It was noted that all project sites were handed over to contractors before land acquisition was completed contrary to the requirements in the Land Acquisition Act. Compensation is still on-going for all the projects, with the highest delays being approximately 72 months after project commencement. Delayed compensation necessitated increase in disturbance allowance for Karuma from 15% to 30% resulting in extra payment of about UGX.555.7 million that could otherwise have been avoided.

h) Grievance management and court cases

Generally, there were adequate grievance management procedures for all the projects. However, 53 suits had been filed by 137 PAPs unsatisfied with the grievance management results. These suits currently expose Government to demands amounting to at least UGX.440.96 billion, mainly for surface and/or sub-surface rock deposits within their land. If these claims are granted, they will more than double the compensation costs under Karuma dam and increase those for compensation under Isimba dam and reservoir by at least 12 times the current expected cost.

MEMD and UETCL are advised to work closely with Ministry of Lands, Housing and Urban Development (MLHUD), the National Forestry Authority (NFA), National Environment Management Authority (NEMA), the Solicitor General's Office, and the Attorney General's Office among others, to address the gaps highlighted by the audit to ensure that PAPs' rights to prompt compensation are not violated, and make the process faster and more cost-effective.

4.8 Value for Money Audit on the impact of Uganda Reproductive Health Voucher Project implemented by the Ministry of Health

Swedish International Development Agency (SIDA) through the Global Partnership on Output Based Aid extended a grant of USD.13.3 million to the Government of Uganda to deliver the Uganda Reproductive Health Voucher Project (URHVP) with its focus on poor rural women in Uganda who face challenges with accessing safe delivery services.

The project was initially expected to support 132,400 (revised to 156,400) pregnant women to deliver under skilled attendance through a subsidized voucher scheme offering a package of safe delivery services consisting of: four antenatal visits, safe delivery, one postnatal visit, treatment and management of selected pregnancy-related medical conditions and complications (including caesarean sections), and emergency transport.

Challenges were identified at the midterm and throughout the lifetime of the project. I undertook a study with the main objective of assessing the impact of using a health voucher by beneficiaries on the survival of their babies during pregnancy and at birth and observed the following;

- a) 97% of the babies of beneficiary women survived compared to 93% of similar non-beneficiary women all the users of the voucher services were satisfied.
- b) Although the project was supposed to have focused on poor women, only 32% of the beneficiary mothers were classified as poor while the remaining 68% were classified as medium or rich. The Eastern region was more affected as only 29% of selected beneficiary were poor compared to 33% in Western region. This reduced the impact of the project.
- c) Although the Ministry of Health (MoH) recommends that mothers should attend their first ANC within the first 3 months of pregnancy, cases of delayed attendance of the first ANC were noted with more mothers in the Eastern region attending their first ANC very late in their pregnancy compared to the Western region.
- d) Although beneficiaries were to access all maternal services free of charge from the Voucher Service Provider (VSP), 7.2% of them on average paid UGX.20,050 extra money at the VSP.
- e) 4.5% of the beneficiary mothers paid more than the prescribed price for the voucher (UGX 4,000) with payments stretching up to UGX.100,000 which demonstrates a lack of awareness of the costs of the voucher and the type of services that beneficiaries were entitled to. 32% of the non-beneficiary women did not acquire the voucher because they did not know about it.
- f) The project operations manual did not provide guidance on the membership of the Inter-agency Coordination Committee (ICC) and mechanisms for the implementation of their activities. MoH did not formally or otherwise appoint members to form/constitute this committee and had no evidence of work done by the ICC in terms of meetings held, reviews undertaken and approvals made.
- g) Quality indicators for outcomes in line with the Health Sector quality improvement framework and strategic plan 2015/16 – 2019/20 were not developed for the Project and the project results framework rather than indicating either intermediate or final outcomes, provided what would generally be accepted as outputs. As a result VSPs were not obliged to report data on outcomes which limit the ability of the Ministry to assess the performance of the project in relation to key maternal outcome indicators and evaluate the project after its lifetime.
- h) Though the Project appraisal document required the project to collect data from households at the beginning of the project, this was not done which makes evaluation of the impact of the project difficult.

Going forward, it is important that the Ministry of Health conducts baseline studies before project implementation to understand key factors affecting project success in the different project implementation areas. These should then be incorporated in the design and implementation of the project.

4.9 Regulation and promotion of safe and reliable maritime services in the Water Transport Sub-Sector

Maritime transport is defined as the transportation of passengers and cargo via waterways. The Marine Administration Department under the Ministry of Works and Transport (MoWT) is entrusted with surveying, registration, licensing, conducting regular inspections of all water vessels used for inland water transport, enforcement, setting up and maintaining of aids to navigation, and implementation of maritime training and adherence to safety standards on all lakes and rivers.

Owing to public concerns about accidents on Uganda's inland water transport, inadequate regulation, as well as gaps in the enforcement and monitoring of the prevailing legal framework, I undertook a Value for Money audit whose objective was to assess whether the established water transport mechanisms were sufficient to effectively increase safety of the water transport.

Key findings

- a) I noted that the Maritime Administration Department had made several strides in its operations which included acceding to selected International and Regional Maritime Organisation Conventions, prepared the Inland Water Transport Bill, completed the National Transport and Logistics Policy and Strategy and drafted the Seafarers Identification and Records Books (SIRBs) Statutory Instrument.
- b) The Act requires the Department to maintain registers of water vessels but there is no accurate statistical data on the number of water vessels operating on the water bodies in Uganda. The department has however commenced collection of the vessel statistics, starting with Lake Victoria since it is the largest inland water body.
- c) 59% of the boats operating at the sampled landing sites were not registered. Considering that the water vessels are currently estimated at 20,000 and registration fee of UGX.800,000 per vessel (for first time registration), Government lost an estimated UGX.9.44 Billion due to non-registration.
- d) The Department planned to licence 300 vessels over two years but actually licenced 425 exceeding its target by 125. However, 188 of the 315 vessels sampled at the 13 landing sites visited had not been licensed. It was observed that the current target for the Department was too low given the estimated population of 20,000 vessels.
- e) Since its establishment in FY 2017/2018, the Maritime Department had not enforced any safety of navigation related activities. The planning, budgeting and execution of this function was non-existent in the Department. This was left to the Maritime Police Unit at Kigo whose primary role was to keep law and order with a focus on security related matters. This implied that the compliance to building standards, licensing and registration of water vessels was not done.
- f) There was no planning, budgeting and execution of the inspection function. Inspection manuals detailing what should be inspected, when, type, who, reporting and follow-up on the results were also missing. Although the department officials indicated that they

had fused this function with the advocacy and sensitization function, the performance reports only reported on advocacy and sensitisation.

- g) The Inland Water Transport Bill was yet to be passed into law. In absence of an updated maritime law, the water transport subsector remained inadequately regulated.

To enhance safe and reliable transport in the water subsector, it is important that the enactment of the Inland Water Transport Bill into law is fast tracked, and an enabling working/operational environment is put in place.

4.10 Implementation of Kalangala Infrastructure Services Project (KIS)

In fulfilment of the MoU signed between GoU and BIDCO in April 2003, the Government of Uganda (GoU) entered a Memorandum of Understanding with InfraCo Limited ("InfraCo") in September 2005 to develop, expand and maintain key infrastructure services on Bugala Island in Lake Victoria for the benefit of BIDCO Oil Company, Kalangala district residents, and businesses.

InfraCo formed Kalangala Infrastructure Services Limited (KIS) as an integrated multi sectoral utility limited liability company registered in Uganda to be the implementing agency/vehicle for the Kalangala Infrastructure Services Project (KISP). KIS was designed as a PPP to achieve the economies of scale necessary to attain project finance, operate efficiently and serve the island residents with improved access to safe water, safer transportation and more reliable solar-powered electricity.

The total project investment was estimated at USD.49.56 million and GoU was required to pay in advance the annual and quarterly support payments to KIS for ferry and road services respectively. These support payments were disbursed through UNRA for the years 2012 to 2017 and through the Ministry of Works and Transport (MoWT) in 2018.

The objective of this audit was to evaluate the implementation and performance of Kalangala Infrastructure Services Project (KIS) in the delivery of expected outputs.

Key findings

a) Project planning and development

The Government investment decision was based on the Research Market Analysis report and a Development plan presented by InfraCo. GoU did not undertake its own independent assessment of the infrastructure services gaps on Bugala Island so as to evaluate the best possible service delivery options as a basis for the investment decision.

KIS was directly sourced by MoFPED without consideration of alternative providers to compare the costs and benefits and establish the best option as required by the procurement regulations. MoFPED could not therefore confirm that the infrastructure investment option chosen for Kalangala was the most economical, efficient and effective for both GoU and the citizens of the island.

b) Delivery of expected outputs under KIS

The construction phase of the project commenced in 2011 with the ferry component and concluded in June 2016 upon final completion of the road works.

i. Road Component

The road construction works for the upgrade of Luuku – Kalangala – Mulabana (65.6 km) road from Class "C" to Class "B" gravel standards that were expected to be executed within a period of twelve (12) months were completed after three years in March 2016 resulting in a two years delay with no provisions for remedies/penalties for delayed completion of the road construction works by the implementation agreement.

During the construction phase of the project, GoU had paid UGX.40.85 billion in form of road support payments against a total of UGX.40.16 billion reported to have been incurred by KIS as actual road development costs upon completion of the road construction works.

In addition, with the road support payments spread over 13 years, projections show that GoU will spend a total of UGX.120.25 billion which is considered costly given that KIS is not responsible for maintaining the road.

With proper planning, evaluation and negotiations, Government could have explored better, cost-effective delivery options.

ii. Ferry Component

Two ferries with a capacity of 206 passengers each had been constructed and were operational, and the ferry landing sites at Bukakata and Luuku had been reconstructed. At the time of audit (October 2018) KIS had not paid to GOU annual license and ferry operating fees amounting to USD.275,000. The Agreement, however, did not provide for penalties for delayed payment of annual ferry operating fees. In addition, it was established that following the amendment of the Implementation Agreement, ferry service support payments were adjusted from the ferry traffic (passengers and vehicles) based payments to per trip payment terms. KIS indicated that it was less cumbersome to monitor number of trips compared to monitoring passengers and vehicles. However, on further analysis of relevant documentation, it was noted that a passenger manifest is prepared for each trip which could have been used to compute the traffic-based payment. An evaluation of both options reveals that the per trip option is more costly, and resulted in GoU paying UGX.16.3 billion more in the first six years of the ferry operations.

The IAA provided that in the event of KIS failing to provide a ferry service as a result of GoU's default in payments, KIS would be deemed to have operated a ferry service. GoU had spent a total of UGX.871 million in respect of deemed trips arising from 308 non-performed trips for the year 2017.

iii. Water Component

The water performance agreement signed between GOU and KIS did not specify the required water system designs, capacity, target population, and timelines to be met by KIS.

The annual plans and performance reports for the water components showed that KIS had constructed five of the eight agreed water systems on Bugala Island which were operational with installed capacity of 21,500 cubic meters of water production per month. However, it was observed that actual monthly average consumption was at only 4,750 cubic meters (22%), serving approximately 8,720 inhabitants representing 16% of the Island's population.

iv. Power Component

The company had constructed a power plant with a capacity of 1.6MW (per hour) which was operational in Bukuzindu, Kalangala district, with transmission and distribution lines serving the major settlements on Bugala Island. At the time of the visit in September 2018, the extended grid length stood at approximately 140 km with 67 transformers installed. The power performance reports for KIS revealed that the company had attained the customer connection target set at three thousand (3,000) customers by year 4 (2018) as set out in the power license agreement. It was observed that KIS faces a challenge of low utilization as the maximum load attained during the period under review was 0.4 MW per hour putting average utilization capacity below 25% of installed capacity.

v. Monitoring and Supervision

The oversight committee had not been operationalized as required under the Implementation Agreement. There was no evidence that the various agencies had nominated representatives to constitute the oversight committee. Whereas Mott MacDonald was appointed by KIS as an independent monitor for ferry operations on behalf of GoU, and installed GPS monitoring devices, none of the Government agencies was keenly monitoring the ferry service level operations. There was no mechanism in place for Mott MacDonald to independently certify the passenger and vehicle traffic levels achieved by the ferries. It was established that GOU had made erroneous payments to KIS amounting to UGX 13.039 billion as a result of application of wrong base factors and UGX 564 million due to application of wrong Consumer Price Indices. In addition, GoU did not recover UGX 686.7 million resulting from a decrease in the cost of operating ferry services as provided for by the IAA.

To ensure proper implementation of the project, it is important that the Government through the MoFPED invokes the re-negotiation clause such that KIS services are offered at reasonable costs.

4.11 Follow-up report on the Value for Money Audit on implementation of National Content in the oil and gas sector

In March 2015, the Auditor General published a report on Implementation of National Content in Uganda's oil and gas sector by the Ministry of Energy and Mineral Development. The audit identified gaps in the enforcement of local content in the purchase of Ugandan goods and services, employment and training of Ugandans and criteria for determining state participation in the production of petroleum resources. The audit made several recommendations which, if implemented, were expected to maximise benefits for the economy from the extraction of petroleum.

Four years since this audit was undertaken, Field Development and Construction of the East African Crude Oil Pipeline (EACOP) are set to commence. These are the most cost and labour-intensive stages of the project, with numerous opportunities to optimise procurement of local goods and services from locals, as well as provision of up to 13,000 jobs.

This necessitated a follow up by the OAG to determine the extent of implementation of the 2015 Audit's recommendations and the National Content performance since then. Whereas Ministry of Energy and Mineral Development (MEMD) was responsible for coordinating and enforcing national content implementation in the oil and gas sector up to 2015, the responsibility was shifted to the Petroleum Authority of Uganda (PAU) starting in 2016. Further recommendations were then made with the aim of addressing any issues that may still be outstanding.

Key findings

- a) It was noted that the 2015 audit had made an impact on Implementation of National Content in the Oil and Gas Sector, and the Petroleum Authority of Uganda (PAU) had made strides in addressing the major audit issues.
- b) It was established that out of the 34 key audit recommendations made in the Auditor General's report of 2015, 10 (29%) were fully implemented, 17 (50%) were partially implemented and 7 (21%) were not implemented.

Specifically, the audit team noted that since the last audit, MEMD and PAU had registered the following achievements in the area of national content promotion;

- a) Approval of the National Content Policy in 2018 by Cabinet.
- b) Issuance of The Petroleum (Exploration, Production and Development) (National Content) Regulations, 2016, with National content provisions and targets in procurement, employment and training of/ from Ugandans.
- c) National Supplier Database (NSD) and National Oil and Gas Talent Register (NOGTR) developed and open for self-registration by interested individuals/ companies.
- d) Sector-specific capacity needs analysis undertaken and a Workforce Skills Development Strategy and Plan put in place in 2015.
- e) Agriculture Development Program designed in 2019 to identify the capacity, gaps and interventions required to enable Ugandan suppliers meet/ supply the food requirements of the sector.
- f) Supplier development engagements undertaken by the IOCs and individuals.
- g) Nationalization plan template issued by PAU for use by the IOCs.

- h) Some Ugandan institutions have been accredited as centres for international certifications relevant to the oil and gas sector.

Key recommendations

- i. PAU should define and enforce promotion of "value addition" in relation to Regulation 17(4) of the National Content Regulations, especially where shareholding is mostly by foreigners, and engage CNOOC closely to ensure it is on track to meet the National Content targets as stipulated in the law.
- ii. PAU should investigate and address the causes of low absorption of training funds for Government officials.
- iii. PAU should in consultation with Government agencies whose work intersects closely with the oil and gas sector, identify the key skills gaps which need to be filled to improve value addition by the said entities' staff to management of the sector, and prioritise their training using the training funds from the IOCs.
- iv. PAU should expedite development of the National Content Monitoring System for better tracking of National Content achievement by companies sub-contracted by the IOCs.

4.12 Baseline Value for Money audit of the Uganda Inter Governmental Fiscal Transfer Programme

The Government is implementing the Inter-Governmental Fiscal Transfer Programme whose objective is to restore the adequacy and enhance equity of the fiscal transfers to Local Governments relating to health and education services running for five years from financial year 2017/18 to 2021/22 across all Local Governments (121 District Local Governments and 41 Municipal Councils).

I was required to undertake a value for money audit in the first year (2017/18) expenditures (as a baseline) and second study for the F/Y 2020/21 expenditures (end term) in health and education sectors in the participating Local Governments with the objective of assessing the economy, efficiency and effectiveness with which Local Governments have utilized their investments in the delivery of infrastructure and services in the education and health sectors during the Financial Year (FY) 2017/18.

A total of 30 Local Governments (LGs) i.e. 22 Districts and 8 Municipalities were selected for the assessment and assessed along three thematic areas comprising of utilisation of funds, delivery of infrastructure and delivery of services and the following key findings were noted:

a) Utilisation of funds

I noted that out of sampled schools, 93.6% was utilised and absorbed as intended. However, outliers of non-utilisation and absence of financial records was observed in some entities. Further there were time overruns, non-adherence to procurement and the standard allocation of UPE funds per pupil per annum of UGX.10,000 was not adhered to with the minimum allocated amount of all LGs was UGX.3,770, the maximum was UGX.36,222.

b) Delivery of Infrastructure

I noted that the detailed engineer's estimates were prepared for only 31 (19%) of the 165 construction projects in 8 LGs Assessed and certified works in most LGs were not supported with measurement sheets. Further, gaps in supervision arrangements were observed, quality control was not being emphasized, facilities constructed were not being utilised for the intended purposes in most of the LGs and maintenance and repair of facilities was not being prioritized.

c) Delivery of services in education and health

In education, there was low P7 completion rate with FY 2016/2017 being 61.5%, 111 out of 172 schools achieved desired target of 89% pass rate, pupil attendance was less than 50%, Pupil to teacher ratio (PTR) was 60:1 yet the recommended PTR is 53:1 or less, teacher attendance was poor and 51% of the schools were inspected 3 times in the academic year as recommended by the Ministry. Further the average cost of teaching per pupil per term across all schools was UGX.57,217, the average number of classrooms is 1:88 below the national standard of 1:55 and the availability of other vital infrastructure such as toilet stances, text book per pupil ratio among others was far below the national standards.

In health, health facilities did not register any maternal deaths in the year, the length of stay at the individual health unit ranged from 0.5 to 4 days, 53 HCs out of 77 (68%) did not register still births, various health facilities visited experienced stock out of medical supplies, facilities visited did not have the required number of staff, the average bed occupancy rate was 62% and 72.2% for HCIII and HC IV respectively and noted absence of essential equipment.

d) Ranking of performance across the 3 themes

I ranked performance across the 3 themes being assessed in the sectors from satisfactory (scores of at least 90%), fairly satisfactory (60%) and not satisfactory (below 60%) and noted as follows:

- i. Education sector ranged from 37.6% to 71.9% with the majority of HLGs (53%), assessed as not Satisfactory and (47%) as Fairly Satisfactory. None of the HLGs was assessed as Satisfactory.
- ii. Health Sector ranged from 46.0% to 73.6%. The majority of HLGs (53.9%) were assessed as fairly satisfactory, 46.2% being assessed as not satisfactory. None of the HLGs was assessed as Satisfactory. It should be noted that 4 LGs out of the 30 LGs did not implement any project in the Health Sector in the FY 2017/18.

I advised the Ministries of Education and Health to enhance the capacity of procurement and engineering functions, liaise with the Ministry of Works to develop standard guideline for costing infrastructural works, ensure that all infrastructure projects are subjected to Environmental and social Impact Assessment, enhance Quality control and quality assurance of works during construction, prioritise repair and maintenance, ensure user needs analysis is properly undertaken to guide the selection

of the facilities to be constructed and continue with the efforts to secure funding for the provision of vital infrastructure.

Further, the education sector should address the inequality relative to the national standard in the allocation of UPE funds, sensitise and create awareness of the value of education, District/Municipal Education officers should make routine follow-ups, ensure more teachers are recruited to match the increasing enrolment of pupils, improve the schools inspection function and address the inequality relative to the average unit cost of teaching per pupil across schools.

The health sector should ensure equitable allocation and regular flow of PHC funds, address the challenge of drug and medical supplies stock outs and liaise with the Ministry of Local Government and the Health Service Commission to ensure that more medical staff is recruited to match the increasing demand for effective delivery of health services.

4.13 Value for Money audit of the Uganda Support to Municipal Infrastructure Development –Additional Funding (USMID-AF) programme for the financial year 2017/18

The main objective of the audit was to undertake a Value for Money assessment of the delivery of urban infrastructure undertaken by the Municipal Councils participating in USMID-AF. The scope of the assessment covered all USMID funded infrastructure and a selected number of non-USMID financed infrastructure projects executed by municipalities and financed by Uganda Road Fund (URF) (force account), Schools Facilitation Grant (SFG), Discretionary Development Equalisation Grant (DDEG) projects and Local revenue financed Projects in the FYs 2016/2017 and 2017/2018.

The assessment of economy shows that there were disparities in unit costs across all the participating municipalities resulting from disparities in the Engineers' estimated rates, contractors' rates for the USMID projects, SFG Projects and URF funded projects. However, for USMID-funded projects, the regional clustering adopted had the effect of significantly minimising the disparities.

Furthermore, efficiency improvement is still hampered by a number of projects not being executed within the planned timelines and weaknesses in progress supervision, monitoring and reporting resulting in irregularities in certification and overpayments especially for non-USMID projects. Generally, non-USMID projects are being procured as Admeasure Contracts but irregularly treated as lumpsum Contracts during implementation.

In terms of effectiveness, the results show that although the quality of works was good in some of the municipalities, quality control is still a big challenge in various municipalities especially on non-USMID projects. The necessary control measures need to be enforced to achieve the expected quality and functionality of the constructed infrastructure.

I advised the Accounting officer to ensure that all the above weaknesses are addressed as per the detailed recommendation in the individual report.

PART 5: Summary of Engineering Audits

This part contains key findings from engineering audits undertaken in the different entities during the year.

5.0 Audit of infrastructure projects during the financial year 2018-2019 implemented by Ministries Departments and Agencies

During the financial year I under took an audit of projects implemented in the following MDAs as shown in the table below;

Table 27: Showing Summary of Engineering Audits undertaken

S/No	Sector	Entity	Projects assessed	No of Projects
1.	Health	Ministry of Health	Rehabilitation and Expansion of Kayunga Hospital under KAYUP project	1
			Rehabilitation and Expansion of Yumbe Hospital Under KAYUP project	1
			Construction of Staff Houses in Selected Health Facilities In Seven Districts Of Karamoja Region i.e Kaabong, Kotido, Abim, Moroto, Napak, Amudat And Nakapiripirit Under The Karamoja Region Staff Housing Project (KRSHP)	1
2.	Works	Ministry of Works and Transport	14 selected road and bridge projects.	14
		Uganda National Roads Authority	13 selected road and bridge projects.	13
		Civil Aviation Authority	Design and Build Of Entebbe International Airport Upgrading And Expansion Project	1
			Modification of The Passenger Terminal Building At Entebbe International Airport.	1
3	Lands	Ministry of Lands and Urban Development	USMID-AF audit of infrastructure implemented by 22 Municipalities for the Financial year, 2016/17 (92 projects) and 2018/19 (100 projects). The report has been presented in the VFM section	192
			USMID- AF Selected infrastructure projects in Four (4) municipalities for FY 2017/18 Ntungamo, Apac, Busia and Lugazi Municipalities. The report has been presented in the VFM section	4
Total				228

5.1 Technical/Engineering Audit of the rehabilitation and expansion of Kayunga and Yumbe hospitals

In the financial year 2018/19, Ministry of Health implemented infrastructure projects worth USD.16,670,711 for Kayunga Hospital and USD.18,601,958 for Yumbe Hospital.

As part of the annual audit of the financial statements for the year ended 30th June 2019, these projects were selected for a technical /engineering audit.

Key audit findings resulting from the engineering audit and corresponding recommendations resulting from the engineering audit for the Kayunga and Yumbe Hospital rehabilitation projects are presented below, detailed findings, quality results, quantity verification and pictures of defective works are presented in a separate report which has been issued on infrastructure component.

5.1.1 Kayunga hospital

The rehabilitation and construction works of Kayunga hospital were contracted to Arab Contractors Osman Ahmed Osman at a contract price of USD.16,670,711 and supervised by Dar Engineering in association with Joadah Consult Ltd at a supervision cost of USD.1,433,803. At the time of audit in August 2019, the physical progress of the works was at 78.9% while the financial progress was at 39%. I observed the following:

a) Delayed handover of land for lagoon construction

Handover of the land for rehabilitation and expansion of the lagoon was delayed causing delay in the commencement of works in this area of the project. By August 2018, only 35% of the required land had been handed over to the contractor to commence works.

b) Inspection of works

During my inspection of works in August 2019 in the presence of the Consultant and the Contractor's representatives, I observed that the excavated trenches for pipe work was not backfilled, the friction hinges on top hung windows were not holding the windows in place when open, the uncovered inspection chambers had no warning signs or tape, there was a crack in plaster in the living room of Doctor's House K4A, there was insufficient compaction on edges of lagoon and the several workers on site were executing works without required personal protective equipment such as gloves, safety boots, helmets and safety belts for those working at heights.

- c) In respect to quality of works, I noted that the contractor carried out tests on concrete, steel reinforcement, concrete blocks, coarse aggregates and degree of compaction which were found to comply with specifications.
- d) My verification of the sample items of executed works in the presence of the supervising consultant and contractor's representatives revealed an overpayment of USD.41,057.08 of the executed works when compared with certified quantities in interim payment certificates.
- e) I also noted that the supervising consultant's monthly progress reports lacked key information such as graphical representation of financial progress against program based on the approved contract schedules, details of impediments to the works and proposals for overcoming these, contractor's labour and minutes of site meetings as laid down in the terms of reference that would inform the client's decision making and cost control.

5.1.2 Yumbe hospital

The rehabilitation and construction works of Yumbe hospital were contracted to Sadeem Al-Kuwait General Trading and Contracting Company at a contract price of USD.18,601,958.21 and supervised by Dar Engineering in association with Joadah Consult Ltd at a supervision cost of USD 1,433,803. At the time of audit execution in August 2019, the physical progress of the works was at 73.4% while the financial progress was at 61.1%.

Whereas it was observed that the design process generally followed the requisite procedures, the following matters were observed:

- a) Review of the housing assessment and detailed design reports indicated that in respect to the rehabilitation works, the extent of structural deterioration and level of rehabilitation required for each structure was not clearly highlighted by the design consultant in the reports which resulted in a number of variations in items/quantities which should have been envisaged during the design phase.
- b) The design phase was scheduled to take a period of six (06) months from the date of contract but took 11 months implying a delay of five (05) months which led to the delayed procurement of the works contractor.
- c) Review of Interim Payment Certificates (IPCs) revealed that payments for the IPC's foreign components were made on time whereas payments from the GoU component in all the IPCs were delayed beyond the 90 days from approval date by the engineer and these may attract interest on delayed payments.

Review of the payments for preliminaries revealed the following:

- a) I noted that USD.124,900 was remitted to the contractor to cater for the consultant's supervision and thus the salaries for the project manager and two clerks of works were paid through the contractor. The payment of the Consultant's representatives through the contractor could compromise their independence. Furthermore, there was no evidence provided as a basis for this monthly payment to the contractor in the IPCs.
- b) I also noted that USD.34,629 was paid to the contractor for water for works contrary to the requirements stipulated in section 1.36 of the technical specifications which requires the Contractor to provide water for the works at his own risk and cost.
- c) During my inspection of works in August 2019 in the presence of Consultant, MoH and the Contractor's representatives, I observed that there were defects such as; broken and non-uniform colour corner strips, cracked/broken tiles, damaged wall sections, cracked/peeling plaster, open joints, damaged window seals, broken paving, spalling of the internal wall plaster, poorly prepared wall surfaces and ceilings before application of the undercoat.
- d) I also observed that the contractor used a combination of cast in-situ and precast concrete slabs, inadequate curing of some of the concrete members, poor materials management, poor handling of fresh concrete, none use of spacer blocks. There was also absence of warning tapes, signage/barricades, non-use of Personal Protective Equipment (PPE's) by the contractor's employees, poor management of storm water drainage and the site environment and exposed electrical wires.
- e) In respect to quality of works, field tests undertaken using a schmit hammer on sampled concrete elements showed that the concrete works met the required strength.
- f) My verification of the sample items of executed works in the presence of the supervising consultant and contractor's representatives revealed an overpayment of

USD.228,597.7 of which USD.223,521 was due to payment for works not yet executed. The Accounting Officer indicated that the payment made for unexecuted works was recovered in the subsequent valuations (IPC 7), however, documentation availed indicated that only USD.140,023.66 was recovered out of the USD.223,521 leaving a balance of USD.83,498.

- g) I also noted that the contractor's general foreman presently on site was not approved as the appropriate replacement for the original foreman but continued to work.

I advised the Accounting Officer to carry out appropriate design assessments to avoid variations, streamline the payment process to avoid over payments and rectify all defects highlighted.

5.2 Engineering Audit of a selected sample of road and bridge Projects implemented by Ministry of Works and Transport during the financial year 2018/19

During the financial year 2018/19, Ministry of Works and Transport (MoWT) implemented 155 public works projects whose contracts amounted to UGX.1,652,739,749,464. I undertook technical audits on a sample of fourteen (14) projects worth UGX.27,195,600,966 representing 1.64% of the total value of the projects.

The projects consisted of eleven road construction/rehabilitation projects, of which six were under the road interconnectivity program, one from the urban roads sealing program while four were under the Low Cost Sealing (LCS) program. In addition, three bridge projects of which one is a swamp crossing were assessed.

Below is a summary of key audit findings and observations resulting from the engineering audit. I have also issued a separate technical report containing the detailed results of the Engineering audit.

a) Inadequate Feasibility Studies

It was observed that on two selected projects of upgrading of the access road to Busoga College Mwiri and rehabilitation of Bulucheke-Muchomo-Nyende Road, there was a substantial increase in the quantities of some of the items implemented as shown in the table below;

Table 28: Showing Projects without adequate feasibility studies

S/No	Project	Item	% Increase
1	Rehabilitation/Upgrading of the Access Road(3.1km) to Busoga College Mwiri in Jinja and Paving the Parking Area at Central Materials Laboratory in Kireka Kampala	Cut to Spoil	561%
		Imported Subgrade Fill	163.2%
		Stone Pitching	31.2%
2	Rehabilitation of Bulucheke-Muchomo-Nyende Road	Common excavation or cut to spoil of soft material	161%
		Rock excavation or cut to spoil in rock	2,456%
		Fill as instructed by the engineer	197%

It was further observed that for the construction of Kisaigi Bridge in Kakumiro District, the design of the project was changed majorly from 15m to 17m span due to the

widening of the river banks. This implies that feasibility studies were insufficient during the design process.

I advised the Accounting Officer to ensure that for future projects and especially for projects in hilly terrain, feasibility studies are properly undertaken so as to avoid substantial increase in quantities of executed items.

b) Omission of Essential Work Items

Essential items such as speed control infrastructure, stone pitching and river training were noted to have been omitted on the low cost sealing projects for Kisozi – Nawanyago Road Sections A and B while Left Hand Side (LHS) road edge protection, and guard rails were not provided for in the contract for rehabilitation of the Access Road to Busoga College Mwiri.

I advised the Accounting Officer to ensure that the omitted work items are executed and for future projects, detailed planning should be undertaken to ensure that all items are catered for in the contract.

c) Preparation of BoQ's for Low Cost Sealing Projects

Review of the BoQs prepared for the low cost sealing projects indicated that a number of items included within the BoQ were not aligned to the specifications with regards to the numbering and units of measurement for example; clearing and grubbing, preparation of the road bed whose units were linear meters instead of cubic meters.

I advised the Accounting Officer to put in place measures to ensure that BoQs prepared are aligned to the respective works specifications in terms of units of measurements and numbering.

d) Progress of Works

Of the fourteen (14) projects assessed, five (5) projects were found to have been completed within the contractual timelines, seven (7) had been delayed; one (1) was still on-going within the extended period but was lagging behind schedule while works for one (1) had been suspended.

I advised the Accounting Officer to institute a comprehensive investigation into the causes of delays of completion of works and set up the appropriate remedial measures.

e) Unjustified Extensions of Time

It was noted that on six (6) of the fourteen projects, extension of times were granted to the contractors due to inclement weather (heavy rainfall). However, it is the opinion of audit that the extension of time granted was unjustified due to failure to use the procedures set out in section 1229 of the general specifications for road and bridge works when computing the extension time and lack of authenticated rainfall data provided by the contractor. Furthermore, the computation of extension of time on two of the projects took into consideration the same months when the contractor was off site.

As a result of the unjustified extension of time, UGX.178,014,445.57 was forfeited by the Ministry in liquidated damages.

I advised the Accounting Officer to put in place measures to ensure that extension of time arising from inclement rainfall is always computed as per the procedures set out in the specifications and the requisite authenticated documentation forms the basis for this computation.

f) Payment/Certification for excess quantities

It was noted that certifications and payments equivalent to UGX.202,288,300 were made for quantities of works in excess of those executed for the 14 projects.

I have advised the Accounting Officer to ensure that the amounts certified and paid in excess of the quantities executed are recovered from the contractors prior to concluding the contracts. MoWT should also ensure that accurate measurements of executed works are undertaken by the supervising staff before payments are effected.

g) Physical Inspection of Works

During the physical inspection of works for the 14 projects, a number of observations were made that if not corrected could lead to the faster deterioration of the works and as such, would require corrective action prior to completion of the works. These included; road bleeding, stripping, silted and cracked access culvert, damaged stone pitching and end structures, pothole development, Gullies on carriageway, Collapsed gabion, Extensive Honey combing and poor workmanship among others.

I advised the Accounting Officer to ensure that all defects observed are rectified and in addition, the supervising team should thoroughly inspect the works prior to completion and ensure that all defects identified are rectified.

h) Implementation of Road Safety, Environmental and Social Safeguards

During the physical site inspection of the works, I further observed poor adherence to road safety, environmental and social safeguards for some projects such as Kasaigi Bridge that had been opened to traffic despite the fact that guard/hand rails had not yet been installed, constructed diversion washed away at Kabindula swamp necessitating use of broken timber pieces for crossing, lack of traffic signage or diversions despite damping of gravel in different sections of Nyaruzigati-Kyapa-Kitabu Road in Kasese District, failure to undertake restoration of borrow pits for two projects, poor disposal of equipment fuel/oil at the yard of the contractor responsible for the construction of Kasaigi Bridge and construction of a sanitary facility beside the river at Kabindula swamp crossing.

I advised the Accounting Officer to ensure that road safety, environmental and social safeguard measures are enforced on all projects.

i) **Physical Inspection of Works**

During the physical inspection of works, a number of observations were made that if not corrected could lead to the faster deterioration of the works and as such, would require corrective action prior to completion of the works. These are summarized below:

Table 29: Showing findings from inspection of road works

S/No	Road Project	Observations
1	Rehabilitation/Upgrading of the Access Road(3.1km) to Busoga College Mwiri in Jinja	Bleeding, stripping, cracked access culvert, damaged stone pitching and end structures, pothole development
2	Rehabilitation of Runga-Waaki-Butiaba road in Hoima District (19.2km)	Silted culverts, under scoured culvert apron, unconstructed end structures, washed off culvert backfill
3	Rehabilitation of Bulucheke-Muchomo-Nyende Road in Bududa District	Gullies on carriageway, uninstalled culverts at water crossing points
4	Rehabilitation of Roads in Rubanda District	Gullies, road edge breaks, washed off culvert backfill, unconstructed end structures, uninstalled culverts at water crossing points
5	Rehabilitation of Roads in Kasese Municipality	Cracked culverts, washed off culvert backfill, poorly constructed end structures
6	Rehabilitation of Roads in Alebtong District	Cracked culverts, broken end structures, washed off culvert backfill, silted culverts
7	Rehabilitation of Roads in Lira South	Silted culverts, broken/cracked end structures,
8	Low Cost Sealing of Selected District Roads; Lot 1: in Kasese District	Cracked culverts, culvert with exposed mesh, broken end structures
9	Low Cost Sealing of Selected District Roads; Lot 2: in Kasese District	Broken culverts, damaged sub-base, silted culverts
10	Low Cost Sealing of Selected District Roads; Lot 6: In Kamuli District.	Bleeding, broken end structures, broken and scoured aprons, Stripped capping layer along road carriageway, silted culverts
11	Low Cost Sealing of Selected District Roads; Lot 6: in Kamuli District	Silted culverts, damaged culvert bases, washed off culvert backfill, damaged road base, damaged end structures
12	Construction of Gem Farm Bailey Bridge in Atiak, Amuru District	Collapsed gabion at Abutment 2 RHS, Inadequate backfill at approach to the bridge (LHS) in the corner, Need for river training
13	Construction of Kisaiyi Bridge in Kakumiro District Lot 1	Honey combs, collapsing backfill, Crack at Abutment wall, Formwork left within the bridge structure at different locations
14	Construction of Kabindula Swamp Crossing in Kyankwanzi District Lot 20	Extensive Honey combing, poor workmanship on concrete works

The Accounting Officer indicated that contractors had been instructed to address the identified defects prior to issue of the practical completion certificate.

I advised the Accounting Officer to ensure that all defects observed are rectified and in addition, the supervising team should thoroughly inspect the works prior to completion and ensure that all defects identified are rectified.

j) Assessment of Quality of Works

During the physical inspection, in-situ tests were undertaken to assess the quality of the works. The results obtained indicated that on some of the projects, some elements of the works did not meet the required specifications.

Table 30: Showing results of assessment of quality of works

S/No	Road Project	Test	Failed Parameters
1	Upgrading of Busoga College Mwiri Road	DCP	CBR - there are some weak points in the base layer on the right-hand side of the road
2	Construction of Kasaigi Bridge	Rebound Hammer Test	Concrete Compressive Strength of Wing Walls Kagadi Side LHS & RHS
3	Construction of Kabindula Swamp crossing		Concrete compressive strength of Headwall (RHS), Headwall (LHS), Headwall (LHS), Wing wall (LHS), Headwall (RHS), Headwall (RHS), Headwall (LHS) at 0+170, 0+170, 0+255, 0+255, 0+215, 0+200, 0+200 respectively

The Accounting Officer indicated that further investigations shall be undertaken and in the event of failure, appropriate remedies shall be undertaken.

I advised the Accounting Officer to undertake further tests on the failed work elements and undertake appropriate remedial action.

5.3 Technical/ Engineering Audit of the two projects implemented by Uganda Civil Aviation Authority (UCAA)

In the financial year 2018/19, UCAA implemented the 2 infrastructure projects namely; Modification of the Passenger Terminal Building at Entebbe International Airport project worth UGX.42,695,026,700 and the Design and Build of Entebbe International Airport upgrading and expansion project worth USD.200,000,000.

As part of the annual audit of the financial statements for the year ended 30th June 2019, these projects were selected for a technical /engineering audit. Key audit findings resulting from the engineering audit performed are presented below.

5.3.1 Design and build of Entebbe International Airport upgrading and expansion project

The is supervised by Dar Al-Handasah (Shair & Partners) supervising consultants' at a supervision cost of USD.1,183,821,789 VAT Inc. At the time of audit in October 2019 physical progress was at 64% as reported in the June 2019 progress report.

a) Lack of project cost estimate and scope schedule

It is expected that for projects conceived to be implemented through a design and build method, a comprehensive project criteria is developed by the owner before any design and build contractor is selected. I observed that this was not done. This denied the project owner/client information on the final total project cost after design which may result in further variations, extensions of time and delays to the projects.

b) Lack of review of feasibility study report from CCCC during procurement of works

Review of documents revealed that the EPC Contractor CCCC pre-financed the feasibility study for the Design and Build of the Upgrading and Expansion of Entebbe International Airport Project. The feasibility study report (technical proposal) submitted to CAA in December 2013 costed Phase 1 of the project at USD 200,000,000 which later culminated in a contract between CAA and CCCC on October 2014 for USD.200,000,000.

It was however noted that there was no independent review of the feasibility estimates by CAA during procurement stage which would have informed Government on the reasonableness and accuracy of the cost estimates prior to agreeing to CCCC securing the funds from Exim bank of China. Accordingly the CAA contracts committee approved the project cost in the feasibility study on 23rd September 2014 without undertaking an independent evaluation of these costs but rather sought for PPDAs clearance of the contract on 2nd October 2014, contrary to sec 3 PPDA regulations 2014.

c) Lack of scheme/concept designs

The review of project documentation established that scheme/concept designs which are a basis for initial cost estimation and alignment of the project cost and budget available, were not availed for audit. It is therefore not clear how CAA arrived at the estimated cost of USD.270,041,000 for the upgrade and expansion of EIA project under the externally funded category. This stage was very important for this type of design-build method of project delivery adopted for the expansion project.

d) Unexplained varying of employers requirement for construction of ground car park

The feasibility study report (Technical proposal) submitted to CAA in December 2013 by CCCC ref Page 71/73, included a table summarising the works to be included under phase I of the project, and in this technical proposal which was costed at USD.200,000,000, construction of a Ground car park was included.

It was noted that construction of the Ground car park had not been included in the signed contract agreement.

e) Delayed implementation of works

Review of the works contract and progress reports showed that the works which commenced on 8th October 2016 are expected to achieve 100% completion on 9th May

2021. The progress report for June 2019 shows that the works had achieved only 43.01% physical progress against an elapsed project time of 60.14% which translates into 10 months of delay. It was also noted that 100% completion of the New Cargo complex was to be achieved by 2nd Dec 2018 (according baseline program - which has never been updated). However by June 2019 progress of works achieved was only 80.45%. This is however is on the critical path of commencement of construction of the Passenger Terminal Building (PTB) which was expected to start on 3rd Dec 2018 with the demolition of existing cargo building; this activity had not started at the time of audit and may affect the completion time of the project.

f) Expired Professional Indemnity Insurance

A review of the monthly progress report for June 2019 revealed that the Professional Indemnity Insurance filed by the contractor had expired on 31st March 2019 and at the time of audit in September 2019 had not yet been renewed. Lack of a Valid Professional Indemnity insurance cover puts the works of the contractor at risk should any injuries; accidents and death occur during execution of the works. CAA may also not qualify for compensation arising from omissions made by the contractor such as wrong designs or poor workmanship.

I advised the Accounting Officer to task the contractor to update and renew the Professional Indemnity Insurance cover for the project.

g) Delayed payment of Interim payment certificates (IPCs)

Clause 14.7 of Addendum No.1 of the works contract page 28 /29 of the particular conditions of contract state that payments right from the Interim payment certificate and the final payment certificate shall be made within 56 days upon receipt of the relevant certificates by the Employer.

A review of payments to the contractor revealed delayed payment of 22 IPCs (IPCs No 11,12,13,14,15 to No 22) with an invoice value of USD.23,130,646. The payment delays for the IPCs ranged from 94 days to 461 days after submission by the consultant.

Delayed payment of IPCs causes delays in the progress of works and may result in the contractor charging interest.

h) Unsubstantiated Claims in the Claims register

A review of the Monthly progress report (MPR) No 24 of May 2019 and the claims register revealed that a total of 11 notices to claim have been submitted. However, audit was not availed details and treatment of each of the claims.

In the circumstances I was unable to ascertain the accuracy and validity of each of these claims detailed in the claims register.

i) Delayed Procurement of Supervision Consultants

It was noted that the consultant commenced services 10 months after the works commenced. This introduced the need for the employer to institute a supervision team who supervised the contractor in the initial stages of execution.

I advised the Accounting Officer that to address the challenges above and ensure that the project is implemented as planned.

5.3.2 Modification of the Passenger Terminal Building at Entebbe International Airport

The Contract for the Modification of the Passenger Terminal Building (PTB) at Entebbe International Airport (EIA) is being executed by Seyani Brothers & Co. (U) Limited at a contract value UGX.42,695,026,700 tax inclusive with Ssentogo & Partners Limited as the supervising consultants at a supervision cost of UGX.1,183,821,789, tax inclusive. At the time of audit (5th to 27th August 2019) physical progress of the works reported in the June progress report was at 42.193% with a time lapse of 85.7% while the financial progress was reported at 23.08%.

a) Inadequate user needs assessment

A design consultant (Arch design Limited) was engaged to carry out the design for the project at a cost of UGX.613,526,250. However I established that the entire project has been redesigned owing to new demands by the client. This implies that there were shortcomings in the needs assessment phase of the project.

b) Project Implementation without known Scope

From the review of addendum No.1, 2, and site inspection of implemented works, it was noted that the consultant failed to fully quantify the project after redesign. Failure to quantify the project after redesign denies the client knowledge of total project cost which could result in cost variations and completion delays.

c) Slow progress of works

A commencement order for works was issued on 1st June 2016 but the works commenced 9 months later. This delay in commencement as well as other contract management issues like Design update, change of scope, resulted in several extensions of time totalling to 24.5 months.

I noted that even with the extension of 24.5 months, by the end of June 2019, the physical progress of works was only 42.193%, against an elapsed project time of 85.7%.

d) Payment for unjustified Preliminaries

UGX.494,909,091 was paid as running expenses to the contractor for the period July 2016 to February 2017 yet no works were executed in this period. Physical works commenced on 1st March 2017.

Furthermore, a total of UGX.295,583,826 has been paid as per IPC 22, as costs due to extension of time in contravention of the decision by the CAA Board as contained in the letter dated 8th November and 497th contract's committee meeting which rejected any costs due to the third extension of time.

I advised the Accounting Officer to further investigate the validity and rationale of the time related preliminaries amounting to UGX.494,909,091 as running expenses, and UGX.295,583,826 paid as costs due to EOT to the contractor as per IPC 22 with a view to recover.

e) **Unjustified Claim**

The contractor claimed for UGX.11,473,452,129 as price adjustment contrary to clause SCC 47.1 of the contract agreement which states that "***This contract is not subject to price adjustment***".

f) **Delivery of only one floor at contract expiry**

CAA signed a contract with Seyani Brothers for a project to be delivered fully functional within 17 months. After project extension of 24.5 months, I noted that the project will not be fully functional and at expiry, only the first floor (the departures level), will be operational with all other components not functional as detailed in chapter 3. It should be noted that the public will not receive the facility as expected, and the unfinished works may be a safety hazard to the users of Entebbe Airport. It is also not clear whether the terminal building will meet the requirements for the occupational permit if it's not fully completed.

g) **Quantity verification**

Sample items of executed works were measured in the presence of the supervising consultant and contractor's representatives and compared with certified quantities in interim payment certificates. It was noted that the contractor had been overpaid by UGX.2,156,511,614.

h) **Supervision of Works**

Through audit inspection of works, it was noted that in spite of the magnitude of the project, only a clerk of works is present on site to supervise all the works. This results in ineffective supervision of works by the consultant.

i) **Execution of Steel works without Bar Bending Schedules**

It is required that after structural design, construction drawings are detailed, and a bar bending schedule that details reinforcement cutting and bending length is generated, and issued to the contractor to help in bending, and placement of bars. However, it was noted that Steel works for the project were executed without Bar Bending Schedules from the Structural Engineer (letter CAA/SRVC/S/14-15/00289 dated 18th July 2018). Absence of the BBS means there was a challenge in quality checks and quantification of steel during implementation.

j) **Erroneously detailed structural drawings, and Bar bending Schedules**

The review of the structural drawings issued to the contractor revealed errors in the detailing of the reinforcement, and the bar bending schedules for the project which might have resulted in an increase in the contractors claim for steel as detailed under

section 1.6 (Quantity verification). Poor detailing of structural drawings also leads to errors during placement of reinforcement and could result in an over or under designed project.

I advised the Accounting Officer to follow up the matters above and ensure that the project is completed as planned.

5.4 Engineering Audit of a selected sample of road development, bridge, rehabilitation and maintenance projects implemented by Uganda National Roads Authority (UNRA) during the year

For the financial year 2018/19, a total of 74 projects (Development and rehabilitation projects) of total contract sum UGX.24,611,235,821,987 were being implemented by UNRA.

13 Projects were selected for the engineering audit. These included (11) development and rehabilitation projects worth UGX.1,358,928,735,218.8 and Euro.106,480,753.07 as shown in table below:

Table 31: Development and rehabilitation of projects

S/No	Contract road name/Contractor	Contractor	Contract Price (UGX)	Euro
1	Soroti - Katakwi - Akisim road	CCCC	304,000,000,000	
2	Bumbobi - Lwakhakha road	China State Engineering Ltd	140,724,000,000	
3	Nakalama - Tirinyi - Mbale road	Dott Services	135,370,000,000	
4	Musita - Lumino / Busia - Majanji road	China Railway 18th Bureau (Group) Co. Ltd	206,784,423,053	
5	Kampala Northern bypass - Phase 2	M/s Mota Engil Engeharia E Construcao	0	106,480,753.07
6	Ishaka - Katunguru road	M/s Mota Engil Engeharia E Construcao Africa, S.A	103,852,641,242	
7	Kyenjojo - Fort Portal road/ China Wu Yi Co ltd		71,435,766,901	
8	Hoima - Butiaba - Wanseko road	Chongqing International Construction Corporation	337,440,000,000	
9	Kabong bridge	Terrain Services	13,321,891,188	
10	Lopei bridge	Terrain Services	12,468,2.82,364	
11	Waiga bridge, Ruzairwe bridge, Nsongi bridge, Mpundwe bridge	Armpass	46,000,000,000	
	TOTAL		1,358,928,735,218.8	106,480,753.07

The sample also included two maintenance projects are shown in tables below:

Table 32: Showing maintenance projects at Jinja Station

S/N	Project name	Contractor	Contract Price (UGX)
1	Mechanized Maintenance of Selected Unpaved Roads under Framework Contracts for 3 Years Totaling to 487.2Km. Call off order 3: Kaitabawala-Kisozi-Busota (58.2Km).	Rock trust contractors (U) Limited	33,860,159,881
	Total		33,860,159,881

Table 33: Showing Maintenance projects at Hoima station

S/N	Contract name	Contractor	Contract Price (UGX)
1	Bukomero-Dwaniro-Kyankwanzi (68.2Km), Kabwoya-Kituti (42Km), Kiziranfumbi-Kabaale (25.7Km), Buseruka-Tonya (29.5Km)	Lusa Construction & Engineering Co. Ltd	3,987,851,201
	Total		3,987,851,201

Below is a summary of key findings and observations resulting from the engineering audit. I have also issued a separate technical report containing the detailed results of the Engineering audit.

Key Audit Findings

a) Inadequate designs and planning

Several omissions in completed designs were noted on the sampled projects which, if not addressed, will compromise the safety during use and reduce the design life of the facilities. For Bumbobi-Lwakhakha project, the design left out checks on serviceability requirements of the box culverts; while Waiga and Waaki Bridges along Hoima-Butiaba-wanseko, the design initially had inadequate openings for the design flow rates. For Ishaka-Katunguru and Kyenjojo-Fort Portal rehabilitation projects, pavement evaluations and feasibility studies were done after the Contractor had commenced. The design and build bridges were also initiated without concept designs.

b) Underestimation of quantities

Underestimation of quantities was noted in the following projects;

- i. Hoima-Butiaba-Wanseko contract amount rose by USD 12,095,257.87 for increase in quantities (over 800% for excavating in soft material, 138% for rock excavation, 338% for excavation in swamps and 1300% for top soiling among others)
- ii. Soroti-Katakwi-Akisim had several quantities rose by over 1000% (for example removal of trees of girth between 1-2m, common excavation to spoil for earthworks, excavations to spoil for structures, rock fill for structures and new box culverts) even though the contract sum was not exceeded.

- iii. Musiita-Lumino-Majanji had quantities rise by over 200% for stone pitching, vehicular kerbs, removal of top soil and 1200mm diameter pipe culverts among others even though the contract sum was not exceeded.
- iv. Bumbobi-Lwakhakha had several quantities rise by over 200% (for example excavation in soft material for drainage, concrete kerbs, fill using rock among others), though the contract sum was not exceeded.

c) Inclusion of unnecessary items in contracts leading to increase in contract amounts

Unnecessary items were included in contracts for 5 projects which led to increased the contract prices by UGX.6,710,431,291 (VAT exclusive) as shown in below; This was attributed to failure to undertake due diligence on the procurement (bid preparation) and contracting process.

Table 34: Showing Unnecessary items in BOQs

SN	Project name	Unnecessary items	Cost (UGX)
1	Lopei bridge	Contingency, relocation of services, special tests by Engineer, excess material	1,255,802,100
2	Lopei Bridge	Guardrails (higher rate)	779,200,000
3	Kaabong bridge	Contingency	1,077,123,580
4	Mpondwe, Nsongi, Ruzairwe and Mpanga 6	Contingency	3,373,105,611
5	Mpondwe, Nsongi, Ruzairwe and Mpanga 6	Seismic restraints	225,200,000
Total			6,710,431,291

d) Delayed handover of the sites to the contractor

Several sites were not handed over to the Contractor in time which led to failure to deliver on project milestones as contractually agreed at contract signing. Generally, the Contractors failed to handover 30% of completed continuous project lengths at the agreed time (60% of project time). Delayed hand over of sites resulted into extension of time leading to additional time-related costs for example Bumbobi-Lwakhakha where the time related costs have exceeded the initial budget by over UGX.500 million.

e) Avoidable interest on advance payment

Several project contracts had provisions for advance payments to Contractors which were also categorized as ("interest free loans") to assist them with cash flow support and mobilization. The same contracts allow the contractor to charge interest for delayed payment of the advance payment by the client (UNRA). In my opinion, this contractual requirement is unfair to the client given that it is meant to support the Contractor. The

two projects shown in **Table below** had an interest claim of UGX.424,035,008 and USD 188,969.9 certified.

Table 35: Showing Avoidable Interest on advance payments

SN	Project	Interest (UGX)	Interest (USD)
1	Bumbobi-Lwakhakha	178,504,035	172,534.16
2	Kyenjojo-FortPortal	245,530,973	16,435.74
Total		424,035,008	188,969.9

f) Delayed payments to the contractors

It was observed that the contractors' payments were delayed in all cases resulting in interest claims on the delayed payments. For the two projects shown in **table** below, a total of UGX.2,157,730,017.39 and USD 691,479.07 had been claimed and will be paid as interest on delayed payments.

Table 36: Showing delayed Payments to contractors

SN	Project	Interest (UGX)	Interest (USD)
1	Soroti-Katakwi-Akisim	407,287,185	64,255.07
2	Musita-Lumino-Majanji	1,750,442,832.39	627,224
Total		2,157,730,017.39	691,479.07

g) Increase in project costs due to payments in foreign currencies

It was observed that the fluctuation of the Ugandan shilling against the foreign currencies resulted in an increase of the project cost by over UGX 10 billion on only four projects (**Table as shown below**). Such increase in project costs impact on overall project implementation as it is sometimes not budgeted for.

Table 37: Showing increase in project costs due to payments in foreign currencies

SN	Project name	Net increase due to FX
1	Bumbobi - Lwakhakha road	1,554,429,739.13
2	Kyenjojo-FortPortal	8,270,932,974.582
3	Lopei Bridge	157,278,932.41
4	Kaabong bridge	94,585,172
Total		10,077,226,818.122

h) Overpayments on excess quantities

Several overpayments were noted on 4 projects resulting from certification of more quantities than had been executed by the Contractors. This led to an overpayment of **UGX.144,809,402.26** as summarized in **Table 12** below:

Table 38: Showing overpayments on excess quantities

SN	Project name	Overpayment - UGX
1	Musiita-Lumino-Majanji	44,353,281
2	Bumbobi - Lwakhakha road	3,072,021.26
3	Kaabong bridge	8,521,500
4	Waiga bridge, Ruzairwe bridge, Nsongi bridge, Mpondwe bridge	88,862,600
Total		144,809,402.26

i) **Site inspections**

The sites were inspected between 28th October 2019 and 30th November 2019 and were found at different levels of progress. Mostly, the Contractors were active on site on the development and rehabilitation projects. The Contractors working on Kaabong, Lopei and Ruzairwe bridge locations had demobilized. They however had outstanding snags to be rectified as detailed in the report and summarized in table below;

Table 39: Showing Outstanding defects

S/No	Contract road name	Defects noted
1	Soroti - Katakwi - Akisim road	Stripping at various sections, scouring of embankment, no rounding on terminal end of walkways, eroded and silted stone pitching works, spot honey combs at box and culvert wing walls, full flow for culverts, vandalism of reflectors and hazard signs, missing bolts on guard rails and omission anti-theft protection on bolts and nuts on some guard rails.
2	Bumbobi - Lwakhakha road	Damage to the road, bleeding, stripping, cracks in box culverts, honey combing in box culverts, different levels between invert of access culverts and side drains, siltation of culverts, and damage at stone pitched sections
3	Hoima - Butiaba - Wanseko road	Dirty and untidy surface and surrounding waiting to receive apron concrete, Honeycombs on the box culvert wall
4	Musita - Lumino / Busia - Majanji road	Bleeding, eroded access edge, scouring and failed stone pitching works, silted channels, eroded embankment, uneven spacing of U cover drains, honey combs on culvert walls, blocked culverts, irregular alignment of guard rails and poor overlap of road marking
5	Kyenjojo - Fort Portal road	Vandalism of reflector plates on guard rails, Honey combing at the bottom of concrete lined drains, vegetation overgrowth on some sections of stone pitched sections, heavy siltation at some locations for temporary access by residents
6	Ishaka - Katunguru road	Spot locations of silting in the stone pitched drains and culverts, Erosion of slopes at some locations, Vegetation growth at some stone pitching and culvert locations, Damaged stone pitching works in some sections.
7	Lopei bridge	Camber loss on the road surface, spot pot holes, missing bolts, rusting of some bolts, The lower end of the embankment that is lower than the flood level
8	Kaabong bridge	Failed gabion/protection works- U/S of Kapedo side, Cracks in stone pitching mortar, Eroded approach Embankment on Kapedo side, Pothole on the approach slab area

S/No	Contract road name	Defects noted
9	Waiga bridge, Ruzairwe bridge, Nsongi bridge, Mpondwe bridge	Ruzairwe; Guardrail end details not as per drawing, Rusted guardrail posts and bolts, Missing hazard sign plate on Pacwa side, Hazard sign installed in wrong location; Mpondwe; Hairline cracks on walkway slab, Short and inadequate gabion works on both downstream of Uganda and DR Congo side: Nsongi; Hairline cracks on walkway slab, Eroded banks at mitre drain location;
10	Katabawala-Kisozi-Busota (58.2Km).	Slippery sections, damaged sections, deep potholes, need for culverts at some low locations
11	Bukomero-Dwaniro-Kyankwanzi (68.2Km), Kabwoya-Kituti (42Km), Kiziranfumbi-Kabaale (25.7Km), Buseruka-Tonya (29.5Km)	Buseruka-Tonya: Eroded road sections, vegetation overgrowth in side drains

I advised the Accounting Officer to pursue the recommendations as indicated in the individual reports.

5.5 Technical/Engineering Audit of the construction of staff houses in selected health facilities in seven districts of Karamoja Region I.E Kaabong, Kotido, Abim, Moroto, Napak, Amudat and Nakapiripirit under the Karamoja Region Staff Housing Project (KRSHP)

In the financial year 2018/19, Ministry of Health implemented the above infrastructure project worth USD.5,592,885.18 (18% VAT Inclusive).

Key audit findings resulting from the engineering audit and corresponding recommendations are presented below;

a) Delayed Grant disbursements before project completion period

The Government of Uganda signed a Grant Financing Agreement amounting to Euro.4,200,200 with the Government of the Italian Republic on 23rd December 2010, to be disbursed in three instalments over a three-year period with a purpose of giving financial support to the Health systems strengthening for Karamoja Region.

I noted that the financing agreement subsequently expired and resulted in delay to dispatch the second and third instalments of Euro.1,400,000 each from Government of Italy impacting on execution of the works. A second financing agreement was agreed and subsequently the second instalment was disbursed and received on 22nd December 2017, after expiry of the contract. The third instalment was disbursed from Italy on

May 2019 and credited on the accounts of the project on 6th June 2019. However, by that time, the contractor had long abandoned works which were to have been completed by 19th December 2017.

b) Delayed Commencement of works by the contractor

As a result of delayed grant disbursements, there was delayed commencement of works by the contractor by over 119 days (over 3months).

c) Delayed procurement of the Consultant

The contractor for the civil works was procured on 8th February 2016 while the commencement date of the project was 20th June 2016. However, the consultancy contract was signed on 14th September 2016 implying that the consultant had been procured after works had commenced (delay of 86 days (over 2.8 months) and so the consultant was on site without a legal contract.

d) Delayed Implementation of works

The works commenced on 20th June 2016 and were to be completed by 19th December 2017. The review of the annual report - progress of works (2017/2018) showed that the works had achieved 61.60% physical progress by the time the contract expired. A Letter dated 27th November,2017 indicated that the progress of works was affected by delay in payments to the contractor which led to two stoppages with the second stoppage starting on 6th November, 2017 till the contract expired. At the time of audit in August and September 2019, works had been abandoned as neither the contractor nor supervising consultant was at site because their contracts had all expired.

e) Expired guarantees and all risk policies

All the contractor's guarantees and insurance policies expired and there was no evidence at the time of audit that they had been renewed. The contract of the contractor expired on 19th December 2017 and by the time of contract expiry; only USD.268,330.75 of the USD.1,118,577.03 advanced to the contractor had been recovered in IPC No.6. Since the advance payment guarantee also expired, this puts the Government at a risk of losing USD.850,246 if the contractor doesn't get a new contract to execute the remaining works.

f) Delays in release of Government Counterpart financing

GoU did not provide counterpart funding of UGX.4,596,698,646. Details of previous payments indicate that all payments to the contractor have been made using the grant funds, yet part of the GOU funding was to cater for the project VAT component. The GoU has provided only UGX.280,000,000 as per the performance report.

g) Delayed payment of IPCs

A review of the payment certificates revealed that all the IPCs were not paid within the stipulated time period as provided for in the contract with h IPC No 7 submitted on 10th November 2017 yet to be paid,

Delays in payments to the contractor lead to disruptions of contractor cash flow and affects ability of the contractor to execute works efficiently.

h) Quantity verification

Sample items of executed works were measured at Kotido, Napak, Amudat, Abim and Moroto Health facilities in the presence of the District Health Officers (DHOs) and compared with certified quantities in interim payment certificates for which payment was made. It was noted that there was an overpayment for unexecuted works worth **USD.92,146.**

Table 40: Showing Overpayments on the project for construction of staff houses in selected health facilities

S No	District	Amount Overpaid (USD)
1	Amudat and Moroto	11,408. ³⁸
2	Kotido	32,430. ⁵³
3	Napak	28,038. ³⁰
4	Abim	20,268. ⁸⁰
	Total	92,146.⁰¹

i) Insufficient site supervision

The project was formulated with 25 sites in very distant locations in the Karamoja region. Review of project progress reports revealed that the 25 sites are being supervised by only 7 clerks of works who are not sufficient if the project is to be effectively monitored. This has partly contributed to the poor quality mainly on concrete works.

The Ministry of Health should liaise with the various stakeholders and ensure that the challenges identified above are addressed accordingly.

PART 6: SECTORAL AND LOCAL GOVERNMENTS CROSS CUTTING FINDINGS

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

6.0 KEY SECTORAL FINDINGS AND SUMMARY OF CROSS CUTTING ISSUES

6.1 Agriculture Sector

6.1.1 Government project to raise on-farm productivity, production, and marketable volumes of selected agricultural commodities

The project contracted United Bank of Africa (UBA) as the Electronic Voucher Management Agency (EVMA) at a contract price of UGX.5,999,911,250. The EVMA developed a system meant to facilitate or enable farmer's access grants worth UGX.39.9bn and provide matching grants worth UGX.20.3bn from the project for the year. However I noted challenges in the use of this system (EVMS) to facilitate farmers' access project grant. The challenges included:

- i. Delays in the procurement of the EVMS.
- ii. Delays in the procurement of the consultant who was supposed to guide the implementing team in the critical activity of planning and actions needed to ensure successful launch of the E-Voucher in the pilot districts. Eventually this phase was undertaken without a consultant despite the limited experience by the implementing team as pointed out by the World Bank team.

Delays in the implementation of activities have resulted into low number of farmer's enrolled, inadequate use of system and failure by the Agro input dealers to redeem.

As a consequence of the above, the project implementation has lagged behind schedule. As at 30th June 2019 the anticipated farmers to have accessed the grant were supposed to be 240,500 instead only 10,650 farmers managed to access the inputs through the system. The General overall performance of the project is at 4% as opposed to 50% of the rollout of the E-Voucher program Annex 2(3) of the Project Appraisal Document.

There is need for Government to review the structure and operations of this project with a view to expediting its implementation and effectiveness.

6.2 Justice Law and Order Sector

6.2.1 Case backlogs in JLOS sector

JLOS sector has had challenges of handling cases of various categories within the expected time frames. This has had effects in Uganda Police Service, Uganda Prison Service and the Judiciary. Below are the highlights of the effects at the various institutions.

i. Performance in the investigation of crime

Statistics for the last six years (2013 – 2018), relating to detection, prevention, and investigations of crime by police show improvement in performance in the investigation of crimes at 1:45 against the recommended caseload per CID officer of 1:12 cases per

year. Actual performance indicated that for the last five years, the total reported cases were 1,251,344 out of which, 302,745 (24.2%) were successfully investigated 302,745 (24.2%) leaving a balance of 948,599 cases (75.8%).

The Directorate of Government Analytical Laboratory (DGAL) exists to provide forensic examination of cases to guide investigations and prosecutions to the Justice Law and Order Sector (JLOS), majorly the UPS. However, DGAL has also had challenges in analyzing received case requests. Although the backlog cases yet to be investigated have reduced by 37% over the past 4 years, during the year, only 2247 (87.3%) out of 2573 applications received were analyzed.

The failure to handle all the reported cases was attributed to inadequate skilled manpower and resources within the Directorate of Criminal Investigations and DGAL.

ii. **Failure to clear case backlog at Judiciary**

Emanating from the above, I noted a rising trend of case backlogs under the Judiciary, which had increased by 10.7% overall, with the Magistrate Grade I and Chief Magistrates Court registering the highest growth rate of over 16%

The rising trend of case backlogs was attributed to the delayed implementation of the approved Organisation structure and inadequate wage budget to recruit Judicial Officers.

iii. **Overcrowding in prisons stations**

In the Uganda Prisons Service Strategic Investment Plan 2016/17 -2019/2020, Uganda Prisons Service made a commitment to build more prisons to decongest the existing ones and reduce occupancy capacity from the baseline of 293% to 286%. At the time of writing this report, Uganda Prisons Service was in the last year of implementation of the Strategic Investment Plan IV.

I undertook an assessment of the current population and occupancy at 12 of prisons and noted that occupancy percentages were over 2,000% which is 10 times the holding capacity and 9 times above the baseline capacity. This is majorly due to high prisoner population growth without a corresponding increase in prisons holding capacity.

There is a risk of case backlogs escalating to unmanageable levels, which negatively impacts on the objective of reducing case backlogs in the JLOS sector.

Government needs to address the staffing and infrastructure challenges faced in the JLOS sector.

6.3 Public Administration Sector

6.3.1 Road map to 2021 General Election

The Electoral Commission requires UGX.796.88 bn for the organization of presidential and general parliamentary & local council elections 2020/2021. This amount is supposed to be released in 3 phases starting from the 2018/2019 to 2020/2021 to enable proper and timely

implementation of the general elections. However as at 30th June 2019, a total of UGX.141 bn (18%) had been released to implement the activities of 2018/2019 and 2019/2020 instead of UGX.439.067 bn with 1 year to the elections.

Activities critical to the roadmap that should have been implemented include; demarcation of electoral areas, re-organization of polling stations, specialised training (ICT, biometrics and due diligences of ICT procurement), voter education, acquisition of biometric voter verification system, developing election document management system, digitizing election documents and setting up an election digital archive among others.

The MTEF provision of only UGX.141 bn in the year did not finance the above activities. This therefore prompted the Commission to reschedule the activities to the last year of the election. I observed that the financing of the road map to 2021 General Elections is behind schedule.

Government should consider prioritizing the financing of the roadmap given its gravity in having smooth and peaceful electoral process

6.3.2 Reception Centre for workers in distress in the Uganda Mission Abu Dhabi

In the recent times, there has been a surge of Ugandans seeking employment in the Middle East. There have been a number of instances of run-aways of Ugandan workers from their respective employers due to various reasons. As such, the Mission in Abu Dhabi operates a reception centre which is meant to provide temporary accommodation. During the year under review, the Embassy rescued 200 Ugandans (female) in distress. It was noted that the majority of the females did not seek to get employment through the registered agencies in the Ministry of Gender. Further, the reception centre is inadequately financed to cover the requirements of approximately UGX.0.520bn annually as opposed to the provided amount of UGX.0.251bn. Consequently, the Embassy has had to solicit for help from UAE church, and Uganda community in Abu Dhabi.

There is need for Government and parliament to address the matter at a national level. Further, Government should resource the Abu Dhabi Mission to enable it handle the requirements of the reception centre.

6.3.3 Scholarships to Ugandans

Section 19 and 20 of the Higher Education Students Financing Act 2014 provides that bilateral scholarships may be awarded subject to conditions agreed upon by the donor country and the Government of Uganda. Sections 18 provides for eligibility of Ugandan students whose selection is determined by the Higher Education Students Financing Board.

I observed that the mandate of managing Government scholarships has not been handed over to the Board. The procedure of accessing information on scholarships is not properly streamlined resulting into low utilisation of the scholarships availed.

The beneficiaries processed the scholarship application at either the Embassy, the Ministry of Foreign Affairs or Ministry of Education and Sports and this came with a number of challenges. It was observed that out of 339 scholarships secured from 4 embassies, only 91

scholarships were utilised while 248 scholarships were not taken up representing 73% underutilisation.

Underutilisation of scholarships offered may implies that Government is not playing its role of ensuring that Ugandans are able to access these opportunities.

I advised Government to ensure that the Board is fully operationalised to enable interested Ugandans to obtain information regarding the scholarship opportunities available and also ensure the process of informing and selecting beneficiaries is streamlined/centralised to enable maximum benefit from these opportunities.

6.4 Public Sector Management

6.4.1 Operationalization of the Pensions Fund

The cabinet under Minute 71 (CT 2017) 3 (1) acknowledged the need to reform the current Public Service Pensions Scheme. One of the critical changes approved as part of the conversion process was to convert the current public service pension scheme from defined contribution to a defined benefits pension plan.

Under the new arrangement, the current non-contributory pension scheme would be converted to a new contributory defined benefit pension plan based on payroll contributions covering the teaching, traditional, police, prisons, local Government service employees and employees on contract. To operationalize this, the Government set out to establish a Public Service Pensions Fund that would be separate from the Ministry of public service and regulated by the Uganda retirement benefits regulatory Authority (UBRA).

However, I noted that at the time of the audit, the above reforms were on course of being actualized but no budget provision had been made for these activities even after the cabinet recommended of a provision of UGX.15 billion as start-up costs and UGX.13 billion as recurrent costs for the fund.

Failure to operationalize the pension funds implies that Government will continue to meet pension costs for all public servants which is a huge cost for the Government and against the spirit of the reforms where public servants contribute to their pensions.

I advised the Ministry of Public Service to engage the other concerned stakeholders to ensure that the fund is operationalized.

6.4.2 Unfunded Town Councils

Over the last five years, Government has created a number of Town Councils which should be financially independent from the Districts from which they were created in line with Section 79 of the Local Governments Act. I noted that out of 583 Town Councils created only 228 have been approved by MoFPED for access of resources from the national budget. The balance of 355 Town councils that require UGX.622 bn for start-up and operational costs remain unfunded and rely on internally generated funds which are very meagre to sustain their operations. This significantly affects the ability of these Town Councils to operate and later deliver services to the people.

Government appears to be unable to fund the newly created Town Councils. I have advised that for any additional administrative institutions created should be matched with the available resources.

6.5 Energy Sector

6.5.1 Energy Losses

The power purchase agreement between Uganda Electricity Transmission Company Limited (UETCL) and the Generation Company (GENCO) requires that energy sold and purchased shall be delivered by to UETCL at a delivery point. The Power sale Agreement states that UETCL shall own, operate and maintain the transmission system used for transmitting electricity above 33kv and which may be connected to UEDCL distribution system. In the approved budget for the service territories in the financial year 2018/19, the Regulator (ERA) assumed a loss factor of 25.68% which comprise UEDCL's application of 20% normal loss and the associated wheeling loss factor of 5.68%. During my audit of the electricity sub-sector, I noted the following in regard to the Energy losses:

- i. In the FY 2018/19, UEDCL disclosed payables of UGX 9.5 billion towards bulk power purchase, of this amount UGX 5billion was due to power evacuation losses from Nkusi hydro power plants (HPP) in Hoima district. In addition, Kilembe Investment Limited and Pader-Abim Cooperative Multipurpose Society lost revenue amounting to 377.3 million, 141.7 million and UGX 32.7million, respectively resulting from power losses.
- ii. Significant increases in energy losses was noted in the Mid-West, North East and North West service territories with losses of 31%, 37% and 47%, respectively which were over and above the allowable losses (25.68%) by the Regulator.
- iii. The major cause of the energy losses was due to the evacuation of high voltage power onto low and medium voltage distribution lines which resulted into significant energy losses where the company did not generate economic value. This was attributed to delayed construction of power evacuation lines and substations.
- iv. Analysis of outage schedules of 4 out of 6 distribution companies (mini grids) revealed that a number of outages and the associated energy and revenue lost stemmed from the unreliability of the network infrastructures of Umeme and UETCL as per the 2018 and part of 2019 reporting schedules by the distribution companies.

A number of distributing companies are faced with the challenge of Energy losses. The energy loss translates into revenue losses which negatively impact on the reliability of electricity supply in the different service territories operated by the companies. In addition, excessive power losses lead to increased power tariffs paid by consumers.

Government should devise measures of improving the efficient evacuation, transmission and distribution of electricity. In addition, strategies of resolving challenges leading to energy losses in the electricity sub-sector should be developed.

6.5.2 Payment of Royalties in the Mining Sub-Sector

During the year the Ministry collected UGX.10,503,398,902 in respect of mining royalties, however, a review of reports from the Customs and Excise Department of Uganda Revenue Authority (URA) indicated that Government should have collected UGX.70,193,258,898, in royalties, using the applicable rate of 5% from gold, tantalum and tungsten. The following weaknesses in the assessment of royalties need to be addressed;

- i. The Ministry relies on declarations from the mining companies in form of monthly production returns, which are not independently verified.
- ii. There is no permanent presence of inspectors of mines from the ministry to confirm production figures declared which creates a potential risk of under declaration of production.
- iii. The MEMD has not set up weighbridges on the major routes where bulky and expensive minerals such as pozzolona, limestone and base metals are transported.
- iv. There is lack of coordination between the various Government institutions, and the failure to share the collected data, causes the ministry's inability to institute proper verification mechanisms.

The Ministry attributed the above weaknesses to inadequate human resource in the inspection and monitoring division in addition to the limited budget.

The failure to close gaps in the royalty assessment and collection processes may lead to loss of Government revenue through under declaration of quantities and smuggling of minerals. I advised Government to address all the weaknesses in the assessment and collection of royalties.

6.5.3 Management of Service Territories by REA

Rural Electrification Agency (REA) contracted out the management of 13 Electricity Service Territories. Five (5) of the territories are contracted out to Service Providers (SPs) under asset operating lease agreements with an obligation to make lease rental payments. The remaining eight (8) are managed by Uganda Electricity Distribution Company (UEDCL) under short term management and operations agreements.

A review of the territorial service master plans and performance of Service providers revealed the following:

- i. Although the Service Providers indicated positive Net Present Values (NPVs) of the projects and the positive profits before tax, the level of their indebtedness to UECTCL continued to increase, from UGX.2,746,983,687 in 2017 to UGX.4,155,670,892 in 2018.
- ii. I noted that the SPs received connection materials under a revolving fund program in 2015, to-date only UGX.1,398,729,162 out of the UGX.3,203,825,358 remitted by the SPs had been refunded leaving an outstanding balance of UGX.1,805,096,196 owed to REA. Furthermore, SPs failed to account for USD 600,000 and UGX.184,901,680 worth of connection materials that they were provided.
- iii. I further noted that since the commencement of the implementation of the new free Electricity Connections Policy (ECP), 203,900 connections had been made as at 30th June, 2019. Of these, 94.3% were made by UMEME and UEDCL. The SPs accounted for only 5.7%.

- iv. I also noted that the SPs have consistently failed to pay the lease rental fees due to REA and as of 30th June, 2019 UGX.165,488,923 was outstanding.

There is a significant challenge on the sustainability of the service territory contracts and the ability of REA to deliver the rural electrification objectives of Government. Government needs to conduct a comprehensive review of the service territory model for improvement.

6.6 Security Sector

6.6.1 Performance of Uganda Air Cargo

Uganda Air Cargo Corporation (UACC) is 100% owned by the Government of Uganda and under the supervision of the Ministry of Defence and Veteran Affairs. It was established to offer Air Cargo Transport services and Air Passenger Charter services. The Corporation has continued to operate amidst a wide array of challenges. Between 2009 and 2013, the Corporation recorded outstanding performance in which period it expanded the fleet from one aircraft to four, two C130 and two Y12.

This performance was disrupted in June 2014, after the revocation of the Corporation's Air Operator Certificate (AOC) by the Uganda CAA. The effects of the loss of the license were adversely strategic. The Corporation suffered huge losses during the period 2014 to 2015 resulting into; erosion of operating funds, accumulation of fixed costs and loss of customer confidence by clients. The Air Operator Certificate was later restored. However, the Corporation is faced with a number of challenges noted below:

- i. Three aircrafts i.e. 5X-UDF, 5X-UYX and C130 have remained grounded requiring major overhaul. The cost for restoration of the three grounded aircrafts has been escalating over time. The longer the air crafts remain grounded, the more costly it is to restore. At the time of grounding the aircraft, the costs were US\$8m compared to US\$11m now. The challenge is caused by lack of capitalization and operating funds, therefore inadequate capacity due to limited aircraft carriage.
- ii. The opportunities for these aircrafts have not been utilised. Consequently, the Corporation lost contracts with the United States Government and UNDP worth over US\$11m a year in gross revenue. The Corporation is capable of providing the following services; air cargo freight, air passenger charters, medical evacuations, VIP charters, fun flights, aerial surveys, leisure/tourist charters, business charters, humanitarian/relief flights and international conference charters if funded adequately.

The apparent failure by the shareholders to appreciate the potential of UACC and the benefits of airline operations to the national economy could lead to the collapse of the company. Government should consider recapitalisation of the corporation to avoid further escalation of the costs of restoration of the aircrafts.

6.7 Lands Sector

6.7.1 Absence of a Government Land Inventory

The Uganda Land Commission (ULC), charged with the acquisition and management of all Government land, did not have an inventory for all Government land and properties that are either occupied by tenants, vacant, acquired under compensation (but not yet re-distributed to the bona fide occupants), or acquired and owned by other Government institutions and missions abroad. This inadequacy has contributed to Government losing land to land grabbers, squatters and also loss of revenue collections from property premiums and leases.

I observed that land totalling 395,167 acres in 5 Government entities was encroached (National Animal Genetic Resource Centre & Data Bank, National Agricultural Research Organisation, National Forestry Authority, Ministry of Defence and Dairy Development Authority). I also noted un-quantified land has been encroached on in 4 other Government entities (Uganda Police Force, Directorate of Citizenship and Immigration Control, Dairy Development Authority and Ministry of Agriculture, Animal Industry and Fisheries).

Due to the absence of a land inventory, Uganda Land Commission has in some instances made wrong allocations where Government institutions have lost prime land, and where allocation decisions have been cancelled, Government has lost significant amount in court damages and awards. In the current year alone Uganda Land Commission incurred a total of UGX.19.496 bn in court damages due to wrong award in a single case.

Management at ULC attributed the challenge to lack of funds and information pertaining to land ownership/usage from the various MDAs. I advised Uganda Land Commission management to liaise with the concerned Government institutions to provide the requisite data, and MOFPED to provide additional funding for the creation of the Government Land Inventory.

6.7.2 Increasing Land Compensation Claims

The current land compensation claims at the Uganda Land Commission stand at UGX.194 bn. This increased by UGX.7.162 bn during the current year. However, this amount is not supported by complete and appropriate documentation. The claims have been outstanding for a while due to the limited budget allocation to the Commission. The delayed settlement of the claimants has led to litigation challenges and up-ward revision of claims. For example, at the beginning of the year, the Lands Ministry had outstanding claims of UGX.30.885 bn in respect of 85 persons. During the year, there was a revaluation of some of the debt; this led to an increase of the debt to up to UGX.53.447 bn. Out of the revised claims, only 7 persons were compensated at UGX.22.437 bn leaving an outstanding debt of UGX.31.010 bn.

I advised Government to operationalize the Land Fund in accordance to the law. Further, a gradual compensation strategy should be developed to ensure compensation liabilities are brought down to a manageable level.

6.8 Accountability Sector

6.8.1 Domestic Public Debt Portfolio

The country's domestic debt stock, which is mainly on Treasury Bonds and Treasury Bills, and un securitized debt increased to UGX.15,221 billion as of 30th June 2019 from UGX.13,059 bn in 2018. This is an increase of UGX.2,162 bn equivalent to 16% of domestic debt stock.

I observed that, during the year, Government borrowed a sum of UGX.7,399 bn from the domestic market which comprised of UGX.2,162 bn for budget support and UGX.5,237 bn for refinancing maturing obligations.

However, servicing of the principal and interest for the domestic debt stock accounted for UGX.7,241bn. This implies that servicing maturing obligations and interest accounts for 97% of the new money borrowed. In essence, we borrow to pay debts; this is likely to raise the dependence of Government on the domestic market which may lead to an increase in interest rates.

Government should set aside more funds for redemption of domestic debt securities.

6.8.2 Tax refunds made to tax payers with tax arrears

Section 113 (1) of the Income Tax Act (ITA) requires the Commissioner General to only make a tax refund if she is satisfied that a taxpayer does not have any outstanding liability not in dispute.

Analysis of the tax arrears report from the e-tax system and the respective tax refunds made during the year revealed that, contrary to the law, some taxpayers were paid refunds when they still had outstanding tax obligations to the tune of UGX.2,085,861,790,860. This not only contravenes the law but also denies the Government the much-needed revenue.

I advised the Accounting Officer to establish the circumstances that led to the irregular funds and take appropriate action.

6.9 Information Communication Technology Sector

6.9.1 Failure to share Information among Government Institutions

URA does not seek information from a number of Government agencies yet it would be vital for tax assessment and collection. On the other hand, some Government agencies are also not cooperating with URA to foster the collection of revenue. Cases in point include;

- a) Work permit data from Immigration would enable URA to assess PAYE for foreigners more accurately
- b) Driving permits issued by Face Technologies can enable URA to reconcile with what was paid in the E-tax system
- c) Land transactions undertaken could enable URA to assess whether stamp duty has duly been paid.
- d) Registered schools from the Ministry of Education

- e) Registered Clinics and Pharmacies from Ministry of Health
- f) Licensed law firms form the Uganda Law Council

The continued operation in silos is costing the nation a lot in form of taxes lost. Government should develop a strategy that will ensure coordination among all Government bodies to ensure improvement in the tax to GDP ratios.

6.10 Trade Sector

6.10.1 Funding for Uganda Development Corporation (UDC) projects

At the close of FY 2018/2019, Uganda Development Corporation (UDC) had UGX.12,178,595,290 as unspent funds. Under the current funding arrangement, such funds have to be returned to Treasury despite ongoing works and studies.

In addition, I noted that funding for some projects was not consistent. This has led to idle capital as funds are tied up for long periods before completion of projects to commercial production. A case in point was Luweero Fruit Industries which was last funded in 2010 and the next release was in 2018. There is a need to capitalise UDC with Funds to allow them to select viable projects and prioritise projects to completion.

Further, despite Government investing UGX131.28bn since 2010, in value addition projects, through UDC, only two out of the thirteen projects are operational. Challenges encountered include; land ownership, lack of feasibility and environmental studies, unutilised funds, delays in installation of machinery. There is a risk of Government failing to realise the objectives of the investments. Government should come up with a strategy to overcome these challenges.

6.11 Gender and Social Development Sector

6.11.1 Youth Livelihood programme

During the financial year 2018/19, the Youth Livelihood program only received UGX.48.4 billion (73.9%) out of its annual approved budget of UGX 65.6 billion. The districts have continued not to remit recovered programme funds back to the national recovery account on a timely manner. This year, UGX 2.9 billion remained on various district recovery accounts. In addition, up to UGX.5.6 billion of the recovered funds could not be tagged to any district or youth group. There has been limited progress in revolving the fund, as districts have been delaying the processing and submission of the youth group applications to the ministry. Out of UGX.26.5bn of the recovered funds, only UGX.9.4bn was revolved to other youth groups leaving a balance of UGX.17.1bn unutilised on the national recovery account.

I advised Government to consider automating the operations of the Program which will ensure linking of the group disbursements, repayments, district submissions, district recovery accounts, and the National recovery account with an objective of ensuring timely access to all data related to the Program for proper decision making.

6.11.2 Uganda Women Entrepreneurship Programme

During the year, out of UGX.38.7bn budgeted for Uganda Women Enterprise Program (UWEP) activities; UGX.33.22bn (85.8%) was released indicating a shortfall of 14.2%. Like the YELP, the UWEP recovered funds from the women's groups at the district level, was not remitted to the national programme recovery account in a timely manner. I noted that UGX 1.15bn remained unremitted by the districts. In addition, up to UGX 0.595bn on the recovery account could not be tagged to any women group or district as recovered.

I advised Government to consider automating the operations of the Program which will ensure linking of the group disbursements, repayments, district submissions, district recovery accounts, and the National recovery account with an objective of ensuring timely access to all data related to the Program for proper decision making.

6.12 Cross cutting findings in Local Governments

6.12.1 Presentation of Financial Statements

In my audit reports for the two previous years of 2016/17 and 2017/18, I noted that there was still a problem with presentation of financial statements in the Lower Local Governments.

During audit, I noted persistent shortcomings as follows;

- i. Local revenue shortfall
- ii. Unaccounted for Advances
- iii. Lack of land titles
- iv. Accumulation of Payables
- v. Accumulation of Receivables
- vi. Doubtful expenditure
- vii. Under absorption of funds

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 mainly 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

Ref.	DISTRICT	Local Revenue per Separate AFS	Local Revenue Per Consolidated FS	Variance	Government Grants per Separate AFS	Government Grants Per Consolidated FS	variance	transfers from other govt units SAFS	transfers from other govt units CS	Variance	Expenditure as per separate AFS	Expenditure Per Consolidated FS	Variance	Cash & Cash equivalents per separate AFS	Cash & Cash equivalents per Consolidation schedule	Cash & Cash equivalents - Variance	Receivables -SAFS	Receivables -CS	Variance	Payables - SAFS	Payables -CS	Payables - Variance	SOCE (Adjustments to opening balances - SAFS	SOCE (Adjustments to opening balances - Variance	Pensions& gratuity SFAS	Pensions& gratuity CS	Variance
1	Buvuma DLG	64,557,081	64,557,081	-	8,452,682,816	8,452,682,816	-	1,437,885,439	1,157,058,269	(280,827,170)	10,262,302,270	10,262,302,270	-	19,524,305	19,524,305	-	749,134,835	1,004,697,239	255,562,404	749,134,835	1,004,697,239	255,562,404	(170,269,584)		-	-	-
2	Kapchorwa DLG(HI)	252,903,737	252,903,737	-	13,143,950,303	13,143,950,303	-	1,283,441,411	1,283,441,411	-	14,678,002,743	14,737,217,587	(59,214,844)	97,376,816	97,376,816	-	742,197,008	742,197,008	-	695,621,729	695,621,729	-	-	-	311,816,647	311,816,647	-
3	Bukomansimbi DLG	145,092,353	145,092,353	-	13,175,303,103	13,175,303,103	-	1,592,115,707	1,592,115,707	-	15,022,441,276	16,161,636,323	(1,139,195,047)	593,588,707	593,588,707	-	845,663,073	839,163,073	6,500,000	1,031,926,837	1,025,426,837	6,500,000	-	-	413,134,531	413,134,531	-
4	Kikuube DLG	312,481,788	312,481,788	-	13,950,553,477	13,950,553,477	-	1,450,170,454	1,450,170,454	-	16,556,988,470	16,681,988,470	(125,000,000)	2,909,754,150	2,909,754,150	-	77,569,892	77,569,892	-	75,000,000	75,000,000	-	-	-	-	-	-
5	Kibaale DLG	155,192,006	155,192,006	-	14,743,267,813	14,743,267,813	-				16,684,245,075	16,815,159,684	(130,914,609)	39,012,753	39,012,753	-	1,361,961,611	1,361,961,611	-	1,342,309,549	1,342,309,549	-	(82,365,021)		-	-	-
6	Rukiga DLG	144,298,926	144,298,926	-	14,864,512,204	14,864,512,204	-	952,731,889	952,731,889	-	13,478,479,324	13,611,960,026	(133,480,702)	233,985,432	233,985,432	-	501,726,306	501,726,306	-	638,422,674	638,422,674	-	-	-	-	-	-
7	Amolatar	363,644,117	363,644,117	-	15,311,094,203	15,311,094,203	-	2,396,256,440	2,396,256,440	-	17,760,735,960	18,048,552,016	(287,816,056)	8,913,579	8,913,579	-	1,351,949,634	1,300,854,168	51,095,466	1,353,084,784	1,301,989,318	51,095,466		583,786,688	884,072,972	(300,286,284)	
8	Ibanda DLG (HI)	237,460,382	237,460,382	-	15,800,754,913	15,800,754,913	-	1,206,995,181	1,206,995,181	-	17,293,168,609	17,345,611,603	(52,442,994)	79,207,905	79,207,905	-	918,428,753	918,428,753	-	966,597,883	1,019,040,877	(52,442,994)	(34,617,200)	-	-	-	
9	Butamabala DLG	162,262,346	162,262,346	-	16,471,335,770	16,342,235,623	(129,100,147)	1,525,180,120	1,525,180,120	-	18,046,555,004	18,191,054,857	144,499,853	124,847,795	124,847,795	-	969,806,795	658,896,898	(310,909,897)	699,951,308	699,951,308	-	37,309,897		50,658,520	50,658,520	-
10	Amuria	195,971,537	195,971,537	-	16,979,098,298	16,979,098,298	-	3,648,808,270	3,648,808,270	-	21,078,006,178	21,120,513,758	(42,507,580)	356,196,521	356,196,521	-	940,864,096	940,864,096	-	940,864,096	940,864,096	-		464,197,976	464,197,976	-	
11	Kiryandongo DLG (HI)	282,002,055	282,002,055	-	17,473,787,300	17,473,787,300	-	12,107,710,531	12,107,710,531	-	30,149,649,708	30,638,830,590	(489,180,882)	53,818,324	53,818,324	-	966,764,281	966,764,281	-	1,278,300,585	1,278,300,585	-	-	-	-	-	
12	Namayingo DLG	250,239,697	250,239,697	-	17,752,493,967	17,752,493,967	-	19,103,830,757	19,103,830,757	-	373,957,929	373,957,929	-	1,208,717,344	1,208,717,344	-	1,204,532,950	1,204,532,950	-								
13	Manafwa DLG	338,619,570	338,619,570	-	18,050,826,527	18,050,826,527	-	2,752,865,041	3,118,115,041	(365,250,000)	20,807,944,973	21,588,594,538	(780,649,565)	339,041,288	339,041,288	-	906,681,965	942,925,465	(36,243,500)	986,663,439	942,925,465	43,737,974	246,954,076		882,329,419	882,329,419	-
14	Buyende DLG(HI)	121,814,219	121,814,219	-	18,134,499,758	18,134,499,758	-	18,682,023,152	18,789,911,452	(107,888,300)	1,446,807	1,446,807	-	1,955,366,178	1,955,366,178	-	1,949,994,405	1,949,994,405	-								
15	HOIMA DLG(HI)	645,365,250	645,365,250	-	18,742,625,688	16,051,936,386	2,190,689,302				20,050,025,785	20,456,808,035	(406,782,250)	274,399,936	269,076,016	5,323,920	1,177,846,037	1,177,846,037	-	1,371,747,515	1,371,747,515	-	-	-	20,966,279	20,966,279	-
16	KWANIA DLG(HI)	148,583,829	148,583,829	-	18,643,297,224	18,643,297,224	-	1,288,760,707	1,288,760,707	-	17,442,232,429	17,442,232,429	-	11,548,873	11,548,873	-	322,654,441	322,654,441	(451,127)			-	-	-	-		
17	Dokolo	128,072,267	128,072,267	-	18,702,142,002	19,702,142,002	(1,000,000,000)	1,045,170,481	45,170,418	1,000,000,063	19,923,952,475	20,058,157,501	(134,205,026)	17,108,610	17,108,610	-	958,699,179	958,699,179	-	1,237,793,054	1,237,793,054	-		786,540,958	786,540,958	-	
18	Kibuku DLG	83,024,300	83,024,300	-	18,822,996,215	18,822,996,215	-	1,457,322,889	1,457,322,889	-	20,316,865,495	20,362,411,987	(45,546,492)	795,963,056	795,963,056	-	1,230,308,132	1,230,308,132	-	1,450,224,610	1,450,224,610	-		744,548,274	744,548,274	-	
19	Kiboga DLG	294,477,122	294,477,122	-	19,460,697,323	19,460,697,323	-				20,305,473,649	20,391,671,521	(86,197,872)	30,987,781	30,987,781	-	1,213,795,815	1,213,795,815	-	836,752,687	836,752,687	-	-	-	-	-	
20	Alebtong DLG	86,036,111	-	86,036,111	19,590,381,881	-	19,590,381,881	3,663,236,722	-	3,663,236,722	22,092,610,242	19,421,992,045	2,670,618,197	1,260,311,850	1,674,365,991	-	1,740,052,092	1,740,052,092	-	1,740,052,092	64,028,991	64,028,991	16,836,648		-		
21	Luuka DLG(HI)	114,898,362	114,898,362	-	20,078,854,018	20,078,854,018	-	20,660,447,351	21,55																		

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 AND OPINIONS

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
	AGRICULTURE SECTOR	
1	<p>National Agriculture Advisory Services (NAADS)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> • Out of the budgeted revenue of UGX.130.09 million for the year 2018/19, only UGX 47.227 million was collected representing a revenue performance of 36% of the target. • There was a shortfall in releases amounting to UGX0.324bn representing 0.2%. Further, the entity remained with unspent balance of UGX.39.905bn representing an absorption level of 85%. • I sampled 80 out-puts worth UGX.238.72bn representing 92% of the total budget and noted that 36 (45%) of the total outputs were not quantified to enable measurement of performance. Further, of the 44 quantified outputs/activities assessed, 9 outputs/activities representing 20% were fully implemented; 17 outputs/activities representing 39% were partially implemented while 18 outputs/activities representing 41% were not implemented at all. • UGX.303,308,545 was charged to wrong expenditure codes resulting into mischarges. • Domestic arrears increased by 6.9% from UGX.37.368bn in the previous year to UGX.39.951bn in the year under review. • A paltry UGX.11,436,056 (0.03%) was provided for settlement of domestic arrears despite having UGX.37.368bn as outstanding commitments from the previous year. UGX.37.368bn was used to settle the arrears. • Receivables of UGX.2.384bn have been outstanding for a long period and remain uncollected • LCs to the tune of UGX.3.2bn relating to supplies of milk coolers, generator sets and equipment failed to perform over 2 financial periods. • NAADS had 18 legal claims resulting from lack of control over distribution of agricultural inputs. • The Secretariat provided UGX.7.357bn for the construction of the Yumbe fruit factory without a financing agreement detailing the rights and obligations of both parties. • WHT of UGX.11,408,250 was not deducted for onward remittance to URA. • The approved structure provides for 73 proposed positions out of which only 56 have been filled, leaving a gap of 17 positions representing 23% inadequate staffing. • Shortcomings were noted in the implementation of the provisions in Section 3.2.2(a) of the NAADS Human Resource Manual on staff performance management. The gaps identified include non-completion/preparation of bi-annual Performance appraisals, appraisals, performance reviews, failure to implement a framework on rewards and disciplinary system and development of a client's charter. • NAADS has no mechanism of informing possible beneficiaries of the support available on value addition facilities intervention. Besides, there were delays in procurement of the facilities averaging 360 days. • Procurements worth UGX.151.306bn lacked performance securities contrary to PPDA regulations.
2	<p>National Animal Genetic resource centre and Data Bank (NAGRIC &DB)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> • There was a shortfall in releases amounting to UGX5.224Bn representing 29%. Further, the entity remained with unspent balance of UGX.0.053bn representing an absorption level of 99.6%. • I sampled 47 outputs/activities worth UGX.17.443bn representing 96.6% of the total budget and noted that 1 output/activity representing 2% of the total outputs/activities was not quantified to enable measurement of performance. Furthermore, of the 46 quantified outputs/activities assessed, 21 outputs/activities representing 46% were fully implemented; 18 outputs/activities representing 39% were partially implemented while 7 outputs/activities representing 15% were not implemented at all. • Out of the projected revenue of UGX.7.064bn for the year 2018/19, only UGX.2.006bn was collected representing a revenue performance of 28.4% of the target.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> • There were expenditures of UGX.0.018bn on one off budget account though the entity did not budget nor receive any off-budget financing during the year. • UGX.0.039bn was charged to wrong expenditure codes resulting into mischarges. • A trend analysis of the domestic arrears showed a movement of arrears from UGX.0.149bn in the previous year to UGX.0.335bn in the year under review, an increase of 124%. The arrears remained unsettled at the close of the year. • NAGRIC & DB had outstanding arrears to the tune of UGX.149,453,658 from the prior year (2017/2018) however, no budget provision was made towards settlement of these arrears in 2018/19. • UGX.126,300,000 was lost in anticipated sales value of 532 cattle, 232 goats and 75 pigs through death and theft during the year from several NAGRIC & DB farms. • The entity management is faced with many challenges regarding land, such as land encroachment, land occupied by CAA but not fully compensated, occupied by illegal claimants, lack of land titles, structures illegally demolished, instances of vandalism, titled under individuals and titled under Uganda Land Commission and Uganda Livestock Industries Ltd. • LCs for construction works from the previous year (2017/18) with outstanding balances of UGX.445,813,837 failed to perform within the contractual timelines. At the time of inspection, a number of projects were ongoing. • Shortcomings were noted in the implementation of the provisions in the NAGRIC & DB Human Resource Manual, 2013 on staff performance management. The gaps identified include non-completion of performance plans, failure to undertake performance appraisals, failure to undertake quarterly performance reviews, non functioning reward and sanctions committee and lack of client's charter. • The entity carried out its operations without a constituted board appointed by the Minister contrary to section 17(1) of the Animal Breeding Act 2001. • NAGRIC & DB has an approved staff structure of 175 positions but only 86 (49%) positions are filled leaving 90 (51%) vacant.
3	<p>National Agricultural Research Organization (NARO)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> • There was a shortfall in releases amounting to UGX.564bn representing 8.1%. Furthermore, the entity remained with unspent balance of UGX.0.004bn representing an absorption level of 99.95%. • I sampled 111 out-puts and noted that 29 (26%) of the total outputs/activities were not quantified to enable measurement of performance. Furthermore, of the 82 quantified outputs/activities assessed, 42 outputs/activities representing 51% were fully implemented; 21 outputs/activities representing 26% were partially implemented while 19 outputs/activities representing 23% were not implemented at all. • Out of the budgeted revenue of UGX.7.142bn for the year 2018/19, only UGX .3.611bn was collected representing a revenue performance of 51% of the target. • The entity received off-budget financing to a tune of UGX.44.9936 bn which was not paid into the consolidated fund contrary to the law. • UGX.0.129bn was charged on wrong expenditure codes resulting into mischarges. • Arrears totaling to UGX.1.303bn remained unsettled at close of the year contrary to Section 21(2) of the Public Finance management Act, 2015. • UGX.0.113bn was provided for settlement of domestic arrears despite having UGX.630,364,872 as outstanding commitments from the previous year contrary to Section 13(10) (a) (iv) of the Public Finance Management Act, 2015. • I observed that ownership of NARO land is faced with many challenges such as land encroachment, land taken away illegally, lack of land titles, expired leases, titled under individuals and titled under Uganda Land Commission and East African Commission Services. • Shortcomings were noted in the implementation of the provisions in the NARO Human Resource Manual, 2009 on staff performance management. The gaps identified include non-completion of

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> • performance plans, failure to undertake performance appraisals, lack of mechanism to monitor staff attendance and lack of a Clients charter. • Out of the approved 995 staff positions, 873 (87%) positions had been filled leaving 112 (12%) positions vacant. • 28 staff had voluntarily resigned from NARO within the year 2018/19 due to payment of low salaries to NARO scientists compared with salaries paid by GOU to scientists in other government organizations.
4	<p>Ministry of Agriculture Animal Industry and Fisheries (MAAIF)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> • Out of the budgeted revenue of UGX.2.682bn for the year 2018/19, UGX.3.444bn was collected resulting into over collection of UGX.762 million representing performance of 128% of the target. • The Ministry received off-budget financing directly from development partners to a tune of UGX 3.578bn which was never paid into the consolidated fund. • There was a shortfall in releases amounting to UGX.19.848bn representing 13.4%. Further, the entity remained with unspent balances of UGX.1.021bn representing an absorption level of 99.2%. • I sampled 275 out-puts worth UGX.91.948 representing 62% of the total budget and noted that 11 (4%) of the total outputs were not quantified to enable measurement of performance. Further, of the 264 quantified outputs assessed, 218 outputs representing 82.6% were fully implemented; 45 output representing 17% was partially implemented while 1 output representing 0.4% was not implemented at all. • UGX.415 million was irregularly diverted from the activities on which it was budgeted and spent on other activities without seeking and obtaining the necessary approvals. • Domestic arrears decreased by 10% from 27.064bn in the previous year to UGX. 24.190bn in the year under review. The arrears remained unsettled at the close of the year. • The entity had domestic arrears to the tune of UGX.27,064,751,206 from the previous year but UGX.3,082,051,060 (11.4%) was provided for settlement. • Challenges were noted in regarding certification of Ugandan Agriculture exports that included: lack of enabling laws and regulations, separation of activities, under staffing, lack of necessarily skills, failure to appoint Technical Committee, lack of equipment to detect defective products, lack of space to store products before testing and use of blank copies to certify cleared products. These could have resulted in a number of interceptions at the International market which stood at 89 in 2019. • Land measuring 299.9 acres lacked titles and there were no records to support property measuring 98 acres. Besides, several plots, 359,360,361,362,363,364, 368 and 366 were identified as having been curved out of the Bukalasa College land without any formal authorization and in complete disregard of the existing land titles. • Out of 875 approved staff positions, only 580 (66%) had been filled leaving 295 (34%) vacant. • Shortcomings were noted in the implementation of staff performance management initiatives. The gaps identified include: non-completion of Performance Agreements and performance plans, low staff numbers completing and signing off performance appraisals, lack of quarterly performance reviews, failure to prepare performance improvement plans, non-submission of reports on Performance Agreements, Performance Appraisals and Performance Improvement Plans to MoPS, non-maintenance of the official staff attendance register, weak internal controls in the management of staff attendance record system, non-functional rewards and sanctions framework and failure to have an approved client charter. • There were significant delays in procurements ranging from 60 days (2 months) to 335 days (11 months).
5	<p>Enhancing National Food Security Through Increased Rice Production</p> <p>Opinion</p>	<ul style="list-style-type: none"> • The ENRP did not include the National extension framework while designing the project. • The project has no information backup for system and neither does it have a policy on IT. • There was a shortfall in releases amounting to UGX.23.1Bn representing 98%. • The ministry had delayed to conduct environmental social impact assessment (ESIA).

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
	Unqualified	<ul style="list-style-type: none"> I noted that MAIIF-ENRP was still using the manual system of accounting for recording its transactions as opposed to IFMS.
6	Agriculture Cluster Development Program (ACDP) Opinion Unqualified	<ul style="list-style-type: none"> The project had a budget shortfall of UGX.11.5Bn representing 10% underfunding. Furthermore, UGX.64.2Bn was unutilized which represents low absorption capacity of 38%. USD.155,850 (UGX.0.577Bn) was incurred as annual interest charge on withdrawn unwithdrawn financing balances of USD.31.17million (UGX.11,532,900,000). I sampled 31 out-puts and noted that 24 (77%) of the total outputs were not quantified to enable measurement of performance. Further, of the 7 quantified outputs assessed, 3 outputs representing 14% were fully implemented, 1 output representing 83% was partially implemented while 3 outputs representing 3% were not implemented at all. I noted that the approval of budget for the financial year 2018/19 was delayed by 3 months. There was a shortfall in GoU counterpart funding of UGX.41,000,000 (10%). Performance of project key activities was faced with challenges of delays in procurement of the Electronic Voucher Management System (EVMS)EVMS, lack of installation certificates for the EVMS, lack of operational testing certificate for the EVMS and lack of technical assistance on EVMS pilot projects. Anticipated enrolment of beneficiaries to the e-voucher of 240,500 farmers was not achieved thus hindering the attainment of the project objective. EVMS processes faced significant challenges of low Registration and enrolment of beneficiaries and regional Agro dealers, lack of guidelines for verification of prices and quality of inputs and services, information overload, lack of needed distribution agent networks or local agro input dealers, failure to promptly disburse payments to agro input dealers. These hampered monitoring and supervision of the project. I noted significant delays in procurements ranging from 50 days to 360 days. There was delayed Supply and Installation Works for Solar powered Irrigation Equipment which exposed the Project to a risk of abandoned works and delayed service delivery to the beneficiary communities. I observed delays in the implementation of some activities and unimplemented activities such as low number of beneficiaries trained by the electronic voucher management agency (EVMA) in financial literacy, input use and system use, low number of direct project beneficiaries, low number of farmers enrolled into the system and inadequate effectiveness in the implementation of the project activities.
7	Regional Pastoral Livelihoods Resilience Project (RPLRP) Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 27,906,095,054 representing (31%) % of the budget. Further, the Project remained with unspent balance of UGX. 56,739,841,520 representing absorption level of 38%. I reviewed all 180 out-puts worth UGX.89.638bn representing 100% of the total budget and noted that all outputs were quantified to enable measurement of performance. Out of the 180 quantified outputs assessed, 120 outputs representing 67% were fully implemented; 19 outputs representing 11% were partially implemented while 41 output representing 22% were not implemented at all. I noted that project funds to the tune of UGX.24,750,000 was transferred to the District TSA account and duly utilized from the account contrary to Paragraph 35 of the PAD 2014. Significant delays were noted with some procurements taking more than a year to be concluded and delays from planned contract signing dates ranging from 68 days (2 months) to 376 days (1 year). 5 contractors signed contracts for livestock marketing and production infrastructure and watering infrastructure worth UGX.37.42bn however; none of the construction works in 6 of the implementing districts sampled was complete (more than 2 months after contract expiry period). Watering infrastructure (valley tanks) contractor did not have the minimum equipment on site contrary to what was approved during evaluation. This has slowed down the progress of the construction.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> • 3 companies were contracted to supply 30 Sahiwal breeding bulls, 75 pure bred Galla goats and 75 pure boar goats to Amudat District for distribution by district officials. However, I was unable to confirm that the intended beneficiaries. • I observed that project equipment was abused where the project vehicle was taken over by the area LC V Chairman; the project motor cycle was parked and keys withheld by the former District project coordinator and the generator and the ultra-low temperature solar vaccine freezer were still under storage since delivery in 2018.
8	<p>Multi-sectoral Food Security & Nutrition Project</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> • There was a shortfall in releases amounting to UGX.5.574bn representing 24% of the budget. Further, the entity remained with unspent balance of UGX.13.635bn representing an absorption level of 45%. • I sampled 67 out-puts worth UGX.22.839bn representing 100% of the total budget and noted that 42 (63%) of the total outputs were not quantified to enable measurement of performance. Further, of the 25 quantified outputs/activities assessed, 11 outputs/activities representing 63% were fully implemented; 9 outputs/activities representing 36% were partially implemented while 5 outputs/activities representing 20% were not implemented at all. • An evaluation of the logical framework revealed two project activities (seed/planting materials of selected micronutrient rich crops multiplied or produced by lead farmers in project areas and cooking demonstrations carried out at community level) that were lagging far behind and their implementation is estimated at below 50% with only one and half years left to project closure. • UGX.437,586,015 were transferred and spent from the District Revenue Collection Accounts contrary to World Bank Regulations. • Four years into project implementation, the District Nutrition Action Plan for Bushenyi District was not yet in place contrary to the Project Appraisal Document (PAD) guideline.
9	<p>Uganda Strategic Analysis and Knowledge Support System (USAKSS)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> • There was a shortfall in releases amounting to UGX.259,000,000 (USD.70,000) representing 47%. Further, the entity remained with unspent balance of UGX.185,282 representing an absorption level of 99.9%. • I reviewed all 12 out-puts worth UGX. 555,000,000 representing 100% of the total budget and noted that 2 (17%) of the total outputs were not quantified to enable measurement of performance. Further, of the 10 quantified outputs/activities assessed, 4 outputs/activities representing 40% were fully implemented; 4 outputs/activities representing 40% were partially implemented while 2 outputs/activities representing 20% were not implemented at all.
10	<p>Agricultural Technology and Agri-business Advisory Services (ATAAS) Closure Project</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> • Delayed Project implementation ,some planned activities had not been implemented, hence project implementation was extended yet again by another six months to 31st December, 2018, to allow for completion of activities. • Undelivered Vehicles –UGX.246, 592,539.36, the contract was made for 115 vehicles and funds fully advanced; only 113 vehicles were delivered as per the receipt documents. Two (2) vehicles worth UGX.246,592,539.36 (USD.66,823.44) were not received by the time of this audit in June 2019. • Vehicles Not Delivered to Districts but retained at the Ministry, I noted that of the delivered 113 vehicles, 7 were retained at the Centre at the expense of the target Local Governments.
11	<p>Coordinating Office for the control of trypanosomiasis in Uganda (COCTU)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> • There was a shortfall in releases amounting to UGX.0.296bn representing 3.6%. Furthermore, the entity remained with unspent balance of UGX.0.036bn representing absorption level of 99.5%. • I sampled 26 out-puts worth UGX.5.185bn representing 100% of the total budget and noted that 1 output/activity representing 3.8% of the total outputs/activities was not quantified to enable measurement of performance. Furthermore, of the 25 quantified outputs/activities assessed, 21 outputs/activities representing 84% were fully implemented; one (1) output/activity representing 4% was partially implemented while 3 outputs/activities representing 12% were not implemented at all. • Off-budget financing to a tune of UGX.3.114bn was never paid into the consolidated fund contrary to the law.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Shortcomings were noted in the implementation of the provisions in the implementation of staff performance management system of the entity. The gaps identified include non-completion of performance plans, failure to undertake performance appraisals and lack of a client's charter. Out of the approved 37 staff positions of the entity, 17 (46%) positions have been filled leaving 20 (54%) positions vacant.
12	<p>Uganda Coffee Development Authority (UCDA)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX6.027bn representing 6%. Furthermore, the entity remained with unspent balance of UGX.1.991bn representing an absorption level of 98%. I sampled 93 outputs/activities worth UGX.80,004,450,000 representing 79% of the total budget and noted that 38 (41%) of the total outputs were not quantified to enable measurement of performance. Furthermore, of the 55 quantified outputs/activities assessed, 27 output/activities representing 49% were fully implemented, 17 outputs/activities representing 31% were partially implemented while 11 outputs/activities representing 20% were not implemented at all. The entity charged wrong expenditure codes resulting into mischarges to a tune of UGX.169,708,864. UCDA designed a coffee road map to implement a Presidential directive for the achievement of the 20million bags target by 2020 but this is not in tandem with the strategic plan and thus not aligned to the National Development Plan. Arrears totalling to UGX.141,249,416,869 remained unsettled at close of the year. UGX.2,829,112,000 (2.7%) was provided for settlement of domestic arrears despite having UGX.106,002,772,000 as outstanding commitments from the previous year. Shortcomings were noted in the implementation of the provisions in the UCDA Human Resource Manual requirements on staff performance management initiatives. The gaps identified included: non completion of staff performance appraisals, lack of a rewards and sanctions committee and lack of a client's charter. Out of the 224 approved staff positions, only 130 (58%) positions were filled leaving 94 (42%) positions vacant.
13	<p>Vegetable Oil Development Project (VODP)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.8.587 bn representing 13.7%. Further, the entity remained with unspent balance of UGX.2.104 bn representing an absorption level of 96%. I sampled 49 out-puts worth UGX.59.805 bn representing 94.2% of the total budget and noted that 32 outputs/activities representing 65% were fully implemented; 13 output/activity representing 27% was partially implemented while 4 output/activity representing 8% was not implemented at all. The plan for the project was to acquire a total of 45,200 hectares. However, only 8,166 plantable hectares were acquired implying 44% achievement. 3 construction projects worth UGX.1.281 bn undertaken during the financial year were not handed over because they were incomplete and were six months beyond their completion dates.
14	<p>Cotton Development Organisation (CDO)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.1.115bn representing 11%. Furthermore, the entity remained with unspent balance of UGX.0.004bn representing an absorption level of 99.95%. I sampled 22 out-puts worth UGX.5.4bn representing 85% of the total budget and noted that 18 (81%) of the total outputs were not quantified to enable measurement of performance. Furthermore, of the 4 quantified outputs/activities assessed, 1 output/activity representing 25% was fully implemented and 3 outputs/activities representing 75% were partially implemented. Arrears totaling to UGX.317,468,006 remained unsettled at close of the year contrary to Section 21(2) of the Public Finance management Act, 2015. CDO procured 8 gin stands at UGX.533,661,905 on 17th April, 2019 to be delivered within six months. However, the stands had not been delivered at the time of the audit (5/11/2019). Shortcomings were noted in the implementation of the provisions in the implementation of staff performance management programmes. The gaps identified include non-completion of performance appraisals, failure to undertake performance appraisals, no quarterly reviews undertaken and lack of mechanism to monitor staff attendance.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Out of the approved staff structure of 36 positions, 31 (86%) positions were filled leaving 5 (14%) positions vacant. 10 staff had accumulated leave days and were carried forward from year to year contrary to Chapter 10(iii) of the Staff Regulations & Terms & Conditions of Service
15	<p>Dairy Development Authority (DDA)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> There was a budget shortfall in releases amounting to UGX.0.985bn representing 14.6%. Further, the entity remained with unspent balance of UGX.0.022bn representing an absorption level of 99.6%. I sampled 31 out-puts/activities worth UGX.6.735bn representing 100% of the total budget and noted that 24 (77%) of the total outputs/activities were not quantified to enable measurement of performance. Further, of the 7 quantified outputs/activities assessed, 6 outputs/activities representing 83% were fully implemented while 1 output/activity representing 17% was partially implemented. UGX.50,014,417 was charged to wrong expenditure codes resulting into mischarges. Domestic arrears decreased from UGX.309,523,054 in the previous year to UGX.19,129,932 in the year under review, a decrease of 94%. The arrears remained unsettled at the close of the year. UGX.309,523,054 remained outstanding from the prior year (2017/2018) however, no budget provision was made towards settlement of these arrears in 2018/19. Settlement of arrears amounting to UGX.290,393,122 was undertaken without allocated budget. Ministry of Finance has not compensated DDA CESS amounting to UGX.8bn despite a presidential directive. 36 DDA Milk collection centres (MCC's) and properties across the country which are vital in achievement of the primary DDA objective were not functioning due to the poor state of the properties. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include failure to fill annual performance plans, failure to appraise staff, no quarterly reviews undertaken, no reports on staff attendance and lack of a Rewards and Sanctions Committee. Out of the 140 approved staffing positions, only 65 (45%) positions were filled leaving 75 (55%) positions vacant. 32 DDA properties had no land titles while some titles had expired.
	JUSTICE LAW AND ORDER SECTOR	
1	<p>Judiciary Department</p> <p>Opinion Qualified</p>	<ul style="list-style-type: none"> Judiciary had a shortfall in releases amounting to UGX. 440,828,691 representing 0.34%. Further, the entity remained with an unspent balance of UGX. 1,192,990,307 representing an absorption level of 99%. I sampled 55 outputs worth UGX.122.3bn representing 82.7% of the total budget and noted that 6 (15%) of the total outputs were not quantified to enable measurement of performance. Further, of the 49 quantified outputs/activities assessed, 32 outputs/activities representing 65% were fully implemented; 8 outputs/activities representing 16% were partially implemented while 9 outputs/activities representing 18% was not implemented at all. Funds amounting to UGX.565,963,983 were irregularly diverted and spent on other activities without seeking the necessary approvals. Domestic arrears increased by 1.82 billion from UGX. 8,792,728,659 in the previous year to UGX. 10,616,977,572 in the year under review. The arrears remained unsettled at the close of the year. Insufficient budget provision of UGX.297,569,059 (3.4%) was made towards the settlement of the domestic arrears totaling to UGX. 8,792,728,659.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> • Payments totalling to UGX.1,255,590,187 lacked supported documents such as funds activity reports, payees acknowledging receipt and accountability receipts thus remaining unaccounted for. • UGX.103,484,926 was diverted from GoU and JLOS SWAP funds to refund bail claimant's lost money and no evidence was provided to show that the funds been refunded or recovered from the responsible officers. • A sum of UGX. 237,067,539 was ineligibly expensed on the Registrar High Court Account to cater for activities like Rent for Magistrate Court, inspection of various courts by the accounts section, burial expenses, IFMS and BBS connect activities, allowances for board of survey, operation funds for other courts and purchase of a carpet for Anti-corruption Court. • A sum of UGX. 84,035,500 paid to officers for various activities from Registrar High Court lacked necessary support documents such as activity reports and accountability receipts. • Payment vouchers worth UGX. 320,947,170 paid to various officers and Companies, from the Registrar High Court account during the financial year under review were missing • Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include non-completion of Performance Agreements and performance plans, no quarterly reviews undertaken, no performance improvement plans prepared, non-submission of reports on Performance Agreements, Performance Appraisals, Performance Improvement Plans to MoPS and lack of charter. • A sum of UGX.19,339,717,779 incurred on allowances to staff, fuel, stationery, inland travels, facilitating of court operations and sessions was inappropriately budgeted and charged under code 221006 for commissions and related charges. • A trend analysis of the case backlogs showed an upward movement from 155,185 cases in the previous year to UGX. 171,743 cases in the year under review representing 10.6 % increment. • A sum of UGX.237,067,539 was ineligibly expensed on the Registrar High Court Account to cater for activities not related to the operations of Registrar High Court Kampala such as Rent for Magistrate Court, inspection of various courts by the accounts section, burial expenses, IFMS and BBS connect activities, allowances for board of survey, operation funds for other courts and purchase of a carpet for Anti-corruption Court.
2	<p>Uganda Police Force</p> <p><u>Opinion</u> Unqualified</p>	<ul style="list-style-type: none"> • I sampled 126 out-puts worth UGX.518.9bn representing 68% of the total budget and noted that 10 (8%) of the total outputs were not quantified to enable measurement of performance. Further, of the 116 quantified outputs/activities assessed, 42 outputs/activities representing 36.2% were fully implemented; 27 outputs/activities representing 23.3% was partially implemented while 47 outputs/activities representing 40.5% was not implemented at all. • Funds amounting to UGX.24,454,146,061 were irregularly diverted and spent on other activities without seeking the necessary approvals. • Domestic arrears increased (by 5.45Bn from UGX. 161,047,166,761 in the previous year to UGX.166,502,750,728 in the year under review. The arrears remained unsettled at the close of the year. • Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include non-completion of Performance Agreements, no quarterly reviews undertaken, no performance improvement plans prepared, non-submission of reports on Performance Agreements, Performance Appraisals, Performance Improvement Plans to MoPS and lack of mechanism to monitor staff attendance. • Court Awards Arrears stood at UGX.890,624,226. A budget provision of only UGX.300,000,000 was made towards settlement of the outstanding arrears. UPF does not recognize accrued interest. Also, no budget provision was made for the settlement of any accrued interest. • Uganda Police lacks a rental management policy. Thus, procurement of up to 440 rental premises during the year were not guided by the rent policy. Neither were the places included in the procurement plan for the year.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Over the last four years, the UPF fleet size has grown by 56.2% to 2,190 while the fuel budget has reduced by 56.1%. Over the same period the vehicle maintenance budget has reduced by 21.8%. As a result the number of inefficient and broken down vehicles has increased. In addition, the police does not have an approved policy for managing the fleet. On investigations of crime, over a five year period UPF has only managed to investigate 60% or 755,342 reported cases out of a total number reported cases over the same period of 1,251,344. This is because the case load per investigator at 1:45 is above the recommended case load of 1:12 Part of the police land was given to the United Nations African Institute (UNAFRI), a UN agency for crime prevention and the Treatment of Offenders. UNAFRI has had limited impact and provided no support to the Uganda Police in the areas of crime prevention or the treatment of offender. In addition, the land in question has now been leased to third party tenants. UPF owns a total 825 parcels of land of different sizes in the different parts of the country. Of these only 230 (28%) pieces were titled, 187 (23%) pieces were surveyed while 408 (49%) pieces were not surveyed or titled. In FY2018/2019, UPF constructed on 7 parcels of land in the year, which did not have titles, thus risking the loss of such land in case of disputes.
3	<p>Ministry of Justice & Constitutional Affairs</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> Out of the projected NTR collections of UGX.2,658,490,000, only UGX.662,462,293 was collected representing underperformance of 75%. MoJCA remained with unspent balance of UGX.1,339,363,412 representing an absorption level of 99%. I reviewed 19 out-puts worth UGX.138.95 billion representing 100% of the total budget and noted that 5 outputs (21.7%) of the total outputs were not quantified to enable measurement of performance. Further, of the 14 quantified outputs/activities assessed, 11 outputs/activities representing 79% were fully implemented; 3 (three) outputs/activities representing 21% was partially implemented. Funds amounting to UGX.109,352,240 were irregularly diverted and spent on other activities without seeking the necessary approvals. Domestic arrears decreased by 106.6 billion from UGX.663,992,322,002 in the previous year to UGX.557,388,423,406 in the year under review. The arrears amounting UGX.557,388,423,406 remained unsettled at the close of the year. Court Awards and Compensation arrears stood at UGX.655,134,362,209 and a budget provision of only UGX.178,960,025,475 was made towards settlement of the outstanding arrears. Court awards and compensation interest totalling to UGX.183,732,740,689 with interest rates ranging from 6% to 30% per annum has accumulated over the years. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include non-completion of Performance plans, no quarterly reviews undertaken, no performance improvement plans prepared, non-submission of reports on Performance Agreements, Performance Appraisals, Performance Improvement Plans to MoPS and Absenteeism.
4	<p>Uganda Human Rights Commission</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> UHRC budgeted to collect revenue of UGX.54,760,000 however, only UGX.5,750,000 was collected representing an underperformance of 90% of the target. UHRC received off-budget financing from development partners to a tune of UGX.6,161,458,988 which was never paid into the consolidated fund as required by the law. The entity remained with unspent balance of UGX.1.679 billion representing an absorption level of 92%. I reviewed all the 12 out-puts worth UGX.20.225 billion representing 100% of the total budget and noted that 6 (six) outputs/activities representing 50% were fully implemented, and 6(six) outputs representing 50% were partially implemented. Out of 11 outputs analysed, 8 outputs were inaccurately reported. Funds amounting to UGX.98,926,293 were irregularly diverted and spent on other activities without seeking the necessary approvals.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Domestic arrears decreased by 58% from UGX 3,910,443,177 in the previous year to UGX.1,650,152,463 in the year under review. The arrears remained unsettled at the close of the year. Settlement of arrears amounting to UGX.1,621,318,592 outstanding from prior year (2017/18) were undertaken without allocated budget. Out of 1736 cases, only 63 (3.6%) were fully investigated and disposed off during the year translated in underperformance of 96.4%. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include non-completion of Performance Agreements, no quarterly reviews undertaken, no performance improvement plans prepared, non-submission of reports on Performance Agreements, Performance Appraisals, Performance Improvement Plans to MoPS and delayed handling of disciplinary cases.
5	<p>Uganda Registrations Services Bureau (URSB) – OPERATIONS</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> The URSB -Operations remained with unspent balance of UGX.953,278,449 representing an absorption level of 96.4%. I reviewed the 26 outputs with a total budget of UGX.26,530,312,307 implemented by the entity representing 100% of the total budget and noted that 6 (23.1%) of the total outputs were not quantified to enable measurement of performance. Further, of the 20 quantified outputs assessed, 9 outputs representing 34.6% were fully implemented; 2 outputs representing 7.7% was partially implemented while 2 outputs representing 7.7% was not implemented at all while 7 outputs representing 27% were implemented on non-key deliverables. Domestic arrears decreased by 66.5% from UGX.1,941,423,697 in the previous year to UGX.650,085,882 in the year under review. Payables, worth UGX.479,457,486 were incurred without Parliamentary approval. A budget provision of only UGX.174,520,348 was made towards the settlement of domestic arrears reported as UGX.1,941,423,697 as at the close of the prior year. URSB has done much to ensure that the staff performance management programmes are implemented. However, the entity does not have a substantive reward and sanctions committee in place. Out of total number of 332 staff required, only 149 positions (45%) had been filled leaving a balance of 183 positions (55%) vacant.
6	<p>Uganda Registration Services Bureau (URSB) – LIQUIDATION</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.552,004,536 representing 24%. Further, the entity remained with an unspent balance of UGX.714,656,131 representing an absorption level of 59%. I reviewed 9 outputs worth UGX.2,284,200,400 representing 100% of the total budget and noted that 6 outputs representing 67% of the total outputs were not quantified to enable measurement of performance. Furthermore, of the 3 quantified outputs assessed, no output was fully implemented, 1 output representing 33% was partially implemented while 2 outputs representing 67% were not implemented at all. URSB reported receivables amounting to UGX.6,252,764,629 brought forward from 2016/17 financial year and their recoveries appear remote.
7	<p>Direktorate of Citizenship and Immigration Control (DCIC)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> DCIC did not budget for all revenue sources although the entity collected 116% of the target. Management regretted the omission. DCIC had a shortfall in releases amounting to UGX.1,432,847,759 representing 1.3%. Further, the entity remained with unspent balance of UGX.5,516,448,137 representing an absorption level of 94.54%. I sampled 160 outputs worth UGX.107.98bn representing 100% of the total budget and noted that 59 (36.9%) of the total outputs were not quantified to enable measurement of performance. Further, of the 101 quantified outputs/activities assessed, 62 outputs/activities representing 61% were fully implemented; 20 output/activity representing 20% was partially implemented while 19 output/activity representing 19% was not implemented at all.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Funds amounting to UGX151,644,173 were irregularly diverted and spent on other activities without seeking the necessary approvals. Domestic arrears increased (by 14.9% from UGX. 8.858bn in the previous year to UGX. 10.182bn in the year under review. The arrears remained unsettled at the close of the year. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include non-completion of Performance Agreements, no quarterly reviews undertaken, no performance improvement plans prepared, non-submission of reports on Performance Agreements, Performance Appraisals, Performance Improvement Plans to MoPS and lack of mechanism to monitor staff attendance. DCIC owns several parcels situated in Ntoroko, Afogi, Oraba, Ngomoromo and Sabagoro which are not surveyed, and thus risk being encroached on by squatters. DCIC land in areas such as Opot pot, Kizinga and Mpondwe is surveyed but not titled. Out of 673 approved staff positions, only 562 positions are filled leaving 111 positions vacant representing 16% vacancy rate. A number of officers are in acting position. DCIC approved Organization structure lacks critical functions such as the Human resource management and development function, Finance and Administration function, Internal Audit function, and departments of ICT and Fleet management which support the functions of the Office of the Director. A contract signed in Euros by DCIC lacked a waiver from the Minister to enter into a foreign currency designated contract. There is no provision for payment of withholding tax in the above contract. UGX.647,638,049, was incurred as incidental charges by Government instead of the company and are therefore considered nugatory. UGX.197,520,700 were not adequately supported and are therefore recoverable. 3 IT systems to manage the immigration function (entry and exit of migrants) were not interconnected to enable seamless sharing of information. This may result into revenue leakages and entry of illegal immigrants. Despite having a number of ICT systems, DCIC is affected by lack of an IT management policy, designated IT Department, shortage of staff with technical IT skills, the use of several standalone/non-integrated databases, and the outsourcing of critical IT management functions such as the management of the IT databases holding immigration information.
8	<p>Uganda Prisons Service</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> Uganda Prison Service under collected Non-Tax Revenue by UGX.10.977bn. Out of the budgeted revenue of UGX.26,860bn, only UGX.15.882bn, was collected representing the performance of only 59.1% of the target. There was a shortfall in releases amounting to UGX. 24.468bn representing 9.4%. Further, the entity remained with an unspent balance of UGX. 64.151bn representing an absorption level of 99.9%. I assessed 104 outputs with a total budget of UGX. 261.613bn and noted that 18 (17.3%) of the total outputs were not quantified to enable measurement of performance. Further, of the 86 quantified outputs/activities assessed, 57 outputs/activities representing 66% were fully implemented; 26 outputs/activities representing 30% were partially implemented while 3 outputs/activities representing 4% were not implemented at all. Domestic arrears decreased by UGX.10.261bn from UGX. 76.889bn in the previous year to UGX. 66.627bn in the year under review. The arrears remained unsettled at the close of the year. Settlement of arrears amounting to UGX.46.922bn outstanding from the prior year (2017/18) were undertaken outside the allocated budget. UPS did not budget for court awards amounting to UGX.99,000,000 whose judgements were made in the FY 2017/18. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include non-completion of Performance Agreements, no performance plans prepared, no performance appraisals completed, no quarterly performance reviews undertaken, no performance improvement plans

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<p>prepared, no mechanism for monitoring staff attendance, non-submission of reports on absenteeism, no clear timelines for conclusion of disciplinary cases, no clear and independent rewards and sanctions committee and non-submission of reports on discipline to ministry of public service.</p> <ul style="list-style-type: none"> • A number of service delivery gaps were noted such as overcrowding in prisons stations, poor sanitation in stations using the bucket system in stations with uniports and overstay on remand. • A number of weaknesses in management of Prisons land were noted including failure survey and title all prison land, disputes regarding ownership of Prison land, as well as land encroachment. • Uganda Prisons has been implementing a Human Resources Management Information system since FY2016/17. However, it is noted that todate the upload of staff information and records is yet to be completed. Also the majority of systems users are unable to use the system because user-roles have not yet been assigned. In addition, a number of critical modules such as document storage that support the upload of attachments and documents, timesheet/attendance management, performance management, discipline and transfers are not yet operational.
9	Centres for Disease Control and Prevention (CDC) Opinion Unqualified	<ul style="list-style-type: none"> • There was inaccurate financial reporting in expenditure recorded in the Accounting system and expenditure reported in the quarterly financial reports. • I noted overall budget performance of 81% for the eighteen months. • I noted late submission of quarterly reports apart from the first quarter. • Follow up of prior year audit matters indicted that issues such as ineligible costs on VAT returns, inaccurate financial reporting, late submission of reports, realized foreign exchange was partially implemented.
10	National Identification and Registration Authority (NIRA) Opinion Unqualified	<ul style="list-style-type: none"> • There was a shortfall in releases amounting to UGX.8.4 billion representing 15.8%. Further, the entity remained with an unspent balance of UGX.0.75 billion representing an absorption level of 98.3%. • I reviewed 54 outputs worth UGX.53 billion, representing 100% of the total budget and noted that 15 (27.8%) of the total outputs were not quantified to enable measurement of performance. Further, of the 39 quantified outputs/activities assessed, 23 outputs/activities representing 59% were fully implemented; 11 outputs/activities representing 28% were partially implemented while 5 outputs/activities representing 13% were not implemented at all. • Funds amounting to UGX.1.55 billion were irregularly diverted and spent on other activities without seeking the necessary approvals. • Domestic arrears increased by 103% from UGX.1.43 billion in the previous year to UGX.2.92 billion in the year under review. The arrears remained unsettled at the close of the year. • Settlement of arrears amounting to UGX.1.43 billion outstanding from the prior year (2017/18) was undertaken without an allocated budget. • Shortcomings were noted in the implementation of the provisions in the NIRA Human Resources Policy Manual and policy on staff performance management. The gaps identified include failure to develop performance plans for all staff, delays in completion of staff performance appraisals, failure to properly document staff performance improvement plans, failure to consolidate and report information on staff attendance and failure to report various aspects of staff performance management to the board in a timely manner. • NIRA paid various suppliers without recovering with or remitting WHT amounting to UGX.100,400,801. • The process of transition from a project under DCIC to NIRA is not yet complete due to delays in registering and valuing assets transferred during the transition, failure to regularise the appointment of project staff, and the failure to settle outstanding liabilities incurred under the project. • NIRA has a significant backlog of over 600,000 applications yet to be processed, with some applications taking as long as six months before processing.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Processing time for a single application between application and printing of IT is on average six months (180 days), which is higher than the 60 days provided for under the registration of persons regulations 2015. There has been slow progress in registering all citizens. Only 15 million Ugandans have been issued with national IDs out of the national population of over 40 million citizens. The entity is faced with significant IT challenges. For example, NIRA does not have an approved IT continuity or disaster recovery plan, or disaster recovery site, has not documented procedures to be followed in case of emergencies regarding the IT , has no clear maintenance guidelines for IT equipment and does not have a risk management strategy for IT.
11	<p>Uganda Law Reform Commission (ULRC)</p> <p>Opinion Qualified</p>	<ul style="list-style-type: none"> ULRC had a shortfall in releases amounting to UGX. 1,500,000,000 representing 10%. Further, the entity remained with unspent balance of UGX. 3,716,923,811 representing an absorption level of 72%. I sampled 24 outputs worth UGX.13.9 billion representing 93.8% of the total budget and noted that 18 (75%) of the total outputs were not quantified to enable measurement of performance. Further, of the 6 quantified outputs/activities assessed, 1 output representing 16.7% was fully implemented; 2 outputs/activities representing 33.3% was partially implemented while 3 outputs/activities representing 50% were not implemented at all. The Commission's annual performance reports were incorrect and inaccurate. Out of a total of 9 outputs analysed, the completion status reported for 6 outputs were inaccurate. Funds amounting to UGX.59,603,199 were irregularly diverted and spent on other activities at code level without seeking the necessary approvals and UGX.1,103,837,000 was diverted from the programs on which it was budgeted and spent on other programs without seeking and obtaining the necessary approvals. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include partial completion of Performance appraisals and no quarterly reviews undertaken, no performance improvement plans prepared, non-submission of reports on Performance Appraisals and Quarterly Performance Review reports and Improvement Plans to MoPS. The commission has an approved structure of 82 positions with 58 (71%) positions filled leaving a gap of 24 (29%) positions vacant. The critical vacant positions include; Accountant, Senior Legal Officer, Legal Officer, Senior Human Resource Officer among others.
12	<p>Office of the Director of Public Prosecutions (ODPP)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> ODPP did not set target against which the NTR performance could be measured despite collecting UGX.12,350,000 during the financial year 2018/2019. The entity remained with unspent balance of UGX.884,297,282 representing absorption level of 97.4%. I reviewed the 19 outputs with a total budget of UGX.34,549,244,997 implemented by the entity during the financial year, representing 100% of the total budget and noted that 9 (47%) of the total outputs were not quantified to enable measurement of performance. Further, of the 10 quantified outputs/activities assessed, 4 outputs/activities representing 40% were fully implemented; 6 output/activity representing 60% was partially implemented. Funds amounting to UGX.84,659,759 were irregularly diverted and spent on other activities without seeking the necessary approvals. Domestic arrears decreased (by 54.4% from UGX. 332,526,489 in the previous year to UGX.151,366,693 in the year under review. The arrears remained unsettled at the close of the year. Settlement of arrears amounting to UGX.21,999,632 outstanding from prior year (2017/18) were undertaken without allocated budget. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include non-completion of Performance Agreements, no quarterly reviews undertaken, no performance improvement plans prepared, non-submission of reports on Performance Agreements, Performance Appraisals,

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<p>Performance Improvement Plans to MoPS, delayed handling of disciplinary cases and expired client charter.</p> <ul style="list-style-type: none"> Out of total number of 1334 staff required, only 518 positions (39% of the approved structure) had been filled as at 30th June 2019 and 816 positions (61% of the approved structure) remained vacant.
13	<p>Law Development Centre (LDC)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> LDC budgeted to collect NTR of UGX.8.300bn but only UGX.7.820bn was collected. The entity did not remit UGX.0.427bn of the collected funds to the consolidated fund. There was a shortfall in releases amounting to UGX.136,279,456 representing 0.8%. Further, the entity remained with unspent balance of UGX.64,234,414 representing absorption level of 99.6%. LDC received off-budget financing from development partners to a tune of UGX.135,704,323 which was never paid into the consolidated fund as required by the law. I reviewed 16 out-puts worth UGX.16.8bn representing 100% of the total budget and noted that 1 (6%) of the total outputs were not quantified to enable measurement of performance. Further, of the 15 quantified outputs/activities assessed, 10 outputs/activities representing 67% were fully implemented; 4 output/activity representing 27% were partially implemented while 1 output/activity representing 7% was not implemented at all. Funds amounting to UGX.141,466,716 were irregularly diverted and spent on other activities without seeking the necessary approvals. Domestic arrears decreased (by 31%) from UGX.1,295,479,416 in the previous year to UGX. 893,498,165 in the year under review. The arrears remained unsettled at the close of the year. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include non-completion of Performance Appraisals on time, no quarterly reviews undertaken, non-submission of Performance Appraisals reports to MoPS, lack of mechanism to monitor staff attendance and a client charter without a period limit to enable review of its relevance.
14	<p>Judicial Service Commission (JSC)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> The entity remained with an unspent balance of UGX. 29,183,427 representing an absorption level of 99.7%. I reviewed 12 planned outputs with a budget of UGX.10.3bn, representing 100% of the total budget and noted that 3 outputs (25%) of the total outputs were not quantified to enable measurement of performance. Further, from the 9 quantified outputs assessed, 6 outputs representing 66.7% were fully implemented and 3 output representing 33.3% was partially implemented. A sum of UGX.88,191,239 was irregularly diverted and spent on other activities without seeking the necessary approvals. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include non-completion of Performance Agreements, lack of performance improvement plans and Performance Appraisals. JSC had an approved structure of 115 staff out of which only 92 positions (80%) was filled leaving a balance of 23 positions (20%).
15	<p>Directorate of Government Analytical Laboratories (DGAL)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> DGAL had shortfall in releases amounting to UGX.4,392,771,545 representing 19% shortfall. Further, the entity remained with unspent balance of UGX. 433,975,535 representing an absorption level of 98%. I sampled 71 outputs worth UGX. 23.1billion representing 100% of the total budget and noted that 39(54.9%) of the total outputs were not quantified to enable measurement of performance. Further, of the 32 quantified outputs/activities assessed, 21 outputs/activities representing 66.0% were fully implemented; 6 (six) outputs/activities representing 19% were partially implemented while 5 (five) outputs/activities representing 16% were not implemented at all. Funds amounting to UGX.68,450,611 were irregularly diverted and spent on other activities without seeking the necessary approvals.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> During the year, I noted that DGAL analyzed 87.3% or 2247 cases out of 2573 applications received. The backlog cases yet to be investigated, which stands at 3,492 has reduced by 37% from the previous year. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include non-completion of Performance plans, no quarterly reviews undertaken, no performance improvement plans prepared, non-submission of reports on Performance Agreements, Performance Appraisals, Performance Improvement Plans to MoPS, Absenteeism. DGAL structure provides for 124 positions out of which 58 are filled resulting in a shortfall of 66 (representing 53% of the establishment). Key positions of Commissioner, Assistant Commissioner, Principal and Senior Government Analysts were vacant at the year end.
16	<p>Ministry of Internal Affairs (MIA)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.964 billion representing 3.3%. Further, the entity remained with unspent balance of UGX.0.584 billion representing an absorption level of 98%. I sampled 131 outputs worth UGX.22.6 billion representing 79% of the total budget and noted that 34 (26%) of the total outputs were not quantified to enable measurement of performance. Further, of the 97 quantified outputs/activities assessed, 63 outputs/activities representing 65% were fully implemented; 28 outputs/activities representing 29% were partially implemented while 6 outputs/activities representing 6% were not implemented at all. A sum of UGX.219,380,189 paid out as honoraria and retainer to members of the police council was inappropriately budgeted for and charged under code 221006 for commissions and related charges. The Ministry made payments of UGX.375,691,638 into staff personal accounts for undertaking various activities and in some instances to pay suppliers contrary to the provisions in the Treasury Accounting Instructions. The Ministry procured stationery items and motor-vehicle repairs and services and other related supplies from different suppliers worth UGX.539,289,212 without framework contracts. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include non-completion of Performance Agreements by some staff, no quarterly reviews undertaken, no performance improvement plans prepared by some staff, non-submission of reports on Performance Agreements, Performance Appraisals, and Performance Improvement Plans to MoPS. 311 positions out of which 120 are filled resulting in a shortfall of 191 (representing 61%). Audit noted that critical positions such as Assistant Commissioner Community Service, Procurement Officer, Principal Internal Auditor and a number of probation officers were vacant at the year-end.
17	<p>Amnesty Commission</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> Amnesty commission had a shortfall in releases amounting to UGX.738,741,155 representing 11%. I sampled 24 out-puts worth UGX.6.6 billion representing 100% of the total budget and noted that 8 (33%) of the total outputs were not quantified to enable measurement of performance. Further, of the 16 quantified outputs/activities assessed, 10 outputs/activities representing 63% were fully implemented; 6 output/activity representing 37% was partially implemented.
18	<p>Justice, Law & Order Sector Project</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> Out of the budgeted revenue of UGX 110,115,668,626, only UGX. 93,185,801,198 was disbursed to the respective beneficiary institutions representing underperformance of 15.4%. The Sector remained with an unspent balance of UGX. 27,371,501,905 representing an absorption level of 71.2%. I reviewed 582 outputs worth UGX.101.45 billion, representing 99.1% of the available funds and noted that 26 outputs (4.46%) of the total outputs were not quantified to enable measurement of performance. Further, of the 556 quantified outputs/activities assessed, 298 outputs/activities representing 53.6% were fully implemented; 147 outputs/activities representing 26.44% were partially implemented, and 111 outputs/activities representing 19.96% were not implemented at all.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Funds amounting to UGX. 120,000,000 were irregularly diverted by DCIC and spent on another activity without seeking the necessary approvals. Payments amounting to UGX. 964,565,970 made to various beneficiaries for the execution of sector activities still lacked necessary support documents. Uganda Prisons Services entered into multi-year contracts totaling to UGX. 24,126,064,939 without Parliamentary approval. Besides, the contracts may not have been included in the Medium Term Expenditure Framework.
	PUBLIC ADMINISTRATION SECTOR	
1	Uganda Embassy in Rome Opinion Unqualified	<ul style="list-style-type: none"> Out of the budgeted NTR of UGX.672,371,000 for the year 2018/19, only UGX.131,992,133 was collected representing performance of only 19% of the target. Domestic arrears of UGX.444,530,836 from the previous year remained unsettled at the close of the year. Settlement of arrears amounting to UGX.206,862,019 from the prior year (2017/18) was undertaken without allocated budget. The Embassy is involved in four court cases with a contingent liability of UGX.1,189,468,070. Euros.5,336.81 (UGX.22,554,639) remained unaccounted for at the time of audit. The Embassy lacks budgetary allocations for furniture and security at the Chancery and Official residence. Euro.18,181.81 (UGX.76,840,693) in respect of Education Allowances was paid directly to beneficiaries instead of Education Institutions contrary to Public Service Standing Orders. Euros.114,904.59 (UGX.485,614,374) was allegedly transferred to the Embassy in error over and above its 2nd quarter release of the financial year 2018/2019. The Mission subsequently remitted the funds to a Treasury Holding Account number 003300328000012 for Missions abroad but the funds were never acknowledged by the Ministry of Finance, Planning and Economic Development. Euros.116,990.00 (UGX.494,427,818) was paid as rent during the year under without consultation and authorization from the Permanent Secretary Ministry of Foreign Affairs. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include non-completion of Performance Agreements, no quarterly reviews undertaken, no performance improvement plans prepared, non-submission of reports on Performance Agreements, Performance Appraisals, Performance Improvement Plans to MoPS and lack of mechanism to monitor staff attendance.
2	Uganda Embassy in Riyadh Opinion Qualified	<ul style="list-style-type: none"> Funds to a tune of UGX.305,007,954 that was misappropriated has been outstanding and has been kept in the Embassy records since 2012 despite Auditor General's recommendation to have it written off in line with PFMA. The figure distorts the Embassy's reporting mechanism. The Embassy remained with unspent balance of UGX.0.044bn representing an absorption level of 99.8%. Out of the 3 quantified outputs assessed, 1 output representing 33% was fully implemented while 2 outputs representing 67% were partially implemented. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include non-completion of Performance Agreements by 1 staff member, failure to develop performance plans, non-completion of performance appraisals, no quarterly reviews undertaken, non-completion of performance improvement plans, and non-submission of reports on Performance Agreements, Performance Appraisals and Performance Improvement Plans to MoPS. The embassy paid UGX.64,869,991 in respect of educational allowances direct to its officials instead of their respective educational institutions or schools contrary to PSSO.
3	Uganda Embassy in Berlin	<ul style="list-style-type: none"> Funds to a tune of Euro.30,111.52 (approximately UGX.126,573,473) were diverted and charged wrong expenditure codes.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
	Opinion Unqualified	<ul style="list-style-type: none"> Out of the warrants of UGX.5.187bn, UGX.5.102bn was spent by the Embassy resulting into unspent balance of UGX.0.084bn representing an absorption level of 98%. The Embassy planned to achieve its deliverables through the implementation of 9 outputs. I sampled all the outputs/activities and noted that out of the 9 quantified outputs/activities assessed, 5 outputs/activities representing 56% were fully implemented while 4 outputs/activities representing 44% were partially implemented. At end of the financial year, the Embassy had a sum of UGX. 80,830,255 on the expenditure account due to the consolidated fund. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. Some of the gaps identified include non-completion of Performance Agreements, all staff had not developed performance plans, non-completion of performance appraisals by 5 staff. Contrary to Section (E - e) Paragraphs 19 and 20 of the PSSO, the embassy paid Euro.21,412.54 (approximately UGX.89,932,668) in respect of educational allowances direct to its officials instead of their respective educational institutions or schools.
4	Uganda Embassy in Abu Dhabi Opinion Unqualified	<ul style="list-style-type: none"> Out of the budgeted NTR of UGX.60,000,000 for the year 2018/19, only UGX.48,153,854 was collected leaving a balance of UGX.11,846,146. The unrealized balance constituted 20% of the budgeted revenue. UGX.22,239,757 in NTR collected during the year under review was not remitted to the Consolidated Fund contrary to the law. Items worth UGX.3.399bn that were regarded as critical for the operations of the Embassy in achieving its mandate remain unfunded priorities. UGX.11,127,880 reported in cash and cash equivalents as at 30th June, 2019. This amount was not repaid to the Consolidated Fund contrary to the law. UGX.5,424,243 was used to settle part of outstanding domestic arrears during the year without a budget allocation. Embassy established a rescue accommodation centre for Ugandans in distress and rescued 200 Ugandans during the year under review. The Embassy has been engaging the parents, the church in UAE and Ugandan Community to return the girls which appears unsustainable. UGX.114,616,450 in respect of Education Allowances was paid direct to its officials instead of their respective educational institutions or schools contrary to Public Service Standing Orders. UGX.1,740,945,600 was as rent during the year without consultation and authorisation of the Responsible Permanent Secretary. 11 local staff were appointed without following the guidelines for appointment of local staff in Missions. The Mission lacks one Foreign Service officer grade one, one foreign service officer grade IV and a personal secretary. Shortcomings were noted in the implementation of the provisions in the Circular Standing Instructions on staff performance management initiatives. The gaps identified include non-completion of Performance Agreements, failure to develop performance plans, non-completion of performance appraisals, no quarterly reviews undertaken, non-completion of performance improvement plans, and non-submission of reports on Performance Agreements, Performance Appraisals and Performance Improvement Plans to MoPS.
5	Uganda Mission in Algiers Opinion Unqualified	<ul style="list-style-type: none"> The Embassy did not budget to collect revenue during the financial year 2018/19 despite collecting UGX.10,657,356 during the year. Out of the warrants of UGX.3.517bn, UGX.3,502bn was spent by the embassy resulting in an unspent balance of UGX.14,562,771 representing an absorption level of 99.6 %. I sampled 3 out-puts worth UGX.3.517bn representing 100% of the total budget and noted that 1 (33%) of the total outputs were not quantified to enable measurement of performance. Further, of the 2 quantified outputs/activities assessed, 2 output/activity representing 100% was partially implemented.

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		<ul style="list-style-type: none"> The embassy paid UGX.81,583,745 in respect of educational allowances direct to its officials instead of their respective educational institutions or schools contrary to PSSO. Shortcomings were noted in the implementation of the provisions in the Circular Standing Instructions on staff performance management initiatives. The gaps identified include non-completion of Performance Agreements, failure to develop performance plans, non-completion of performance appraisals, no quarterly reviews undertaken, non-completion of performance improvement plans, and non-submission of reports on Performance Agreements, Performance Appraisals and Performance Improvement Plans to MoPS.
6	<p>Uganda Embassy in Cairo</p> <p>Opinion Qualified</p>	<ul style="list-style-type: none"> The Embassy had domestic arrears of UGX.160,886,215 from the previous year of which UGX.81,383,976 was paid leaving a balance of UGX.79,022,891. The outstanding domestic arrears presented lacked supporting documentation. The Embassy remained with unspent balance of UGX.125,336,976 representing an absorption level of 98.2%. Inspection of assets owned by the embassy revealed that some are in poor condition and are in need of urgent renovation and/or replacement. The Mission was operating without a charter to guide its operations. Shortcomings were noted in the implementation of the provisions in the Circular Standing Instructions on staff performance management initiatives. The gaps identified included: non completion of performance agreements, failure to develop performance plans, failure to conduct staff appraisals, lack of quarterly performance reviews and failure to submit reports on staff performance management initiatives.
7	<p>Uganda Embassy in Brussels</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> Out of the warrants of UGX.12.803bn, UGX.12.363bn was spent by the Embassy resulting into unspent balance of UGX.0.440bn representing an absorption level of 96%. Out of the 17 quantified outputs/activities assessed, 8 outputs/activities representing 47% were fully implemented while 9 outputs/activities representing 53% were partially implemented. During the period under review, a sum of Euro.1,643,904.53 was released MoFPED to undertake consultancy services and renovation of the Uganda Chancery building. However, at the time of inspection, construction works had not started. Payables amounting to UGX.36,954,243 were disclosed. Included in this figure is an amount of UGX.14,791,840 that has been outstanding for a long period of time. A loss of UGX.23,138,762 relating to visa stickers has been outstanding and has been kept in the Embassy records since 2010/2011 despite Auditor General's recommendation to have this loss written off in line with PFMA. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. Some of the gaps identified include non-completion of Performance Agreements, failure to develop performance plans, non-completion of performance appraisals, and non-submission of reports on Performance Agreements, Performance Appraisals and Performance Improvement Plans to MoPS. Contrary to Section (E - e) Paragraphs 19 and 20 of the PSSO, the embassy paid Euro.22,011.56 (approximately UGX.93,020,852) in respect of educational allowances direct to its officials instead of their respective educational institutions or schools. The Embassy has 3 old vehicles that have been running for a period of over 10 years and have reached zero value and are costing the Embassy an average Euro.9,000 per annum on repairs and maintenance. Euro.3,206.44 was paid as insurance to cover these which is not in line with vehicle maintenance standards Belgium and is costly.
8	<p>Uganda High Commission New Delhi</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> Domestic arrears increased by 16% from UGX491,339,828 in the previous year to UGX. 585,531,516 in the year under review. The arrears remained unsettled at the close of the year. Settlement of the arrears amounting to UGX.184,886,497 outstanding from prior year (2017/18) were undertaken without allocated budget. The entity remained with unspent balance of UGX. 255,841,776 representing an absorption level of 95%.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> UGX. 24,198,324 in NTR collected during the year under review was not remitted to the Consolidated Fund contrary to the law. Shortcomings were noted in the implementation of the provisions in the Circular Standing Instructions on staff performance management initiatives. The gaps identified include non-completion of Performance Agreements, failure to develop performance plans, non-completion of performance appraisals, no quarterly reviews undertaken, non-completion of performance improvement plans, and non-submission of reports on Performance Agreements, Performance Appraisals and Performance Improvement Plans to MoPS.
9	<p>Uganda Embassy in Moscow</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> Out of the projected revenue of UGX.263,570,000 for the year 2018/19, only UGX.58,492,096 was collected representing a performance of 22% of the target. Domestic arrears decreased (by 47%) from UGX.246,010,870 in the previous year to UGX.127,990,675 in the year under review. The arrears remained unsettled at the close of the year. Settlement of arrears amounting to UGX.118,453,209 outstanding from prior year (2017/18) were undertaken without allocated budget. The Head of Mission did not present credentials to 5 countries (Georgia, Ukraine, Kazakhstan, Mongolia and Uzbekistan) due to budgetary constraints and therefore cannot participate in the promotion of trade, tourism and investment. Shortcomings were noted in the implementation of the provisions in the Circular Standing Instructions on staff performance management initiatives. The gaps identified included: staff did not develop performance plans, performance appraisals, quarterly performance reviews and the Embassy lacks a charter. Besides, the respective reports were not submitted to MOPS contrary to the requirement.
10	<p>Uganda Embassy in Geneva</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> The mission received all budgeted funds amounting to UGX.7.608bn representing 100%. Further, the entity overspent its budget by UGX.7,582,229. I sampled 16 out-puts worth UGX.7.216bn representing 95% of the total budget and noted that 1 (6%) output was not quantified to enable measurement of performance. Further, of the 5 quantified outputs/activities assessed, 2 outputs/activities representing 40% were fully implemented and 3 outputs/activities representing 60% were partially implemented. Funds amounting to UGX.47,268,000 were irregularly diverted and spent on other activities without seeking the necessary approvals. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include non-completion of Performance Agreements, no quarterly reviews undertaken, non-completion of performance plans and appraisals and non-submission of reports on Performance Agreements, Performance Appraisals, Performance Improvement Plans to MoPS. I noted that management had not taken action on the previous year's recommendations from the annual Board of Survey to dispose of some equipment.
11	<p>Uganda Embassy in Paris</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> UGX.447,314,902 NTR collections including balance brought forward from previous year had not been remitted to MOFPED at the time of inspection in September. The mission received all budgeted funds amounting to UGX.6.35bn representing 100%. Further, the entity remained with unspent balance of UGX.0.065bn representing an absorption level of 99%. I sampled 12 out-puts worth UGX.5.666bn representing 89% of the total budget and noted that 5 (42%) output were not quantified to enable measurement of performance. Further, of the 7 quantified outputs/activities assessed, 3 outputs/activities representing 43% were fully implemented and 1 output/activity representing 14% was partially implemented while 3 outputs/activities representing 43% were not implemented at all. Domestic arrears decreased by 29% from UGX.13,381,739 in the previous year to UGX.9,553,986 in the year under review. The arrears remained unsettled at the close of the year

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> UGX.60,590,634 was paid during the year as domestic arrears and yet these were not disclosed in the previous audit year and no budget provision for the same had been availed. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include non-completion of Performance Agreements, no quarterly reviews undertaken, non-completion of performance plans and appraisals and non-submission of reports on Performance Agreements, Performance Appraisals, Performance Improvement Plans to MoPS. I noted that management had not taken action on the previous year's recommendations from the annual Board of Survey to dispose of some equipment.
12	Uganda Mission in Mombasa Opinion Unqualified	<ul style="list-style-type: none"> Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include non-completion/prepared of Performance Agreements, quarterly reviews, performance improvement plans, non-submission of reports on Performance Agreements, Performance Appraisals and Performance Improvement Plans to MoPS. I noted that the Mission has not had an approved Charter since 2016.
13	Guangzhou Consulate in China Opinion Unqualified	<ul style="list-style-type: none"> UGX.1,216,126,611 reported as Cash and Cash equivalents at the end of the financial year were not transferred to the Consolidated Fund contrary to the law. The Consulate received UGX.4,849,125,817 but spent UGX.4,319,750,750 resulting into under absorption of UGX.529,375,067 representing 89% hence affecting planned activities. The Consulate's approved work plans and budgets revealed that a number of the planned activities were not implemented such as purchase of utility van, holding of investment conferences, and construction of chancery. Shortcomings were noted in the implementation of the provisions in the Circular Standing Instructions on staff performance management initiatives. The gaps identifies included: non-completion of performance agreements, lack of performance plans and limited appraisals conducted. UGX.87,817,726 was paid to various staff as education allowance instead of paying directly to schools contrary to PSSO (E-e) (12 & 19).
14	Uganda Embassy in China, Beijing Opinion Qualified	<ul style="list-style-type: none"> Revenue amounting to UGX.0.654Bn was reported as funds utilised at source whose permission of utilisation has never been obtained from the Accountant General. UGX.33,957,114 reported as outstanding advances have taken a long period without recovery from the concerned officials. I could not establish the details of this receivable and how long it has been outstanding. UGX.209,401,265 (RMB.389,329) remained unaccounted for at the time of audit. The Embassy received UGX.4.920Bn but spent UGX.4.834Bn resulting into under absorption of UGX.86,116,794 representing 99.7%. Domestic arrears decreased by 83% from UGX.0.133Bn in the previous year to UGX.23,034,405 in the year under review. The arrears remained unsettled at the close of the year. Settlement of arrears amounting to UGX.0.110Bn outstanding from prior year (2017/18) was undertaken without allocated budget. Shortcomings were noted in the implementation of the provisions in the Circular Standing Instructions on staff performance management initiatives. The gaps identifies included: non completion of performance agreements, failure to develop performance plans, failure to conduct staff appraisals, lack of quarterly performance reviews and failure to submit reports on staff performance management initiatives.
15	Uganda Embassy in Khartoum Opinion Unqualified	<ul style="list-style-type: none"> The financial statements of the Mission were submitted late in October instead of August. Out of UGX.3,207,018,770 received, UGX.3,087,222,550 was expended resulting into under absorption of UGX.119,796,220 representing a 96.3% performance. UGX.50,502,968 in NTR and UGX.106,318,863 in cash at the end of the year were not remitted to the Consolidated Fund contrary to the law.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> UGX.84,600,000 in respect of Education Allowances was paid direct to its officials instead of their respective educational institutions or schools contrary to Public Service Standing Orders. Shortcomings were noted in the implementation of the provisions in the Circular Standing Instructions on staff performance management initiatives. The gaps identified include non-completion of Performance Agreements, failure to develop performance plans, non-completion of performance appraisals, no quarterly reviews undertaken, non-completion of performance improvement plans, and non-submission of reports on Performance Agreements, Performance Appraisals and Performance Improvement Plans to MoPS.
16	<p>Uganda Embassy in Teheran</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> Teheran reported cash balances of UGX.126,137,744 comprised of UGX.99,027,755 as revenue account balance and UGX.27,109,989 as expenditure account balance at the year end. The amount was not transferred to the Consolidated Fund contrary to the law. The Embassy received a total of UGX.3,548,004,447 out of which a total of UGX.3,538,742,619 was spent resulting into unspent balance of UGX.9,261,828. UGX.99,027,755 was collected as NTR including balance brought forward from previous year but the funds were not remitted to Consolidated Fund contrary to the law. USD.14,000.00 (UGX.52,640,000) was paid to various staff as Education Allowance instead of paying directly to schools contrary to the Public Service Standing Orders. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include non-completion of Performance Agreements, no quarterly reviews undertaken, no performance improvement plans prepared, non-submission of reports on Performance Agreements, Performance Appraisals, Performance Improvement Plans to MoPS and lack of mechanism to monitor staff attendance.
17	<p>Uganda Embassy in DRC, Kinshasa</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> Unspent balance of UGX.28,583,436 on the expenditure account and NTR total collections totaling UGX.10,148,481 were not transferred to the Consolidated Fund contrary to the law. USD.15,000.00 (equivalent to UGX.56,400,000) was paid to various staff as education allowance instead of paying directly to schools in violation of the Public Service Standing Orders. The mission paid out rent amounting to US\$.51,000 for a period of six months at this rate during the year without authorization from the Permanent Secretary, MoFA. Shortcomings were noted in the implementation of the provisions in the Circular Standing Instructions on staff performance management initiatives. The gaps identified included: 1 out of 2 senior management staff did not complete performance agreements, staff did not develop performance plans and 3 of the 5 staff did not conduct staff appraisals. Besides, the respective reports were not submitted to MOPS contrary to the requirement.
18	<p>Uganda Embassy in Juba</p> <p>Opinion Qualified</p>	<ul style="list-style-type: none"> A sum of UGX.327,572,944 claimed to have been remitted to the Bank of Uganda has been in transit for more than one financial year and has not been received by Bank of Uganda. An adjustment of UGX.1,779,216 made in to cash and cash equivalents was not supported by a Journal Voucher (JV). I noted that out of the budgeted revenue of UGX.485,660,000, UGX.648,823,885 was collected representing over-performance of 33.6% of the target because of the country's improved environment. NTR amounting to UGX.16,796,357 was not remitted to the consolidated fund contrary to the PFMA/R 2015. UGX.3,799,366,063 meant for the construction of the Chancery has been lying idle on the Embassy project expenditure accounts since 2012. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include non-completion/preparation of performance agreements, performance plans, appraisals, quarterly reviews, performance improvement plans and non-submission of reports on Performance Agreements, Performance Appraisals and Performance Improvement Plans to MoPS.
19	Uganda Mission in Mogadishu	<ul style="list-style-type: none"> Shortcomings were noted in the implementation of the provisions in the Circular Standing Instructions on staff performance management initiatives. The gaps identified include: Staff did

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
	<u>Opinion</u> Unqualified	<p>not develop/prepare performance agreements, performance plans and appraisals. Besides, the respective reports were not submitted to MOPS contrary to the requirement.</p> <ul style="list-style-type: none"> A total of UGX.65,800,000 was paid to various staff as education allowance instead of paying directly to schools contrary to PSSO.
20	Uganda Embassy in Washington <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> I noted that, although the Mission received over 98% of its budgeted funds, many outputs were not achieved during the year. For example only 63,518 tourists out of the targeted 100,000 were received and only USD.1,530,640 of investment was attracted to Uganda out of the targeted USD.500m When an officer is recalled, all the furniture, beddings and kitchen utensils previously used by the staff is removed from the rented house and either damaged or transferred to the Embassy stores where it eventually gets broken through wear and tear. The costs incurred for transport and destruction are borne by the Mission. In addition, the Mission then procures new furnishings for the incoming staff. This is wasteful. Contrary to procurement regulations, I noted that the Embassy undertook procurements, throughout the year, without a procurement plan. This is an indication of laxity on the part of management. Moreover no procurement reports were being prepared and submitted to PPDA as required by the procurement regulations.
21	Uganda Embassy in Addis Ababa <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> Cash balances were overstated by UGX.234,479,182 due to balances carried forward from the previous years that remained unaccounted for. UGX.344,691,717 was spent over and above the mission approved budget mainly on employee costs and on goods and services. I noted that some of the planned activities were implemented but with borrowed funds while other activities were not implemented at all despite Government releasing all the funds for the planned outputs. Receivables of UGX.26,719,027 and UGX.2,179,893 paid to one Micheal Abooki Karugaba and consular services extended to State house respectively remained outstanding for more than two years. UGX.350,957,796 was spent at source contrary Section 29(2)(a) of the Public Finance Management Act, 2015. The mission had unspent balances of USD\$.3,818.9 equivalent to UGX.14,549,206 that was not remitted back to the consolidated fund. I noted shortcomings in the management of assets such as failure to dispose off household items in the chancery stores that would fetch some revenue, inadequate security at both the Chancery and the Official Residence and failure to renovate official residence especially the roof Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include non-completion of Performance Agreements, no quarterly reviews undertaken, no performance improvement plans prepared, non-submission of reports on Performance Agreements, Performance Appraisals and Performance Improvement Plans to MoPS.
22	Uganda Embassy in Copenhagen <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> For the financial year under review (2018/19), a total of UGX.4,830,223,161 was released against an approved budget of UGX.4,830,223,161. This indicates a budget performance of 100%. I however observed that although the Mission received all the budgeted funds, not all planned activities were fully implemented. During the audit, I established that the Mission operated with a draft mission charter that guided the Mission activities during the year under review and that there was no strategic plan for the Mission. The continued implementation of activities in the absence of an approved strategic plan and mission charter may lead to implementation of activities that may not be aligned to the NDPII. An inspection of the embassy buildings housing the Chancery and official residence revealed that both buildings were in a sorry state and in need of urgent renovation. The chancery building has developed major cracks internally and externally including the basement, thus posing a health risk to the lives of staff. Its plumbing and electrical systems have given way needing urgent

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<p>replacement. The basement for the official residence had developed moulds which are a health risk to the occupants. It also had dangling electrical cables, which, the HoM explained, were no longer acceptable as per the European Union (EU) Building code/guidelines. Under the circumstances, the buildings do not portray a good image of the country and that there is a risk that these structures might become condemned by the city authorities. Besides, the delayed renovation of the buildings will increase the eventual costs needed to renovate them to the current EU building code.</p> <ul style="list-style-type: none"> It was noted that the Mission paid DKK.130,350 (UGX.73,397,869) in lieu of education allowances directly to staff contrary to the regulation that requires payment to education institutions. Besides, I did not obtain any evidence that the said allowances had been approved by the responsible officer (i.e. the Permanent Secretary).
23	<p>Uganda High Commission, Dar es Salaam</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> I noted excess expenditure of UGX.215,444,078 without the Minister's authority I noted huge funding gaps to effectively cover the mandate of the mission as laid down in the strategic plan given that the mission is accredited to Tanzania and six other countries in addition to two regional organizations of EAC and COMESA. Another challenge is the high rental cost for home based staff. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include non-completion of Performance Appraisals, non-submission of reports on Performance Agreements, and Performance Appraisals to MoPS.
24	<p>Uganda High Commission, Kigali</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> UGX.17,216,846 was spent over and above the mission approved budget despite receiving a supplementary budget I noted four outputs that were not implemented i.e. failure to have an MOU arising out of the Joint Permanent Commission between Uganda and Rwanda, failure to organize tourism and cultural expo, holding meetings of Northern Corridor Integration Projects and Meetings/summits of East African Community The Mission did not have an up to date approved Mission Charter and they were using a charter developed and approved in 2014 The Mission did not develop an annual training plan during the year under review despite receiving training funds worth UGX 56,445,874. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include non-completion of Performance Agreements, no quarterly reviews undertaken, no performance improvement plans prepared, non-submission of reports on Performance Agreements, Performance Appraisals and Performance Improvement Plans to MoPS.
25	<p>Uganda High Commission, London</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> Review of the statement of financial position revealed long outstanding account receivables of Ugx.301,553,047 (£59,117.50) relating to rental income of which £26,000 had since been recovered leaving a balance of £33,117.50. Review of financial records revealed that six local staff were irregularly paid £10,780 for purposes of meeting their social security contributions. The practice exposes the mission to the risk of penalties for non-compliance with the local social security laws and regulations. An inspection of the High Commission properties revealed need for major renovations as follows; Chancery (plumbing pipes , electrical equipment and the central heating facility) and Official residence (CCTV cameras ,Pavement of the runway and fencing) The High commission was required to promote exports of at least US\$ 35m and achieved \$ 29.2 million indicating a shortfall of US\$5.8 million. Whereas the mission was charged with lobbying for investments worth US\$500m during the year, management indicated that investments worth £ 325 million had been attained. However documentary evidence to this effect was not readily availed. Out of the target of 100 UK scholarships, only 35 were secured implying a shortfall of 65 scholarships.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
26	Uganda High Commission, Nairobi Opinion Unqualified	<ul style="list-style-type: none"> The cash and cash equivalents balance in the statement of financial position is over stated by UGX.23.7M as the amount lacks necessary supporting documents. The payables balance of UGX.6.5m lacked relevant schedules and/ or notes. The arrears of revenue of UGX.229 was not supported with an aging schedule rendering its collectability doubtful. Non tax revenue declined from UGX.477m (2017/180 to UGX.276m (2018/19) implying reduction of UGX.201M (42%) as a result of vacation of Uganda House by tenants owing to its poor physical state. The mission properties comprising; Uganda House, official residence and chancery lack land titles. In addition all the three properties are in a poor physical state.
27	Uganda Embassy New York Opinion Unqualified	<ul style="list-style-type: none"> Although the Mission received UGX.19,802,924,753 (100%) of the budget, they only utilized UGX.18,771,230,819 (95%) leaving an amount of UGX.1,031,693,934 unabsorbed. The Mission has not transferred Cash balances amounting to UGX.3,158,358,927 on revenue accounts and Expenditure accounts to the Consolidated Fund by the end of the financial year. I noted that 8 tenants of the Uganda House had not paid amounts due for rent totaling USD.661,700.53 as at the end of the financial year. Delays in collecting debts affects the Mission's cash flows since expenses for utilities and cleaning services for the defaulting tenants have to be paid by the Mission. I noted delays, of almost five months, in re-modelling of the 9th floor of Uganda House by a contractor whose contract price was USD.345,450.
28	Uganda High commission, Ottawa Opinion Qualified	<ul style="list-style-type: none"> A review of the expenditures revealed that the High Commission charged wrong expenditure codes to the tune of UGX.746,316,521, contrary to the requirements under Section 10.4.1 of the Treasury Instructions 2017. From a sample of expenditure vouchers examined, I observed that the Mission spent a total of USD.56,226 (equivalent to UGX.207,771,376) for travels that were not properly accounted for. I also observed incidences of staff being paid allowances to attend overlapping activities at the same time. Presented in the statement of financial position and also under note 24 (payables) are outstanding payables as at 30th June 2019, amounting to UGX.893,322,179 (2018: UGX.943,357,259). It was explained that these relate to outstanding medical bills for a deceased staff. Such long outstanding payables not only reflect badly on the image of the Mission, but can lead to costly legal disputes. It was noted that the Mission entered into contracts with the spouses of two staff to provide rental accommodation to them. There is no evidence of any procurement process undertaken to identify the landlords in question, which is contrary to the procurement regulations. Besides there was also no evidence provided, to show that the houses were indeed owned by the identified landlords. The Mission paid local taxes worth CAD.4,224.07 (equivalent to UGX.11,889,067) that were not reclaimed by management since diplomatic missions are exempted from paying local taxes. This led to financial loss to government. A review of the NTR collections revealed that there were stale cheques/money orders that were received by the Mission, that were not promptly banked on the Mission revenue collection account amounting to CAD.660 and USD.400 (equivalent to a total of UGX.3,335,752). Failure to bank the above cheques implies that the Mission incurred a financial loss to government. During the year under review, the positions of Accounting Officer and that of the Financial Attachée/Mission Accountant, exchanged hands. However, there was no evidence that proper handover procedures were followed as laid down by the standing orders. A total of UGX.2,882,004,410 that remained unspent at the close of 2017/18 was neither returned to Treasury nor included in the budget for the 2018/2019 financial year. A review of the Appropriation Statements for the year revealed that actual expenditure during the year under review exceeded the actual revenue by UGX.605,548,130. The excess expenditure was irregularly incurred.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> A review of the Appropriation Statement based on nature of expenditure revealed that the Mission incurred an over expenditure of UGX.1,607,128,850 on employee costs. I did not obtain any evidence to show that the Accounting officer obtained the required approvals to reallocate any funds, as stipulated by the Public Finance Management Act 2015. The Mission paid monthly communication allowances to staff amounting to UGX.149,142,000 that are not provided for by the standing orders and were also not budgeted for during the year under review.
29	<p>Uganda High commission, Pretoria</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> I noted excess expenditure of UGX.131,435,586 on employee costs without the Minister's authority Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include non-completion of Performance Agreements, failure to develop performance plans, lack of performance improvement plans, non-submission of reports on Performance Agreements, Performance Appraisals, and Performance Improvement Plans to MoPS.
30	<p>Uganda Embassy in Tokyo</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> I noted that all funds for the approved budget of UGX. UGX.4,978,767,000, was released and warranted representing 100% performance. Out of the released/warranted amount, the Embassy spent a total of UGX.4,774,861,469 representing 96% absorption rate leaving a balance of UGX.203,905,531 unspent which was not returned to the Consolidated Fund at the closure of the financial year as required by PFMA, 2015. I noted that the Embassy had 4 key result areas/outputs which included: Cooperation framework; Consular Services; Promotion of trade, tourism, education and investment; and strengthening the Mission. However, they were no measurable targets that were set against which performance would be assessed. A review of the financial statements revealed an outstanding payable of UGX. 19,809,575 in regard to deposits received in respect of the 60% EATV visas issued by the Embassy. The amount was transferred to Treasury, but was appearing in the Embassy's accounts as payables.
31	<p>Uganda Embassy in Bujumbura</p> <p>Opinion Qualified</p>	<ul style="list-style-type: none"> I noted that all funds for the approved budget of UGX.9,075,807,738, was released and warranted representing 100% performance. Out of the warranted amount, UGX.8,981,992,482 was spent by the Embassy leaving a balance of only UGX.93,815,256 unspent, thus representing an absorption level of 99%. Out of 11 quantifiable output/activities of the Embassy, only 4 representing 36.4% were fully implemented, 4 representing 36.4% were partially implemented while 3 representing 27.2% were not implemented. The NTR amount was overstated by UGX. 337,108, 742 resulting from misclassification of the VAT tax refunds of the same amount received from the host government. The value of Consumption of Property, Plant & Equipment was overstated a sum of USD.587,315 (Approximately UGX.2,173,899,487) advanced to the constructing contractor (USD.533,506.74) and the supervising consultant (USD.53,808) at the end of the financial year for construction works which had not yet been undertaken. A review of the financial statements revealed an outstanding payable of UGX.10,696,008 in regard to received deposits in the previous years of UGX.11,731,991 of which only UGX.1,035,983 was remitted in the current year. <p>The progress of works for the construction of the Chancery was slow, and the contract was extended up to 21st March, 2019, and management was again negotiating for further extension to end of December, 2019, at the time the audit team visited the Embassy (18th September, 2019).</p>
32	<p>Ministry of Foreign Affairs</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> Out of the budgeted revenue of UGX.95.1 million for the year 2018/19, UGX.105.589 million was collected representing performance of 111% of the target. The entity budgeted to receive UGX.51,307,044,981 however UGX.48,475,836,777 was warranted resulting into a budget shortfall of UGX.2,831,208,204 representing 0.05%.

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		<ul style="list-style-type: none"> A review of the entity performance reports for the financial year 2018/2019 revealed that all 140 outputs were not quantified to enable measurement of performance. A trend analysis of the domestic arrears reported in the financial statements showed a movement of arrears from UGX.67,230,639,091 in the previous year to UGX.64,237,474,182 in the year under review, an increase of 124%. The arrears remained unsettled. The Ministry had outstanding commitments to a tune of UGX.67,230,639,091 from the previous year but only UGX.6,751,779,781 was provided for their settlement. I noted unresolved court case of UGX.3,343,140,720 against the Ministry of Foreign Affairs. The Ministry has guidelines that should be followed in appointing the local staff in foreign missions which are not adhered to. It was observed that from a sample of 4 embassies, out of 339 scholarships secured 91 scholarships were utilised while 248 scholarships were not taken up. Shortcomings were noted in the implementation of the provisions in the Circular Standing Instructions on staff performance management initiatives. The gaps identified included: non completion of performance agreements, failure to conduct staff appraisals, lack of quarterly performance reviews and failure to submit reports on staff performance management initiatives. I noted that a sample of 15 Missions paid USD.354,791.63 (approximately UGX.1,312,729,031) in respect of education allowances direct to its officials instead of their children's respective educational institutions or schools as required by Standing Orders.
33	<p>The Electoral Commission</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> Out of the budgeted revenue of UGX.0.486Bn for the financial year 2018/19, UGX.74,152,840 was collected representing performance of 16%. I sampled 27 out-puts worth UGX.88.5bn representing 100% of the total budget and noted that 21 (78%) of the total outputs were not quantified to enable measurement of performance. Further, of the 6 quantified outputs/activities assessed, 3 outputs/activities representing 50% were fully implemented, 1 output/activity representing 17% was partially implemented, while 2 outputs/activities representing 33% were not implemented at all. Out of a total of 27 outputs/activities analysed, the actual amounts reported in the annual reports was found inaccurate for 6 outputs/activities. Domestic arrears decreased by 89% from UGX.8,767,437,020 in the previous year to UGX.16,652,843,119 in the year under review. The arrears remained unsettled at the close of the year. Out of the domestic arrears of UGX.8.767Bn from the previous year UGX.40,619,467 (0.46%) was provided for settlement of domestic arrears in the current budget. UGX.155.32Bn was planned towards Presidential and General Parliamentary and Local Government council elections for the financial year 2018/2019 but only UGX.0.986Bn (0.63%) was budgeted and received in the financial year. The Commission headquarters continues to be located in inhabitable conditions and are threatened by demolition by Kampala Flyover Construction and Road Upgrading Project (KFCRUP) which will result in payment of rent estimated at UGX.1.7Bn per year. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include non-completion of Performance Agreements, no quarterly reviews undertaken, no performance improvement plans prepared and lack of a clients' charter.
34	<p>Ministry of East African Community Affairs (MEACA)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> There was a shortfall in releases amounting to budget shortfall of UGX.0.154Bn representing 0.4%. Furthermore, the entity remained with unspent balance of UGX.835,361,682 representing an under-absorption level of 2.4%. I sampled 57 out-puts worth UGX.34.772Bn representing 100% of the total budget and noted that 21 (37%) of the total outputs were not quantified to enable measurement of performance. Furthermore, of the 36 quantified outputs/activities assessed, 30 outputs/activities representing

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<p>83% was fully implemented, 5 outputs/activities representing 14% were partially implemented while 1 output/activity representing 3% was not implemented at all.</p> <ul style="list-style-type: none"> Out of the budgeted revenue of UGX. 3,720,000 for the financial year 2018/19, UGX.18,400,000 was collected representing performance of 494%. Arrears totaling to UGX. 41.721Bn remained unsettled at close of the year contrary to Section 21(2) of the Public Finance Management Act, 2015. Settlement of arrears amounting to UGX. 808,268,518 from the prior year (2017/18) was undertaken without allocated budget. Out of the approved staff structure of 133 positions 69 positions have been filled, leaving 64 positions vacant. Shortcomings were noted in the implementation of the provisions in the implementation of staff performance management programmes. The gaps identified include non-completion of performance appraisals, failure to undertake performance appraisals, no quarterly reviews undertaken, performance improvement plans were not developed, reports on implementation of staff performance management initiatives not submitted to MoPS and lack of client charter.
	PUBLIC SECTOR MANAGEMENT SECTOR	
1	Office of the Prime Minister (OPM) <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> I noted that OPM budgeted to collect NTR of UGX 83.7 million out of which only UGX 32.4 was collected representing 61.3% underperformance. The OPM had unremitted off budget receipts amounting to UGX 45,113,000,000 which was spent without appropriation. There was a shortfall in releases amounting to UGX.8,496,262,506 representing an under release of 6.4% of the budget. Further, the Entity remained with unspent balance of UGX. 1,648,860,903 representing an absorption level of 98%. The OPM planned to achieve its deliverables through implementation of 445 activities. I sampled 118 activities worth UGX. 109 billion representing 82% of the total budget and noted that 16 outputs (14%) of the total outputs were not quantified to enable measurement of performance. Further, of the 102 quantified outputs assessed, 64 outputs representing 63% were fully implemented; 29 outputs representing 28% were partially implemented while 9 outputs representing 9% were not implemented at all. Funds worth UGX.257,996,068 were irregularly diverted and spent on other activities without seeking necessary approvals. The Entity did not budget for settlement of domestic arrears despite having outstanding unpaid arrears of UGX 1,182,160,936 from 2017/18. Further to this the Entity had unpaid domestic arrears amounting to UGX 284,970,563 by June 2019 contrary to the treasury instructions. Shortcomings were noted in the implementation of the staff performance management initiatives by the Ministry of Public service. The gaps identified include absence performance agreements for senior members of staff, failure to undertake performance appraisals, failure to undertake quarterly performance reviews, lack of performance improvement plans, weaknesses in the mechanism for monitoring staff attendance, non-functional rewards and sanctions committee and failure to submit reports about staff performance to Ministry of Public Service in time.
2	German Refugee Response Fund (Consolidated) <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> No material issue.
3	German Refugee Response Fund Education Infrastructure Enhancement	<ul style="list-style-type: none"> No material issue.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
	<u>Opinion</u> Unqualified	
4	German Refugee Response Fund The Scaled Up Sustainable Domestic Water Supply and Sanitation Service Infrastructure in Rhino Camp Refugee Settlement, Arua District, Northern Uganda <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> No material issue.
5	Northern Uganda Social Action Fund (NUSAf III) <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> The project remained with unspent balance of UGX.0.77 billion representing an absorption level of 99.4%. The project planned to achieve its deliverables through the implementation of 10 activities. I reviewed the performance of all the 10 activities and noted that 9 activities representing 90% were fully implemented, while 1 activity representing 10% was partially implemented. I noted that local governments faced a number of challenges in the implementation of the project. These included late disbursement and receipt of funds, funding shortfalls, failure to keep records by some subprojects, and incomplete works which affect service delivery. I noted that the project did not utilise grant funds with a number of subgroups totalling to UGX 1.2 billion.
6	Development response to displacement Impact Project (DRDIP) <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> The project budgeted UGX.126.2 billion and received UGX.117.9Bn to implement its activities was received leaving UGX.8.272Bn representing 93.4% release. Out of UGX.117Bn that was received UGX.85.2 billion was spent resulting in an unspent balance of UGX.32, 735,075,142 representing an absorption level of 72%. The project planned to achieve its deliverables through the implementation of nine (9) outputs/activities. I reviewed all the nine (9) outputs/activities and noted that (7) outputs/activities representing 78% were fully implemented, while two (2) output/activity was partially implemented. I noted unutilized grant funds of UGX.1.6 billion with a number of subgroups.
7	Ministry of Local Government (MoLG) <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> I noted that MoLG had an NTR budget of UGX.143.7 million out of which only UGX.104.9 million was collected representing 72% performance. MoLG had a shortfall in releases amounting to UGX.28.2 billion representing an under release of 32% of the budget. Further, the MoLG remained with an unspent balance of UGX.2.7 bn representing an absorption level of 95%. The outputs planned to achieve its deliverables through the implementation of 131 outputs. I sampled 25 outputs worth UGX.33.4 bn representing 60% of the total budget and noted that 8 (eight) outputs (32%) of the total outputs were not quantified to enable measurement of performance. Further, of the 17 quantified outputs assessed, 8 outputs representing 47% were fully implemented; 6 outputs representing 35% were partially implemented while 3 (three) outputs representing 18% were not implemented at all. Funds amounting to UGX.273,755,945 were irregularly diverted and spent on other activities without seeking necessary approvals. Funds worth UGX.3.6 billion meant for capital development expenditure for development of Busega market was spent to honour Ganesh orders.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> The MoLG budgeted for only UGX.4.6 billion for settlement of domestic arrears despite having outstanding unpaid arrears of UGX.33.6 billion from 2017/18. Further, the MoLG had unpaid domestic arrears amounting to UGX.39.9 billion by June 2019 contrary to the treasury instructions. Shortcomings were noted in the implementation of the staff performance management initiatives by the Ministry of Public service. The gaps identified include failure to develop performance plans, failure to complete performance appraisals, failure to prepare performance improvement plans, weaknesses in the mechanism for monitoring staff attendance and absence to develop a client charter. I noted that the Ministry entered in an MoU with UPPC for the supply of stamps for LC1 stamps worth UGX.2.3 billion. By the time of the audit, the stamps had not been supplied despite the expiry of the delivery timelines. I noted that there was insufficient funding for start-up costs for newly created Local Government.
8	Uganda Good Governance Project (UGOGO)	<ul style="list-style-type: none"> The program management did not prepare a completion report for submission to the Danish embassy, yet the program ended on 31st December 2016.
	Opinion Unqualified	
9	Markets and Infrastructure Trade Improvement Project (MATIP II)	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.16.3 billion representing an under release of 16% of the budget. Further, the Project remained with unspent balance of UGX. 1.42 billion representing an absorption level of 98%. The project planned to achieve its deliverables through implementation of six (6) outputs/activities. I reviewed these 6 outputs and noted that, four (4) outputs representing 67% were fully implemented; two (2) outputs representing 33% were partially implemented. Funds worth UGX.118,247,828 were irregularly diverted and spent on other activities without seeking necessary approvals. There was a shortfall in government counterpart funding of UGX 298,197,943 which was contrary to the programme financing agreement.
	Opinion Unqualified	
10	Urban markets and market development of Agricultural products project (UMMDAP)	<ul style="list-style-type: none"> Domestic arrears increased by 16% from UGX491,339,828 in the previous year to UGX. 585,531,516 in the year under review. The arrears remained unsettled at the close of the year. Settlement of the arrears amounting to UGX.184,886,497 outstanding from prior year (2017/18) were undertaken without allocated budget. The entity remained with unspent balance of UGX. 255,841,776 representing an absorption level of 95%. UGX. 24,198,324 in NTR collected during the year under review was not remitted to the Consolidated Fund contrary to the law. Shortcomings were noted in the implementation of the provisions in the Circular Standing Instructions on staff performance management initiatives. The gaps identified include non-completion of Performance Agreements, failure to develop performance plans, non-completion of performance appraisals, no quarterly reviews undertaken, non-completion of performance improvement plans, and non-submission of reports on Performance Agreements, Performance Appraisals and Performance Improvement Plans to MoPS.
	Opinion Unqualified	
11	Project for restoration of Livelihoods in the Northern Region (PRELNOR)	<ul style="list-style-type: none"> There was a shortfall in receipts amounting to UGX.9.9 billion representing an under release of 24% of the budget. Additionally, UGX.0.309bn was not spent representing an absorption level of 99%. The project planned to achieve its deliverables through implementation of (39) outputs/activities. I reviewed these 37 outputs and noted that, 26 outputs representing 70% were fully implemented; 6 outputs representing 16% were partially implemented while 5 out-puts representing 14% were not implemented. I noted delays of more than two years in the procurement of 50 walking tractors and construction of selected markets.
	Opinion Unqualified	

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> I noted non adherence/ non delivery of equipment for 15 weather stations which was contrary to the terms of contract.
12	National Planning Authority (NPA) <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.43,755,691 representing an under release of 0.1% of the budget. Further, the NPA remained with unspent balance of UGX.19,470,762 representing an absorption level of 99.7%. The Authority received UGX.1,022,917,391 as off-budget financing from development partners and these were not paid into the consolidated fund contrary to the PFMA. The Authority planned to achieve its deliverables through implementation of 31 outputs. I sampled 21 outputs worth UGX.16.7 bn representing 65% of the total budget and noted that 8 outputs (31%) of the total outputs were not quantified to enable measurement of performance. Further, of the 13 quantified outputs assessed, six (6) outputs representing 46% were fully implemented; three (3) outputs representing 24% were partially implemented while four (4) outputs representing 30% were not implemented at all. Funds worth UGX.53,882,358 were irregularly diverted and spent on other activities without seeking necessary approvals. Settlement of arrears amounting to UGX.812,874,533 outstanding from prior year (2017/18) was undertaken without allocated budget. Shortcomings were noted in the implementation of the provisions of the NPA Human resources manual in relation to staff performance management. The gaps identified include lack of mechanism to monitor staff attendance, lack of rewards and sanction committee and failure to develop and operationalize a client's charter. Shortcomings were noted in the implementation of various sections of the NPA act and regulations. The gaps identified include; failure to liaise with private sector and civil society to assess government performance; failure to provide support in local capacity development for national planning; failure by the different sectors and entities to prepare sector strategic plans that were aligned to the NDP III; and lack of service delivery standards for the different sectors.
13	Local Government Finance Commission (LGFC) <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> The Commission did not budget for NTR despite collecting UGX.47.496 million. The Commission remained with unspent balance of UGX.3,401,714 representing an absorption level of 99%. I sampled 31 out-puts worth UGX.4.7 bn representing 90% of the total budget and noted that out of 31 outputs assessed, 13 outputs representing 42% of the total outputs were not quantified to enable measurement of performance. Out of the 18 quantified outputs/activities assessed, 10 outputs/activities representing 56% were fully implemented; 8 output/activity representing 44% was partially implemented while no output/activity was not implemented at all. Funds worth UGX.88,954,931 were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. Shortcomings were noted in the implementation of the provisions sections of the approved human resource manual on staff performance management. The gaps identified include non-preparation of performance plans, failure to complete performance appraisals, non-preparation of performance improvement plans, and lack of client charter. LGFC had not developed a framework for setting Local Government Tax, fees and rates to be levied by Local Governments resulting in unguided revenue planning and collection by Local Government. The Commission had governance challenges which affected the operations of the Commission. By the time of audit, the Commission had not implemented a number of activities because of this disharmony amongst the members of the Commission. Examples of these activities include implementing top management resolutions, implementation of the Kalangala declaration and approval of the framework for LED initiatives.
14	Public Service Commission (PSC) <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.31,500,597 representing 0.36%. Further, the entity remained with unspent balance of UGX.9,427,928 representing an absorption level of 99.8%. I sampled 26 out-puts worth UGX.5.4bn representing 63% of the total budget and noted that 8 (31%) of the total outputs were not quantified to enable measurement of performance. Further,

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<p>of the 18 quantified outputs/activities assessed, 16 outputs/activities representing 88% were fully implemented; 1 output/activity representing 6% was partially implemented while 1 output/activity representing 6% was not implemented at all.</p> <ul style="list-style-type: none"> Funds amounting to UGX.47,268,000 were irregularly diverted and spent on other activities without seeking the necessary approvals. Domestic arrears decreased (by 77.650 from UGX UGX.237,458,957 in the previous year to UGX.53,259,160 in the year under review. The arrears remained unsettled at the close of the year. Settlement of arrears amounting to UGX.184,886,497 outstanding from prior year (2017/18) were undertaken without allocated budget. PSC did not disclose outstanding contingent liabilities due to on-going court cases contrary to accounting policy. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. Some of the gaps identified include non-completion of Performance Agreements, lack of performance improvement plans and lack of mechanism to monitor staff attendance.
15	<p>Ministry of Public Service</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> I noted that MoPS budgeted to collect NTR of UGX 1billion out of which only UGX 0.29billion was collected representing 29.2% performance. There was a shortfall in releases amounting to UGX. 2.8bn representing an under release of 9% of the budget. Further, the MoPS remained with unspent balance of UGX. 2.7 billion representing an absorption level of 90%. The MoPS planned to achieve its deliverables through implementation of 138 activities. I sampled 44 activities worth UGX. 23 billion representing 75% of the total budget and noted that 8 outputs (19%) of the total outputs/activities were not quantified to enable measurement of performance. Further, of the 36 quantified outputs assessed, 23 outputs representing 63% were fully implemented; 9 outputs representing 25% were partially implemented while 4 outputs representing 11% were not implemented at all. Funds worth UGX.91,932,094 were irregularly diverted and spent on other activities without seeking necessary approvals. The MoPS budgeted and allocated UGX 0.26billion for settlement of domestic arrears UGX 1.8billion from 2017/18. Further to this the MoPS had unpaid domestic arrears amounting to UGX 1.1bn by June 2019 contrary to the treasury instructions. I noted under utilisation of the civil service college for training public servants. I noted that a total of 19 votes had not decentralised the management of pension as envisaged by government. I noted a delay to operationalise the pensions fund as one of the reforms proposed to the current public service pensions scheme. Shortcomings were noted in the implementation of the staff performance management initiatives by the Ministry of Public service. The gaps identified include failure to develop performance plans, failure to complete performance appraisals, failure to prepare performance improvement plans, weaknesses in the mechanism for monitoring staff attendance and absence to develop a client charter among others.
16	<p>Kampala Capital City Authority (KCCA)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> There was a shortfall in revenue collection of UGX.36,345,770,707. From a revenue budget of UGX.126,899,636,512, only UGX.90,553,865,805 was collected, representing a performance of 71% of the target. Off-budget financing to a tune of UGX.14,401,147,891 which was not paid into the consolidated fund as required by the law. There was a shortfall in releases amounting to UGX.26,365,573,913 representing 8.3%. Further, the entity remained with an unspent balance of UGX.10,456,269,889 representing an absorption level of 96.%.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> I sampled 45 out-puts worth UGX.206.9bn representing 65% of the total budget and noted that 26 (58%) of the total outputs were not quantified to enable measurement of performance. Further, of the 19 quantified outputs/activities assessed, 5 outputs/activities representing 26.3% were fully implemented; 11 output/activity representing 57.9% was partially implemented while 3 output/activity representing 15.8% was not implemented at all. I noted insufficient budget allocations for the settlement of domestic arrears. UGX 825 million was provided in 2018/19 to settle outstanding arrears which stood at UGC 36,433,402,250 by the close of 2017/18. Domestic arrears decreased (by 9% from UGX UGX.36,433,402,250 in the previous year to UGX.33,251,156,514 in the year under review. These remained unsettled at the close of the year. Authority lost funds amounting to UGX.24,931,764,593 in the form of garnishee order to several cases. Authority has an outstanding long-term liability amounting to UGX.42,570,488,999 for which it has no capacity to repay or service. NSSF contribution totaling UGX.2,946,934,125 was not remitted as required by law and remained payable as at 30th June 2019. Pay As You Earn (PAYE) for the Authority amounting to UGX.27,809,236,591 remained unpaid by the close of the year 30th June 2019. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include non-completion of Performance Agreements, non-completion of performance improvement plans, failure to document semi-annual performance reviews, lack of a proper mechanism to monitor staff attendance, absence of rewards committee and absence of client's charter. The Authority has not transferred land titles for properties of land it had acquired and did not transfer land titles for some leases.
17	<p>Kampala Infrastructure Improvement Project (KIIDP)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> The project budgeted to receive UGX 166.9 billion out of which UGX 140.7 billion was received/available for utilisation. Out of this UGX, 103.29 billion was absorbed leaving an unspent balance of UGX 0.37 billion which represents 73% absorption. The project planned to achieve its deliverables through the implementation of (18) activities. I reviewed the performance of 8 activities and noted that; (1) activity representing 53% was not quantified, while all the seven (7) quantified outputs were partially implemented. I noted that the project paid UGX.0.55 billion as interest for delayed payments which would have been avoided if payments were to be made timely. I noted that the contract for the installation of house number plates expired (25th October 2019) before 1,128 plates had been installed, installation of road signage has only been done in Makindye and work has not started in Nakawa and Kawempe divisions, yet the contract is due to expire in the middle of December 2019 and installation of road signage by M/s Corporate Gifts has been done in only Lubaga division. The contract is due to expire in mid-December 2019. I observed that project activities indicated in the table that are lagging behind schedule when referenced to the original project timelines i.e. a) Drainage works of Lot 1 Lubigi Primary Channel, and Nakamiro Secondary - Procurement not yet concluded, the contract for Lubigi still with the funders for no-objection and the contract for Nakamiro still with solicitor General and b) Compensation of PAPs- for drainage works - Out of the 329 PAPs identified only 106 have been so far paid.
18	<p>Kampala Faecal Sludge (KFS)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> I noted that the project failed to absorb USD 0.359 million which represented 18.2% under absorption. The project had outstanding payables amounting to USD 112,061 by December 31st 2018. I noted that there was delayed set up of service level agreements with private emptiers which made it difficult for KCCA to ensure that all service providers were complying with the waste disposal guidelines.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
19	Drylands Integrated Development Project Opinion Unqualified	<ul style="list-style-type: none"> I noted slow implementation of project activities that has led to project extension from March 2019 to December 2020. Medical equipment purchased at a cost of UGX.84,090,606 in February 2019 had not been put to use due to lack of running water, standby power and sundries.
20	New Vision Printing and Publishing Company Limited Opinion Unqualified	<ul style="list-style-type: none"> No material issues to be reported on.
21	Uganda Printing and Publishing Corporation (UPPC) Opinion Qualified	<ul style="list-style-type: none"> The Corporation owns two plots of land in Entebbe Municipality measuring 0.399 hectares with an estimated value between UGX.800 million to UGX.1 billion whose values are not disclosed in the financial statements. The carrying value of trade receivables as at 30th June 2019 stood at UGX.2,766,650,958. I noted that these debts have been outstanding for over 10 years and are majorly owed by Government of Uganda Ministries, Departments and Agencies as well as private institutions. The Corporation had long outstanding tax liabilities amounting to UGX.5,603,341,739. UPPC, GoU represented by the MoFPED signed an agreement with a consortium of German companies to form a company Uganda Security Printing Company (USPC) for purposes of rehabilitating and revamping UPPC by redesigning, developing, constructing, completing, testing and commissioning an e-passport factory and ID factory. I however noted that the procurement of the private party in the partnership (the consortium of German companies) was not done in accordance with the requirements of Uganda's Public-Private Partnership Act.
22	Millennium Villages Project - 2016 Opinion Unqualified	<ul style="list-style-type: none"> Underfunding of MVPII by GoU counterpart funding of UGX 0.853Bn Performance against logical framework (contract Management) I.e. contracts amounting to UGX.2.2Bn had not been awarded due to cash flow challenges.
23	Millennium Villages Project – 2017 Opinion Unqualified	<ul style="list-style-type: none"> Underfunding of MVPII by GoU counterpart funding of UGX. 0.872Bn Delays in completing key project activities in time. I.e. four key project activities involving contacts worth UGX.0.674Bn were not completed in time.
24	Millennium Villages Project – 2018 Opinion Unqualified	<ul style="list-style-type: none"> Underfunding of MVPII by GoU counterpart funding of UGX.1Bn Irregular borrowing from project account UGX.27, 753,550 from MVPII Project Account to fund Ministry Activities.
LEGISLATURE		
1	Parliamentary Commission Opinion Unqualified	<ul style="list-style-type: none"> Out of a total NTR budget of UGX.100 billion, the Commission collected UGX.862 billion resulting into a performance of 862%. There was a shortfall in releases amounting to UGX.0.305Bn representing an under release of 0.05% of the budget. Further, the Commission remained with unspent balance of UGX.26.947Bn representing an absorption level of 95%. The Commission planned to achieve its deliverables through the implementation of 225 activities. I sampled 37 activities worth UGX.443.7Bn representing 75% of the total budget and noted that nine outputs (24%) of the total outputs were not quantified to enable measurement of performance. Further, of the 28 quantified outputs assessed, 13 outputs representing 46% were fully implemented; 9 outputs representing 32% were partially implemented while six outputs representing 21% were not implemented at all.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Funds worth UGX.1,633,411,048 were irregularly diverted and spent on other activities without seeking necessary approvals. Shortcomings were noted in the implementation of the provisions of the Commission's Human resources manual in relation to staff performance management. The gaps identified include lack of staff performance plans, failure to undertake staff appraisals, failure to undertake midterm performance reviews, lack of performance improvement plans, and absence of a mechanism to monitor staff attendance. The Commission procured air tickets worth UGX.2 billion through agents contrary to the guidance given by the PS/ST for all entities to procure air tickets directly from airlines. I noted delays in the progress of works on the construction of the new parliamentary chambers of up to 56 days. These days had also resulted in underperformance of the LC meant to cover this construction works.
2	Parliamentary Pension Scheme Opinion Unqualified	<ul style="list-style-type: none"> No material issues.
	SECURITY SECTOR	
1	Office of the President Opinion Unqualified	<ul style="list-style-type: none"> Out of the released amount of UGX.182.072Bn, the entity spent UGX.181.007Bn representing 99.4% absorption level resulting into unspent balance of UGX.1.066Bn. I sampled 48 out-puts worth UGX. 46.625bn representing 26% of the total budget and noted that 9 (19%) of the total outputs were not quantified to enable measurement of performance. Further, of the 39 quantified outputs/activities assessed, 36 outputs/activities representing 92% were fully implemented; 3 outputs/activities representing 8% were partially implemented. Domestic arrears increased by 20% from UGX.49.055Bn in the previous year to UGX.58.982Bn in the year under review. The arrears remained unsettled at the close of the year. Out of the domestic arrears of UGX.49.055Bn from the previous year, I noted that UGX.35.293Bn (71%) was provided for their settlement in the current budget. The Ministry acquired a building complex on Plot 4 Mackenzie Vale Kololo at a total cost of UGX.1,995,000,000 with the purpose of setting up a recreation facility for senior government officers which has remained idle for 10 years. Shortcomings were noted in the implementation of the provisions in the Circular Standing Instructions on staff performance management initiatives. The gaps identified include non-completion of Performance Agreements, failure to develop performance plans, non-completion of performance appraisals, no quarterly reviews undertaken, non-completion of performance improvement plans, and non-submission of reports on Performance Agreements, Performance Appraisals and Performance Improvement Plans to MoPS.
2	State House Opinion Unqualified	<ul style="list-style-type: none"> State House had an under collection of NTR worth UGX.82,685,560 out of the total projections of UGX.0.238Bn representing an under performance of 35% of the target. I sampled 41 out-puts worth UGX.466bn representing 100% of the total budget and noted that 22 (53.7%) of the total outputs were not quantified to enable measurement of performance. Further, of the 19 quantified outputs/activities assessed, 17 outputs/activities representing 89.5% were fully implemented; 2 output/activity representing 10.5% was partially implemented. Domestic arrears decreased by 89% from the previous year (from UGX.6.162Bn to UGX.0.649Bn). I noted that UGX.6.162Bn paid to settle domestic arrears lacked a budget allocation. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include: No development of performance agreements and plans, no completion of performance appraisal, no completion of quarterly performance reviews, no completion of performance improvement plans, no submission of reports to Ministry of Public Service (MoPS), no mechanism for monitoring of staff

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		attendance, no submission of reports on absenteeism, no existence of rewards and sanctions committee, no timelines on conclusion of disciplinary cases and no client charter.
3	Ministry of Defence & UVAB Opinion Unqualified	<ul style="list-style-type: none"> Out of the total NTR projections of UGX.1,500,000,000, UGX.56,710,000 was realised representing an under performance of 3.8% of the target. I sampled 41 out-puts worth UGX.1.993Tn representing 98% of the total budget and noted that all outputs were not quantified to enable measurement of performance. I noted all activities relating to project 1178-AMISOM, were not captured and reported on in the performance reports despite the Ministry receiving all the funds to implement them. Domestic arrears decreased by 0.74% from UGX.654,154,670,615 in the previous year to UGX.649,318,551,765 in the year under review. Settlement of arrears amounting to UGX.31,981,575,912 outstanding from prior year (2017/18) were undertaken without allocated budget. UGX.12 bn is budgeted annually as capitalization to the Defense Shop and UGX.3bn was paid during the year. I was not availed with a MOU and necessary records to indicate the basis for the annual capitalisation. A ledger to indicate projected capitalisation amount paid to date was also lacking. Further, an advance tax of UGX.9bn was paid without tax returns. I noted that MODVA paid an excess compensation of UGX.4. 209bn for a leasehold interest on land in Kabamba without legal advice from the Attorney General. I noted that Land in Lugazi measuring approximately 10 acres had been encroached. An extra cost of UGX.49,150,350 was paid on polythene paper rolls which could have been saved if MoDVA had followed the PPDA procedures. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include: No development of performance agreements and plans, no completion of performance appraisal, no completion of quarterly performance reviews, no completion of performance improvement plans, no submission of reports to Ministry of Public Service (MoPS), no mechanism for monitoring of staff attendance, no submission of reports on absenteeism, no existence of rewards and sanctions committee, no timelines on conclusion of disciplinary cases and no client charter.
4	National Enterprise Corporation (NEC) – Headquarter Opinion Unqualified	<ul style="list-style-type: none"> Debtors totaling to UGX.248,954,060 have been outstanding for a number of years. Out of the total revenue projections UGX.203,930,594, UGX.2,665,000,000 was realised representing a performance of 108% of the target. I sampled 7 out-puts worth UGX.1,433,179,002 representing 54% of the total budget and noted that all outputs were quantified to enable measurement of performance. Further, of the 7 quantified outputs/activities assessed, 6 outputs/activities representing 86% were fully implemented; 1 output/activity representing 14% was partially implemented. NEC owns Plot No. 1018 which is about 10 acres of land at Kampala Industrial and Business Park in Namanve which has been idle for about 14 years. Shortcomings were noted in the implementation of the provisions in NEC Staff Terms and Conditions of Service 2013 Regulation 36(c) for purposes of staff appraisals. The gaps identified include: non-development of performance agreements and plans, non-completion of performance appraisal, non-completion of quarterly performance reviews, non-completion of performance improvement plans, no mechanism for monitoring of staff attendance and no existence of rewards and sanctions committee.
5	National Enterprise Corporation (NEC) – Tractor Project Limited Opinion Unqualified	<ul style="list-style-type: none"> I noted that the entity had outstanding trade debtors amounting to UGX.1,056,677,120 at the close of the financial year 2018/2019 and some of which have been outstanding for over the past three financial years. Out of the budgeted revenue of UGX.2,559,855,313, UGX.543,222,600 was collected representing performance of 21.2% of the target. All 8 activities assessed/reviewed, representing 100% of the total assessed activities were not quantified to enable measurement of performance.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Shortcomings were noted in the implementation of the provisions in NEC Staff Terms and Conditions of Service 2013 Regulation 36(c) for purposes of staff appraisals. The gaps identified include: non-development of performance agreements and plans, non-completion of performance appraisal, non-completion of quarterly performance reviews, non-completion of performance improvement plans, no mechanism for monitoring of staff attendance and no existence of rewards and sanctions committee.
6	<p>National Enterprise Corporation (NEC) – Tractor Hire Scheme Limited</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> Trade debtors decreased by 22% from UGX.797,388,281 in FY 2017/2018 to UGX.623,442,200 (excluding withholding tax) in FY 2018/19. Out of the total projected revenue of UGX.17,606,430,860 UGX. 2,678,563,220 was realised representing a performance of 115% of the target. I sampled 8 outputs/activities with a total budget of UGX.16,512,877,555 representing 94% of the total budget. I noted that 3 activities representing 38% of the total outputs/activities were not quantified to enable measurement of performance. Of the 5 assessed outputs/activities assessed, 3 outputs/activities representing 60% were fully implemented; 2 outputs/activities representing 40% was partially implemented. The scheme had 7 tractors out of which only 2 were functioning while the 5 tractors were grounded. Shortcomings were noted in the implementation of the provisions in NEC Staff Terms and Conditions of Service 2013 Regulation 36(c) for purposes of staff appraisals. The gaps identified include: none development of performance agreements and plans, none completion of performance appraisal and quarterly performance reviews, none completion of performance improvement plans, lack mechanism for monitoring of staff attendance and none existence of rewards and sanctions committee.
7	<p>National Enterprise Corporation (NEC) – Luwero Industries Limited</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> Trade debtors of UGX.954,036,947 have been outstanding for several years despite the Auditor General's earlier recommendations to management to devise a recovery plan or have some of them written off. Trade creditors of UGX.1,132,790,229 have been outstanding for over three financial years. Out of the total projections of UGX.8,452,124,416, UGX.7,506,352,614 was realised representing performance of 89% of the target. I sampled 11 out-puts worth UGX.4,688,841,055 representing 55% of the total budget and noted that all outputs were quantified to enable measurement of performance. Further, of the 8 quantified outputs/activities assessed, 5 outputs/activities representing 63% were fully implemented; 2 output/activity representing 25% was partially implemented while 1 output representing 12%. Shortcomings were noted in the implementation of the provisions in NEC Staff Terms and Conditions of Service 2013 Regulation 36(c) for purposes of staff appraisals. The gaps identified include: non-development of performance agreements and plans, non-completion of performance appraisals, non-completion of quarterly performance reviews, non- completion of performance improvement plans, no mechanism for monitoring of staff attendance and no existence of rewards and sanctions committee.
8	<p>National Enterprise Corporation (NEC) – Construction Works and Engineering Limited</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> A debt of UGX.309,131,860 by MOD CMI has been outstanding for a period of more than a year. Out of the budgeted revenue of UGX.5,200,000,000 for the year 2018/19, UGX.10,337,334,454 was collected representing performance of 199% of the target. I sampled 7 out-puts worth UGX.4,722,081,060 representing 93% of the total budget and noted that 2 outputs/activities representing 29% of the total outputs/ activities were not quantified to enable measurement of performance. Further, of the 5 quantified outputs/activities assessed, no outputs/activities were fully implemented; 3 activities representing 60% were partially implemented while 2 activities representing 40% were not implemented at all. Shortcomings were noted in the implementation of the provisions in NEC Staff Terms and Conditions of Service 2013 Regulation 36(c) for purposes of staff appraisals. The gaps identified include: none development of performance agreements and plans, none completion of performance appraisal and quarterly performance reviews, none completion of performance

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		improvement plans, lack mechanism for monitoring of staff attendance and none existence of rewards and sanctions committee.
9	National Enterprise Corporation (NEC) – UZIMA Limited Opinion Unqualified	<ul style="list-style-type: none"> Trade payables increased by 569% from UGX.164,354,000 in the previous financial year to UGX.1,100,044,856 in the year under review. Out of the budgeted revenue of UGX.5,412,853,613 for the year 2018/19, UGX.4,627,269,210 was collected representing under performance of 14.5% of the target. I sampled 9 outputs worth UGX.4,380,286,900 representing 81% of the total budget and noted that all outputs were not quantified to enable measurement of performance. I noted that the factory fire escape route was blocked and employees lacked protective gear exposing them to possible factory accidents. Shortcomings were noted in the implementation of the provisions in NEC Staff Terms and Conditions of Service 2013 Regulation 36(c) for purposes of staff appraisals. The gaps identified include: none development of performance agreements and plans, none completion of performance appraisal and quarterly performance reviews, none completion of performance improvement plans, lack mechanism for monitoring of staff attendance and none existence of rewards and sanctions committee.
10	National Enterprise Corporation (NEC) – Farm Katonga Limited Opinion Unqualified	<ul style="list-style-type: none"> UGX.4,226,554,679 was spent by NEC for infrastructure development in Kyankwanzi-NALI with the aim of extending the export grade beef project without legal ownership of the land. Out of the budgeted revenue of UGX.150,000,000 for the year 2018/19, UGX.667 250,000 was collected representing performance of 445% of the target. I sampled 7 out-puts worth UGX.935,791,800 representing 80% of the total budget and noted that 4 outputs/activities representing 57% of the total outputs/ activities were not quantified to enable measurement of performance. Further, of the 3 quantified outputs/activities assessed, no activity was fully implemented; 2 activities representing 67% were partially implemented while 1 activity representing 33% was not implemented at all. Shortcomings were noted in the implementation of the provisions in NEC Staff Terms and Conditions of Service 2013 Regulation 36(c) for purposes of staff appraisals. The gaps identified include: non development of performance agreements and plans, non-completion of performance appraisals, non-completion of quarterly performance reviews, no completion of performance improvement plans, no mechanism for monitoring of staff attendance and no existence of rewards and sanctions committee.
11	Uganda Air Cargo Opinion Unqualified	<ul style="list-style-type: none"> The Corporation has outstanding trade receivables of UGX.1,633,873,518 as at 30th June 2019. Of these, debtors totaling to UGX.8,340,893,520 representing 72% had been outstanding for a period of more than two years. The Corporation has outstanding trade payables amounting to UGX.14,566,675,168 with over UGX.13 bn that has been outstanding for over three financial years. Salaries to the tune of UGX.5,247,458,218 have remained outstanding for a period of over 2 years. Three aircrafts have remained grounded i.e. 5X-UDF, 5X-UYX and C130 requiring major overhaul and at the time of grounding the aircrafts, the restoration costs were US\$8m compared to US\$11m now. Out of the budgeted revenue of UGX.41,937,497,120 for the year 2018/19, UGX.15,313,216,618 was collected representing performance of 37% of the target. I sampled 5 out-puts worth UGX.37.9bn representing 90% of the total budget and noted that 1 output was not quantified to enable measurement of performance. Further, of the 4 quantified outputs/activities assessed, 1 output/activity representing 20% was fully implemented; 3 outputs/activities representing 80% were partially implemented. Shortcomings were noted in the implementation of the provisions in regarding Staff Terms and Conditions for purposes of staff appraisals. The gaps identified include: non-development of performance agreements and plans, non-completion of performance appraisal, non-completion of quarterly performance reviews, non-completion of performance improvement plans, no

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		mechanism for monitoring of staff attendance and no existence of rewards and sanctions committee.
	HEALTH SECTOR	
1	Mulago National Referral Hospital Opinion Qualified	<ul style="list-style-type: none"> The Cumulative outstanding commitment in respect of 'Goods and services consumed' under the Memorandum Statement of Outstanding Commitments was wrongly cast as UGX 3,869,983,881 instead of UGX 4,077,770,677. In addition, outstanding commitments of UGX 5,752,772,100 were not supported. A sum of UGX.3, 268,349,770 was charged on items which do not reflect the nature of the expenditure as defined per Government Chart of Accounts. The entity wrongly reported excess Appropriation-In-Aid (AIA) expenditure of UGX 1,797,788,219 as an adjustment in the Statement of Changes in Equity (Net Worth). Out of the Fourteen (14) sampled outputs with twenty five (25) activities in the annual work plan, thirteen (13) activities (representing 52%) were fully implemented; Six (6) activities (representing 24%) were partially implemented; One (1) activity (representing 4%) was not implemented and Five (5) activities (representing 20%) did not have performance targets and indicators to facilitate performance measurement (extent of delivery of the planned outputs). I noted that out of the budgeted revenue of UGX.13,000,000,000 for the year 2018/19, only UGX.3,948,263,830 was collected (representing under performance of 69.6% of the target). The entity budgeted to receive UGX.79,178,004,894. However, UGX 69,979,373,406 was warranted resulting into a budget shortfall of UGX 9,198,631,381 representing 11.6%. Out of the warrants, UGX 64,463,706,286 was spent by the entity resulting into unspent balance of UGX 5,515,667,120 representing an under-absorption level of 7.9%. I noted cases where the information reported in the annual performance report by the Hospital management was not accurate. Quantification of expected outputs and actual result output was not done in some cases. The entity reported domestic arrears totalling UGX.5,752,772,100. This figure increased from UGX.4,261,691,744 in the year ended 30th June 2018. I noted that the Hospital did not have an approved strategic plan to guide the planning activities for the period under review contrary to the requirements of the standing instructions. I noted that the Hospital Administration had 41 registered business ventures operating on the Hospital land. On the contrary, a physical count during inspection of the premises revealed that there were 145 ventures operating on Mulago Hospital premises. I noted that 10 housing blocks with a total of 30 house units in the Mulago quarters occupied by senior members of staff, and 5 housing blocks along Owen road occupied by senior Doctors still had houses roofed with asbestos sheets. I noted that some of vehicles earmarked for disposal were not recorded in the register and according to the administration such vehicles were to be disposed of. The hospital experienced stock outs of various medicines and I noted cases of expired drugs. Shortcomings were noted in the implementation of performance management initiatives. The gaps identified include; Understaffing, failure to develop performance agreements/targets, failure to develop performance Plans, late completion of Performance Appraisals, failure to undertake quarterly Performance Reviews, none completion of Performance Improvement Plans, lack of mechanism in place to monitor staff attendance and failure to publish a client charter.
2	Butabika National Mental Referral Hospital Opinion Unqualified	<ul style="list-style-type: none"> I noted that out of the budgeted revenue of UGX. 1,700,000,000, UGX. 1,124,181,541 was collected representing an under performance of 33.9% of the target. I also noted that UGX. 1,111,206,838 collected, was remitted to the consolidated fund resulting in the difference of UGX. 10,537,503 (after accounting for bank charges of UGX.2,437,200) due to the consolidated fund by the close of the year. The entity budgeted to receive UGX.14,799,156,269 however UGX.14,393,526,297 was warranted resulting in a budget shortfall of UGX.405,629,972 representing 2.74%.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Out of the warrants, only UGX.13,914,233,527 was spent by the Entity resulting in an unspent balance of UGX.479,292,770 representing an absorption level of 96.67%. I noted out of the 19 quantified activities assessed, only 6 activities representing 32% were fully implemented; 3 (16%) activities had no targets and indicator metric set to determine the extent of delivery of the output, 2 (11%) were not implemented while 8(42%) were not implemented. A sum of UGX. 36,111,290 was diverted to other activities contrary to the financial regulations. I noted that domestic arrears worth UGX 111,930,566 were incurred by the entity during the year under review. The Hospital's Approved Structure has 533 positions. However, the staff list as at 30/06/2019 showed that only 388 posts were filled leaving 145 (27%) positions vacant. I noted that the hospital had medicines that expired as far back as 2015/2016 financial year in its medical stores. Shortcomings were noted in the implementation of performance management initiatives. The gaps identified include; failure to develop performance agreements/targets, non-submission of performance Agreement Report, non-Submission of performance appraisal reports and non-completion of quarterly performance reviews.
3	<p>Uganda Aids Commission (UAC)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> Out of the warrants of UGX.6,867,449,905, UGX.6,813,469,870 was spent by the entity resulting in unspent balance of UGX.53,980,035 (representing an absorption level of 99.21%). The Commission planned to achieve its deliverables through implementation of 82 outputs. I reviewed all the 82 outputs budgeted for during the year and noted that 10 outputs representing 12% of the total outputs were not quantified to enable measurement of performance. Further, out of the 72 quantified outputs assessed, 55 outputs representing 76% were fully implemented; four (4) outputs representing 6% were partially implemented while 13 outputs representing 18% were not reported on. Funds worth UGX 15,820,901 were irregularly diverted and spent on other activities without seeking necessary approvals. The Commission received off-budget financing to a tune of UGX 3,372,895,662 which was not included in its budget estimate/appropriation. The Commission returned unspent donor funds worth UGX 47,421,315 to the respective donors due to failure to utilise the funds. Domestic arrears worth UGX 76,162,402 remained unsettled at the close of the financial year. The Commission has a dispute over property ownership and has therefore not been able to collect revenue from the properties on the land since October 2016. Shortcomings were noted in the implementation of the provisions of the UAC Human resources manual in relation to staff performance management. The gaps identified include failure to prepare the Commission annual performance plan; failure to prepare an annual performance report; failure to hold Quarterly Performance reviews and failure to review staff attendance.
4	<p>Uganda Blood Transfusion Services (UBTS)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> Parliament appropriated a total of UGX.19.18Bn to UBTS, however the entity only received UGX.19.17Bn resulting in a budget shortfall of UGX.9,674,726 representing a funding level of 99.95% of the approved budget. Out of the warranted amount of (UGX.19,172,423,897), UGX.19,131,289,991 was spent by the entity resulting in unspent balance of UGX.41,133,906 representing an absorption level of 99.79%. I noted that funds amounting to UGX 35,735,999 were diverted. I noted that out of 6 outputs assessed, 3 outputs representing 50% of the total outputs were not quantified to enable measurement of performance. I noted that out of the 6 quantified outputs assessed, no output was fully implemented; one (1) output representing 16.7% was partially implemented while two (2) outputs representing 33.3% were not implemented at all and three (3) outputs representing 50% did not have clear performance indicators and targets to facilitate performance measurement.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> I noted significant inconsistencies between the figures in the vote performance report and the statement of financial performance as of 30th June, 2019. I noted that collected blood is transported together with staff using the entity non refrigerated vehicles. UBTS operates without accreditation by the African Society for Blood Transfusion (AFSBT). This means that its (UBTS) operations are only limited to local standards. Shortcomings were noted in the implementation of performance management initiatives. The gaps identified include; lack of performance agreements, non-submission of Performance Agreement Reports, late completion of performance appraisals, non-submission of Performance Appraisal Reports, failure to undertake quarterly performance reviews, non-completion of performance plans, non-submission of Progress Reports on Performance Improvement Plans, lack of mechanism to monitor staff attendance, non- submission of reports on absenteeism, late Conclusion of Disciplinary Cases, non- submission of Reports on Discipline and lack of a client's charter.
5	<p>China Uganda Friendship Hospital – Naguru</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> I noted that out of the budgeted revenue of UGX.280,000,000 for the year 2018/19, only UGX.136,972,203 was collected representing a performance of 51.08% of the target, and underperformance of 48.92%. The entity budgeted to receive UGX.8,675,295,804 however UGX.8,401,895,801 was warranted resulting in a budget shortfall of UGX. 273,400,003 representing 3%. Out of the warrants, UGX 8,002,044,677 was spent by the entity resulting in unspent balance of UGX.399,851,124 representing an absorption level of 95.24%. I noted that out of the 23 outputs planned to be implemented with a total budget of UGX. 8,675,295,804, I reviewed all the 23 outputs budgeted at UGX. 8,675,295,804 representing 100% of the total budget. A sum of UGX 32,978,594 was irregularly diverted from the rightful activities towards others without seeking and obtaining the necessary approvals. I noted that the hospital does not have a management Board. I noted that a total of UGX.344,556,616 was paid to a number of suppliers without deduction of withholding tax worth UGX 20,673,397. I noted that out of 349 approved positions, only 290 (83%) positions were filled and 59 (17%) positions were vacant by the end of the year under review. Shortcomings were noted in the implementation of performance management initiatives. The gaps identified include; failure to develop performance agreements/targets, non-submission of performance Agreement Report, non-completion of performance improvement plans, non-Submission of progress report on performance improvement plans, non-submission of Submission of reports on discipline and lack of a clients' charter. I noted that the hospital lacked medical stationary and had a challenge of drugs stock outs.
6	<p>National Medical Stores (NMS)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> I noted that NMS payables increased from UGX 77,905,926,000 for the financial year 2017/18 to UGX 121,475,919,000 for the financial year 2018/19 representing an increase of UGX 43,569,993,000 (representing 55.9%). On the other hand, a review of the IFMS financial reports revealed that NMS was indebted to the tune of UGX 110,726,211,404. No reconciliation was provided to harmonize the two figures. The entity reported a balance of receivables amounting to UGX 38,223,536,000 in the statement of financial position of which four (4) debtors valued at UGX 17,325,064,059 were all more than three years old. I noted that no guidance was provided on the depreciation methods and rates applicable to the different classes of assets. As a result UGX 3,182,002,000 reported as the value of depreciation charge for the year lacked a proper base for its computation. National Medical Stores Finance and Accounting Policy and Procedure Manual 2018 does not provide guidance on Inventory valuation although NMS values its inventory every financial year.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> I noted that “call off orders” and supplier delivery notes for Medical supplies amounting to UGX. 8,857,994,346 were delivered outside the agreed upon delivery dates.
7	<p>Uganda Virus Research Institute (UVRI)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> I noted that out of the budgeted revenue of UGX.260,000,000 for the year 2018/19, only UGX.107,120,835 was collected representing 41.2% of the target. The entity budgeted to receive UGX 7,377,120,461. However, UGX 6,720,335,064 was warranted and released resulting in a budget shortfall of UGX 656,785,397 representing 8.9%. Out of the amount released (UGX 6,720,335,064), UGX 6,378,913,118 was spent by the entity resulting in unspent balance of UGX 341,421,946 representing an under-absorption level of 5%. Out of the 7 quantified outputs/activities assessed, 1 output/activity representing 14% was fully implemented and 6 outputs/activities representing 86% were partially implemented. The error of UGX.374,275,610 was not corrected and reflected in the Reconciliation between total expenditure per Appropriation Accounts and per Statement of Financial Performance. I noted that the Institute’s Nitrogen Plant broke down in 2017 and had not been repaired or replaced by the time of audit. UVRI has an approved structure of 237 positions. Out of the 237 approved positions, only 88 (37.1%) were filled and 149 positions remained vacant as at the time of the audit (Nov 2019). Among the unfilled positions, are key positions of Assistant Director of Research in Zoology/Ecology, Public Relations Officer, Principal Economist and Bio Medical Engineer. Shortcomings were noted in the implementation of performance management initiatives. The gaps identified include; late completion of Performance Appraisals, non-Submission of performance appraisal reports, non-completion of Performance Improvement Plans, non-Submission of progress report on performance improvement plans, Non- submission of reports on absenteeism and lack of a client's charter.
8	<p>Health Service Commission (HSC)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> I noted that the entity did not budget for NTR yet UGX.13,243,700 was collected. The entity budgeted to receive UGX.6,404,808,971 out of which UGX.6,404,399,754 was warranted representing almost 100% of the budget. Out of the amount released of UGX.6,404,399,754, UGX. 6,260,564,779 was spent by the entity resulting in unspent balance of UGX.143,834,975 representing an absorption level of 97.75%. I noted that out of the 6 quantified outputs/activities assessed, 1 output/activity representing 17% was fully implemented; 1 output/activity representing 17% was partially implemented while the level of implementation for 4 outputs/activities representing 66% could not be assessed due to lack of indicators/ targets. I noted that funds to the tune of UGX.15,820,901 were irregularly diverted towards other activities without seeking and obtaining the necessary approvals. A trend analysis of the domestic arrears showed a limited movement of arrears from UGX. 82,918,252 in the previous year to UGX.82,798,153 in the year under review, a decrease of 0.15 %. It was noted that out of the 79 approved posts for the Commission, only 46 (58%) were filled leaving 33 (42%) posts vacant. I noted that the Commission launched an Electronic Recruitment System (ERS) and has established recruitment hubs in eight Regional Referral Hospitals without a proper IT governance structure. The commission did not have an IT policy, IT Strategic Committee, IT Strategic Plan and an IT Unit to drive the strategy. Shortcomings were noted in the implementation of performance management initiatives. The gaps identified include; failure to develop performance agreements/targets, delayed development of performance plans, delayed completion of performance appraisals, Failure to hold quarterly performance reviews and Non-submission of a summary report on performance appraisal. Shortcomings were noted in the recruitment of Staff for the Health Service. The gaps identified include; Non-submission of HSC performance reports by District Service Commissions, Non-

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		monitoring of the implementation of the Commission's decisions, Failure to attract staff in key positions.
9	Ministry of Health Opinion Qualified	<ul style="list-style-type: none"> Unsupported adjustments relating to domestic arrears (UGX. 1,655,638,328), overdraft (UGX. 1,037,888,831) and bounced EFTs (UGX. 313,653,500) which as a whole have a material effect on the presentation of the financial statements. Mischarge/ Diversion of funds amounting to UGX. 3,089,769,035. There was a shortfall in releases amounting to UGX. 12,204,467,716 representing an under-release of 7.5% of the budget. Ministry of Health had unspent balance of UGX. 3,257,075 (out of UGX. 150,334,054,569 released), representing an absorption level of almost 100%. The Ministry planned to achieve its deliverables through implementation of 41 outputs. I sampled 28 out-puts budgeted at UGX. 1,022,297,782,000 (including external funding) representing 87.71% of the total budget for review and noted that of these, 1 (3.57%) was fully implemented, 5 (17.86%) partially implemented, and 11 (39.28%) not implemented at all. The remaining 11 (39.28%) could not be assessed as no targets had been set by the Ministry. MoH did not budget for NTR. However, UGX 134,218,800 was collected. Failure to budget for revenue misleads the users of the financial statements. Off-budget financing received by MoH to a tune of USD. 6,202,468.79 and UGX. 4,678,591,035 was not paid into the Consolidated Fund contrary to the PFMA, 2015. MoH did not budget adequately for domestic arrears. With domestic arrears amounting to UGX. 46,522,711,341, only UGX 197,440,913 was budgeted for settlement of domestic arrears, and only UGX 20,258,934,225 of this was actually paid. MoH had contingent liabilities amounting to UGX 46,206,660,072 due to two on-going court cases. The Ministry of Health has an approved organisation structure comprising of 853 staff out of which 481 posts have been filled, leaving a balance of 372 posts vacant. Serious shortcomings were noted in the area of staff performance management, including delays to complete and submit to MoPS Performance Agreements, Plans, Appraisals, Improvement Plans and reports on discipline; absence of a rewards and sanctions committee; and delayed conclusion of disciplinary cases. UGX. 2,742,205,914 was paid out as pension without the Responsible Officers verifying the salary, gratuity and pension payment files sent to the IPPS/IFMS; pensioners aged 75 years and above were being paid pension without availability of life certificates on their files; and gratuity payments worth UGX. 495,906,691 were uploaded to the IFMS without having been processed through the IPPS, presenting a risk of making duplicate payments.
10	National Drug Authority Opinion Qualified	<ul style="list-style-type: none"> Amounts totalling UGX 32,305,937,813 that related to contract sums for the construction of a Laboratory Tower (UGX 31,310,160,593) and Supervising Consultant (UGX 995,777,220) were erroneously recognized as payables and Capital Work In Progress before commencement of works. Although National Drug Authority had a revenue performance of 106%, there were shortfalls in certain revenues streams amounting to UGX 1,016,669,274. National Drug Authority had a capital expenditure budget of UGX 41,310,730,100 of which only UGX 1,579,441,546 (3.28%) was utilized thereby leaving unspent funds worth UGX 39,731,288,554. Even though the Authority set expenditure targets per quarter for the capital expenditure, no clear targets and performance indicators were set some of the outputs. The Authority planned to achieve its deliverables through implementation of 71 outputs. I sampled 28 outputs worth UGX 9,209,511,000 representing 17.9% of the total budget and noted that nine (9) outputs were fully implemented, 16 partially implemented, two (2) outputs were not implemented at all and one (1) planned output could not be assessed.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Funds worth UGX 27,160,098,065 had not been collected by the close of the financial year. Of this amount, UGX 23,959,154,964 was due from Ministry of Health while UGX 1,537,194,483 was owed from Global Fund and both remained outstanding for more than 2 years. A total of 15 assets were missing as result of staff leaving without handing them over to the Authority. Out of the 14 cases against the National Drug Authority, it was noted that seven (7) cases arose due to the Authority's failure to conduct the contract terminations of the parties involved in a fair and lawful manner, resulting in financial loss amounting to UGX 118,791,119 in addition to an outstanding obligation of UGX 800,000,000. I reviewed four (4) concluded cases against the National Drug Authority and noted that they arose out of unfair and unlawful action on the part of the Authority staff while undertaking their ordinary business, resulting in a financial loss of UGX 358,982,513. Delayed integration of the NDA Management Information System (NDAMIS) and Navision System resulting in manual reconciliation and posting of revenue transactions from NDAMIS to Navision. Shortcomings were noted in the implementation of the provisions of the NDA Human resources manual in relation to staff performance management. The gaps identified include absence of a rewards and sanctions committee and failure to complete and submit performance appraisals.
11	<p>Uganda Nurses and Midwives Council – FY 2017/2018</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> Contrary to best practice corporate governance requirements for separation of operational and oversight responsibilities, it was observed that the Chairperson of the Council signed the financial statements submitted to this Office for audit instead of the Accounting Officer (Registrar). There was a shortfall in releases amounting to UGX 43,500,000 representing an under release of 58% of the budget. The Council received a grant of UGX 48,750,000 from the United Nations Population Fund (UNFPA) and I observed that only UGX 11,500,000 (24%) had been utilised while the balance of UGX. 37,250,000 was refunded back to UNFPA because of failure by the institute to absorb it within the year. Funds worth UGX 38,088,650 were spent in excess of the approved budget without the approval of the Minister. I observed that the key positions of the Registrar and Deputy Registrar have not yet been substantively filled. Further, I noted that two staff have been acting in these positions for more than the mandatory period of 6 months and are being paid acting allowances, without evidence on their personal files that their acting appointments were renewed or extended by the Health Service Commission. The Council lacks an internal audit function. I noted that the Council awarded a contract for the construction of a water borne toilet at UNMC at UGX.43,770,330, while the approved budget was UGX.32,000,000 and there was no approved supplementary budget to support the additional allocation of UGX 11,770,330. The Council undertook procurement of the Supply of assorted stationery at UGX 9,202,000, without any procurement requisition (Form 5) from the user department. I reviewed procurements totalling to UGX 147,667,220 and noted a number of irregularities such as: payments worth UGX 93,052,720 made to suppliers other than those named in the LPOs; incomplete deliveries; deliveries made before initiation of procurements; deliveries made before evaluation of bidders and instances of lack of contracts. The Council procured 6000 certificates and 7000 identity cards. I noted that only 2,065 certificates and 7,000 identity cards were delivered and the supplier was paid UGX. 20,123,500 in excess of the invoiced amount. Furthermore the procurement records were not availed for audit.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> I noted that the council has no designated transport officer and as a result, log books and fuel registers were not being maintained. In addition there were no monthly fuel reconciliations being undertaken or operating records on maintenance and repairs.
12	<p>Uganda Nurses and Midwives Council – FY 2018/2019</p> <p>Opinion Qualified</p>	<ul style="list-style-type: none"> An expenditure item was reported in the Statement of Financial Performance as cost of sales worth UGX 201,100,020 while the corresponding Note 14 disclosed 'printing costs' at UGX 191,435,720. No supporting documentation was provided for this amount. The Council made payments totalling to UGX 1,274,315,720 as direct debits to the council bank accounts without any supporting documentation and they were also not captured in the cashbook. Most of the sections of the UNMC Financial and Accounting Policies and Procedures Manual 2012 are outdated and need updating. The Nurses and Midwives Act requires the Council to prepare the annual financial statements of accounts for the immediately preceding financial year not later than three months in the following year, which contradicts the PFMA, 2015. There were no log books maintained to track the vehicle movements as required by the regulations and no records were maintained to keep track of vehicle history, performance, servicing, overheads, and repairs. The Council appointed a contract manager who was not a staff of the Council contrary to PPDA regulations.
13	<p>Uganda Medical and Dental Practitioners Council</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> UMDPC had an approved budget of UGX 1,953,040,000 out of which UGX 1,667,255,072 (87.1%) was realized, resulting into a shortfall of UGX 285,784,928 (12.9%). UMDPC only received UGX 32,750,000 from MoH as subventions out of the budgeted UGX 75,000,000, translating into a shortfall of UGX 42,250,000. UMDPC's domestic arrears shot up from UGX 9,003,367 in the previous year to UGX 51,546,557 in the year under review, an increase of 472.5 %. The arrears, which remained unsettled at the close of the year, were in respect of statutory deductions of PAYE (UGX 36,351,201) and NSSF (UGX 15,195,356). No budget provisions were made by UMDPC towards settlement of outstanding domestic arrears from the prior year amounting to UGX 9,003,367. There were only two signatories to UMDPC's bank account, namely the Registrar and his Deputy, contrary to the requirement to have the Registrar (Accounting Officer) plus any other two heads of department as signatories. This means that Council business comes to a standstill if one of the signatories is away. UMDPC has an approved organisation structure comprising of 26 staff out of which 16 posts have been filled, leaving a balance of 10 posts vacant. No staff performance appraisals were done in the year under review. No report on procurement activities undertaken by the Council was submitted to PPDA., despite the fact that UMDPC undertook procurements worth UGX 497,000,000 during the year under review.
14	<p>Joint Clinical Research Centre (JCRC)</p> <p>Opinion Qualified</p>	<ul style="list-style-type: none"> I noted that the net book value of land and buildings was understated to the extent of the difference between its carrying amount and the market value. I noted that donated assets were not valued and recognized in the financial statements. Hence, understating the net book value of Property, Plant Equipment. I noted that the entity had an approved revenue budget of UGX 24,247,302,851, out of which UGX 19,140,030,000 was realized resulting in a shortfall of UGX 5,107,272,851 (21%). I observed that out of the 204 quantified outputs assessed, 159 outputs/activities representing 78% were fully implemented, 5 outputs/activities representing 2% were partially implemented while 40 outputs/activities representing 20% were not implemented at all. I noted that during the year, the Centre operated without stocks for key essential medicines and health supplies.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> I observed that the annual summary statement of financial performance was submitted in November 2019 beyond the statutory deadline. I noted that during the financial year 2017/18, five (5) firms bided to construct the Tuberculosis Clinic. However, the contracts committee made a decision that the quoted bid amount by the Best Evaluated Bidder of UGX 435,554,927 was so high and the Contracts Committee recommended the use of Force Account Mechanism without adhering to PPDA guidelines. I noted that advance payments worth UGX. 165,627,079.29 were made to various suppliers without advance payment guarantees. For procurements worth UGX 95,297,800 there was no evidence that market price assessment was conducted by the Accounting Officer prior to either initiation of the procurement or contracting.
15	<p>Uganda Cancer Institute</p> <p>Opinion Qualified</p>	<ul style="list-style-type: none"> I observed that out of the UGX 7,419,908,090 funds allocated under program 02 -medical services to deliver cancer care services, UGX 497,155,495 representing 6.70% of the funds program allocation was diverted to other activities. Parliament appropriated a total of UGX 93.072 billion to Uganda Cancer Institute; however the entity only received UGX 48.831 billion (representing a release of 52.5%) of the approved budget. Of the amount of UGX 48.831 billion released UGX 48.808 billion was spent by the entity resulting in unspent balance of UGX 23 million representing 99.9% absorption level. The unspent balance at the end of the financial year was subsequently swept back to the consolidated fund account. I noted that out of the 110 quantified activities assessed, only 63 outputs/activities representing 57% were fully implemented; 23 outputs/activities representing 21% were partially implemented, 14 outputs/activities representing 13% were not implemented while 10 outputs/activities representing (9%) had no targets and indicator metric set to determine the extent of delivery of the output. I noted that staff salaries worth UGX.162,708,400 incurred during the year under review were not paid. I noted that UGX.5,267,717 was paid to individuals who were not on the pension payroll that is included as part of the financial statements hence rendering the payment doubtful. I noted that the entity lacked adequate space for offices, stores and patients. Shortcomings were noted in the implementation of performance management initiatives. The gaps identified include; non-submission of progress report on performance improvement plans, late conclusion of disciplinary cases and non- submission of reports on disciplinary cases.
16	<p>Uganda Reproductive Maternal and Child Health Services Improvement Project (URMCHSIP)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> I noted some gaps relating to training of RMNCAH cadres in short supply; there were several training institutions that lack training aids and text books especially schools training the Diploma in Anesthesia, tutors of training schools (midwifery and anesthesia) had skill gaps and there were courses that were started with support of the Project specifically the Bachelor of Anesthesia for which schemes of service has not yet been developed. I noted that a total of USD 31,627,057.95 was available for spending during the year. However, by close of the year under review, only USD.6,909,837.98 (22%) had been utilized. I further noted that out of the cumulative receipts for the two years of project implementation amounting USD 35,087,020, only USD.10,369,800.03(30%) had been spent by close of the year under review. I noted that whereas funds amounting to USD 11,220,000 were available to the project for purchase of essential drugs, no procurements were conducted for the last two years of implementation. In addition, out of USD 10,100,000 available for purchase of health facilities equipment, only USD 2,296,209.08 had been spent (representing 22.7% absorption). Also noted was that USD 20,416,820 available for construction of maternity units had not yet been utilized.
17	East African Public Health Laboratory Networking Project (EAPHLNP2)	<ul style="list-style-type: none"> I noted that the project had USD.9,683,037.18 available for spending during the year. However, only USD.4,191,998.54 was spent resulting in a total of USD.5,491,038.64 not utilized by year end.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
	Opinion Unqualified	<ul style="list-style-type: none"> I noted that the MoH did not conduct the semi-annual audits of the project. I noted that 10 studies were not undertaken inspite of the availability of funding. The Ministry is missing a great opportunity to carry out studies to inform implementation of its core programs. I noted that although the Project closure date is 30th March 2020, the ministry signed a one-year contract of UGX.8,913,336,496 for the construction of an Isolation Centre at Mulago with M/s Zhongmei on 3rd Oct 2019.
18	Spain Uganda Debt Swap for Renovating Kawolo and Busolwe General Hospital (SUDS) Opinion Unqualified	<ul style="list-style-type: none"> No material issues to be reported on.
19	East African Centre of excellence for skills and tertiary education in bio medical science (ADB support to UCI) Opinion Unqualified	<ul style="list-style-type: none"> I noted that out of UGX.64,262,869,000 the project expected from the Bank and UGX.1,989,265,000 from the GoU, a total of UGX.23,987,910,999 (37.3%) was received from the Bank and UGX.1,989,265,000 (100%) from the GoU resulting in a budget shortfall of UGX.40,274,958,001 (62.7%) in respect of external financing by the Bank. I noted that of the UGX.27,478,553,587 available funds, a total of only UGX.23,463,995,356 was spent resulting in UGX.4,014,558,231 representing 16.7% of the funds available not absorbed. On the other hand, of amount (UGX.1,989,265,000) available for spending under Counterpart funding during the year, UGX.1,989,000,000 was spent representing an absorption level of 99.9%.
20	Allied Health Professionals Council (AHPC) Opinion Unqualified	<ul style="list-style-type: none"> AHPC projected to collect a total of UGX 2,923,938,396 from all its revenue sources but collected an overall total of UGX 3,232,922,862, a performance of 110.57%. However, some of the revenue streams, namely Registration of Business, Sale of Council documents, Recovery – Debtors Health Units and Inspection fees, registered revenue shortfalls which totalled to UGX 401,036,683. It was noted that AHPC fully implemented all planned activities. However, there was excess expenditure of UGX 295,091,302 above the approved budget of UGX 2,923,938,396, implying that the deliverables were achieved at higher than planned costs. I noted unauthorised expenditure by AHPC on 15 expenditure lines, amounting to UGX 523,939,754. Whereas the budget for these activities was UGX 626,666,392, AHPC spent UGX 1,150,606,146 (45.5% extra) without seeking due authorisation.
21	Uganda Reproductive Health Voucher Project (URHVP) Opinion Unqualified	<ul style="list-style-type: none"> There was under-absorption of funds by URHVP. The project had an opening balance of USD 72,468.79 and receipts of USD 6,130,000 resulting in a total of USD 6,202,469 available during the year under review. However, out of the funds available, a total of only USD 4,757,264.39 was spent resulting in USD 1,445,204.40 (30.4%) unutilized by close of the year. In the above circumstances, not all planned activities were implemented.
22	Uganda Global Fund to fight AIDS, Tuberculosis and Malaria Project – HIV Component Opinion Unqualified	<ul style="list-style-type: none"> No material issues to be reported on.
23	Uganda Global Fund to fight AIDS, Tuberculosis and	<ul style="list-style-type: none"> No material issues to be reported on.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
	Malaria Project – Malaria Component Opinion Unqualified	
24	Uganda Global Fund to fight AIDS, Tuberculosis and Malaria Project – TB Component Opinion Unqualified	<ul style="list-style-type: none"> No material issues to be reported on.
25	GAVI, The Vaccine Alliance cash grants to Uganda Opinion Unqualified	<ul style="list-style-type: none"> I noted that the project did not complete the fund accountability statement.
26	Uganda Heart Institute (UHI) Opinion Qualified	<ul style="list-style-type: none"> Funds worth UGX 579,492,626 representing 3.2% of the funds earmarked to be spent on the planned outputs was diverted towards other activities without authority. There was a shortfall in releases amounting to UGX 933 million representing an under release of 4.8% of the budget. Further, the UHI remained with unspent balance of UGX 472 million representing an absorption level of 97.5%. The UHI planned to achieve a number of deliverables. I sampled 38 quantified activities worth UGX 12,057,209,000 representing 61.6% of the total budget and noted that seventeen (17) outputs representing 44.8% were fully implemented; six (6) outputs representing 15.8% were partially implemented; fourteen (14) outputs representing 36.8% were not implemented at all; and 1 output/activity representing 2.6% was not assessed due to lack of targets/indicators. Domestic arrears worth UGX 535,857,001 remained unsettled at the close of the year. In addition, although the Institute had arrears worth UGX 1,127,458,497 from the prior year, only UGX 76,478,559 was budgeted towards settlement of domestic arrears. From the pending surgery cases list, I observed that the Heart Institute had over 270 clients waiting for surgery. Patients take an average of two years to get operated upon by the institute. There were gaps in the management of patient refunds for services paid for but not provided, such as: no refunds policy in place; there was no budget item for patients' refunds in the Chart of Accounts; refunds are made out of cash collection at the discretion of the responsible officer. The Institute makes fee waivers to patients for various reasons especially financial incapacity. However, there was no waivers' policy in place to provide guidance on this matter. There were anomalies in the Institute's Hospital Management Information System some of which include: there are no Quality assurance and control reports from the contract management; there were no change request documents and approved user systems access forms; Loss of patients data or information due to poor configurations; delays in review of patients and ECHO procedures; High downtime for the system; delays in retrieval and processing of patients data leading to increase in waiting time; poor systems maintenance due to having only one IT officer managing all systems. Shortcomings were noted in the implementation of the provisions of the Public Service Standing Orders in relation to staff performance management which include among others: the failure to develop performance agreements and performance plans; failure to prepare and submit performance agreement reports; non-completion of performance appraisals; failure to prepare and submit performance appraisal reports and failure to develop and operationalize a patient's charter.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
27	Uganda Sanitation Fund 2 (USF) Opinion Unqualified	<ul style="list-style-type: none"> There was late disbursement of funds to sub-grantees (districts) with quarter one funds for FY 2018/2019 being released in quarter two. The Government of Uganda failed to honour its commitment to disburse counterpart funding of USD 2 million. Consequently, the Global Sanitation Fund disbursements to the USF program were suspended as it was conditioned upon the release of the counterpart funds by the Government of Uganda. This affected all the eight (8) newly rolled out districts in addition to 32 old Districts leading to failure to secure funding for quarter 3 and 4 in FY 2018/2019.
28	Rehabilitation and Expansion of Kayunga and Yumbe Hospital (KAYUP) Opinion Unqualified	<ul style="list-style-type: none"> Out of the approved budget of USD 13,421,012.32, USD 8,942,539.76 was released, representing an under release of USD 4,478,472.56 (33.37% of the budget). Further, the project remained with unspent balance of USD 16,549.66 representing an absorption level of 99.8%.
29	Karamoja Region Staff Housing Project (KRSHP) Opinion Unqualified	<ul style="list-style-type: none"> The third and final instalment for the project, amounting to Euros 1,399,850 was received on 06/06/2019 just before expiry of the Project on 19/06/2019. As a result, the contracts for the contractor and the supervising consultant could not be renewed in time. Ministry of Health risks suffering a financial loss of USD 387,723.69 relating to advance payment made to M/S Zhonghao Overseas Construction Engineering Co. Ltd if the contractor does not renew the contract which expired on 19th December 2017.
	WORKS AND TRANSPORT SECTOR	
1	Ministry of Works and Transport (MoWT) Opinion Unqualified	<ul style="list-style-type: none"> The Ministry planned to achieve its deliverables through implementation of 30 outputs. I sampled 18 outputs representing 60% of the planned outputs and noted that only 1 output representing 5.56% was fully achieved, 16 outputs (88.88%) were partially achieved, while 1 output (5.56%) was not achieved or implemented at all. The MoWT performance indicators and targets in the MPS vary from those in NDPII. For a number of indicators, the targets are much lower or higher than the NDPII targets. Furthermore, a number of interventions that were prioritized in the NDPII by the Ministry have not been budgeted for. Funds worth UGX. 1,050,532,082 were irregularly diverted and spent on other activities without seeking necessary approvals. There were delays in procurements which negatively impacted on implementation of planned activities. Although the Ministry had developed the Monitoring and Evaluation Policy, there were no work plans developed to enable implementation of the policy. Furthermore, the different Directorates had a budget amount allocated for monitoring activities, but the funds were not applied to monitoring activities. There is lack of standardized indicators for assessment of performance by the Ministry and as a result, the indicators are stated and described differently in the various reports and planning documents. Domestic arrears worth UGX.27,450,457,680 remained unsettled at the close of the financial year. At the close of the financial year 2018/19, the Ministry received a court order to pay URC pensioners arrears amounting to UGX. 14.42 billion. These had not been budgeted for and have been accrued in the financial statements. Shortcomings were noted in the implementation of the Public Service Standing Orders in relation to staff performance management. The gaps identified include non-completion of staff performance agreements; non-completion of development plans; non-completion of performance appraisals by 459 out of 549 staff; delayed submission of performance appraisal reports; non-completion of quarterly performance reviews for 594 staff; non-completion of

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<p>performance improvement plans; non-submission of reports on performance agreements, performance appraisals and performance improvement plans to Ministry of Public Service; and non-submission of reports on absenteeism.</p> <ul style="list-style-type: none"> • There were delays in valuation of PAPs. • Out of a total of UGX 39.2 billion appropriated by Parliament to enable the Ministry implement its activities on compensation of PAPs under the SGR project, only UGX.25 billion (64%) was released representing a shortfall of UGX. 14.2 billion (36%). • Out of the total approved 4,772 PAPs along the districts of Tororo, Iganga, Butaleja, Namutumba and Luuka with land and properties valued at UGX 137 billion, only 3,556 PAPs with claims of UGX 62 billion have been fully compensated.
2	<p>Uganda Railways Corporation (URC)</p> <p>Opinion Qualified</p>	<ul style="list-style-type: none"> • URC disclosed a receivable of 69.56bn but reported in the statement of cash flows recognized proceeds of disposal of property, plant and equipment of UGX 69,515,419,176.65, creating an impression that GoU had paid URC. • Management applied the straight-line method of depreciation as stipulated by the manual. However; different rates were applied contrary to those stipulated in the URC Board manual. As a consequence, there was an understatement of UGX 11,333,914,142 in the year's depreciation charge. • The prior year depreciations charge and the variation in the annual depreciation were not properly supported hence limiting the scope of my audit. • The Corporation reported loans from foreign Governments amounting to UGX 22,067,482,000 in the financial years 2017/18 and 2018/19. However these loans were not supported by loan agreements and the benefit of the below-market rate of interest has not been measured. • The Corporation held stock worth UGX 7,435,065,506 which belonged to RVR (UGX 5,351,848,888) and URC (UGX 2,083,216,618). However, the adjusted final statements reflected UGX 12,701,656,000 resulting in an overstatement of inventory balance by UGX 5,266,590,494. • I noted material uncertainty relating to the going concern of an entity where creditors/liabilities were increasing at a hyper rate while revenue reducing and entity incurred huge losses for the past two financial years. • I noted that out of the budgeted revenue of UGX 125,380,029,000 for the year 2018/2019, UGX 26,875,699,000 was collected representing performance of only 21.4% of the target. • I established that there were no progress reports to support the performance achieved by the entity. • I noted that the Corporation revenue budget over the year 2018/2019 was unrealistic for its revenue sources. • I noted that the annual budget had been prepared and approved by the URC Board. However, URC only prepared work plans for the GoU Institutional support funding. • I established that some targets set in the annual budget were not in line with the targets reported on. • I noted that UGX 3,623,350,483,000 was disclosed as value for non-current assets at the close of the financial year under review. However, evidence shows that the non-current assets were last revalued during the financial year 2017/18. • In the financial year ended 30th June 2019, URC had trade and other payables amounting to UGX 10,379,117,000. However, I noted a 50% increase in payables and that there was no budgetary allocation made towards domestic arrears. • URC expected rental income of UGX 1,651,674,233 of which, only UGX 853,969,000 was realized resulting in a shortfall of, UGX 797,705,533 (48.3%). Additionally the expected income was not support with tenancy agreements. • Shortcomings were noted in the implementation of performance management initiatives. The gaps identified include; lack of performance agreements, non-completion of performance plans, late completion of performance appraisals, failure to undertake quarterly performance reviews,

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> non-completion of performance improvement plans, lack of mechanism to monitor staff attendance and lack of a client's charter. I noted various weaknesses in the performance of RVR, leading to the termination of the concession. However, by the time of termination, URC was demanding a total of \$ 15,437,460 as stated in the approved budget for the financial year 2018/2019.
3	Civil Aviation Authority 2018 Opinion Unqualified	<ul style="list-style-type: none"> The debtors' balance in the financial statements of the Authority includes UGX 23,947,552,341.95 which relates to the rehabilitation of Nakasongola Airport by the Authority on behalf of Government (Ministry of Defence). However, there is no evidence that Government had made a commitment to reimburse the amount. There are thirty (30) MDAs owing the Authority a total of UGX.46,095,507,627 in unremitted rental fees representing 90% of the total debtors position. UCAA did not have tenancy agreements with some of the government bodies and did not have a recovery plan for the Government debtors. The Authority submitted the financial statements for the year ended 30th June 2018 on 20th December 2019 which was 415 days beyond the stipulated deadline of 31st October 2018. There were a number of contraventions to the Government Concession Loan Agreement between GoU and EXIM Bank of China for the upgrading and expansion of the Entebbe International Airport. These include: failure to open the Repayment Reserve Account; failure to bank revenue collections on Escrow accounts; failure to comply with the budgeting requirements for funds on Escrow accounts; and delays in project implementation leading to increase in commitment fees. Shortcomings were observed in the certification and licensing of local aerodromes under UCAA jurisdiction such as: aerodromes registered by CAA but not issued with construction permits; aerodromes operating with expired licenses; and aerodromes operating without approved aerodrome manuals and environmental impact assessment reports. The authority did not have any concession agreements with its jet fuel suppliers as required. Further, the price of USD 5 charged for each gallon had never been revised since inception of throughput fuel supplies (over 10 years ago). There were weaknesses observed in governance and staffing such as: the over-stay of board members and non-specification of their term limits; staffing gap of 20% and overstaffing of certain directorates.
4	Civil Aviation Authority 2019 Opinion Qualified	<ul style="list-style-type: none"> The Authority yielded a surplus of UGX 14.061Bn representing 6% in excess of the approved budget, indicating a possibility of setting unrealistically low targets for revenue collection. The authority planned to achieve its deliverables through implementation of 43 outputs. I sampled 18 outputs representing 42% of the total budget and noted that only one (1) output was fully achieved; three (3) outputs were partially achieved while fourteen (14) outputs representing 78% were not implemented at all. <p>There were delays in the procurement process ranging from 12 months to almost 4 years.</p>
5	Uganda National Roads Authority (UNRA) Opinion Qualified	<ul style="list-style-type: none"> Expenditure totalling to UGX 341.2Bn was diverted without authority from planned activities to finance other activities. The entity made payments for Un-budgeted for domestic arrears amounting to UGX.224.5Bn. There was a shortfall in releases amounting to UGX.556.61Bn representing 17.8%. Further, the entity remained with unspent balance of UGX.382.999Bn representing an absorption level of 85.12%. I sampled 18 out-puts representing 32% of the total outputs and noted that 2 outputs/activities representing 11% were fully implemented; 14 output/activity representing 78% was partially implemented while 2 output/activity representing 11% was not implemented at all. Delayed compensation for acquisition of land for right of way affects implementation of approved projects. Domestic arrears increased (by 110.4% from UGX UGX.224,723,792,116 in the previous year to UGX.472,844,113,257 in the year under review. The arrears remained unsettled at the close of the year.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> I noted that there was a decrease in contingent liabilities of UGX 129,521,195,012 from UGX 430,013,722,276 reported in the previous year 2017/2018 to UGX 300,492,527,264 reported in 2018/2019, this amount is still substantial. Receivables due to UNRA as reported in the statement of Financial Position amounted to UGX 566,847,145,236. UNRA made incurred nugatory expenditure amounting to UGX 8,099,940,759 and USD 880,448.97 that arose out of penalties for the court cases and interest on delayed payments of advances and IPCs invoices from various contractors. Engineering Audit of a selected sample of Road Development, Bridge, Rehabilitation and maintenance Projects revealed issues such as inadequate designs and planning, underestimation of quantities, inclusion of unnecessary items in contracts, delayed handover of the sites to the contractor, gaps in contract administration, avoidable interest on advance payment, delayed payments to the contractors, improper choice of contract methodology, increase in project costs due to payments in foreign currencies among others I noted delays in effecting payments for certified works with payments being made after 56 days, while some stretching to over 6 months. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include Performance Appraisals and lack of mechanism to monitor staff attendance. I reviewed land compensation activities on a sample of roads and noted issues such as failure to publish legal notification and gazette of land for public use, failure to set a cut-off date on Kampala Northern bypass project phase 2, delays in payment for valued land and properties, payment of PAPs (at non-reviewed rates) and delays in transfer of titles to Government In noted delays in delivery of procurement supplies worth UGX 24,018,395,488 occasioned by the lengthy processes of opening up and amending letters of credit with Bank of Uganda.
6	North Eastern Road Corridor Asset Management Project (NERAMP) Opinion Unqualified	<ul style="list-style-type: none"> No material issues to be reported on.
7	Busega-Mpigi Road Opinion Unqualified	<ul style="list-style-type: none"> During the financial year ended June 30, 2019, no disbursements were made towards the Project activities. Cumulative disbursements represent 0.69% of the Project approved loan amount of UA 42,500,000. Delayed project implementation which has led to continued accumulation of both Commitment and Service Charges that amounted to UGX 2,428,651,381 and UGX 4,189,238,814 respectively.
8	Road Sector Support Project V Opinion Unqualified	<ul style="list-style-type: none"> Delays were observed in the implementation of the Project. The cumulative physical progress of the Rukungiri-Kihiihi road as of end of June 2019 was 0.87% against a plan of 5.36% while that of the Bumbobi-Lwakhakha road was 55.51% against a plan of 63.32%. RSSP-5 Project Surplus funds worth UGX 2,138,494,119 were utilized on other UNRA projects without authorization.
9	Uganda Road Fund (URF) Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX 1,550,818,598 representing an under release of 0.3% of the budget. Further, the URF remained with unspent balance of UGX 9,505,000 representing an absorption level of 99.9%. URF planned to implement and achieve a number of outputs. However, most of the major outputs relating to road maintenance that were reported as achieved were not supported with adequate evidence. I further observed that some of the planned activities were not achieved, for example; out of the 10 fixed and 10 mobile weigh bridges that were to be operated, only 8 fixed and 4 mobile weigh bridges were operated.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS	
		<ul style="list-style-type: none"> Funds worth UGX 320,570,436 were charged on items that do not reflect the nature of the expenditure as defined under Government Chart of Accounts without seeking the necessary approval. I noted cases where the information reported in the annual performance reports by the Fund Management was either incomplete or inconsistent with the disclosures made in the financial statements. The Fund did not prepare a summary of its ongoing court cases that could potentially result in contingent liabilities. Corporate governance issues that negatively affected the operations of the URF were observed. These included: inharmonious relationship between the Board Chairperson and the Executive Director; the Audit Committee did not sit for the whole year; existence of a hostile environment and disharmony amongst Board members; inharmonious relationship between the Board and staff; failure to appraise the Board as an organ, its members and the various committees and; lack of regulations for operationalization of the URF Act. Allocation of funds to other organizations (agencies) to cater for road maintenance activities without following the criteria specified in the URF Act. Out of UGX 35,620,000,000 requested for by the District/ Municipal Councils as emergency funding for road maintenance, only UGX 3,565,833,979 was remitted to the various districts and urban councils. It was also observed that the releases are not timely. With regard to emergency/special interventions, the Board is involved only in the approval of the annual budget of URF but is not involved in the approval process of the monthly/quarterly allocations of emergency funds to local Governments. URF does not have an updated Public road network database that would form the basis of all road fund activities across the country. There is inadequate monitoring and evaluation of emergency fund activities by URF Management. The monitoring by the Councils and District Committees was also observed to be inadequate. Shortcomings were noted in the implementation of the URF Human Resource Policy 2018 in relation to staff performance management. The gaps identified include non-completion of the performance improvement plans and lack of a rewards and sanction committee. URF and Public Procurement and Disposal of Public Assets Authority (PPDA) jointly entered into a contract for the construction of PPDA-URF office building and the parties agreed to contribute funds in equal proportion to finance the project. However, this was not the case as URF had contributed only UGX 6,951,244,883 while PPDA had contributed a total of UGX 11,399,139,233 by 08/10/2019. 	
	LANDS SECTOR		
1	Ministry Lands, Housing and Urban Development <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> The Ministry paid UGX.11,210,372,950 as compensation for land earmarked for Amuru Sugar Project. The clauses in the deed of settlement require harmonisation to clarify whether it was acquisition of land or compensation. I sampled 40 out-puts worth UGX.39,920,085,800 representing 67% of the total budget for review and noted that of the quantified outputs/activities assessed, 16 outputs/activities representing 40% were fully Implemented and 10 outputs/activities representing 25% were partially implemented. Further, 14 outputs/ activities representing 35% contained some activities that were quantified and others not quantified. The ministry had a total of 85 claimants, with a debt of UGX.30,885,958,764 as at 30th June 2018. After revaluation of earlier settled claims, total claims in the year amounted to a sum of UGX.53,447,591,764, out of which only 7 persons were paid a total of UGX.22,437,135,000 during the year leaving a balance of UGX 31,010,456,764. The Ministry had several disciplinary cases that have taken longer than the required period to be resolved. I noted that 4 cases took two years to be resolved leading to dismissal of the officers concerned. 	

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> The ministry has only filled 512 positions out of the 839 leaving 327 positions vacant. Out of the 327 vacancies, 160 vacancies are for senior positions. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include non-completion of Performance Agreements, no quarterly reviews undertaken, no performance improvement plans prepared, non-submission of reports on Performance Agreements, Performance Appraisals, Performance Improvement Plans to MoPS and lack of mechanism to monitor staff attendance.
2	Albertine Region Sustainable Project (ARSDP) - Lands Opinion Unqualified	<ul style="list-style-type: none"> No material issue reported.
3	Uganda Land Commission – ULC (FY 17/18) Opinion Qualified	<ul style="list-style-type: none"> The payables position remained at UGX.7,162,227,073 in both the current and previous years implying that no settlement of the commitments was made during the year. The outstanding claims for land compensation stood at UGX.144,890,491,798. However, this was not reflected in the financial statements as payables or in the statement of outstanding commitments. Expenditure analysis revealed that a total of UGX 397,979,311 was charged on items which do not reflect the nature of the expenditure. Audit noted that whereas MoFPED had opened the Land Fund Account, it was found dormant; the compensation funds are still budgeted for and received under the development component of "support to Uganda Land Commission" on the ULC Budget. A review of the Commission performance for the year revealed that the finalization of the ULC bill was delayed despite issuance of the certificate of implication by MOFPED on 10th October 2018. The Commission issued new leases over existing leaseholds resulting in lawsuits and subsequent awards of over UGX.26,012,937,524 by courts which was much higher than the lease premiums paid to the Commission of UGX. 1,064,367,000. The Commission liabilities accumulated to UGX 14,812,935,000 during the financial year 2017/18 without committed funds. The Commission does not have a complete land inventory for all its land and properties that are occupied by tenants, vacant, acquired under compensation (but not yet re-distributed to the bona fide occupants), and acquired and owned by other government institutions and missions abroad.
4	Uganda Land Commission – ULC (FY 18/19) Opinion Qualified	<ul style="list-style-type: none"> Out of the approved budget of UGX.43,457,802,009, only UGX.42,673,802,021 was warranted/released resulting into a budget shortfall of UGX.783,999,988 representing 2.5%. The payables balance was adjusted by UGX.187,522,407,261, from UGX.7,162,227,073 as at 30th June, 2018 to UGX.194,684,634,334, as indicated in the statement of changes in equity. However, the relevant supporting journals and documents were not availed for review, rendering the genuineness of the liabilities doubtful. ULC allocated land on block LRV 4407 Folio 12, Plot 5 measuring 1.528 hectares in Entebbe Municipality, to Masindi Hotel Limited vide minute 40/2009(a)(37) which paid a premium of UGX.101,667,000. This was done without prior verification and without consent (no objection) from the user of the land (Fisheries Training Institute) and there was no evidence of physical inspection of the same land by the Commissioners. This resulted into a dispute, and Masindi Hotel Limited was paid damages totalling to UGX 1,965,520,000. A total of UGX.708,096,021 was mischarged on items which do not reflect the nature of the expenditure of the Commission. Payments worth UGX. 9,961,368,946 lacked supporting documents in form of offer letters, acceptance letters, valuation reports, survey reports; copies of titles, survey reports, invoices, delivery notes, goods received notes and local purchasing orders.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> The Commission does not have a land inventory for all government land and properties under its jurisdiction that are either occupied by tenants, vacant, acquired under compensation (but not yet re-distributed to the bona fide occupants), or acquired and owned by other government institutions and missions abroad.
5	<p>Uganda Support to Municipal Infrastructure Development Programme (USMID) – 1</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> It was noted that the project fell short of some measurable indicators as targeted outputs for infrastructure completed by participating municipalities, Roads, street lights and drainage rehabilitated and Garbage collected and disposed (tonnes) were not fully achieved I noted that some MLGs did not meet the desired Disbursement Linked Indicator as one entity did not fully adhere to eligible expenditures requirement for the use of funds and Four (4) MLGs did not meet some of the minimum conditions.
6	<p>Uganda Support to Municipal Infrastructure Development Programme – Additional Funding (USMID – AF)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> Out of the approved budget of UGX 239,525,034,000 (US\$ 64,100,000), a sum of UGX 207,238,720,570 (US\$ 55,459,764.5) was realized resulting into a shortfall of UGX.32,286,313,430 (US\$8,640,235.5) representing 13.5 %. Out of the receipts of UGX 207,238,720,570 (US\$55,459,764.5), a sum of UGX 3,759,622,196 (US\$ 1,006,123.5) was spent indicating an absorption rate of only 1.8%. However, UGX 203,479,098,374 (US\$ 54,453,640.9) was not absorbed because of late receipt of funds which was on 28th June, 2019, two days to the closure of the financial year. The effective date for the commencement of the Project was 1st October, 2018 and it is expected to close on 31st December, 2023. However, the project was declared effective on 11th April, 2019, hence a delay of nearly six months.
	ACCOUNTABILITY SECTOR	
1	<p>Ministry of Finance, Planning and Economic Development (MoFPED)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> In 2014/15, a private company incurred UGX.556,611,600 in demurrage charges in respect of raw materials warehoused at a customs bond because of government's failure to perform its timely obligation. The raw materials were housed pending processing of taxes under the government of Uganda intervention in the textile sector for financial year 2014/15. The payment effected by the company was later refunded by Ministry of Finance in the financial year ended June 2019. A review of the statement of revenue collected during the year revealed that management did not budget for the NTR collections for the year despite the entity collecting a sum of UGX.13,661,442,500. The Ministry should have based on the prior year collections that related to recurring collections to budget for the NTR. I noted that, contrary to section 45 of the PFMA, funds to a tune of UGX.21,009,555,095 that were appropriated for subventions were not transferred to the subventions but rather requisitions were being sent to the Ministry for processing and Expenditure. The subventions could not easily track expenditure and were thus unable to prepare financial statements as required by their respective Acts. The Accounting Officer did not make sufficient budget provisions towards the settlement of domestic arrears despite the accumulation of a total of UGX.200,749,583,393 in un-paid obligations. The amount provided in the budget for 2018/19 was only UGX.16 bn which is 8% of the reported arrears for the previous financial year. Notably, the ministry owes UGX. 376,863,312,911 in tax refunds and incentives due to the Uganda Revenue Authority. By the close of the financial year, the unsettled obligation in relation to subscriptions to international organisations stood at UGX.63,231,892,784 and some were dating as far back as financial year 2014/15. I established that the Ministry recognized in its financial statements outstanding obligation to pay tax incentives worth UGX.368,422,413,913 on behalf of selected tax payers. The reported figure includes penal interest of UGX.69,162,909,731 due to delayed payment. This is wasteful.
2	National Population Council	<ul style="list-style-type: none"> Despite the Council receiving more than 100% of its budget, a number of the planned activities were not fully implemented during the year these included; establishing a functional population

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
	Opinion Unqualified	<ul style="list-style-type: none"> Management Information System (MIS) for the Council; conducting consultative meetings of Stakeholders on the Population MIS; Disseminate and popularize the revised NPP among others. Contrary to the National Planning Authority (NPA) guidance on alignment of the entity strategic plans with the National Development Plan III, the council's strategic plan runs one year ahead of NDPIII. Contrary to Section 7 (3) (b) of the NPC Act, 2014, the Council had delayed in the operationalization of the National Population Databank, by close of audit only a prototype had been developed. Out of 86 (Eight Six) approved positions by the Ministry of Public Service, only Fifty-Nine (59) positions are filled leaving 27 (Twenty seven) positions vacant greatly affecting the performance and overall achievement of the Council's goals and objectives. Contrary to Section 27 of the Public Service Standing Orders the Council is yet to develop and operationalize a client's charter as required by the Standing Orders.
3	Project for Financial Inclusion in Rural Areas (PROFIRA) Opinion Unqualified	<ul style="list-style-type: none"> Field visits revealed that four mature Community Saving and Credit Groups (CSCGs) from Northern Uganda were still not linked to formal Financial Institutions for credit and savings services, implying that funds are still kept at home. This exposes the funds to theft and denies the groups the much needed financial services ranging from saving, credit and financial advice. Interaction with some CSCGs revealed that they are not yet linked to financial services for fear of having their savings taxed by Government. It was observed that contrary to the terms of the Funding Agreement, loan funds worth UGX.29,494,239 were used to pay for taxes without approval from the funder. This contravenes the project agreement terms and may attract penalties from the funder. Management explained that the transactions related to payments made to suppliers between 14th and 30th June 2019 and preparations to have these moneys refunded were underway.
4	The Third Financial Management and Accountability Programme (FINMAP III) Opinion Unqualified	<ul style="list-style-type: none"> The statement of Basket Holding and Operation Accounts is prepared to assist the Programme in complying with the MoU requirements and the accounting policies specified under note 1 which describes the basis of accounting. As a result, the financial statements may not be suitable for another purpose.
5	Uganda Revenue Authority (URA) – Revenue Opinion Unqualified	<ul style="list-style-type: none"> I noted that during the year under audit, URA did not collect Gaming and Pool Betting Taxes and the related Withholding taxes amounting to UGX.57,566,203,552 comprised of UGX.4,175,154,095 as Gaming Tax from 20% of total sales less total pay-outs and UGX.53,375,795,109 being 15% Withholding Taxes from payments to winners. URA did not collect taxes in form of VAT and corporation tax from Government suppliers to the tune of UGX.34bn. Some suppliers received VAT from Government and never remitted it while others under declared their sales to URA. Contrary to the law, UGX.2,085,861,790,860 was refunded to taxpayers who had other outstanding tax obligations. This not only contravenes the law but also denies the government the much-needed revenue. A review and an analysis of the High-Risk Goods Customs Report revealed that high-risk goods worth UGX.73,365,043,278.70 were not tracked until their final destination as there was no evidence in the form of serial numbers for the e-seals used to track them. Under the circumstances, there is a risk that some of the goods could have been dumped into the market without payment of taxes. A sum of UGX.473,830,810,372 was realized from tax heads which had no budget figures. UGX.479,636,211,818 received by BOU from Government Ministries, Departments and Agencies and Local Governments on behalf of URA as Taxes remained un-receipted due to failure to identify the tax head to which it belongs.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> • URA does not seek information from a number of Government agencies yet it would be vital for tax assessment and collection. On the other hand, some Government agencies are also not cooperating with URA to foster the collection of revenue. The continued operation in silos is costing the nation a lot in form of taxes lost. • Several taxpayers with VAT offsets totalling to UGX.816,112,710,512 were not subjected to a VAT monthly return verification process by the respective URA officers to establish why they are declaring more input tax (purchases) than output tax (sales) for the period under review. • A review of Turnover Vs VAT sales declaration report revealed that 395 taxpayers had their total sales as per the Income-tax returns (UGX.550,828,894,035) higher than the total sales in their VAT tax return (UGX.24,512,744,422) resulting into an under declaration of sales by UGX.375,747,916,326. There was no evidence to show that URA officers examined the returns and that the variances were reconciled. • A review of financial statements, revealed an increase in Customs and Domestic taxes arrears for the last seven years from UGX.228,883,764,700 in 2012/2013 to UGX.4,502,668,531,544 in the financial year 2018/2019. Customs tax arrears registered a growth of 148% while Domestic tax arrears registered a growth of 2,233% from UGX.188,680,811,140 during 2012/2013 to UGX.4,403,109,345,590 in 2018/2019. • Government has accumulated tax arrears from as far back as 2005 and whereas the principal tax is UGX.569,437,538,931 this has accrued interest to the tune of UGX.293,801,215,737. I noted that since committing to settle the taxes, the government has not paid. • URA Management had planned to grow the rental taxpayer register to at least 4,000 taxpayers but only 2,758 (68%) taxpayers have been added on to the Rental Register in the year under review. In addition, URA did not examine Landlord declarations (returns) on 970 taxpayers for accuracy and completeness to curb gross under-declaration of rental income. • During the year ended 30th June 2019, the URA compliance Improvement plan had targeted to carry out audits on 527 taxpayers. It was however noted that only 73 audits were undertaken representing 14% performance level. The Audits managed to raise assessments worth UGX.158,814,818,470 with cash collections of UGX.15,241,911,313 representing 10% of the amount assessed. The Audits were deferred because of staff resource constraints. • A review of the refunds portfolio indicated that URA had a balance brought forward of tax refund claims worth UGX.475,945,431,903 and new cases in the FY 18/19 totalled to UGX.704,568,896,011 making a total tax refund claims in the FY of UGX.1,180,514,327,914. However, a provision of UGX.338bn was made against a claim of UGX.1.2 trillion pointing to underfunding. • URA invested heavily in the E-tax system with a major focus of easing tax administration and having accurate tax figures for all taxpayers. Review of a sample of corporation tax ledgers revealed wide variances with figures reported in the accounts implying the tax ledger are inaccurate.
6	<p>Uganda Revenue Authority (URA) – Corporate Services</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> • URA irregularly used the direct procurement method to procure furniture for the new building at UGX.4,461,861,429. The same procurement had earlier been competitively procured at UGX.2,271,537,719; however, change of method led to price escalation by 70%. In addition, URA irregularly used the direct procurement method for the procurement of a Digital Stamps-IT Solution at a price of UGX.2,698,888,960. • Contrary to Section 11 of PFMA 2015, URA made cash withdrawals to the tune of UGX.15,859,047,868 to pay air tickets, car hire, staff salary advances and allowances among others all of which can be avoided. This issue was raised in the previous years' audit reports and management pledged to curb cash payments; it was, however, noted that cash withdrawals have instead increased from UGX.4,576,395,689 in 2016/17 to UGX.12,985,802,703 in 2017/2018 and currently at UGX.15,859,047,868. • I noted that although UGX.1.2 billion was provided to cater for legal fees and expenses in the approved budget FY 2018/19, UGX.1,826,030,667 was spent on legal fees and expenses without authority leading to an over-expenditure of UGX.626,030,667.

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		<ul style="list-style-type: none"> I observed that URA opted to procure an Enterprise Resource Planning System at a cost of UGX.32,079,727,632 without approval from NITA-U. Inquiry from NITA(U) revealed that the system acquired by URA is already available under the IFMS and IPPS and any missing modules could have been procured at a much cheaper price.
7	<p>Treasury Operations</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> Review of the receivables revealed that Treasury Operations had accumulated receivables to a tune of UGX.6,883,829,522,145. Included in the receivables is UGX.10,437,202,971 that was lent by government to private enterprises for which no recovery has been effected since 2013. Included in the reported investments is UGX.2,100,000,000 relating to the government's investment in J and M Airport Hotel. There was however no share certificate in place to support the shareholding of government in the said company. It was also established that the property in issue had been purchased by the National Social Security Fund for which no sale proceeds were remitted to the consolidated fund on account of GOU's shareholding. Although government owns 25% shareholding in this company, audit could not confirm the value of the shares as at the close of the year as these were not disclosed in the financial statements. There is also no evidence of oversight and supervision of the company by the Ministry of Finance, Planning and Economic Development. Under the circumstances, there is a risk that Government could be losing revenue from these investments. The Government of South Sudan (GOSS) and the Government of Uganda (GOU) on 22nd December 2016 entered into a Bilateral agreement in which GOU agreed to pay USD.41,623,559.95 to Ugandan Traders within 12 months and seek reimbursement from the GOSS. Following the agreement, the GOU paid a total of USD.10,872,519 in 2019 to the account of the Uganda traders and suppliers association Ltd. Whereas the agreement required the Government of Uganda to pay all the compensation within 12 months period of signing the agreement, only 27% had been paid as at the date of the audit due to lack of funds. The reported total public debt as at 30th June, 2019 stood at UGX.46,057 Billion of which Domestic Debt Stock was UGX.15,221 Billion and the External Debt Stock was valued at UGX.30,385 Billion. This is an increase of UGX.4,611 Billion equivalent to 11.1% compared to the debt stock of UGX.41,446.11 Billion reported as at 30th June 2018. Public debt is continuously on the rise, a fact that is attributed to persistent budget deficits (mismatch of government revenue and expenditure), rollover of liquidity papers, new borrowings for various development projects and foreign exchange loss arising from the depreciation of Ugandan Shilling against stronger currencies. A critical analysis of the domestic debt payments suggests that the burden of servicing maturing obligations and interest accounts for 97% of the new money borrowed. In essence, we borrow to pay debts; this is likely to raise the dependence of Government on the domestic market which may lead to an increase in interest rates. A review of interest movements on the LIBOR revealed that government has not yet benefited from the SWAP agreements it entered with the two banks. I noted that since the commencement of the arrangement, the LIBOR has been lower than 2.58% and as a result, government has incurred an additional cost of UGX.18,454,082,769 in interest to the commercial banks. It is not clear whether the decision was made after a comprehensive cost-benefit analysis was undertaken. A trend analysis of commitment fees paid over a three year period revealed a 148% increase between 2017/18 and 2018/19 from UGX.36bn to UGX.90.6bn. The increase in commitment fees is as a result of unfavourable loan terms and the failure by GoU to draw down and absorb contracted government debt. Some Loan agreements require GOU to open escrow accounts where the government was expected to make advance deposit of funds over the tenure of the loan required for the repayment of the loan. It was observed that the total balances in the escrow accounts opened as part of loan agreements stood at UGX.263,337,725,737 as of 30th June 2019 up from UGX.150,430,774,884 at the close of last year. The practice causes financial strain to the cash flows of the country. 13 out of 15 MDA's which were on lent have never made any attempt to repay the loans. The outstanding amount is UGX.6,873,369,390,073. There were no criteria/policy in place to assess

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		which MDAs to on-lend and there was no mechanism, conditions set by Government to the Accounting Officers to do what is necessary to repay the borrowed funds or penalize those that do not comply with the contracts of on lending.
8	Public Procurement and Disposal of Public assets Authority (PPDA) Opinion Unqualified	<ul style="list-style-type: none"> I observed that out of the budgeted revenue of UGX.24,851,777,620, the entity received UGX.22,822,513,121 representing about 91.8% of the approved budget. This resulted into a shortfall of UGX.2,029,264,499 (representing about 8.2% of the approved budget). Out of the warrants amounting to UGX.22,822,513,121, a total of UGX.22,703,512,878 was actually spent by the entity resulting into unspent balance of UGX.119,000,243, which was swept back to the consolidated fund account at year end. Unspent funds point to inability to fully implement all planned activities. I observed that as at 30th June 2019, payables had increased to UGX.229,000,860 up from UGX.55,820,379 as at 30th June 2018. Accumulation of domestic arrears contravenes the commitment control system. I reviewed the Internal Audit Quarterly Report for October to December 2018 and observed that PPDA Human Resource Manual 2015 had not been updated with current practice and decisions and was not aligned to the Employment Act 2006.
9	PPDA Appeals Tribunal Opinion Unqualified	<ul style="list-style-type: none"> The PPDA Tribunal uses the Procurement Unit of the Ministry of Finance Planning and Economic Development (MoFPED) to undertake its procurements. The practise presents a risk of conflict of interest in the event that bidders were to file cases against MoFPED to the same Tribunal. No internal audit function was performed at the Tribunal for the year ended 30th June 2019. Analysis of the staffing position of the Tribunal revealed that out of 15 approved positions, the Tribunal has filled 10 positions. Of the vacant 5 positions, 3 are critical to the running of the Tribunal. These are the Deputy Registrar, Senior legal Officer and a Human Resource Officer.
10	Directorate of Ethics and Integrity (DEI) Opinion Unqualified	<ul style="list-style-type: none"> Audit noted that a number of planned activities were not implemented. Some of the key unimplemented activities include; Mainstreaming of National Ethical Values in Cultural Institutions, Popularization of Information Education and Communication Materials on National Ethical Values in 25 Local Governments, Conducting gender and equity responsive meetings of the IAF Technical Working Groups, Preparation of Internal Audit Reports and Apprehension and Prosecution of Pornography Offenders. Non-implementation of planned activities affects the Directorates' level of service delivery and negatively impacts on the achievement of its overall objectives. It was noted that the Directorate Budgeted to receive revenue amounting to UGX.5,152,098,953 for the year ended 30th June 2019, but only UGX.5,001,165,477 was released representing performance of 97.07 % of the target. The observed performance was attributed to budget cuts. Failure to receive all the appropriated funds affects implementation of planned activities. It was observed that from a total budget of UGX.5,152,098,953, UGX.5,001,165,477 was warranted. Out of these warrants, only UGX.4,827,981,679 was spent hence UGX.172,183,798 was not absorbed by the entity. The absorption level was at 96.53%. Failure to absorb funds defeats citizens timely access to services. It was observed that although the Directorate holds a huge mandate of national importance, it is devoid of the financial ability and the human capital to handle the mandate. As a result, the Institution is said to be un-attractive to the workforce and whenever jobs are advertised, there is little or no response to the advertisement.
11	Insurance Regulatory Authority (IRA) Opinion Unqualified	<ul style="list-style-type: none"> Inconsistencies were observed between the Insurance Act and PFMA 2015 Act regarding financial management of the Authority necessitating further guidance on how semi-autonomous institutions like IRA will implement such contradicting provisions. I observed that the Authority has accumulated outstanding payables amounting to UGX.3,335,741,881 which contravenes Section 5.0 of the Insurance Regulatory Authority Accounting Manual. The Authority failed to undertake all the planned activities in relation to the construction of the IRA Office building. The Authority was only able to absorb UGX.8,786,196,874 out of the planned

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> UGX.18,000,000,000 for the construction of the IRA office building. The construction works were behind schedule by almost 6 months. A review of the Authority's expenditure revealed that a total of UGX.66,488,136 was charged on different expenditure codes without approval of the Finance Committee of the Board. On the 17th of May 2019 the Insurance Regulatory Authority awarded and signed a contract for the supply and Installation of a Finance and Accounting Management Module Software valued at UGX.146,172,500 with a service provider who had been suspended by PPDA for two (2) years effective 13th May 2019 over forgery of a performance security. Irregular cancellation of the Best Evaluated Bidder Notice for procurement of Catering services worth UGX.200,438,340 was observed despite the complainant not being a bidder in that procurement. I observed that whereas, the Human Resource Manual stipulates that staff shall not incur internal loans/advances requiring monthly recovery exceeding 40% of their net salary, the Staff Loan Policy 2015, stipulates that the take home of staff shall not fall below 40% of net pay. That is a contradiction which needs to be addressed. The Authority disbursed funds amounting to UGX.220,656,300 from the operations account, as loans to staff, instead of maintaining a separate loan account for a fund from which such loans would be administered on a revolving basis. A review of the IRA staffing position indicated that the Authority had only filled 32 staff positions out of the approved 63 positions leaving a total of 31 (49%) positions vacant. The Authority had not established a policyholder's compensation fund that is meant to build a reserve fund. The Authority has no Ombudsman to arbitrate complaints and disputes concerning licensees and the general public. I observed that no effort had been taken by the Authority to sensitize, partners, insurance firms and the public on what third party insurance is, its benefits, claims, rights and obligations thereof leading to unclaimed third party insurance funds and denial of benefit to the community, specifically accident victims.
12	<p>Financial Intelligence Authority (FIA)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> It was noted that 25 posts out of the approved 64, remained vacant including the key posts of; Director Legal, Inspection and Compliance; Director Audit; Director Finance & Administration among others. The Authority has not developed a client charter as required by the Public Service Standing Orders. The Authority does not have a formal policy in place to recognize and reward exemplary performance by its staff as required by the Public Service Standing Orders. Whereas dealers in precious metals are licensed by Ministry of Energy, the sector is not regulated. The Authority has no policy guidelines to the unregulated sectors and given the staffing issues it currently has, it is impractical that FIA can be the regulator of a sector with over 2,500 agencies. A review of the Anti-Money Laundering Act 2013 (as amended) and its accompanying regulations however showed that the Authority does not have in place administrative sanctions in case of breach of the law by accountable persons.
13	<p>Uganda Investment Authority (UIA)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.3,184,389,944 representing 22.8%. This limited the Authority's capacity to fully implement all the planned activities. Further, the entity remained with unspent balance of UGX. 648,019,201representing an absorption level of 94%. Failure to fully utilize available funds points to inability to effectively implement all planned activities. I noted a number of positions that were vacant. Out of 124 established positions, only 66 were filled leaving 58 vacant. Vacant posts limit the Authority's capacity to effectively implement its mandate.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
14	Uganda Retirement Benefits Regulatory Authority (URBRA) Opinion Unqualified	<ul style="list-style-type: none"> A total UGX.623,022,841 which remained unspent in FY 17/18 was spent in the year under review without authority. Management again failed to spend a total of UGX.1,275,864,068 appropriated in the year under review (FY 18/19) and has not returned it to the Consolidated Fund. Three (3) Retirement Benefit Schemes did not submit their audited financial statements as required and the Authority has no mechanism to promptly enforce compliance other than through the tedious court process. The Authority failed to develop Informal sector regulations by the end of FY 2018/19 as planned, despite having two schemes already operating.
15	Deposit Protection Fund Opinion Unqualified	<ul style="list-style-type: none"> No material issues to be reported on.
16	Uganda Microfinance Regulatory Authority (UMRA) Opinion Unqualified	<ul style="list-style-type: none"> A review of the statement of revenue collected during the year revealed that management did not budget for the NTR collections for the year despite the entity collecting a sum of UGX.502,410,000. Comparison of the budget with the actual expenditure incurred indicated that the entity violated the approved budget and overspent on various items to the tune of UGX.944,283,498. There was no evidence that prior authority was sought from a relevant organ to incur over expenditures on the above budget lines. This was therefore irregular and was attributed to weaknesses in budgetary control and under budgeting. A review of the annual work plan for the period ended 30th June, 2019 revealed that a number of the planned activities budgeted at UGX.605,906,940 were not implemented during the year. It was noted that management disregarded a Board resolution to pay salary increments effective November 2018 and effected increments from July 2018. As a result, management irregularly paid UGX.116,700,000 in relation to salary arrears. Contrary to section 11 of the NSSF Act, I noted that UGX.247,950,000 was paid to staff in lieu of gratuity but the Authority did not deduct the 5% Individual National Social Security Fund contribution totalling to UGX.12,397,500. Also noted was that the entity did not recover the 10% Employer contribution amounting UGX.24,795,000.
17	Privatization and Utility Sector Reform Project (Divestiture & Redundancy Accounts) Opinion Unqualified	<ul style="list-style-type: none"> Review of the payables figure revealed that taxes in respect of PAYE and Withholding Tax worth UGX.1,670,807,206 and UGX.13,271,794 respectively were deducted but not remitted to URA in the year under review. As a result, the Payables figure in relation to taxes increased from UGX.6,431,654,000 in 2017/18 to UGX.8,115,733,000 in 2018/19. Analysis of receivables due from outstanding sales proceeds of Government companies amounting to UGX.124.9 billion revealed that some of these receivables had been outstanding for long periods of up to 23 years and there was no movement in the debtors' figures. Notable examples include sales proceeds from African Textile Mills, Uganda Hotels Limited Lira and Hilltop Hotel, and receivables from Government in regard to URC Nsambya land and Uganda Consolidated Properties. Section 26(1) of the PERD Act 2003 vests the responsibility of withdrawal of funds from the Divestiture Account with the Minister responsible for finance. I was however, noted that a total of UGX.2,864,280, 593 was withdrawn from the divestiture Account to finance operations of the Privatization Unit without the Minister's approval. Contrary to section Section 5(1) of the PERD Act, the Privatisation Unit offered a 50-year lease of Maruzi ranch to a private company at a lease premium of UGX.872,700,000 without the approval of the Divestiture and Reform Implementation Committee (DRIC).
18	Uganda Bureau of Statistics (UBOS) Opinion Unqualified	<ul style="list-style-type: none"> Though UBOS received UGX.49,419,626,847 (100%) only UGX.46,460,740,491 was actually absorbed (performance of about 94.01%), leading to unimplemented activities worth UGX.2,958,886,356.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> • UBOS had arrears to the tune of UGX.80,717,284 in respect to property rates outstanding from prior year and no budget provisions had been made towards settlement of domestic arrears. These arrears were paid during the financial year by diverting of funds for other planned activities. • I observed that total deductions on the gross salaries exceeded the 50% limit of deductions for majority of the staff of the Bureau. Some staff had deductions of between 80% and 100% of their salaries. • I noted that the Bureau has not developed a client charter as required by the Public Service Standing Orders. Further noted was that UBOS lacks a rewards and sanctions committee. • The DFID Project estimated to cost UGX.4,684,073,022 with activity on data collection which was planned to end in April 2019 and report concluded at end of June 2019 had not yet started by the time of audit in July 2019. • I observed that the project implementation started in August 2019, after 17 months delay. This was attributed to delayed implementation of the project which may negatively affect subsequent release of the funds for project completion.
19	<p>Uganda Property Holdings Limited (UPHL)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> • The company's trade and other receivables increased from UGX.1,890,499,800 in 2017/18 to UGX.3,178,262,050 in 2018-19 registering an overall increase of 68%, which is an indication of poor debt recovery by the Company. • I noted that the Company does not possess a certificate of land title for land located on JJA 191 Folio 8 Plot 3 (M82) Industrial Estate Link in Masese, Jinja measuring 8.588 hectares. • A number of the Company Ware house roofs have been renovated but some need to be urgently replaced with iron sheets, while other properties require urgent renovations and continuous repainting because of salty environment that causes paint to peel off the walls and metals to rust. In addition, there is need to transform and/or redevelop some of the properties to maximize value derived from them given their prime locations and the size of the plots.
20	<p>Custodian Board</p> <p>Opinion Qualified</p>	<ul style="list-style-type: none"> • During the financial year 2018/19, the Board collected UGX.493,988,036 but incurred expenditure totalling UGX.1,813,885,978 with the extra funds (i.e. UGX.1,319,897,942) being obtained from the proceeds of the previous years' sale of properties. Spending on operational costs is likely to wipe out accumulated proceeds from the sale of properties. • I observed that there were outstanding balances of rent from government departments and partially paid-up properties since 2005, amounting to UGX.3,667,277,383. • It was observed that the present tenants of the Board are paying rent according to the rates prescribed over ten years ago. For example, properties in prime areas of Kampala are paying rent as low as UGX.300,000 per month. • I noted that the Minister declined to sign and issue certificates of purchase for 10 (ten) properties based on the fact that the properties were in prime areas and the values quoted by the Chief Government Valuer were not in consonance with the market price at the time. • 115 properties whose owners were compensated through the British High Commission and 87 properties whose owners were compensated through the UNHCR way back in 1999 are yet to be valued and offered for sale. • Eighty (80) properties that were redeemed by the Board from financial institutions were not yet sold by the time of the audit awaiting verification and valuation despite cabinet's recommendation that the properties be valued and offered for sale. • It was noted that some properties whose owners were compensated decades ago were irregularly repossessed by new owners.
21	<p>Uganda Free Zones Authority (UFZA)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> • UFZA procured 109 acres of land located on Busiro block 535-540 Wakiso district at a sum of UGX.7,412,000,000, but two years after payment, UFZA has not gained access to the land and has no certificate of title due to encumbrances on the land. A litigation process towards the recovery of the funds through the Attorney General has been initiated. • UFZA signed a contract for the Construction of the Entebbe Free zone with NEC Construction Works and Engineering Ltd six days to the close of the financial year and transferred

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		UGX.7,021,627,146 to NEC; However, no works have been implemented due to a number of reasons.
22	Tax Appeals tribunal (TAT) Opinion Unqualified	<ul style="list-style-type: none"> Contrary to section 48 (1) of the Public Finance Management Act (PFMA) 2015, no provision was made in the structure of the Tribunal for an internal audit function and indeed this role has not been assigned to any staff. Contrary to Section 2.6 (e) of the Circular Standing Instruction No. 1 of 2016, Tribunal staff were last appraised in 2016. There was no evidence of appraisals undertaken for the period after 2016.
23	Bank of Uganda (BoU) Opinion Unqualified	<ul style="list-style-type: none"> No material issues to be reported.
24	Post Bank Limited - 2018 Opinion Unqualified	<ul style="list-style-type: none"> There were impairment of loans and advances to customers. As at 31st December 2018, loans and advances amounted to UGX.265.7 billion, and the impairment losses amounted to UGX.7.13 billion.
25	Pride Microfinance Limited (MDI) – 2018 Opinion Unqualified	<ul style="list-style-type: none"> There were impairment of loans and advances to customers. As at 31st December 2018, gross loans and advances amounted to UGX.152 billion, and the impairment losses amounted to UGX3,810 million, with UGX.1,645 million, UGX.288 million and UGX.1,877 million reported under Stages 1, 2 and 3, respectively.
26	Uganda Development Bank Limited (UDBL) Opinion Unqualified	<ul style="list-style-type: none"> There were impairment of loans and advances to customers. Loan provisions increased from UGX.19.6 Billion as at 31st December 2017 to UGX.34 Billion as at 31st December 2018 and the impairment losses amounted to UGX.14.4 billion.
27	Competitiveness and Enterprise Development Project (CEDP) Component 2-5 IDA Opinion Unqualified	<ul style="list-style-type: none"> There were no material issues to report on.
28	Competitiveness and Enterprise Development Project (CEDP) Component 1 Land Administration IDA Opinion Unqualified	<ul style="list-style-type: none"> The entity remained with unspent balance of UGX.39,691,929,747 (USD.9,812,360) representing an absorption level of only 41%. Failure to undertake quarterly internal reviews.
29	Capital Markets Authority (CMA) Opinion Unqualified	<ul style="list-style-type: none"> No material issues to be reported on.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
30	Microfinance Support Centre Opinion Unqualified	<ul style="list-style-type: none"> The Company credit and risk manual is silent about the classification of the loans for purpose of impairment; the aging analysis extracted from the system and used in the computation of impairment does not show the accrued interest. The Company faces a key challenge in identifying and implementing a suitably relevant and intelligible accounting and business risk management framework that is comparable with conventional finance without failing to comply with Sharia laws; there were no guidelines developed on how to account for the Islamic finance Assets.
31	East African Association of Anti-corruption Authorities (EAAACA) – 2018 Opinion Unqualified	<ul style="list-style-type: none"> Failure by members to meet their annual contributions.
	INFORMATION COMMUNICATION SECTOR	
1	Ministry of ICT Opinion Unqualified	<ul style="list-style-type: none"> Out of the budgeted revenue of UGX.41,795,794,452 for the year 2018/19, only UGX.35,787,545,518 was received representing a performance of only 85.6% of the target. I noted that the entity received off-budget financing to a tune of UGX.110,538,800 which was not channelled through the consolidated fund as required by the law. Out of the warrants of UGX.36,593,191,518, only UGX.35,749,057,573 was actually spent by the entity resulting into an unspent balance of UGX.844,133,945 representing an absorption level of 97.7%. The unspent balances at the end of the financial year were subsequently swept back to the consolidated fund account. An analysis of the outputs/activities that were quantified revealed that, although the entity absorbed 95.3% of the funds that were released for quantified outputs, some of the activities remained either partially or not implemented at all. Out of the 20 quantified activities reviewed, 8 activities representing 40% were fully implemented while 12 activities representing 60% were partially implemented implying a diversion of funds to other activities. I noted that the National ICT Initiatives Support Programme (NIISP) Program does not have a policy to safe guard government's financial interest in companies that have succeeded in developing and commercialising software as a result of receiving funding from government through the innovation fund. This was attributed to failure by government (through PUSATI) to cater for government interest on all the innovations funded by government. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include non-completion of Performance Agreements, no quarterly reviews undertaken, no performance improvement plans prepared, non-submission of reports on Performance Agreements and progress reports on performance improvement plans to MoPS and existence of an expired Ministry Client's charter.
2	Uganda Communications Commission (UCC) Opinion Unqualified	<ul style="list-style-type: none"> The Commission collected, UGX.121,461,302,600 against budgeted revenue of UGX.112,695,862,406 for the year 2018/19 representing performance of 108%. However, some revenue sources like Broadcasting, Postal license and rental income had budget shortfalls ranging between 15% to 35%. Funds amounting to UGX.11,256,377,342 remained committed by the close of the year, while UGX.1,418,895,762 remained unutilized, an indication of under absorption. Out of the outputs worth UGX.27,381,662,430 assessed, outputs for UGX.4,756,528,378 representing 17.3% were fully implemented, UGX.19,457,311,179 representing 70% were partially implemented while UGX.500,000,000 worth of outputs were not implemented at all. I noted that the two major telecom operators in the country have operated their telecom services without licenses for the period of one year since November 2018 to-date, which is contrary to the UCC Act. The Commission therefore has not collected any licensing revenue from the two

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<p>operators for the said period. Failure to renew licenses deprives the Commission of earning revenue and poses a legal risk to the operators, government and the users of the telecom services.</p> <ul style="list-style-type: none"> UCC had not invoiced Uganda Telecom Limited for the different resources since 2015 amounting to UGX.70.3 billion (UGX.38.9 billion being before UTL Ltd went into administration and UGX.31.3 billion post administration). UCC management resolved to discontinue raising invoices to UTL as all invoices raised were not being honoured and yet UCC gets taxed by URA. UCC continues to render additional resources to UTL. Shortcomings were noted in the management of procurements that include doubtful bidding process, awarding contracts above the assessed market value and award of contracts in foreign currency.
3	<p>Rural Communications Development Fund (RCDF)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> The Fund had committed and unabsorbed funds amounting to UGX.6.579 billion as at the close of the financial year under review. It was noted that some of the unabsorbed funds were for activities meant to be implemented in the financial year 2017/18 whose budget was rolled over to 2018/19. Unspent funds imply delayed or non-implementation of planned activities for service delivery. In the last five years, RCDF has invested UGX.41.8 billion in the provision of school computer laboratories and public access centers to schools. However, there was no plan and budget provided for the sustainability of the School ICT Program in terms of developing capacity in schools to handle basic ICT trouble shooting when problems arise and technical capacity to perform basic maintenance of the computer laboratories. Procurements worth UGX.81,200,000 were undertaken using the direct method of procurement without proper justification.
4	<p>Uganda Posts Limited</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> There was a shortfall in revenue collections amounting to UGX.1,478,485,511 representing 7% of the projected estimate of UGX.20,454,671,505. Out of the 23 outputs of UPL that I assessed for FY 2018/19, 11 outputs representing 48% were fully implemented; 6 outputs/activities representing 26% were partially implemented while 6 outputs/activities representing 26% were not implemented at all. Despite entering an agreement with The International Fund for Agricultural Development (IFAD) and Post Bank to Scale up remittances and financial inclusion in Uganda worth EUR.465,000 for 2 years, UPL was entitled to EUR.59,900 but this amount was not included in the budget of the Financial Year 2018/19. Uganda Posts Limited has unpaid up shares totaling 220,513 out of 779,487 issued at value of UGX.25,000 per share in 1998. The unpaid shares of 220,513 is valued at UGX.5,512,825,000. The shares are owned by the Ministry of Finance, Planning and Economic Development, while Ministry of Information and Communications Technology, and National Guidance owns one share. Uganda Posts Limited has been operating without a Strategic Plan since the expiry of the company's 2013-2018 strategic plan. I noted that legal fees worth UGX.133,876,000 were paid to law firms representing the entity without any contracts with the firms. The arrangements between the company and the law firms are unclear and expose the entity to liability in case of any future disagreements. The entity has not recovered funds worth UGX.46,300,000 that was erroneously paid to its external lawyer. UPL contracted a private firm to manage its fleet of 10 buses for 3 years. A total of UGX.767,280,000 remained uncollected from the private firm as at 22nd August 2018 when the contract was terminated. UPL has outstanding Pay As You Earn (PAYE) and Local Service Tax (LST) payments amounting to UGX.1,606,158,262 as at 30th June 2019 which had not been remitted to Uganda Revenue and/or Local Governments. UPL has unpaid VAT worth UGX.3,341,412,272 which remained outstanding as at 30th June 2019.

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		<ul style="list-style-type: none"> • UPL has outstanding payables worth UGX.762,997,478 (2% of its Gross Annual Revenue) not remitted to Uganda Communications Commission as operator's license. • There was an increase in Posta Uganda Limited's receivables of UGX.3,191,559,290 representing and 29% increase to UGX.11,047,099,610 from UGX.7,855,540,320 in the FY 2017/18. • UPL has Stamp Stock Inventory worth UGX.4,360,104,970 which are slow moving items, of which some stamps were purchased thirty (30) years ago. There is evidence of impairment of this amount, given the current technological developments extinguishing usage of stamps. • The entity spent UGX.2,224,343,116 on Insurance, professional and legal costs which was above the approved budget of UGX.705, 815,212 leading to an over expenditure of UGX.1,718,183,984, without proper approval. • During my inspection of the Company properties at its Head Office and Postel building on 30th June 2019, I noted that rentable space totalling to 1,189 square metres at the two properties remained vacant for over twelve (12) months during which time, the company could have earned UGX.1,012,140,000.
5	<p>Uganda Institute of Communications Technology (UICT)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> • I noted that out of the budgeted revenue of UGX.4,345,390,419 for the year 2018/19, only UGX.1,938,006,094 was collected representing a performance of only 45% of the target. • The Institute planned to achieve deliverables through the implementation of 30 outputs. I reviewed all the 30 outputs out of which, 9 outputs representing 30% were fully implemented, 2 outputs representing 7% were partially implemented while 19 outputs representing 63% were not implemented. • I reviewed the staffing structure of the Institute and found that out of the approved staffing structure of 107, only 42 (39%) were filled, leaving 65 (61%) positions vacant. • I noted that a number of staff are in acting positions and some have been acting for three to four years, contrary with the requirements under the Human Resource Manual. • In my earlier reports to Parliament, I noted that the Institute faced challenges of being governed by multiple agencies and observed ambiguity in the interpretation of several provisions in the law which directly affects its operations. This position has not yet been addressed to date.
6	<p>Uganda Broadcasting Corporation (UBC)</p> <p>Opinion Qualified</p>	<ul style="list-style-type: none"> • In the Statement of financial position Plant, Property and Equipment was stated at UGX.265,192,130,135 as at 30th June 2019; however, these were last revalued 10 years ago. Failure to revalue implies that assets are not carried at fair value as stated in the financial statements. Property, Plant and Equipment are not fairly stated in the financial statements and are thus misleading. • I noted that the Corporation has not yet recovered the land title for land along Bugolobi – Faraday Rd. valued at UGX.70,545,000,000. The continued failure to retrieve the title exposes the land to a risk of other unscrupulous deals. • I noted that, although Mega FM acquired an Antenna system with its accessories worth UGX.48,958,174, this was not reported in the schedule of plant, property and equipment under note 6. Therefore the entity understated its value of Property, Plant and Equipment by the amount not recognized. • Note 14 of the financial statements shows trade & other receivables as UGX.26,516,683,955. However, I noted that management assigned two companies to undertake debt recovery during the year under review. However, three months after the award, only UGX.44,000,000 of the outstanding amount had been recovered and UGX.10,187,320,000 was rejected by the debtors. As such, the uncertainty surrounding the recoverability of the debts implies that the reported receivables figure may be over-stated. • Contrary to Section 10.21.12 of the Treasury Instructions 2017 advances totalling to UGX.62,246,400 lacked accountability documents. As such, I was unable to confirm that the funds were properly utilized or expended for lawful purposes. • Contrary to IAS 1, I observed that management did not recognize intangible assets as a separate line on the face of the financial statements despite having new software like the broadcasting and accounting software in use.

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		<ul style="list-style-type: none"> It was noted that trade and other payables increased by 1.7% from UGX.51,679,775,416 in 2018 to UGX.52,605,641,714 in the current year 2019. The Corporation is potentially faced with a risk of litigation over nonpayment. Further analysis revealed that the bulk of the payables relate to unremitted taxes and statutory deductions. Although the Corporation had budgeted to receive UGX.1 billion as budget support from the Ministry of Finance, Planning and Economic Development to cater for both recurrent and capital expenditure, the entity did not receive any funding from government during the financial year under review. UBC does not have a mechanism to monitor which adverts were run and for how long, making reconciliations and audit difficult. This can lead to revenue leakages as some adverts may be aired but not billed. The Digital Terrestrial television equipment on the SIGNET network is four years old and has almost exhausted its product life cycle, and UBC management does not have a well-laid down plan to replace the equipment. Current installations limited the network coverage to less than 60% of the country. Users in rural and semi-rural areas are completely un-served or have very weak signals.
7	<p>Regional Communications Development Project (RCIP)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> Whereas an amount of UGX.97,710,306,720 was budgeted to be received as revenue during the year under review, only UGX.75,312,215,910 was actually received during the year, resulting into a funding gap of UGX.22,398,090,810 (23%). The funding gap presents a risk of the project failing to be completed on time and a possible increase in project implementation costs as a result of low absorption of funds. However, out of the total funds amounting to UGX.107,869,359,797, which was available for expenditure, only UGX.64,917,348,749 was spent leaving a balance of UGX.44,324,275,595 unspent as at the end of the financial year (i.e. 41% utilization). Further analysis of project implementation revealed that there has been a slow pace of implementation of the project activities given the level of absorption. I noted that a total of UGX.915,676,018 was charged on the GOU counterpart funding for RCIP code and spent towards the settlement of relocation works on the NBI/EGI done in the previous year. The NBI/EGI is a stand-alone project that deals with the extension of the optic fibre network countrywide. Besides, these payables were not disclosed in the financial statements of NITA (U) for the previous financial year, which would provide a basis for such payments.
8	<p>National Information Technology Authority (NITA-U)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> Out of the approved warrants of UGX.41,527,986,626, the entity utilized only UGX.39,621,565,081 or 40,931,800,767 resulting in UGX.1,754,770,027 remaining utilized. Budget shortfalls and failure to spend funds resulted in partial or non-implementation of planned activities; Review of the planned outputs and actual outputs achieved in the financial year revealed that a number of outputs were not fully implemented despite the fact the all funds budgeted had been realised. These planned outputs included; a rationalized and integrated national IT infrastructure and systems, IT Research, Development and Innovations Supported and Promoted and Strengthened and aligned NITA-U to deliver its mandate; The Authority is responsible for the implementation of the Business Process Outsourcing (BPO) and Information Technology Enabled Services (ITES) strategy. However, the BPO/ITES adopted by the government had not been integrated into the current strategic plan of the Authority. I also noted that the Authority has only supported 4 private BPOs through the provision of ICT equipment, furniture, and subsidized internet bandwidth for 3 of the 4 BPOs. However, the performance of these BPOs has been unsatisfactory considering the fact that these BPOs have only created a limited number of jobs for the youth most of which is on a short term basis and also failed to attract a reasonable number of clientele both within and outside the country. Contrary to Section 13(10) (a) (iv) of the Public Finance Management Act, 2015, the Authority did not make sufficient budgetary provisions for domestic arrears. The Authority was provided with UGX.985,195,195 for payment of domestic arrears despite reported outstanding liabilities at the end of FY2017/18 stood at UGX.7,920,511,819. Instead the Authority diverted funds

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		<p>amounting to UGX.4,789,899,855 from other activities and paid for domestic arrears amounting to UGX.5,775,095,049.</p> <ul style="list-style-type: none"> • I conducted a thematic audit on the National Backbone Infrastructure/Electronic Government Infrastructure (NBI/EGI) project where I reviewed the operations of the NBI/EGI. The following are the key findings; • It was noted that a total of 445 sites out of the envisaged 20,000 are connected to the NBI, Of the connected sites, 369 are using the related services while 76 sites which are connected to the NBI are not utilising the available services. • NITA-U spent UGX.1,047,480,000 on last-mile connection infrastructure to 76 sites. However, by the time of the audit these sites were not utilizing the NBI services. Relatedly a total of UGX.25,019,756,118 was in the FY 17/18 and 18/19 used by MDAs connected to the NBI to pay for alternative internet bandwidth service providers, a cost which could have been saved. • Government of Uganda has so far invested USD.12,410,794 on setting up a national data centre. Currently, 82 out of 342 government online applications are using the data centre services. It should be noted that running parallel data centres is costly for the Government due to the duplication of costs. Currently, only 40% of the available data centre capacity is being utilized. • NITA-U has so far laid 2,324 Km of optic fibre cable under phase I-III. Currently, Phase IV expected to extend the network to West-Nile and three border towns is underway. However, a number of last-mile connections have not been done hence the low numbers in connectivity. Most parts of the North and North East have not been covered due to lack of financing and will be covered under phase V. • NITA-U procured 10Gbps upstream internet bandwidth under an indefeasible right to use arrangement. Currently, 50% of this capacity is commercially utilised with the rest offered as free WiFi. This has contributed to the high cost of the internet bandwidth as the sites which use the 50% subsidise the WiFi offered for free. • NITA-U buys upstream internet bandwidth at a cost of USD.2.6 Mbps per month and sells to users at a cost of USD.70 Mbps per month. The cost is still high partly due to the underutilisation referred to above, maintenance costs and the high cost for the upstream bandwidth. However, it should also be noted that 50% of this cost is transferred to the UCF as Non-Tax Revenue. • NITA-U agreed to provide connectivity at 99.8% availability to users. Review of the availability status revealed that 38 sites out of a total of 101 sites reviewed were below the Service Level Agreement (SLA) of 99.8%. The causes of the non-availability of services were attributed to power outages which contributed to 86.84% and fibre breaks which contributed to 31.16%.
9	<p>Uganda Communication Employees Contributory Pension Scheme (UCECPS)</p> <p>Opinion Qualified</p>	<ul style="list-style-type: none"> • Sundry payables of UGX.4,083,866,000 mainly comprising of administrative fees and monthly pensions were not supported rendering them doubtful. The figure increased by UGX.3,476,332,000 from UGX.607,534,000 reported on 31st December, 2017 representing a 672% increase. • There was an unreconciled variance UGX.3,049,947,551 between the figure reported in the financial statements as receivables. Whereas UCECPS puts the figure at UGX.15,256,523,000 the corresponding reported payables figure in the financial records of UTL is UGX.12,206,575,449. • Property debtors amounting to UGX.42,377,000 arising from the sale of properties to sitting tenants remains outstanding from as far back as 2005. • A detailed review of the Scheme's financial records revealed that Government of Uganda (GoU) as the founder has not funded the scheme to sustainable levels. Over the years Government has been contributing an average of UGX.2bn to meet the monthly pension requirements; however, huge arrears due to retired employees exist. • Contrary to section 46(d) of the Uganda Retirement Benefits Regulatory Act (URBRA) 2011, I noted that the Scheme administration failed to maintain complete records of the beneficiaries to the scheme as some of the required information was missing.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> I noted that eleven (11) properties disclosed as part of the non-core assets were not valued. This implies that the non-current assets of the Scheme are understated and failure to value them will make the sale of these properties difficult.
	TRADE SECTOR	
1	<p>Ministry of Trade, Industries and Cooperatives (MoTIC)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> The entity budgeted to receive UGX. 108,257,632,666 however UGX. 98,876,992,658 was warranted resulting into a budget shortfall of UGX.9,380,640,008 representing 9%. Out of the warrants of UGX. 98,876,992,658, a total of UGX.98,029,255,348 was spent by the entity resulting into unspent balance of UGX.847,737,310 representing an absorption level of 99%. I sampled 32 out-puts worth UGX.31.03 billion representing 93% of the total budget and noted that 40 (15%) of the total outputs were not quantified to enable measurement of performance. Furthermore, of the 21 quantified outputs/activities assessed, 10 outputs/activities representing 48% were fully implemented; 12 output/activity representing 52% was partially implemented. Funds amounting to UGX.76,472,123 were irregularly diverted and spent on other activities without seeking the necessary approvals. Domestic arrears decreased by 14.2% from UGX.12,182,787,099 in the previous year to UGX.10,672,156,193 in the year under review. The arrears remained unsettled at the close of the year. Settlement of arrears amounting to UGX.254,824,538 outstanding from prior year (2017/18) were undertaken without allocated budget. I noted inflated claims verified for payment to two (2) Cooperatives amounting to UGX.14,772,514,880. Although the two cooperatives claimed UGX.16,613,290,400 as compensation for losses incurred during the liberation war, a verification committee instead verified and approved an amount of UGX.31,385,805,280. A number of irregularities were noted in the verified claims, like values not supported with Chief Government valuer's and Chief mechanical engineer's values. Cattle claims were also not supported with evidence in form of stock counts, financial statements, sales ledgers and a report from the Directorate of Animal Resources in the Ministry of Agriculture as required by the verification guidelines. Shortcomings were noted in the implementation of the provisions in the Circular Standing Instructions on Staff Performance Management. The gaps identified include non-completion of Performance Agreements, no quarterly reviews undertaken, no performance improvement plans prepared, non-submission of reports on Performance Agreements, Performance Appraisals, Performance Improvement Plans to MoPS and lack of mechanism to monitor staff attendance. Tobacco Companies owed growers over UGX.9billions which is likely to affect the livelihoods of the farmers and demoralizes them from growing the crop in subsequent seasons.
2	<p>Switch Africa Green project (SAG)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> The project had a shortfall in funding of USD 40,000 which arose as a result because failure the ministry of trade, industries and cooperatives failed to fund the requisite activities of milestone 3 agreed upon in the grant agreement. The project management spent a total amount of UGX 266,725,428 on administrative expenses which was over and above the set limit of 7% of the total eligible cost of action (UGX .46,564,000) by UGX 210,161,328.
3	<p>Great Lakes Trade Facilitation (GLTF) Project</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> I noted that out of the USD.1,650,252.93 (approximately UGX.6,062,070,722) that was available for spending by the project, only USD.819,070.35 was utilized representing 49.6% absorption and as a result, some activities were not implemented. Records indicate that although some outputs and activities were undertaken, I noted slow progress in the implementation of these activities. It was evident that the project is far from accomplishing the proposed work plan and the implementation timeframe. Section 3.1 of the Project Implementation Manual states that counterpart financing of an estimated USD.3 Million shall be provided by the Government of Uganda for compensations and management of environmental mitigation measures. It was however noted that GOU had not contributed towards the implementation of the project activities.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
4	The Second Trade Capacity Enhancement Project (TRACE II) Opinion Unqualified	<ul style="list-style-type: none"> Inadequate utilisation of the Consultancy Report. Unsupported Government Contribution in-kind - UGX.260,352,000 Delayed implementation of Some Project Activities like printing of Sale of Goods Act, purchase of equipment and computer as well as printing of the annual trade report were not implemented.
5	Uganda Export Promotions Board (UEPB) Opinion Unqualified	<ul style="list-style-type: none"> Uganda Export Promotion Board risks losing 1.622 hectares located on Plot 4, Mpanga link Kampala which was sub-leased to a private investor for 49 years for construction of an export development centre and an administration building. The investor failed to construct the Centre, has denied UEPB access to the land and refused to hand over the land title 7 years after terminating the sub-lease offer. Promotion and Development of export is a key function of the UEPB. However, reports indicate that there is deterioration in exports leading to a widening export deficit of USD.437m in 2015/16, USD.1.55bn in 2016/17 and USD.1.95bn in 2017/18. Contrary to the provisions of the PFMA 2015, the UEPB received and utilized a grant of USD.249,823 from African Development Bank for the Korea Market Linked project without appropriation by Parliament. Contrary to Section 7 of the UEPB Act, the Board of UEPB is currently made up of eight (8) instead of the eleven (11) members provided for in the Act. The Boards staffing level stands at 17 staff out of the approved 40 indicating a 57.5% staffing gap. Included in the unfilled posts are key positions of the Director Export Markets Development & Promotions and the Director Finance and Administration.
6	Uganda National Bureau of Standards (UNBS) Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.2,484,092,280 representing 5.2% of the budget. This limited the Bureaus capacity to fully implement all the planned activities. I sampled 11 out-puts worth UGX.47.8bn representing 100% of the total budget and noted that 2 (18%) of the total outputs were not quantified to enable measurement of performance. Furthermore, of the 9 quantified outputs/activities assessed, 5 outputs/activities representing 55% were fully implemented; 4 outputs/activities representing 45% were partially implemented. I noted that the entity received off-budget financing to the tune of UGX.366,860,012 which was never paid into the consolidated fund as required by the law. Funds amounting to UGX.296,065,498 was disclosed as the domestic arrears of the Bureau as at 30th June 2018. However, these domestic arrears were not budgeted for in the financial year 2018/19. Domestic arrears increased by 1368% from, UGX.296,065,498 in the previous year to UGX.4,347,000,575 in the year under review. The arrears remained unsettled at the close of the year. I noted that UGX.1,283,000,000 was not collected by the Bureau while conducting its surveillance audits after issuing permits to use the 'Q' mark when management reduced the audit fees from UGX.1,000,000 within Kampala and UGX.1,500,000 upcountry to UGX.250,000 for both within Kampala and upcountry due to BUBU policy. I noted that some commodities were released by the Bureau due to absence of mandatory standards yet they actually existed in the approved list of mandatory standards issued by the Bureau as at 31st March 2019.
7	Uganda Development Corporation (UDC) Opinion Unqualified	<ul style="list-style-type: none"> Contrary section 17 of the PFMA 2015, UGX.13,323,008,856 that remained unspent at the close of 2017/18 and UGX.12,178,595,290 that remained unspent at the close of FY 18/19 was not returned to Treasury. In the FY 2018/2019 UGX.58,704,737,488 was released to UDC. The entity had a cash balance brought forward of UGX.13,323,008,856 from FY 2017/2018 making total cash available for spending in FY 18/19 UGX.72,027,746,344. Of the total cash available to spend, UGX.59,849,151,054 was actually spent leaving a balance of UGX.12,178,595,290 (19.3%) as

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<p>unspent funds. The Corporation continues to have implementation challenges that have led to the poor absorption of funds.</p> <ul style="list-style-type: none"> Despite government spending over UGX.130bn on several projects since 2012, none is fully operational as a result of various bottlenecks hindering full operations. There is a need to rethink the financing, implementation and future management strategies of these investments.
	TOURISM SECTOR	
1	<p>Ministry of Tourism, Wildlife and Antiquities (MoTWA)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> I noted that during the year, the Ministry received total budgeted salaries of UGX. 2,085,603,788 but actual payments were UGX. 1,987,160,730 leaving unspent balances of UGX.98,443,058 on the salary account. I assessed 30 out-puts and noted that 24 outputs/activities representing 80% were fully implemented; 3 outputs/activities representing 10% were partially implemented while 3 outputs/activities representing 10% were not implemented at all. Review of the Ministry's procurement plan revealed that several planned procurements to the tune of UGX.280,125,000 were not implemented. Domestic arrears decreased by UGX. 364,040,484 from UGX. 3,270,386,921 in the previous year to UGX. 2,906,346,437 in the year under review. The arrears remained unsettled at the close of the year. I observed that, although disclosed as expenditure in the statement of financial performance, funds for activities relating to workshops and conferences, fuel and purchase of goods and services totalling to UGX.55,460,000 were not accounted for. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include non-submission of Performance Agreement reports, no quarterly reviews undertaken, no performance improvement plans prepared and no performance Improvement Plans prepared.
2	<p>Nile Hotel Limited (NHL)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> Evaluation of the implementation of planned activities for the FY 18/19 revealed that over 80% of the planned activities were not undertaken exposing the company to the risk of failing to achieve the strategic goals set for the five years' period. All the funds earmarked for the activities were invested in short term instruments to earn interest.
3	<p>Uganda Wildlife Research and Training Institute (UWRTI)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> The Institute received an extra subvention of UGX.113,835,000 that was not approved by parliament. I sampled all 17 out-puts worth UGX.1.1bn representing 100% of the total budget and noted that of the 17 quantified outputs/activities assessed, 7 outputs/activities representing 41% were fully implemented; 5 outputs/activities representing 29.5% were partially implemented while 5 outputs/activities representing 29.5% were not implemented at all. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include non-completion of Performance Agreements, no quarterly reviews undertaken, no performance improvement plans prepared and no performance appraisals. Inspections of the Institute infrastructure were carried out and audit noted several dilapidated dormitories, inadequate dormitories as well as classrooms. I also noted several procurement irregularities that manifest in direct procurements that resulted from lack of a procurement unit as well as lack of a contracts committee at the Institute.
4	<p>Uganda Wildlife Education Centre (UWEC)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> I observed that contract of UGX.196,000,000 to provide Consultancy Services for undertaking feasibility studies for establishment of Satellite Wild life Conservation Education Centres in Fort Portal, Mbale and Mbarara had been signed. However, I established that all the Regional Satellite Wildlife Conservation Education Centers have not been established for the reason of insufficient development funds from government. I noted that during the financial year 2018/19, a contract worth UGX.196,030,000 was signed with an Engineering firm to complete the external features of the First floor of the floating

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		restaurant. It was however, noted that the construction of the second and third floors of the floating restaurant has stalled.
5	Uganda Hotel Tourism and Training Institute (UHTTI) Opinion Unqualified	<ul style="list-style-type: none"> Uganda Hotel and Tourism Training Institute last updated its fixed asset register in 2016. This exposes the Institute assets to misappropriation without notice. I noted that out of the budgeted revenue of UGX.2,706,485,996 for the year 2018/19, only UGX.2,596,094,380 was collected representing performance of 92% of the target. I noted that the entity did not implement activities as planned. Out of the 13 outputs assessed, 8 of them, representing 62%, were fully implemented, 2, representing 15%, were partially implemented while 3, representing 23%, were not implemented at all. The Institute had outstanding local service tax (LST) amounting to UGX.71,279,520 as at 30th June 2019, which had not been remitted to the Local Governments. The Institute made NSSF deductions amounting to UGX.77,315,112 which was not remitted to NSSF during the financial year. Weaknesses were noted in performance management such as; lack of performance appraisal; absence of performance plans and lack of performance reviews by the Institute. Audit inspection revealed poor maintenance of the Institute's infrastructure and facilities, lack of office, student and staff accommodation and insufficient classrooms.
6	Uganda Tourism Board (UTB) Opinion Qualified	<ul style="list-style-type: none"> An analysis of the outputs/activities that were quantified revealed that although the entity absorbed (99%) of the funds that were released, some of the activities remained either partially or not implemented at all. Out of the twelve (12) quantified activities assessed, six (6) outputs/activities representing 50% were fully Implemented, five(5) outputs/ activities representing 42% were partially implemented while one(1) output/activities representing 8% were not implemented at all. Contrary to the Section 85 of the PPDA Act, Uganda Tourism Board procured the services of two Market Destination Representatives to market Uganda as a tourist destination in North America using direct procurement without justification at a total cost of UGX.2,570,760,835. Review of the Board's expenditure revealed that Contrary section 10.4 of the Treasury Instructions, in the year under review, the entity charged wrong expenditure codes to a tune of UGX.599,333,001. Mischarges undermine the importance of the budgeting process as well as the intentions of the appropriating authority, consequently leading to unauthorized spending and exposure of funds to misuse. It was noted that a sum of UGX.248,029,240 was advanced to staff through their personal bank accounts to undertake direct procurements, purchase of goods and services and other activities of the entity. The practice of depositing public funds on personal accounts is irregular and exposes government funds to the risk of loss and misuse. I noted that funds for activities relating to administrative expenses, travel abroad and purchase of goods and services including fuel totalling to UGX.0.339Bn were not accounted for by the close of the year. Under the circumstances, I was unable to provide assurance that the funds were put to proper use. Contrary to section 13 of the Uganda Tourism Act, the Uganda Tourism Board failed to collect application and license fees from 52 registered tourist accommodation facilities as at 30th June 2019, leaving uncollected fees to the tune of UGX.15,600,000.
7	Uganda Wildlife Authority (UWA) Opinion Unqualified	<ul style="list-style-type: none"> During the financial year, although the budgeted revenue for 2018/19, was UGX.78Bn the Authority realized UGX.120bn representing performance of 154% which was quite commendable. The Authority should ensure sustainability and enhance its revenue targets in future periods. Imprest to staff totalling to UGX.213,222,896 was not supported by documents like field reports, acknowledgement receipts, and workshop participant's lists. In the circumstances, I could not confirm whether funds were put to the intended use. The Authority pays fixed internet costs for data provided irrespective of whether or not the data has been consumed.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> The Authority contracted a firm, on the 5th February 2019, to develop animal sculptures for the wildlife street within four (4) months at a cost of UGX.181,330,600, but this has not been done by 30th June 2019. UWA awarded a contract for re-development of visitor information Centre at Sheraton Kampala Hotel to a company at a cost of UGX.348, 288,376. The works were scheduled to start on 24th July, 2018 and end on 24th January 2019. However despite a further 3 months extension to 24th April 2019, works had not been completed as at 30th June 2019. Uganda Wildlife Authority awarded a contract for the supply and installation of signage along Entebbe – Kampala road to a company at a cost of UGX.74,635,000 on 18th June 2019. The signage was to be installed on strategic locations along the Kampala – Entebbe highway so as to promote tourism. This was not complete as at time of audit. I observed that a number of Concessionaires had failed to develop the sites within the stipulated time and also failed to make the requisite payments worth UGX.1,097,787,944 as required in the concession agreements. Physical inspections of operations in selected major National Parks namely Lake Mburo National Park, Bwindi impenetrable Forest, Queen Elizabeth, Kibale Conservation Area, Murchision Falls National Park, Mt. Elgon Conservation Area and Kidepo Valley National Park revealed a number of challenges faced by the Authority in execution of its mandate such as; Lack of Utilities: There is lack of both electricity and Water supply which are critical for most of the parks. There is a very high cost of treatment for water utilized by the staff. Machines and Computers become expensive to use while running generators on a continuous basis, as the cost of fuel used on daily basis is high. Poor Telephone Network: Poor telephone network not only affects communication but also has an impact on the Revenue collection systems as internet is intermittent for the use of Visa machines when collecting revenues. Inadequate Staff Accommodation: Staff accommodation is a challenge in most of the National Parks and Conservation areas. Management has attempted to undertake construction in selected parks, but the challenge is still high given the increasing number of staff. Poor Road Network: Road network around and within the park, is quite challenging. Most of the roads are in very bad shape throughout the conservation areas. This discourages tourists from making other visits due to difficulty in accessing the areas of interest at the National Parks and conservation areas. Absence of Stores Function: All the Parks do not have well-developed stores function to manage stores. Accountants and clerks handle this responsibility, which may also create a conflict of interest due to lack of segregation of duties. Absence of Human Resource Function: There is no human resource function in all the National Parks and Conservation areas and yet each of the National Parks has big numbers of staff. Low Level Marketing and Publicity of Tourism Activity: I observed that the level of marketing and publicity of tourism activities in the country remains minimal. Increased publicity could attract both international and local tourism to the Conservation areas and national Parks.
	WATER AND ENVIRONMENT SECTOR	
1	Ministry of Water and Environment (MWE) <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> The total NTR collected for the financial year 2018/2019 amounting to UGX.1,040,014,136 was not budgeted for by the entity. Out of the budgeted revenue of UGX.331,478,905,718 for the year 2018/19, only UGX.321,942,878,309 (97%) was warranted representing performance of 97% of the target. Out of the total warrants of UGX.321,942,878,309, only UGX.320,751,299,475 was utilised by the ministry resulting into unspent balance of UGX.1,191,758,834 representing an absorption level of 99.63%.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Out of the 16 quantified outputs/activities assessed, 7 outputs/activities representing 43.75% were partially implemented and one output representing 6.25% was not implemented at all. Expenditures totalling to UGX.367,942,369 were mischarged on different account codes. The Ministry delayed to settle invoices for various contractors leading to civil suits and award of interest totalling to UGX.164,949,978. Funds amounting to UGX.136,244,476 paid to various staff remained unaccounted for. Out of 706 approved staff positions, only 305 are filled representing 57% shortfall in the required staff. In central water facility, interest income earned amounting to UGX.35,879,354 was not remitted to the consolidated fund while there was a delay in implementation of planned activities in the water facility of North and Karamoja small towns. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include non-completion of Performance Agreements, no quarterly reviews undertaken, no performance improvement plans prepared, non-submission of reports on Performance Agreements, Performance Appraisals, Performance Improvement Plans to MoPS, lack of mechanism to monitor staff attendance, no mechanism of monitoring field staff and no register for staff when leaving office, non-submission of report on absenteeism and non-functionality of the sanctions and rewards committee.
2	<p>Water & Sanitation Development Facility – Eastern (WSDF-E)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> Out of the budgeted revenue of UGX.8,029,000,000, a sum of UGX.7,611,750,000 was realized leaving a shortfall of UGX.417,250,000. Out of the 12 costed outputs assessed, 7 outputs were not fully implemented representing 58%. For example Construction of Acowa & Idudi Water Supply Systems were not implemented at all. The Facility planned to procure consultants to carry out feasibility studies and designs for various projects, construct town water supply systems, and also procure providers for goods and services, but only 56% of these procurements were implemented leaving 44% of the procurements un-implemented. The facility undertook various infrastructural projects which are at different stages of completion. However, no land agreements/titles were availed for audit verification.
3	<p>Water & Sanitation Development Facility - South West Branch (WSDF - SWB) – MWE</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> Out of budgeted amount of UGX 13,640,000,000 a total of UGX 8397, 228,219 resulting into a shortfall of UGX 5,242,771,781 (40%). The facility failed to implement planned activities including construction of water systems. There were noticeable delays in completion of major infrastructural projects with some that commenced as far as December 2012 with the stipulated completion dates of 30th November 2017, still ongoing. The facility undertook various infrastructural projects which are at different stages of completion. However, no land agreements/titles were availed for audit verification.
4	<p>REDD+ -MWE</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> I observed that during the financial year (2018/2019), the project had approved budget of USD.1,849,700 from external funding and USD.804,054 from GOU, however, only USD.1,092,855 from external financing and USD.601,583 from GOU had been disbursed for project implementation representing an overall revenue performance of 63.8%. Out of the total disbursement of USD.1,693,324, the project was able to absorb USD.1,669,382 resulting into unspent balance of USD.23, 942 representing absorption level of 98.5%. I noted that despite receiving funds for activity implementation, activities under component 4: REDD+ implementation framework estimated at USD.570,000 remained un-implemented. The Ministry on behalf of the REDD+ project signed two contracts for provision of consultancy services as part of execution of the planned activities for the year under, however I noted that the consultants had breached contract terms and had not yet completed the assignments.
5	Water Management and Development	<ul style="list-style-type: none"> There was an under absorption of project funds of USD 720,840.28 representing absorption level of 97.8%.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
	Project (WMDP) – MWE Opinion Unqualified	<ul style="list-style-type: none"> I analyzed of the outputs/activities that were planned and noted that although the project received 100% of the budgeted funds and was able to absorb 97.8% of the, some of the activities remained partially implemented, such as purchase of furniture and IT equipment. I noted that payments for works were made to contractors without sufficient supporting documentation for general items in the bills of quantities. A total of UGX 374,071,520 was paid to that effect. I noted that the project does not have title deeds for the land on which the Water Supply Systems are constructed.
6	Joint Partnership Fund (JPF) Opinion Unqualified	<ul style="list-style-type: none"> Out of the budgeted revenue of UGX.7,815,341,828 for the year 2018/19, UGX.8,333,470,000 was realized representing 105.5%. This was attributed to the batch method of disbursement of funds. Out of the total disbursements and opening balances of UGX.11,855,262,988, only UGX.8,877,403,022 was utilised by the ministry resulting into unspent balance of UGX.2,977,859,966 representing an absorption level of 74%. I also noted that some of the planned activities like, construction of water systems were not implemented such as Kambuga Phase II, Karago Phase I, Lwemiyaga RGC, Karago Phase II, Igorora TC, Kanungu District regional Feecal sludge treatment plant and Hydrogeological investigations –siting & drilling of wells (20No). I noted procurement irregularities in relation to unjustified direct procurements worth UGX.57,587,165.
7	National Environment Management Authority (NEMA) Opinion Unqualified	<ul style="list-style-type: none"> Out of the budget of UGX.26,335,755,264 a sum of UGX.25,677,094,606 was realized resulting into a shortfall of UGX.668,970,608 (5.29%). I sampled 36 (87.8%) out of the total of 41 outputs with a budget of UGX.10,912,755,000 and noted that they were all quantified thereby enabling measurement. Although outstanding receivables decreased by UGX.2.3 billion from UGX.15,307,218,000 in the previous year to UGX.12,975,611,000 in the year under review, the receivables remained unsettled at the close of the year and constrained the liquidity position of the authority. Expenditure on Legal costs of UGX.387,000,000 was incurred as a result of court award against the authority. The National Environment Action Plan was last prepared in 1995 and it has never been reviewed contrary to the regulations which require reviews every two years. The Authority lacks a client service charter. Out of 121 staff of the Authority only 30 employees were appraised by 31st July, 2019. Shortcomings were noted in the review of the Regional Project on the Development of National Action Plans for the Artisanal and Small Scale Gold Mining in Africa. <p>Some of the project components/ activities such as; Development of a documentary on Artisanal and Small scale Gold Mining (ASGM) Sector including sources of mercury emissions and release in Uganda, Development of a National Overview of the Artisanal and Small scale Gold Mining (ASGM) Sector including baseline estimates of mercury use and practices and Development of an Artisanal and Small Scale Gold Mining National Action Plan (NAP) were not completed within the timeframe of the project work plan.</p>
8	National Forestry Authority (NFA) Opinion Unqualified	<ul style="list-style-type: none"> Out of the budgeted Non Tax Revenue of UGX.24,184,422,000 for the year 2018/19, only UGX.10,795,921 was realized resulting into a shortfall of UGX.13,388,503,048 representing a performance of only 44.6% of the target. The entity budgeted to receive UGX.40,958,038,043 however, only UGX.27,405,150,994 was warranted resulting into an overall budget shortfall of UGX.13,552,887,049 representing 33%. Out of UGX.27,405,150,994 warranted, UGX.27,106,017,597 was spent by the authority resulting into unspent balance of UGX.299,133,397 representing an absorption level of 98.9%. The Authority failed to establish a tree fund which would comprise of monies appropriated by Parliament, loans obtained by Government, grants, gifts and monies from any other approved sources. Receivables increased from UGX.11,758,293,000 to UGX.12, 284,276,000; and payables increased from UGX.10,446,677,000 to UGX.12,103,161,000 from the previous year to the current year respectively. The outstanding payables are equivalent to 89% of the internally generated revenue (NTR) collections for the year. The Authority's funds worth UGX 1,571,350,000 were garnished following a court order.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> The Authority failed to demarcate and zone land for tree planting for example; Mpive, Nonve, Zirimiti Central Forest Reserves (CFRs) There was noted encroachment on NFA forests for example; Bugoma CFR was encroached on by a private developer and titles for Plots 4 and 5 for NFA headquarters were processed into free hold. The Authority did not license masts in the Central forest reserves for several broadcasting stations and this may result into revenue loss. There was inadequate supervision and verification of variable fees payable in various eco-tourism sites. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include non-completion of Performance Agreements, no quarterly reviews undertaken, no performance improvement plans prepared, non-submission of reports on Performance Agreements, Performance appraisals, Performance improvement plans to MoPS and lack of mechanism to monitor staff attendance.
9	Nyabyeya Forestry College <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> Out of the budgeted amount of UGX.3,753,353,600 a sum of UGX.3,157,413,370 was realized resulting into a shortfall of UGX.640,940,230 (15.7%). I sampled 7 (28.5%) out of the total of 8 outputs and noted that 5 outputs (71.42) were not quantified. The College faced challenges of being governed by different agencies and ambiguity in the interpretation of several provisions in the law which directly affect service delivery. There were no policies on private businesses operating within the college, allowances to college staff and allocation of staff houses. Out of 107 approved positions, only 19 positions were filled leaving 88 positions vacant representing a staffing gap of 82%. In addition the college heavily relies on contract and casual labourers. There was a declining trend in the enrolment in the last 3 years.
10	Farm Income Enhancement and Forest Conservation Project II (FIEFOC) <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX 34,758,300,000; (USD 10,655,810) representing a budget under performance of 27%. UGX 2,746,719,303 of project funds remained unspent at the close of the financial year owing to late receipt of funds from the development partners and procurement challenges.
11	Water Supply and Sanitation Programme Support (WSSP II) under Joint Water and Environment Sector Support Programme (JWESSP) <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> Out of the planned disbursements of UGX.116,619,434,000 for the year, UGX.145,598,059,072 was realized representing performance of 124.8% of the target. Out of UGX.145,598,059,072 disbursed, only UGX.108,977,586,091 (74.84%) had been absorbed by 30th June 2019 leaving a balance UGX.40,214,847,282 (25.16%) un-utilized. A review of the 2018/19 annual work plan and the project's quarterly activity reports, budgets and field inspections revealed that some activities were substantially delayed'. Some of the water schemes were not implemented at all. The Project incurred new payables amounting to UGX.2,376,759,268 before clearing the previous outstanding commitments of UGX.8,060,971,350 despite the availability of funding.
12	Uganda National Meteorological Authority (UNMA) <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> Out of budgeted revenue of UGX 28,010,268,814 only UGX 23,513,091,137 was realized representing performance level of 84% of the target. Out of UGX 23,513,091,137 warranted, UGX 22,170,981346 was absorbed by the authority leaving unspent balance of UGX 1,342,109,791 representing an absorption level of 94.3%. Expenditure totaling to UGX. 254,698,380 was mischarged on different account codes. The installed meteorological weather stations in various parts of the country lack relevant land acquisition and ownership documents, while 23 out of the 52 established historical weather stations are non-functional.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> • UGX.30,000,000 was paid to M/S Uganda Post Limited as penalty for delay in vacating the office premises which were previously occupied by the Authority. • The Authority lacks the requisite staffing and tools to build capacity at local government levels, with some stations having none or only one staff while some staff in critical positions had acted in excess of the stipulated period of six to twelve months.
13	<p>Investment Plan Preparation Grant for the Strategic Plan for Climate Resilience</p> <p>Opinion Qualified</p>	<ul style="list-style-type: none"> • UGX.163,163,965 reported as the closing net worth of the project in the statement of changes of equity differed from UGX.80,258,811 as disclosed in the statement of financial position. • Out of UGX.2,071,977,173 available for spending during the year, only UGX.1,915,463,208 was spent, leaving a balance of UGX.156,513,965 un-utilized by the year end. • A review of the Grant Support Agreement, the approved project budget, work plans and the activity progress reports, revealed that some of the project's planned activities were partially implemented. • A review of various payments records revealed that UGX.29,012,784 and USD 64,595.58 (equivalent to UGX.240,241,943) in respect of VAT remained outstanding and payable to the URA by the year end, and formed part of closing payables of UGX 85,905,154 as at the year end. • A review of various payment records revealed that UGX.9,119,588 and USD.20,772.39 (equivalent to UGX.77,256,050) were deducted from various service providers in respect of 6% Withholding Tax which was not remitted to the tax body by the year –end.
14	<p>Global Environment Facility Project - MWE (Additional Funds to WSSP I)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> • Out of the budget of Ugx. 10,011,772,028, the entity received Ugx. 9,579,827,490 leaving a balance of Ugx. 431,944,538 implying a performance of 96%. As a result, out of the planned 500 hectares of trees, only 430 were restored. • Valley tanks valued at Ugx. 8,392,247,017 were completed in various districts without obtaining land titles of the sites.
15	<p>Multi - Lateral Lakes Edward & Albert Integrated Fisheries & Water Resources Management (LEAF II)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> • Despite the revenue performance of 107.4% there were delays in completion of various landing sites. • The communities lacked market and storage facilities for their finished products within the riparian lakes George, Edward and Albert. Such challenges, affect the attainment of the main project objectives of creation of alternative income opportunities and food security for the fishing community. • The project still operates a manual financial management system contrary to the Accountant General's directive to all accounting officers of donor projects.
16	<p>Technical Assistance Under JWESSP</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> • There were unspent balances amounting to € 61,852 which had not yet been refunded to the Austrian Development Agency (ADA).
17	<p>Second National Communication Project – FY 2017/2018</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> • I noted that UGX. 4,682,834 deducted from the service providers in form of VAT but not remitted to the Uganda Revenue Authority (URA) by the year end.
18	<p>Preparation of Initial Biennial Report to the United Nations Framework</p>	<ul style="list-style-type: none"> • It was noted that according to the project financing agreement UNEP was meant to provide all cash advances in US dollars up to a maximum of \$352,000 however, as at 31st December, 2018 the project had received \$ 155,575 (56%) out of the agreed \$279,775 and failed to absorb \$ 124,200 (44%).

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
	Convention on Climate Change (UNFCCC) Opinion Unqualified	<ul style="list-style-type: none"> It was also established that the project's approved budget was \$ 352,000 and at the time of audit, \$236,000(67%) had been advanced leaving a balance of \$116,000(33%). However, a number of outputs totaling to \$236,000 were still outstanding by the time of the Audit A review of the project's receivables position revealed an outstanding balance of USD 2,720.93 comprising staff advances for official activities.
19	Enhancing Resilience of Communities against Climate Change (EURECCA) Opinion Unqualified	<ul style="list-style-type: none"> I noted that the entity's approved budget in year 2 was USD.3,189,580, however, no funds were disbursed in the year. As a result, the outputs of the three (3) project components were implemented using the balance of year 1.
20	National Water and Sewerage Corporation (NWSC) Opinion Unqualified	<ul style="list-style-type: none"> No material issue to report on.
21	Water Management and Development Project (WMDP) – NWSC Opinion Unqualified	<ul style="list-style-type: none"> I was not availed with proof that the Performance Certificate was issued to the contractor (El Nasr and DOTT Services Limited) to prove expiry of defects notification period and as a basis of accepting works delivered by the contractor.
22	Protection of lake Victoria Kampala Sanitation Project (WATSAN) – NWSC Opinion Unqualified	<ul style="list-style-type: none"> No material issue to report on.
23	Kampala Sanitation Programme (KSP) – Phase I, Lake Victoria Protection Project – Phase II Opinion Unqualified	<ul style="list-style-type: none"> No material issues to be reported on.
	ENERGY SECTOR	
1	Ministry of Energy and Mineral Development (MEMD) Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.41,369,579,524 representing 8%. Further, the entity remained with unspent balance of UGX.9,693,960,034 representing an absorption level of 98%. I sampled 46 out-puts worth UGX.74,637,547,000 representing 66% of the expenditure, and noted 7 (15%) of the total outputs were not quantified to enable measurement of performance. Further, of the 46 outputs assessed, 12 representing 26% were fully implemented, 21 representing 46% were partially implemented, while 13 representing 28% were not implemented at all. Funds amounting to UGX.156,903,495 were charged on inappropriate codes.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Domestic arrears decreased by 24% from UGX.24,695,568,448 in the previous year to UGX.18,698,882,927 in the year under review. The arrears remained unsettled at the close of the year. The Ministry failed to collect royalties worth UGX.428,273,970 and UGX.70,193,258,898, from exports of gold, tantalum and tungsten in the financial years 2017/18 and 2018/19 respectively. The Ministry further failed to collect royalties worth UGX.14,184,105,306 from imports of gold and tungsten in the Financial Year 2018/19. There were inadequate measures to verify the accuracy and legitimacy of the quantities of minerals declared by the mining companies as the Directorate of Geological Survey and Mines relies on declarations from the mining companies in form of monthly production returns without independent verification. There are numerous properties held by the MEMD that do not have titles. This exposes the Ministry to the risk of losing valuable properties to private individuals. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include non-completion of Performance Agreements, no quarterly reviews undertaken, no performance improvement plans prepared, non-submission of reports on Performance Agreements, Performance Appraisals, Performance Improvement Plans to MoPS and lack of mechanism to monitor staff attendance. There was delayed Implementation of the Resettlement Action Plan, whereby some community projects such as the church and mosque have been outstanding since 2016. Physical inspections revealed harmful gold mining practices by artisanal miners in the districts of Moroto and Busia. Such as; use of toxic chemicals which contaminate the environment. There are no weighbridges installed along Karamonja Roads to measure the Tonnage of heavy minerals (Limestone, Marble) transported out of Moroto region.
2	Grid Extension Reinforcement Project (GERP)	<ul style="list-style-type: none"> Whereas the project received USD.515,000 (99%) of the budgeted donor funds (USD.520,000) and UGX 914,350,000 (91%) of the budgeted GoU counterpart funding (UGX.1,000,000,000), USD 404,562.28 (76.4%) and UGX.567,150,000 (62%) remained unutilized as at 30th June 2019 for the donor and GoU component respectively. This was attributed to procurement delays.
3	Rural Electrification Agency (REA)	<ul style="list-style-type: none"> Out of the budget of UGX.728,999,419,607, the Agency realized UGX. 652,999,488,205 representing 89% performance resulting into non-implementation of some planned activities such as last mile electricity connections and grid extensions. The Agency has paid to Post bank (U) Ltd a cumulative sum of UGX.24,700,199,541 for onward disbursement to Project affected persons (PAPs) as compensation. At the close of the year UGX.11,172,513,361 was reported as a receivable. However reconciliation of the payments to the PAPs is constrained by lack of a dedicated Bank Account for the deposits. Contingent Liabilities of UGX.6,071,073,253 relating to compensations for way leaves of power lines constructed by the agency as at 30th June 2019, may result into cash outflow from the Agency if they crystallize. Among the Agency inventories were 89 transformers which were not valued. There is possibility of undervaluation of inventories. Whereas the Agency contracted UEDCL in 2014 to manage some service territories on temporary basis, to date it has not developed a sustainable strategy. The Agency has failed to utilize electricity connection materials worth USD.1.2M. The usage rate for the materials was noted to be only 15% since 2015 when they were procured.
4	Energy for Rural Transformation ERT (REA) III	<ul style="list-style-type: none"> Out of the available project funds of UGX 37,006,878,358, a sum of UGX 17,015,243,781 was utilized, representing 46%. Where as the project funding was USD 143.2 Million and commenced on 31st March, 2016 with the closure scheduled for 31st December 2020, only 11% of the funds amounting to USD 15.3 Million have been utilized. There is a risk that the overall objective of increasing access to electricity in rural areas may not be achieved.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
5	Uganda Petroleum Fund (UPF) Opinion Unqualified	<ul style="list-style-type: none"> There was a drawdown of funds from the Petroleum Fund amounting to UGX.200 Billion, representing 64.29% of the value of Fund from Uganda Petroleum Fund account to the Consolidated Fund in support of the Annual Budget without explicit declaration of the specific infrastructural projects. I noted absence of a Fiscal Rule in the Management of the Petroleum Fund, whereby the process of transfer of funds out of Uganda Petroleum Fund is left at the discretion of the Ministry of Finance without adequate guidelines. The Petroleum Fund lacks an approved Petroleum Investment Framework and therefore USD.74,815,250.71 and UGX.28,216,311,498 remained unutilized on the Petroleum Fund account as at 30th June 2019. In addition, the prescribed operational agreement between the Ministry of Finance and Bank of Uganda regarding the Fund is not yet in place. There was delay in remittance of oil revenue collections by the Uganda Revenue Authority (URA) of UGX.6,451,964,160, to the Petroleum Fund as at 30th June, 2019 and this was attributed to reconciliation challenges of revenue collection between Uganda Revenue Authority and the Accountant General's Office.
6	Petroleum Authority Uganda (PAU) Opinion Unqualified	<ul style="list-style-type: none"> Whereas the Petroleum Authority of Uganda was warranted UGX 47,601,384,605, only UGX 29,969,910,242 (63%) was spent leaving a balance of UGX 16,736,448,645 un-utilized and subsequently swept back to the Consolidated Fund. This resulted in unimplemented activities such as staff recruitment, monitoring field activities and maintenance of IT software. As at 30th June, 2019, the Authority had not approved work programmes and budgets for the Joint Venture Partners (Total E&P, CNOOC Uganda and Tullow Uganda Operations Ltd) for the calendar year 2019, contrary to Section 35 of the Petroleum Exploration, Development and Production Regulations, 2016. This resulted from the delays in submission of the respective work programmes and budgets by the Oil Companies.
7	Electricity Regulatory Authority (ERA) Opinion Unqualified	<ul style="list-style-type: none"> The Entity budgeted for UGX 41,715,587,701 and realized UGX.43,685,419,937 representing 105% performance. Analysis of power schedules for distribution companies (mini grids) revealed a number of outages and the associated energy and revenue losses by the Licensees. Total revenue lost ranged between UGX 32.7 million and 5.44 billion depending on the size of the utility and area of operation whereas the total energy lost by UMEME and UETCL was between 30.8 MWh and 7513.9 MWh, and between 24.7 MWh and 1378.7 MWh, respectively. There was non-compliance to the Quality of Service Standards 1 and 2 by UMEME whereby 90% and 89% of customers were delayed to be connected within 10 and 15 days of standard connection period, respectively. A number of projects licensed by ERA are facing power evacuation challenges. In addition, the Commercial Operations dates (COD) of the Power Plants and Evacuation lines were not aligned. This has caused scenarios where generated power is delayed to be evacuated due to the absence of the power evacuation lines.
8	Uganda Electricity Distribution Company Ltd (UEDCL) Opinion Unqualified	<ul style="list-style-type: none"> There was uncollected revenue of UGX. 19,509,385,000 majorly relating to sale of poles and energy sales from service territories, these funds were accrued and remained as a receivable at the end of the financial year. There were payables of UGX.9,594,268,000 relating to Uganda Electricity Transmission Company Limited for Bulk power purchases. Of this amount, UGX.5,023,579,255 is due to power evacuation losses on the evacuation lines from Nkusi and Siti mini hydro power plants. Receivables of UGX.38 Billion from GOU relate to pension claims of former UEB employees. The Ministry of Finance, Planning and Economic Development (MoFPED) committed to refund this money to UEDCL. This amount has however not been refunded to-date. Shortcomings were noted in staff performance management. The gaps identified include non-preparation of Performance Agreements and failure to undertake performance Appraisals.
9	Uganda Electricity Generation	<ul style="list-style-type: none"> An analysis of the budget against the actual concession revenue collected in the period under review revealed a shortfall of UGX 3,397,978,381 which was contested by ERA.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
	<p>Company Ltd. (UEGCL)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> I noted that out of the UGX.886,836,000 relating to withholding tax recoverable only UGX 784,106,945 was supported with withholding tax credit certificates hence leaving a balance of UGX.102,729,055 unsupported. UEGCL reported an outstanding amount of UGX 172,348,993 in trade and other payables as at 30th June 2019. This amount relates to interest penalty arising from the failure to pay VAT incurred on Isimba energy sales to UETCL. Out of 25 planned activities 21 were partially implemented while 4 were not implemented comprising; follow up of non-conformances by the Karuma EPC contractor; monitoring and follow up of Karuma and Isimba CDAP activities; tracking compliance on regulatory requirements by the contractor, UEGCL and Owner Engineer for Muzizi and Nyagak power plants. A review of Karuma and Isimba credit loan agreements signed in 2014 and 2015 respectively, the Power Purchase Agreements signed in 2015, and the Generation and Sales Licenses issued by ERA to UEGCL in 2017, revealed conflicting clauses in regard to the tariff methodology implemented in the supply of power generated by UEGCL to UETCL, that is, capacity based (take or pay) versus energy sold tariff methodology. Although, the Solicitor General in his letter dated 14th September 2018 provided legal guidance to have the licenses amended in line with the PPAs and the loan agreements, the guidance had not been effected. I noted that Land acquisition and resettlement activities for Karuma Reservoir area scheduled to be completed by 30th August 2019 had not commenced. Furthermore, delays in land acquisition and construction works for the transmission lines under Karuma interconnection had hampered project progress. As a result, the EPC contractor delayed to implement certain key activities and the project completion date has been extended up to 31st December 2019. I noted that Community Development Action Plan Activities (CDAP) under Karuma which included construction of schools, health centers, and sanitation facilities had not commenced due to lack of funding despite the limited period five (5) months to project completion. I noted that Eskom had submitted to UEGCL a claim for the implemented investments in regard to the concession for the management of Nalubaale HPP amounting to USD 10,235,000 for the period 2003 to-date. Furthermore, the claim is likely to increase to USD 18,255,000 once verification of additional work is completed. This amount is further projected to increase to USD.28,000,000 by the end of the concession contract in April 2023. Audit inspection and review of Independent Engineer's report revealed that Nalubaale HPP was in a poor physical state. The plant had concrete cracks within the Powerhouse Structure, water Seepage and presence of vegetation at main dam, corroded equipment, leakage at Sluice Gates, absence of floating boom upstream of the source of the Nile to retain the water hyacinths, presence of oil in the Turbine Pits, non-Functionality of Generating Unit 10, not fit-for-purpose vibration monitoring system, frequent Cable Failure at Unit 3 and 4, and lacked critical spare parts.
10	<p>Uganda Electricity Transmission Company Limited (UETCL)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> UETCL runs 7 current bank accounts (5 for corporate and 2 for projects) which earn the company daily interest on closing balances computed at a rate agreed upon by UETCL and the respective Banks. Analysis of the daily interest earned on outstanding balances on the respective accounts revealed a 3.5% variance between interest rates earned on two accounts in the same bank UETCL therefore missed interest of 3.5% during the financial year. Whereas UETCL continued to engage with UMEME and UEDCL to address the issue of withheld income, uncollected revenue continued to increase leading to an increase in doubtful debt from 88bn as at 30th June 2018 to 135.6bn as at 30th June 2019. As a result, the provision has increased to UGX 135.5bn (54%) from the previous financial year. UETCL procured goods, works and services amounting to UGX 7,453,066,691 outside the procurement plan.
11	<p>Uganda National Oil Company (UNOC)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.17.4 billion representing 36.8% of the budgeted amount of UGX.47.32 billion. The company faces long term financing challenges to cater for state participation in key infrastructural projects like the East Africa Crude Oil Pipeline (EACOP), refinery, Kampala storage

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<p>terminal and Jinja strategic fuel reserves for which it requires a sum of USD.795.4 million over a period of four (4) years to cater for government's share in the projects.</p> <ul style="list-style-type: none"> The national strategic fuel reserves are operating below the minimum, with capacity to only meet the country's fuel demands up to 2 days. The company faces a significant funding challenge of over UGX.40 billion to maintain tradable stock/volumes and for restocking the strategic reserves hence making it difficult for the country to hedge itself against supply disruptions. UNOC was granted a vote status effective Financial Year 2018/19 which requires the company to comply with the government Public Finance Management Framework with its attendant Public Finance Management Act, 2015. However, this has posed operational challenges to the company given that it is a registered Company with Share Capital and embracing International Financial Reporting (IFRS) Framework which is a fundamental requirement given that it is expected to participate in Joint Venture partnerships with International Oil Companies (IOCs) along the petroleum value chain. There has been a delay in implementation of key infrastructural projects such as; the refinery, East Africa Crude Oil Pipeline (EACOP), Kampala storage terminal, mainly attributed to lengthy negotiations and uncertainties regarding funding Government's equity interest.
12	<p>Energy for Rural Transformation (ERT) (PCU)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> Out of the available project funds of USD 3,761,555, a sum of USD 1,908,511.82 was utilized, representing 50%. Under GOU funding, out of a budget of UGX 1,000,000,000 only UGX 732,840,000 (73.2%) was received while only, UGX 508,250,000 (69%) was spent. The under absorption was attributed to procurement delays. Procurement for the contract for the installation and maintenance of solar PV systems for schools, was not undertaken as planned by 16th August 2019. There is a risk of failure to achieve the overall project objective and service delivery to the intended beneficiaries.
13	<p>Energy for Rural Transformation (ERT) (PSFU)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> There was under absorption of Funds, whereby out of the budget of USD.738,566, the Project received only USD.450,942 (61%), resulting into a shortfall of USD.287,624 (39%). It was further noted that out of the USD.450,942 received, USD.31,495 remained unspent at the year end. There was a delay of 21 months by the Consultant for the development of 6 Pico/micro hydro power schemes, while implementation of the Contract for the supply, Installation and commissioning of electro-mechanical equipment for the power plants was behind schedule by 12 months.
14	<p>Energy for Rural Transformation III Implemented by Uganda Energy Credit Capitalization Company Limited (ERT III- UECCCL)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> No material issue reported.
15	<p>Energy for Rural Transformation (ERT) (BoU)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> No material issue reported.
16	<p>Clean Cooking Project</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> No material issue reported.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
17	Uganda Rural Electrification Access Project (UREAP) IDB I Opinion Unqualified	<ul style="list-style-type: none"> On 4th November 2015, Government of Uganda signed a loan agreement of USD 100 million and a grant of Euro 11,205,000 with African Development Bank for the implementation of UREAP. The project main objective is to provide reliable and affordable electricity to Rural Ugandan households and public infrastructure services. It was noted that only 11.66% of the loan amount (USD 100 million with African Development Bank) and 5.4% of the grant (Euro 11,205,000) has been disbursed to date, for the implementation of the Uganda Rural Electricity Access Project. There was delayed implementation of projects, whereby a number of procurements for meters, circuit breakers and read boards were more than five months late.
18	Kilembe Mines Company Ltd (KML) Opinion Unqualified	<ul style="list-style-type: none"> There was a revenue shortfall of UGX.549,598,292 (22%) with only UGX.1,957,998,708 (78%) received, out of the approved budget of UGX 2,507,597,000. Consequently, the planned activities such as repair of generators at Mubuku Power station; repair of Kampala offices; and purchase of cleaning and water treatment chemicals were not fully implemented. KML has a long outstanding payable since 2013 of UGX.4.7 Billion in favour of MoFPED arising from a loan granted by the latter to enable the Company settle debt obligations. The company currently has an accumulated loss in its financial statements of UGX.2.3 Billion and is unlikely to meet this liability in the near future. Disclosed under payables are trade payables, unpaid taxes, NSSF and UMEME arrears amounting to UGX.831,748,179, posing a risk of interest, penalties and litigation to the company for the long outstanding amounts. I noted that although an impairment loss of UGX.11.08 Billion was reported in the financial statements of KML in 2015, which saw its investment in Kasese Cobalt Company Limited (KCCL) fall to UGX.6,340,543,500, KCCL's going concern is uncertain since it ceased operations of Cobalt processing therefore it is unlikely that KML will recover this investment.
19	Electricity Sector Development Project (ESDP) - MEMD Opinion Unqualified	<ul style="list-style-type: none"> The project realized 102% donor funding of USD.3,750,000 against the budget of USD. 3,655,013. Similarly, it received 100% of Government of Uganda funding of Ugx. 2,853,000,000. Despite the funding electricity connections attained were only 5,449 (68%) of the target of 8000. There was no implementation plan and tracking mechanism to address recommendations of the consultancy under Power Sector Reforms Project. The Power Sector Information Centre (PSIC) set up under the ESDP lacked key sector information as well as procedures for information acquisitions, verification, update and retrieval.
20	Fuel Marking and Quality Monitoring Program (FMQP) Opinion Unqualified	<ul style="list-style-type: none"> Out of the approved annual budget of UGX 8,028,000,000, the Program received a total of UGX.8,378,466,303 representing performance of 105%, but planned activities such as regional customer sensitization and stakeholder workshops, setting up, containerized laboratories at the border points of Busia, Malaba and Mutukula, and setting up a Local Area Network at the central laboratory were not undertaken as planned. There was inadequate verification and reconciliation of revenues remitted by Global Fluids International (GFI). Hence a risk of understatement of the revenue declared to the Program by GFI.
21	Atomic Energy Council (AEC) Opinion Unqualified	<ul style="list-style-type: none"> The Atomic Energy Council had an approved budget of UGX. 23,141,000,000, which was later revised downwards to UGX. 8,065,000,000. Out of the revised budget only UGX 6,774,600,000 was released giving a performance of 84% of the revised budget. A number of activities were not implemented, such as; construction of laboratories, recruitment of staff, conduct of public awareness campaigns, establishing Uganda Network for Nuclear Education Science and Technology, Construction and equipping the centralized radioactive sources storage facility, inspection & licensing of facilities, among others were not implemented, thus exposing the public to the dangers of radiation.
22	Strengthening the management of Oil and Gas project in Uganda (SMOGPU) Phase 3	<ul style="list-style-type: none"> Out of an approved budget of USD. 440,968, the project received USD 442,502 (a performance of (100.3%), however funds were received on 24th June 2019. It was noted that planned activities such as, development of compliance checklist for EIA, workshop on the Fiscal Rule Options, Revision of ICT strategy and development of CRANE database were not implemented.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
	<u>Opinion</u> Unqualified	
23	Mbarara - Nkenda; Tororo - Lira Transmission Lines <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There are standing time costs resulting from a claim by a contractor due to delayed acquisition of right of way amounting to USD.9,769,837 and UGX.4,548,082,000 and interest amounting to USD.166,378.10 and UGX.528,618,788. There are commitment charges of UGX. 815,833,937 on the undisbursed loan from the African Development Fund. The commitment charges are attributed to inadequate absorption of the loan. There were significant delays and challenges in the land titling transfer process whereby out of the expected 18 titles on the Tororo-Lira Line, none has been processed while out of the 53 titles expected on the Mbarara-Nkenda line only 18% have been transferred to the project. There were significant delays in project implementation for the Tororo-Lira transmission line since 2010 with stringing of conductor and earth wire at only 40%. There are outstanding compensations whereby out of 4,701 PAPs on the Tororo-Lira line, 358 (7.6%) are still pending while on the Mbarara-Nkenda line, out of 1689 PAPs, 227 (12%) are pending.
24	Nile Equatorial lakes subsidiary Action Plan (NELSAP) <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> The project lost funding of USD 12,216,194 as a result of failure to absorb the money disbursed within the disbursement period. There were delays in execution of the project, which was started in 2012 and scheduled to end by January 2015 but had not been completed by the end of the financial year. This was attributed to delays in acquisition of right of way, delays in procurement processes and approval of drawings, change orders and shifting the scope of works. The project has not recovered an outstanding receivable of USD 492,515 relating to advance payments made to terminated contractors of Jyoti structures limited and Insolux Ingenieria S.A. Due to delays in the execution of the project, project costs such as supervision, material prices, site administrative costs, land value, and insurance escalated leading to requests for supplementary funding. There was noted vandalism of project property under Lot A Bujagali –Tororo – Lessos 220kV Transmission line which affected the progress of work. There was direct procurement of some non-assigned sub-contractors initially engaged by the terminated contractor to complete works, some of whom had sued UETCL over issues concerning the termination of the main contractor. Contrary to the financing agreement, no new engineer was appointed to monitor and provide independent review of progress of works of the project on the expiry of the Supervising engineer's contract. The performance securities submitted by terminated contractors expired before the end of the project, which exposed UETCL to uncovered risks of project non-performance by the contractor.
25	Hoima - Nkenda Transmission Lines <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> A sum of UGX.12,662,000,172 meant to fund Resettlement Action Plan activities (way leaves and easement), remained un-disbursed to the Project Affected Persons as at 30th June 2019 despite the project completion on 31st July 2018. By the end of June 2019, 54 Project Affected Persons out of 2,119 PAPs remained uncompensated. A sum of UGX.1,929,367,113 relating to unpaid taxes and penalties on imported services by the Nkenda-Hoima transmission line contractor during the financial year 2016/2017 remained unsettled with URA and continues to attract interest and penalties.
26	Hoima – Kinyara – Kafu Transmission Line <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> The Hoima-Kafu transmission line faces funding challenges resulting from failure to realise a saving from the ESDP project on Hoima-Kinyara transmission line (TL) as had been anticipated and arranged. There was an unspent balance of USD.1,893,414 (UGX.6,996,712,036) out of the total release of USD.3,413,551 (UGX.11,022,478,333) on the GOU counterpart funding meant for compensation of Project Affected Persons. There was a delay in compensation of PAPs with only 293 (57.7%) of the 508 identified PAPs paid, leaving a balance of 215 PAPs unpaid.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> • There were delays in land title processing, with only one land title out of the compensations made being submitted to UETCL.
27	Uganda Electricity Credit Capitalization Company Limited (UECCCL) <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • No material issues to be reported on.
	EDUCATION SECTOR	
1	Ministry of Education and sports (MoES) <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • There was a shortfall in releases amounting to UGX.5,745,128,815 representing 2%. Further, the entity remained with unspent balance of UGX. 13,126,982,181 representing absorption level of 95%. • I sampled and reviewed 59 outputs/activities with a budget of UGX123b representing 43% of the total budget and noted that out of 59 outputs/ activities assessed/reviewed, 2 outputs/ activities representing 0.1% of the total outputs/ activities were not quantified to enable measurement of performance. • Funds amounting to UGX.412,532,900 were irregularly diverted and spent on other activities without seeking the necessary approvals. • Domestic arrears increased by 28% from UGX.20,743,534,855 in the previous year to UGX.26,560,530,061 in the year under review. These arrears remained unsettled at the close of the year. • Notes to the financial statements revealed that funds totalling to UGX.2,186,383,892, advanced to various schools for construction and rehabilitation of institutional structures and purchase of machinery and equipment remained outstanding at the end of the financial year under review. • Management of the Ministry breached the terms of the agreement by delaying to pay a supplier and this resulted into accumulated interest of UGX.524, 078,842. The payment was nugatory. • I noted that the ministry budgeted for only UGX.12, 924,912,876 in respect of domestic arrears despite having arrears of UGX.20, 743,534,855 at the beginning of the F/Y. I further noted that the Ministry settled arrears totalling to UGX.10, 919,497,325 during the year despite the under budgeting. • I noted a number of issues during the audit of Ministry subventions including; Outstanding domestic arrears, under collection of NTR and weaknesses in human resources management. • I noted that the Ministry had Shortcomings in the implementation of the provisions in the Ministry of Public Service circular standing instructions on staff performance management. The gaps identified include; non-completion of Performance Agreements, no quarterly reviews undertaken, no performance improvement plans prepared, non-submission of reports on Performance Agreements, Performance Appraisals, Performance Improvement Plans to MoPS and lack of mechanism to monitor staff attendance.
2	Uganda Skills Development Project-1338-IDA – MOES Component <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • I noted that UGX.27.641bn (USD.7.521million) (36.6%) was received from World Bank during the financial year against a budget of UGX.75.603bn resulting into Underperformance of UGX.49.413bn (63.4%). The low disbursement was attributed to absorption challenges. • Out of UGX.27.641bn (USD.7.521million) received from the IDA during the financial year under review, only UGX.14.569bn (USD.3.786million) was spent by the project resulting into unspent balance of UGX.13.072bn representing an absorption level of only 52.7%. The absorption challenges were attributed to procurement delays. • A review of the loan disbursement schedules revealed that a sum of only USD.13,249,327 (16.9%) out of the total project funding of USD.78,200,000 had been disbursed and received by the Project despite having only 14 months (23%) project life remaining as of June 2019.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> I further noted that only USD.5,368,424.25 (40.5%) of the total grant received by the Ministry had been absorbed leaving a balance of USD.7,880,902.75 on project and colleges bank accounts. A review of the 20 activities implemented by the project during the FY revealed that seven (7) activities representing 35% of the assessed activities were not quantified in the Annual work plan to enable measurement of performance. Further, Out of the 13 quantified outputs/activities assessed, only 1 output/activity representing 7.7% was fully implemented, 3 outputs/activities representing 23% were partially implemented while 9 outputs/activities representing 69.2% were not implemented at all. I noted that a total of UGX.2,629,647,579 still existed on Institutions accounts unutilized as at year end. Audit noted that a total amount of USD.5,368,424.25 which relates to the Project donor component (from project inception) was paid outside IFMS.
3	<p>Kyambogo University</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> I noted that out of the budgeted NTR of UGX.89,588,010,633 for the year 2018/19, only UGX.72,783,569,307 was collected representing performance of only 81.2% of the target. I noted that the University received off-budget financing to a tune of UGX.3,289,577,154 which was not paid into the consolidated fund and not appropriated by Parliament as required by the law. The entity budgeted to receive UGX.146,057,584,540 however UGX.134,909,819,105 was warranted resulting into a budget shortfall of UGX.11,147,765,435 representing 92% performance. Funds totalling to UGX.335,231,828 remained unspent at the end of the financial year representing an absorption level of 99.9%. I noted that seven (7) activities representing 27% of the assessed activities were not quantified to enable measurement of performance. Out of the 19 quantified activities assessed, 14 outputs/activities representing 74% were fully implemented while 5 outputs/activities representing 26% were partially implemented. I noted accumulation of Receivables to the tune of UGX.7,540,876,110 as at 30th June 2019. A trend analysis of the domestic arrears showed a movement of arrears from UGX.11,050,752,481 in the previous year to UGX.12,468,723,877 at the close of the year under review, an increase of 12.8%. I observed that only UGX.1,100,309,563 (10%) was provided for domestic arrears for the FYR:2018/19 despite the accumulated bills of UGX.11,050,752,481 that remained un-paid in the previous FYR:2017/18 resulting into a funding gap of UGX.9,950,442,918 (90%). Payments totalling to UGX.463,645,863 were made for arrears that were not disclosed in the prior year's financial statements. Losses of public assets including computers, an ox-plough and other machinery through theft were noted. Wasteful expenditure in Court awards totalling to UGX.2,198,708,917 and un-paid court awards amounting to UGX.652,753,428 were noted. There was also excess payment of court awards by UGX.244,468,789. Funds totalling UGX.296,603,084 remained unaccounted for. There was under Remittance of Statutory deductions to the tune of UGX.1,331,242,776. I noted that out of the teaching staff establishment of 736 positions, the University only had 427 (58%) permanent academic staff creating a variance of 309 (42%) staff. Shortcomings were noted in the implementation of the provisions in the Kyambogo Human Resource manual on staff performance management. The gaps identified include non-completion of Performance Agreements, no quarterly reviews undertaken, no performance improvement plans prepared, Performance Appraisals and lack of mechanism to monitor staff attendance. There was lack of Annual Report on the affiliated Institutions and evidence of supervision of affiliated institutions.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
4	Makerere University Kampala Opinion Unqualified	<ul style="list-style-type: none"> The entity budgeted to receive UGX. 307,913,199,459 however UGX.302,743,273,917 was warranted resulting into a budget shortfall of UGX. 5,169,925,542 representing 1.68%. It was also noted that out of the budgeted revenue of UGX.91.27 billion only UGX.88.32 billion was collected representing performance of 96.8% of the target. Out of the warrants of UGX.302,743,273,917 only UGX.300,903,846,288 was spent by the entity resulting into unspent balance of UGX.1,839,427,692 representing an absorption level of 99.4%. The unspent balance at the end of the financial year was subsequently swept back to the consolidated fund account. Out of 97 activities assessed, 65 activities representing 67% of the total activities were not quantified to enable adequate measurement of performance. Management reported in generic ways, i.e. Procurement of assorted general and specialized laboratory equipment across the colleges, Delivery and installation of laboratory and teaching equipment for the department of Dentistry, Furniture of colleges and non-teaching units among others. Out of the 32 quantified activities assessed, 2 activities representing 6% were fully implemented; 13 activities representing 41% was partially implemented while 17 activities representing 53% was not implemented at all. The Pension Liabilities of the University has increased to UGX.23,920,219,207 resulting from accumulation of In-House Retirement Benefits. The pension liabilities were originally UGX.12,807,880,678 as at 31st March 2009. The entity payables have increased to UGX 22,108,111,071 mainly due to non-payment of withheld PAYE (UGX6,525,834,601), NSSF contribution (UGX.872,408,282), Accumulated salary arrears (UGX976,318,137), and other creditors for goods and services (UGX.14,505,652,462). It was noted that NTR of UGX2,729,269,204 and US\$696,784.16 collected from short courses and rental income was not remitted to the Consolidated Fund. Staff management initiatives as directed by Ministry of Public Service were not fully implemented. The University 142 Senior Management staff did not sign performance agreements; Only 218 out of 1,441 staff were appraised; the university did not hold mid-term performance reviews, and the entity had not developed and operationalized a client's charter.
5	NOHRED Project Makerere Opinion Unqualified	<ul style="list-style-type: none"> No material issues to report on.
6	Petroleum Geoscience Collaboration Programme (ENPE II Project) Makerere Opinion Unqualified	<ul style="list-style-type: none"> No material issues noted.
7	Makerere University Holding Company Limited Opinion Unqualified	<ul style="list-style-type: none"> Included in the statement of financial position on page 8 of the financial statements are accumulated payables of UGX.386,748,722. Included in the statement of financial position on page 8 and note 12 of the accounts are accumulated receivables of UGX.317, 854,018. It was noted that out of the 5 commercial entities meant to be managed by Makerere University Holdings Limited except for the Guest House all the other business units have never been transferred to the company and no new investments have been set up to-date.
8	Makerere – SIDA Bilateral Research Program	<ul style="list-style-type: none"> No material Issues to report on.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
	<u>Opinion</u> Unqualified	
9	Makerere University Africa Centre of Excellence in Materials, Product Development and Nano-Technology Project (MAPRONANO) <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> It was noted that out of the budgeted USD.1,237,000 in the year under review, only USD960,562 was received by MAPRONANO Project reflecting underfunding of USD.276,438. Under funding led to partial implementation of activities and non-implementation of some activities. It was noted that a sum of USD.115,885 was spent over and above the approved budget lines contrary to schedule 2, section B, (3) of the financing agreement which requires prior written approval from the International Development Association to spend on activities not included in the annual work plan. It was noted that all the regional, International and short courses offered by MAPRONANO Project management were not yet accredited.
10	Makerere University Regional center for crop Improvement (MARCCI) Project <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> It was noted that out of the budgeted amount of USD.2,114,670 in the year under review, only USD.917,572 was received by MaRCCI Project reflecting underfunding of USD 1,197,098 (57%). As a result, out of the 70 planned activities, 25 were partially implemented while 45 were not implemented at all. It was noted that MaRCCI offers the following courses; PhD in Plant breeding and Biotechnology, and MSc in Plant breeding and Seeds system and other short courses but these were not internationally and regionally accredited as required under the grant agreement.
11	Gulu University <u>Opinion</u> Qualified	<ul style="list-style-type: none"> The accounts of the University were marred with material inconsistencies, which included; unexplained variances in revenue collected (Ugx. 4,293,751,811) misstatement in statement of Appropriation Account (Ugx. 1,541,544,931) and overstatement of assets (Ugx. 1,384,634,896) among other things which led to qualification of the Accounts. The university budgeted to receive UGX.44,703,868,323, but actually received UGX.44,842,503,357, indicating 103% performance. However, UGX.48,017,930,393 was spent by the entity representing an absorption level of 100.7%. This implies that the University spent above the amount released to it by UGX.3,175,427,036. I was not given an explanation on the source of additional funding. Out of the 20 quantified activities assessed, 7 activities representing 35% were fully implemented, 6 activities representing 30% were partially implemented while 7 activities representing 35% were not implemented at all. I noted that funds to the tune of UGX.2,134,892,736 were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking or obtaining the necessary approvals. I noted that expenditure worth UGX.424,704,250 lacked payment vouchers and other supporting documentation. Revenue collected to the tune of UGX.3,985,002,759 was spent at source without remitting it to the consolidated fund. The University has an approved organization structure of 1341 staff out of which only 446 posts have been filled, leaving a balance of 895 posts vacant. It was noted that the university did not comply with Public Service staff management initiatives. For example, six (6) top managers did not sign performance agreements, 446 did not undergo individual performance reviews, and appraisal reports for the 446 staff in post were not submitted to the University secretary by the due date, and only staff developed performance plans.
12	Nakivubo War Memorial Stadium <u>Opinion</u> Qualified	<ul style="list-style-type: none"> I noted some inconsistencies in the amounts presented in the financial statements. The inconsistencies imply that the financial statements are misstated. There was a shortfall in revenue amounting to UGX.206,000,000 representing representing 56% of the approved budget amount of UGX.368,954,337.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> • I noted that Out of the total revenue UGX.162,565,000, a sum of UGX.157,600,306 was spent by the entity resulting into unspent balance of UGX.4,964,694 representing an absorption level of 97%. • The stadium had outstanding debts totalling to UGX.516,676,784 which relate to prior year periods. I further observed that management had not developed a policy on provisions and write off of bad debts. • The stadium had outstanding creditors totaling to UGX.398,792,494 at the closure of the financial year. It was noted that the liability had grown from UGX.345,509,041 an increase of UGX.53,283,453(15%). • I noted that management signed PPP agreement with a private developer without considering proposed amendments by the Attorney General. • I noted that the tenure of the PPP agreement between NWMS and a private developer was never specified. This undermines the efficiency and effectiveness of implementation of obligations of each party. • The Board of Trustees of the NWMS (contracting authority) failed to prepare and submit to the minister project monitoring reports for the period under review. I was not able to verify the performance of the PPP arrangement and the progress so far made under the project. • Contrary to Section 28 (2) of the PPP Act 2015, the private party (Ham Enterprises) neither submitted any annual report nor audited financial statements to the contracting authority. This creates a risk of significant challenges in confirming and certifying the total amount invested by the private party. • I noted that some provisions in the Act governing NWMS were outdated and can no longer efficiently serve the needs of the day. I further noted that the trust operates without a strategic plan.
13	<p>Higher Education Students Financing Board (HESFB)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> • There was a shortfall in releases amounting to UGX.1,401,004,211 representing 95% performance. • There was no evidence that the Accounting Officer submitted the annual budget performance reports to the Ministry by 31st July 2019 as required by the Regulations. • I noted cases where the information reported in the Quarterly performance reports by the Board was inadequate. • I reviewed 26 activities implemented under 8 program outputs/Budget items worth UGX.25.89bn representing 88% of the total budget and noted that 18 activities representing 69% were fully implemented, 3 activities representing 12% were partially implemented while 5 activities representing 19% were not implemented at all. • Audit noted that the approved 2018/19 budget and work plans of the Board were inconsistent with the overall Sector Budget in relation to the budgeted number of students to be given loans in the FYR:2018/19. • A review of the Strategic plan 2017/18-2019/20 revealed that a number of activities that should have been implemented by the financial year 2018/19, the second year of the three (3) year Strategic Plan had not been implemented. • Failure to amortize the Loan amount due of UGX.15,417,740,798 over the expected recovery period. • Low Students' Financing Rate. The Board has on average managed to finance only 43% of the total applicants. • Low Loan Recovery Rates. The amount recovered is only UGX.40,424,432 (3%) of the expected amount to be recovered of UGX.1,541,774,080 in the financial year 2018/19. • I noted that the mandate of management of the scholarships by the Government of Uganda has not been handed over to the Board.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Absence of Key Governing Policies including; the Risk Management policy, ICT policy and Loans recovery policy. Shortcomings were noted in the implementation of the Staff Performance Management Initiatives. The gaps identified include; Non development of Performance Agreements and Performance Plans, Non-Completion of Quarterly Performance Reviews and lack of a Client Charter.
14	<p>Uganda Teacher and School Effectiveness Project-1296 IDA (UTSEP)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> I noted that the project had an opening balance of USD11,680,694, received a total amount of USD22,483,675 resulting into a total amount of USD34,163,869 available for spending during the year under review. However, only USD25,709,058 was spent resulting into unspent balance of USD8,454,810 representing an absorption level of 75%. There was an off budget financing of USD8, 714,252 contrary to Paragraph 24.6.2 of Treasury instructions which requires an Accounting Officer to ensure that all planned development partner disbursements under his or her vote are appropriated by Parliament. the project received a total amount of USD22,483,675 against the appropriated amount of USD13,769,423. I observed that out of the 53 quantified outputs/activities assessed, 38 outputs/activities representing 72% were fully implemented, 7 outputs/activities representing 13% were partially implemented while 8 outputs/activities representing 15% were not implemented at all by the end of the financial year under review. There was delayed commencement of construction projects. I noted that all the site possession for construction works under centralized modality was done beyond 30 days from the date of signing. I noted that payments amounting to UGX.7,551,661,934 to contractors were made beyond the stipulated maximum of 30 days from the date of certification which was specified in paragraph 41 of the General Condition of Contracts. for Construction of Facilities at selected Primary Schools which requires the Employer (UTSEP/MoES) to pay the Contractors within 28-30 days from the date of each certification.
15	<p>Skills Development Project-1338-IDA - PSFU Component</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> The Project budgeted to receive UGX.27.361bn (USD.7.6mn) from IDA during the financial year, however UGX.16.479bn (USD.4.427mn) was availed resulting into a budget shortfall of UGX.10.882bn (USD.3.173mn) representing 60% revenue performance. Out of a total amount of UGX.19.823bn (USD.5.345mn) comprising of opening cash balance of UGX.3.344bn (USD.0.918mn) and UGX.16.479bn (USD.4.427mn) received from IDA during the financial year, only UGX.14.338bn (USD.3.862mn) was spent by the project resulting into unspent balance of UGX.5.484bn (USD.1.484mn). This represents an absorption level of 72%. Out of the 31 activities assessed, 16 activities representing 51.6% were fully implemented, 8 activities representing 25.8% were partially implemented while 7 activities representing 22.6% were not implemented at all. Despite the positive progress in achievement of project target results, audit noted that the project has made no disbursements so far under Window 4 which relate to prior learning, despite the project having only 14 months to closure as of June 2019.
16	<p>Uganda National Examinations Board (UNEBC)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> Out of the revenue budget of UGX.115,481,707,578 a sum of UGX.115,480,679,108 representing 99.9% was realized representing 99.9% performance. Out of the total revenue; UGX.115,479,364,702 was spent by the Board resulting into unspent balance of UGX.1,314,406 representing an absorption level of 99.9%. However; there was no evidence that the Accounting Officer submitted the annual budget performance reports to the Ministry by 31st July 2019 as required by the Regulations. Review of the 4th Quarter Performance report indicated that out of a total of 37 activities analyzed, the implementation for 5 (13.5%) activities was not adequately reported in the Performance report. Out of the 29 quantified activities assessed, 23 outputs/activities representing 79% were fully implemented while 6 outputs/activities representing 21% were partially implemented. A review of the board's three (3) year strategic plan of 2017/2018 to 2019/2020 revealed that a number of outputs that had been planned for delivery by the end

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<p>of the financial year 2018/2019 remained either unimplemented or partially implemented.</p> <ul style="list-style-type: none"> Assessment of staff performance management revealed; failure to develop Performance Agreements, performance plans and the performance improvement plans. The current UNEB Act has clauses which financially constrain the board from holding of prescribed meetings due to the large membership of over fifty. An amendment bill approved by Cabinet to address the weaknesses is still under process.
17	<p>Makerere University Business School (MUBS)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> It was noted that out of the budgeted revenue of UGX.51.892Bn only UGX.38.181Bn was realized representing performance of 73.6 % of the target. 21 out of the 37 activities assessed representing 57% of the total activities were not quantified to enable measurement of performance. Management reported in generic ways such as carrying out field attachment activities and supervision of students, providing reading materials by increasing book ratio through e - books, facilitating students with disabilities with helpers and gadgets. Although the entity absorbed (100%) of the funds that were released, some of the activities remained either partially or not implemented at all. Out of the 16 quantified activities assessed, five (5) activities representing 31% were fully implemented, 9 activities representing 56% were partially implemented while two (2) activities representing 13% were not implemented at all. I noted that funds amounting to UGX.141,363,732 were irregularly diverted from the activities on which they were budgeted for, without seeking the necessary approvals. The School accumulated domestic arrears of UGX.19,084,373,665 by the end of the financial year under review. This rose by 177% from the previous year's arrears of UGX.10,793,305,009. Also, included in the arrears total balance is UGX.8,610,930,762 payable to Uganda Consolidated Fund which resulted from the School's failure to transfer back some of money advanced from UCF and functional fees of UGX.975,461,400 due to Makerere University for the financial year 2018/ 2019 not paid. The entity paid domestic arrears of UGX.1,227,876,796 during the year, without budget provision. Out of the paid amount, UGX.1,186,885,042 related to unremitted functional fees to Makerere University. A number of staff members were found to be in acting positions for a period of more than six (6) months with no evidence that extensions were expressly authorized by the appointing authority. MUBS Arua campus has not obtained accreditation from NCHE and yet is admitting students and conducting lectures. All the 24 members of Senior Management had not signed Performance Agreements. A total of 1,027 staff in post at the beginning of the financial year 2018/19, had not filled in the annual performance plans. There were no quarterly performance reviews undertaken by the staff during the year under review. I noted that cases that require administrative investigation took averagely 5 months to be concluded and those that required police investigations took averagely 15 months. The entity had not developed and operationalized a client's charter as required by the standing orders. A number of contracts lacked performance securities as required by the law. Local service tax of UGX.92,715,000 deducted from the University employees was not remitted to the respective local councils.
18	<p>Lira University</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> There was a shortfall in Non-Tax Revenue (NTR) of UGX.1.415Bn representing 36% of the budgeted NTR. The university anticipated to receive UGX.18.544Bn as per its revised and approved budget, however a total UGX.16.917Bn (91.2%) was warranted resulting into a budget under performance of UGX.1.626Bn representing 8.8 %. Out of the warranted amount of UGX. 16.917Bn, a sum of UGX.16.886Bn was spent by the university resulting into unspent balance of UGX.30,709,890, thus leading to an absorption level of 99.8%.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> The university had an outstanding liability of UGX.1.056Bn which accrued during the financial year under review. The University had outstanding receivables totaling to UGX.213,124,187 at the closure of the financial year. The receivables relate to funds borrowed by Gulu University, which have remained outstanding since the financial year 2013/2014. Out of the 498 approved posts for the University, only 214 (43%) were filled leaving 284 (57%) posts vacant. Shortcomings were noted in the implementation of the provisions in the ministry of public service circular standing instructions on staff performance management such as non-completion of Performance Plans, lack of performance improvement plans, Performance Appraisals, client charter and absence of rewards and sanctions committee.
19	Kabale University Opinion Unqualified	<ul style="list-style-type: none"> I noted that there was inadequate forecasting of NTR as UGX.5,877,567,374 was collected out of the budgeted revenue collection of UGX.5,188,388,140 for the financial year 2018/19 representing a performance of 113% of the target. Funds totalling to UGX.93,884,245 remained unspent at the end of the financial year representing an absorption level of 99.6%. I sampled 9 out-puts worth UGX.15.74billion representing 62.5% of the total budget and noted that 4 outputs/activities representing 50% were fully implemented, 4 outputs/activities representing 50% were partially implemented, while 1 output/activity representing 11.2% could not be assessed due to non-quantification of outputs. Review of the 4th Quarter performance report noted that the reported amounts spent on different voted outputs were at variance with the amounts spent as per IFMS detailed budget analysis report. I noted existence of long outstanding arrears totalling to UGX.1,872,390,164. I noted that out of the revised teaching staff establishment of 1062 positions, the University only had 184 (17%) permanent academic staff creating a variance of 878 (83%) staff. I noted that Kabale University does not have a rewards and sanctions committee as required by the guidelines. Management has not yet developed a client's charter as required by the standing orders.
20	Mbarara University of Science and Technology (MUST) Opinion Unqualified	<ul style="list-style-type: none"> Out of the budget of UGX.52,186,292,240 the University received UGX.52,184,241,959 (99.9%) resulting into a shortfall of only UGX.2,050,281. Out of the warrants of UGX.52,184,241,959 a sum of UGX.51,838,890,797 (99.3%) was spent by the entity resulting into unspent balance of UGX.345,351,162. I noted that the University received off-budget financing of UGX.9,230,134,027. Out of the budgeted revenue of UGX.11,587,693,658 for the year 2018/19, only UGX.11,412,179,867 was collected representing a performance of 98% of the target. Review of the implementation of planned activities revealed that out of the 18 outputs assessed, 11 outputs representing 61% were fully implemented, 5 outputs representing 28% were partially implemented while 2 outputs/activities representing 11% were not implemented at all. The financial statements revealed that the University had outstanding payables totalling to UGX.286,121,044 at the closure of the financial year under review. The failure to pay teaching allowances in time affects morale of staff. The University had outstanding receivables in uncollected student fees of UGX.220,535,081. The University lost three (3) cases and made payments totaling to UGX.123,350,280 in court awards and legal costs. The University used direct sourcing on procurement of repair and servicing of Motor vehicles totalling to UGX.239,066,000 without adequate justification. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include non-completion of Performance Agreements, no performance improvement plans prepared, no Performance

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<p>Appraisals, Performance Improvement plans, lack of mechanism to monitor staff attendance and Failure to develop a Client Charter.</p> <ul style="list-style-type: none"> One new academic program offered was not yet accredited while accreditation for 22 programs had expired. Teaching of unaccredited and un-reviewed programs may result into nullification of university awards.
21	<p>Pharm-Bio Technology and Traditional Medicine Centre (PHARMBIOTRAC)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> I noted that a sum of only USD.1,795,000 (60.3%) was received in the 2 years of project implementation out of the expected amount of USD.2,978,587 resulting into a shortfall of USD.1,183,587. The project lacks strategies and patents to market and protect its innovated products respectively. The new laboratory equipment procured on 26th July 2018 had not been fully installed. Besides, the equipment lack insurance. I noted delayed Payment of Tuition for new Scholarship Students.
22	<p>Muni University</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> There was a budget shortfall of UGX.48,199,999 representing 0.29%. Further, the entity remained with unspent balance of UGX.187,342,624 representing an absorption level of 98.8%. Out of the 17 quantified outputs/activities assessed, 8 outputs/activities representing 47% were fully implemented; 8 outputs/activities representing 47% were partially implemented while 1 output/activity representing 6% was not implemented at all. Domestic arrears of UGX.124,198,505 were incurred in the year under review. The arrears remained unsettled at the close of the year. A review of the University staff establishment against the accredited and taught courses revealed that out of the approved 136 academic staff posts, only 42(31%) positions were filled leaving 94 (69%) vacancies. The University's land in Bidibidi measuring about 439.58 acres does not have a land title. There is a possibility of land encroachment that may result into loss of the land. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include non-submission of reports on Performance Appraisals, Performance Improvement Plans to MoPS, lack of mechanism to monitor staff attendance, non-existence of a rewards and sanctions committee and client charter.
23	<p>Uganda Management Institute (UMI)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> I noted that out of the budgeted revenue of UGX.30,130,073,000, only UGX.19,794,182,141 was collected representing performance of only 65.7% of the target. The entity budgeted to receive a total of UGX.38,274,325,314 however UGX.32,214,692,527 was warranted resulting into a budget shortfall of UGX.6,059,632,787 representing 84% performance. Funds totalling to UGX.2,368,781,787 remained unspent at the end of the financial year representing an absorption level of 92.6%. I noted that eight (8) activities representing 44.4% of the total activities were either not quantified or not reported to enable measurement of performance. Out of the 10 quantified activities assessed, 6 outputs/activities representing 60% were fully implemented while 4 outputs/activities representing 40% were partially implemented. I noted that 8 outputs achieved as per management performance reports were not reported on in the PBS quarterly performance reports. I noted accumulation of Receivables to the tune of UGX.5,755,237,792 as at 30th June 2019 which was attributed to defaulting in fees payments by students. Domestic arrears reduced from UGX.3.6bn to 1.38bn. The amount is still significant and was attributed to revenue shortfalls. A total amount of UGX.451,230,072 was paid in relation to contract staff salaries and allowances for the previous financial year which had not been disclosed as arrears in the prior year financial statements.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> I observed that only UGX.136,884,544 (3.2%) was provided for domestic arrears for the FYR:2018/19 despite the accumulated bills of UGX.4,279,801,852 that remained un-paid in the previous FYR:2017/18 resulting into a funding gap of UGX.4,142,917,308 (96.8%). Whereas the target for PHD graduation was 20%, the institute attained 7% implying a variance of 13%. I observed that out of the approved establishment of 272 positions, UMI had only 197 filled positions leaving 75 (28%) positions Vacant.
24	<p>Busitema University</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> Out of the budgeted NTR of UGX.6,787,386,284, the University collected a sum of UGX.6,689,346,000 representing performance of 98.6%. The University anticipated to receive UGX.40, 315,771,719 as per its revised and approved budget, however a total of UGX 39,997,969,042 (99.2%) was warranted resulting into a budget under performance of UGX.317, 802,677 representing 0.8 %. Of the total amount warranted of UGX.39,997,969,042, an amount of UGX.39, 43,510,241 was spent by the University resulting into unspent balance of UGX.254,458,801, leading to an absorption level of 99.4%. Out of the 9 quantified outputs/activities assessed, 5 outputs/activities representing 55.6% were fully implemented, and 4 outputs/activities representing 44.4% were partially implemented. A trend analysis of the domestic arrears showed a movement of arrears from UGX.80,000,000 in the previous year to UGX. 321,192,777 in the year under review an increase of ugx.241, 192,277(301%). The University received grants totaling to UGX.646,512,713. A total amount of UGX.463,172,959 was spent leaving a balance of UGX.183,339,754 at the close of the financials year. However, these grants were not appropriated by Parliament. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management such as non-completion of Performance Agreements, lack of quarterly performance reviews, lack of performance improvement plans, non-submission of reports on Performance Agreements, Performance Appraisals, Performance Improvement Plans to MoPS and lack of mechanism to monitor staff attendance, and absence of the rewards and sanctions committee. The University lacks a client's charter contrary to the standing orders.
25	<p>Mandela National Stadium – Namboole</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> There was a revenue shortfall of UGX.945,395,000 (33%). I noted that out of the budgeted revenue of UGX.2,850,946,000 for the year 2018/19, only UGX.1,905,551,000 was realised with actual collections of UGX.1,148,000,000 representing 59.7% of the budgeted revenue. I noted that Stadium had only three outputs all of which were quantified. Out of the three quantified outputs/activities assessed, 2 outputs/activities representing 66.7% were fully implemented and 1 output/activity representing 33.3% was partially implemented. There was no output/activity that was not implemented at all. Mandela National stadium closed the financial year with a payables figure of UGX.4,598,118,967 of which UGX.194,651,993 was incurred during the financial year under review. I noted that 70% (UGX.3,196,935,617) of the payables belong to URA in form of arrears and penalties which have been outstanding for over 10 years. The Stadium management entered into a management contract of the Mandela Sports Hotel in February 2016 with M/s Fortune Energy Limited. I however noted that M/s Fortune Energy Limited had breached contract with accumulated arrears totalling to UGX.1,375,569,240 and Mandela National Stadium (MNSL) has since not taken any legal step to have the arrears recovered but instead M/s Fortune Energy Limited had taken the Stadium to court. I noted that out of the five (5) Performance improvement initiatives identified during the financial year 2017/18 for the 5 staff appraised, none was included in the performance plan/training plan of the year under review. I noted that the stadium management does not have a mechanism to reward to performing and extemporary staff contrary paragraph 15.4.1 of the MNSL-Human Resource manual.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
26	National Council for Higher Education (NCHE) Opinion Unqualified	<ul style="list-style-type: none"> I noted that out of the budgeted revenue of UGX.10,987,346,000 for the year 2018/19, only UGX.8,728,280,498 was realized representing performance of only 79.4 % of the target. Out of a total of UGX.9,047,757,166 comprising of opening cash balance of UGX.319,476,668 and UGX.8,728,280,498 received by the Council during the financial year, only UGX.8,278,250,861 was spent by the entity resulting into unspent balance of UGX.769,506,305, thus representing an absorption level of 91.5%. I reviewed 98 activities implemented under the 10 program outputs indicated in the entity annual work plan for the financial year 2018/2019 and established that 53 activities representing 54% of the assessed activities were not quantified to enable adequate measurement of entity performance. Out of the 1,206 programmes received for accreditation during the financial year 2018/2019, only 1,141 (94.6%) were assessed of which and only 335 (29%) were accredited. It was noted that whereas Council reported cash contributions of UGX.3,514,411,933 from students during the FYR: 2018/2019 against a budget of UGX.4 Billion, Universities and Tertiary institutions did not submit enrolled Students Registers to NCHE to verify Student Contributions. A review of the NCHE human resource establishment revealed that out of the 100 approved positions for the Council, only 48 (48%) positions were filled leaving 62 (62%) positions vacant.
27	National Council of Sports (NCS) Opinion Unqualified	<ul style="list-style-type: none"> There was a budget shortfall amounting to UGX.2,313,955,229 representing 12%. Further, the entity spent more than the available funds by UGX.440,745,024 representing an absorption level of 105% and this resulted into accumulation of domestic arrears of Ugx.499,410,805 during the year. I reviewed all the 18 outputs/activities with a total budget of UGX.18,891,348,600 representing 100% of the total budget and noted that 12 (85%) of the total outputs were not quantified to enable measurement of performance. Further, of the 10 quantified outputs/activities assessed, 2 outputs/activities representing 20% were fully implemented; 2 output/activity representing 20% was partially implemented while 6 output/activity representing 60% were not implemented at all. I noted that NCS contracted and paid out UGX.335,582,000 to External lawyers as legal fees for handling various cases without following the due procurement process. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include irregular meetings of the rewards and sanctions committee, absence of a client charter and lack of standard departure registers.
28	Uganda Petroleum Institute Kigumba Opinion Unqualified	<ul style="list-style-type: none"> I observed slow implementation of a contract for construction of selected infrastructure at the Institute. I noted absence of an internal audit function at the institute. Out of the institute budget of Ugx. 9,028,880,004, only Ugx. 7,720,000,000 was realized representing 85.5% performance. As a result, planned procurements such as medical insurance scheme and furniture were not carried out.
29	Albertine Region Sustainable Development Project-1310 (ARSDP –MOES Component) Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.27,018,152,000 representing 51%. Further, the entity remained with unspent balance of UGX. 11,882,875,062 representing absorption level of 53.3%. Out of a total of 21 out puts analyzed, 12 out puts were found inaccurate upon verification. From the sampled 21 activities, 6 activities were not quantified to enable measurement of performance but reported in generic ways. Out of the 15 quantified outputs/activities assessed, only 1 output/activity representing 7% was fully implemented 5 outputs/activities representing 33% were partially implemented while 9 outputs/activities representing 60% were not implemented at all. Payments made outside IFMS contrary to IDA requirements.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Lack of regular audit reviews contrary to the requirement of the IDA requirements.
30	Education Service Commission (ESC) Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.64, 448,958 representing 0.67% of the budget. Further, the entity remained with unspent balance of UGX.978, 141,383 representing an absorption level of 89.74%. I reviewed all the 47 outputs with a budget of UGX.9,599,744,708 representing 100% of the total budget and noted that 34 outputs representing 70.2% of the total outputs were not quantified to enable measurement of performance. Further, out of the 13 quantified outputs/activities assessed, 8 outputs/activities representing 17.2% were fully Implemented, 3 outputs/activities representing 6.38% were partially implemented while 1 output/activity representing 2.13% was not implemented at all. I noted that the approved budget and work plans for the financial year under review (2018/19) and other prior years had consistently excluded strategic objective No 5.1(vi) of the overall ESC strategic plan about the construction of an office block for the Commission. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include non-completion of Performance Plans, no quarterly reviews undertaken, no performance improvement plans prepared, and non-submission of reports on Performance Agreements, Performance Appraisals, and Performance Improvement Plans to MoPS, inadequate mechanism to monitor staff attendance, failure to submit reports on absenteeism, Delays in conclusion of disciplinary cases and failure to development of Performance Agreements/targets.
31	National Curriculum Development Centre (NCDC) Opinion Unqualified	<ul style="list-style-type: none"> The entity budgeted to receive UGX.7,434,201,458 however UGX.7,024,630,682 was warranted resulting into a budget shortfall of UGX.409,570,776 representing 94.5% performance. Out of the warrants (UGX.7,024,630,682), UGX.7,006,057,362 was spent by the entity resulting into unspent balance of UGX.18,573,320 representing an absorption level of 99.7%. I noted that out of the 26 activities assessed, seven (7) activities representing 27% of the total activities were either not quantified or not reported on to enable measurement of performance. Out of the 19 quantified activities assessed, 11 activities representing 58% were fully implemented; seven (7) activities representing 37% were partially implemented while one (1) activity representing 5% was not implemented at all. Outstanding domestic arrears of UGX.311,656,336 as at 30th June 2019. I observed that out of the 173 approved posts for the Centre, only 89 were filled leaving 84 (49%) posts vacant. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include non-completion of Performance Agreements/Plans, no quarterly reviews undertaken, no performance improvement plans prepared and lack of mechanism to monitor staff attendance.
32	Management Training and Advisory Centre (MTAC) Opinion Unqualified	<ul style="list-style-type: none"> I noted that the Centre budgeted for UGX.6,094,033,000 and received only UGX.5,324,204,000, thus resulting into a budget shortfall of UGX.769,829,000. I noted that Accounting Officer did not prepare the annual budget performance reports as required by regulations. This curtailed effective monitoring and analysis of the MTAC's performance. I noted that MTAC had student debtors whose accounts totaling to UGX.557, 553,708 have been outstanding as far back as F/Y 2011/2012 contrary to the MTAC Credit and Debt Management Policy, 2015. I noted that URA erroneously garnished a sum of UGX.266, 518,689 from MTAC's Barclays Bank account No.0341395879. According to management, the agency notice was erroneously issued and funds taken by URA. This amount remained outstanding at the closure of the F/Y under review. I noted that only 53 (73.6%) out of 72 posts of the MTAC established structure were filled leaving 19 (26.4%) posts vacant. I further noted that key administrative positions such as Executive

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		Director, Director Finance and Administration, Manager Human resource and Administration, Accountant and Internal Auditor have remained in acting status/position for over 2 years.
33	Economic Policy Research centre (EPRC) Opinion Unqualified	<ul style="list-style-type: none"> No material Issues to report on.
34	African Centre for Agroecology and Livelihood Systems (ACALISE) implemented by Uganda Martyrs University under Africa Higher Education centres of Excellence (ACE III Project) Project No. 126974, Loan No. 5797-UG Opinion Unqualified	<ul style="list-style-type: none"> No material Issues to report on.
35	UNFPA Kotido Opinion Qualified	<ul style="list-style-type: none"> Expenditure totalling to UGX.53,770,000 was not supported by third party documentation. This included UGX.51,535,000 relating to ineligible expenses, and UGX.2,235,000 in regard to facilitation expenditure incurred during UNFPA annual review meeting that was reimbursed by the National Population Council. UNFPA stopped funding the "8th GOU/UNFPA Country Programme" which was being implemented by Kotido District local government by 31st December, 2017. Therefore, despite the fact that the programme was supposed to run upto 2020 as per the signed Implementing Partner Agreement, its activities are no longer operational since UNFPA suspended its funding.
	SCIENCE AND INNOVATION	
1	Ministry of Science, Technology and Innovation (MoSTI) Opinion Unqualified	<ul style="list-style-type: none"> The Ministry had an approved budget of UGX.59,420,335,258, out of which UGX.47,070,818,373 was released resulting into a shortfall of UGX.12,349,516,885, which was equivalent to 21% of the budget. This affected implementation of some of the planned activities. The Ministry remained with unspent balance of UGX.619,862,781 representing an absorption level of 99%. Unspent balances imply that planned activities were not fully implemented. Out of the seventeen outputs/activities with a total budget of UGX.55.87billion implemented by the entity during the financial year, I sampled and reviewed twelve outputs/activities with a budget of UGX.55.82billion representing 99% of the total budget and I established that the annual planned outputs/ activities assessed/reviewed were not quantified to enable measurement of performance. Funds amounting to UGX.73,473,857 were irregularly diverted and spent on other activities without seeking the necessary approvals. A total of UGX.518,120,389 was advanced to Ministry staff through their personal bank accounts to undertake various activities contrary to Paragraph 31 of the Public Finance Management Regulations, 2016. Procurements valued at UGX.212,363,820 lacked evidence of sending notice to all bidders who participated in the Procurements, and acknowledgements thereof, and there was no evidence of display on the Website of MoSTI. This points to lack of transparency in the said procurements, contrary to the procurement law.

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		<ul style="list-style-type: none"> • By the end of the financial year 2018/2019, out of the 142 established positions at the Ministry, only 115 were filled leaving 27 positions still vacant. This impacts negatively on the Ministry's capacity to deliver its mandate. • The Ministry received UGX.30bn during the Financial 2017/18 as Innovation Funds and distributed the Funds to Uganda National Council of Science and Technology (UGX.8,802,340,000), Uganda Industrial Research Institute (UGX.5,927,660,000), Presidential Initiative on Banana Industrial Development (UGX.8,470,000,000) and Ministry of Science, Technology and Innovation (UGX.6,800,000,000). It was established that there was no legal framework to guide the budget and distribution of the Innovation Funds.
2	<p>Uganda National Council for Science and Technology (UNCST)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> • There was a shortfall in releases amounting to UGX.6,866,779,000 representing 47% of the budget. • I reviewed 63 out-puts and noted that 27 outputs/activities representing 43% were fully implemented; 19 outputs/activities representing 30% was partially implemented while 17 outputs/activities representing 27% were not implemented at all. • Several unimplemented activities/outputs were noted upon review of the Innovation Fund Operations. These majorly resulted from shortfalls in funding over previous two financial years. • Shortcomings were noted in the implementation of the provisions in the Circular Standing Instructions on staff performance management. The gaps identified include non-completion of performance agreements, non-completion of performance appraisals, lack of performance plans and lack of client charter.
3	<p>Presidential Initiative For Banana Industrial Development (PIBID)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> • I noted that the term of Presidential Initiative on Banana Industrial Development (PIBID) Board and Management Committee expired in October 2015 and has not been renewed since then. • I established that PIBID had an opening balance of UGX.1,201,640,014, as at 1st July, 2018, yet these funds were not returned to the Consolidated Fund as per Section 17 of the Public Finance and Management Act, 2015. • I established that the entity's management collected and used at source a total of UGX.119,935,450 obtained from promotional sales without authority and appropriation by Parliament. • It was noted that during the Financial Year 2018/2019, the Domestic arrears brought forward were UGX.2,288,020,035 while the domestic arrears as at the close of the Financial Year were UGX.6,616,077,104, resulting into a 35% increase. • During the financial year, management deducted UGX.633,205,884, as PAYE, from employee's salaries but did not remit it to Uganda Revenue Authority. • It was observed that outstanding obligations to National Security Fund at the end of the Financial Year 2018/2019 were UGX.829,409,254. • I noted that the entity lacked land titles for its land at Sanga (approximately 50 acres) and at Kyamugambira (approximately 4 acres) where the water source is located.
4	<p>Kiira Motors Corporation</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> • The Memorandum and Articles of the Association of Kiira Motors Corporation prescribes a nine (9) Member Board of Directors providing for Majority (5) independent Directors, but noted that only two members have been appointed. The Corporation lacks a fully constituted Board of Directors that provides policy guidance, oversight for the implementation of the Corporation's projects, and establishes and oversees the projects governance and management structures. • I established that Kiira Motors Corporation received UGX.23,298,588,923 and spent only UGX.22,481,205,856 resulting into under absorption of UGX.817,383,067. • Funding balance on UDC Bank Account not incorporated in the Budget UGX.1,712,157,836 • I noted staffing gaps; Out of the 35 approved positions, only 31 positions were filled leaving 4 positions vacant. • Audit Inspection revealed advance payment of UGX.17,320,349,251 to the Contractor for constructing the factory, warehouse and circular roads. However, no certificate of completion has been issued for work so far done.

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5	<p>Uganda Industrial Research Institute (UIRI)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> The Accounting Officer did not make sufficient budget provisions towards the settlement of domestic arrears despite the accumulation of a total of UGX.1,290,513,798 in un-paid obligations the previous year. The amount provided in the budget for 2018/19 was only UGX.44,579,000 which is 3.4% of the reported arrears for the previous financial year. Notably, by the close of FY 2018/19, the Institute owed UGX.1,188,492,840. It was noted that the Institute irregularly accumulated domestic arrears worth UGX.1,030,805,995 without due regard to Section 21(2) of the Public Finance Management Act. Failure to adhere to the PFMA provisions poses a risk of rejection of budget requests for settlement of such domestic arrears by Treasury and exposes the entity to reputational risk due to delayed payment. I noted that the Accounting Officer paid UGX.1,571,898,856 for outstanding liabilities relating to previous financial years without a budget provision. Consequently, a total of UGX.1,571,898,856 was diverted by the Accounting Officer from the current year budget activities and used to settle domestic arrears for the past year. From reviews of Human resource personal files, I noted that a total of 85 employees (also on the payroll) had expired contracts which was contrary to the Institute's Human Resource Policy. Failure to enter into written contracts with employees in service exposes the Institute to a risk of litigation. A review of employee personnel files revealed that annual employee performance appraisals were not conducted for all staff. Performance appraisals of staff were only conducted at the point of renewal of individual contracts. Failure to conduct periodic appraisals of employees may lead to staff failing to meet their expected targets which in turn negatively impacts the overall performance of the organization.
	GENDER AND SOCIAL DEVELOPMENT	
1	<p>Ministry of Gender, Labour and Social Development (MoGLSD)</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> Out of the approved budget of UGX.179,611,242,998, a sum of UGX.164,877,651,311 was realized resulting into a shortfall of UGX.14,733,591,687 representing 8.2 %. Out of the warrants of UGX.164,877,651,311, a sum of UGX.163,991,951,115 was spent indicating an absorption rat of 99.46%. However, UGX.885,700,196 was unspent and it related to salary and gratuity. I sampled 52 out-puts with a budget of UGX. 171,251,594,698, representing 99.43% of the total budget, and noted that 6 (11.5%) of the total sampled outputs were not quantified to enable measurement of performance. Further, Out of the 46 quantified outputs/activities assessed, 34 outputs/activities representing 73.91% were fully implemented, 3 outputs/activities representing 6.52% were partially implemented while 9 outputs/activities representing 19.56% were not implemented at all. Funds amounting to UGX. 23,513,667 were irregularly diverted resulting into mischarge of expenditure. UGX.325,350,674 was paid as interest charges relating to the delay in payment of rent on time by the Ministry. There was a delay to make payments of the total outstanding workers compensation worth UGX.1,662,044,951. During the year 73.9% of budgeted YLP funds were realized indicating a shortfall of 26.3%. it was however noted that UGX.2,915,173,000 recovered from the YLP activities was not remitted to the Bank of Uganda recovery account. In addition, UGX.5,691,812,289 recovered could not be linked to any district/group due to lack of reconciliations. There was a shortfall of UGX.33,522,287,839 (27%) in budgeted UWEP funding. UGX.1,159,952,130 (68%) constituting recoverable funds remained outstanding. Receipts amounting to UGX.595,982,801 could not be tagged to any District Local Governments and individual women groups due to lack of reconciliation. A variance of UGX 55,898,743 was noted between reported recoveries and actual account balances for the UWEP funds.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> out of an estimated one million workplaces in the country only three thousand one hundred fifty-six (3,156) workplaces were registered (0.3%) and a total 690 workplaces had not renewed their OSH certificates. The approved budget for the Green Jobs programme for the FY2018/19 was UGX.0.2Bn out of the planned annual budget of UGX 100Bn leaving a funding gap of UGX 98.8 Bn. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include non-completion of Performance Agreements, no quarterly reviews undertaken, no performance improvement plans prepared, non-submission of reports on Performance Agreements, Performance Appraisals, Performance Improvement Plans to MoPS and lack of mechanism to monitor staff attendance. Further analysis revealed that out of UGX.26,564,839,997 recovered funds, only UGX.9,439,752,580 had been revolved to other youth groups leaving a balance of UGX.17,125,087,417.
2	<p>Supporting Children's Opportunity Through Protection and Empowerment (SCOPE) Project</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> A review of the Project Manual, approved work plans and performance/progress reports revealed that whereas the Project received all the budgeted for funds for its entire life span of USD.673,000, some activities according to the final Project report were not fully implemented as planned. Activities such as orientation of leaders, training of health workers were achieved up to 88%, whereas newspaper supplements attained only 50%. A review of the end of project report dated January 2019 revealed that the International Justice Mission (IJM) changed one staff without seeking approval of the Ministry on replacement, thus contravening the terms and conditions in the contract.
3	<p>National Council for Disability</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> Out of the approved budget of UGX 1,236,000,000 a sum of UGX 1,066,759,701 was realized, representing 86.3% and resulting in a shortfall of UGX169,240,299 (13.7%). Out of the released amount of UGX 1,066, 759, 701, and earned interest of UGX.2,403,539, management spent only UGX.1,022,882,244, resulting into an unspent balance ofUGX.46,280,996 representing an absorption level of 95.7%. Management did not deduct and remit Local Service Tax of UGX 670,000 from its employees to the respective local governments. I noted continued land encroachment, inadequate enrollment, curriculum and certification development, inadequate staffing and equipment were challenges noted in a sample of rehabilitation and shelter centres for persons with disabilities. I noted shortfalls in the achievement of the UN convention rules for states in regard to persons with disabilities, which include inadequate specialized attentions to refugees with disabilities, awareness-raising for government programmes, provision of medical care, lack of a personal assistance program and access to the physical environment.
4	<p>National Council of Older Persons</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> Out of the approved budget of UGX.225,000,000 a sum of UGX.225,000,000 was realized, representing 100 %. Out of the warrants of UGX.225,000,000, only UGX.218,084,721 was available for the new Secretariat, resulting into a shortfall of UGX 6,915,279. The stakeholders failed to meet for purposes of reviewing the Council's performance for the entire period and hence areas of improvement could not be assessed. Districts and Municipal Councils failed to submit annual reports for older persons and hence the health and psychological conditions of older persons could not be ascertained. District Secretariats were found to be under resourced in terms of staffing and funding, meaning the activities relating to older persons may not be adequately addressed. Municipality and sub county council secretariats were found to be understaffed and insufficiently facilitated.
5	Uganda National Cultural Centre (UNCC)	<ul style="list-style-type: none"> The centre had an approved budget of UGX 3,465,342,000, out of which UGX.2,775,562,172 (80.09%) was released resulting into a shortfall of UGX 689,779,828 (19.9%).

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
	<u>Opinion</u> Unqualified	<ul style="list-style-type: none"> Management accumulated VAT payable of UGX.1,377,348,266 as at the end of the year and did not remit the same to the Uganda Revenue Authority. Statutory deductions of PAYE (UGX.664,680,679) and NSSF (UGX.469,795,653) remained unremitted at the close of the financial year.
6	Equal Opportunities Commission (EOC) <u>Opinion</u> Qualified	<ul style="list-style-type: none"> Despite 100% release of the budget of UGX 13,171,882,296, the entity remained with unspent balance of UGX.1,251,072,414 representing an absorption level of 90.6%. I noted the entity received off-budget financing to a tune of UGX 5,461,863,043 which was not paid into the Consolidated Fund as required by the law. Out of the total operating expenditure of UGX.10,654,415,226, payment records for UGX.5,655,856,395 (53%) expended during the entire financial year were missing. Out of the 10 quantified outputs/activities assessed, 01 outputs/activities representing 10% of the outputs and UGX 20 Million (0.16%) of the expenditure of UG remained un-implemented by the end of the financial year. Funds amounting to UGX.783,380,204 were irregularly diverted and spent on other activities without seeking the necessary approvals. Long outstanding salary advances worth UGX 211,105,359 (94%) not supported by a ledger indicating how much is outstanding from individuals and for how long. Gratuity over payment of UGX 218,926,523 made during the year and 6 staffs were not paid gratuity worth UGX 66,552,595, and the latter payable was not recognised in the Financial Statements. Management paid out gratuity amounting to UGX 1,064,077,266 without deducting PAYE worth UGX 319,223,179. Management irregularly paid out UGX 668,119,060 and UGX 322,677,265 towards duty and consultancy allowances, respectively. UGX 144,318,908 of employer contribution was not remitted to the NSSF. Shortcomings were noted in the implementation of staff performance management initiatives. The gaps identified included; non-completion of Performance Agreements, no quarterly reviews undertaken, no performance improvement plans prepared, non-submission of reports on Performance Agreements, Performance Appraisals not undertaken, Performance Improvement Plans not submitted to MoPS, and lack of mechanism to monitor staff attendance.
7	National Youth Council (NYC) <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> Management did not make statutory remittances of both PAYE and NSSF amounting to UGX.65,800,617 and UGX.113,580,367 in relation to the FY 2017/18 and FY 2018/19 respectively. Un budgeted for payments totaling UGX.20,759,500 relating to previous year (2017/18) were effected in FY 2018/19, neither were they verified by the internal auditor as arrears. Whereas the National Youth Council Amendment Act of 2003 provides for the District Local Government to support District Youth Council programmes under locally generated revenues, this requirement has not been met by many districts. The National Youth Council Act requires the Council to be an autonomous entity with a separate Vote but since its inception in 1993 this has never been implemented. Most of the enabling provisions in the National Youth Council (NYC) Act have never been implemented. For example, the District Youth Councils are supposed to have Secretariats and be independent but this is not the case.
8	Uganda National Children's Authority (UNCA) <u>Opinion</u> Qualified	<ul style="list-style-type: none"> Out of an approved budget of UGX 1,024,033,420, UGX 821,864,323 (80.3%) was received, resulting into a shortfall of UGX 202,169,097 (19.7%). Of the released amount, UGX 820,220,594 (99.8%) was utilized. A sum of UGX. 52,300,000 remained unaccounted for due to lack of supporting documentation. The Authority does not have a board nor supporting board committees, is understaffed, and current staff members operate under short-term six-month contracts.

Sn	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
9	National Women's Council (NWC) <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> The entity budgeted to receive UGX.885,000,000. However, only UGX.804,875,702 was released resulting into a budget shortfall of UGX.80,124,298 representing 9.05 % shortfall in available funds for expenditure during the year. Out of the released funds only UGX.796,006,342 was spent by the entity resulting into an unspent balance of UGX.8,869,360, representing an absorption level of 98.9%. There were outstanding payables of UGX.1,697,500 relating to the previous year, while UGX.8,956,000 arose in the period under review. The Council did not have representation by the non-governmental organizations and female students. As a result, the Council's main objective of ensuring the unity of Ugandan women may be defeated. The lower women's Councils were not being funded to implement their planned activities, consequently, the objectives of the formation of the women's Act may not be achieved in a timely and effective manner.
10	National Library of Uganda (NLU) <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> Out of the approved budget of UGX 931,330,000 for the year, only UGX 894,330,596 was released giving a shortfall of UGX 36,990,404. Expenditure of UGX 25,634,624 was not supported with complete supporting documents. PAYE of UGX 9,186,973 was not deducted and remitted to URA, which exposed the entity to the risk of penalties and fines. The entity is operating without a Board, since the expiry of the tenure of the previous Board, impacting on decision making and leadership on strategic entity issues. The entity is operating rented premises whose tenancy agreement expired in 2015 and is yet to be renewed. In the event of a disagreement the entity is exposed to the risk associated with litigation and disruption of its operations.

ANNEXURE III: SUMMARY FINDINGS OF LOCAL GOVERNMENTS

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
	ARUA BRANCH	
1	Zombo DLG Opinion Qualified	<ul style="list-style-type: none"> Non-produced assets (land and cultivated assets) worth UGX.0.56Bn which were purchased during the year lacked supporting documents. Prior year commitments totalling to UGX.1.27Bn paid during the year were omitted in the statement of appropriation account based on nature of expenditure. Funds worth UGX.0.11Bn were withdrawn from the bank account number 6712100029 and 6712100028 for production and statutory bodies departments respectively, without the CAO and CFO authority Funds worth UGX.0.12Bn were unaccounted for. There was a shortfall in releases amounting to UGX. 1.9Bn representing 9% under release. Further, there was under collection of local revenue amounting to UGX. 0.037Bn representing (14%) performance. I noted that out of the total warrants of UGX.23 Bn, the entity spent UGX.23.27Bn was representing an absorption level of 101%. Majority of key outputs were achieved except for activities under UgIFT involving construction of a seed school and upgrade of the Health Centre from HCII to HCIII. Two motor cycles with registration numbers LG0045-111 and UG 4455M were stolen and the loss report not availed. Under UgIFT, field inspection revealed incomplete works on some of the sampled outputs Under NUSAFA-3, two groups received the money and this was shared amongst themselves. Under URF, field Inspection revealed that some roads had large potholes while the drainage and culverts were blocked. Under YLP, it was observed that the district had recovered only UGX.0.19Bn (49%) out of the expected total amount due (Interest inclusive) of UGX.0.39Bn leaving an outstanding balance of UGX.0.20Bn.
2	Arua DLG Opinion Qualified	<ul style="list-style-type: none"> Employees above the retirement age were paid salaries totalling UGX.339,861,704 during the year. Pension and gratuity arrears totalling UGX.790,817,887 had not been accounted for at the time of writing this report. In the employee/ Staff list I noted that the length of service for some pensioners and active staff was not correct. I noted that salaries and gratuity totalling UGX 43,284,636 was paid to staff not on the staff list during the year. There was a shortfall in releases amounting to UGX.26.759Bn representing 17%. Further, the entity overspent UGX.0.0126Bn. Under NUSAFA-3 UGX 1,728,000,000 was used to support 96 beneficiary sub-groups for FY 2017/2018 however, UGX 401,250,000 was misappropriated from the groups. In addition, I noted override of the Procurement function of the CPMCs and lack of contracts for Community Facilitators Under URF I noted that UGX 188,301,000 reallocated was not accounted for. Field inspection revealed improper drainage especially at points that required installation of culverts and one contract had expired with incomplete works while there were no signposts warning roader users from using the bridge. I noted under YLP that Arua District budgeted for a total amount of UGX 929,917,778 for the Financial Years 2014/2015 and 2015/2016 but only UGX 764,166,650 was released resulting in a shortfall of UGX 165,751,128 (18%). I noted a recovery rate of only 25% of the funds disbursed in FY 2014/2015 and 2015/2016. Further, inspection revealed that one project which started

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> with 15 members had disintegrated to only 3 active members and no records kept by the project were availed. Under UgIFT, I noted delayed procurements and filed inspection revealed incomplete structures that had only been roofed and plastered. Under UWEP, I noted that out of 20 Deep Borehole Drilling (Hand Pump), only 19 were drilled and out of 2878 water sources only 2,579 were functional. I noted that the district failed to utilise UGX.1,923,399,319 for salaries, pensions and gratuity during the year.
3	Nebbi DLG Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 6.49Bn representing 18% under release. 5 out of 14 boreholes were not constructed and 4.5 Km out of 168 km were not maintained. Under UgIFT, construction of Atego Seed School and upgrade of Pamaka Health Centre II to HC III were delayed. Under NUSAf 3, out of the UGX. 4.1Bn disbursed to the subprojects; only UGX.3.87Bn had been utilised leaving a balance of UGX.0.25Bn unutilized. Under URF, Inspection of 13 km of Kucwiny–Orango road revealed that 5 kilometres had not been worked on. Under YLP, the District had recovered 19% out of the expected total amount due of UGX.0.43Bn leaving an outstanding balance of UGX.0.36Bn.
4	Adjumani DLG Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.3.754Bn representing 9%. Further, the entity remained with unspent balance of UGX. 1.463bn representing an absorption level of 96%. I inspected one project (UgIFT) and noted that out of the eleven (11) outputs, (7) were fully achieved, (2) were partially implemented and three (3) were not implemented. Pension and gratuity of UGX 158,046,992 remained outstanding at year end. UGX.5,798,400 allocated as contingency was not accounted for in the certificates presented for payment Under UgIFT, I noted irregularities in hybrid procurement, irregular award of tender to a higher Bidder for seed school construction while inspection revealed delayed works for the projects. Under NUSAf-3, I noted that there were no internal audits conducted as well as gaps in monitoring and evaluation. Out of the 3 subprojects inspected I noted insufficient quantity supplied at Robidire Ox-traction and Arra West Ox-traction. Under URF, I noted that only 357kms were actually undertaken at a cost of UGX 471,381,000 leading to an under performance of 137km and under-absorption of funds worth UGX 7,338,000. Field inspection revealed incomplete culvert works, unconstructed headwalls and failure to gravel. Under YLP, I noted a recovery rate of only 24% of the funds disbursed in FY 2015/2016 to 2017/2018. Besides two youth groups received project funds which were shared amongst group members. I noted that the principle of competition in procurement was not adhered to as most of the procurements attracted less than three bidders. 80 out of the 140 District pieces of land were not titled. I noted failure to dispose of assets recommended by the 2016/17 Board of Survey which were still at the Districts premises at the time of writing this report.
5	Yumbe DLG Opinion Qualified	<ul style="list-style-type: none"> I could not confirm Cash and cash equivalent of UGX 0.203Bn reported in the statement of financial position. Review of the reconciliation statements, statement of cash flow and the statement of outstanding commitments revealed that domestic arrears paid figure is wrong. Adjustments of UGX 0.464Bn to the outstanding commitments at the beginning of the year in the statement of outstanding commitments lacked supporting documents

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> • Supporting documents for adjustments of UGX 0.473Bn to payables were not availed for verification • Receivables of UGX 3bn lacked supporting schedules • There was a shortfall in releases amounting to UGX.7bn representing 12%. • Some planned key deliverables were partially implemented for example the construction of Technical and Works Administrative block and construction of the Market in Kuru Sub County. • Expenditure totalling UGX 0.204bn was mischarge of expenditure. • Under NUSAf 3, I noted several challenges such as delays in release of funds to the district, inadequate record keeping, cash payments above UGX.500,000, delayed/non-implementation of planned activities, irregular transfer of UGX 0.108Bn meant for 6 groups to the NDO's personal account without evidence of transfer to the beneficiaries' group accounts, failure to quarterly reports and failure by internal Audit to examine the submitted sub-project accountabilities. • Under UgIFT, I noted utilisation of only UGX.0.965 out of the released UGX.2.1bn and remittance of balance to the consolidated fund. Further, I noted delayed implementation of the projects both in the Health and Education sector. • Under URF, I noted delayed works in Lodonga-Tara Road, Yumbe-Lobe Road and Installation of culverts • Under YLP, I noted recovery of UGX. 0.144Bn out of the due amount of UGX. 0.631Bn leaving an outstanding balance of UGX. 0.511Bn. further inspections of two groups revealed that funds received were insufficient for the scale of operations, Stiff competition from mushrooming businesses and High costs of operation. One of the groups had closed at the time of inspection. • Under UWEP, I noted that only UGX.29million was recovered out of the expected total amount of UGX. 405million, leaving a balance of UGX. 377million • Under capitation grant, I noted a shortfall of UGX. 35million in remittances for the total reported enrolment of 89,652 pupils. • Under payroll management, UGX0. 138Bn was paid to deceased and employees above the retirement age. Further, i noted anomalies in the system length of years of service for both pensioners and active staff. • A review of Development Response to Displacement Impact Project (DRDIP) project files revealed failure to undertake any projects despite budget provision of UGX.8bn.
6	Pakwach DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • There was a shortfall in releases amounting to UGX. 1.39 representing 8.2% under release. Further, the entity remained with unspent balance of UGX. 0.534Bn representing an absorption level of 96.5%. • Under UgIFT, construction of Alwi Seed School was delayed with no contractor at the site. • Under NUSAf 3, I noted that implementation of Tyend-Andria Community Access Road had delayed, untimely delivery of fish feeds, the fish feeds delivered by the supplier were expired and some were close to the expiry date, the company did not provide technical support to the groups contrary to the MOU. • Direct Procurement worth UGX 0.2Bn was made for the supplies for fish farming for 19 sub projects contrary to the procedures. • Under URF, UGX. 0.032 Bn was over spent on routine mechanized maintenance of 80 Km and gullies were developing in some sections of the roads due to heavy rains. • Under YLP, 15.2% had been recovered out of the expected total of UGX.0.107Bn leaving an outstanding amount of UGX.0.197Bn. Tiendmandir West Youth Carpentry project and Wanglei B Improved Goats rearing had disintegrated and collapsed. • A review of staffing levels at the district revealed that out of the approved structure of 1,630 staff, only 906 staff (33.6%) positions were filled leaving 939 positions (66.3%) vacant.
7	Maracha DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> • There was a shortfall in releases amounting to UGX. 0.98Bn representing 4% under release. • Out of Eight key deliverables sampled (6) were fully achieved while (2) were partially implemented.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Under UgIFT, physical inspection revealed that works in the Kololo public Seed School were not completed. Under NUSAf 3, out of the UGX.2.59Bn disbursed to the subprojects; only UGX.2.32Bn had been utilized UGX.0.27Bn un-utilised. Physical inspection of Azima ox- traction for Chili revealed that no activity was found as Chili production, whereas at Ayima Passion fruit production, farmers had fewer seedlings compared to what was given due to shortage of land. Under URF, 62km (25%) out of 274km were not undertaken leading to under-absorption of UGX.0.031Bn (15%). Excess expenditure worth UGX.0.06Bn (32%) was incurred on Routine Mechanized Maintenance of 51kms estimated at a cost of UGX.0.19. Inspections revealed that Rinyi Culvert Bridge which was rehabilitated at cost of UGX 0.018Bn.had collapsed. Under YLP, 28% had been recovered out of the expected total of UGX.0.39Bn leaving an outstanding amount of UGX.0.25Bn (Tax Inclusive) (72%). A review of the land inventory revealed that 73 out the 98 pieces of land owned by council lacked titles.
8	Nebbi MC <u>Opinion</u> Qualified	<ul style="list-style-type: none"> I noted inconsistencies amounting to UGX 0.911Bn of the trial balance against the financial statements. There was a shortfall in releases amounting to UGX.2.5 Bn representing 35%. Further, the entity remained with unspent balance of UGX.52million representing an absorption level of 99%. Under implementation of key outputs, I noted that out of 13 outputs, 7 were not implemented, 3 were partially implemented and 3 outputs were fully implemented. Under URF, I noted a total of 50kms at cost of UGX 0.116Bn was planned. However, 53kms were done at a cost of UGX 0.118Bn leading to excess expenditure of UGX 2 million further inspections revealed bushes alongside many of the Municipal roads were overgrown and in some cases significantly reduced the road width. Under Environmental Impact Assessment, interviews and a review of documents revealed that no environment impact assessment was done for any of the road works Under procurement I noted Low bidder participation which defeats the objective of public procurement of promoting competitiveness and quality services. This was caused by poor offers and weak budgeting process by the Municipal Council management.
9	Moyo DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a surplus in releases amounting to UGX.0.124Bn representing 0.37%.. . I noted partial implementation of one planned key deliverable (construction of Dufile Seed Secondary School under UgIFT). I noted pending and on-going court cases not disposed off. Under NUSAf 3, there were instances of delays in release of funds to the district operation account. I also noted delayed implementation of some planned activities like like Kocia Woodlot Project, Pablo Afforestation etc. Under URF, I noted high maintenance costs during routine manual maintenance of roads. Under UgIFT, I noted failure to include the construction of seed secondary school in the consolidated procurement plan. Further 2 classrooms blocks were at gable wall level, the contractor had abandoned the site and no materials were in the store. Under YLP, I noted recovery of only UGX.0.131Bn out of UGX. 0.627Bn leaving a balance of UGX.0.495Bn. Further, inspection of one group revealed that only 8 members were active instead of the original 15. Under UWEP, I observed that whereas the groups funded are expected to have repaid a total of UGX 0.164Bn only UGX 0.103Bn has been repaid leaving UGX 60 million outstanding. Further, out of the recoveries of UGX 0.117Bn the District transferred only UGX 95million to

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> the Revolving Fund Account in Bank of Uganda leaving UGX 22million on the district UWEP recovery account. Review of the water department performance revealed that all planned outputs were not achieved. Under Payroll Management, I noted there was a budget shortfall of UGX.45 million on salaries, pensions and gratuity while UGX. 25million was paid to employees above the retirement age. Further, 23 staff who retired had not been paid their retirement benefits totalling UGX 0.845Bn.
10	Arua MC <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 10.384Bn representing 49%. Further, the entity overspent UGX.6.978Bn. Out of the 6 key outputs, (5) were fully achieved while (1) was partially implemented. Under URF, I noted that the Municipality received UGX.1,165,791,000 (100%) but spent UGX.1,291,000,000 on the roads thus over expenditure of UGX125,209,000. Further, field inspection revealed delayed supply and installation of 13 solar lighting systems on Mango Road and changes in the design of the road from a single carriage way to a two way carriage. I noted a recovery rate of only 24% of the UGX.160million funds disbursed in FY 2014/2015 to 2015/2016. Under UWEP, I noted that no funds were released to the entity in relation to UWEP despite budget provision of UGX.126m. Under capitation grant I noted under-remittance of UGX.172,278,906 with enrolment of 83,860 pupils that would have required UGX.1,064,050,000 but only UGX.891,771,094 was disbursed.
11	Koboko DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 4.6Bn representing 16.7% under release. It was however noted that salaries amounting to UGX 0.26Bn were charged to wrong codes (Mischarged). Out of 21 outputs sampled, the entity only achieved 5 outputs. Under UgIFT, the District received UGX.0.97Bn but only UGX.0.57Bn (59%) was utilised for the construction of Padrombu seed Secondary School and Chakulia Health centre leaving UGX. 0.39Bn (41%) un-utilised. Physical inspection on the upgrading of Chakulia Health Center II to Health Center III revealed that the project was behind schedule. Under URF, Inspection revealed that tree planting and gravelling were not done on Dranya-DRC border road. Under YLP, 26% had been recovered out of the expected total of UGX.0.4Bn leaving an outstanding. In addition inspection of Mugonga Youth Grinding Mill in Ludara Sub County revealed a bushy structure containing grinding mill, group had disintegrated, Machinery not functioning, no records for renew and. An Interview with the CDO revealed that the Chairman was in jail over misappropriation of group funds. Still under YLP, inspection of Ripindi Youth Sheep Rearing project revealed that all 70 sheep died after vaccination and the group disintegrated. Under UWEP, only 56% of the funds was recovered. Under NUSAf 3, Lurujo rice growing sub-project and Opasio B Cassava Production revealed remarkable success, while works still on-going with Ibanga Culvert Installation sub-project. Inspection of Kindra-Lokajo road revealed that a section of the road with a stream need a bridge, there was no sign post and no records of community procurement and project management. Under RWSSD, 99 water sources representing 14% were not functional.
12	Koboko MC <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 1.07Bn representing 13% under release. Further, the entity overspent by UGX.0.364Bn representing an absorption level of 103.2%. Out of the eight activities assessed (6) were fully implemented while 2 were partially implemented.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Under YLP, out of UGX.0.118Bn (interest exclusive) the Municipal Council had recovered UGX0.021Bn leaving an outstanding balance of UGX. 0.097Bn. Physical inspection of Sinyani Youth Metal Fabrication project revealed that the group had no sign post and had changed from metal fabrication to Piggery without approval of the CDO and MoGLSD whereas Kulubu B Youth Boda Boda Project had no group sign post and two group motorcycles were involved in fatal accidents. Under UWEP, Godia Women Second Hand Cloth Buying and Selling Women's Group was under funded and the training got was not relevant to their business.
13	<p>Arua RRH</p> <p>Opinion Qualified</p>	<ul style="list-style-type: none"> A total of UGX. 1.024Bn was collected during the period but was neither included in the hospital budget nor recognised in the financial statements. A review of the payroll revealed overpayments of gratuity totalling UGX 0.137Bn made to pensioners. A review of the payroll revealed overpayment/ double payment of salaries to staff totalling UGX 0.012Bn. There was a shortfall in releases amounting to UGX.0.043 representing 0.48% under release. Further, the entity remained with unspent balance of UGX.0.097Bn representing an absorption level of 99%. Gratuity and pension arrears totalling UGX 0.98Bn was paid during the period under review but were not disclosed in the previous year's financial statements. The hospital received UGX. 1.024Bn and spent UGX.0.923Bn through Account Number 90300063930262 held in Stanbic bank, however this was not reflected on IFMS. The hospital contracted M/S Wap Engineering Ltd into multiyear contracts worth UGX. 8.503Bn without approval from Parliament. Physical inspection revealed that works were behind schedule. Arua Regional Referral Hospital paid M/S Maways Construction and Engineering Works UGX. 0.113Bn for works not done. Deliveries of drugs worth UGX.0.032Bn were not made by National Medical Stores in accordance with the submissions made by the Hospital Management. Out of 61 established positions, only 19 (31.1%) positions were filled leaving 42 positions (68.9%) vacant. A review of the payroll revealed that employees above the retirement age were paid salaries worth UGX 0.007Bn during the year under review. It was observed that the hospital did not have an Internal Auditor during the period under review. Physical inspection revealed that the Dental Clinic had inadequate equipment for extraction of teeth, lacked sterilization unit (Autoclave), had no x-ray equipment and only one dental chair was functional out of the three available. 03 Senior Management members did not sign Performance Agreements as at 31st July 2019. Management did not submit signed performance agreement reports to the Ministry of Public Service by 15th September 2018. 277 staff out of 283 staff filled in their annual performance plans at the beginning of the financial year 2018/19. Arua Regional Referral Hospital did not submit a report on absenteeism as required by the guidelines. No report on discipline was submitted to the Ministry Of Public Service as required. The Hospital had no client charter.
	FORT PORTAL BRANCH	
1	<p>Kasese DLG</p> <p>Opinion</p>	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.1.3bn representing 2%. Further analysis revealed that the District utilised prior year unspent balance of UGX.1.1Bn that were not warranted in the current year.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
	Unqualified	<ul style="list-style-type: none"> The district received off-budget financing to a tune of UGX 100,000,000 from Ministry of Local Government which was never paid into the Consolidated Fund, as required by the law Thee was inadequate implementation of all activities example the water sector and URF performed well whereas UgIFT projects were partially implemented Payables of UGX.4.57Bn remained outstanding at year end. UGX 0.19Bn was charged on expenditure item codes which do not reflect the nature of the expenditure. Under UgIFT, I noted delayed works under the Contract to upgrade Kyampala HC II and Nyakimasa HC II despite payment of UGX0.29Bn and the contract ending on 14th September 2019. Inspections revealed that the Kyarumba-Kitabona Road (5.1km) maintained at a cost of UGX.41million had developed pot holes. Further I noted that 25 % out of 1,099 water infrastructures were not functional. I noted excess expenditure of UGX.0.19bn on the construction of Kyoho Bridge due to a decision to change from force Account to irregular contracting of the unfinished works to a private contractor. The Administration Block being constructed at kasese District revealed that max pans costing UGX 96 million had not yet been installed and were wasting away.
2	Kabarole DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.277bn representing 1%. Further, the entity remained with unspent balance of UGX. 1.043bn representing an absorption level of 96%. The District did not implement all activities as planned for example while the water sector and URF performed well, UgIFT projects and recruitment of staff were partially implemented. Payables of UGX.1.5bn remained outstanding at year end. Under UgIFT, I noted delayed construction of Nyantaboma Health Centre III and St. Paul Nyabweya Seed School with expiry of contract periods despite payment of UGX. 0.5Bn and UGX.0.618Bn respectively. Under YLP Program, I noted that groups received UGX 1.01Bn in the five financial years (2013/14-2017/18) but only UGX 0.246Bn had been recovered by the time of audit leaving a balance of UGX. 0.812Bn (Interest inclusive).
3	Ntoroko DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.90 million representing 1%. Further, the entity remained with unspent balance of UGX. 0.157Bn representing an absorption level of 99%. Under UgIFT, I noted delayed construction works at Nombe seed school and some works to upgrade Bweramule HC II to Health Centre III had not yet started. Under URF, I noted that only 18.6 km on mechanised maintenance were undertaken instead of 50.1km. Further on routine manual maintenance I noted an excess expenditure of UGX 8 million to maintain 120.1km. I also noted poor workmanship on Rwebisengo- Rwangara Road and Rehabilitation of Rwensenene and Kakogha Bridges A review of the cumulative water situation analysis of the 4 different types of water sources in the district, revealed 35% of the water facilities were non-functional Deductions of UGX 1.49Bn were noted in respect of statutory and other bodies but only UGX 1.41Bn was remitted resulting into under payment of UGX 82 million Under UWEP, i noted that out of UGX 33 million collected; only UGX 15 million was transferred to the Ministry of Gender leaving a balance of UGX 18 million. Further UGX 18million remained outstanding from beneficiaries. Under YLP, I noted that UGX 10.9 million was not paid to the beneficiary group and these funds have been on the account since August 2018. Contrary to regulations all Heads of Departments have been in acting capacity beyond the mandatory maximum period of one year.
4	Kyegegwa DLG	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.919bn representing 3%. Further, the entity remained with unspent balance of UGX.1.194bn representing an absorption level of 95%.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
	Opinion Unqualified	<ul style="list-style-type: none"> I noted that the District had payables of UGX.0.918bn arising from mainly failure to repay deposits received. I noted that the district deducted UGX.47million from teaching staff due to UNATU, However, UGX.93million was actually remitted resulting into an over remittance of UGX.46million. I noted that the district made statutory deductions of UGX.2.07Bn in respect of PAYE and Uganda bankers, However only UGX.1.9Bn was remitted resulting into an under-remittance of UGX.0.148bn. Under UgIFT, I noted delayed works and lack of a project Manager to compile progress reports on Rwentuuha Seed Secondary despite a payment of UGX 0.405bn. Further works on Karwenyi HC II were still ongoing, despite the contract end period of 30/09/2019 and payment of UGX.0.158bn. Under URF I noted poor works on 4 sampled roads i.e. water crossing over the road due to inadequate drainage, inadequate culvert installations and poor manual maintenance. Under YLP Program, I noted that a total of UGX.0.411bn remained outstanding as arrears by the year end. Under UWEP Program, I noted that a total of UGX. 0.189bn remained outstanding as arrears by the year end.
5	Fort-Portal Regional Referral Hospital Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.327Bn representing 3%. Further, the entity remained with unspent balance of UGX.1.4bn representing an absorption level of 85%. I noted activities amounting to UGX 0.450Bn were implemented using funds that were not part of the budget appropriated by parliament (off budget financing). UGX 0.100Bn was mischarged expenditure during the year. UGX.0.159Bn was spent for procurement of Washing Machine with the additional top up of UGX. 39 million being diverted from procurement of surgical instruments. Further the UGX 0.159Bn paid was based on an expired bank guarantee and the machine had not been delivered by the time of the audit. Out of 433 approved positions; 123 (28%) positions were vacant. Hospital Inspections revealed congestion in the wards, failure to dispose off assets and inadequate storage space.
6	Kamwenge DLG Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.2.05Bn representing 5%. Further, the entity remained with unspent balance of UGX.0.148Bn representing an absorption level of 99.6%. I noted that some of the District's planned outputs of the key deliverables were not quantified as required. Under UgIFT, I noted delayed works on Bwizi Seed Secondary school despite receipt of UGX. 0.476bn and expenditure of only UGX.0.017bn. Further works on Upgrade of Kanara and Kabambiro HC II's TO HC III's were still ongoing despite receipt of UGX.0.65bn and expenditure of UGX.0.299bn. Under YLP Program, I noted that whereas the groups funded in 2015/2016 were expected to have repaid a total amount of UGX.0.247bn (Interest inclusive) by close of the financial year 2018/2019, only 32 % was recovered. I also noted that two youth goat rearing groups did not avail any records for review and they had disintegrated. The District did not have titles to its various parcels of land in different parts of the Council.
7	Kyenjojo DLG Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX1.9Bn representing 6% of the budget. Further, the entity remained with unspent balance of UGX.3.078Bn representing an absorption level of 90%. I noted that the District did not implement all the activities as planned. Further the UgIFT projects were partially implemented. Under UgIFT, I noted delayed construction works at Mparo Seed Secondary School and on works to upgrade Myeri and Kyankaramata Health Centre IIs to Health centre IIIs despite availability of funds.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Under YLP, I noted that out of UGX 1.084Bn disbursed; only UGX.0.457Bn has been recovered leaving UGX.0.769Bn outstanding. Inspections of two selected groups revealed that out of the 10, only three members were active and they lacked project sign posts.
8	Bundibugyo DLG Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.468Bn representing 2%. Further, the entity remained with unspent balance of UGX. 1.496Bn representing absorption level of 95%. I noted some planned key deliverables were implemented while others were partially implemented for example UgIFT projects were partially implemented. Adjustment of UGX0.136Bn in the outstanding commitments lacked supporting documents. UGX0.228Bn was charged on expenditure item codes which do not reflect the nature of the expenditure. Under UgIFT, I noted delayed construction works at Kisubba Seed School, Bupomboli and Burondo health Centre. District paid a sum of UGX 52million to two pensioners without supporting personal files. Under YLP, I noted that Out of UGX.0.694bn disbursed to the groups, only UGX0.111bn had been recovered leaving a balance of UGX.612million outstanding.
9	Kasese MC Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.49 million representing 1%. Further, the entity remained with unspent balance of UGX.1.069Bn representing an absorption level of 82.8%. I noted that out of the (6) sampled projects under URF, YLP and SFG programme, (4) were fully achieved while (2) were partially implemented. Under URF, I noted poor workmanship on Cathedral and Mugurusi Road. Under YLP, I noted that out of UGX.61million disbursed to youth interest groups only UGX.30 million was repaid leaving UGX.31 million outstanding. Further inspections of two selected projects revealed that the chairpersons had disappeared with some of the records, funds, group motorcycles and chairs. The Municipality did not dispose of 2 vehicles which were deteriorating in council's yard.
10	Fort Portal MC Opinion Qualified	<ul style="list-style-type: none"> UGX.1bn expenditure was mischarged by Council during the year. I noted the Council received UGX.14.717Bn out of UGX.13.413Bn that was budgeted for representing an increment of10%. Further, the entity remained with unspent balance of UGX. 2.521bn representing an absorption level of 83%. UGX. 0.123bn were long outstanding debtors as at year end UGX 0.216bn deducted as Withholding tax was not remitted to URA by year end. Under URF, drainage works were still in progress on MT kasenyi road, the project had no sign posts, humps and the road had not yet been marked off. Further, the Council made direct procurements of goods worth UGX.0.457bn without following procurement guidelines for the supply and installation of solar street lights. Also UGX.22million was utilized on Routine Mechanized Maintenance instead of periodic Maintenance which was contrary to the work plan. Under YLP, I noted UGX.42million was due from beneficiaries and had not been recovered.
11	Bunyangabu DLG Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.4Bn representing 2%. Further, the entity remained with unspent balance of UGX.0.466Bn representing an absorption level of 97%. I noted some planned key deliverables were partially implemented while others were implemented. For example the upgrading of HCII to III, construction of a seed school, and the incomplete construction of the maternity ward were all partially implemented. The District did not have land titles for its land including the district Headquarters, sub county land and all the Health Centres. Under UgIFT, I noted delayed construction works to upgrade Kabahango HC II to Health Centre III and to build Kiyombya Seed Secondary school; further Kabahango HC III is being constructed on land whose ownership is being contested between Bunyangabu District and the title holders.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Under YLP, I noted a total of UGX 0.140Bn remained outstanding as arrears as at 30.06.19 for the groups financed in 2016/17 & 2017/18 with 33 groups paying less than 50% of amount received. Further I noted that the district did not remit to BoU a sum of UGX.35 million recovered from youth and UWEP groups respectively.
	GULU BRANCH	
1	Agago DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.413bn representing 1.4%. Further, the entity remained with unspent balance of UGX.0.15Bn representing an absorption level of 99.5%. Of the sampled key outputs implemented (UgIFT, URF, Building and Water works programmes) I noted that out of the 11 outputs/activities, 8 were fully implemented while 3 were partially implemented. I observed that UGX.189million was spent on activities that had not been budgeted for. Staff advances worth UGX.23million remained unaccounted for. There was understaffing of 46% of the approved staff structure of 2,536 positions. Construction works at Lapono Seed Secondary School and Lapirin Health Centre II under UgIFT programme were behind. The district failed to plan for NUSAf3 project funds thus the noted delayed fund disbursements and implementation of sub-projects. URF field inspection revealed incomplete works on Kabala-Kaket road. YLP group members did not comply with repayment schedules as 58% was unrecovered out of the expected UGX.512million. There was delayed release of UWEP funds and recovery challenges with 72% outstanding of the expected UGX.0.520bn.
2	Lamwo DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.787bn representing 2.7%. Further, the entity remained with unspent balance of UGX.0.445bn representing an absorption level of 98.4%. Of the Key outputs implemented I sample UgIFT, URF, NUSAf3, YLP and UWEP programme and noted that out of the 6 projects, 4 were fully implemented while 2 were partially implemented. NUSAf3 was affected by delayed implementation of projects and project assets were not properly managed. Under UgFIT, construction of Paloga Seed Secondary School had not commenced while Upgrade of Katum Health Centre II had works at foundation level and the performance security for the project had expired. YLP had low recovery with 93% of the expected amount of UGX.0.397bn outstanding and there was delayed transfer of funds to YLP groups. UWEP had recovery challenges with 86% of the expected UGX.0.228bn outstanding for funds issued in FY 2016/17 and there was no disbursement of funds to 54 women groups approved in FY 2018/2019. I noted non-functioning water sources with low coverage of household latrine and hand washing facilities under water for production programme. The district is understaffed at 57.5% of the approved structure of 149 positions.
3	Amuru DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.4.143bn representing 16.3%. Further, the entity over spent by UGX.0.921Bn. I noted mischarge of expenditure amounting to UGX.1.396bn. I noted that the Districts key deliverables for implementation were not reported on in the statement of performance such as UgIFT Programme, NUSAf3 project, URF out puts among others. Administrative advances worth UGX.0.991bn were paid into Staff personal bank accounts. Staff advances worth UGX.51million remained unaccounted for.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Construction works under UgIFT at Amuru Seed Secondary School and Otwee Health Centre II were behind schedule. There was late disbursement of NUSAf3 project funds hence delayed project implementation. I also noted unacknowledged transfers to groups amounting to UGX.138million and lack of proper book keeping. URF field inspection revealed poorly maintained roads with bushy road edges, silted culverts and failure to undertake gravel compaction. YLP had low recovery with 86% outstanding funds of the expected UGX.0.920bn. I noted delayed transfer of funds to YLP groups and irregular transfer of funds to groups with no proper identity and business plans. UWEP funds to the tune of UGX.11million were not transferred to 2 women groups.
4	Gulu DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.856Bn representing 3.3%. Further, the entity remained with unspent balance of UGX.5.086Bn representing an absorption level of 84.73%. The budgeted donor funding of UGX 0.711bn was unrealistic due to lack of any memorandum of understanding with any donor. Payables of UGX.3.105bn relating to sundry creditors/court awards remained outstanding at year end. Under UgIFT, I noted that civil works on Palaro Seed Secondary School had not commenced despite payment of UGX.301,700,578 to the contractor and the land title was not yet secured. Further, UGX.162,932,021 was diverted to the construction of staff house and pit latrines at two Primary Schools. URF field inspection revealed sections of some roads were poorly maintained with insufficient gravel compaction, potholes, silted culverts while some burrow pits were not filled. In addition I observed incomplete works on projects. Under YLP, I noted low recovery of 22% of advanced funds to the tune of UGX.0.576bn. 16 youth groups had nil deposits from 2015-2018 and some of the supported projects were no longer in existence. UWEP had recovery challenges with 53% outstanding of the expected UGX.0.230bn. No records were held by the group members for the project being implemented. Under water program, I noted low levels of safe water coverage, low functionality of water sources and absence of water user committees.
5	Kwania DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.2.038bn representing 9.3%. Further, the entity remained with unspent balance of UGX.2.664bn representing an absorption level of 87%. Out of the 6 sampled outputs from undertaken projects (UgIFT, URF, YLP and UWEP programmes) i noted that 4 were fully implemented, 1 was partially implemented and 1 was not implemented at all. Under UgIFT, I noted that Aduku Seed Secondary School had no land title and construction works were behind schedule with all structures at ring beam level. URF field inspection revealed some poorly maintained and bushy roads while emergency works of UGX.21million on Wicere to Akali health centre II had not commenced. YLP had low recovery of disbursed funds with 91% outstanding of the expected amount of UGX.23million and noted one group that was no longer operational. UWEP had low recovery challenges with 29% outstanding of the expected UGX.17.9million. Water for use and production program had nonfunctional water sources and accessibility was below the district target. The district was understaffed at 54% of the approved staff structure of 237 positions.
6	Kole DLG <u>Opinion</u>	<ul style="list-style-type: none"> Out of the 100% release of UGX.26.027bn, the entity remained with unspent balance of UGX.0.310Bn representing an absorption level of 98.8%. UGX.0.294bn was paid from various accounts for activities not provided for in the budget.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
	Unqualified	<ul style="list-style-type: none"> Under UgIFT, I noted several anomalies i.e. delays in completion of contracts, failure to enforce contracts management, advance payments without bank guarantee and unsupported payments without engineers' measurement sheets and certificates. URF field inspections revealed that some road sections were poorly maintained with silted culverts and no headwalls, poor drainage, broken culverts and incomplete shoddy works. NUSAF3 funds of UGX.0.922bn were not adequately budgeted for and project implementations contravened procurement guidelines while no proper books were maintained. Inspected construction works were poorly done and incomplete. Under UWEP, the district did not make any disbursements to the 45 projects and groups failed to make repayments worth UGX.92M while no proper books of accounts were maintained. YLP records were not availed for audit for period 2013-2018 hence could not confirm extent of repayment. SAGE lacked a payroll update since its inception while beneficiaries don't access funds on time. I further observed inconsistencies in payments that led to over payments. I noted non-functional wells while boreholes and valley dams were not properly maintained. Some procurements were done contrary to the regulations by diverting from evaluation criteria and improper use of negotiations. Local revenue collection of UGX.0.245 was not supported with an updated revenue register and unexplained variance of UGX.0.247bn was also noted.
7	Oyam DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.994Bn representing 2.5%. Further, the entity remained with unspent balance of UGX.0.857Bn representing an absorption level of 97.8%. Payables of UGX.3.256bn comprising of creditors at UGX.1.118bn and pension liability of UGX.0.793bn remained outstanding at year end. Staff advances worth UGX.32M had duplicated accountabilities and Staff advances worth UGX.27M remained unaccounted for. A 4WD Ambulance procured at UGX.240M was not delivered. UGX.25M in form of withholding tax was not deducted for remittance to URA 27% of DDEG funds were spent on purchase of 2 double cabin pickups above the approved rate of 15%. I noted irregular cash payments worth UGX.114M out of which UGX.6.8M withholding tax was not deducted. There was delayed construction works at Aribu HC II with works stalling at ring beam level under UgIFT. NUSAF3 was affected by delayed fund disbursements and some projects were incomplete despite release of all the funds and no proper records were maintained on site. URF field inspection revealed sections of some roads poorly maintained with potholes and bushy sides. In addition, I observed incomplete works on projects. YLP had low recovery with 75% outstanding of the expected amount of UGX.0.542bn. I further noted that the district had not transferred UGX.3.4M to the National Revolving fund A/C in BOU. UWEP had recovery challenges with 74% of funds disbursed outstanding out of the expected UGX.0.544bn. I noted non-functional water points and lack of maintenance for the water facilities. Some staff were in acting capacity in excess of 12 months without renewal of appointments. The district did not have certificates of title for some of its land and noted grounded vehicles with no disposal plan.
8	Lira DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 1.1836Bn representing 3.1%. Further, the entity remained with unspent balance of UGX.1.709Bn representing an absorption level of 95.45%.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> • I noted mischarges of expenditure worth UGX.0.144bn. • Of the Key outputs implemented, I noted that some of the Districts key deliverables were not reported on in the statement of performance such as UgIFT, NUSAf3 project and URF out puts among others. • UGX.0.257bn were diverted and paid to consolidated fund as a refund for excess releases erroneously paid to the district in FY 2017/18. • Arrears of UGX.4.266bn for salary (UGX.0.265bn) and pension and gratuity (UGX.4bn) remained outstanding at year end. • The council utilised 47% of the total local revenue collections towards payment of allowances contrary to the legal provision of 20%. • Fuel deposits worth UGX.50M remained unaccounted for. • A number of district vehicles were grounded and unserviceable hence due for disposal • There was delayed implementation of UgIFT projects as construction works were still on foundation stage. • NUSAf3 had inadequate project implementation with 2 of the project vehicles in poor conditions and one vehicle grounded. • URF field inspection revealed poorly maintained road sections with culvert installation and incomplete works on projects. • YLP had low recovery of 23% of the expected amount of UGX.0.520bn. • UWEP had recovery challenges with 69% outstanding of the expected UGX.0.227bn and no records were held by the group members for the project being implemented. • The district had non-functional water points and water user committees. • There were irregularities in the use of force on account in remodeling and refurbishment of district cash office.
9	<p>Kitgum DLG</p> <p>Opinion Qualified</p>	<ul style="list-style-type: none"> • UGX.315million in staff advances was unaccounted for. • There was a shortfall in releases amounting to UGX.2.854bn representing 9.2%. Further, the entity over spent by UGX.0.185Bn. • UGX.450million was mischarges of expenditure during the year. • Out of the 17 sampled outputs from the various departments (Health, Education, Water and works sectors) i noted that 11 were fully implemented, 4 were partially implemented and 2 were not implemented at all • I noted payment for activities worth UGX.202million that were not in the work plan. • There was irregular direct procurement of food items worth UGX.57million for nodding disease patients. • Under UgIFT projects, I noted Amida Seed Secondary School had no land title and construction works had not commenced. • NUSAf3 had late disbursement of funds while Internal Audit did not audit project accounts. • URF field inspection revealed that some roads were poorly maintained with over grown bushes and some works remained incomplete. • YLP had late disbursement of funds to groups while UGX.47million was not disbursed. I was not availed repayment schedules and bank statements for the district revolving fund account for funds disbursed in 2014-2018. • UGX.16million for UWEP funds was not disbursed and repayment schedules for FYs 2014-15 and 2017-18 were not availed. • Water for use and production project had non-functional water sources and accessibility was below the district target.
10	<p>Apac DLG</p> <p>Opinion</p>	<ul style="list-style-type: none"> • There was lack of an explanation and approval from the Accountant general for an opening balance of UGX.1.724bn in the statement of changes in equity as a result of a prior year adjustment in receivables.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
	Qualified	<ul style="list-style-type: none"> UgFIT programme funds amounting to UGX.389million were diverted to pay rolled over projects for FY 2017/18 and expenditure amounting to UGX.145million remained unaccounted for. I noted mischarge of expenditure amounting to UGX.103million There was a shortfall in releases amounting to UGX.1.696Bn representing 6%. Further, the entity remained with unspent balance of UGX.0.03bn representing an absorption level of 99.89%. Of the Key outputs implemented I sampled UgIFT, URF, NUSAf 3 and Water works, and noted that out of the 12 projects, 7 were fully implemented while 5 were partially implemented. UGX.2.990bn accumulated Payables remained outstanding at year end. The district is understaffed at 18% of the approved staff structure of 1,477 positions. UgFIT programme released UGX.530M in excess of the UGX.500M budget for upgrade of Olepek HC II to III out of which UGX.389M remained unaccounted for and the site had been abandoned without completion. NUSAf3 released UGX.3.732bn in excess of the budget of UGX.3.4bn with no supplementary approvals and I observed delays in implementation of projects. URF field inspection observed that some roads were poorly maintained with muddy sections. YLP had low recovery rate with 91% outstanding of the expected amount of UGX.0.784bn between 2014 to 2017.
11	Apac MC Opinion Unqualified	<ul style="list-style-type: none"> UGX.196.8million was unaccounted for by year end. There was a shortfall in releases amounting to UGX.1.75bn representing 12%. Status review of implementation of planned outputs revealed that UgIFT, URF (Routine mechanized maintenance), NUSAf 3, YLP and UWEP were ongoing, 100%, 100%, 74.4% and 0% respectively. Pension liability of UGX.33.8million was outstanding at year end. Under UgIFT, the district made an over commitment of UGX.0.414bn in the contract for construction of Pokot Girls Seed Secondary School and the contractor did not execute a performance security while the school lacks a land title. Under NUSAf-3, there was delayed disbursement of UGX.2.3Bn to the district and hence there were no funds transferred to the groups. Under URF, field inspection revealed some impassable sections of the road. Under YLP, I noted a recovery rate of only 32.6% of the funds disbursed in FY 2016/2017 and 2018/2019 and the District failed to transfer UGX.10.7M of the recovered funds to BOU. In addition, there was no repayment ledger.
12	Pader DLG Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.2.851Bn representing 10.3%. Further, the entity remained with unspent balance of UGX.0.722Bn representing an absorption level of 97%. Under UgIFT, construction of Ogom Seed Secondary School was not undertaken and works at Lapu HC II had stalled at beam level despite receipt of funds that were swept back at year end. NUSAf3 experienced delayed implementation of two projects out of the sampled five. URF field inspection revealed pending works of swamp filling and culvert installations on Atanga-Bolo-Lagile road. Under RTI, there were incomplete works on Ogonyo- Odum of swamp filling and culvert installations four months after project expected completion date. YLP had low recovery with 93% of disbursed funds outstanding out of the expected collection of UGX.574M while group members did not maintain proper books of accounts. Under UWEP, I noted that 79.6% of UGX.173M advanced remained unrecovered. The district was affected by low functionality of water sources while safe water coverage for sub-counties of Awere, Laguti and Atanga was below the district average.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
13	Nwoya DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.067Bn representing 0.3%. Further, the entity remained with unspent balance of UGX.0.477Bn representing an absorption level of 97.69%. Of the sampled key outputs implemented under 4 projects (UgIFT, URF, NUSA3 and UWEP programme) i noted that 2 were fully implemented and 2 were partially implemented. The District had court cases some dating as far back as 2016 and none were disposed in the year under review. Local revenue collections amounting to UGX.21million was neither disclosed in Financial Statements nor banked to the General Fund Collection Account. I noted delayed implementation of UgIFT projects at Lungulu Seed Secondary School and Kochi Lii Health Centre II. NUSA3 was affected by delayed fund disbursements and there was poor implementation of some projects while project assets were poorly managed. YLP had low recovery of only 39% of the expected amount of UGX.0.460bn and the district had not transferred recovered funds amounting to UGX.99M to the National Revolving fund A/C in BOU. UWEP had recovery challenges with 77% outstanding of the expected UGX.0.203bn. I noted non-functional water sources and lack of maintenance due to non-active water source committees.
14	Gulu MC <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.21.686bn representing 37.3%. Further, the entity remained with unspent balance of UGX.0.474bn representing an absorption level of 98.6%. I noted mischarge of expenditure amounting to UGX.49million Of the Key outputs implemented under the three projects (URF, YLP and UWEP), i noted that 1 was fully implemented while 2 were partially implemented. Staff advances to the tune of UGX.6.9million were unaccounted for. URF field inspection revealed that some roads were poorly maintained with potholes, had un finished drainage and were unmarked.
15	Gulu RRH <u>Opinion</u> Qualified	<ul style="list-style-type: none"> Adjustments to the opening net worth in the statement of changes in equity worth UGX.31million, UGX.283million and UGX.84million relating to cash and cash equivalents, payables and receivables respectively were not supported with proper explanations and justification. There was a shortfall in releases amounting to UGX.0.457bn representing 4.8%. Further, the entity remained with unspent balance of UGX.0.381bn representing an absorption level of 95.8%. I noted mischarges of expenditure worth UGX.20million UGX.624million gratuity arrears were outstanding at year end. NTR of UGX.188million was irregularly utilised at source. UGX.42million remained unaccounted for at year end. The hospital is understaffed with 33% of the positions not filled out of 447 on the structure and 28 staff had overstayed on probation. There was lack of a functional hospital board hence no meetings were held. Challenges faced included drug stock outs for essential medicine experienced during the year, failure to maintain temperature records, inadequate air conditioning and non-functional incinerator. There was delayed completion on construction of 2 storied 54 staff unit houses as construction works were still at wall plate.
16	Kitgum MC	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.514Bn representing 6%. Further, the entity remained with unspent balance of UGX.1.527Bn representing an absorption level of 86.6%.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
	<u>Opinion</u> Unqualified	<ul style="list-style-type: none"> I noted mischarge of expenditure amounting to UGX.173million I noted that Council did not report on some of the key deliverables in the statement of performance. There was delayed implementation of upgrading Pandwong HCII to HCIII with works at walling level and abandoned under UgIFT project. UWEP had low recovery of disbursed funds with 61% of the expected amount of UGX.115M outstanding while some groups were nonexistent. YLP had low recovery with 88.1% of the expected amount of UGX.0.253bn outstanding while some groups were nonexistent. I noted excess disbursement of capitation Grants amounting to UGX.17million I noted staffing gaps of 57.5% out of the approved staff structure of 167 positions.
17	Omoro DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.1.974Bn representing 8%. Further, the entity remained with unspent balance of UGX.0.689Bn representing an absorption level of 89.5%. I noted that the district did not fully disclose major programmes key outputs implemented in the statements of performance during the year. UgIFT was affected by delayed implementation of projects while Lakwana Seed School lacked a land title. NUSAFA3 was affected by delayed fund disbursements, delayed project implementation and poor management of project assets. URF field inspection revealed some road sections with uninstalled culverts, no headwalls and broken culverts. In addition, I observed incomplete works on projects. YLP group members did not comply with repayment schedules and no proper books of accounts were maintained. Of the 6 sub-counties, I noted that Bobi at 49.14% and Odek at 45.45% were below the sector target of 57.65% in implementing Water for production project.
18	Alebtong DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.370Bn representing 2%. Further, the entity remained with unspent balance of UGX.1.472Bn representing an absorption level of 94%. Of the Key outputs implemented, I noted that out of 11 projects sampled, 8 were fully implemented, 1 was partially implemented while 2 were not implemented at all. Staff advances worth UGX.56million remained unaccounted for. Payments worth UGX.28million were not in the budget/work plan for the year. I observed non functionality of Internal Audit as no audit reports were produced during the year under review. NUSAFA3 was affected by delayed fund disbursements. Construction works were still ongoing on most of the inspected sites under the UgIFT project and Abia Seed Secondary School had untitled land. On YLP, I noted that monitoring of activities of the youth groups and repayments was not done by the District and bank statements for the revolving fund account were not availed. I was not availed with annual situation analysis report for water sources.
19	Lira MC <u>Opinion</u> Qualified	<ul style="list-style-type: none"> There was an unauthorised (by Accountant General) write off of excess depreciation on machinery and equipment of UGX.0.296bn presented in the statement of changes in equity of the financial statements. I noted mischarge of expenditure amounting to UGX.128million. There was a shortfall in releases amounting to UGX.20.636bn representing 63%. Further, the entity overspent UGX.8.823bn with excess funds being USMID balances from the prior year. I sampled key outputs under URF (roads maintained). Out of the 12 roads inspected, 11 were fully implemented and 1 was partially implemented.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> In statement of appropriation account (expenditure by nature) I noted an unapproved expenditure amounting to UGX.2.707bn. Staff advances worth UGX.62million remained unaccounted for. The municipality is understaffed by 47% out of the 260 approved positions. During inspection of URF projects, I observed a section on Okot Ogong Road which was poorly drained due to absence of off shoots. YLP had low recovery with 95% disbursed funds outstanding of the expected UGX.0.131bn. I noted delayed implementation of activities on garbage management as per the Council's 5-year Development Plan.
20	Lira RRH Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.665bn representing 7.5%. Further, the entity remained with unspent balance of UGX.0.05bn representing an absorption level of 99.4%. I noted that the project for construction of 16-unit staff houses was behind schedule. The hospital is understaffed by 32% out of the 428 approved positions on the staff structure. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include: No development of performance agreements/targets, no submission of performance appraisal reports, no completion of Quarterly Performance Reviews and no submission of progress report on performance improvement plans.
HOIMA BRANCH		
1	Buliisa DLG Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 0.61Bn representing 3.9% of the budget. Further, the entity remained with unspent balance of UGX. 1.09Bn representing an absorption level of 93%. Most of the districts key activities were partially implemented. I noted that Kirama Vocational Institute was none functional as at October 2019 receipt of UGX 163,386,515 from Uganda Wildlife Authority in 2014/15. Out of the 140 approved staff positions; only 54 (39%) posts were filled, leaving 86 (61%) positions vacant. Under UgFIT UGX 0.62Bn representing 51% remained unutilised under the upgrade of health centres and works had halted. No contract was awarded and no work was done at the construction of the seed school despite receiving 100% of the funds. Under NUSAf 3 I observed that there were no District Technical Planning Committee (DTPC) and District Executive Committee (DEC) meeting minutes approving the 56 district sub projects groups submitted to OPM for funding. Inspection revealed that there were challenges in the implementation of the projects. I also noted that the Community Water Shed community did not maintain proper records. Under URF, I noted that under mechanized maintenance, the district implemented 22.7km more than planned leading to an over expenditure. Field inspection revealed that there was poor side drainage, washed away culverts, severe potholes, and narrow roads on a number of roads inspected. Under YLP, I noted that for the financial year 2014/2015 and 2015/2016 the district had recovered only UGX.85,104,700 out of the expected total amount due of UGX 339,046,000 leaving a balance of UGX.266,638,365. Under UWEP, I noted that from the financial year 2015/2016 to date, the district had recovered only UGX 45,499,000 (12%) out of the expected total amount due (Interest Exclusive) of UGX 328,000,000, leaving an outstanding balance of UGX 328,000,000 (Interest Inclusive). Physical inspection revealed that there was diversion of funds, poor record keeping. Under water for use and production UGX 382,819,836 was received for service delivery leading to a shortfall of UGX. 127,504,164 which management attributed to budget cuts. Under capitation grant, I noted that the sampled school received grants from government but never prepared financial statements.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
2	Kagadi DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 1.54Bn representing 5.12% under release. Further, the entity remained with unspent balance of UGX. 2.907Bn representing an absorption level of 89.7%. I noted that while some of the district's key programmes were fully implemented, others were not fully implemented I noted that domestic arrears to a tune of UGX.18,026,430 was paid out without evidence of Council approval Under URF, for routine manual maintenance i noted that road gangs did not work during quarter 4 but were paid UGX. 46,542,000. I also noted excess expenditure of UGX 30,932,000 as a result of routine mechanical maintenance of 4km over and above the budgeted for amount. Under YLP, I noted that there was no evidence of training of the group before project implementation and there were no basic financial management records. Additionally, one of the sampled group's location could not be traced. Under UWEP, I noted that one of the sampled groups did not maintain basic financial management information and lacked a signpost clearly identifying them. I noted that Micro procurements worth UGX 10,994,000 of various items were not reported to the Contract Committee contrary to the regulation The cumulative water situation analysis revealed that on average 30.31% of the water facilities were non-functional. I noted that spares supplied were not recorded in the stores ledgers and no requisition / issue vouchers were prepared by the user department to confirm authorization contrary to stores regulations I noted the district had staffing gaps of 46% of the approved structure.
3	Kiryandongo DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 0.63Bn representing 1.95% of the budget. Further, the entity remained with unspent balance of UGX. 1.108Bn representing an absorption level of 97%. It was observed that some of the planned outputs were not achieved. Under UgIFT education component I noted that there was no activity implemented during the year following an application for administrative review Under NUSAf-3 I noted late release of funds to the district and delays by the district to disburse the funds to sub-projects by an average of 71days from the time of receipt of funds. Inspection revealed that the sampled roads were not gravelled, and there were no sign posts. Under URF I noted incomplete road works on the sampled road. Under YLP I noted that from the financial year 2014/2015 to date, the district had recovered only UGX.136,481,800 out of the expected total amount due (Interest Exclusive) of UGX.517,672,726, leaving an outstanding balance of UGX.376,717,872 (Interest Inclusive). Additionally, the District had not transferred funds amounting to UGX.50,942,679 to the National Revolving Fund Account in BoU by 30th June 2019. Inspections revealed that the projects lacked signposts and basic financial management records. Under capitation grant, I noted that the sampled schools did not prepare financial statements for the grants received totalling to UGX.63,678,150 Under water for use and consumption I noted that two out of the four contracted bore holes were successfully installed representing 50% performance.
4	Hoima DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 3.68 Bn representing 14%. Further, the entity remained with unspent balance of UGX. 2.083 representing absorption level of 90.8 %. Out of a sample of planned 11 key outputs including UgIFT, URF, Water, Education, Human resource, YLP and UWEP programme, the findings indicate that out of the 11 projects, 6 were fully achieved while 3 partially implemented and 2 not implemented

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Under UgIFT, UGX.304,827,034 representing 39% was unutilised in the construction of a seed school. Inspection revealed that the contractor had not constructed hoarding, installed a signpost or done engraving. Under URF, I noted that under routine manual maintenance, 99 Km road network at an estimated cost of UGX.13,891,000 was not achieved. Inspections revealed that the road was in a poor condition with over grown vegetation and potholes. Under routine mechanised maintenance, I noted an excess performance of 42 Km at UGX.77,230,000 and inspection revealed that drainage works had been damaged by the road. Under YLP, I noted that for the financial years 2014/2015 and 2015/16 to date, the district had recovered only UGX.98,471,661 out of the expected total amount due (Interest Exclusive) of UGX.370,077,000, leaving an outstanding balance of UGX.271,605,339 (Interest Inclusive). Field inspections revealed that the projects lacked sign posts casting doubt on the projects existence and lacked basic financial management records relating to community procurement procedures, income and expenditure records. Under capitation grant, I noted that the sampled school did not prepare financial statements for the grants received totaling to UGX.13,005,260. Additionally, a shortfall of UGX 3,274,740 was realized due to releases that are not dependent on verified enrolment. I noted that DRDIP procurements amounting to UGX.1,601,970,699 were not reported in the quarterly reports submitted to the Authority.
5	Masindi MC Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 1.34Bn representing 12% under release. Further, the entity remained with unspent balance of UGX. 0.012Bn representing an absorption level of 99.9%. I noted that some of council's key deliverables were not fully implemented during the year under review A total of UGX.69,490,402 paid to various officers for implementation of activities remained unaccounted for while salary arrears worth UGX 51,664,937 were paid for without supporting documents. Under UgIFT inspections revealed that works were incomplete at the health centre while funds meant for the construction of a seed secondary school were diverted to the construction of a staff house and 2 stance VIP latrine Under URF, Inspections revealed poor side drainage, lack of sign posts and gullies on sampled roads. I also noted that no tarmac was done on some roads under mechanised maintenance. Under YLP, I noted that from the financial year 2013/2014 to FY 2015/2016, the Municipality disbursed UGX.145,447,318 to YLGs out of which UGX.60,323,900 only had been recovered leaving an outstanding balance of UGX.85,123,418 (Interest Inclusive). Additionally, by 30th June, 2019, the Municipality had not transferred funds amounting to UGX 15,087,595 to the National Revolving Fund Account in BoU. Inspections revealed that some groups had disintegrated and delayed re-payment by the groups. Under UWEP, I noted that from the financial year 2016/2017 to 2017/18, the Council had recovered only UGX 43,103,300 (31%) out of the expected total amount due of UGX. 99,407,340 (Interest Inclusive). In addition, I noted that by 30th June, 2019, the Municipality had not transferred funds amounting to UGX 28,666,800 to the National Revolving Fund Account in BoU. I noted an overpayment of salary and pension to the tune of UGX 43,499,760 and UGX 27,567,245 respectively. Under capitation grant, I noted under funding compared to the enrolment. I also noted that detailed budgets for capitation grant and financial statements are not prepared as required.
6	Kakumiro DLG Opinion Unqualified	<ul style="list-style-type: none"> The entity remained with unspent balance of UGX. 0.391bn representing an absorption level of 97.8%. I noted that UGX.11,202,000 was paid to settle domestic arrears which were not provided for in the approved budget for the year under review. I noted issues in the implementation of the UgIFT health component. These included incomplete works on the maternity wards and medical waste pit, no provision for 4 stance VIP latrine and

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<p>shower, and no provision of placenta pits. Under the education component, I noted incomplete works on all structures.</p> <ul style="list-style-type: none"> Under URF routine mechanised maintenance, I noted that poor state of the road with poor drainage which created gullies and overgrown vegetation making the road impassable. Under capitation grant, I noted that the sampled school did not prepare financial statements for the year under review. Under YLP, I noted that whereas groups were funded UGX.325,213,000 in FY 2016/17 and FY 2017/18 , only UGX.92,987,500 (28.6%) had been repaid by end of FY 2018/2019 leaving a balance of UGX.232,243,500 (71.4%) outstanding, while the district had not transferred UGX 14,282,160 to the National Revolving Fund Collection Account by the end of the financial year. Out of the two projects inspected, I noted that there were no book keeping records, no sign post, for ease of location of the projects. Under UWEP I observed that out of UGX. 220,104,402(includes the 5% surcharge) disbursed to the women groups in financial years 2016/2017 and 2017/2018, only UGX. 86,318,700 (39.2%) was recovered by the close of financial year 2018/2019 leaving a balance of UGX. 133,785,702 (60.8%) outstanding. Inspection revealed that some had no records and there were no sign posts. Under water for use and consumption, I noted a number of cases where the water facilities inspected were Non-functional.
7	Kyankwanzi DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> The entity remained with unspent balance of UGX. 1.025 representing an absorption level of 95%. Under UgIFT I noted incomplete works on the construction of a seed school at Banamywa Sub County while the site for construction of MuJunza health centre appeared abandoned. There were also delays in the progress of these projects. Under URF I noted that section that had been rehabilitated had developed potholes while others lacked gravel. Under YLP, I noted that the district had recovered only UGX UGX.132,943,350 (33%) of the total funds amounting to UGX UGX.400,583,000 that had been disbursed from the financial year 2013/2014 to 2015/16. Inspections revealed delays in the disbursement of funds and the groups lacked basic financial management records. Under UWEP I noted that the entity did not realise any funding and consequently 34 women groups did not receive funding. Under the capitation grant, I noted that the sampled school did not prepare financial reports for the grants received totalling to UGX.7,589,262. Additionally, the school was underfunded by UGX.1,740,738.
8	Kibaale DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 4.39Bn representing 20.7% under release. Further, the entity remained with unspent balance of UGX. 0.066Bn representing an absorption level of 99.6%. I noted that the activities under UgFIT were partially implemented. Under UgIFT Inspections revealed that there were incomplete works Under URF Inspections revealed that there was no provision for drainage channels, culverts and gullies and overgrown vegetation Under Capitation grant, I noted that sampled school did not prepare financial statements for the year under review. Under YLP I noted that for the financial year 2014/2015 and 2015/2016, the district had recovered UGX.102,084,400 out of the expected total amount due (Interest Exclusive) of UGX.222,236,500, leaving an outstanding balance of UGX.128,021,600. Under UWEP, UGX. 114,242,418 disbursed to the women groups in financial years 2015/2016 and 2016/2017, only 62.7% was recovered by the close of financial year 2018/2019.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
9	Kiboga DLG Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 0.13Bn. Further, the entity remained with unspent balance of UGX. 1.282Bn representing an absorption level of 94%. Under UgIFT, I noted that the district did not participate in stages of procurement of some contractors since this was done MoH. There was also no evidence of monitoring of progress of works by the Ministry of health or education. An inspection of the site for upgrading Bulaga health centre revealed that the site had been abandoned which resulted in delayed completion of works. I also noted a delay in the construction of Katoma seed school. Under URF Inspection on selected roads revealed that there was poor contract management characterised by absence of headwalls, culverts, unprotected culverts, gullies and over grown bushes. I noted some procurements worth UGX. 37,810,600 where the user departments specified the required brands on the procurement requisition form and the tender document contrary to PPDA regulations Under YLP, I noted that whereas the groups which were funded in 2016/2017 FY were expected to have repaid a total amount of UGX. 171,300,000 (Interest exclusive) by close of the financial year 2018/2019, only UGX. 8,795,000 (5%) was repaid leaving a balance of UGX.162, 505,000 (95%) outstanding. Inspection revealed that a number of project lacked a signposts, and basic financial records Under UWEP, I noted that there were no copies of receipts or BOU acknowledgements and Bank statements to support a total of UGX. 50,540,500 purportedly recovered from the women groups since 2016/17 financial year. Under capitation grant, two sampled schools did not prepare financial statements for the grants received totalling to UGX. 10,654,684 as required. Inspections revealed that the school had insufficient facilities. Under water for use and consumption, I noted that on average 35% of the water facilities were non-functional based on water situation analysis. I noted that the water pump under Kambugu solar powered piped water system was installed in a road reserve, in addition to absence of a defined demarcated path to the tank I noted a number of weaknesses in the implementation staff performance management initiatives which ranged from failure to submit performance agreement reports in time, absence of quarterly performance reviews, failure to develop performance improvement plans.
10	Hoima RRH Opinion Qualified	<ul style="list-style-type: none"> I noted that a negative adjustment of UGX 79,840,152 was made to the opening balances of 2018/2019 in the reconciliation of movement of cash on page 11, as well as an asset write off in the statement of financial position which was not supported. There was a shortfall in releases amounting to UGX. 0.37Bn representing 3.95% under release. Further, the entity remained with unspent balance of UGX. 1.032Bn representing an absorption level of 89%. Whereas some planned activities were fully completed, I noted some key outputs which were not fully achieved. I noted that the entity received off budget financing worth UGX.671,005,085 which was not recognised as revenue for the year under review. I noted that domestic arrears worth UGX 85,501,167 were rejected due to lack of supporting documents. I noted that under budgeting for domestic arrears to a tune of UGX 195,080,167 The hospital has an approved staff structure of 421 staff but only 338 are filled leaving a staffing gap of 83 positions (20%). I noted that a consultant was appointed by the contracts committee after the date of contract award. I noted that the hospital did not appoint contract managers for all the contracts awarded during the year. There were also a number of missing procurement documents on the various files.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> I noted that there was a delay in the contract for the construction of the perimeter fence of the hospital.
11	Masindi DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 2.51Bn representing 8.9% under release. Further, the entity remained with unspent balance of UGX 0.107representing an absorption level of 99.6%. I noted that some of the District's key outputs were not fully implemented. Under NUSAf 3 I noted that the project was not audited by Internal Audit during the year. I also noted that the District didn't maintain an excel-based Project Tracker to capture and track project transactions Under URF, I noted that there was an excess expenditure under mechanised maintenance. Inspections on sampled roads revealed that only 17km out of the planned 24 km were maintained, Under YLP I noted that from for the financial year 2014/2015 to 2015/2016, the District had recovered only UGX.189,212,100 out of the expected total amount due. Under capitation grant, based on the enrolment, the sampled school received only UGX. 16,401,455, during the year instead of UGX 20,880,000 leading to a shortfall of UGX. 4,478,545. These schools did not prepare financial statements as required.
12	Kikuube DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 0.39Bn representing 1.97% under release. Further, the entity remained with unspent balance of UGX. 2.987Bn representing an absorption level of 85%. I noted that out of the 13 projects inspected, eight (8) were fully achieved, while five (5) were partially implemented. I noted that there was a no evidence of council approval of a revision on the budget. Under UgIFT Inspections revealed that the works were not complete on some of the projects undertaken. Under YLP I noted that the sampled groups lacked signposts and basic financial management records. The groups also did not have copies of the financing agreement to guide them on repayment. Under capitation grant I noted that the sampled school did not prepare financial statements for the grants received totalling to UGX.15, 068,001. I also noted a funding shortfall of UGX 8,001,259 based on the current enrolment. I noted that the procurement process for contracts worth UGX.660,733,841 were not undertaken in strict compliance with the PPDA laws.
13	Hoima MC <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 0.52Bn representing 2.27% under lease. Further, the entity overspent by UGX.10.317Bn representing an absorption level of 146%. I noted that out of the planned 10 projects, 6 were fully implemented, 3 were partially implemented and 1 not implemented. Under UgIFT, I noted that the Municipality failed to spend UGX.283,840,290 and this was returned to the UCF. Inspections revealed that the project implementation was not only behind schedule but lacked signposts, and works were incomplete. Under URF, I noted through inspections that sections of some roads were, impassable and some works were not yet complete. Under YLP, I noted that whereas the groups funded in 2016/2017 FY were expected to have repaid a total of UGX. 113,087,612 (Interest exclusive) by close of the financial year 2018/2019, only UGX. 40,553,000 (36%) was repaid leaving a balance of UGX. 76,161,343 (64%) outstanding. Inspection also revealed that the sampled groups did not maintain basic financial management records, no register of assets and one group had changed business from what it had originally applied for. Under UWEP, I noted the municipality neither maintained copies of receipts nor BOU acknowledgements and Bank statements to reconcile with a total of UGX. 1,000,000 purportedly recovered from the women groups since 2016/17 financial year. Inspections revealed that there

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<p>was no signpost for the groups and no evidence was availed for remittance of collections to the revolving fund account.</p> <ul style="list-style-type: none"> Under capitation grant, I noted that the two schools sampled did not prepare financial statements for the grants received totalling to UGX.20,902,548 I noted that procurements worth UGX. 95,549,911 were awarded to non-compliant firms contrary to the PPDA regulatory framework.
	JINJA BRANCH	
1	Bugiri DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.2.08bn representing 6%, further analysis revealed that UGX.0.255bn remained unspent by the entity representing an absorption level of 99%. Out of the 9 District's major outputs, 8 (89%) were implemented and 1 (11%) output was partially implemented. UGX. 0.045bn was claimed to have been stolen from an Accounts Assistant/Cahier. I noted eight (8) pending court cases against the District being handled by the solicitor general based in Jinja. Under URF, the District unrealistically budgeted for undertaking works on 72km of roads using UGX.0.655bn instead of UGX.1.944bn as per the URF guidelines. Consequently, I noted that only 15km out of 24km of Naluwerere-Muwayo road was shaped and only 1 culvert had been installed instead of the 9. Further, only swamp filling had been done for a distance of 0.5km out of the planned 6.2km Bufunda-Kayago. Under UgIFT, I noted delayed execution on Iwemba Seed Secondary School construction works despite receipt of UGX 1.1bn during the F/Y 2018/19 for the programme. Under YLP, I noted a recovery rate of only 21% of the funds disbursed in FY 2013/2014 to 2017/2018. Besides one youth group received project funds which were shared amongst group members and another group of 12 members had remained with only seven active members without any financial records in place. Under UWEP fund, I noted that from the financial year 2016/2017 to date, the district had not recovered a balance of UGX. 0.63bn (64%) out of UGX 0.098bn due for recovery.
2	Jinja RRH <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 0.255bn representing 2% of budgeted revenue. Further analysis revealed that UGX.1.324bn remained unspent representing 89% absorption rate. Funds to the tune of UGX.0.299bn were diverted from the activities on which they were budgeted and spent on other activities without obtaining the necessary approvals. UGX. 0.134bn local revenue funds were spent at source without approval after withdrawal from the Collection Account. The entity failed to remit local service tax amounting to UGX.19,629,630. Analysis revealed that these funds were spent and not accounted for. The Hospital lacked land titles for the land it occupies on Nile Avenue, Nalufenya Road Gabula Land and Nile Garden. Out of 421 approved positions on the staff structure, 69 (16%) posts were vacant and these included key positions of senior consultant surgery; consultant pathology, consultant physician, consultant psychiatry, consultant anaesthesiologist, public clinical officer, laboratory technologist, senior principal nursing officer, and dental technologist. The entity failed to remit tax in form of PAYE deducted from staff amounting to UGX. 20,446,280. I noted that the entity undertook unplanned procurements contracts worth UGX.0.115bn which were not in the consolidated annual procurement work plan. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include non-completion of Performance Agreements, no quarterly reviews undertaken, failure to fill annual performance plans, lack of mechanism to monitor staff attendance and failure to undertake administrative investigations.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
3	Bugiri MC <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 0.435bn representing 8%. Further analysis revealed that UGX. 0.073bn remained unspent by the entity representing an absorption level of 99%. The Municipal Council has accumulated payables amounting to UGX. 0.686bn. Under UgIFT implementation; Council partially implemented the upgrade of Bugiri Town Council Health Centre II to HC III due to un-utilised funds worth UGX.68,470,000. Under the implementation of URF; I noted challenges of high volume of water coupled with poor garbage disposal leading to silting of drainage channels, inadequate funds, Staffing constraints in the department leading and roads slipping out of maintenance realm thus need for rehabilitation. Under YLP implementation; I noted that from the financial year 2016/2017 to date, Council had recovered only UGX.0.149bn leaving an unrecovered amount of UGX. 0.110bn representing (74.2%). Under UWEP; I noted that from the financial year 2016/2017 to date, the Municipal Council had recovered UGX39,863,100 (52.5%) out of the expected total amount due of UGX. 75,968,667 leaving an unrecovered balance amount of UGX 36,105,567 (47.5%).
4	Kamuli DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 3.648bn representing (0.9%). Out of the 15 major District's outputs, 12 outputs representing 80% were fully implemented, 2 outputs representing 7% were partially implemented and one output representing 3% was not implemented. Accumulated verified payables of UGX. 1.514bn remained outstanding at year end. Out of 4,147 approved staff positions in the structure, 1,038 (25%) posts were vacant and the District Engineer had been holding the position on assignment of duty for 10 years. I noted that the terms of the four members of the LGPAC had expired on 8th September, 2018 and no replacement had been made 14 months after the expiry. The District had a shortage of 144kms worked on from the planned 645km of roads in financial 2017/2018 in the different categories at a cost of UGX. 0.906 leading to an under performance of 22%. I noted over payment of UGX 1,078,406 in salaries. Under UgIFT, The District received UGX. 1.601bn but only utilised 42% for the construction of Kitayunjwa Seed School and Kagumba Health centre. Under URF, I noted that the roads committee only sat twice in the year under review out of the required 4 sittings in a year. Under YLP, the district failed to recover an outstanding balance of UGX. 0.726bn and out of the 188 groups that were funded, 22 (12%) groups that had received UGX.0.129bn over the years, had collapsed. Under UWEP, the District failed to recover UGX. 37,266,400 (62%) of the amounts due. Under the Implementation of Water for Production and Use, I noted that 2 (20%) of the valley dams were non-functional. I further noted that although most of the valley tanks were functional, they were heavily silted, bushy, had either dilapidated or had no water troughs and other accessories. Under UPE Capitation Grant, I noted that UGX 1.004bn was required for 100,455 pupils at a rate of UGX 10,000 per pupil, however, only UGX. 0.802bn was budgeted and disbursed resulting in a variance of UGX. 0.202bn. I noted Shortage of Medical equipment at Kamuli Hospital.
5	Iganga DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.259bn representing (7%), Further analysis revealed that UGX.1.674bn remained unspent by the entity representing an absorption level of 95%.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> The District fully implemented all planned outputs save for the renovation of adult learning centre. Out of the 6 learning centres planned, only one was renovated and one partial construction. I noted that out of 6 sampled recommendations on District projects by the monitoring and supervision teams, 3 (50%) recommendations aimed at achieving the planned outputs were not implemented, 2 (33%) were partially implemented and only one was fully implemented. Accumulated receivables to a tune of UGX.1.82bn were not collected at year end. The entity has five (5) pending and on-going court cases with contingent awards against it totalling to a tune of UGX 3.832bn. Out of the 2,357 approved staff structure, 243 (10%) posts were vacant and officers in key positions including that of District Engineer were all in acting positions. The entity did not dispose of assets including old pick-ups, motor cycles among others as per the Board of Survey recommendation of 2017. I noted that out of 1,525 teachers in the 99 primary schools, only 154 (10%) were accommodated at the schools leaving 1,371 (90%) teachers without accommodation. I noted lack of wards in all 5 health-centre III's sampled. I also noted that out of the 511 staff in the various Health Centres across the district only 15% staff members were accommodated leaving 85% staff without accommodation. Under the UgIFT implementation, I noted delayed construction of Nawanyingi Seed Secondary which was still at the foundation level despite receipt of UGX. 0.535bn during the year for the construction. Under YLP implementation, I noted low recovery of funds at 19% with an outstanding balance of UGX. 223,204,300. Under UWEP implementation, I noted low recovery rate of 9% funds disbursed out of the expected UGX. 0.237bn. Under Implementation of Water for Production and Use, I noted that 22 (3%) out of 763 waters sources were not functional due to lack of proper maintenance.
6	Jinja DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.303bn representing 0.7%. Further analysis revealed that UGX.2.427bn remained unspent by the entity representing an absorption level of 94.4 %. Out of the 9 major District's outputs, 7 outputs representing 78% were fully implemented and 2 outputs representing 22% outputs were partially implemented. Accumulated verified payables amounting to UGX.1.140bn remained unsettled at year end. Out of 2,599 posts in staff structure, 299(12%) posts were vacant and officers in key positions including that of District Engineer were all in acting positions. I noted unrealistic budgeting to undertake periodic maintenance of six (06) roads measuring 30.6 km at UGX. 0.135bn instead of UGX. 0.826bn. I also noted late release of 1st quarter funds in the month of September resulting to delayed implementation. Under UgIFT, there was delayed procurement of the contractor for the construction of the School leading to delays in start of works for 1 month and failure to absorb all available funds worth UGX. 0.800bn. Under the YLP, the District failed to recover funds amounting to UGX. 0.968bn representing (84%) of amount due. Further, two sampled groups of Butiki Matala piggery and Kagoma central piggery were no longer existent. Under UWEP, the District failed to recover funds amounting to UGX. 0.174bn representing (63%). Under water for production and use, the entity planned to construct 12 boreholes but only managed to construct 10.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
7	Mayuge DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.2.664bn representing 0.7%, Further analysis revealed that UGX.2.002bn remained unspent by the entity representing an absorption level of 94%. I noted that out of the 7 major District outputs, 5 outputs representing 71% were implemented and 2 outputs representing 29% were partially implemented. Accumulated payables amounting to UGX. 1.088bn remained outstanding at year end. out of 473 positions in the staff structure, 88 positions were vacant and these included key positions like Principal Human resource, Principal Finance Officer, Senior Planner, Civil Engineering (Water), and primary Head teachers. Under UgIFT, there was delayed implementation for upgrading of Jagusi and Busaala Health Centre II's and construction of Mpungwe seed school due to underutilization of funds received Under URF, there was delayed release of funds with warrants always coming in the second month of every quarter and the District lacked the vital equipment like excavator, low bed, bulldozer and back hoe. Under YLP, the entity failed to recover funds to a tune of UGX.0.9bn representing 75% of advanced funds. Out of 236 groups funded, 68 groups that had received UGX 0.528bn over the years had collapsed. Under UWEP, 11 approved groups were not funded in FY 2018/19 due to shortfall in funding.
8	Bugweri DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.589bn representing 3%, Further analysis revealed that UGX.2.159bn remained unspent by the entity representing an absorption level of 86%. I noted that out of the 11 major District outputs, 8 (62%) were fully implemented and 3 (38%) outputs were partially implemented. The entity has accumulated payables to a tune of UGX.1.133bn. Under UgIFT, there was delayed execution for the construction of Naigomba Seed Secondary School and the upgrade of Nawangisa Health Centre II to a Health Centre III due to failure to utilise available funds. Under the URF, there were shoddy works i.e. lack of water galleys, no offshoots, over grown grass and developed water gully on road sections. I also noted that the district road committee only met twice out of the required 4 sittings in a year and entity lacks proper road equipment. Under YLP the entity failed to recover funds amounting to UGX.0.190bn representing 74% of total funds due for recovery. Under UWEP, the entity has a low recovery rate of 5% out of the expected total amount due of UGX. 46,907,000. Under Implementation of Water for Production and Use, 30 water sources representing (6.9%) out of 434 were not functional due to lack of proper maintenance. The District did not have land titles for most of its land including schools and health centres. I further noted that 9 acres of the district land was given to Kaziba family when the District was still under Iganga district local government. I noted that natural resources especially wetland and forests in the District had been encroached on by un-licensed people who are carrying out illegal activities. I noted shortcomings in the performance of the District physical planning committee i.e. the Accounting Officer appointed ten (10) members instead of the required thirteen (13) members, three (3) of the ten (10) members appointed were not meant to be part of the committee, with the exception of holding one meeting, Committee did not perform the rest of its functions and the activities of the committee were neither budgeted for nor funded.
9	Kaliro DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.2.166bn representing 8% of budgeted revenue. Further analysis revealed that UGX.0.319bn remained unspent representing 98.7% absorption rate.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> I noted that out of the 8 major District outputs, 7 outputs representing 87.5% were fully implemented and 1 (12.5%) output was partially implemented. Payables amounting to UGX1.264bn were outstanding at year end. Out of 1,609 approved positions in the staff structure, 257 (16%) posts were vacant. Under UgIFT, I noted delayed upgrading of Budomero and Nawampiti Health Centre IIs as evidenced by the incomplete on inspection one month beyond the expected completion date. Under URF, I noted deteriorating state of roads worked on during the period i.e. broken down installed culvert line, installed culvert lines without headwalls, dumped culverts of 900mm lying idle in the bush, narrow carriage way with bushy shoulders and poor road compaction. Under the implementation of YLP, the entity failed to recover funds amounting to UGX. 0.353bn representing (80%) of total amount due for recovery. I noted that two projects had been abandoned in the first year of operation were no longer in existence. Under UWEP, I noted that the entity failed to recover funds amounting to UGX. 65,174,250 representing (76%) of total amount due for recovery. Under Water for Production and Use, Out of the 603 villages in the District, only 466 (77%) had access to safe drinking water leaving 137 (23%) without access to deep boreholes with hand pumps, Shallow wells with pumps, protected springs and rain water tanks.
10	Jinja MC Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 0.0096bn representing (0.05%), Further analysis revealed that UGX. 0.599bn remained unspent by the entity representing an absorption level of (94%). Out of the 13 major council outputs, 11 outputs representing 85% were fully implemented and 2 outputs representing 15% were partially implemented. Expenditure totalling UGX. 0.306bn was mischarged through wrong coding. Accumulated payables amounting to UGX. 1.198bn remained outstanding at year end. Under UgIFT, the entity delayed the upgrading of Kimaka H/C II at a cost of UGX. 0.5bn despite availability of all funds. There were delays at evaluation stage in three (3) procurements i.e. Construction of a 4 classroom block, Completion of a 2- science room block and electrical installation works, and Supply and delivery of approved road lime. Under YLP, the District failed to recover funds due amounting to UGX. 182,944,017 (71%).
11	Namayingo DLG Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.636bn representing 9% of budgeted revenue. Further analysis revealed that UGX. 0.376bn remained unspent representing 98% absorption rate. I noted that out of 11 outputs, 7 outputs representing 64% were fully implemented and 4 (36%) were partially implemented. UGX.1.204bn accumulated payables remained outstanding at year end. Out of 1,626 approved positions in the staff structure, 267 posts were vacant representing 16% and key positions including that of District Engineer were all in acting capacity. Under UgIFT, I noted delayed execution of upgrading of Lolwe Health Centre II whose works were still on-going three (3) months after the expected completion date. Under URF implementation, I noted poor state of roads worked on during the period. Under YLP, I sampled two groups and both projects were abandoned and were no longer in existence. Under UWEP, I inspected two projects and noted that one Group had repaid only UGX.600,000 out of UGX.4,770,000 and the project was failing. Another Group Project had repaid only UGX.2,341,100 out of UGX. 5,000,000 for Goat rearing and were faced with theft threats. Under the Implementation of Water for Production and Use, I noted that 125 (16%) water sources out of 784 were not functional due to lack of proper maintenance.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
12	Luuka DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> I noted that out of the sampled 8 major Council outputs, 7 (87%) were fully implemented and 1 (13%) output was partially implemented. The District had accumulated payables of UGX.0.974bn. Out of 1,542 approved position in staff structure, 364 (24%) posts were vacant. Under UgIFT, I noted incomplete execution of works for the upgrade of Bukedi Health Centre II to Health Centre III despite extension of three months. Under URF Implementation; I noted that the works undertaken under routine manual maintenance and routine mechanised maintenance were shoddy with road deterioration and developed potholes. Under YLP; I noted that the entity failed to recover funds amounting to UGX.0.344bn representing (88%) of amount due for recovery. I noted that one group received UGX.7,000,000 and only UGX.150,000 had been recovered but the project was no longer in existence. Under UWEP; I noted low recovery rate of funds disbursed with an outstanding amount of UGX.0.124bn.
13	Namutumba DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> I noted that out of the 8 major District outputs, 4 outputs representing 50% were fully implemented while the other 4 (50%) outputs were partially implemented. The entity has (08) pending and on-going court cases, some dating as far back as 2012. Under UgIFT, there was delayed execution for upgrading of Kagulu Health Centre II and construction of Namutumba seed school. The works were just on walling for both projects due to underutilisation of funds. Under YLP, the entity failed to recover funds amounting to UGX. 0.389bn representing 96.5% of the amount due for recovery from the groups. Out of the 205 groups funded 110 54% groups that had received UGX. 0.595bn over the years collapsed and are no longer existent. Under Implementation Of Water For Production I noted that out of 676 water infrastructure in the district, 131(19%) water points were not functional due to lack of proper maintenance.
14	Buyende DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.539bn representing (3%), Further analysis revealed that UGX.0.82bn remained unspent by the entity representing an absorption level of 96%. Out of the 7 District's major outputs, 2 outputs representing (29%) were fully implemented, 2 outputs representing (29%) were partially implemented and 3 representing (43%) were not implemented at all. The entity's receivables increased by 88% from UGX.1.041bn to UGX.1.955bn by end of June 2019. The entity failed to collect UGX.0.027bn of tendered revenue sources from contractors resulting into a (30%) shortfall. Out of 629 staff posts of the structure, 277 (44%) were vacant and key positions including the Deputy Chief Administrative Officer and District Engineer were all in acting positions. 65 pieces land under the District jurisdiction in Sub Counties and health centres did not have titles and all the land where educational institutions are located was not included in the register of land. Further, I noted that management did not dispose off motorcycles recommended for disposal by Board of Survey in the previous year. Under UPE performance ,I noted that 38% of 12,626 pupils that sat for PLE in the previous three years (2016,2017 & 2018) did not qualify to join either secondary or tertiary institutions. Inspections at Butaaswa and Kigweri Primary Schools revealed inadequate desk pupil ratio, latrine Pupil ratio and 18 teachers without accommodation. Under UgIFT, UGX 0.019bn was erroneously paid to a VAT exempted contractor as VAT and the works execution had delayed. Under URF, the entity did not maintain sideways on Bulondo-Mango road measuring 20.5 km and the roads and works committee only sat twice in the year under review out of the required 4 sittings.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Under YLP, the District failed to recover 78% of funds from groups amounting to UGX.0.436bn representing. Inspection of two sampled groups revealed lack of group file and change of project without approval from the District Technical Committee. Under UWEP, the District failed to recover 94% of funds worth UGX. 0.384bn from the expected UGX. 0.378bn (interest exclusive). Under Water for Production, I noted that 153 water sources/water points out of the 1,275 in different parts of the district were non-functional representing 2.6% and the water coverage was inadequate at 44.3%. I noted inconsistencies in IPPS and IFMS payment files with over payments of UGX. 0.049bn and underpayment of UGX. 0.197bn. I also noted under and over remittance of statutory and other deductions including local service tax, PAYE, Uganda Consumers and Lenders Association and Uganda National Teachers Union. I noted an average delay of 10 weeks in release of UPE funds to schools contrary to the one week requirement by guidelines.
15	Iganga MC <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> UGX. 0.473bn remained unspent by the entity representing an absorption level of 93%. I noted that out of the 23 major Council outputs, 16 (70%) were implemented and 7 (30%) outputs were not implemented. The Municipal Council had accumulated verified payables amounting to UGX.0.713bn. Out of 131 approved positions in the staff structure, 42 (32%) posts were vacant and as a result key positions including that of Municipal Council Engineer were in acting positions. Under URF, I noted that the entity has deteriorating roads including those worked on during the period due to poor drainage and broken culvert lines. Under the YLP, I noted that from the financial year 2014/2015 to 2015/16, Council had recovered only UGX. 21,262,666 (15%) out of the expected total amount due (Interest Exclusive) of UGX.0.141bn leaving an outstanding balance of UGX.0.130bn (85%). I noted that one group disintegrated and the project was no longer in existence.
16	Njeru MC <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.3.018bn representing 22.4% of budgeted revenue. I noted that out of the 8 major Council outputs, 7 representing 87.5% were implemented and 01 (12.5%) output road works was partially implemented. Under URF, there was poor workmanship as with poor drainage systems, potholes and large gullies. I also noted that the road committee only sat two times in the year under review out of the required 4 sittings. Under YLP, I noted failure to recover UGX.0.140bn representing 49% of disbursed funds to groups.
17	Lugazi MC <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.3.648bn representing (9%) of budgeted revenue. Further analysis revealed that UGX.0.929bn remained unspent representing a (90.3%) absorption rate. Out of the 20 major Municipal Council outputs, I sampled 6 outputs including URF and noted that 4 (67%) were fully implemented while 2 (33%) outputs were partially implemented. I noted that the Municipal Council had failed to collect funds amounting to UGX.0.933bn in revenue. UGX. 0.410bn accumulated payables remained outstanding at year end. Out of 235 approved positions in the staff structure, 84 (56%) posts were vacant and these included key positions such as Deputy Town Clerk, Internal Auditors, Municipal Engineer, Senior Environment Officer, Senior Physical Unit, Principal Community Development Officer and Medical Officer of Health services. Out of 340 teachers in the 44 primary schools, 274 (81%) teachers did not have accommodation.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Under URF, I noted shoddy works on roads including failure to apply gravel and poorly maintained side drains. The entity lacked road equipment to implement works efficiently. Under YLP, I noted that from the financial year 2017/2018 to 2018/2019, the Municipal Council had not recovered UGX.0.169bn representing (90%) of amount due for recovery from the groups. I inspected one group that received UGX. 7,000,000 and found it had not repaid anything out of the advanced funds and from the 10 members registered only 4 were active while the group changed names without authority.
18	Kamuli MC <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 0.088bn representing 1% of budgeted revenue. Further analysis revealed that UGX.0.286bn remained unspent representing a 96% absorption rate. I noted that out of the 12 major Municipal Council outputs, 10 (83%) were fully implemented and 2 (17%) outputs were partially implemented. I noted that expenditure totalling UGX.0.146bn was mischarged during the year. The entity has accumulated payables amounting to UGX.0.247bn. Under a special audit request undertaken I noted that recruitment was undertaken in line with regulations, there was an untraceable payment of UGX 6,157,457 paid as part of the cost of architectural design and could not confirm failure to account for funds from MAAIF since IGG had commenced investigations. Under UgIFT; I noted delayed execution and completion of works for the upgrade of Busota Health centre valued at UGX UGX.0.494bn for which the entity received all funds. Under URF; I noted shoddy works i.e. road sections had poorly spread murram and incomplete parts of the road. The entity lacked road equipment and the available machines break down constantly while the tipper truck and pick up are being used for garbage collection and council activities. Under YLP; I noted that the entity had failed to recover UGX.43,579,724 from groups, representing 86% of amount due for recovery. Under UPE capitation Grant, I noted that the entity had a shortfall of UGX.42,618,744 for 13,024 pupils enrolled in the Council under UPE at a rate of UGX 10,000 per pupil but however received only UGX. 87,621,256.
	KAMPALA BRANCH	
1	Wakiso DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.4.979bn representing 16%. Further, the entity remained with unspent balance of UGX.7.304bn representing an absorption level of 90%. Out of the 9 major programs, 5 were fully implemented, 3 were partially implemented while 1 was not implemented under the 5 projects (UgFIT, URF, YLP, UWEP and GPE). I noted outstanding pension and gratuity of UGX.0.205bn at year end. Under UgFIT, inspections revealed stalled works for Nakitokolo Health Centre II and Seed Secondary School with both lacking land titles. Under URF, i noted the District had only 10 equipments out of the required 32. Further, only 2 Direct Road Committee meetings had been held out the required 4 and inspections revealed deterioration and incomplete works on three roads. Under YLP, i noted the district had recovered only UGX.0.175bn out of the expected amount UGX.1.262bn as at 30th June 2019. Under UWEP, i noted the district had recovered only UGX.0.057bn out of the expected amount UGX.0.159bn. Under Water for use and production, i noted 177 non-functional water facilities. Inspections revealed overcrowding and poor state of facilities at St. Theresa Primary School Nampunge and Kikandwa C/U Primary School.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Three (3) health facilities did not receive drugs from National Medical stores during FY 2018/2019. Inspections at Entebbe Hospital revealed outstanding Utility bills of UGX.0.589bn, non-functional hospital x-ray machine and x-ray generator, lack of authorisation for possession and use of radiation sources and old dilapidated staff accommodation structures.
2	Buikwe DLG Opinion Unqualified	<ul style="list-style-type: none"> The budgeted total revenue of UGX. 32bn for the year 2018/19 was fully realised representing a performance of 100% and all expenditure warrants amounting to UGX.35bn were spent by the entity representing 100% absorption. Accumulated payables of UGX.0.811bn remained outstanding at year end. Under UgIFT the construction works for the seed school constructed at Sugu Village in Buikwe Sub County were at foundation level signifying a delay in the progress of works. Under URF, there was an under funding of UGX 0.075bn resulting into shortage of 4kms to be undertaken under emergency works. Under YLP, i noted a recovery rate of only 23% of the funds disbursed in FY 2013/2014 to 2018/2019. Under UWEP, i noted a recovery rate of only 25% of the funds advanced since the inception of the programme. Water Situation analysis revealed that some facilities were not functional. The district management continued to share and remitted UGX 0.89bn to Njeru Municipality which was against the District council resolution. Kawolo Hospital had unsettled Umeme bills amounting to UGX.0.96bn and lacked a land title.
3	Kayunga DLG Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.1.551bn representing 4%. Further, the entity remained with unspent balance of UGX.2.892bn representing an absorption level of 92%. Under UgIFT, construction works of Bukamba Health Centre worth UGX.0.488bn had stalled after payment of UGX.0.292bn and the district did not have a land title for the land. Further, the contract for the construction of Musitwa Seed Secondary School in Nazigo was not signed despite receipt of UGX.0.704bn for the project during the year. Under YLP, I noted a recovery rate of only 39% of the funds disbursed from FY 2013/2014 to date. Under UWEP, I noted a recovery rate of only 29.4% of the expected amount of UGX. 0.271bn from FY 2015/2016 to date. Under water for use and production, 19.8% of the 1,099 water infrastructure were not functional.
4	Nakasongola DLG Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.908bn representing 3.6%. Further, the entity over spent by UGX.0.265bn. Out of 36 outputs reported, 33 were fully implemented and 3 were partially implemented under the projects of UgFIT and Education. I noted outstanding payables of UGX.0.918bn at year end. Pension and gratuity Arrears of UGX.0.218bn remained outstanding at year end. Under UgFIT, inspections revealed incomplete and stalled project works. Under YLP, I noted a recovery rate of only 33% (UGX.0.153bn) out of expected amount of UGX.0.463bn from FYs 2014/2015 to 2018/2019. Under UWEP, I noted a low recovery rate of 47.2% (0.021bn) out of the expected UGX.0.045bn. Under water for use and production, I noted 255 non-functional water infrastructures.
5	Nakaseke DLG Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.2.753bn representing 9% of the budget. Further, the entity remained with unspent balance of UGX.0.088bn representing an absorption level of 99.7%.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Out of the 29 major outputs reported, 20 were fully implemented, 6 outputs were partially implemented and 3 were not implemented. Under UgIFT, Inspections revealed construction works of the Health Centre had stalled and construction of Nakaseke Seed Secondary School had not commenced. There was no land title for the school. Under URF, I noted delayed works on Kyambala-Natigi-Nakabimba. Under YLP, I noted a low recovery rate of 38.2% (UGX.0.156bn) out of the expected total amount of UGX.0.564bn. Under UWEP, I noted a low recovery rate of 50.8% (UGX.0.022bn) out of the expected total amount of UGX.0.043bn. Under water for use and production, 253 water facilities were non-functional. Inspection of Nakaseke Hospital facilities revealed lack of all the necessary medical equipment and some non- functional equipment. The Atomic energy council had closed the dental X-ray machine and the only digital x-ray machine had broken down for over a year while the Hospital does not have a land title.
6	Mukono DLG Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.2.163bn representing 5.1% of the budget. Further, the entity remained with unspent balance of UGX.0.921bn representing an absorption level of 97.7%. Out of the 15 inspected projects related to UgIFT, YLP, Water, Health and Education 8 were fully implemented, 4 were partially implemented and 3 were not implemented. Revisions in the budget under the Education department towards the construction of the seed school were not communicated to MoFPED. UGX.0.181bn was mischarge of expenditure for the year. Under UgIFT, i noted delays in the construction of seed school in Kimenyedde. Under URF, inspections revealed that out of the 14.4km only 13.9km were worked on and the 2 culverts installed had developed cracks. Under YLP, i noted a recovery rate of only 14.8% (UGX.0.063bn) of the total disbursed amount of UGX.0.410bn from FYs 2014/2015 to 2018/2019. Further, some YLP groups had not commenced. Under water for use, 195 water sources were no longer functioning and there was delay in completion of Mayangayanga Water Supply Project.
7	Luweero DLG Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.3.370bn representing 6.5%. Further, the entity remained with unspent balance of UGX.0.134bn representing an absorption level of 99.7%. Out of 8 planned major outputs, 5 (63%) were fully achieved, 2 (25%) were partially achieved and 1(12%) was not achieved in the four sampled projects (UgIFT, URF, YLP and UWEP programme). Funds totalling to UGX.0.478bn were charged to wrong account codes in the year under review. There was no significant progress on construction of the District Administration block Phase III and the Luwero HCIV, Kasana, Phase VI with constructions having started in FY 2016/2017. Under UgIFT, works for upgrade of Katuugo Health Centre II had stalled and funds for the construction of a Seed secondary school in Katikamu Sub County were not utilized. Under YLP, i noted a low recovery rate of only 28% of the funds disbursed by close of the FY 2018/2019. Under UWEP, 3 groups that had requested Ugx.17,500,000 instead received Ugx.20,580,000 with no justification and i noted a recovery rate of only 31% of the total funds disbursed by FY 2018/2019. Inspection of a sample of four government aided schools revealed poor state of Infrastructure, lack of staff accommodation, insufficient facilities and insufficient works on construction of classroom blocks.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
8	Butambala DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.12bn representing 0.1% of the budget. Further, the entity remained with unspent balance of UGX.0.017bn representing an absorption level of 99.7%. Out of 7 Planned major outputs, (5) were fully achieved, (1) was partially achieved while (1) was not achieved from the sampled 3 projects (SFG, URF and UgIFT). UGX.1.117bn pension and gratuity arrears for 39 pensioners remained outstanding at year end. Under URF, I noted a stream crossing the road in the boundary of Butambala and Mpigi districts hence unusable by small vehicles and pedestrians. Also the district did not have a provision for stores, workshops and garages for its roads equipment and supplies. Under UgIFT, there was unspent balance of 0.125bn on the contract for the upgrade of Butaaka Health Centre II and inspections revealed incomplete and shoddy works at the facility. Further, the district was yet to transfer 8 acres of land to Seed secondary school Under YLP, i noted a recovery rate of only 13% (0.082bn) of the funds to be repaid (0.658bn) by close of FY 2018/2019. Under UWEP, i noted a recovery rate of only 15% (0.018bn) of the funds to be repaid (0.122bn) by close of FY 2018/2019. Audit of Education services revealed that an average of 2799 (58%) pupils dropped out over the seven years of primary education. Further, 63 government aided primary schools had shortages in infrastructure and limited access to safe water supply. Out of 580 water sources, the district had 93 non-functional. Houses of 74 staff at Gombe Hospital were in bad shape and some of the equipment at the hospital was nonfunctional.
9	Mpigi DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.898bn representing 3.2%. Further, the entity remained with unspent balance of UGX. 1.18bn representing an absorption level of 95.6%. Inspections of 6 projects (UgIFT, URF, YLP, Water, Health, and Education) revealed that out of the 23 inspected projects, 18 (78.3%) were fully implemented while 5 (21.7%) under the Education department were not implemented. Under URF Routine Mechanized Maintenance, inspection on the 55.5km works revealed instances of cracked headwall on installed culvert lines and potholes on roads. Under YLP, the district had recovered only UGX.0.094bn (16.2%) from FYs 2014/2015 to 2018/2019 leaving an outstanding balance of UGX.490,517,265. Under UWEP, I noted low recovery of only 34.1% out of the expected total amount due (Interest Exclusive) of UGX.33,274,051. that from the financial year 2016/17 to 30th June 2019, the district had recovered Under water for use, some of the water sources like bore holes and springs were no longer functioning and the water quality test revealed that some water sources had e-coli present. The operating theatre at Mpigi HC IV lacked medical equipment and hence was not in use.
10	Mityana DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.1.231bn representing 4% of the budget. Further, the entity remained with unspent balance of UGX.0.476bn representing an absorption level of 98.3%. Out of 18 major outputs, 7 were fully implemented, 4 were partially implemented and 7 were not implemented. Under UgFIT, incomplete civil works were noted at Namugongo Health centre and Namugongo Seed Secondary School. Under URF, inspections revealed some sections of the roads under mechanized maintenance had deteriorated and the road equipments were either not in proper working condition or non-existence. Under YLP, i noted a recovery rate of only 39.8% (UGX.0.125bn) of the expected amount UGX. 0.313bn from FYs 2013/2014 to date.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Under UWEP, I noted a recovery rate of 73% (UGX.0.056bn) of the expected amount UGX. 0.077bn from FYs 2016/2017 to date. I noted death of a patient at Mityana Hospital under the care of an Intern Doctor who had forged dental Practitioners certificate and he has never on the list of trained doctors in Uganda. Inspection indicated that 719 out of 2,182 water infrastructure were not functional. Inspections revealed that some key medical equipment at Mityana Hospital were not functional.
11	Buvuma DLG Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 0.534bn representing 5% of the budget. Further, the entity remained overspent by UGX.1.81bn. The entire 8 district's key deliverables for the financial year under review were implemented. I noted the district had only 12 health facilities giving coverage of only 15.4%. Only 8 parishes out of 38 have Health Centre IIs while only 4 sub counties out of 9 have Health Centre IIIs. Under UgIFT, I noted that Nairambi seed secondary school had no land title despite investing UGX.0.853bn. Under URF, three sub-counties of Lwajje, Lyabaana and Lubya had no District road network. Under YLP, I noted a recovery rate of only 19.1% (0.084bn) out of the total expected amount of UGX.0.440bn from FYs 2013/2014 to 2018/2019. Under UWEP, I noted a recovery rate of only 26.6% (0.018bn) out of the total expected amount of UGX.0.071bn by 30th June 2019. Under water for use and production, 56% out of the 140 water infrastructure were not functional. The district did not have land titles for its Health Centres, Sub-counties and Primary Schools.
12	Kira MC Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.3.482bn representing 17% of approved budget. All warrants issued totalling to UGX. 16.600bn were spent representing an absorption level of 100%. Out of the 29 outputs assessed, 38% were fully Implemented, 24% were partially implemented while 38% were not implemented at all. I noted outstanding payables of UGX. 1.003bn as at 30th June 2019. Under URF, out of the planned 32.35km for routine manual maintenance, only 23.64km were maintained. Out of 2.1km at a cost of UGX. 0.960bn planned for upgrade from murram to tarmac only 2.05km at a cost of UGX.1.015bn were upgraded. Under YLP, i noted a recovery rate of only 22% (UGX. 0.055bn) by 30th June 2019. Under UWEP, I noted a recovery rate of only 43% (0.066bn) by 30th June 2019.
13	Nansana MC Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.2.933bn representing 14%. Further, the entity remained with unspent balance of UGX.0.246bn representing an absorption level of 99%. Out of the five projects inspected (UgIFT, URF, NUSAf 3, YLP and UWEP programme) (2) were fully achieved while (3) were partially implemented. Out of the planned 40 major outputs, 25 did not have clear outputs and performance indicators and 2 were partially implemented. Payables of UGX.0.874bn remained outstanding at year end. Receivables of UGX.1.181bn remained outstanding at year end. Out of an approved staff structure of 92, 47 posts were vacant. Under URF, there was no road equipment for maintenance of roads and inspection of 3 roads revealed a very bad state and lack of maintenance in 3 years. Roads had inadequate drainage, overgrown grass and roads under periodic maintenance revealed use of low cost 1ST sealing bitumen. Under YLP, only UGX.0.059bn (19.6%) of due funds had been recovered by close of FY 2018/2019.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Unauthorized activities were noted in wetlands located in 4 divisions (Busukuma, Nansana, Nabweru and Gombe). Further, the wetlands were not demarcated, measured and did not have titles. Under physical planning, I noted that development plans of Block 203 stretching from Namungoona to Kasubi under Wakiso land office are not approved thus impacting on development control and the environment. Inspection of 2 primary schools revealed inadequate toilet facilities, poor state of staff quarters, kitchen and classroom facilities.
14	Makindye – Ssabagabo MC Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.047bn representing 0.4% of the budget. Further, the Municipality Council over spent by UGX.0.147bn. I noted that one planned output of Upgrading St. Noah Nfuufu (UGX.0.500bn) was not implemented. I noted accumulated receivables of UGX.0.836bn at year end. UGX.1.238bn arrears remained outstanding at year end. Under URF, out of the planned output of 28.8 km only 74.3% was achieved under routine manual maintenance and incomplete road works were noted during inspection. Also there is only one road equipment to maintain 380kms road network. Under YLP, I noted a recovery rate of 38.1% (UGX. 0.077bn) of the total expected amount (UGX.0.204bn) by year end. Under UWEP, I noted a recovery rate of only 32.2% (UGX.0.046bn) of the expected amount (UGX.0.144bn). I noted procurement of two double cabin pick- ups at a cost of UGX. 0.313bn above the budgeted cost of UGX. 0.280bn.
15	Mukono MC Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.136bn representing 0.9%. Further, the entity remained with unspent balance of UGX.0.115bn representing an absorption level of 99.2%. Payables of UGX.0.357bn remained outstanding at close of FY 2018/2019. Further, Council had not paid pension and gratuity of UGX.0.444bn at year end. Under URF, the Municipality has only a motor grader, dump truck and tractor which are inadequate to maintain a road network of 350 kms under its jurisdiction. Under UgIFT, 2 stance VIP latrine had not been erected yet UGX.31,031,000 had already been paid for it and there were incomplete works with one of the structures at walling level while the other was at foundation slab. Under YLP, I noted a recovery rate of only 45% of the funds disbursed from FY 2013/2014 to 2018/2019. Under UWEP, I noted that the municipal council had recovered only 50.7% of the total of disbursement in the FYs 2016/17 to 2018/19. The Municipal Council lacks land titles for its Health Centres, markets and Primary schools. Inspections of council waste management revealed non-functional equipment for garbage collection, transportation and deposit i.e. tractor, skip loader and compressor, filthy accumulated trash and refuse whose disposal appeared to be beyond the capability of the authorities, plastics and polythene not covered with murruum at composting plant, low rate of turning in coming garbage into manure, rusty water gutters, non-functional solar system and leachate pump and inadequate human labour without protective gear.
16	Mityana MC Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 0.723bn representing 8.4% of the budget. Further, the entity remained with unspent balance of UGX.0.839bn representing an absorption level of 89.3%. Out of the 8 major outputs reported, (7) were fully implemented and (1) was partially implemented.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Under URF, the Municipality had 2 equipment out of the required 11. Inspections revealed some sections of the roads did not appear to have been worked on frequently by the road Gangs. Under YLP, I noted a recovery rate of only 10.4% (0.012bn) of the funds disbursed in FY 2014/2015 to date. Inspections in Mityana Public Primary School revealed that the school structures were dilapidated. The Municipal Council has not made any bye laws in relation to garbage management. Further, out of the 17 equipment available for collection and disposal of garbage, only 12 are functional. The municipal did not have physical development plans for development activities. There was lack of land titles for 9 plots of land.
17	Entebbe MC <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.2.343bn representing 12% and all UGX.17.092bn warranted was spent fully absorbed. Out of (7) planned outputs, (6) were fully achieved whereas (1) was partially achieved in the sampled four projects (URF, YLP, UWEP and education institutions). Under YLP, i noted a recovery rate of only UGX.0.013bn (40%) of the funds due. Besides two youth groups received project funds which were shared amongst group members. Out of an approved staff structure of 125, 57 (46%) posts were vacant. Under UPE capitation, I noted a shortfall in funding of one sampled school. Further Inspections of 15 schools indicated shortages in infrastructure i.e. inadequate latrine stances, desks and asbestos roofing.
	MASAKA BRANCH	
1	Kalangala DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.4.172bn representing 21%. Further, the entity remained with an unspent balance of UGX.0.084bn representing an absorption level of 99.5%. Out of the 16 projects inspected, 7 were partially implemented while 9 were not implemented. Under the UgIFT program, funds were disbursed for the construction of Kachanga seed school but no works had been undertaken. I noted two District trucks had not been repaired for over one year despite release of funds under the URF. Inspection of the Kibale – Kasekulo – Ttubi road revealed poor workmanship on some road sections. The District had recovered only 21% of the recoverable amount from the YLP groups for funds disbursed in the 2014/2015 and 2015/2016 financial years. Inspection of some of the youth groups revealed that some had seized operation while others were not operating at the desirable level.
2	Mubende DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.874bn representing 3.3%. Further, the entity remained with unspent balance of UGX.2.822bn representing an absorption level of 89.04%. I noted that out of the ten projects inspected; six were fully implemented, one was partially implemented while three were not implemented. The District had outstanding arrears of 1.020bn but only budgeted for UGX.0.255Bn for the financial year 2019/2020. Under the UgIFT program, I noted that constructions of Kigando seed school and the works on upgrades of Butawata and Butoloogo health centre IIs were incomplete. The District had recovered only 37% of the recoverable amount from the YLP groups for funds disbursed in the 2014/2015 and 2015/2016 financial years.
3	Sembabule DLG <u>Opinion</u>	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.466Bn representing 1.7%. Further, the entity remained with unspent balance of UGX.1.950Bn representing an absorption level of 92.2%.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
	Unqualified	<ul style="list-style-type: none"> I noted that out of the 7 projects inspected, 5 were fully achieved, 1 was partially implemented and 1 was not implemented. Under the UgIFT, I noted that the construction of Lwebitakuli Seed Secondary School at UGX.723,781,660 had not yet commenced and the upgrade of Busheka HC II to HC III was delayed despite release of adequate funds. Under YLP, the District had recovered only 32% of the recoverable amount from the youth groups for funds disbursed in the 2014/2015 and 2015/2016 financial years. Inspection of Dispensary youth milk vendors and Dispensary zone tailoring youth groups revealed that the groups had disintegrated and the latter had changed from tailoring to bar and butchery. I noted that the UWEP project did not receive funding in the financial year despite budgeting for UGX.207,186,000. I noted that the several swamps within the district had been encroached for unlicensed activities like farming.
4	Lwengo DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.1.883Bn representing 6.5% of the budget. Further, the entity remained with unspent balance of UGX.0.108Bn representing an absorption level of 99.6%. I noted that the district implemented most of the planned activities, with the exception of two outputs which were partially implemented. I noted that the district had outstanding obligations to the tune of UGX.1.151Bn as at 30th June 2019. Under the UgIFT program, I noted that the construction of Mbirizi Seed Secondary School and the upgrade of Kakoma HC II to HC III were delayed and the projects were incomplete. The District has recovered only 34% of the recoverable amount from the YLP groups for funds disbursed in the 2014/2015 and 2015/2016 financial years.
5	Bukomansimbi DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.1.133Bn representing 6.6%. Further, the entity remained with unspent balance of UGX.0.154Bn representing an absorption level of 99%. Out of the sampled ten projects under the Health, Education and Works sectors, 8 were fully achieved, 1 was partially implemented while 1 was not implemented. Under UgIFT, I noted that funds to the tune of UGX.0.354Bn planned and disbursed for construction of Bukango seed school in the financial year 2018/19 were swept back to the consolidated fund due to failure to undertake timely procurement. The District diverted URF funds worth UGX.29,331,790 meant for routine mechanized maintenance towards operational and mechanical imprest. Under YLP, The District has recovered only 35.7% of the recoverable amount from the beneficiary groups. I further noted that one of the groups had diverted funds towards an unapproved venture while another group had disintegrated and relocated to Wakiso District with only a few individuals executing the business venture.
6	Kyotera DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.1.045Bn representing 4%. Further, the entity remained with unspent balance of UGX.0.274Bn representing an absorption level of 99%. Under URF field inspections, I observed poor workmanship on the 10 km stretch of Kikondo – Kawule – Busowe– Abonera/Kabuwoko road. I inspected three UWEP groups and noted that two of the group's members were not aware of funds to the tune of UGX.12,257,000 transferred to them despite disbursement by the district. In the other group, all 30 goats procured had died. The District has recovered only 18% of the recoverable amount from the youth groups for funds disbursed in the 2014/2015 and 2015/2016 financial years. I noted that leases to 89.26 hectares of district land in five locations had expired and they faced risks of encroachment and disputes.
7	Gomba DLG	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.025bn representing 0.2%. Further, the entity remained with unspent balance of UGX.0.492bn representing an absorption level of 99%.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
	<u>Opinion</u> Unqualified	<ul style="list-style-type: none"> It was noted that out of the 12 projects inspected, 9 were fully implemented and 3 were partially implemented. Under the UgIFT Program, I noted incomplete works for the upgrade of Ngomanene and Mamba health centres IIs to IIIs whilst works on the construction of Kyayi seed school had not yet began by 1/08/2019. Under the URF, I noted that there were no bills of quantities prepared for four of the seven planned roads covering 45.6Kms. The District had recovered only 22.5% of the recoverable amount from the YLP groups for funds disbursed in the 2014/2015 and 2015/2016 financial years. Inspection of two projects revealed that only three and four members were active in each of the groups. Under the UWEP program, the District had only recovered 49% of the amount outstanding from the 2016/2017 and 2017/2018 financial years.
8	Masaka DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.2.076Bn representing 9%. Further, the entity remained with unspent balance of UGX.0.079Bn representing an absorption level of 99.6%. I noted that payables of UGX.52,443,542 relating to utilities and other goods consumed have remained outstanding for more than three years. Under UgIFT, I noted that UGX.0.325bn was diverted. I further noted a delay of 10 months in the signing of the contract for the construction of the seed Secondary School at Bunadu Village Bukakkata Sub-county. Under YLP, the District has recovered only 37% of the recoverable amount from the youth groups for funds disbursed in the 2014/2015 and 2015/2016 financial years. Inspection of two Youth groups revealed that group members had dispersed and funds advanced to them amounting to UGX.17,860,000 had not been recovered.
9	Masaka MC <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.1.031bn representing 6.2%. Further, the Municipal remained with unspent balance of UGX.0.4bn representing an absorption level of 97%. Out of the ten major activities inspected, four were fully implemented; five were partially implemented while one was not implemented. Under the UgIFT program, I noted a delay in the upgrade of Nyendo health centre II to III of five months and incomplete works despite payment of all the contract funds to the contractor. Under the URF, I noted that the Municipal council failed to implement road works and other activities under works to the tune of 0.397bn and inspection of some of the roads revealed poor workmanship and partial implementation. The Municipal council has recovered only 27% of the recoverable amount from the YLP groups for funds disbursed in the 2014/2015 and 2015/2016 financial years. Inspection of two group revealed that one group was no longer in existence after the group leader defrauded all the funds and the second had membership drop from 15 members to 4. Under the UWEP program, I inspected two and all the projects had closed. Management did not maintain a land register for the municipal land and most land had no tittles. I also noted that structures on Plot 9 Edward Avenue were leased but there was no revenue being realized. Inspection of Hill road primary school revealed the school does not meet the basic minimum requirements for a primary school and it has a teacher to pupil ratio of 1:80 compared to the standard ratio of 1:50.
10	Kasanda DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.434bn representing 2.2%. Further, the entity remained with unspent balance of UGX.0.998bn representing an absorption level of 94.9%. Under the UgIFT program, I noted delays in execution and poor workmanship for the upgrade of Kikandwa and Buserengenyu Health centres IIs. Construction of the Manyogaseka seed secondary school was also incomplete despite the contractor receiving all the funds for the project.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Under the YLP program, I inspected Kassanda stationery group and observed that the group had disbanded and only one member was available while Kyedikyo Youth craft makers had only 8 active members in the operations out of ten.
11	Rakai DLG Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.1.262Bn representing 3.5%. Further, the entity remained with unspent balance of UGX.0.945Bn representing an absorption level of 97%. I noted that the District fully implemented all its planned outputs save for the partial completion of the upgrade of Kiziba HC II to HC III and construction of Samson Kalibala Kamya Memorial Seed Secondary school. I noted procurement delays of 7 and 10 months in the signing of contracts for upgrading Kiziba HC II to HC III and construction of Samson Kalibala Kamya Memorial Seed Secondary school respectively. Under YLP, the District has recovered only 26% of the recoverable amount from the beneficiary groups for funds disbursed in the 2014/2015 and 2015/2016 financial years.
12	Lyantonde DLG Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.932bn representing 5.8%. Further, the entity remained with unspent balance of UGX.0.199bn representing an absorption level of 98.3%. I noted that out of ten key deliverables; seven were fully implemented, one was partially implemented and two were not implemented. Under the UgIFT, upgrading of Lyakjura H/C II had been delayed and the works were incomplete. Furthermore, the District failed to recover VAT worth UGX. 0.052bn on the payments to the contractor. The District had recovered 71% of the recoverable amount from the YLP groups for funds disbursed in the 2014/2015 and 2015/2016 financial years. Inspection of Kagara youth bull fattening group revealed that out of the ten bulls bought, five had died and the number of the group members had dropped to six from ten. Under the UWEP program, the District had recovered 77% of the amount outstanding from the 2016/2017 and 2017/2018 financial years. Inspection of the Kooki 'C' women poultry group revealed that only four members were still in the group out of the initial ten and had also changed the investment plan without the district approval. I noted that the district has 98 non-functional water sources representing 59% of all the water sources in the district. I noted that there were 13 vacant positions for key staff within the District.
13	Masaka Regional Referral Hospital Opinion Unqualified	<ul style="list-style-type: none"> I noted that the hospital collected UGX 0.319bn in Non-Tax Revenue representing only 53% of the planned amount. Furthermore, the hospital remained with an unspent balance of UGX.0.17bn representing an absorption level of 98%. I noted that out of the 13 quantified outputs assessed, only one output was fully implemented; four outputs were partially implemented while eight outputs were not implemented. I observed that the hospital has outstanding pension liabilities to the tune of UGX.0.939bn. I noted delays in the completion of the maternity and children's health complex at the hospital with the works valued at UGX.10.612bn and an initial completion date of 2017. Furthermore, I noted poor workmanship in renovation works of the hospital mortuary. The hospital lacked 9 key medical equipment expected in a hospital by minimum standards. There were challenges of drug stock outs of vital medicines like Coartem, Oxytocin, Insulin, Atenolol among others. None of the senior management staff had signed Performance Agreements as at 31st July 2018 and management had not submitted reports on performance appraisals to the Ministry of Public Service by 15th September 2018. The hospital has 136 vacant positions representing 36% of the total approved staff establishment.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
14	Mubende Regional Referral Hospital Opinion Unqualified	<ul style="list-style-type: none"> The hospital remained with an unspent balance of UGX.0.926bn representing an absorption level of 88.3%. I noted that out of the five outputs assessed, three outputs were fully implemented; one output was partially implemented while the other output was not implemented. I observed delays in the construction of the paediatric ward, surgical ward and mortuary for works valued at UGX.7.483bn with an expired contract date of 2017. The hospital lacked 72 key medical equipment expected in a hospital by minimum standards. There were noted challenges of drug stock outs of vital medicines like Oxytocin, Gentamicin, Ceftriaxone, Paracetamol among others and shortfalls in drug deliveries of up to UGX.40,368,149 during the financial year. The hospital has 11 vacant positions for medical consultants. Shortcomings were noted in the implementation of the provisions in the circular standing instructions on staff performance management. The gaps identified include non-completion of Performance Agreements and performance plans, no quarterly reviews undertaken, no appraisals, no performance improvement plans prepared, non-submission of reports on Performance Agreements, Performance Appraisals, Performance Improvement Plans to MoPS, lack of mechanism to monitor staff attendance and lack of client charter.
15	Kalungu DLG Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.66bn representing 3%. Further, the District remained with an unspent balance of UGX.0.616bn representing an absorption level of 97%. I noted that out of the 16 key deliverables inspected; ten were fully implemented, two were partially implemented while four were not implemented. Under the UgIFT, I noted there were procurement delays of up to four months in the contract for the upgrade of Kabaale health centre II. Furthermore, I noted delays of 17 months in the contract for the construction of the seed school at Lukaya and the works were incomplete. Under the UWEP program, the District had recovered only 31% of the amount outstanding from disbursements from the 2016/2017 and 2017/2018 financial years. The District had recovered only 36% of the recoverable amount from the YLP groups for funds disbursed in the 2014/2015 and 2015/2016 financial years and two groups inspected had seized operation with UGX.19,161,000 not yet recovered. The district has 159 non-functional water sources representing 21% of all the water sources in the District. I noted unlicensed activities of brick-laying in a wetland at Kitosi Parish – Kyamulibwa Sub County.
16	Mubende MC Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.307bn representing 3.5%. Further, the Municipal remained with unspent balance of UGX.0.182bn representing an absorption level of 98%. I noted that two outputs i.e. installation of toilet facilities in the administration block and renovation of library were not implemented. Under the UgIFT program, I noted delays in contract execution of up to three months for the upgrade of Lwemikomago health centre II and incomplete works. Under the URF, I noted that the Municipal council failed to implement road works on 24Kms worth UGX.79,750,000 due to underfunding and diversions. Furthermore, the Municipal executed road works of UGX.7,000,500 that were not in the Municipal council work plan. Under the YLP program, I inspected two Piggery projects and observed that none of the groups had paid back any funds and that both groups had lost some animals to disease. Under the UWEP program, I inspected Kisa kyamukama women's group and observed inadequate farm practices.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
	MBALE BRANCH	
1	Pallisa DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 1.26Bn representing 4% of the budget. Further, the entity remained with unspent balance of UGX.1.62Bn representing an absorption level of 95%. 298 acres of district land on seven locations had not been secured by titling hence the risk of encroachment and disputes. Works under UgIFT were ongoing with work at the health centre nearing completion. Four-stance pit latrine was still under construction and not yet roofed. I further noted delay in the procurement process and late release of funds for one seed school. Under NUSAFA-3 UGX.1.99bn was used to support 63 beneficiary sub-groups. I noted that UGX.106,776,706 had not been withdrawn from the bank accounts, which negatively affects project implementation. Furthermore I noted delay in project Implementation of some sub projects such as the construction of the access roads, planting of trees and fish caging. Under URF field inspection revealed sections of some roads were poorly maintained, silted culverts affecting the flow of rainwater. In addition, I observed emergency works were undertaken at a cost of UGX.61,227,380 of the budget leading to an excess funding by UGX.20,228,380. I noted that out of UGX.405,900,870 of YLP expected to have been repaid by close of the 2018/2019 financial year, only UGX.51,451,000 had been recovered, leaving an outstanding balance of UGX.372,172,364 Under UWEP, projects funds worth UGX.220m meant for F/Y 2017/2018, were released to the district in the third quarter of the F/Y 2018/2019 resulting into delayed implementation of the projects. Further, I noted that groups repaid only 12.5% of the total of disbursement in the FYs 2016/17 to 2018/19.
2	Manafwa DLG <u>Opinion</u> Qualified	<ul style="list-style-type: none"> I noted Unsupported cash and cash equivalents UGX.339,041,288 I also noted that UGX.79,981,474 in respect of payables compensations was not supported. Statement did not disclose the contingent liabilities in relation to ongoing legal proceedings amounting to UGX.117m. There was a shortfall in releases amounting to UGX. 1.49Bn representing 5.5% under release. Further, the entity remained with unspent balance of UGX.0.17Bn representing an absorption level of 99.19%. Works under UgIFT were ongoing however pending works included roofing and ceiling works, fixing of doors and windows, plastering, electrical installations, plumbing, Septic tank, soak pit, placenta pit, and finishing works, among others. Further, I noted absence of performance security and Failure to test materials used in the construction work. Under NUSAFA-3 UGX 523,000,000 to cater for 20 sub-projects for the period 2018/2019. Out of the 5 subprojects inspected I noted that biometric machines for finger print reading sometimes failed and members did not maintain proper records of expenditure and no internal audit was done. Under URF field inspection revealed sections of some roads the road lacked side drains; leading to flooding roadsides, Bushy road sides, and road surface was slippery due to a lack of gravel. I noted a recovery rate of only 20% of the funds disbursed in FY 2014/2015 to 2015/2016.
3	Mbale MC <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.205Bn representing 1% under release. Further, the entity overspent UGX.5.53bn representing absorption level of 129%. UGX.436,770,000 was lost due to failure by Council to award contracts on time, while UGX.126,770,000 was lost as a result of awarding contracts below assessed market prices. Out of the three projects inspected (UgIFT, UWEP and USMID programme) 5 outputs were partially implemented and 2 were fully implemented. The entity had financial loss of UGX.136 million through loan penalties due to late payments

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Under URF field inspection revealed that sections of Nkoma Drive were already developing trenches/gullies.. Under USMID I noted shoddy works yet the contractors had been paid 80% of works. Further, the drainage works were incomplete; street lights, road marks and sign posts had not been done on all the roads. I observed that UGX.113,920,000 was disbursed to 12 groups under YLP without signing any financing agreements, repayment schedules and project files I noted a recovery rate of only 9.3% of the funds disbursed in FY 2014/2015 and 2015/2016. In one group the chairman disappeared with the funds, two youth groups could not be traced while one bought poor breads of poultry birds which died. Under UWEP, projects funds worth UGX.166m were disbursed for F/Y 2017/2018, however, only 17% had been recovered leaving a balance of UGX.138,356,200 outstanding. I noted that the vehicle LG 0144-30 Fortuner attached to the Office of the Mayor that got involved in an accident has not been repaired. UGX.22,975,648 has been paid to irregular to two staff that absconded from duty.
4	Butebo DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.343Bn representing 2.3% under release. Further, the entity remained with unspent balance of UGX.1.452Bn representing an absorption level of 89.9%. Out of the five projects inspected (UgIFT, Water, NUSAf 3, YLP and UWEP programme) (4) were fully achieved while (3) were partially implemented and 2 were not implemented. Works under UgIFT were ongoing however there was delayed construction works at Kanginima Seed Secondary School and delay in procurement process which resulted in delay of 7 months from the plan. Out of the 2 subprojects inspected I noted that most of the ground nuts supplied and planted had been affected by the dry weather, late release of funds could not enable some projects to take off like the Raraka tree planting project and one member disappeared with the group funds. Under URF field inspection revealed sections of the road required offshoots. I noted a recovery rate of only 6.3% of the funds disbursed in FY 2015/2016 to 2017/2018. One of the youth group inspected did not keep books of accounts. Under UWEP, projects I noted that groups repaid only 19% of the total of disbursement in the FYs 2016/17.
5	Bulambuli DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.38Bn representing 1.7% under release. Further, I noted that supplementary funds of UGX. 85,406,257 (54%) relating to local revenue had not been approved by council and the entity remained with unspent balance of UGX.0.047Bn representing an absorption level of 100.2%. Under URF field inspection revealed some incomplete works such as Drainage works, culvert cleaning, failure to test road construction materials and late transfer of funds to lower local governments Works under UgIFT were ongoing with however there was delayed Completion of the upgrade of Bunambutye Health centre II to health centre III and no evidence of materials testing was availed Under NUSAf-3 UGX.0.907Bn was used to support beneficiary sub-groups. I noted that there was delayed transfer of funds to the district, poorly implemented projects, Non-Functional Project Assets and project had not been audited by the internal audit department I noted a recovery rate of only 39% of the funds disbursed in FY 2015/2016 to 2017/2018. In addition one youth group could not be traced. Under UWEP, projects I noted that groups repaid 72% of the total of disbursement in the FYs 2016/17 to 2018/19. One of the women groups received project funds which were shared amongst group members.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Inspection of Muyembe health centre IV in Muyembe Sub-County revealed that there was lack of essential equipment and oxygen equipment in the wards Under water for production the district planned to drill 9 boreholes however only two boreholes were successful.
6	Kween DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.767Bn representing 5% under release. Out of the four projects inspected (UgIFT, URF, NUSAf 3, and YLP) (2) were fully achieved while (3) were partially implemented. Under NUSAf-3, the entity budgeted for 29 sub-projects requiring UGX.927m however only 18 subprojects with a budget of UGX.518m were funded resulting in a funding gap of UGX.409m for 11 projects. Further, I noted that Community Watershed Committees maintained inadequate records Under URF, field inspection revealed that some sections of the road shoulders had been washed away by floods. I noted a recovery rate of only 5% of the funds disbursed in FY 2016/2017 under YLP. Under water for production inspection revealed that 5% of the water sources were non-functional It was observed that out of 1907 approved positions, only 1,528 positions were filled leaving 376 vacant representing 19.98% staff gaps.
7	Tororo DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.4.626Bn representing 8% under release. Further, the entity remained with unspent balance of UGX.3.733Bn representing an absorption level of 92.9%. Out of the five projects inspected (UgIFT, URF, NUSAf 3, YLP and UWEP programme) (2) were fully achieved while (3) were partially implemented. I observed that the DEC was not fully constituted. Works under UgIFT were ongoing however there were delayed works in education and health component and use of expired performance security. Under URF field inspection revealed bridge had already broken and gravel washed away by floods and some sections of the roads that had been worked on were already in a bad state. The district budgeted for UGX.707,480,965 for YLP, out of which UGX.543,724,000 (77%) was received, leading to an underfunding of UGX.163,756,965 (23%). I also noted a recovery rate of only 30% of the funds disbursed in FY 2014/2015 to 2016/2017. I noted shoddy works in the construction of administration block at Molo Sub-county. Five staff and heads of departments had exceeded the duration of their acting appointments.
8	Sironko DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 2.087bn representing 7% of the budget. Further, the entity remained with unspent balance of UGX.1.051bn representing an absorption level of 96.4%. The entity did not quantify its outputs therefore making it difficult to analyse the extent of attainment of planned outputs. Furthermore, key outputs such as the construction of Beteeza Seed Secondary School, upgrading of Bundenge Health Centre II and drilling of boreholes had not been implemented. Under NUSAf-3 UGX.1.354bn was used to support 45 beneficiary sub-groups. Out of the 6 subprojects inspected I noted incomplete works on CARs, absence of project documents/information, inadequate sensitization, Loss of heifers due to east coast fever, failure to utilise project assets as per guidelines and failure to audit quarter four of the project. Under URF I noted failure to implement planned projects and failure to conduct material testing. In addition field inspection revealed that projects were behind schedule and some works were incomplete. Works under UgIFT were ongoing however some works were behind schedule. I also noted failure by contractor to follow the work plan by plastering of walls before roofing, failure to undertake materials testing and absence of Personal Protective Equipment/Gear

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> I noted YLP budgeted to receive UGX.414,490,000 for 35 projects however, only UGX.413,840,000 was received leaving a balance of UGX.650,000. Out of an approved structure of 597 staff, the district had 205 (34%) positions filled, leaving a staffing gap of 392 (66%). The entity did not operationalize Mutufu market area and slaughter slab, did not operationalize the district medical stores facility, lost two hydra form machines donated by OPM and failed to avail lease agreements or copies of the sale agreements for most of the Council land sold or leased to private developers. The entity did not implement the planned gravity flow schemes. In addition, I noted during inspection that borehole was non-functioning and stagnant water in the spring due to clogging of the trenches.
9	Bukwo DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.156Bn representing 0.3% under release. Further, the entity remained with unspent balance of UGX.0.365Bn representing an absorption level of 98%. I observed that pension arrears worth UGX.150,590,857 were settled during the year, against an appropriation of UGX.67,722,000. The district continued paying salaries and allowances to persons who had retired from district service and also continued to pay full salaries and allowances to employees who had been interdicted and should have been paid half of their salary. Out of the budgeted local revenue of UGX.221,066,000, the district collected only UGX.114,960,639 (52%) resulting into a shortfall of UGX.106,105,361 (48%). Works under UgIFT were ongoing however, I noted delayed implementation of activities, payment for unimplemented works, expired performance securities, failure to test materials used in the construction work and irregular certification of works. Under NUSAf-3 UGX.417,771,275 was used to cater for 14 sub projects however no internal audit was done for the project during the year. Under URF field inspection revealed failure to carry out road works as planned. In addition I observed the roads lacked side drains, were overgrown/bushy, slippery road surface due to lack of gravel and spot gravelling was carried out.
10	Butaleja DLG <u>Opinion</u> Qualified	<ul style="list-style-type: none"> I noted accumulated unsupported pension liabilities worth UGX.1,597,077,917, in the financial statements. I also noted YLP and UWEP receivables and payables figures of UGX.856,043,904 and UGX.875,544,255 respectively were not supported by schedules. There was a shortfall in releases amounting to UGX.2.779Bn representing 9% under release. Further, the entity over spent UGX.0.542Bn representing an absorption level of 101.9%. Out of the five projects inspected (UgIFT, URF, NUSAf 3, YLP and UWEP programme) (3) were fully achieved while (2) were partially implemented. Out of the budgeted donor funding of UGX 0.09bn only UGX 0.015bn representing 16.93% was received. Seven pieces of land of district had not been secured by titling hence the risk of encroachment and disputes. I noted that the Construction of administration block had stalled Under NUSAf, I noted delayed implementation of projects, and absence of internal audit I noted during inspection YLP that youth groups received project funds however no records on group management, group management and selection, repayment schedule were availed. Under UWEP, projects out of UGX.150m released in 2016/2017, I noted that groups repaid only 13% of the total of disbursement in the FYs 2016/17 to 2018/19.
11	Namisindwa DLG <u>Opinion</u>	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 1.832Bn representing 8% under release. Out of the five projects inspected (UgIFT, URF, NUSAf 3,) (1) was fully achieved while (3) were partially implemented.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
	Unqualified	<ul style="list-style-type: none"> • Works under UgIFT had been abandoned and the excavated foundation was filled with soil. Further I noted delayed implementation of some projects, lack of work programs/works implementation schedule and lack of material tests results. • Under NUSAf-3 UGX.1,072,186,000 was used to support beneficiary sub-groups. I noted that the district intermingled the project funds with other programmes, procurements undertaken without approved procurement plan and the project was not audited by internal audit. I also noted low attendance during weekly meetings, Poor saving culture. • Under UWEP, projects funds worth UGX.107m meant for F/Y 2017/2018, three months later on 12th February, 2019 resulting into delayed implementation of the projects. Further, I noted that groups repaid only 5% of the total of disbursement in the FYs 2016/17 to 2018/19. • The District has an approved staffing structure of 135 staff only 64 (47%) were filled leaving 71 vacant.
12	Mbale RRH Opinion Qualified	<ul style="list-style-type: none"> • I noted Prior year adjustment of UGX 319,505,451 in the financial statements that were not adequately supported. • There was a shortfall in releases amounting to UGX. 0.158Bn representing 1% under release. Further, the entity remained with unspent balance of UGX.2.526Bn representing an absorption level of 81%. • I noted that the Hospital received off-budget financing to a tune of UGX.586, 957,355 contrary to the PFMA. • Out of the 12 members of Senior Management, only 5 had signed Performance Agreements as at 31st July, 2019 contrary to the standing instruction issued by the Ministry of Public service. • Management did not submit signed performance agreement reports to the Ministry of Public Service by 15th September 2019 contrary to the standing instruction issued by the Ministry of Public service. • I observed that out of 352 staff in post at the beginning of the financial year 2018/19, only 250 staff filled in their annual performance plans implying that 102 Staff did not undertake the activity. • Out of 352 staff in post at the beginning of the financial year, only 155 staff completed the performance appraisals and 197 staff did not undertake the activity. • Management did not submit a report on performance appraisals to the Ministry of Public Service by 15th September 2018 as required by the guidelines. • Stores documents revealed that the Hospital had stock outs of tracer medicines during the year with stock out days ranging from a month to more than six months • Under infrastructure and Equipment status I noted that the hospital had three x-ray machines but only one was functioning and did not have a CT scan. • Inspection of the hospital mortuary revealed that the there are no Trolleys for use in the mortuary, no beds on which dead bodies are placed, no fridge for storage of dead bodies and no formalin used to treat dead bodies.
13	Kapchorwa DLG Opinion Qualified	<ul style="list-style-type: none"> • There was a shortfall in releases amounting to UGX.3.05Bn representing 13% under release. Further, the entity remained with unspent balance of UGX.0.023Bn representing an absorption level of 99.8%. • UGX.503,832,732 was mischarged by the entity. • Out of the five projects inspected (UgIFT, URF, NUSAf 3, YLP and UWEP programme) (3) were fully achieved while (2) were partially implemented. • Works under UgIFT were incomplete with roofing and rain water disposal, Plastering, external and internal finishes, joinery fittings, electrical and mechanical installations, VIP 4 stance pit latrine and improvements on existing OPD not yet done. Further, I noted failure by contractor to; follow the work programme, undertake material tests and failure to provide Personal Protective Equipment/Gear (PPE). • Under NUSAf-3 UGX.682,448,000 was used to support 32 beneficiary sub-groups. I noted that some of the project assets were non-functioning.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Under URF field inspection revealed some points lacked off shoots to drain away running water and some works had been spoilt by the heavy rains making some sections almost impassable. I noted under YLP a recovery rate of only 26% of the funds disbursed in FY 2015/2016 to 2017/2018. In addition to this some of the 2014/15 YLP groups that received UGX.76,923,000 were no longer in existence Under UWEP, I noted that groups repaid only 39% of the total of disbursement in the FYs 2016/17 to 2018/19. The District council had an approved structure of 1034 staff (excluding secondary school teachers) but only 807(78%) positions were filled, leaving 227 vacant.
14	Mbale DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.2.868Bn representing 6% under release. Further, the entity remained with unspent balance of UGX.0.517Bn representing an absorption level of 98.9%. Out of the five projects inspected (UgIFT, URF, NUSAf 3, YLP and UWEP programme) (2) were fully achieved while (3) were partially implemented. I noted that the district had rent arrears of UGX.1,440,564,935 at the closure of the year under review. Works under UgIFT were ongoing with casting of the staff houses and the multipurpose hall complete. 2 stance VIP latrine had not been erected yet funds of UGX.31,031,000 had already been paid for it. Under URF, field inspection revealed sections of some roads required mechanized maintenance and some sections of the road were narrow. I noted that under YLP there was a recovery rate of only 11% of the funds disbursed in FY 2014/2015 to 2015/2016. Besides review of the program document revealed no business plans and consequently, project planning and execution was haphazard. Under UWEP, I noted that groups repaid only 26.5% of the total of disbursement of FY 2017/18.
15	Budaka DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 0.69Bn representing 3% under release. Further, the entity remained with unspent balance of UGX.0.752bn representing an absorption level of 96.6%. Under UgIFT, I noted that although works were ongoing, works at one site had been abandoned. Under NUSAf-3 UGX.0.681bn was disbursed late, the project was not audited and some project assets were non-functional. Further, I noted that the NUSAf Community facilitators shared one motorcycle for 7 watersheds, which may hamper the Community Facilitators from undertaking their roles properly. I noted a recovery rate of only 13% of the funds disbursed since the start of programme. Under UWEP, projects funds, the district had budgeted for a total amount of UGX.178,387,000 for the financial year 2018/2019 and only received UGX.91,312,684, leading to a shortfall of UGX.87,074,316. Further, I noted that groups repaid only 16% of the total of disbursement in the FYs 2016/17 to 2018/19. Under capitation grant I noted Sapiri Primary School did not prepare financial statements. Out of 95 pieces of land, 57 entities representing 60% of the district lacked land titles for the land where council properties are located.
16	Tororo MC <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 1.293Bn representing 9% under release. Further, the entity remained with unspent balance of UGX.0.350Bn representing an absorption level of 97%. Out of the three projects inspected (UgIFT, URF, YLP), (1) was fully achieved while (2) were partially implemented. Under URF field inspection of Kyamwinula road, revealed that the road was already in bad shape and part of Jowedi road was developing cracks.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> I noted a recovery rate of only 6.8% of the funds disbursed in FY 2015/2016 for YLP. There was delayed transfer of recovered funds to the collection account in bank of Uganda and members of one group could not be traced. Under UWEP, projects funds worth UGX.54m were released in F/Y 2017/2018, however I noted that groups repaid only 31% of the total of disbursement. Out of two women groups inspected, one group sold off all the stock, disintegrated. Evaluation committee awarded contracts worth UGX.43,722,800 to various companies which had not qualified past the preliminary stage. Out of an approved structure of 385 staff for the Municipality, Council had filled only 187 (49%) leaving 198 (51%) vacancies.
17	Bududa DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.730Bn representing 3.2% under release. Further, the entity remained with unspent balance of UGX.0.21Bn representing an absorption level of 96%. Out of the five (5) projects inspected (UgIFT, URF, NUSAf 3, YLP and UWEP programme) (3) were fully achieved while (2) were partially implemented. Under UgIFT I noted delayed works on the Upgrade of Bubungi Health Centre II to Health Centre III, and Construction of Bubita Seed School where works were 95% substantially completed. Under NUSAf-3 UGX.864,400,000 was received to cater for 39 projects sub-groups. I noted that financial records for the inspected groups were not availed and these were not audited by internal audit. Out of an approved structure of 1,824 staff only 1,351 (73.73%) were filled leaving 479 (26.27%) vacancies I noted poor recovery of YLP funds from the districts beneficiaries with 41%, 46% and 54% recovery rate for financial years 2014/2015, 2015/2016 and 2016/2017 respectively. Under UWEP, projects funds worth UGX.133m meant for F/Y 2018/2019, were released to the district in the third quarter of the F/Y 2018/2019 resulting into delayed implementation of the projects. Further, I noted that groups repaid only 50% of the total of disbursement in the FYs 2016/17 and 5% recovery for FY 2017/2018.
18	Busia DLG <u>Opinion</u> Qualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 0.374Bn representing 1% under release. Further, the entity remained with unspent balance of UGX.1.192Bn representing an absorption level of 95.6%. I noted partial implementation of NUSAf3, UWEP and UgIFT project outputs A total of UGX.3,252,311,940 was mischarged by the entity. Works under UgIFT were ongoing but were incomplete by the time of audit. Electrical, plumbing and landscaping were not yet done, while modifications on the existing structure not completed. Under NUSAf-3 UGX.1,910,202,466 was used to support 53 beneficiary sub-groups. I noted that UGX.75,974,550 had not been withdrawn from the bank accounts, which negatively affects project implementation. Under URF, Inspection revealed some sections had over grown grass on sections of the road. I noted a recovery rate of only 11% of the funds disbursed in FY 2014/2015 to 2016/2017 and 2017/2018 under YLP. Under UWEP, I noted that groups repaid only 7.5% of the total of disbursement in the FYs 2016/17 to 2018/19. Out of an approved structure of 2,396 staff, the district has filled only 2,073 leaving 323 vacancies. I noted during physical inspection that some motor vehicles including; a grader and a fairly new motor cycle developed mechanical problems and had since been abandoned. I also noted that the district generator, tractor and 5 motor cycles were missing at the district by the time of audit.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
19	Busia MC <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.404Bn representing 6% under release. Further, the entity remained with unspent balance of UGX.0.291Bn representing an absorption level of 95%. Out of the three projects inspected (URF, YLP and UWEP programme) (2) were fully achieved while (1) was not implemented. I noted unsupported adjustments of UGX.10,303,608 to the statement of equity. I noted that UGX.38,424,588 lacked supporting accountability documents Out of the budgeted donor funding of UGX 0.09bn only UGX 0.015bn representing 16.93% was received. I noted overflow of garbage beyond the designated area, the tractor meant for waste disposal had broken, and failure to sensitize the community on proper garbage management. I noted a recovery rate of only 27% of the funds disbursed in FY 2014/2015 to 2015/2016. In addition, out of the two youth groups inspected, one had disintegrated after sharing the funds amongst themselves. Municipal has an approved staff structure of 512 positions, out of which, only 297 (58%) positions were filled leaving 215 (42%) posts vacant.
20	Kibuku DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 1.03Bn representing 5% under release. Further, the entity remained with unspent balance of UGX.0.237Bn representing an absorption level of 98%. Out of the two projects inspected (UgIFT, and UWEP programme) I noted that all outputs were partially implemented. Under URF field inspection revealed sections of some roads were poorly maintained with overgrown bushes and silted culverts affecting the flow of rainwater. In addition, I observed incomplete works on projects. I noted a recovery rate of only 18% of the funds disbursed in FY 2014/2015 to 2015/2016. There was also a delay to transfer funds to the National Revolving Fund Collection Account. Under UWEP, I noted that groups repaid only 15% of the total of disbursement in the FY 2017/18. I noted that school facility ratios in the district did not meet national ratios recommended by MoES.
21	Kapchorwa MC <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> The entity remained with unspent balance of UGX.1.048Bn representing an absorption level of 99.8%. Under NUSAf-3 UGX.2.225bn was used to support 32 beneficiary sub-groups. I noted that UGX.75,974,550 had not been withdrawn from the bank accounts, which negatively affects project implementation. Out of the 3 subprojects inspected I noted poor management of projects and incomplete works on CARs Under URF, field inspection revealed sections of the roads needed urgent attention. I noted that 10.49 kms more in length of road network were undertaken and UGX.34,175,000 excess funds were also used without approval of supplementary funding. I noted that under YLP a recovery rate of only 19% of the funds disbursed in FY 2014/2015 to 2015/2016. Out of the approved structure of 166, only 53 (32%) positions were filled leaving 113 (68%) posts vacant.
	MBARARA BRANCH	
1	Kiruhura DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.2.941Bn representing 10% under release. Further, the entity remained with unspent balance of UGX.1.456Bn representing an absorption level of 95%. I noted that out of the 8 sampled key deliverables, 4 were fully implemented, 2 were partially implemented and 3 were not implemented.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Under UgIFT, I noted a 5 months delay in procurement process for upgrade of 2 HC IIs to HC IIIs at Rwenshande and Kitura. I further noted a 4 months delay in procurement for the construction of Nyakasharara Seed School. VAT of UGX.149,491,525 was irregularly paid on the contract of upgrading Rwenshande and Kitura Health centers. Under URF, Field inspections of road works revealed culverts were delivered but not installed for Keitoti-Kitabu-Rwenjabu Road. I noted a YLP recovery rate of only 45% for the funds disbursed in FY 2013/2014 and 2015/2016 with full recovery expected by 2018/19. Under UWEP, I noted that from the financial year 2015/16 to date, the district had recovered 74% out of the expected total amount. I further noted that there was no release of funds for F/Y 2018/19 despite the budget of UGX.179,281,000.
2	Kanungu DLG Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 2.521Bn representing 7% under release. Further, the entity remained with unspent balance of UGX.2.730Bn representing an absorption level of 92%. I noted that out of the 18 sampled key deliverables, 11 were fully implemented, 7 were partially implemented. Under UgIFT, I noted a reduction in the scope of works planned in the upgrading of Matanda HC II to a HC III by elimination of a placenta pit due to limited funding. I also noted the construction of a Seed Secondary School in Katete Sub-county did not take off due to incomplete procurement process and funds worth UGX.731,049,478 was swept back to CF. I noted a YLP recovery rate of only 26% for the funds disbursed in FY 2013/2014 to date with full recovery expected by 2018/19. Under UWEP, I noted that no recovery of funds up to 14,940,000 from the 2 sampled groups.
3	Mbarara DLG Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 4.429 Bn representing 11.7% under release. Further, the entity remained with unspent balance of UGX.0.002Bn representing an absorption level of 99.9%. I noted that out of the 33 sampled key deliverables, 26 were fully implemented, 5 were partially implemented and 2 were not implemented I noted that the district had accumulated payables amounting to UGX.711,035,947 arising from failure to repay the YLP and UWEP funds - UGX.663,696,412 and other creditors - UGX.47,339,535 Under UgIFT, I noted an advance payment UGX.238,580,822 for construction of Bukiro Seed Secondary School in Bukiro Sub-county, However the site was abandoned by the contractor after excavating foundation trench on grounds of high-water logging and requiring foundation redesign. Under URF, I noted a 102% release of the budget of UGX.1,203,519,000. Field inspections of road works revealed installed culverts lacked head walls in some sections. I noted a YLP recovery rate of only 45% for the funds disbursed in FY 2013/2014 and 2015/2016 with full recovery expected by 2018/19. Under UWEP, I noted that from the financial year 2015/16 to date, the district had recovered only UGX.57,545,850 which is 48.7% of the expected total recovery.
4	Ntungamo DLG Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.2.703Bn representing 5.7% under release. Further, the entity remained with unspent balance of UGX.1.33Bn representing an absorption level of 97%. I noted that out of the 5 sampled key deliverables, 2 were fully implemented, 2 were partially implemented and 1 was not implemented I noted that the district had accumulated payables worth UGX.1,901,471,853 arising from failure to repay the YLP and UWEP funds - UGX.1,317,208,361 and other creditors -UGX. UGX584,263,492.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Under UgIFT, I noted incomplete works of upgrading of Kyamashwa and Karuruma health center II to III which was awarded in the third quarter of the financial year. I further noted that the Construction of Kihanga Seed School was not implemented due to delayed procurement process. Under URF, I noted a 100% release of the budget however, field inspections of road works revealed some cases of incomplete works. I noted a YLP recovery rate of only 52.5% for the funds disbursed in FY 2015/2016 with full recovery expected by 2018/19.
5	Rukungiri DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.1.29Bn representing 3% under release. Further, the entity remained with unspent balance of UGX.1.627Bn representing an absorption level of 96%. I noted that out of the 5 sampled key deliverables, 3 were fully implemented, 1 was partially implemented and 1 was not implemented Under UgIFT, I noted incomplete works of upgrade Karuhembe HC II to Health Centre III which was awarded in the second quarter of the financial year. I further noted that the construction of Kebisoni Seed Secondary school was not implemented due to delayed procurement process by 11months. I noted a YLP recovery rate of only 33% for the funds disbursed in FY 2015/2016 with full recovery expected by 2018/19. Field inspections revealed some cases of groups had disintegrated Under UWEP, I noted that from the financial year 2015/16 to date, the district had recovered only 27% out of the expected total amount. I noted that out of the approved structure of 2,893 staff but only 77% were filled leaving a staffing gap of 23%.
6	Isingiro DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> I noted that the district had payables of UGX.2,796,726,008 by the close of the year. Under UgIFT, I noted that the district received 98% of its budget of UGX.1,354,385,906 out of which UGX.497,882,551 was utilized leaving UGX 828,674,440 as unspent. Under URF, I noted a 96% release of the budget of UGX.1,850,637,916. Field inspections of road works revealed gravelling and compacting had not done and some cases of fewer culvert than planned. I noted a YLP recovery rate of only 25.7% for the funds disbursed from FY 2013/2014 to date with full recovery expected by 2018/19. Field inspections revealed that the money was all taken by one individual in of 3 groups. Under UWEP, I noted no funding was received during the F/Y yet a budget of UGX.258,302,000 was approved.
7	Bushenyi DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 0.255Bn representing 0.94% performance of the budget. Further, the entity remained with unspent balance of UGX.1.852Bn representing an absorption level of 93.1%. Out of the six key deliverables I selected, four were fully implemented and two were partially implemented. I further noted that URF was not reported on in the statement of performance I noted that the district had not paid pension and gratuity amounting to UGX.1,088,647,819 by the end of the financial year Under UgIFT, there was a 5 months delay in the procurement process for Upgrade of Kibazi HC II to HC III. Field inspections revealed incomplete works for this project. I also noted a 4 months delay in the start of the construction Kabushabo Seed school. Under YLP, I noted a recovery rate of only 57% for the funds disbursed in FY 2013/2014 and 2015/2016 with full recovery expected by 2018/19. I inspected one youth group (Ntungamo youth Boda-boda group) and discovered the all funds received were irregularly utilized by one individual. Under UWEP, I noted that from the financial year 2017/18 to date, the district had made recoveries of only UGX.70,446,400 (24%) of the expected total amount. I inspected one group

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		called Ryesseera Bakyara Twebiseho Women's Group and noted diversion from initial business of goat rearing to money lending to group members.
8	Kisoro DLG Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.764 Bn representing 2.4% under release. Further, the entity remained with unspent balance of UGX.0.741Bn representing an absorption level of 97.9%. I noted that out of the 5 sampled key deliverables, 2 were fully implemented, 2 were partially implemented and 1 was not implemented. I noted that the district had accumulated payables worth UGX.1,221,387,026 arising from failure to repay the YLP and UWEP funds - UGX.1,209,982,000 and other creditors - UGX.11,699,586. Under UgIFT, I noted incomplete works on the Upgrade of Marega Health Centre II to III which was awarded in the third quarter of the financial year. I further noted that the construction of Nyakinama Seed School was not implemented due to delayed procurement process. Under URF, I noted a 102% release of the budget of UGX.717,131,860. Field inspections of road works revealed inadequate off-shoots and shaping for proper water draining on some of the roads visited. Under UWEP, I noted that the District did not receive any funds during the FY 2018/19 despite having a budget of UGX.219,603,446. I noted a YLP recovery rate of only 49.4% for the funds disbursed in FY 2015/2016 with full recovery expected by 2018/19.
9	Sheema DLG Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.2.062 Bn representing 8.6% under release. Further, the entity remained with unspent balance of UGX.0.205Bn representing an absorption level of 99.1%. I noted that all 7 sampled key deliverables were partially implemented I noted that the district had accumulated pension and salary arrears of UGX 358,646,665 and UGX 15,173,396 respectively. Under UgIFT, I noted incomplete works of up-grade Mabaare and Kyeihara Health Centers II to Health Centers III which was awarded in the third quarter of the financial year. I further noted that the construction of Kigarama Seed School was partially implemented due to delayed procurement process. I noted a YLP recovery rate of only 51% for the funds disbursed in FY 2014/2015 and 2016/2017 with full recovery expected by 2018/19. Under UWEP, I noted none funding for the programme despite the of approved budget UGX 175,532,000.
10	Mbarara MC Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.6.229 Bn representing 14.4% under release. Further, the entity remained with unspent balance of UGX.1.384Bn representing an absorption level of 96.26%. I noted that Out of the 9 planned projects for the year, 8 projects/activities were fully implemented and 1 was partially implemented. Under UgIFT, I noted that the upgrading Kyarwabuganda HC II to HC III was awarded in the third quarter of the financial year. Out of UGX.500,000,000 received, the entity utilized UGX.170,264,488 leaving UGX.329,735,512 as unspent and swept back to CF. I further noted that VAT amounting to UGX.82,454,020 was irregularly included in the contract price. Under URF, I noted a 100.3% release of the budget of UGX. 1,363,868,116. I noted excess expenditure of UGX. 6,582,000 over budgeted amount. Field inspections of road works revealed lack of off shoot and incomplete works on some sections of the sampled roads. I noted a YLP recovery rate of only 22.6% for the funds disbursed in FY 2015/2016 with full recovery expected by 2018/19. I further noted a short fall of releases of 18% during the FY.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Under UWEP, I noted that from the financial year 2016/17 to date, the MC had recovered only UGX.70,505,802 (32.43%) out of the expected total amount. I noted that the MC did not receive any funds during the FY of its budget of UGX.140,630,000.
11	Kabale DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 0.967Bn. Analysis of 8 sampled key deliverables in the FY 2018/2019 revealed 4 deliverables (50%) were fully implemented while 4 deliverables (50%) were partially implemented namely; Under UgIFT, I noted that District planned to upgrade Kasheregyenyi HC II to Health Centre III at a cost of UGX.500, 000,000. Despite receiving all the fund, and undertaking the procurement, the project delayed and started during the end of 3rd quarter. I further noted that 31% of the costs was paid during the year and balance was swept back to CF. I noted further that construction of Buhara Seed Secondary School under UgIFT did not take off due to disagreements in the procurement process and all funds swept to CF. Under URF, 94% of the budgeted amount of UGX.1, 709,453,736 was received. Field inspections of 7 roads revealed contact implementation challenges on two roads which included cracked culverts and no off shoots. I noted a YLP recovery rate of only 35% for the funds disbursed in FY 2013/2014 and 2015/2016 with full recovery expected by 2018/19. Under UWEP, I noted that no money was released to the district by MoGLSD by the close of the financial year despite the approved budget of UGX.30m. I noted a recovery of UGX.71, 466, 500 which is a rate of 72% of the due balance as at end of F/Y.
12	Ibanda DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.1.406Bn representing 7% under release. Further, the entity remained with unspent balance of UGX.0.203Bn representing an absorption level of 99%. I noted that out of the 6 sampled key deliverables, 3 were fully implemented, and 3 were partially implemented. Under UgIFT, I noted incomplete works for the upgrading of Kashozi Health Centre II to HC III. I also noted irregular inclusion of VAT UGX.70,502,011 in the contract price. I further noted a 10 months delay and 12% under absorption of the released funds for the construction of a Seed Secondary School at Rwenshambya. I noted a YLP recovery rate of 64% for the funds disbursed in FY 2013/2014 and 2015/2016 with full recovery expected by 2018/19.
13	Mbarara RRH <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 0.007Bn representing 0.1% under release. Further, the entity incurred more expenditure above its warrants by UGX.1.224 Bn representing an absorption level of 110%. I noted that Out of the 20 key deliverables reported, 18 were fully implemented and 2 were partially implemented. I noted that the hospital had payables and pension liabilities of UGX.2,921,479,267 by the close of the year. I noted that out of the 384 approved positions, only 300 positions (78%) were filled leaving 84 positions (22%) unfilled.
14	Bushenyi MC <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.208Bn representing 2.3% under release. Further, the entity remained with unspent balance of UGX.0.335Bn representing an absorption level of 96.2%. I noted that Out of the 9 key deliverables for the year, 4 deliverables were fully implemented, 2 were partially implemented and 3 were not implemented. I noted that the Municipal Council had accumulated payables of UGX.563,251,212 at the end of the year. Under UgIFT, I noted that the upgrading Kyarwabuganda HC II to HC III was awarded in the third quarter of the financial year. Out of UGX.500,000,000 received, the entity utilized

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> UGX.170,264,488 leaving UGX.329,735,512 as unspent and swept back to UCF. I further noted that VAT amounting to UGX.82,454,020 was irregularly included in the contract price. Under URF, I noted a 99.7% release of the budget of UGX.864,874,000. Field inspections of road works revealed bushy sections and lack of off shoots on Omuruhiita – Kitabi boarder road. I noted a YLP recovery rate of only 32.2% for the funds disbursed from 2013/2014 to 2015/2016 with full recovery expected by 2018/19. I further noted a 100% budget short fall in the fund of YLP during the FY. Under UWEP, I noted that from the financial year 2017/18 to date, the MC had recovered only UGX.30,615,500 (42.4%) out of the expected total amount. I also noted that the MC did not receive any funds during the FY given its budget of UGX.76,754,000.
15	Rubirizi DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was an over release above budget amounting to UGX. 0.841Bn. Further, the entity remained with unspent balance of UGX.1.97Bn representing an absorption level of 87.1%. I noted that out of the 15 sampled key deliverables, 10 were fully implemented, 3 were partially implemented while 2 were not implemented Under UgIFT, I noted incomplete works of upgrading of Munyonyo and Mushumba HC IIs to HC IIIs which was awarded in the third quarter of the financial year. I further noted that the construction of Ryeru Seed Secondary School was not implemented due to delayed procurement process. All the released funds worth UGX.353,555,358 was swept back to CF. VAT amounting to UGX.142,495,313 was irregularly included in the contract price. Under URF, the entity received of the budget but field inspections of road works revealed lack of sign post for the roads under construction. I noted a YLP recovery rate of only 39% for the funds disbursed in FY 2013/2014 and 2015/2016 with full recovery expected by 2018/19.
16	Kabale RRH <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 0.153Bn representing 1.8% under release. I noted that out of the 9 key deliverables reported, 6 were fully implemented and 3 were partially implemented. I noted that out of the 422 established position only 258(61%) were filled leaving 164(39%) posts vacant.
17	Sheema MC <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.133Bn representing 1.2% under release. Further, the entity remained with unspent balance of UGX.0.279Bn representing an absorption level of 98%. I noted that out of the 8 sampled key deliverables, 7 were fully implemented and 1 was partially implemented. Under UgIFT, I noted that the incomplete upgrading of Kitojo health centre in Central Division from HC II to H/C III was awarded in the second quarter of the financial year. I further noted that VAT amounting to UGX.74,919,521 was irregularly included in the contract price. I noted a YLP recovery rate of only 43% for the funds disbursed in FY 2015/2016 with full recovery expected by 2018/19. Under UWEP, I noted that the MC did not receive any funds during the FY 2018/19 for its budget of UGX.98,650,000.
18	Buhweju DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.097 Bn representing 0.8% under release. Further, the entity remained with unspent balance of UGX.0.255Bn representing an absorption level of 97.8%. I noted that out of the 7 sampled key deliverables, 3 were fully implemented, 3 were partially implemented and 1 was not implemented. I noted that the district had payables worth UGX.1,517,445,393 that remained outstanding at the close of the year. Under UgIFT, I noted that UGX 354,380,000 had been paid for the construction St. Anthony Kyankanda yet only ground clearing had been done at the time of the audit. I further noted that the Upgrade of Mushasha and Engaju HC II to Health Centre III was incomplete yet UGX

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<p>934,235,939 was received for this Purpose. 77.4% of the receipts remained unspent and swept back to the CF.</p> <ul style="list-style-type: none"> Field inspections for works under URF revealed that road works on Kayanja-Nyarujoje-Itorero road (8 Km) was incomplete. I noted that the YLP recovery rate of only 28.5% for the funds disbursed in FY 2013/2014 to 2016/2017 with full recovery expected by 2018/19.
19	Ibanda MC Opinion Unqualified	<ul style="list-style-type: none"> I noted that Out of the 5 Key deliverable, 4 deliverables were fully implemented and 1 was partially implemented. I noted that the MC lacked land for the Garbage Disposal Site. Under URF, I noted a 100% release of the budget, however 10kms of planned routine manual maintenance road works were not executed during the F/Y. I noted YLP, recovery rate of 63.3% for the funds disbursed in FY 2016/17 and 2017/18 with full recovery expected by 2018/19. Under UWEP, I noted that from the financial year 2015/16 to date, the MC had recovered only 37.9% out of the expected total amount.
20	Rukiga DLG Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.995Bn representing 5.7% under release. Further, the entity remained with unspent balance of UGX.2.476Bn representing an absorption level of 84.5%. I noted that out of the 10 sampled key deliverables, 5 were fully implemented, 4 were partially implemented and 1 was not implemented. Out of the approved the structure of the District of the 214 positions, only 100(46.7%) positions were filled leaving 114 (53.3%) positions vacant Under UgIFT, I noted that the procurement process for the construction of Rwamucucu seed school was delayed by 6months and field inspections revealed that project was incomplete at foundation level. Under URF, Field inspections of road works revealed inadequate drainage, cracked head walls, Silted culverts and Non-performance of road gangs in some roads.
21	Kabale MC Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.351Bn representing 2.2% under release. Further, the entity remained with unspent balance of UGX.0.189Bn representing an absorption level of 99%. Under URF, Field inspections of road works revealed instances of limited drainage improvements on graded roads. I noted a YLP recovery rate of only 21% for the funds disbursed in FY 2015/2016 with full recovery expected by 2018/19. I noted that various staff acted for a period of more than six month.
22	Ntungamo MC Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.544 Bn representing 10% under release. Further, the entity remained with unspent balance of UGX.0.302Bn representing an absorption level of 93.9%. I noted that Out of the 8 Key deliverable, 7 deliverables were fully implemented and 1 was partially implemented. I Noted that out of the Municipal approved structure of 159 positions, only 76(47.8%) positions were filled, leaving 83 (55.2%) positions vacant Under UgIFT, I noted the incomplete upgrade of Ruhooko Health Centre II to a Health Centre III. Under URF, Field inspections of some of the road works revealed deteriorating road works and non-performance of road gangs. I noted that management did not submit signed performance agreement reports to the Ministry of Public Service by 15th September 2018 contrary to the circular standing instructions.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> I noted that management did not submit a report on performance appraisals to the Ministry of Public Service by 15th September 2018 contrary to the circular standing instructions I noted that there were no quarterly performance reviews undertaken by the staff during the year under review contrary to the circular standing instructions.
23	Mitooma DLG Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.053 Bn representing 0.2% under release. Further, the entity remained with unspent balance of UGX.0.644Bn representing an absorption level of 97%. I noted that out of the 8 sampled key deliverables, 1 was fully implemented, 6 were partially implemented and 1 was not implemented at all. Under UgIFT, I noted that the upgrading Bukuba HC II to HC III was awarded in the third quarter of the financial year and remained incomplete at F/Y end. Out of UGX.500,000,000 received, the entity utilized UGX.210,000,000 leaving UGX.240,952,947 as unspent and swept back to the Consolidated Fund. Under YLP, I noted groups disbursed with UGX 115,018,000 from 2014/15 to 2018/19 disintegrated after repaying 12.8%. I further noted a 45.4% recovery rate for funds disbursed from 2013/2014 - 2015/2016 expected to be recovered in 2018/19.
24	Rukungiri MC Opinion Unqualified	<ul style="list-style-type: none"> There was an excess release above the budget amounting to UGX.0.45 Bn. Further, the entity remained with unspent balance of UGX.0.525Bn representing an absorption level of 93%. I noted that out of the 9 Key deliverable, 5 deliverables were fully implemented and 4 were partially implemented. Under UgIFT, I noted that the upgrading of Kitimba Health Center 11 was awarded in the third quarter of the financial year and was incomplete by year end. I noted a YLP recovery rate of only 12% for the funds disbursed in FY 2013/2014- 2015/2016 with full recovery expected by 2018/19. I further noted dis-integration of YLP groups who had received UGX.204,541,500 and whose recovery rate was 29.6%.
25	Rubanda DLG Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.2.392 Bn representing 10% under release. Further, the entity remained with unspent balance of UGX.0.702Bn representing an absorption level of 93.1%. I noted that out of the 4 sampled key deliverables, 2 were fully implemented and 2 were partially implemented. Under UgIFT, I noted incomplete works on the upgrading of Mpungu HC II to HC III which was awarded in the third quarter of the financial year I further noted 1.1% partial implementation in construction of Nyamweru Seed School due to delayed procurement process. Under URF, Field inspections of a sample of road works revealed inadequate drainage for the completed works. Under YLP, I noted there was no recovery for the funds disbursed in FY 2014/2015 to 2016/2017 with full recovery expected by 2018/19. I also noted a 24% shortfall in budget release for F/Y 2018/19 under YLP. Under UWEP, I noted that from the financial year 2017/18 to date, the district had recovered only 8.4% of the expected total amount. I noted an irregular award of the rehabilitation of Nyakasazi Gravity flow scheme in Nyamweru Sub County to a non-compliant contractor.
26	Kisoro MC Opinion Unqualified	
	MOROTO BRANCH	
1	Nakapiripirit DLG Opinion	<ul style="list-style-type: none"> There was excess expenditure of Shs.0.872bn.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
	Unqualified	<ul style="list-style-type: none"> I noted full and partial implementation of planned outputs under the programmes inspected i.e. NUSAf 3, UgIFT and URF mechanised at 100%, URF periodic at 96% and YLP at 82.6%. Gratuity arrears of UGX.102,547,496 remained outstanding at year end. URF implementation inspection revealed that the entity over spent by 14million on routine mechanized maintenance with some road sections lacking culvert lines and submerged by water. Under NUSAf-3, there was a delayed disbursement of UGX.5.4bn by 75 days received in the third quarter. Under UgIFT, there was an over commitment on the Nakapiripirit Seed School project by 74million and the school does not have a land title. Under YLP funds I noted a recovery rate of only 15.7% of the funds disbursed to 105 groups. Further analysis revealed that 33 groups of the 105 had not paid any amount to the district recovery account and there were no repayment ledgers Under water for production, Out of 212 deep boreholes with hand pump, 32 (15%) were non-functional. In addition 39% and 31% of the pumped piped water for homes and valley tanks were non-functional.
2	Abim DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.5.3Bn representing 23% of approved budget. Further, the entity remained with unspent balance of UGX.1Bn representing an absorption level of 94%. The District planned outputs were not well analyzed as required to enable me evaluate the extent of attainment of planned outputs. Sample review of projects revealed that most of the planned outputs under URF and NUSAf 3. Gratuity arrears of UGX. 371,764,576 remained outstanding at year end. Under NUSAf-3, there was a delayed disbursement of UGX.2.4bn for the third quarter by 75 days and the project was not audited by Internal Audit. Under YLP, there was a shortfall in budget release of UGX.381million due to its suspension by the Ministry. I also noted a low recovery rate of only 2% of the funds disbursed to 28 groups and there were no repayment ledgers in place hindering recovery follow up. Under water for production, I inspected 5 boreholes constructed and noted that 3 lacked protection walls.
3	Napak DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.473bn representing 2.3%. Further, the entity remained with unspent balance of UGX.0.784Bn representing an absorption level of 96%. I noted full implementation of planned outputs under UgIFT, URF routine mechanized maintenance and NUSAf 3 and partially implemented outputs of URF routine manual maintenance (74%), YLP (50%) while failure to implement outputs under UWEP Gratuity arrears of UGX.46million remained outstanding at the year end. Under UgIFT, I noted an over commitment of UGX.0.414bn in the contract for the construction of Napak Seed Secondary School. Further, the contractor did not provide a performance security and proof of insurance cover while the school also lacks a land title. Under NUSAf-3, there was delayed disbursement of funds by 75 days and project assets were not properly managed and maintained. Under URF, field inspection revealed that most culvert line headwalls were poorly back filled and the roads were not graveled and compacted resulting in soils being washed away. In addition some works were incomplete despite 97.3% payment. Under YLP, the district had a recovery rate of only 30.9% of the funds disbursed in FY 2017/2018 and 2018/2019 and two youth groups received project funds which were shared amongst group members. 5 employees are still in acting positions for over 2 years contrary to standing instructions.
4	Kotido DLG <u>Opinion</u>	<ul style="list-style-type: none"> UGX.821.96 million was mischarge of expenditure for the year. UGX.857.6million payables were undisclosed.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
	Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.7.7bn representing 37%. Further, the entity over spent by UGX.0.324bn. I noted full and partial implementation of planned outputs under different projects i.e. UgIFT and URF at 100% while NUSAf 3 and YLP were at 61% and 94% respectively. Under NUSAf-3, I noted undisbursed funds of UGX.1.42bn to 45 groups due to a delay by the Ministry to transfer funds. Inspection of some subprojects revealed lack of accountability of money spent, poor records and failure to adhere to procurement guidelines. Project assets inspected were not properly managed and some were not availed for audit verification. Under URF, field inspection revealed impassable road sections due to failure to install culverts, growing bushes due to heavy rains and incomplete road sections. Under YLP, I noted a recovery rate of only 49% of the funds disbursed from FY 2014/2015 to date. Inspection of two groups revealed lack of financing agreements in place, poor records management and selected members had not been trained on repayment terms. The district awarded VAT amounting to UGX.153.3million to 42 companies which had not registered for VAT. I noted incomplete works for construction of motorised pump boreholes three months after contract expected completion date and thus communities could not realise the benefits. I noted staffing gaps of 55% out of the approved staffing level of 322 positions. There was lack of land titles for sub-county offices and main District. I noted irregular payment of personal expenses through the imprest bank account worth UGX.859.8million and UGX.237.1million was paid in excess of monthly imprest limit.
5	Amudat DLG Opinion Qualified	<ul style="list-style-type: none"> UGX.196.8million was unaccounted for by year end. There was a shortfall in releases amounting to UGX.1.75bn representing 12%. Status review of implementation of planned outputs revealed that UgIFT, URF (Routine mechanized maintenance), NUSAf 3, YLP and UWEP were ongoing, 100%, 100%, 74.4% and 0% respectively. Pension liability of UGX.33.8million was outstanding at year end. Under UgIFT, the district made an over commitment of UGX.0.414bn in the contract for construction of Pokot Girls Seed Secondary School and the contractor did not execute a performance security while the school lacks a land title. Under NUSAf-3, there was delayed disbursement of UGX.2.3Bn to the district and hence there were no funds transferred to the groups. Under URF, field inspection revealed some impassable sections of the road. Under YLP, I noted a recovery rate of only 32.6% of the funds disbursed in FY 2016/2017 and 2018/2019 and the District failed to transfer UGX.10.7M of the recovered funds to BOU. In addition there was no repayment ledger.
6	Moroto DLG Opinion Qualified	<ul style="list-style-type: none"> UGX.0.446bn was Mischarged expenditure during the year. Funds to the tune of UGX.0.534bn were unaccounted for. UGX.0.346bn payables were undisclosed There was a shortfall in releases amounting to UGX.5.8bn representing 25%. I noted full implementation of planned outputs under different two projects (URF (Routine mechanized and manual maintenance and NUSAf 3) and partial implementation of YLP and UWEP at 82.6% and 56.41% respectively. Under NUSAf-3, I noted delayed disbursement of funds and delayed implementation of activities worth UGX.342million by seven groups to whom funds had been disbursed. Under URF, field inspection revealed impassable and non-motorable road sections. Under YLP, I noted a recovery rate of only 43.2% of the funds disbursed from FY 2016/2017 to 2018/2019 and one of the two youth groups inspected did not have a log book for the motorbike purchased and the second group did not avail cattle for inspection.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Under UWEP, the district recovered only 14% of the expected funds. VAT amounting to UGX.0.074bn was awarded to 3 companies which had either not registered or been deregistered due to non-compliance. I noted over commitment for the construction of Katikekile Seed School by UGX.20million and the district did not obtain a land title before commencing construction. Under water for production, the district failed to provide post construction support for 3 boreholes which did not have protection walls. Payroll review revealed UGX. 5.3million was paid to persons not on the payroll, UGX.7.5 was over payments of salary while UGX.35.3 were salary underpayments.
7	Kaabong DLG Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.4.82bn representing 16% of approved budget. The District planned outputs were not well analyzed as required to enable me evaluate the extent of attainment of planned outputs. Sample review of projects revealed that YLP and URF (maintenance) achieved all outputs while emergency works, UWEP and NUSAf 3 performed at 48%, 82% and 82% respectively. Under URF field inspection I noted road sections had been destroyed by cows and oxen during the rainy season for works under routine mechanized maintenance and substandard works were noted under emergency works with overgrown grass on road sections. Under NUSAf-3, there was a delayed disbursement of UGX.6.2bn received in third quarter by 75 days and the project lacked vital records and therefore could not confirm if funds were utilized as intended. The project assets were nonfunctional due to lack of maintenance. Under YLP, I noted a recovery rate of only 41.2% for the financial years 2013/2014 to 2015/2016. An analysis of 2 groups revealed that one group could not be traced and had not repaid any amount whereas the second group had shared the money. There were no repayments ledgers in place hindering recovery follow up. Under UWEP, one beneficiary group could not avail a motorcycle for audit inspection while another beneficiary group had changed enterprise after withdrawing all the funds. There were no land titles for the district land. UGX.0.241bn was paid as VAT to 10 companies not registered for VAT. Inspection of Kaabong Hospital revealed payment for cleaning services without certification of daily works.
8	Nabilatuk DLG Opinion Unqualified	<ul style="list-style-type: none"> The entity received 100% of all funds but remained with unspent balance of UGX.1bn representing an absorption level of 88.1%. The District implementation level for UgIFT, URF, UWEP and YLP 100%, 100% for 72% and 48% respectively. UGX.0.216bn payables were outstanding at year end. Under UgIFT, I noted a contract price of 2.3bn that was over the cost of UGX.1.9bn provided by guidelines and the contractor for the seed school did not provide a performance security. Under UWEP, there was a shortfall in funds by 13% and inspection of some groups revealed non implementation of activities given that the groups shared money amongst themselves and no trainings were carried out to provide technical guidance and lack of financial records. Under YLP, inspection of some groups revealed non implementation of activities, diversion of funds to unapproved projects, disintegration of groups and retention of some funds at sub-counties. Under URF, inspection revealed poor backfilling of culvert line headwalls poorly resulting in soils being washed away and exposing the culverts to breakage. I noted that out of 341 approved posts for the traditional and Health staff, 168 (51%) were vacant.
9	Kotido MC	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.79bn representing 12%. Further, the entity remained with unspent balance of UGX.0.617bn representing an absorption level of 89.4%.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
	Opinion Unqualified	<ul style="list-style-type: none"> The status of implementation of planned outputs under different projects was as follows; (URF (Routine mechanized maintenance 54.8%, Routine manual maintenance 68%, Periodic maintenance 0%, YLP 97% and UWEP 78%) Under URF, the entity did not conduct quality tests on materials that were utilized on road maintenance and I observed that Council does not have capacity and equipment to undertake tarmac works on the road hence the minimal works undertaken. In addition there was no site ledger for the materials taken on site. Under YLP, there was no repayment ledger in place. Under UWEP, most of the approved projects failed to access funding due to budget cuts.
10	Moroto RRH Opinion Qualified	<ul style="list-style-type: none"> UGX.96million was unaccounted for by year end UGX 39M incurred on pension and gratuity payments was unsupported. There was a shortfall in releases amounting to UGX.0.643bn representing 9% of approved budget. Further, the entity remained with unspent balance of UGX.0.494bn representing an absorption level of 93%. There was non-quantification of 6 outputs hindering measurement of performance. UGX.0.16bn was Mischarged expenditure during the year. I noted that 6 outputs were not quantified to enable measurement of performance. Further, the District implemented fully 4 of the 6 quantified outputs while 2 were partially implemented. UGX.0.135bn payables remained outstanding at year end. I noted excess expenditure on goods and services worth UGX0.132bn. There was overpayment of salaries to the tune of UGX.0.162bn. UGX 72M payment of taxable arrears was unsupported Out of 370 staff posts, 126 posts are vacant representing 34% staff shortage. I noted Irregular composition of the contracts committee by an officer who acted on behalf of the solicitor General and also participated in approval of the contract. I noted delayed disposal of expired drugs since 2017. There was shortage of medical equipment and poor working condition of available medical equipment hindering service delivery. I noted that 58 staff were residing under temporary Iron-sheet shelters and uniports while 21 were not assigned any house.
11	Moroto MC Opinion Qualified	<ul style="list-style-type: none"> UGX.1bn was unaccounted for funds during the year UGX.1.86bn payables were unsupported. There was a shortfall in releases amounting to UGX.0.603bn representing 11%. I noted full implementation of the planned outputs under USMID, URF routine manual maintenance and SFG and partial implementation of UWEP (80%) with unimplemented outputs under URF periodic maintenance and YLP. UGX.162.7million was Pension liability outstanding at year end. UGX. 107.8million was overpaid on supervision of Moroto Bus Terminal civil works contract Under URF, the contractor was irregularly advanced 68% of funds for periodic maintenance and some road sections were poorly done and remained incomplete. Under YLP, I noted a recovery rate of only 37% of the funds disbursed from the financial year 2016/2017 to 2018/2019. Under UWEP, the recovery rate was low and inspection of one group revealed a change in names making it hard to confirm its existence. I noted direct procurements worth UGX.0.471bn which eliminated competition. UGX.13.6M was paid as VAT to a not registered firm for supervision of Moroto Bus terminal civil works.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Under USMID-AF, the council failed to avail work plans and budget for funds spent worth UGX.0.977bn under the project.
	SOROTI BRANCH	
1	Bukedea DLG Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.379 Bn representing 1.42% of the budget. Further, the entity remained with unspent balance of UGX.0.298Bn. Out of the five projects inspected (UgIFT, URF, NUSAf 3, YLP and UWEP programme) (1) were fully achieved while (4) were partially implemented. I noted that the district did receive any donor funding despite budgeting for UGX 0.243 bn The district had UGX.0.399 bn as pension arrears by the end of the year under review. The district had UGX.9,713,000 as non-accounted for funds by the end of the year under review. The district made overpayment of salary worth UGX.2,293,12 in the period under review. 945 hectares of district land in nine locations had not been secured by titling hence the risk of encroachment and disputes. Works under UgIFT were ongoing with one of the structures at plastering of the walls, the other at ring beam level while the last one at foundation level. Under NUSAf-3 UGX.1.222bn was used to support 35 beneficiary sub-groups. I noted that UGX.0.442bn had not been withdrawn from the bank accounts, which negatively affects project implementation. Out of the 5 subprojects inspected I noted poor participation and opposition of projects by some group members and non-functional project assets. Field inspections Under URF revealed sections of some roads were poorly managed as evidenced by the failure to install culverts, failure to spread murram, nonuse of murram and low-cost sealing. I noted a recovery rate of only 18.58% of the funds disbursed in FY 2014/2015 to 2017/2018 under the YLP project. In addition, two of the groups that received funds just shared the funds among the members. Under UWEP, I noted that groups repaid only 44% of the total of disbursement in the FYS 2016/17 to 2017/18. Two women groups received project funds which were shared amongst group members since no approved project was carried out. Under water for production, I noted non-functional water sources. Inspection of Atutur hospital revealed that the hospital has shortage of medical equipment and nonfunctional medical equipment.
2	Soroti DLG Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 1.07Bn representing 3.82%. Further, the entity remained with unspent balance of UGX.3.68Bn representing an over absorption level of 114%. Out of the five projects inspected (UgIFT, URF, NUSAf 3, YLP and UWEP programme) (2) were fully achieved while (3) were partially implemented. Entity failed to pay pension to respective pensioners worth UGX.4.19bn in the year under review Entity had 30 pending and on-going court cases, some dating as far back as 2011. None was disposed in the year under review. 175 plots of district land on seven locations had not been secured by titling hence the risk of encroachment and disputes. Works under UgIFT were ongoing with one of the structures at ring beam level while the other was not yet started yet funds of UGX.0.551bn had already been advanced. Under NUSAf-3 UGX.2.111bn was used to support 64 beneficiary sub-groups. I noted that UGX.0.530bn had not been withdrawn from the bank accounts, which negatively affects project implementation. I noted poor management and incomplete works on CARs. Under URF field inspection revealed sections of some roads were poorly maintained with eroded shoulders, lack of off-shoots, water logged sections and poor compaction of murram. Under YLP, I noted a recovery rate of only 34% of the funds disbursed in FY 2014/2015 to 2015/2016. Besides two youth groups received project funds but one group disintegrated.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Under UWEP, I noted that groups repaid only 44.8% of the total of disbursement in the FYs 2017/18 to 2018/19. Under water for production, I noted non-functional water sources.
3	Kaberamaido DLG Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 1.27Bn representing 5% of the budget. Further, the entity remained with unspent balance of UGX.0.956Bn representing an absorption level of 96%. I also noted diversion of funds worth UGX.32,064,904. The entire five projects inspected (UgIFT, URF, NUSAFA 3, YLP and UWEP programme) were fully implemented. Out of the budgeted donor funding of UGX.1.097bn only UGX.0.667Bn was received representing 60.79% was received. I noted a delay of 22 days in the procurement process under UgIFT and works at one of the structures was at foundation level. Under NUSAFA-3 UGX.1.718bn was used to support 45 beneficiary sub-groups. Out of the 8 subprojects inspected I noted implementation challenges such as failure to implement activities, underutilization of project funds, delayed implementation of projects and incomplete works on CARs URF field inspection revealed sections of some roads worked on were poorly maintained with overgrown grass. I noted a recovery rate of only 17% of the funds disbursed in FY 2014/2015 to 2018/2019. There were also a number of implementation challenges such as youth changing locations, misuse of funds, disintegration of some groups, failure to payback and misinterpretation of the funds received for political handouts. Under UWEP, I noted that groups repaid only 16% of the total of disbursement in the FYs 2016/17 to 2018/19. Out of the total recoveries of UGX.32,868,400 only UGX26,300,000 was transferred to revolving fund account.
4	Dokolo DLG Opinion Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.3.340Bn representing 14.37% of the budget. Further, the entity had unspent balance of UGX.0.145Bn representing an absorption level of 100.7%. Out of the five projects inspected (UgIFT, URF, NUSAFA 3, YLP and UWEP programme) (1) were fully achieved while (4) were partially implemented. Out of the budgeted donor funding of UGX.0.544bn only UGX.36, 952,500 representing 6.8% was received. Entity had UGX.15, 468,711 pension arrears by the end of the year under review. Works under UgIFT were ongoing with one of the structures abandoned at roofing level and the other works had been delayed hence not started. Under NUSAFA-3 UGX.1.077bn was used to support 34 beneficiary sub-groups. Out of the 3 subprojects inspected I noted poor management of projects, incomplete works with dumped culverts and lack of signposts on CARs. Besides, there are nonfunctional project assets. Under URF field inspection revealed sections of some roads which were poorly managed with spots of poor compaction of murram and low-cost sealing. I noted a recovery rate of only 71% of the funds disbursed in FY 2014/2015 to 2015/2016. Besides, implantation challenges included, killer diseases under the piggery projects, effects of the weather to the agriculture projects, loss of interest in YLP funds and groups received project funds which were shared amongst group members. Under UWEP, I noted that groups repaid only 45% of the total of disbursement in the FYs 2016/17 to 2018/19. I also noted other implantation challenges such as droughts, price fluctuations, disappearance of chairpersons on receipts of the monies, change of business than those approved, non-active groups and groups received project funds which were shared amongst group members. Under water for production the district received UGX.0.257bn for water sector activities; however I noted non-functional water sources and poorly maintained boreholes.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
5	Katakwi DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 2.86Bn representing 10.65% under release. Further, the entity remained with unspent balance of UGX.0.215Bn representing an absorption level of 99.11%. Out of the four projects inspected (UgIFT, NUSAf 3, YLP and UWEP programme) (1) was fully achieved while (3) were partially implemented. Out of the budgeted donor funding of UGX1.757bn only UGX.93,129,836m representing 5% was received. Entity had un-remitted WHT arrears worth UGX.2,269,760m by the close of the year under review. The Entity had non-accounted for funds worth UGX.6,910,638m by the close of the year under review. Under NUSAf-3 UGX.1.735bn was used to support 35 beneficiary sub-groups. I noted that only 6 groups had fully implemented the activities. I noted that funds worth UGX.36,000,000 meant for NUSAf 3 subprojects was transferred to two Sub-county accounts. Out of the 3 subprojects inspected I noted poor management of projects and incomplete works on CARs Under URF field inspection revealed that sections of some roads were poorly maintained with swampy and flooded sections making some roads sections impassable. I noted a delay of 118 days in disbursement of YLP funds from the districts to beneficiaries. Further, I noted a recovery rate of only 13.56% of the funds disbursed in FY 2015/2016 to 2018/2019. I noted that UGX.0.8bn had been recovered by 30/6/2018 but not transferred to the national revolving fund. I noted a delay of 222 days in disbursement of funds from the districts to beneficiaries Under UWEP, the groups had repaid only 20% of the total of disbursement in the FYs 2015/16 to 2018/19. Inspection of Katakwi hospital revealed that the hospital has nonfunctional medical equipment's and drug stock outs. Entity had grounded assets with no plans to resort them to useable conditions.
6	Kumi DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 1.49Bn representing 5.5% under release. Further, the entity remained with unspent balance of UGX.0.747Bn representing an absorption level of 97%. Out of the five projects inspected (UgIFT, URF, NUSAf 3, YLP and UWEP programme) (2) were fully achieved while (3) were partially implemented. Out of the budgeted donor funding of UGX.90,654,000m only UGX.15,343,500m representing 16.93% was received. Entity had 21 pending and on-going court cases, some dating as far back as 2005. None was disposed in the year under review. 6 hectares of district land on seven locations had not been secured by titling hence the risk of encroachment and disputes. Works under UgIFT, a 2 stance VIP latrine had not been erected yet funds had already been paid. Under NUSAf-3 UGX.2.225bn was used to support 32 beneficiary sub-groups. I noted that UGX.75,974,550 had not been withdrawn from the bank accounts, which negatively affects project implementation. Out of the 3 subprojects inspected I noted poor management of projects and incomplete works on CARs Under URF field inspection revealed sections of some roads were poorly maintained with overgrown bushes and silted culverts affecting the flow of rainwater. In addition, I observed incomplete works on projects. UGX.0.320bn was received to construct five teachers' staff houses in Nyero sub-county, however I noted that the construction works of the kitchen, reservoir tank and the environmental restoration had not been done.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> I noted a delay of 80 days in disbursement of YLP funds from the districts to beneficiaries. Further, I noted a recovery rate of only 24% of the funds disbursed in FY 2015/2016 to 2017/2018. Two youth groups received project funds which were then shared amongst group members. Under UWEP, projects funds worth UGX.0.0183bn meant for F/Y 2017/2018, were released to the district in the third quarter of the F/Y 2018/2019 resulting into delayed implementation of the projects. Further, I noted that groups repaid only 39% of the total of disbursement in the FYs 2016/17 to 2018/19. Two women groups received project funds which were shared amongst group members. Inspection of Atutur hospital revealed that the hospital structure require a face-lift that estimated at UGX.0.842bn. The hospital also had challenges of understaffing (48%) and drug stock outs.
7	Amolatar DLG <u>Opinion</u> Qualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 1.564Bn representing 8% under release. Further, the entity remained with unspent balance of UGX.0.394Bn representing an absorption level of 98%. Out of the five projects inspected (UgIFT, URF, NUSAf 3, YLP and UWEP programme) (2) were fully achieved while (3) were partially implemented. Out of the budgeted donor funding of UGX.147m only UGX.84,246,413m representing 57% of the budget was received. 11 pieces of the district land in seven locations had not been secured by titling hence the risk of encroachment and disputes. Works under UgIFT were ongoing with one of the structures which was at ring beam abandoned. Under NUSAf-3 UGX.0.962bn was used to support 39 beneficiary sub-groups. I noted that UGX.0.407bn had not been withdrawn from the bank accounts, which negatively affects project implementation. Out of the 4 subprojects inspected I noted poor graveled road sections, not sprayed murram, lack of side drains, poorly leveled platforms, in some projects, seedlings were not yet bought and works were incomplete on CARs Under URF, field inspection revealed sections of some roads were poorly maintained with overgrown bushes, washed away murram, swampy road sections and silted culverts affecting the flow of rainwater. In addition I noted cases of non-constitution of district road committees. I noted a delay of 21 days in disbursement of YLP funds from the districts to beneficiaries. Further, I noted a recovery rate of only 24% of the funds disbursed in FY 2014/2015 to 2015/2016. Under UWEP, I noted a delay of 4 months in disbursement of funds from the districts to beneficiaries. I noted that groups repaid only 25% of the total of disbursement in the FYs 2016/17 to 2017/18. Besides two women groups received project funds which were shared amongst group members. Under water for production the district received UGX.0.242bn for water sector activities. I could however not examine the utilisation of part of these funds since the expenditure records were reported as stolen Inspection of Amolatar HC IV revealed that the HC has challenges of drug stock outs.
8	Kapelebyong DLG <u>Opinion</u> Unqualified	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.167bn representing 1.71% of the budget. Further, the entity remained with unspent balance of UGX.58,139,839 representing an absorption level of 99.4%. Out of the eleven outputs including 3 projects inspected (URF, YLP and UWEP programme) (7) were fully achieved while (4) were partially implemented. URF field inspection revealed sections of some roads were poorly maintained with lack of offshoots and swampy areas. I noted a delay of 121 days in disbursement of YLP funds from the districts to beneficiaries. Further, I noted a recovery rate of only 26% of the funds disbursed in FY 2014/2015 to 2015/2016 while UGX.4,315,875m recovered was not yet transferred to the national revolving

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<p>fund by the end of the year under review. The unremitted funds were in some cases paid to district councilors and this money was spent on personal business.</p> <ul style="list-style-type: none"> Under UWEP, I noted that groups repaid only 39% of the total of disbursement in the FYs 2017/18 to 2018/19. Further, UGX.5,985,875 was recovered but not transferred to revolving fund by year end. Under water for production, I noted non-functional water sources. Entity has 13 heads of departments in acting capacity beyond the statutory period. Under capitation grant, I noted discrepancies in the district enrolment figures with the figures for the MoES.
9	<p>Serere DLG</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 1.924Bn representing 6% under release. Further, the entity remained with unspent balance of UGX.0.132Bn representing an absorption level of 99.5%. Out of the budgeted donor funding of UGX.0.580bn only UGX.0.256bn representing 44% was received. Entity owes UGX.0.183bn and UGX.0.0573bn to pensioners and serving staff through pension and salary arrears respectively. Under the special audit on teachers' salaries, 176 employees had accumulated unpaid salary arrears to a tune of UGX.0.351bn. Works under UgIFT were ongoing with however there were delays noted on some structures. Under NUSAFA-3, I inspected 4 subprojects and noted cases of poor colligation of the roads, lack of compactions, lack of sign posts, delayed commencements of some projects and incomplete works on CARs. Under URF field inspection, I noted sections of some road sides were poorly maintained with overgrown bushes, lack of off shoots and water logged sections. Under YLP, I noted a recovery rate of only 26.5% of the funds disbursed in FY 2014/2015 to 2015/2016. I also noted that youth groups received project funds which were shared amongst group members. Under UWEP, I noted that groups repaid only 3.9% of the total of disbursement so far made in the FYs 2016/17 to 2018/19. Under water for production the district received UGX.0.442bn for water sector activities; however I noted non-functional water sources.
10	<p>Amuria DLG</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 2.171Bn representing 9.05% of the budget. Further, the entity remained with unspent balance of UGX.0.711Bn representing an absorption level of 97%. Out of the five projects inspected (UgIFT, URF, NUSAFA 3, YLP and UWEP programme) (2) were fully achieved while (3) were partially implemented. Out of the budgeted donor funding of UGX.0.928bn only UGX.0.244bn representing 27% was received. The district had 72 retired staff that had not accessed the pension payroll by the close of the year under review. I noted that the district land title for Block 1, plot 86 and 87 at Okutoi road was missing from the district land registry. My special audit on the lack of value for money for Agricultural extension services revealed the funds to a tune of UGX 3,951,680 were mischarged. Works under UgIFT were ongoing however I noted incomplete structures and un-cleared surrounding environment. Under NUSAFA-3 UGX.1.921bn was used to support 67 beneficiary sub-groups out of which 3 subprojects had incomplete works.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Field inspection revealed that Were-Asumuk road had excess expenditure of UGX.96,830,800, and no road signage. Sections of some of the other roads inspected were poorly maintained with overgrown grass, water logging, lack of off shoots and low cost sealing on projects. I noted a recovery rate of only 24.75% of the funds disbursed in FY 2015/2016 under the NUSAf project. In some of the cases reviewed, no recoveries had been done, in some cases, while in others no projects were started. Under UWEP, projects funds meant for F/Y 2017/2018, were released to the district in the third quarter of the F/Y 2018/2019 resulting into delayed implementation of the projects. I further noted that groups repaid only 9.33% of the total of disbursement in the FYs 2016/17 to 2017/18. Besides two women groups received project funds. Under water for production the district received UGX.0.332bn for water sector activities; however I noted non-functional water sources.
11	<p>Ngora DLG</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 0.724Bn representing 4% under release. Further, the entity remained with unspent balance of UGX.0.155Bn representing an absorption level of 99%. Out of the five projects inspected (UgIFT, URF, NUSAf 3, YLP and UWEP programme) (2) were fully achieved while (3) were partially implemented. Under NUSAf-3 UGX.0.812bn was used to support 27 beneficiary sub-groups. I noted that UGX.0.518bn had not been withdrawn from the bank accounts by the time of audit. Under URF field inspection revealed sections of some roads were poorly maintained with silted culverts and lacking headwalls. Under YLP, I noted a recovery rate of only 9% of the funds disbursed in FY 2015/2016 to 2018/2019. Under UWEP, projects funds worth UGX.0.293 for 26 women groups meant for F/Y 2018/2019 was not received. Further, I noted that groups repaid only 14% of the total of disbursement in the FYs 2016/17 to 2017/18.
12	<p>Kumi MC</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 1.069Bn representing 15% under release. Further, the entity remained with unspent balance of UGX.0.288Bn representing an absorption level of 95%. Out of the three projects inspected (URF, YLP and UWEP programme) (2) were fully achieved while (1) was not implemented. Entity failed to remit deductions worth UGX.14,790,532m to respective banks as loans and UNATU subscriptions. Under URF field inspection revealed excess expenditures, some road sections were poorly maintained with overgrown bushes, water logged spots and potholes and blocked road drainages. I noted a recovery rate of only 33% of the funds disbursed in FY 2016/2017 to 2017/2018. Under UWEP, I noted that groups repaid only 77.4% of the total of disbursement in the FYs 2016/17.
13	<p>Soroti MC</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX. 9.99Bn representing 47%. Further, the entity had overspent balance of UGX.1.645Bn representing an absorption level of 115%. Out of the four projects inspected (USMID, URF, YLP and UWEP programme) (1) were fully achieved while (3) were partially implemented. Works under USMID, the entity received zero funding for the year under review due to failure to meet the assessment criteria. Under URF field inspection revealed excess expenditures, some roads sections lacked drainages hence prone to damage by running water, potholes, some roads were poorly maintained with overgrown bushes, lack of road signposts and low cost sealing. Under YLP, I noted a recovery rate of only 21.3% of the funds disbursed in FY 2015/2016 to 2018/2019.

SN	LOCAL GOVERNMENTS	SUMMARY OF KEY FINDINGS
		<ul style="list-style-type: none"> Under UWEP, I noted that funds disbursed to 22 groups, only 21.7% of the total of disbursement in the FYs 2016/17 to 2018/19 has been recovered. I noted insufficient equipment's / facilities in garbage collection and disposals.
14	<p>Soroti RRH</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.33m representing 0.4% under release. Further, the entity remained with unspent balance of UGX.0.279Bn representing an absorption level of 97%. Entity received off budget financing of UGX.0.352bn from which UGX.0.218bn was utilized. I noted anomalies in the management of NTR by the entity for examples there were no receipts issues in some cases. Entity deducted PAYE worth UGX.0.891bn and only UGX.0.882bn was remitted to URA. Inspection of Soroti Regional referral hospital revealed that the hospital structure require a face-lift. Soroti Regional referral hospital had challenges of understaffing (23%) and drug stock outs.
15	<p>Otuke DLG</p> <p>Opinion Unqualified</p>	<ul style="list-style-type: none"> There was a shortfall in releases amounting to UGX.0.270Bn representing 1.74% under release. Out of the five projects inspected (UgIFT, URF, NUSAf 3, YLP and UWEP programme) (3) were fully achieved while (2) were partially implemented. Out of the budgeted donor funding of UGX0.529bn only UGX0.182bn representing 34.4% was received. Entity failed to pay pension to respective pensioners worth UGX0.235bn in the year under review Entity had 12 pending and on-going court cases, some dating as far back as 2012. None was disposed in the year under review. Works under UgIFT that were ongoing with one of the structures at roofing and plastering level were deserted. Under NUSAf-3 UGX0.960bn was used to support 35 beneficiary sub-groups. I noted that UGX.0.280bn had not been withdrawn from the bank accounts, which negatively affects project implementation. I also noted poor management and incomplete works on CARs. Under URF field inspection revealed sections of some roads were poorly maintained with overgrown grass, silted culverts, lack of off-shoots, water logged sections and poor compaction of murram. Under YLP, I noted a recovery rate of only 25.46% of the funds disbursed in FY 2014/2015 to 2015/2016. I noted a delay of 82 days in disbursement of YLP funds from districts to beneficiaries. Under UWEP, I noted that groups repaid only 50% of the total of disbursement in the FYs 2015/16 to 2016/2017. Besides two youth groups received project funds but one group disintegrated Inspection of Anyalima P/S revealed incomplete and abandoned site works despite contract expiry and the payment of VAT refunds to non-registered VAT contractor.

ANNEXURE IV: 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 2019

Table of Contents

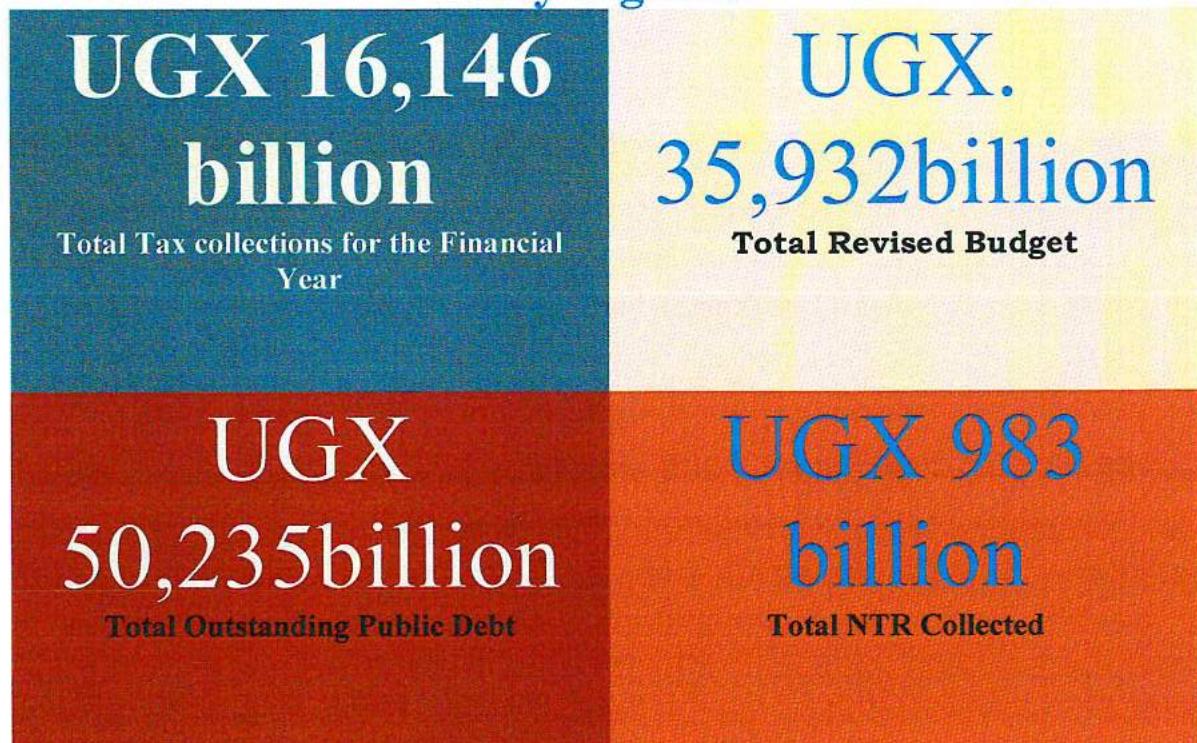
List of Acronyms	2
Facts and Figures	3
Statement of Responsibilities.....	4
Statement from the Hon. Minister of Finance, Planning and Economic Development.....	5
Statement from the Secretary to the Treasury.....	12
Statement from the Accountant General.....	15
Consolidated Statement of Financial Performance.....	24
The Consolidated Statement of Financial Position.....	25
Consolidated Statement of Changes in Equity.....	26
Consolidated Cash Flow Statement [Direct Method]	27
Statement of Outstanding Public Debt.....	29
Statement of Outstanding Advances and Loans issued by Government	30
Statement of Investments held by the Government	31
Consolidated Summary Statement of Appropriation.....	32
Consolidated Summary Statement of Contingent Liabilities.....	33
Consolidated Statement of Outstanding Commitments	34
Summary Statement of losses of public moneys and stores written off, and claims abandoned	35
Summary Statement of losses of public moneys and stores reported	36
Consolidated Statement of Arrears of Revenues	37
Statement of stores and other assets (physical assets) purchased	38
Notes to the Financial Statements.....	39
Other Schedules to the Financial Statements.....	56

List of Acronyms

AIMS	Academic Information Management System
CFS	Consolidated Financial Statements
EGP	Electronic Government Procurement
EITI	Extractive Industries Transparency Initiative
FEED	Front End Engineering Design
FID	Final Investment Decision
FY	Financial Year
IFMS	Integrated Financial Management System
NDP	National Development Plan
NTR	Non Tax Revenue
PBS	Program Budgeting System
PFMA	Public Finance Management Act
PUSATI	Public Universities and Tertiary Institutions
RAP	Resettlement Action Plan
TSA	Treasury Single Account
TSC	Treasury Service Centre
UCF	Uganda Consolidated Fund
UGX	Uganda Shillings
UNRA	Uganda National Roads Authority
URA	Uganda Revenue Authority

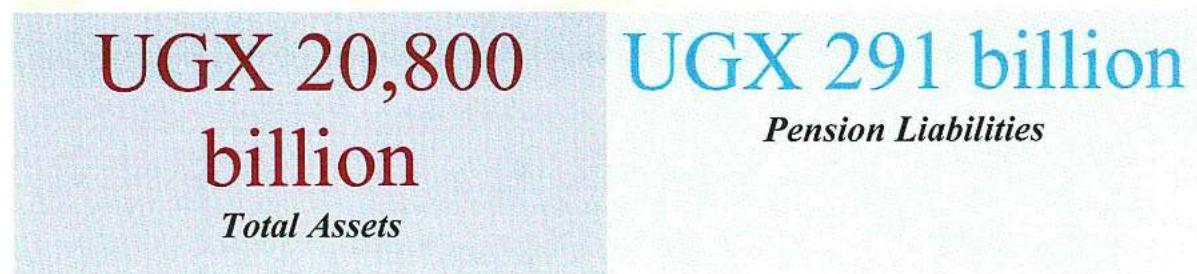
Facts and Figures

Consolidated Financial Statements 2018/19 Key Figures



UGX 200 billion

Amount transferred from the Petroleum Fund to the UCF



Statement of Responsibilities

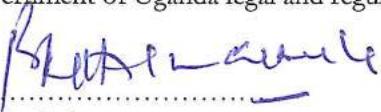
The Consolidated Financial Statements for financial year ending 30th June 2019 as set out on pages 24 to 90 have been prepared by the Accountant General in accordance with Section 52(1) of the Public Finance Management Act (PFMA), 2015 as amended [the Act] and the Public Finance Management Regulations 2016.

The Minister of Finance, Planning and Economic Development heads the Treasury as stipulated in Section 10(2) of the Act. The Minister is mandated with the responsibility of supervision and control of all matters relating to the financial affairs of Government, including the management of the Consolidated Fund.

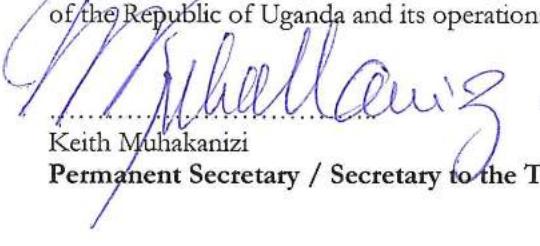
Section 11 of the Act requires the Secretary to the Treasury to advise the Minister on economic, budgetary and financial matters of Government. The Secretary to the Treasury is also responsible for setting standards for public finance management systems and monitoring of the systems' performance. This function includes the management of the Consolidated Fund and any other fund as may be assigned by the Minister.

Section 46 of the Act entrusts the Accountant General with the responsibility for compilation and consolidation of the accounts of votes, custody and safety of public moneys and resources of Government, custody of all Government certificates of titles for investment, and the maintenance of a register of government investments. The Accountant General is also responsible for ensuring that a system of accounting is established to promptly receive and account for all government monies and other assets.

I confirm that the Consolidated Financial Statements for the financial year ended 30th June 2019 have been prepared in accordance with Generally Accepted Accounting Principles and aligned to the Government of Uganda legal and regulatory framework that governs public finances.


.....
L. Semakula
Accountant General

I confirm that the Consolidated Financial Statements for the financial year ended 30th June 2019 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.


.....
Keith Muhakanizi
Permanent Secretary / Secretary to the Treasury

I confirm that the Consolidated Financial Statements for the financial year ended 30th June 2019 and the financial information contained therein have been prepared in accordance with the Public Finance Management Act 2015.


.....
Hon. Matia Kasaija (MP)
Minister of 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 2018/2019 present the extent to which Government has adhered to budget objectives through compliance with 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 Vision 2040. Government focus was on consolidation of gains made towards attainment of middle income status.

The economic growth strategy for the Financial Year 2018/2019 sought to achieve *Industrialisation for job creation and shared prosperity* and hinged on the following key result areas;

- (i) Commercialisation of Agriculture.
- (ii) Industrialisation and Productivity enhancement and
- (iii) Financing private sector Investment

Key performance highlights for the Financial Year 2018/2019 are summarized below;

(i) Revenue Collection

URA collected net revenue of UGX 16,907 billion compared to UGX 14,614 billion the previous financial year registering an increase of 10%. The increase in revenue collections was mainly due to measures undertaken to influence taxpayers' compliance behaviour, support to revenue generation and widening the tax base.

These included tax payer segmentation, tax register expansion initiatives, block management system, enhanced audits, revenue arrears management, tax compliance investigations and customs enforcement.

(ii) Road Reconstruction/Rehabilitation

With respect to road infrastructure development, the Uganda National Roads Authority (UNRA) rehabilitated 372Km of six (6) national road projects, which had reached their service life. The Projects included Nakalama-Tirinyi (102Km), Nansana-Busunju (18Km), Fortportal – Kyenjenjo (50Km), Hima Katunguru (60Km), Ishaasha-Katunguru (58Km) and Fortportal -Hima (55Km). Rehabilitation of Nansana-Busunju Section 2 (18km) was substantially concluded.

(iii) Bridge Development

During the Financial year, Five (5) Bridges were substantially completed and these are Source of the Nile Bridge on Kampala-Jinja Highway, Nalakasi on Nalakasi-Arimoi-Kaabong Road, Lopei on Moroto – Kotido road, Kaabong on Kaabong-Kotido Road and Ruzairwe Bridge on Kibaale-Kyebando-Pacwa road.

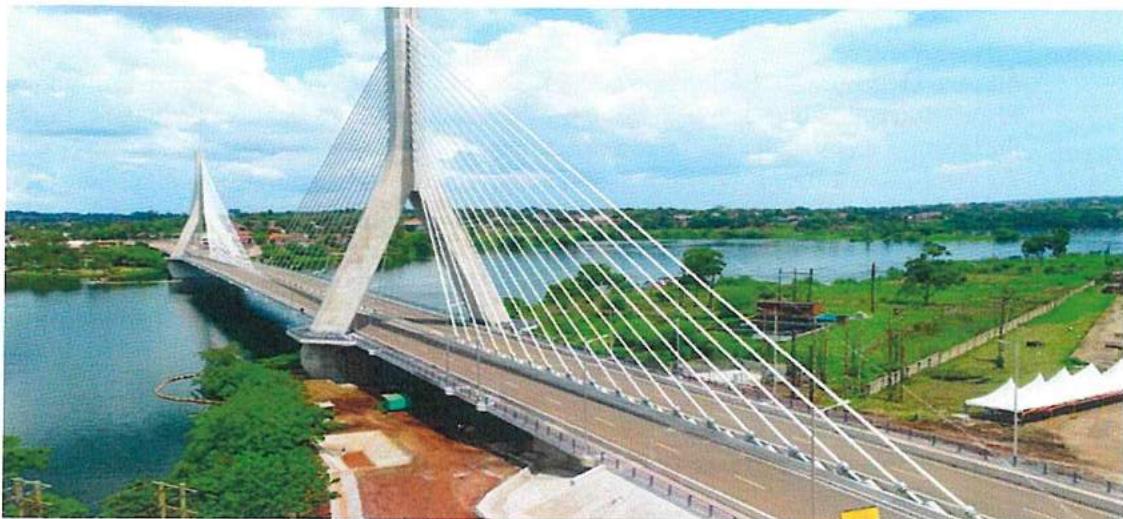


Figure 1: Source of the Nile Bridge, Jinja



Figure 2 : Nalakasi Bridge in Karamoja Sub Region

(iv) Energy

In the Energy Sector, Government continued investment in various projects to boost power generation. Total installed capacity now stands at 1,200MW with the completion of several hydropower generation projects including Isimba Hydropower dam. Below are some of the key projects being undertaken.

- a) **Development of Karuma Hydropower Project (600MW):** The physical progress for Karuma hydropower plant as at 30th June, 2019 was 94.9% compared to 78.27% as at 30th June 2018 with the net financial performance standing at 89.4% (58.7% for the previous financial year. The Resettlement Action Plan (RAP) stands at 95% with residue cases in court, physical resettlement and the pending reservoir land acquisition. The overall construction of the substations and the Karuma interconnection transmission lines is currently at 65% compared to 38% of the previous financial year.

- b) **Isimba Hydropower Project (182 MW):** The physical progress for Isimba Hydropower Plant(HPP) and associated transmission line as at 30th June 2019 was 99.9% compared to 85% the previous year with the net financial performance standing at 89.6% (63.4% in 2017/2018) for component 1 (Dam and transmission lines). The dam was commissioned in March 2019 and 183 MW added to the national grid. In April 2019, government issued a handover certificate to the contractor and the plant is operated by UEGCL. The remaining civil works include landscaping and completion of the access road from the main gate to the LED. To date, the RAP for Isimba is at 93.6% for the Dam site and reservoir and 93% for the transmission line. For component 2 on construction of the bridge, The contractor is finalizing designs of the bridge and work will commence in the FY 2019/20.

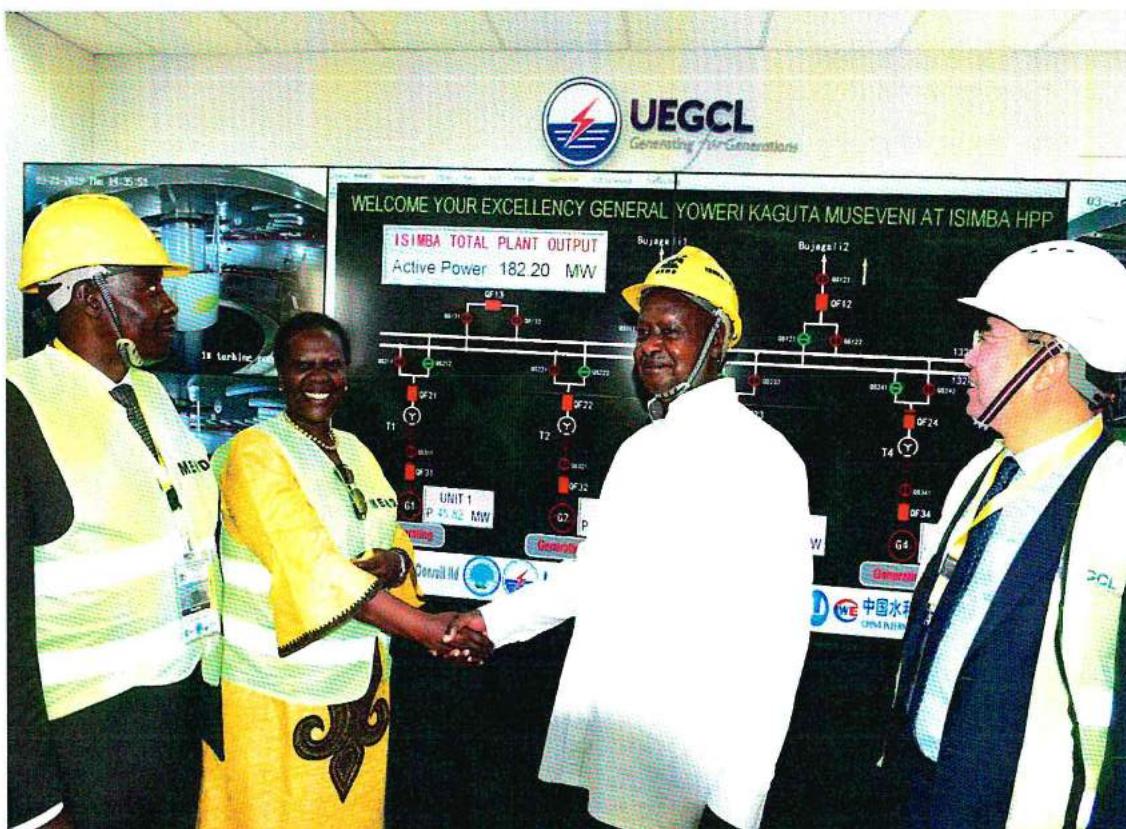


Figure 3 : H.E the President of the Republic of Uganda at the commissioning ceremony of the 182 MW Isimba Hydro Power Project in Kayunga District.



Figure 4 : H.E the President of the Republic of Uganda, Hon Minister of Finance, Planning and Economic Development and Hon Minister of Energy and Mineral Development at the commissioning ceremony of the 182MW Isimba Hydro Power Project in Kayunga District

(v) Oil, and Gas

Government has undertaken a number of important steps towards facilitating oil production. These are enumerated below;

Transparency, Accountability and Good Governance

To ensure that the proceeds and benefits accruing from the exploitation of Uganda's Oil and Gas resources are well utilized and invested, a Petroleum Revenue Investment Advisory Committee was appointed during the year. The committee will give guidance to ensure that financial reserves from Petroleum Fund are transparently invested in accordance with Part VIII of the Public Finance Management Act 2015. In addition, Uganda was accessed the Extractive Industries Transparency Initiative (EITI), a global standard that ensures good governance of oil, gas and mineral resources. This will ensure transparency in management of all proceeds from oil, gas and other mineral resources in the extractive sector.

Refinery development

The lead investor for the oil Refinery commenced Front End Engineering Design (FEED) that will inform the Final Investment Decision (FID). 29.57 Sq. Km land for the Kabaale Industrial Park (KIP) was also acquired. Over 99.3% of property owners that opted for cash compensation have been compensated to-date. Of the 4,300 projected affected households, 72 households opted for relocation with 46 of them entitled to housing. 533 acres of land in Kyakaboga was acquired?46 houses, 2 new schools (Nyahaira and Kyapoloni Primary Schools) and two health centers were constructed.. Currently, the churches and the police post are under construction and the remaining infrastructure to be constructed are a community center and market. Drilling of boreholes to supply water to the Kyakaboga village is also on going.

Pipelines Development

(i) EACOP

The Front End Engineering Design (FEED) for the East African Crude Oil Pipeline (EACOP) was completed and the Final investment Decision (FID) is due to be taken after negotiations of project agreements. The RAP study for the priority areas in Mubende, Sembabule and Kyotera was concluded and valuation reports have now been submitted to the Chief Government Valuer. Additionally, the RAP study along the 296km line is currently ongoing with valuation of property complete. Negotiations of the Host Government Agreement (HGA) between the Government and Project Sponsors are currently ongoing.

(ii) Refined Products Pipeline

Acquisition of the right of way for the products pipeline from Kabaale, Hoima district to Namwabula, Mpigi is underway. A detailed routing survey and Environmental Baseline study were completed. The RAP is also ongoing with cadastral survey and valuation completed. Total funding required for the compensation/relocation of affected persons is estimated at UGX 100bn.

The demarcation of boundaries for utility land (Roads, Railway, UETCL, etc.) was completed in Jan 2019.

2nd Licensing Round

The second licensing round was also launched during the East African Petroleum Conference and Exhibition (EAPCE) held in Mombasa in May 2019. Five blocks are available for bidding and these include Avivi (1026 Sq.Km), Omuka (750 Sq. Km), Karusuban (1285 Sq. Km), Turaco (635 Sq.Km) and Ngaji (1230 Sq.Km). The licensing round has three principle stages namely; Pre-Qualification, Bidding and Negotiation. It is expected to be completed in December 2020 with grant of exploration licenses to successful companies after negotiation of Production Sharing Agreements.

(vi) Education

Government has registered improvements in access to education through the provision of universal primary and post primary education. By 30th June, 92% of all parishes and 71% of all sub-counties were having a Government aided primary and secondary school respectively. All major regions of the country now have a public university. Consequently, the literacy rate of persons aged 10 years and above currently stands at 74%.

(vii) Health

Government has registered continued improvement in the health sector notably in disease prevention and treatment, provision of essential medical supplies and development of critical health infrastructure. For instance, malaria prevalence among children under five years has reduced significantly from 30% to 17% in 2018/2019, majorly as a result of the distribution of 26.5million long lasting insecticide treated mosquito nets and residual spraying undertaken in 26 districts in east and northern regions.

In terms of health infrastructure, the construction of 320 bed Specialized Women and Neonatal Hospital at Mulago was completed and commissioned during the year. This facility offers first class services to women and newborns. The construction, expansion, rehabilitation and equipping of Mulago National Referral Hospital and its transition into a super- specialized facility is at 97% completion and will be commissioned in Financial Year 2019/20. This is in addition to other facilities that are also being rehabilitated in Entebbe, Kawolo and Busolwe.

(viii) Agriculture

During the Financial year, the Agriculture sector maintained its recovery sustaining a 3.8% growth rate compared to 3.2% the previous financial year. This is mainly due to increased provision of extension services and control of pests and diseases leading to a bumper harvest in crops such as maize, beans, vegetables and sim sim. The increase in enforcement of fishing activity also resulted in improved fish captures compared to the previous years. Despite the recovery however, the growth is still sub-optimal given the abundance of the natural resources the country has.

(ix) Uganda National Airline

During the Financial year ended 30 June 2019, the Government operationalized the revival of the National Airline. Two CRJ 900 Aircraft were delivered in April 2019 with additional two expected to be delivered in 2019/2020 financial year. The Airline started the Airline Operator Certification (AOC) process immediately after receipt of the first CRJs. Commercial operations will commence with regional operations that will expand to international route network in Europe and Asia after delivery of the Airbus Aircraft to operate long haul routes.



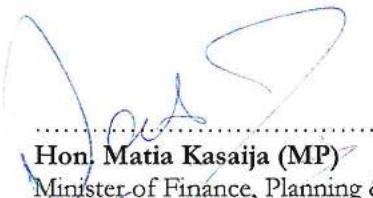
Figure 5: His Excellency the President, the First Lady and the Minister of Works officially receiving the first set of the CRJ900 at Entebbe International Airport

The economic growth strategy for the proceeding financial year will mainly consolidate interventions made towards the attainment of shared prosperity. The focus will be on expanding the industrial base

ACCOUNTANT GENERAL'S OFFICE
GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

of the economy, exploiting natural resource endowments with environmental protection in mind, and providing affordable financing for production and business.

The Ministry acknowledges all taxpayers and the development partners for financing the 2018/2019 appropriated budget as presented in these Consolidated Financial Statements.



Hon. Matia Kasaija (MP)
Minister of Finance, Planning & Economic Development

Statement from the Secretary to the Treasury

Mandate

The financial statements for the Financial Year ended 30 June 2019 have been prepared in accordance with the provisions of the Public Finance Management Act, 2015 as amended and the Public Finance Management Regulations 2016. These financial statements have been prepared using the modified cash basis of accounting, and the accounting policies are detailed on pages 39-44 of this report. The modified cash basis of accounting has been consistently applied over the years in preparing Government's 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. The current and future obligations are reflected in the Consolidated Statements of financial performance, financial position and cash flow.

Public Finance Management systems

During the financial year 2018/19, Government continued to improve transparency and accountability for public resources by rolling out and deepening of public finance management systems and the implementation of other reforms. Below is a highlight of the progress registered on these reforms and systems;

(i) IFMS Roll out

The Integrated Financial Management System (IFMS) was introduced to improve on the efficiency, accountability and transparency of Government resources. The quality and timeliness of government financial statements has greatly improved as a result of increased automation through IFMS. The IFMS facilitates regular and timely bank account reconciliations and financial reporting resulting in improved quality of reporting. Automation has also enhanced commitment control during budget execution and enhanced compliance with the PFMA 2015 as amended and related regulations and instructions. During the Financial year, the IFMS was further rolled out to 59 Local Government entities and 24 Donor Finance Projects (DFPs), four entities in Central Government (UIA, PAU, UNOC and Soroti University).

Under the Ms Navision for the Missions abroad, the Ministry upgraded further six (6) missions bringing the total number to 10 missions. The six Missions upgraded during the year were Uganda Consulate in Mombasa, Uganda High Commissions in Nairobi and Kigali and The Permanent Mission of Uganda to the UN, New York, and Embassies of Uganda in Moscow and Doha. Further nine (9) missions will be upgraded in the first half of FY 2019/2020. The upgraded version will be rolled out to the remaining 17 missions within the coming 2 years.

(ii) Academic Information Management System(AIMS)

During the Financial Year, the Academic Information Management System (AIMS) was integrated with the mobile money platform to ease payment of school fees and student registration was completed in all Public Universities and Tertiary Institutions (PUSATI's). Extensive trainings and change management programs were also conducted in all PUSATIs to improve system acceptance and usability.

Below is the status of Automation of Government entities

Category	Total Number of Votes	Votes on IFMS	% Coverage
Ministries	23	23	100
Agencies	58	57	98
Missions Abroad	36	35	97
PUSATIS	12	12	100
Referral Hospitals	16	16	100
Districts	127	86	68
Municipals	41	41	100
TOTAL	313	270	86

Table 1: Status of IFMS Coverage as at June 30, 2019

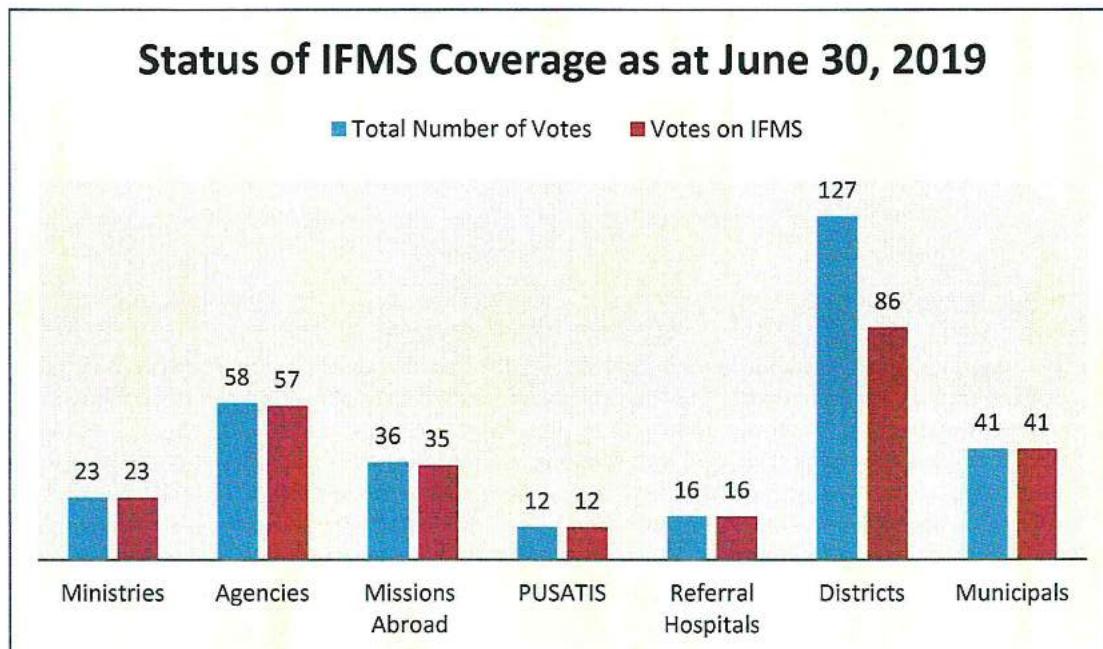


Figure 6: Status of IFMS Coverage as at June 30, 2019

(iii) Operationalization of the Treasury Service Center

In order to take services nearer to the users, Treasury Service Centers were established in various regions across the country in Mbarara, Mbale, Gulu, Arua, Masaka, Jinja and Soroti while setup is on-going in Hoima and Moroto. The Treasury Service Centre at Headquarters was also refurbished to support system users in the central region. A TSC mobile Application was also developed to provide convenience in seeking support from Treasury.

(iv) Implementation of E- Procurement in 10 MALGs

As part of the reforms to make the public procurement system more efficient and accountable, government is in final preparations to have public procurement online through the implementation of the Electronic Government Procurement (EGP) system. EGP system is a web-based system that automates the full procurement lifecycle and maintains an audit trail of all procurement activities.

(v) Program Based Budgeting

The Program Based Budgeting (PBB) through Program Based System (PBS) is operational for all Ministries, Agencies, Departments, Missions Abroad and Local Governments. This has not only minimized delays in reporting but has eliminated manual consolidation of budget and budget execution reports. PBS is interfaced with most Government automated systems. The immediate focus is capacity building to support all systems' users and system improvements to ensure interface with all other automated information systems. The PBS medium term outlook will focus on finalization of the reporting module for Public Corporations and State Enterprises and finally the full alignment of the Budget with the NDP III when completed.

(vi) E-Cash Payments system

Management of cash transactions in Government entities had for a long time been a challenge. This was largely because cash transactions are susceptible to control risks such as lack of accountability, misuse of funds, possible loss through theft and incorrect recording. As a measure to mitigate some of the risks highlighted above and to further enhance transparency and accountability, government adopted a more innovative and secure solution called E-cash.

The introduction of the E-cash platform was to enable MALGs to efficiently and transparently manage their cash transactions whilst minimizing risks.

The system that was piloted in FY 17/18, now has 136 entities that are fully set up on the platform. The system is expected to be rolled out to the remaining entities in the financial year 2019/2020.

Government continues to pursue reforms geared towards improvement of efficiency and effectiveness in public financial management in order to achieve economic transformation and value for money service delivery.

The Treasury appreciates all Accounting Officers who submitted their financial and other reports on a timely basis to facilitate the Consolidation of these Financial Statements.



Keith Muhakanizi
Permanent Secretary / Secretary to the Treasury

Statement from the Accountant General

Introduction

These consolidated financial statements (CFS) provide a record of the Government's financial performance, consolidated cash flows, and consolidated financial position for the financial year ended June 30th 2019. The CFS provide a summary of the Central Government's financial resources and their application in line with the financial year 2018/2019 appropriation for the benefit of the people of the Republic of Uganda.

Scope

This CFS presents the transactions of central government that include; Ministries, Agencies, Referral Hospitals, Public Universities and Self Accounting Tertiary Institutions (PUSATIs) and Missions abroad. Local Governments have been included only to the extent of central government transfers to support their operations. In line with Section 52(1) of the PFMA 2015 as amended, separate financial statements have been prepared for the Local Government, Petroleum Fund, Contingencies Fund and a consolidated summary statement of financial performance of public corporations, state enterprises and companies where Government has a controlling interest.

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 cash 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 2019 is presented below in respect to Revenue, Expenditure, Assets and liabilities.

Revenue Performance

Revenue comprises receipts from taxes, non-tax revenue, grants in form of external assistance and transfers received from the Petroleum Fund. 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)	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Taxes	7,231	8,094	9,879	11,036	12,516	14,063	16,146
NTR	386	464	320	611	910	1,157	983
External Grants	241	474	566	539	505	1,015	720
HIPC							7
Total	7,858	9,032	10,765	12,186	13,931	16,235	17,856
% Movement		15%	19%	13%	14%	17%	10%

An analysis of revenue trend over the past seven years is illustrated below:

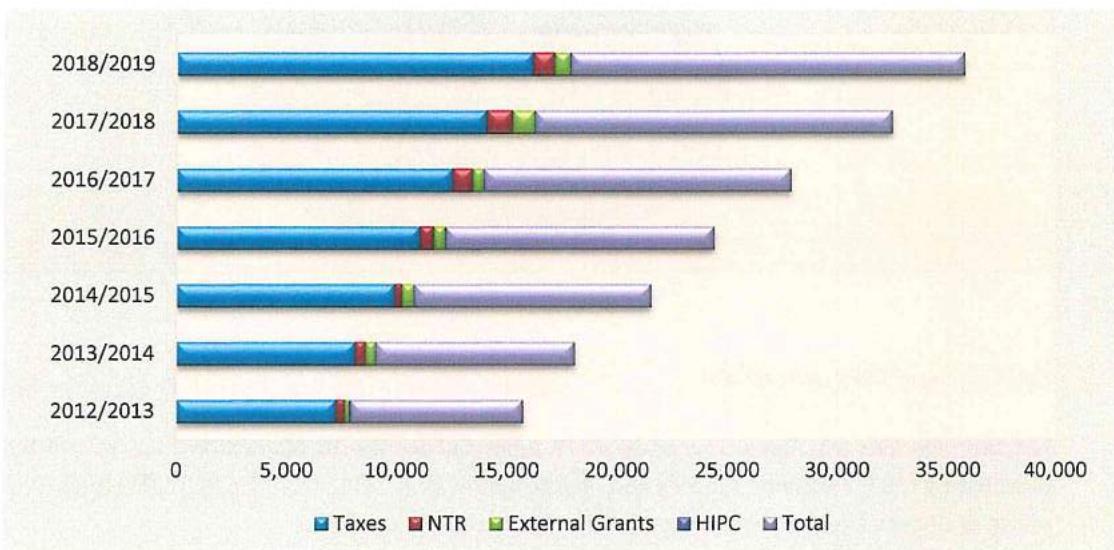


Figure 1: Revenue Trend for the Last Seven Years

Total revenue for financial year 2018/19 amounted to UGX 17,856 billion as compared to UGX 16,234 billion in the FY 2017/18 representing a 10% 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 irrespective of the decline in the financial year under review.

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. Key among the reforms was the transfer of revenue collections from the votes to URA which reduced collection inefficiencies.

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 UGX 17,856

billion representing a growth of 127% in absolute terms from Shs. 7,858 billion collected in the financial year 2012/2013.

The composition of Government revenues for the financial year under review is as illustrated below:

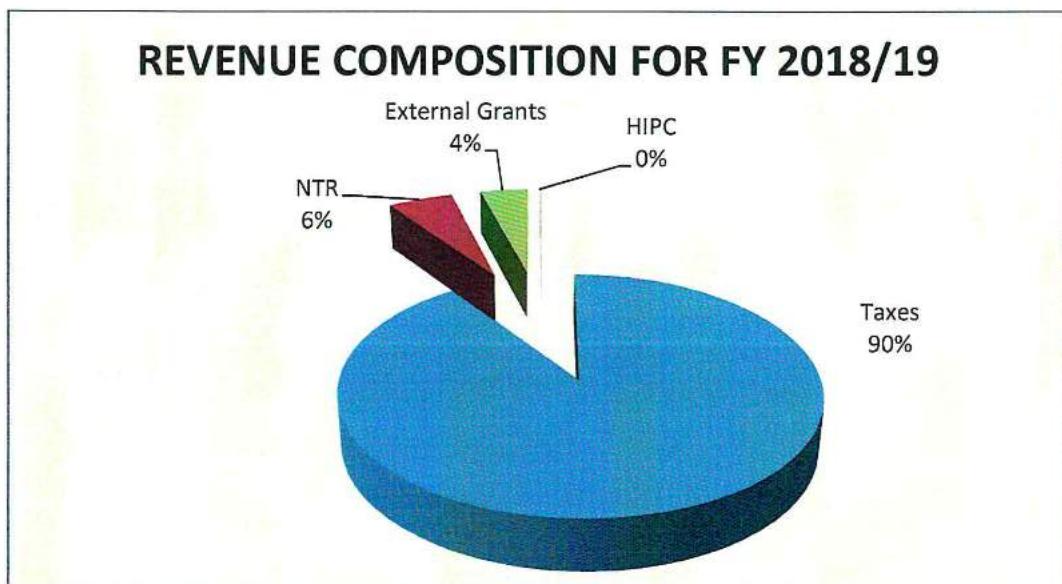


Figure 2: Revenue Composition for 2018

Net tax revenues for financial year 2018/19 increased to Shs 16,146 billion (Shs 16,109 billion collected by URA excluding refunds and 36,342 billion by KCCA) from UGX 14,063 billion of the previous financial year representing growth of 15% in absolute terms.

During the year, external assistance from the development partners reduced by 29% from UGX 1,015 billion reported in the FY 2017/2018 to UGX 720 billion. Non Tax Revenue Collection reduced by 15% from UGX 1,157 billion in FY 2017/18 to UGX 983 billion. 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 2018/19 increased by UGX 1,965 billion (10%) to UGX 20,298 billion from UGX 18,333 billion registered in financial year 2017/18. The operating expenditure excludes the financing costs and foreign exchange gains that in total amount to 5.8% of the total expenditures.

The expenditure on physical infrastructure increased to UGX 3,236 billion from UGX 2,171 billion reported in the previous financial year, registering an increase of 49%. Infrastructure expenditure at 16% constitutes a significant percentage of the total annual expenditure in the consolidated financial

statements. 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 (36%) which include transfers to Local governments, subventions, projects and contributions to international organizations. The other major expenditure categories include goods and services consumed (21%), employee costs (14%) and finance costs (11%) as illustrated in Figure 3 below.

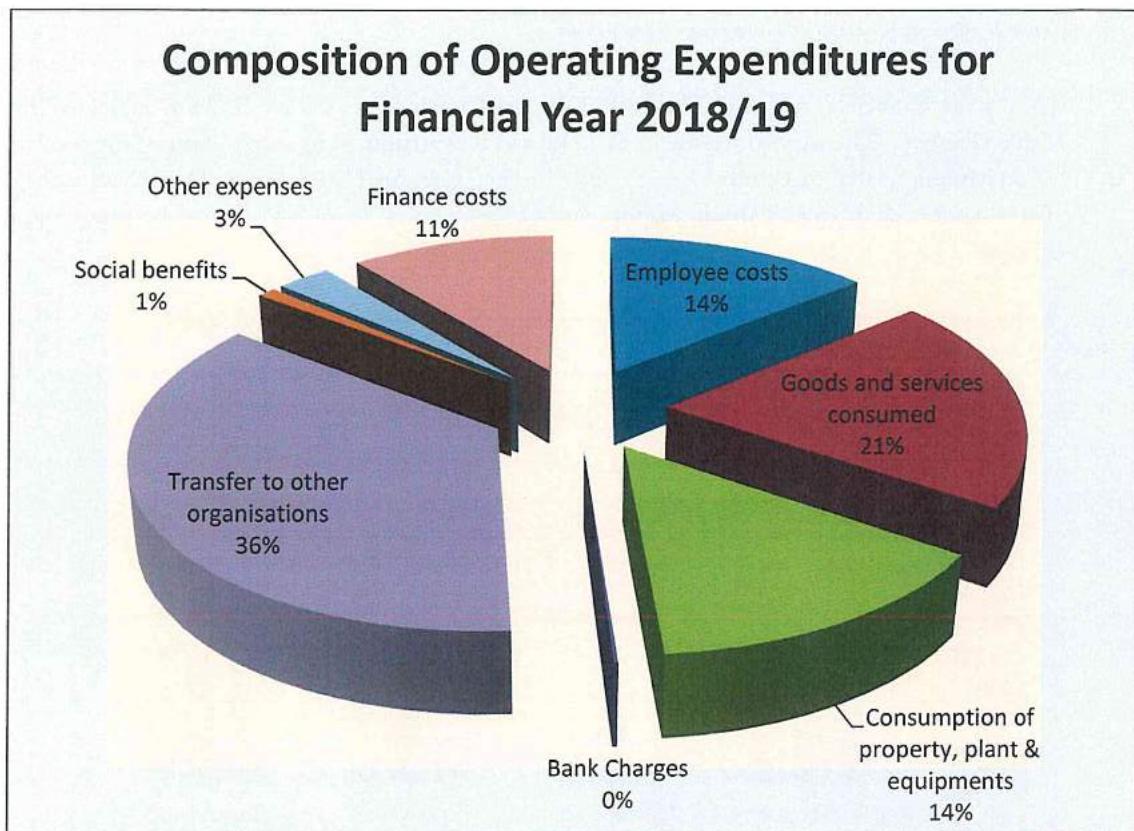


Figure 3: Expenditure Composition

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	2016/17 Shs (million)	2017/18 Shs (million)	2018/19 Shs (million)
Non Produced Assets	1,722,715	2,466,744	3,139,010
Cash and cash equivalents	1,369,666	1,815,159	1,561,617
Receivables	1,419,763	5,468,436	7,486,886
Investments	6,679,208	7,184,890	8,612,104
Total	11,191,352	16,935,229	20,799,617

Table II: Showing the trend of Assets over the last 3 years

During the financial year ended 30th June, 2019, total assets increased by 22.8% as indicated in Table II above. The major increase in the total assets is attributed to recognition of the receivable of on lending related to Isimba Hydro Power Project, Karuma Hydro Power Dam, National Transmission Backbone, Kabaale Airport, and Upgrade and Expansion of Entebbe International Airport.

A three year analysis of the composition of government assets is illustrated below:

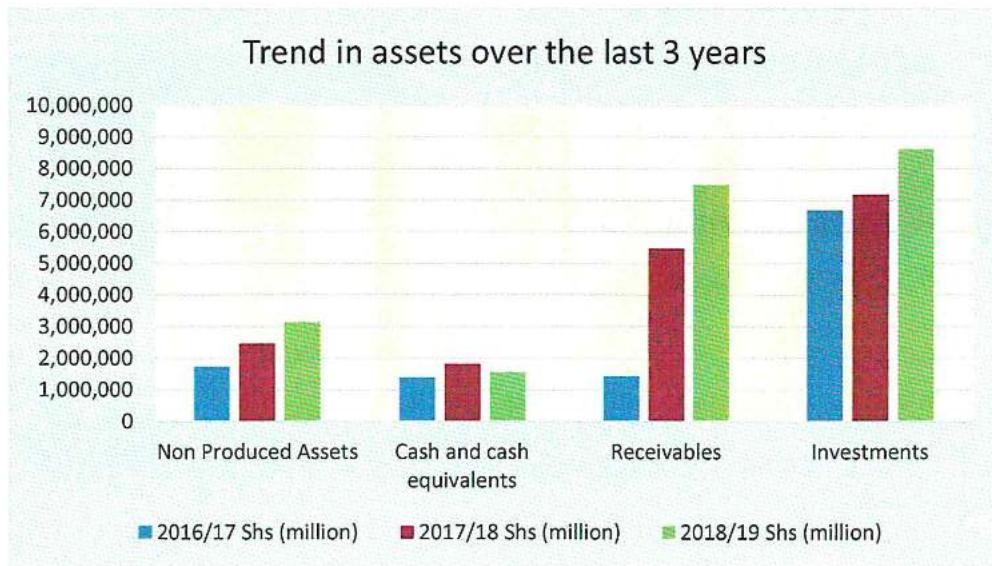


Figure 4: Asset Trend over the last 3 years

Total liabilities

During the financial year, the total liabilities excluding deposits received increased by UGX 5,451 billion from UGX 44,583 billion to UGX 50,034 billion (12% growth). The rise is largely attributed to the increase in both domestic and external borrowings.

Table III: Movement in Liabilities over the past 3 years;

Liabilities (Shs)	2016/2017	2017/2018	2018/2019
Borrowings	33,719,220,674,491	41,446,114,972,391	46,407,788,326,917
Payables	2,284,964,328,329	2,567,489,551,939	3,334,699,967,995
Deposits	83,228,627,225	92,503,183,108	200,188,130,884
Pension liabilities	623,472,077,638	569,607,591,939	291,867,515,128
Total liabilities	36,710,885,707,683	44,675,715,299,377	50,234,543,940,924
Percentage Movement		22%	12%

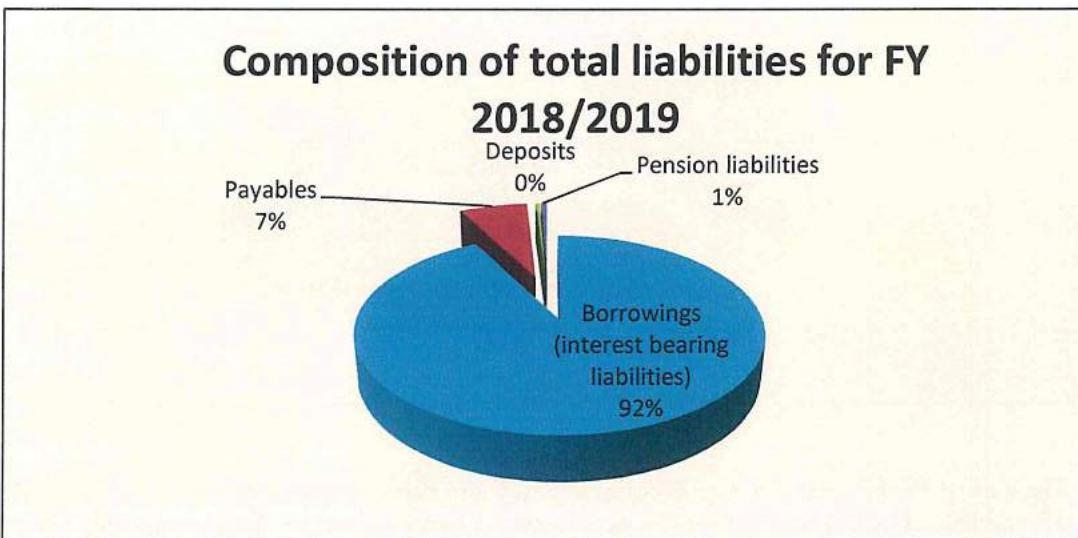


Figure 5: Composition of Liabilities

Borrowings

Borrowings comprise interest-bearing debt that is domestic securities; treasury bills and bonds and external loans from multilateral and bi-lateral creditors.

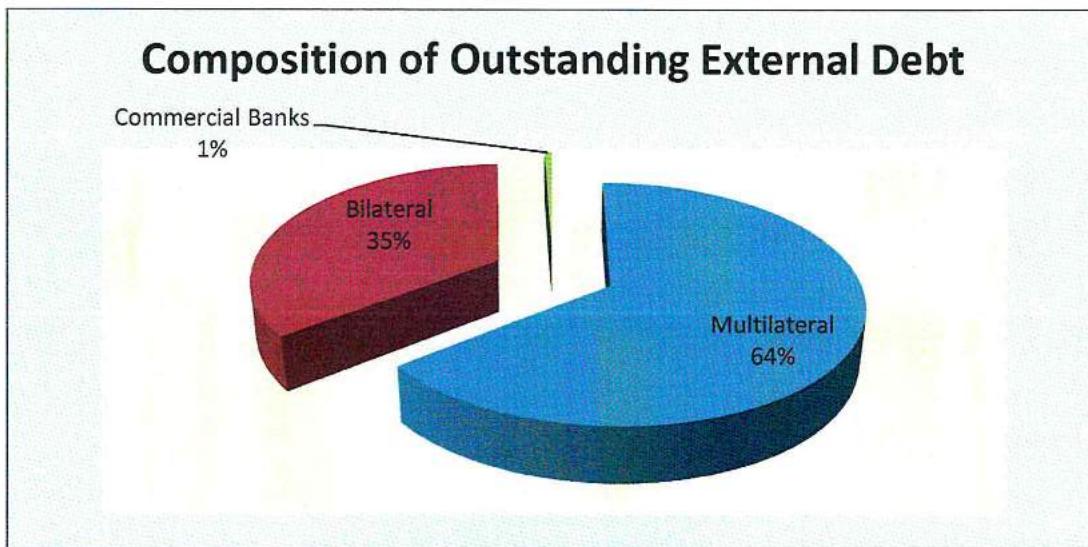
Analysis of the movement in Borrowings (Interest bearing Debt) over the past 3 years shows an increasing trend in both domestic and external debt but still remains within the debt sustainability threshold of 50% debt to GDP.

Table IV: Movement in Borrowings (Interest Bearing Debt) over the past 3 years

Borrowings Shs(millions)	2016/2017	2017/2018	2018/2019
Domestic borrowings	11,407,325	13,059,757	15,502,170
External borrowings	22,102,550	28,386,358	30,905,615
Total	33,509,875	41,446,115	46,407,785

Disbursed External Debt

Total stock of external debt Disbursed and Outstanding (DOD) increased by UGX 2,520 billion (9%) to UGX 30,906 billion as at 30th June, 2019 from UGX 28,386 billion for the previous financial year. The total outstanding external debt (DOD) is composed of 64% due to multilateral creditors, 35% to bilateral creditors and 1% due to commercial banks.



The bulk of the bilateral creditors is comprised of Exim Bank of China with 76%, JICA 7%, AFD 5% and JBIC, UKEF and others at 4% each. Other bilateral creditors (4%) are comprised of Austria, Belgium, Nigeria, Germany, Kuwait Fund, Saudi Fund and South Korea.

Multilateral outstanding debt is dominated by IDA at 61%, ADF at 25%, IFAD at 4%, IDB at 3%, EIB at 2% and others at 5%. Others include ADB, BADEA, NDF and the OPEC Fund.

Commercial bank Outstanding debt is majorly composed of Standard Chartered bank at 77%, AKA at 18% and Commerz Bank at 5%.

Undisbursed External Debt

As at 30th June 2019, the total committed but undisbursed external debt amounted to UGX 16,669 billion of which UGX 6,447 billion is from bilateral, UGX 146 billion from Commercial Banks and UGX 10,076 billion being from multi-lateral creditors. The total committed debt [including both outstanding and undisbursed] is therefore UGX 47,575 billion as illustrated in the table below.

	Disbursed UGX	Undisbursed UGX	Total UGX
Multilateral	19,883,409,562,115	10,075,611,056,939	29,959,020,619,054
Bilateral	10,847,514,653,442	6,447,272,428,794	17,294,787,082,236
Commercial Banks	174,690,654,335	146,079,184,479	320,769,838,814
Total	30,905,614,869,892	16,668,962,670,212	47,574,577,540,104

Figure 7: Total Disbursed and un-disbursed External Debt as at June 30, 2019

Domestic Debt

During the financial year, total issuances from Treasury bills and bonds at cost amounted to UGX 7,399 billion. This fully covered the redemptions of UGX 5,240 billion and contributed UGX 2,162 billion to net fiscal financing. This increased the stock of domestic debt from UGX 13,060 billion (June 30, 2018) to UGX 15,221 billion as at June 30, 2019.

The increase is constituted by treasury bonds amounting to UGX 1,980 billion (91.5%) and treasury bills worth UGX 183 billion (8.5%). This is aimed at achieving the target level of T-bills/T-bonds of 30/70.

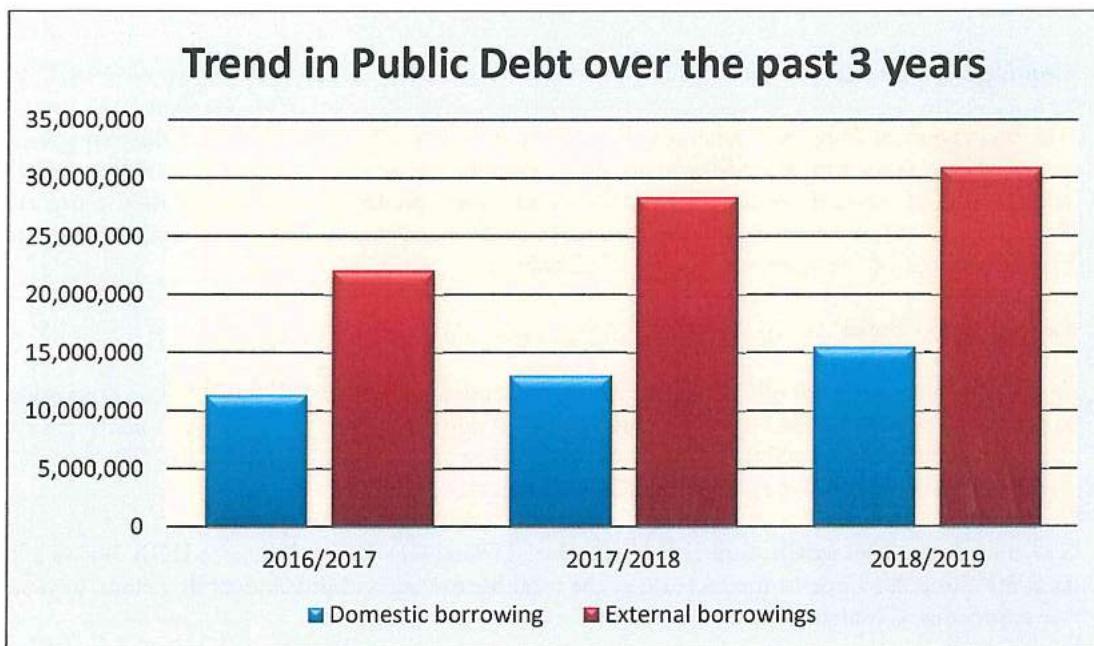


Figure 6: Public Debt over three years

Financing costs (interest and commitment fees) for the outstanding borrowings increased to UGX 2,472 billion from UGX 2,290 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 UGX 3,044 billion for the financial year ended 30 June 2019 (FY 2017/18: deficit of UGX 6,302 billion).

Contingent Liabilities

Contingent liabilities at the end of the financial year comprise of outstanding amounts guaranteed by the Government in respect of loans, public loan issues, and probable obligations resulting from outstanding litigation against Government. Over 88% of the Contingent liabilities disclosed in the memorandum in these financial statements arise from legal proceedings against Government.

Consolidated Statement of Changes in Equity

Petroleum Fund

The Petroleum Fund (Fund) is established by S56 of the Public Finance Management Act (PFMA), 2015 as amended that came into effect March 2015. The Fund serves as a depository for all revenues accruing to government from petroleum and related activities. Disbursements from the Fund are through appropriation to either the Consolidated Fund or to the Petroleum Revenue Investment Reserve Account. During the Financial year a total of 200billion was disbursed to the Consolidated Fund account to support the annual budget in line with the appropriation. Detailed financial statements of the PF are separately prepared and submitted to Parliament.

Contingencies Fund

The contingencies Fund was established in accordance with S26 of the PFMA 2015 to respond to natural disasters for which funds have not been provided for in other funds. The fund is replenished annually by an amount equivalent to 0.5% of the appropriated annual budget of the preceding financial year of Government. During the year, the CF was operationalized and funded with a total of 40billion out of the approved budget of 62 billion.

Consolidated Fund

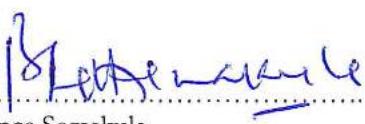
Included in the statement of Changes in Equity is an adjustment of UGX 2,074 billion consisting of adjustments or restatements by the various entities in regards to cash and cash equivalents, payables, pension liabilities, receivables, investments and borrowings. Details regarding the adjustments are contained in the respective entities financial statements.

The consolidated net worth (deficit) further reduced from UGX 27,740 billion to UGX 29,435 billion as at 30th June 2019 due to the increase in the total borrowing and public debt in general to finance the appropriated budget.

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 and African Union following its adoption of IPSAS, Government has embarked on the preparation of a roadmap to transit from the modified cash basis of accounting through the modified accrual to accrual basis of accounting in the long term.

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 2019 Shs.	30 June 2018 Shs.
Operating revenue			
Taxes	3	16,145,701,682,511	14,062,545,873,976
Non – Tax revenue	4	983,042,044,103	1,157,042,912,405
Grants Received	5	720,188,971,524	1,014,715,121,545
HIPC Relief	6	7,074,678,126	-
Total operating revenue		17,856,007,376,264	16,234,303,907,926
Operating expenses			
Employee costs	7	3,202,691,995,994	2,710,496,834,581
Goods and services consumed	8	4,667,627,637,682	3,767,061,054,094
Consumption of Property, Plant & Equipment	9	3,235,842,514,399	2,171,134,228,179
Bank Charges	10	37,587,512,880	114,472,399
Subsidies	11	-	-
Transfers to other Organizations	12	8,277,791,002,731	8,991,710,403,219
Social benefits	13	226,109,610,292	175,661,929,033
Other expenses	14	650,137,425,193	516,610,794,355
Transfer to the Petroleum Fund		-	-
Total operating expenses		20,297,787,699,171	18,332,789,715,860
Surplus / (Deficit) from operating activities		(2,441,780,322,907)	(2,098,485,807,934)
Foreign exchange loss (Gain)	15	(1,302,815,875,137)	2,039,325,478,083
Finance costs	16	2,472,546,518,034	2,289,020,479,900
Bad Debts expenses	17	-	-
Surplus / (Deficit) for the year		(3,611,510,965,804)	(6,426,831,765,917)

The Notes and schedules set out on pages 39 to 92 form an integral part of the financial statements.


 Lawrence Semakula
 Accountant General


 Keith Muhakanizi
 Permanent Secretary/Secretary to the Treasury

The Consolidated Statement of Financial Position

	Notes	30 June 2019 Shs.	30 June 2018 Shs.
ASSETS			
Non Produced Assets	18	3,139,099,928,807	2,466,743,612,449
Cash and cash equivalents	19	1,561,617,498,899	1,815,158,728,634
Receivables	20	7,486,885,656,296	5,468,436,291,713
Investments	21	8,612,104,153,293	7,184,890,454,345
Total assets		20,799,707,237,295	16,935,229,087,141
LIABILITIES			
Borrowings	22	46,407,788,326,917	41,446,114,972,391
Payables	23	3,334,699,967,995	2,567,489,551,939
Deposits	24	200,188,130,884	92,503,183,108
Pension liabilities	25	291,867,515,128	569,607,591,939
Total liabilities		50,234,543,940,924	44,675,715,299,377
Net liabilities		(29,434,836,703,629)	(27,740,486,212,236)
REPRESENTED BY:		(29,434,836,703,629)	(27,740,486,212,236)

The Notes and schedules set out on pages 39 to 92 form an integral part of the financial statements.



Lawrence Semakula
Accountant General



Keith Muhakanizi
Permanent Secretary/Secretary to the Treasury

Consolidated Statement of Changes in Equity

	Consolidated Fund Shs.	Contingency Fund Shs.	Energy Fund Shs	Petroleum Fund Shs.	Total Funds Shs.
FY ended 30 June 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
At 30 June 2018	(28,210,902,375,457)	-	-	470,416,163,221	(27,740,486,212,236)
FY ended 30 June 2019					
At 1 July 2018	(28,210,902,375,457)			470,416,163,221	(27,740,486,212,236)
Surplus (Deficit) for the year: Statement of Financial Performance	(3,611,510,965,804)	-	-	-	(3,611,510,965,804)
Net adjustments to opening reserves	2,073,822,934,177			(15,901,721,040)	2,057,921,213,137
-Withdrawals from the Fund		(37,378,620,000)		-	(200,121,657,808)
-Replenishments to the Fund		40,000,000,000		-	96,739,539,082
At 30 June 2019	(29,748,590,407,084)	2,621,380,000	-	311,132,323,455	(29,434,836,703,629)
Notes to the financial statements	26	27	28	29	

The Notes and schedules set out on pages 39 to 92 form an integral part of the financial statements.

Lawrence Semakula
Accountant General

Keith Muhakanizi
Permanent Secretary/Secretary to the Treasury

Consolidated Cash Flow Statement [Direct Method]

	30 June 2019 Shs.	30 June 2018 Shs.
CASH FLOWS FROM OPERATING ACTIVITIES		
Total receipts from operating revenues were (see below):	18,208,627,002,620	16,525,302,736,217
PAYMENTS FOR OPERATING EXPENSES:		
Employee costs	3,201,127,862,211	2,688,237,367,352
Goods and services consumed	4,081,866,609,440	3,371,359,490,985
Bank Charges	37,587,512,880	114,472,399
Subsidies	-	-
Transfers to Other Organizations	8,159,122,840,124	8,961,707,030,151
Social benefits	177,749,002,912	175,661,929,033
Other expenses	423,135,162,498	373,829,874,427
Finance costs	2,417,018,066,884	2,289,020,479,900
Advances paid	1,830,598,256,026	307,035,921,214
Outstanding letters of Credit	76,835,555,604	27,522,449,960
Interest arrears paid	-	-
Domestic arrears goods & services paid in the year	1,052,342,095,509	994,698,583,310
Domestic arrears pension paid during the year	30,085,533,635	56,155,915,986
Foreign exchange gain-Realized	12,817,004,651	(17,379,452,169)
Transfer to the Petroleum Fund	-	-
Total payments for operating activities	21,500,285,502,374	19,227,964,062,548
Net cash outflows from operating activities	(3,291,658,499,754)	(2,702,661,326,331)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	2,915,831,192,874	1,946,657,250,811
Non Produced Assets	474,377,336,791	695,105,723,818
On-lending to state enterprises	-	-
Investments in Private companies	200,000,000	102,774,577
Net cash outflows from investing activities	3,390,408,529,665	2,641,865,749,206
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of Government treasury bills	4,294,293,471,302	3,933,639,532,865
Proceeds from issue of Government bonds	3,104,462,996,411	2,307,536,621,621
Re-purchase of Government bonds & treasury bills	(4,955,941,499,873)	(4,588,264,322,892)
Proceeds from external borrowings	4,814,567,758,086	4,630,303,500,768
Repayments of external borrowings	(759,441,949,933)	(681,269,997,233)
Repayment of domestic loans	-	-
Proceeds from other domestic (on lent) loans	-	-
Net cash flows from financing activities	6,497,940,775,993	5,601,945,335,129
Net Increase in cash and cash equivalents	(184,126,253,426)	257,418,259,592

The notes and schedules set out on pages 39 to 92 form an integral part of the financial statements.

Lawrence Semakula
Accountant General

Keith Muhakanizi
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 2019

Cash Flow Statement for the year ended 30 June 2019 [Direct Method] (continued)

For cash flow purposes receipts from operating revenue comprise:

	Notes	30 June 2019 Shs.	30 June 2018 Shs.
Operating revenue			
Total Revenue as per Financial Performance		17,856,007,376,264	16,234,303,907,926
Add : Advances recovered during the year		235,159,370,140	270,809,769,974
: Deposits received		117,460,256,216	20,189,058,317
: Proceeds from disposal of Investments			
Total Operating Revenue		18,208,627,002,620	16,525,302,736,217
Less: Grants received as HIPC/MDRI in Kind		-	-
Revenue in Kind (Tax waivers)		-	-
Total cash receipts from operating activities		18,208,627,002,620	16,525,302,736,217

Reconciliation of movement of cash during the year

		30 June 2019 Shs.	30 June 2018 Shs.
At the beginning of the year		1,815,158,728,634	1,369,542,371,357
Net adjustments from Accounting Officers' Cash Flow Statements		80,818,443,612	182,341,512,930
Contingency Fund transfers		2,621,380,000	
Energy Fund Transfers		-	(30,355,516,081)
Replenishment of the Petroleum Fund		(152,858,387,994)	36,212,100,836
Net increase in cash from the Cash Flow Statement		(184,126,253,426)	257,418,259,592
At the end of the year		1,561,613,910,826	1,815,158,728,634

Net cash and bank balances comprise of;

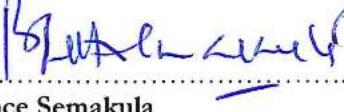
	Notes	30 June 2019 Shs.	30 June 2018 Shs.
Cash and bank balances	18	1,561,617,498,899	1,815,158,728,634
Less Bank overdraft with BoU and others	21(b)	(3,588,073)	-
Net cash and bank balances		1,561,613,910,826	1,815,158,728,634

The Notes and schedules set out on pages 39 to 92 form an integral part of the financial statements.

Statement of Outstanding Public Debt

	Notes	30 June 2019 Shs.	30 June 2018 Shs.
DOMESTIC DEBT			
Borrowings		3,588,073	0
Payables including deposits		3,534,888,098,879	2,659,992,735,047
Pension Liabilities		291,867,515,128	569,607,591,939
Borrowings from domestic financial institutions			
Treasury bills		3,888,302,317,057	3,522,984,489,393
Government Bonds		11,613,867,551,895	9,536,772,071,195
Interest payable on treasury bills and bonds		0	0
Unpaid Reimbursements to BoU		0	0
Other Payables			
Total domestic debt		19,328,929,071,032	16,289,356,887,574
EXTERNAL DEBT			
Borrowings from multilaterals	22c	19,883,409,562,115	19,175,561,587,807
Borrowings from bi-laterals	22	10,847,514,653,442	9,018,169,907,609
Borrowings from commercial banks		174,690,654,335	192,626,916,387
Total external debt		30,905,614,869,892	28,386,358,411,803
TOTAL PUBLIC DEBT		50,234,543,940,924	44,675,715,299,377

The Notes and schedules set out on pages 39 to 92 form an integral part of the financial statements.


 Lawrence Semakula
 Accountant General


 Keith Muhakanizi
 Permanent Secretary/Secretary to the Treasury

Statement of Outstanding Advances and Loans issued by Government

	Notes	30 June 2019 Shs.	30 June 2018 Shs.
ADVANCES			
Advances and prepayments		558,819,361,580	459,484,197,533
Letters of Credit		234,637,857,910	66,610,507,124
Total advances		793,457,219,490	526,094,704,657
Other Receivables			
		451,176,738,814	307,514,582,675
LOANS			
Loans to State Enterprises		6,231,791,565,920	4,624,366,872,309
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		6,242,251,697,992	4,634,827,004,381
Total outstanding advances and loans		7,486,885,656,296	5,468,436,291,713

The Notes and schedules set out on pages 39 to 92 form an integral part of the financial statements.



Lawrence Semakula
Accountant General



Keith Muhakanizi
Permanent Secretary/Secretary to the Treasury

Statement of Investments held by the Government

	Notes	30 June 2019 Shs.	30 June 2018 Shs.
Securities other than equity			
-Corporate bonds			
-Promissory notes			
-Debentures			
-Fixed deposits			
-Shares in Public corporations		6,314,508,171,093	4,760,259,039,526
-Other securities-IMF		1,861,661,299,877	1,967,752,057,440
Sub-total		8,176,169,470,970	6,728,011,096,966
Shares and other equity			
-Shares in public corporations			
-Shares in other entities		435,934,682,323	456,879,357,379
Sub-total		435,934,682,323	456,879,357,379
Financial derivatives			
Total investments		8,612,104,153,293	7,184,890,454,345
Analyzed between			
Domestic investments		6,314,508,171,093	4,760,259,039,526
Foreign investments		2,297,595,982,200	2,424,631,414,819
Total investments		8,612,104,153,293	7,184,890,454,345

The Notes and schedules set out on pages 39 to 92 form an integral part of the financial statements.


Lawrence Semakula
Accountant General


Keith Muhakanizi
Permanent Secretary/Secretary to the Treasury

Consolidated Summary Statement of Appropriation

Summary	Approved estimates Shs.	Actual released Shs.	Actual expenditure Shs.	Variance Shs.
Ministries	6,733,992,270,242	6,029,520,781,841	5,969,562,393,825	764,429,876,417
Agencies	16,792,197,103,603	15,753,467,100,600	16,330,508,853,200	461,688,250,403
Referral Hospitals	226,418,288,422	193,705,307,500	197,680,788,249	28,737,500,173
Embassies and Missions	182,041,015,798	174,721,626,295	178,703,265,146	3,337,750,652
Local Governments	4,263,165,037,556	3,532,251,450,588	3,532,251,450,588	730,913,586,968
Totals for 30 June 2019	28,197,813,715,622	25,683,666,266,824	26,208,706,751,008	1,989,106,964,613
Totals for 30 June 2018	25,594,780,834,222	22,186,960,768,555	22,182,257,981,883	3,412,522,852,338

Reconciliation to the GoU total approved Budget:

	FY 2018/2019	FY 2017/2018
<i>Approved Budget as above</i>	28,197,813,715,622	25,594,780,834,222
<i>Add: External Project Financing(Not included in the Consolidation)</i>	7,734,538,000,000	5,242,560,652,268
Total GoU Approved Budget	35,932,351,715,622	30,837,341,486,490

The Notes and schedules set out on pages 39 to 92 form an integral part of the financial statements.

Consolidated Summary Statement of Contingent Liabilities

Summary	Legal proceedings Shs.	Guarantees & indemnities Shs.	Other Contingent Liabilities Shs.	Total Contingent Liabilities 2019 Shs.	30 June 2018 Shs.
Ministries	9,035,268,600,632	-	292,934,379,404	9,328,202,980,036	7,691,497,852,039
Agencies	423,136,567,324	1,004,947,793,985	23,933,949,355	1,452,018,310,664	1,075,110,900,834
Referral Hospitals	965,040,414	-	25,663,069	990,703,483	-
Embassies and Missions	1,141,003,975	-	-	1,141,003,975	1,624,000,224
Total contingent liabilities	9,460,511,212,345	1,004,947,793,985	316,893,991,828	10,782,352,998,158	8,768,232,753,097
Analyzed as follows:				-	-
Domestic contingent liabilities	9,460,511,212,345	1,004,947,793,985	316,893,991,828	10,782,352,998,158	8,768,232,753,097
External contingent liabilities				-	-
At 30 June 2019	9,460,511,212,345	1,004,947,793,985	316,893,991,828	10,782,352,998,158	8,768,232,753,097
At 30 June 2018	8,161,247,973,179	577,160,029,389	29,824,750,529	8,768,232,753,097	

The Notes and schedules set out on pages 39 to 92 form an integral part of the financial statement

Consolidated Statement of Outstanding Commitments

[As submitted and signed by accounting Officers]

	Rent and Utilities	Contributions to Int Organisations	Court awards and Compensations	Other Payables	Pensions and Gratuity	Total
Ministries	7,332,000,112	166,156,386,655	585,912,079,056	750,400,139,391	257,481,299,528	1,767,281,904,742
Agencies	264,777,538,687	362,370,777	397,019,697,940	1,149,302,686,987	31,852,573,074	1,843,314,867,465
Referral Hospital	6,163,217,376	-	-	4,253,566,252	2,533,642,526	12,950,426,154
Missions Abroad	274,058,164	-	-	2,746,226,598	-	3,020,284,762
Total 30 June 2019	278,546,814,339	166,518,757,432	982,931,776,996	1,906,702,619,228	291,867,515,128	3,626,567,483,123
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

The Notes and schedules set out on pages 39 to 92 form an integral part of the financial statements.

Summary Statement of losses of public moneys and stores written off, and claims abandoned

For all ministries, agencies, Referral hospitals and Embassies/Missions

Summary	Losses of public moneys (cash and cash equivalents) Shs.	Values of stores written off Shs.	Claims abandoned during the year Shs.	Total losses written off Shs.	Total losses at 30 June 2019 Shs.
Ministries	-		-	-	-
Agencies	-		-	-	-
Referral Hospitals			-		-
Embassies and Missions			-		-
At 30 June 2019	-	-	-	-	-
At 30 June 2018	-	-	-	-	-

The Notes and schedules set out on pages 39 to 92 form an integral part of the financial statements.

Summary Statement of losses of public moneys and stores reported
 [As submitted and signed by Accounting Officers]

Summary	Losses of public moneys (cash and cash equivalents) Shs.	Values of losses of stores Shs.	Total losses reported as at 30 June 2019 Shs.	Total losses at 30 June 2018 Shs.
Ministries	1,443,496,342	361,765,900	1,805,262,242	2,756,792,639
Agencies	280,196,286	2,355,631,200	2,635,827,486	2,237,734,413
Referral Hospitals	-	-	-	4,731,960
Embassies and Missions	50,295,227	54,603,836	104,899,063	57,649,063
At 30 June 2019	1,773,987,855	2,772,000,936	4,545,988,791	5,056,908,075
At 30 June 2018	1,845,324,440	3,211,583,635	5,056,908,075	

The Notes and schedules set out on pages 39 to 92 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 2018 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 2019 Shs.
Ministries	-	70,676,379,411	68,043,589,411	68,690,321,862	2,632,790,000	2,632,790,000
Agencies	8,862,572,184	931,279,152,051	895,630,056,540	817,787,712,673	35,853,595,079	34,477,149,828
Referral Hospitals	2,925,835,279	9,301,152,072	9,301,152,072	7,720,230,473	214,261,199	3,169,127,182
Embassies and Missions	4,915,788,359	13,965,601,526	13,965,601,526	8,214,383,411	439,412,143	5,035,092,825
As at 30 June 2019	16,704,195,822	1,025,222,285,060	986,940,399,549	902,412,648,419	39,140,058,421	45,314,159,835
As at 30 June 2018	-	1,097,574,537,810	1,097,574,537,810	928,591,075,222	-	-

*The Notes and schedules set out on pages 39 to 92 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 2019

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 2019 Shs.	Total value of property, plant & equipment purchased- 30 June 2018 Shs.
Ministries	472,068,851,135	143,402,860,901	553,344,438,756	1,168,816,150,792	562,701,704,687
Agencies	2,007,234,351,138	152,128,161,574	335,598,223,897	2,494,960,736,609	2,244,418,795,202
Referral hospitals	15,459,997,886	5,470,286,755	4,771,089,416	25,701,374,057	43,702,083,264
Embassies/Missions	18,198,609,139	2,498,859,982	9,776,047	20,707,245,168	15,417,368,844
At 30 June 2019	2,512,961,809,298	303,500,169,212	893,723,528,116	3,710,185,506,626	2,866,239,951,997
At 30 June 2018	2,157,079,079,488	215,521,401,706	493,639,470,803	2,866,239,951,997	

The Notes and schedules set out on pages 39 to 92 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 transaction dates.

(d) Reporting Period

The reporting period for these financial statements is the financial year of the Government, which runs from 1 July 2018 to the 30 June 2019.

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.

(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.

ACCOUNTANT GENERAL'S OFFICE
GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Notes to the Financial Statements for the year ended 30 June 2019

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 2019 for major currencies was:

	Actual 30 June 2019 Shs	Actual 30 June 2018 Shs
United States Dollar	3690.29	3,879.75
Japanese Yen		
British Pound	4677.76	5,100.91
Euro	4197.80	4,498.26
SDR/AFU/IDI	5129.95	5,450.74

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 2019 Shs.	30 June 2018 Shs.
Customs and exercise taxes	5,432,187,960,773	4,638,648,168,227
Taxes on gains and profits, fees and licenses including VAT	11,020,475,286,132	9,600,061,025,890
KCCA Taxes	36,641,746,866	35,354,385,594
Sub-total	16,489,304,993,771	14,274,063,579,711
Less Tax refunds, mineral royalties, and bail deposits	(343,603,311,260)	(211,517,705,735)
Total taxation revenues	16,145,701,682,511	14,062,545,873,976

Note 4 - Non-Tax Revenues [NTR]

The collection of NTR is now largely being undertaken by URA. NTR principally comprises the following:

	30 June 2019 Shs.	30 June 2018 Shs.
Investment income	12,408,165,485	152,604,066,760
Dividends	6,705,565,317	10,625,235,854
Rent	35,333,656,015	35,336,010,102
Other property income	12,656,582,727	19,911,720,226
Income from Disposal of Assets	76,474,201,666	69,222,377,713
Administrative fees and licenses	602,850,441,629	553,661,650,253
Fines and penalties	10,219,430,038	8,468,613,914
Miscellaneous revenue	226,394,001,226	307,213,237,583
Total Non-Tax Revenue	983,042,044,103	1,157,042,912,405

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 2019

Notes to the Financial Statements for the year ended 30 June 2019

5a(i) Grants received

	30 June 2019 Shs.	30 June 2018 Shs.
Grants Received		
Grants from foreign Governments	20,799,751,199	180,735,781,390
Grants from multilateral organizations	699,389,220,325	833,979,340,155
Total grants received	720,188,971,524	1,014,715,121,545
5a(ii) Loans		
Loan Funds		
Loans from foreign Governments	2,470,671,072,111	2,715,940,831,019
Loans from Commercial Banks	10,387,998,783	172,138,348,925
Loans from multilateral organizations	2,333,508,687,191	1,742,224,320,824
Total	4,814,567,758,085	4,630,303,500,768
Total External Assistance (5(a) +5(b))	5,534,756,729,609	5,645,018,622,313

Note 6 – HIPC Relief

Relief under Highly Indebted Poor Countries [HIPC] arrangement included

	30 June 2019 Shs.	30 June 2018 Shs.
Under IMF arrangements		-
Other creditors- principal amounts		-
Other creditors- interests amounts	7,074,678,126	-
Total relief	7,074,678,126	-

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 2019 Shs.	30 June 2018 Shs.
Wages and salaries	2,857,004,418,188	2,446,605,213,506
Social Contributions	129,368,916,698	107,767,224,917
Other employment costs	216,318,661,108	156,124,396,158
Total employee costs.	3,202,691,995,994	2,710,496,834,581

Notes to the Financial Statements for the year ended 30 June 2019

Note 8 - Goods and services consumed

These comprise:

	30 June 2019 Shs.	30 June 2018 Shs.
General expenses	769,458,316,339	774,936,035,730
Communications	64,542,497,808	65,131,268,422
Utility and property expenses	304,485,795,765	393,550,959,489
Supplies and services	2,137,702,998,643	1,480,522,624,264
Professional services	323,603,144,085	198,357,838,430
Insurances and licenses	23,375,212,754	12,855,050,304
Travel and transport	517,970,790,176	443,737,226,572
Maintenance	526,488,882,112	397,970,050,883
Total goods and services	4,667,627,637,682	3,767,061,054,094

Included in Supplies and services is classified expenditure amounting to 1,303 billion for FY 2018/2019 compared to Ugx 757 billion for FY 2017/2018.

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 2019 Shs.	30 June 2018 Shs.
Buildings and structures	2,038,618,817,071	1,461,973,355,670
Machinery, furniture	182,339,094,147	141,102,876,694
Transport Equipment	121,161,075,065	74,418,525,012
Other fixed assets	893,723,528,116	493,639,470,803
Total value of property, plant and equipment expensed	3,235,842,514,399	2,171,134,228,179

Note 10 – Bank Charges

The total bank charges comprise;

	30 June 2019 Shs.	30 June 2018 Shs.
Bank charges -Treasury	37,587,512,880	114,472,399
Bank charges- From MDAs	-	-
Total	37,587,512,880	114,472,399

ACCOUNTANT GENERAL'S OFFICE

GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Notes to the Financial Statements for the year ended 30 June 2019

Note 11 - Subsidies

Subsidies paid during the year are summarized as below:

	30 June 2019 Shs.	30 June 2018 Shs.
To public corporations		
To private enterprises		
To private individuals		
Total subsidies for the year		

Note 12 – Transfers to Other Organizations

The Government paid grants during the year to the following:

	30 June 2019 Shs.	30 June 2018 Shs.
To international organization	128,070,984,441	84,533,704,038
To other non-consolidated Government units	5,043,247,996,104	6,237,876,240,213
To resident non-Government units	76,625,432,060	49,927,725,071
To local Governments	3,029,846,590,126	2,619,372,733,897
Total grants for the year	8,277,791,002,731	8,991,710,403,219

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 2019 Shs.	30 June 2018 Shs.
Pensions	222,859,075,310	173,259,640,828
Social security benefits	3,250,534,982	2,402,288,205
Total	226,109,610,292	175,661,929,033

Note 14 - Other expenses

These comprise:

	30 June 2019 Shs.	30 June 2018 Shs.
Property expenses other than interest	6,890,890,274	2,146,965,521
Miscellaneous expenses	643,246,534,919	514,463,828,834
Total other operating expenses	650,137,425,193	516,610,794,355

Notes to the Financial Statements for the year ended 30 June 2019

Note 15 - Foreign exchange gains and losses

	30 June 2019 Shs.	30 June 2018 Shs.
Realised loss (gain)	12,817,004,651	(17,379,452,169)
Un/realized loss	-	2,056,704,930,252
Un/realized gain	(1,315,632,879,788)	-
Net foreign exchange (gains) / losses	(1,302,815,875,137)	2,039,325,478,083

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 2019 Shs.	30 June 2018 Shs.
Interest on external borrowings	467,165,617,046	351,595,600,840
Interest on treasury bills/bonds	2,005,380,900,988	1,937,424,879,060
Interest on other domestic borrowings	-	-
Total finance costs	2,472,546,518,034	2,289,020,479,900

Note 17 - Bad debts expenses

	30 June 2019 Shs	30 June 2018 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 2019 Shs.	30 June 2018 Shs.
Land	3,105,584,416,530	2,447,798,557,812
Cultivated Assets	33,515,512,277	18,945,054,637
Other Naturally occurring assets	-	-
Total	3,139,099,928,807	2,466,743,612,449

Notes to the Financial Statements for the year ended 30 June 2019

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 2019 Shs.	30 June 2018 Shs.
DOMESTIC		
Revenue accounts	86,314,670,761	32,831,301,934
Expenditure accounts held with Bank of Uganda	30,684,494,285	514,946,021
Project accounts	77,175,073,246	170,362,618,861
Contingency Fund account	2,621,380,000	
Energy Fund	-	-
Petroleum Fund Account	304,680,359,294	457,538,747,288
Collection accounts	4,749,564,774	3,119,314,540
Cash in transit	510,031,699,766	594,203,974,480
Cash at hand- Imprest	40,704,900	10,071,800
Others including Treasury accounts	528,349,485,458	536,847,063,711
Sub-total cash and cash equivalents- domestic	1,544,647,432,484	1,795,428,038,635
FOREIGN		
Revenue Accounts	1,586,732,737	4,372,301,748
Expenditure Accounts	12,285,913,190	11,219,617,677
Project Accounts	2,641,559	539,686,232
Collection accounts	175,755,001	40,863,245
Cash in transit	1,546,260,003	2,085,391,611
Cash at hand- Imprests	705,703,262	776,223,489
Others	667,060,663	696,605,997
Sub-total cash and cash equivalents- foreign	16,970,066,415	19,730,689,999
Total cash and cash equivalents	1,561,617,498,899	1,815,158,728,634

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 2019 Shs.	30 June 2018 Shs.
Loans- domestic	6,242,251,697,992	4,634,827,004,381
Domestic Advances	558,819,361,580	459,484,197,533
Letters of Credit	234,637,857,910	66,610,507,124
Other accounts receivable- domestic	451,176,738,814	307,514,582,675
Total Receivables	7,486,885,656,296	5,468,436,291,713
Less provision for bad debts	-	-
Net Receivables	7,486,885,656,296	5,468,436,291,713

ACCOUNTANT GENERAL'S OFFICE
GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Notes to the Financial Statements for the year ended 30 June 2019

Note 21 - Investments

Comprise investments as follows:

	30 June 2019 Shs.	30 June 2018 Shs.
Securities other than shares (long-term)-domestic		-
Shares and other equity-domestic	6,314,508,171,093	4,760,156,264,949
Securities other than shares-foreign		-
Shares and other equity	435,934,682,323	456,879,357,379
Deposits with IMF	1,861,661,299,877	1,967,752,057,440
Total investments	8,612,104,153,293	7,184,890,454,345

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 2019 Amounts Shs.	% Total Borrowings	30 June 2018 Amount Shs.	% Total Borrowings
DOMESTIC				
Currency and deposits				
Securities other than shares (21a)	15,502,169,868,952	33%	13,059,756,560,588	32%
Loans (21b)	3,588,073			
Shares and other equity (public corporations)				
Total domestic borrowings	15,502,173,457,025	33%	13,059,756,560,588	35%
FOREIGN				
Currency deposits				
Securities other than shares				
Loans (see below) (21c)	30,905,614,869,892	67%	28,386,358,411,803	65%
Shares and other equity (public corporations)				
Total external borrowings	30,905,614,869,892	67%	28,386,358,411,803	65%
Total borrowings	46,407,788,326,917	100%	41,446,114,972,391	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 2019 Shs.	30 June 2018 Shs.
DOMESTIC		
Treasury bills	3,888,302,317,057	3,522,984,489,393
Government bonds	11,613,867,551,895	9,536,772,071,195
TOTAL	15,502,169,868,952	13,059,756,560,588

Notes to the Financial Statements for the year ended 30 June 2019

Note: Promissory notes were written off during the year
Maturity dates of treasury bills are analyzed as below:

	30 June 2019 Shs.	30 June 2018 Shs.
91-day bills	52,120,398,546	57,410,053,793
182-day bills	345,719,693,965	351,991,117,268
273 day bills	-	-
364-day bills	3,490,462,224,546	3,113,583,318,332
Total value of treasury bills	3,888,302,317,057	3,522,984,489,393

ii) Government bonds

By 30th June 2014, unredeemed bonds were as below:-

	30 June 2019 Shs.	30 June 2018 Shs.
Bonds to be redeemed between 1-2 years	1,103,054,099,670	508,305,343,893
Bonds to be redeemed between 2-3 years	1,329,323,269,332	1,174,871,189,921
Bonds to be redeemed between 3-5 years	3,541,281,031,942	3,613,115,703,430
Bonds to be redeemed between 5-10years	3,451,699,333,891	2,624,867,266,891
Bonds to be redeemed after ten years	2,188,509,817,060	1,615,612,567,060
Total value of treasury bonds	11,613,867,551,895	9,536,772,071,195

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 2019 Shs.	30 June 2018 Shs.
DOMESTIC		
Loans from commercial banks		
Principal Reimbursements		
Interest payable- on treasury bonds		
Interest payable- on treasury bills		
Listing Fees		
Others- Including overdrafts	3,588,073	
Total domestic loans	3,588,073	

Note 22(c) - Foreign borrowings comprise the following:

	30 June 2019 Shs.	30 June 2018 Shs.
FOREIGN		
Loans from Multi-lateral organizations	19,883,409,562,115	19,175,561,587,807
Loans from foreign Governments -bilateral	10,847,514,653,442	9,018,169,907,609
Loans from Commercial Banks	174,690,654,335	192,626,916,387
Total external borrowings	30,905,614,869,892	28,386,358,411,803

ACCOUNTANT GENERAL'S OFFICE
GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Notes to the Financial Statements for the year ended 30 June 2019

Note 22 (d) - Loans from multi-lateral organizations

Include borrowings from foreign Governments, from international financial institutions, and from any other foreign private financial institutions.

These are summarized as follows:

	30 June 2019 Shs.	% of Total multi-lateral debt	30 June 2018 Shs.	% of total multi-lateral debt
African Development Fund	4,825,104,398,461	24%	4,600,762,072,667	24%
International Monetary Fund	-	-	-	-
International Development Association	12,386,910,394,121	62%	11,935,344,121,041	65%
Sub-total	17,212,014,792,582	87%	16,536,106,193,708	
Others	2,671,394,769,533	13%	2,639,455,394,099	10%
Total multi-lateral debts	19,883,409,562,115	100%	19,175,561,587,807	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 2019 Shs	% of total bi-lateral debt	30 June 2018 Shs.	% of total bi-lateral debt
From OECD countries	2,329,875,014,179	21%	7,906,355,602,367	16
From non-OECD countries	8,517,639,639,263	79%	1,111,814,305,242	84
Total loans from bi-laterals	10,847,514,653,442	100%	9,018,169,907,609	100

Effective rates of interests

The effective weighted average interest rate for external borrowings at the balance sheet date was as follows:

	30 June 2018 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 2019 Shs.	30 June 2018 Shs.
DOMESTIC PAYABLES		
Accounts payables	445,065,571,771	244,191,754,688
Other accounts payable	2,889,634,396,224	2,323,297,797,251
Total payables	3,334,699,967,995	2,567,489,551,939

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 2019 Shs.	30 June 2018 Shs.
Deposits received	200,188,130,884	92,503,183,108
Total	200,188,130,884	92,503,183,108

ACCOUNTANT GENERAL'S OFFICE

GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Notes to the Financial Statements for the year ended 30 June 2019

Note 25- Pension liabilities

It is Government policy to pay pensions to all permanent and pensionable employees of the Government in accordance with the provisions of the Pensions Act, Cap 281. Only pension liabilities for retired employees due but not paid are recognised in the Financial Statements.

	30 June 2019 Shs.	30 June 2018 Shs.
Former East African Community employees	-	-
Former employees of the Military Service	18,860,656	508,636,383,717
Former employees of the Public Service	40,256,611,613	11,221,896,893
Former employees of the Education Service	188,452,842,528	-
Former employees of the Police and Prison Service	-	-
Gratuity arrears	63,139,200,331	49,749,311,329
Total	291,867,515,128	569,607,591,939

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 2019 Shs.	30 June 2018 Shs.
At beginning of the year, 1 July 2016	(28,210,902,375,457)	(26,056,524,731,158)
Re-statement of external debt, on-lent loans and investments and others	2,073,822,934,177	4,272,454,121,618
Surplus for the year- see Statement of Financial Performance	(3,611,510,965,804)	(6,426,831,765,917)
At end of the year, 30 June 2019	(29,748,590,407,084)	(28,210,902,375,457)

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 2019 Shs.	30 June 2018 Shs.
At the beginning of the year	-	-
Additions through appropriations	40,000,000,000	-
Withdrawals from the Fund	(37,378,620,000)	-
Balance at the end of the year	2,621,380,000	-

Note 28 – Energy Fund

	30 June 2019 Shs.	30 June 2018 Shs.
Energy Fund (b/f)	30,355,516,081	
Withdrawals from the Fund		(30,355,516,081)
Replenishment from the Fund		-
Balance at the end of the year	-	-

Notes to the Financial Statements for the year ended 30 June 2019

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 2019 Shs.	30 June 2018 Shs.
Petroleum Fund b/f	470,416,163,221	506,634,968,677
Withdrawals from the Fund	(200,121,657,808)	(125,300,650,824)
Replenishment from the Fund	56,739,539,082	62,988,471,916
Adjustment to the Fund	(15,901,721,040)	26,093,373,452
Balance at the end of the year	311,132,323,455	470,416,163,221

Statement of Appropriation by vote for the year ended 30 June 2019
[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	182,072,821,593	181,008,519,759	180,710,694,241	1,362,127,352
State House	466,184,734,410	466,183,067,913	466,183,519,313	1,215,097
Office of the Prime Minister	131,998,750,785	121,853,749,376	121,853,627,376	10,145,123,409
Ministry of Defence	2,411,378,047,604	2,030,055,213,106	2,030,700,511,177	380,677,536,427
Ministry of Public Service	31,241,328,451	25,662,260,367	25,651,017,756	5,590,310,695
Ministry of Foreign Affairs	51,307,044,981	48,475,836,777	48,474,908,777	2,832,136,204
Ministry of Justice and Const'l Affairs	138,946,916,939	137,607,457,473	137,607,389,473	1,339,527,466
Ministry of Finance, Planning and Econ De	409,170,176,875	403,964,096,455	403,320,264,012	5,849,912,863
Ministry of Internal Affairs	29,317,364,221	27,768,929,374	27,768,899,374	1,548,464,847
Ministry of Agric, Animal Ind and Fisheries	148,492,991,506	127,607,925,842	127,617,685,351	20,875,306,155
Ministry of Local Government	85,784,350,596	56,197,044,193	56,160,808,939	29,623,541,657
Ministry of Lands, Housing & Urban Devt	84,546,463,902	75,668,259,593	75,668,259,593	8,878,204,309
Ministry of Education and Sports	289,911,007,078	270,892,517,019	270,880,629,728	19,030,377,350
Ministry of Health	162,541,779,360	150,337,311,644	148,968,512,238	13,573,267,122
Ministry of Trade and Industry	108,257,457,834	97,926,639,347	98,029,255,348	10,228,202,486
Ministry of Works & Transport	742,120,001,876	718,252,646,168	660,513,948,151	81,606,053,725
Ministry of Energy and Minerals	512,896,737,828	474,438,415,553	473,908,058,369	38,988,679,459
Ministry of Gender, Labour and Social Devt	179,611,242,998	163,918,438,022	163,918,438,022	15,692,804,976
Ministry of Water & Environment	331,428,905,370	320,902,864,173	320,887,126,098	10,541,779,272
Ministry of Communication & ICT	41,795,794,452	35,787,545,518	35,749,057,573	6,046,736,879
Ministry of East African Affairs	34,772,789,155	33,784,598,176	33,784,137,948	988,651,207
Ministry of Tourism & Heritage	100,795,227,170	14,776,493,992	14,754,689,376	86,040,537,794
Ministry of Science, Tech & Innovation	59,420,335,258	46,450,952,001	46,450,955,592	12,969,379,666
Totals for 30 June 2019	6,733,992,270,242	6,029,520,781,841	5,969,562,393,825	764,429,876,417
Totals for 30 June 2018	4,990,621,282,623	4,454,627,216,009	4,437,600,796,627	553,020,485,996

Statement of Appropriation by vote for the year ended 30 June 2019
[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)	130,798,350,092	129,276,978,595	129,012,030,504	1,786,319,588
Electoral Commission	88,542,319,239	88,532,859,997	88,532,009,727	10,309,512
Inspector General of Government's Office	54,672,107,935	53,095,561,298	53,194,312,847	1,477,795,088
Parliamentary Commission	595,307,499,155	568,057,754,183	568,056,279,983	27,251,219,172
Law Reform Commission	14,872,375,719	9,654,180,829	9,654,180,829	5,218,194,890
Uganda Human Rights Commission	20,224,836,676	18,518,235,365	18,821,699,156	1,403,137,520
Uganda Aids Commission	6,867,449,905	6,811,020,561	6,811,059,060	56,390,845
National Planning Authority	26,052,930,356	26,009,174,665	25,989,703,903	63,226,453
Law Development Centre	18,467,389,236	16,759,706,440	16,688,410,571	1,778,978,665
Uganda Industrial Research Institute	14,015,593,007	13,547,344,786	13,543,692,327	471,900,680
Busitema University	40,315,771,719	39,503,720,880	39,743,510,241	572,261,478
Directorate of Ethics and Integrity	5,152,098,953	4,827,981,679	4,828,852,989	323,245,964
Uganda National Roads Authority	1,711,314,089,227	1,706,665,094,339	2,190,804,309,190	(479,490,219,963)
Uganda Cancer Institute	28,809,272,503	28,228,282,656	28,309,303,205	499,969,298
Uganda Heart Institute	19,573,592,468	18,169,575,133	18,168,066,421	1,405,526,047
National Medical Stores	320,094,159,399	302,458,916,774	302,458,917,074	17,635,242,325
Uganda Tourism Board	17,514,885,450	17,297,321,822	17,292,207,938	222,677,512
Uganda Road Fund	542,517,023,289	540,956,704,691	540,956,699,691	1,560,323,598
Uganda Registration Services Bureau	26,530,312,307	25,577,033,857	25,577,033,857	953,278,450
National Citizenship & Imm Ctrl	107,979,486,795	101,018,085,219	101,030,190,899	6,949,295,896
Diary Development Authority	6,735,412,274	5,728,076,833	6,079,137,726	656,274,548
KCCA	315,388,545,309	277,936,091,648	278,552,276,158	36,836,269,151
Rural Electricity Agency	148,601,347,917	124,572,202,360	124,572,434,236	24,028,913,681
Equal Opportunity Commission	13,171,882,296	11,934,415,209	11,920,808,586	1,251,073,710
NAGRC &DB	18,061,393,051	12,773,815,653	12,782,106,056	5,279,286,995
NITA-U	44,826,709,167	40,929,679,198	40,931,800,767	3,894,908,400
Muni University	17,491,133,593	16,293,821,862	16,291,630,973	1,199,502,620
UNEB	115,481,707,578	61,928,393,172	115,479,364,702	2,342,876
Financial Intelligence Authority	12,709,632,809	12,236,534,222	12,236,462,222	473,170,587
Accountant General's Office	9,108,223,126,441	8,503,215,606,948	8,503,215,606,948	605,007,519,493
Office of the Auditor General	60,799,151,861	59,184,740,925	59,144,650,141	1,654,501,720
Education Service Commission	9,599,744,708	8,405,091,137	8,557,154,367	1,042,590,341
Directorate of Public Prosecution (DPP)	34,549,245,974	33,642,495,273	33,677,818,905	871,427,069
Health Service Commission	6,404,808,971	6,260,564,779	6,260,444,680	144,364,291
Makerere University (MUK)	307,913,199,459	300,900,291,924	300,872,310,793	7,040,888,666
Mbarara University	52,186,292,240	51,575,005,601	51,838,178,126	348,114,114
Makerere University Business School (MUBS)	86,994,604,131	70,483,401,743	73,277,780,432	13,716,823,699
Kyambogo University (KYU)	146,057,584,540	123,391,525,608	135,660,542,766	10,397,041,774
Uganda Management Institute	38,274,325,314	25,464,699,596	31,803,368,534	6,470,956,780
Uganda Revenue Authority (URA)	350,215,507,758	350,215,507,759	350,215,507,759	(1)
National Agriculture Research Organisation (NARO)	69,613,657,175	63,186,060,832	63,186,060,832	6,427,596,343
Uganda Bureau of Statistics (UBOS)	49,419,626,847	46,460,740,491	46,460,740,491	2,958,886,356
Uganda Police	767,759,834,295	762,983,215,873	761,553,015,339	6,206,818,956

ACCOUNTANT GENERAL'S OFFICE

GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Statement of Appropriation by vote for the year ended 30 June 2019
[As submitted and signed by Accounting Officers]

Name of agency	Approved estimates	Actual released	Actual expenditure	Variance
	Shs.	Shs.	Shs.	Shs.
Uganda Prisons	261,613,932,603	235,662,842,023	250,265,560,878	11,348,371,725
Public Service Commission	8,697,048,586	8,655,433,361	8,657,135,236	39,913,350
Local Government Finance Commission	5,262,087,501	5,258,685,787	5,258,541,595	3,545,906
Judicial Service Commission	10,288,526,418	10,158,773,783	10,158,773,783	129,752,635
Gulu University	47,239,010,358	44,703,868,323	47,381,264,893	(142,254,535)
National Environment Management Authority (NEMA)	26,335,755,264	14,118,896,330	14,119,050,998	12,216,704,266
Uganda Blood Transfusion Service	19,182,098,623	19,131,289,991	19,131,289,991	50,808,632
National Agricultural Advisory Services (NAADS)	259,988,484,976	219,756,932,962	219,658,156,787	40,330,328,189
Public Procurement & Disposal of Assets	24,851,777,620	22,703,512,878	22,932,508,738	1,919,268,882
Uganda National Bureau of Standards	47,841,409,674	45,212,701,491	45,212,371,491	2,629,038,183
Cotton Development Organisation	9,812,887,653	8,595,167,637	8,595,162,637	1,217,725,016
Uganda Land Commission	43,143,646,093	42,096,017,798	42,096,017,798	1,047,628,295
National Forestry Authority	40,958,038,043	27,091,312,219	27,106,017,597	13,852,020,446
External Security Organisation	43,066,373,815	42,797,825,598	42,797,825,598	268,548,217
Coffee Development Authority	101,268,512,026	94,530,790,396	94,603,757,969	6,664,754,057
Lira University	18,543,565,176	16,886,483,287	16,886,483,287	1,657,081,889
Uganda National Meteorological Authority	28,016,770,788	21,918,152,461	22,170,981,346	5,845,789,442
National Curriculum Development centre	7,434,201,458	7,004,174,506	7,005,613,387	428,588,071
Uganda Virus Institute	7,377,120,461	6,378,913,118	6,378,913,118	998,207,343
Directorate of Government Analytical Laboratory	19,327,208,495	18,246,461,415	18,246,461,415	1,080,747,080
Uganda Export Promotions Board	3,078,997,654	2,960,631,216	2,960,631,216	118,366,438
Kabale University	26,444,588,189	25,090,883,602	24,911,855,428	1,532,732,761
Soroti University	18,779,638,887	15,182,242,007	15,489,733,980	3,289,904,907
National Identification and Registration Authority	53,002,185,125	44,032,674,283	43,821,453,689	9,180,731,436
Uganda Investment Authority	13,916,862,096	10,732,472,152	10,731,708,152	3,185,153,944
Uganda National Oil Company	29,920,000,000	29,920,000,000	29,920,000,000	-
Petroleum Authority of Uganda	46,706,358,883	29,972,449,561	29,969,910,242	16,736,448,641
Total for 30 June 2019	16,792,197,103,603	15,753,467,100,600	16,330,508,853,200	461,688,250,403
Totals for 30 June 2018	17,487,048,897,243	14,789,756,519,072	14,796,457,732,677	2,690,591,164,566

ACCOUNTANT GENERAL'S OFFICE
 GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Statement of Appropriation by vote for the year ended 30 June 2019
[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	79,178,004,894	62,665,918,067	64,481,176,775	14,696,828,119
Butabika Hospital	14,799,156,269	13,884,312,245	13,914,233,527	884,922,742
Arua Hospital	9,643,539,874	8,744,884,619	8,756,091,035	887,448,839
Fort Portal Hospital	9,830,188,305	8,081,032,389	8,082,931,156	1,747,257,149
Gulu Hospital	9,510,316,229	8,326,261,180	8,671,785,304	838,530,925
Hoima Hospital	9,274,403,787	7,956,410,459	8,048,364,188	1,226,039,599
Jinja Hospital	12,093,665,243	10,501,916,671	10,517,754,028	1,575,911,215
Kabale Hospital	8,304,867,472	7,608,947,795	7,607,176,304	697,691,168
Masaka Hospital	8,875,755,472	8,311,835,496	8,425,241,636	450,513,836
Mbale Hospital	13,448,166,853	10,868,910,859	10,762,570,963	2,685,595,890
Soroti Hospital	8,480,236,326	8,157,381,720	8,189,968,845	290,267,481
Lira Hospital	8,901,972,104	8,187,008,184	8,187,075,684	714,896,420
Mbarara Regional Hospital	10,674,410,352	9,290,349,191	10,561,384,389	113,025,963
Mubende Regional Hospital	7,918,691,219	6,955,271,852	6,955,271,852	963,419,367
Moroto Regional Hospital	6,809,618,219	6,162,822,096	6,167,209,398	642,408,821
Naguru Referral Hospital	8,675,295,804	8,002,044,677	8,352,553,165	322,742,639
Total for 30 June 2019	226,418,288,422	193,705,307,500	197,680,788,249	28,737,500,173
Total for 30 June 2018	192,416,003,763	169,788,537,130	171,913,118,936	20,502,884,827

ACCOUNTANT GENERAL'S OFFICE

GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Statement of Appropriation by vote for the year ended 30 June 2019
[As submitted and signed by Accounting Officers]

EMBASSIES/MISSIONS

Name of Embassy/mission	Approved estimates Shs.	Actual released Shs.	Actual expenditure Shs.	Variance Shs.
Uganda Mission at the United Nations, NY	19,802,924,753	12,990,464,753	18,771,230,819	1,031,693,934
Uganda High Commission in the United ,UK	7,183,325,571	6,774,337,290	6,514,028,245	669,297,326
Uganda High Commission in Canada	4,761,134,249	4,761,134,277	5,392,599,219	(631,464,970)
Uganda High Commission in India	4,769,401,598	4,769,401,257	4,368,832,240	400,569,358
Uganda High Commission in Egypt	3,412,729,102	3,412,728,999	3,368,775,999	43,953,103
Uganda High Commission in Kenya	3,600,392,877	3,600,392,877	3,571,641,198	28,751,679
Uganda High Commission in Tanzania	4,452,886,312	4,452,886,312	4,668,330,390	(215,444,078)
Uganda High Commission in Nigeria	3,476,323,082	3,476,322,999	3,423,734,973	52,588,109
Uganda High Commission in South Africa	3,226,536,234	3,216,568,875	3,193,499,505	33,036,729
Uganda Embassy in the United States	7,812,896,152	7,812,893,748	7,663,292,932	149,603,220
Uganda Embassy in Ethiopia	2,753,418,251	2,665,567,003	3,010,258,668	(256,840,417)
Uganda Embassy in China	4,920,509,760	4,920,489,560	4,944,541,726	(24,031,966)
Uganda Embassy in Rwanda	3,333,540,089	3,333,539,628	3,350,756,474	(17,216,385)
Uganda Embassy in Switzerland	7,607,938,035	7,607,938,035	7,615,520,264	(7,582,229)
Uganda Embassy in Japan	4,978,767,472	4,978,767,000	4,774,861,469	203,906,003
Uganda Embassy in Saudi Arabia	3,587,964,992	3,587,964,995	3,543,371,389	44,593,603
Uganda Embassy in Denmark	4,830,223,468	4,830,223,161	4,785,398,377	44,825,091
Uganda Embassy in Belgium	12,803,377,909	12,803,377,909	12,363,135,410	440,242,499
Uganda Embassy in Italy	5,031,882,309	5,031,792,292	4,993,791,135	38,091,174
Uganda Embassy in DRC	3,847,625,530	3,847,625,530	3,853,351,926	(5,726,396)
Uganda Embassy in Sudan	3,207,018,770	3,207,018,770	3,087,222,550	119,796,220
Uganda Embassy in France	6,349,989,857	6,349,989,857	6,285,463,870	64,525,987
Uganda Embassy in Germany	5,187,290,404	5,187,290,404	5,102,993,260	84,297,144
Uganda Embassy in Iran	3,548,004,447	3,548,003,946	3,538,742,619	9,261,828
Uganda Embassy in Russia	4,360,315,116	4,360,315,086	4,182,598,288	177,716,828
Uganda Embassy in Australia	4,717,542,635	4,717,542,135	4,502,524,499	215,018,136
Uganda Embassy in Juba	4,081,814,893	4,081,814,893	4,072,520,690	9,294,203
Uganda Embassy in Abu Dhabi, UAE	5,066,298,994	5,066,298,989	5,057,948,748	8,350,246
Uganda Embassy in Burundi	9,075,809,443	9,075,807,738	8,981,992,482	93,816,961
Uganda Embassy in Guangzhou	4,844,718,315	4,844,717,999	4,319,750,750	524,967,565
Uganda Embassy in Ankara	3,781,620,422	3,781,620,419	3,775,530,937	6,089,485
Uganda Embassy in Mogadishu	2,710,243,969	2,710,243,699	2,701,764,436	8,479,533
Uganda Embassy in Malaysia	3,583,139,716	3,583,139,532	3,616,859,051	(33,719,335)
Uganda Consulate in Mombasa	1,816,162,707	1,816,162,707	1,803,719,758	12,442,949
Uganda Embassy in Algiers	3,517,248,365	3,517,243,621	3,502,680,850	14,567,515
Total for 30 June 2019	182,041,015,798	174,721,626,295	178,703,265,146	3,337,750,652
Total for 30 June 2018	159,503,008,165	153,415,762,447	156,913,599,746	2,589,408,419

ACCOUNTANT GENERAL'S OFFICE
GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Statement of Contingent Liabilities as at 30 June 2019
[As submitted and signed by Accounting Officers]

MINISTRIES

Ministry	Legal proceedings Shs.	Guarantees & indemnities Shs.	Other Contingent Liabilities Shs.	Total Contingent Liabilities 30 June 19 Shs.	Total Contingent Liabilities 30 June 18 Shs.
Office of the President				0	-
State House				0	-
Office of the Prime Minister			1,297,345,713	1,297,345,713	-
Ministry of Defence			270,847,583,090	270,847,583,090	6,542,612,670
Ministry of Public Service	-	-	-	0	-
Ministry of Foreign Affairs				0	-
Ministry of Justice and Constitutional Affairs	8,596,439,857,610			8,596,439,857,610	7,294,546,681,169
Ministry of Finance, Planning and Economic Development				0	-
Ministry of Internal Affairs				0	-
Ministry of Agriculture, Animal Industry and Fisheries				0	-
Ministry of Local Government	2,112,718,750			2,112,718,750	-
Ministry of Lands, Housing and Urban Development				0	-
Ministry of Education & Sports	650,806,000			650,806,000	-
Ministry of Health	46,206,660,072			46,206,660,072	550,000,000
Ministry of Trade & Industry				0	-
Ministry of Works & Transport				0	-
Ministry of Energy and Minerals	389,858,558,200		20,789,450,601	410,648,008,801	389,858,558,200
Ministry of Gender, Labour and Social Development				0	-
Ministry of Water & Environment				0	-
Ministry of Communication & ICT				0	-
Ministry of East African Affairs				0	-
Ministry of Tourism & Heritage				0	-
Ministry of Science, Tech & Innovation				0	-
Total at 30 June 2019	9,035,268,600,632		- 292,934,379,404	9,328,202,980,036	7,691,497,852,039
Total at 30 June 2018	7,684,955,239,369		- 6,542,612,670	7,691,497,852,039	

ACCOUNTANT GENERAL'S OFFICE

GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Statement of Contingent Liabilities as at 30 June 2019
[As submitted and signed by Accounting Officers]

AGENCIES

Agency	Legal proceedings	Guarantees & indemnities	Other Contingent Liabilities	Total Contingent Liabilities	30 June 2018
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	82,239,068
Busitema University	-	-	-	-	-
Directorate of Ethics & Int	-	-	-	-	-
Uganda National Roads Authority (UNRA)	300,492,527,264	-	-	300,492,527,264	437,246,601,530
Uganda Cancer Institute	-	-	-	-	-
Uganda Heart Institute	-	-	-	-	-
Uganda National Medical Stores	-	-	-	-	-
Uganda Tourism Board	-	-	-	-	-
Uganda Road Fund	-	-	-	-	-
Uganda Registration Serv Bureau	-	-	-	-	-
National Citizenship & IC	-	-	-	-	-
Dairy Development Authority	-	-	-	-	-
KCCA	109,541,893,277	-	-	109,541,893,277	33,388,407,902
Rural Electrification Agency	-	-	-	-	-
Equal Opportunities Commission	-	-	-	-	-
NAGRC&DB	-	-	-	-	137,200,000
NITA-U	-	-	726,332,292	726,332,292	726,332,292
Muni University	-	-	-	-	-
UNEB	-	-	-	-	-
Financial Intelligence Authority	-	-	-	-	-
Treasury Operations	-	1,004,947,793,985	22,156,225,712	1,027,104,019,697	673,045,996,675
Office of the Auditor General	-	-	-	-	-
Education Service Commission	-	-	-	-	-
Directorate of Public Prosecutions	-	-	-	-	-
Health Service Commission	-	-	-	-	-
Makerere University	-	-	-	-	-
Mbarara University	-	-	-	-	96,154,901
Makerere University Business School	4,492,251,721	-	-	4,492,251,721	3,803,637,896
Kyambogo University	-	-	-	-	-

Statement of Contingent Liabilities as at 30 June 2019
[As submitted and signed by Accounting Officers]

Agency	Legal proceedings	Guarantees & indemnities	Other Contingent Liabilities	Total Contingent Liabilities	30 June 2018
Uganda Management Institute	900,000,000	-	-	900,000,000	-
Uganda Revenue Authority	-	-	-	-	-
National Agricultural Research Organization	-	-	-	-	190,000,000
Uganda Bureau of Statistics	-	-	-	-	-
Uganda Police	5,138,436,029	-	-	5,138,436,029	-
Uganda Prisons	250,000,000	-	-	250,000,000	-
Public Service Commission	-	-	-	-	-
Local Government Finance Comm	-	-	-	-	-
Judicial Service Commission	-	-	-	-	-
Gulu University	-	-	-	-	-
National Environment Mgt Auth.	-	-	-	-	-
Uganda Blood Transfusion Service	311,330,255	-	-	311,330,255	-
NAADS	-	-	-	-	-
PPDA	190,000,000	-	-	190,000,000	190,000,000
Uganda National Bureau of Standards	-	-	-	-	-
Cotton Development Organization	-	-	-	-	-
Uganda Land Commission	-	-	-	-	-
National Forestry Authority	-	-	-	-	-
External Security Organization	-	-	-	-	-
Coffee Development Authority	1,737,889,710	-	-	1,737,889,710	1,485,692,513
Lira University	-	-	-	-	-
Uganda National Meteorological Authority	-	-	-	-	-
National Curriculum Development Centre (NCDC)	-	-	-	-	-
Uganda Virus Research Institute	-	-	-	-	-
Direcorate of Government Analytical Laboratory (DGAL)	-	-	-	-	-
Uganda Export Promotion Board	-	-	-	-	-
Kabale University	-	-	-	-	-
Soroti University	-	-	-	-	-
National Identification & Registration Authority	-	-	-	-	1,200,000,000
Uganda Investment Author	-	-	1,051,391,351	1,051,391,351	
Uganda National Oil Co	-	-	-	-	
Petroleum Authority of Uga	-	-	-	-	
Total for 30 June 2019	423,136,567,324	1,004,947,793,985	23,933,949,355	1,452,018,310,664	1,075,110,900,834
Total for 30 June 2018	476,292,733,810	577,160,029,389	21,658,137,6235	1,075,110,900,834	

Statement of Contingent Liabilities as at 30 June 2019
[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 2018 Shs.
Mulago Hospital Complex	-	-	-	-	-
Butabika Hospital	-	-	-	-	-
Arua Hospital	-	-	-	-	-
Fort Portal Hospital	-	-	-	-	-
Gulu Hospital	-	-	-	-	-
Hoima Hospital	965,040,414	-	25,663,069	990,703,483	1,457,366,242
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 2019	965,040,414	-	25,663,069	990,703,483	1,457,366,242
At 30 June 2018	-	-	-	-	-

ACCOUNTANT GENERAL'S OFFICE
GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Statement of Contingent Liabilities as at 30 June 2019
[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 2018 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
Uganda Embassy in China	-	-	-	-	117,889,167
Uganda Embassy in Rwanda	-	-	-	-	-
Uganda Embassy in Switzerland	-	-	-	-	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	1,141,003,975	-	-	1,141,003,975	1,141,003,975
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	-	-	-	-	-
Uganda Embassy in Algeria Algiers	-	-	-	-	-
At 30 June 2019	1,141,003,975	-	-	1,141,003,975	1,624,000,224
At 30 June 2018	0	0	1,624,000,224	1,624,000,224	

Statement of Outstanding Commitments by vote for the Year ended 30 June 2019
[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	-	-	-	23,217,097,782	35,764,574,713	58,981,672,495
State House	649,953,638	-	-	-	-	649,953,638
Office of the Prime Minister	283,538,735	-	-	1,431,828	6,774,198	291,744,761
Ministry of Defence	-	-	-	141,053,756,288	188,452,842,528	329,506,598,816
Ministry of Public Service	-	-	-	1,145,658,331	-	1,145,658,331
Ministry of Foreign Affairs	-	63,568,858,230	-	668,615,952	-	64,237,474,182
Ministry of Justice and Constitutional Affairs	2,837,463,168	259,099,000	550,280,125,664	4,011,735,574	18,860,656	557,407,284,062
Ministry of Finance, Planning and Economic	-	43,943,960,054	-	387,127,054,401	-	431,071,014,455
Ministry of Internal Affairs	-	-	-	78,292,665	-	78,292,665
Ministry of Agriculture, Animal Industry and	-	23,859,549,099	-	269,363,363	530,273,753	24,659,186,215
Ministry of Local Government	-	-	14,795,410,441	25,103,451,820	8,704,626	39,907,566,887
Ministry of Lands, Housing & Urban Devt	-	-	19,174,498,000	11,835,958,764	-	31,010,456,764
Ministry of Education and Sports	-	-	-	26,560,530,061	-	26,560,530,061
Ministry of Health	-	-	-	42,047,806,279	-	42,047,806,279
Ministry of Tourism, Trade and Industry	197,506,534	10,252,413,971	-	324,851,689	-	10,774,772,194
Ministry of Works & Transport	-	-	-	13,028,346,921	14,422,110,759	27,450,457,680
Ministry of Energy and Minerals	-	721,427,771	-	17,977,455,156	106,147,153	18,805,030,080
Ministry of Gender, Labour and Social Devt	2,842,255,955	-	1,662,044,951	-	-	4,504,300,906
Ministry of Water & Environment	-	-	-	55,583,474,360	-	55,583,474,360
Ministry of Communication and ICT	-	-	-	310,928,666	-	310,928,666
Ministry East African Affairs	521,282,082	20,118,016,192	-	-	18,171,011,142	38,810,309,416
Ministry of Tourism, Wildlife & Heritage	-	3,433,062,338	-	-	-	3,433,062,338
Ministry of Science, Technology & Innovation	-	-	-	54,369,491	-	54,369,491
30 June 2019	7,332,000,112	166,156,386,655	585,912,079,056	750,400,139,391	257,481,299,558	1,767,281,904,742
30 June 2018	10,398,534,100	128,807,338,731	600,543,747,061	643,555,704,368	557,673,368,615	1,940,978,692,675

Statement of Outstanding Commitments by vote for the Year ended 30 June 2019
[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)	7,563,945,694	-	-	2,384,542,576	-	9,948,488,270
Electoral Commission	551,025,568	-	2,120,000,000	13,981,817,551	-	16,652,843,119
Inspector General of Government	-	-	-	2,080,786,679	-	2,080,786,679
Parliamentary Commission	-	-	-	-	-	-
Law Reform Commission	-	-	-	8,685,730	-	8,685,730
Uganda Human Rights Commission	751,240,981	-	72,228,262	826,683,220	-	1,650,152,463
Uganda Aids Commission	-	-	-	76,162,182	-	76,162,182
National Planning Authority	-	-	-	-	-	-
Law Development Centre	-	-	-	893,498,165	-	893,498,165
Uganda Industrial Research Institute	1,188,492,840	-	-	-	-	1,188,492,840
Busemna University	-	-	-	80,000,000	-	80,000,000
Directorate of Ethics and Integrity	-	-	-	-	-	-
Uganda National Roads Authority	-	-	-	472,844,113,257	-	472,844,113,257
Uganda Cancer Institute	-	-	-	54,812,000	-	54,812,000
Uganda Heart Institute	-	-	-	1,049,476,226	-	1,049,476,226
National Medical Stores	-	-	-	110,726,211,404	-	110,726,211,404
Uganda Tourism Board	-	-	-	-	-	-
Uganda Road Fund	-	-	-	3,285,516	-	3,285,516
Uganda Registration Services Bureau	-	-	40,288,000	610,150,871	-	650,438,871
National Citizenship & Imm Crl	-	-	49,238,480,475	10,182,419,631	-	59,420,900,106
Diary Development Authority	-	-	-	19,129,932	-	19,129,932
KCCA	-	-	-	13,238,047,536	-	13,238,047,536
Rural Electricity Agency	-	-	-	-	-	-
Equal Opportunity Commission	-	-	-	-	-	-
NAIGRC &DB	-	-	-	1,126,406,221	-	1,126,406,221
NITA-U	-	-	-	2,697,267,641	-	2,697,267,641
Muni University	-	-	-	822,590,331	-	822,590,331
UNEB	-	-	-	-	-	-
Financial Intelligence Authority	-	-	-	110,554,585	-	110,554,585
Treasury Operations	-	-	339,837,088,904	92,913,596,279	-	432,750,685,183
Office of the Auditor General	-	-	-	-	719,016,880	719,016,880
Education Service Commission	-	-	-	177,920,010	-	177,920,010
Directorate of Public Prosecution	117,015,922	-	-	22,973,632	11,377,139	151,366,693
Health Service Commission	82,362,144	-	-	436,009	-	82,798,153

Statement of Outstanding Commitments by vote for the Year ended 30 June 2019
[As submitted and signed by accounting Officers]

	Rent and Utilities	Contributions to International Organisations	Court awards and compensations	Other Payables	Pensions & Gratuity	Total
Makere University (MUK)	-	-	-	22,108,111,971	23,920,219,207	46,028,330,278
Mbarara University	-	-	-	286,121,044	-	286,121,044
Makere University Business School	-	-	-	10,473,442,903	-	10,473,442,903
Kyambogo University (KYU)	-	-	-	8,117,165,940	-	8,117,165,940
Uganda Management Institute	-	-	-	5,864,426,325	-	5,864,426,325
Uganda Revenue Authority (URA)	-	-	-	-	-	-
NARO	375,821,570	-	-	927,283,412	-	1,303,104,982
Uganda Bureau of Statistics (UBOS)	-	-	-	-	-	-
Uganda Police	59,302,048,097	-	5,711,612,299	101,505,566,560	-	166,519,226,956
Uganda Prisons	-	-	-	65,164,614,983	-	65,164,614,983
Public Service Commission	-	-	-	53,259,160	-	53,259,160
Local Government Finance Commission	-	-	-	163,548	-	163,548
Judicial Service Commission	-	-	-	-	-	-
Gulu University	-	-	-	1,437,433,568	7,047,152,185	8,484,585,753
NEMA	-	-	-	424,160	-	424,160
Uganda Blood Transfusion Service	107,852,971	-	-	-	107,852,971	-
National Agricultural Advisory Services	-	-	-	39,951,481,904	-	39,951,481,904
Public Procurement & Disposal of Assets	49,063,486	-	-	179,937,374	-	229,000,860
Uganda National Bureau of Standards	-	-	-	-	-	-
Cotton Development Organisation	-	-	-	317,468,006	-	317,468,006
Uganda Land Commission	194,684,634,334	-	-	-	-	194,684,634,334
National Forestry Authority	-	-	-	-	-	-
External Security Organisation	-	-	18,753,387,740	154,807,663	18,908,195,403	-
Coffee Development Authority	-	324,961,977	-	140,924,454,892	-	141,249,416,869
Lira University	-	-	-	502,702,254	-	502,702,354
Uganda National Meteorological Authority	-	37,408,800	-	836,041,955	-	873,456,755
National Curriculum Development Centre	-	-	-	4,376,976	-	4,376,976
Uganda Virus Research Institute	-	-	-	-	-	-
Directorate Of Govt' Analytical Lab	-	-	-	-	-	-
Uganda Export Promotion Board	-	-	-	-	-	-
Kabale University	-	-	-	1,872,390,164	-	1,872,390,164
Soroti University	-	-	-	-	-	-
NIRIA	-	-	-	2,919,015,936	-	2,919,015,936
Uganda Investment Authority	4,035,080	-	-	171,849,228	-	175,884,308
Uganda National Oil Company	-	-	-	-	-	-
Petroleum Authority of Uganda	-	-	-	-	-	-

Statement of Outstanding Commitments by vote for the Year ended 30 June 2019
[As submitted and signed by accounting Officers]

	Rent and Utilities	Contributions to International Organisations	Court awards and compensations	Other Payables	Pensions & Gratuity	Total
Total 30 June 2019	264,777,538,687	362,370,777	397,019,697,940	1,149,302,686,987	31,852,573,074	1,843,314,867,465
Total (30 June 2018)	103,254,545,992	96,321,573	330,647,869,024	738,057,815,656	10,845,436,821	1,182,901,989,066

Statement of Outstanding Commitments by vote for the Year ended 30 June 2019
[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	5,539,008,200	-	-	213,763,900	-	5,752,772,100
Burabika Hospital	-	-	-	84,446,484	-	84,446,484
Anya Hospital	82,124,428	-	-	79,513,234	-	161,637,662
Fort Portal Hospital	-	-	-	49,988,655	-	49,988,655
Gulu Hospital	-	-	-	258,099,194	624,293,177	882,392,371
Homa Hospital	169,457,512	-	-	92,180,382	-	261,637,894
Jinja Hospital	-	-	-	-	-	-
Kabale Hospital	58,297,954	-	-	-	-	58,297,954
Masaka Hospital	-	-	-	91,235,087	938,556,213	1,029,791,300
Mbarara Hospital	-	-	-	55,753,396	-	55,753,396
Soroti Hospital	187,033,219	-	-	176,289,731	-	363,322,950
Lira Hospital	127,296,063	-	-	30,687,957	-	157,984,020
Mbarara Regional Referral Hospital	-	-	-	1,910,405,678	970,793,136	2,881,198,814
Mubende Reg Hospital	-	-	-	380,677,866	-	380,677,866
Moroto Reg Hospital	-	-	-	135,208,829	-	135,208,829
Naguru Referral Hospital	-	-	-	695,315,859	-	695,315,859
30 June 2019	6,163,217,376	-	-	4,253,566,252	2,533,642,516	12,950,426,154
30 June 2018	1,632,705,987	-	-	9,171,713,017	1,088,786,503	11,893,205,507

Statement of Outstanding Commitments by vote for the Year ended 30 June 2019
[As submitted and signed by accounting Officers]

EMBASSIES/MISIONS

	Rent and Utilities	Contributions to International Organisations	Court awards and compensations	Other Payables	Pensions and Gratuity	Total
Ugandan Mission at the UN, New York	210,681,676	-	-	1,036,966,689	-	1,247,648,365
Uganda High Commission in United Kingdom	-	-	-	131,901,525	-	131,901,525
Uganda High Commission in Canada, Ottawa	-	-	-	893,322,179	-	893,322,179
Uganda High Commission in India, New Delhi	63,376,488	-	-	11,716,064	-	75,092,552
Uganda High Commission in Egypt, Cairo	-	-	-	79,502,359	-	79,502,359
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	-	-	-	7,720,207	-	7,720,207
Uganda Embassy in Rwanda, Kigali	-	-	-	-	-	-
Uganda Embassy in Switzerland, Geneva	-	-	-	-	-	-
Uganda Embassy in Japan, Tokyo	-	-	-	-	-	-
Uganda Embassy in Libya, Tripoli	-	-	-	-	-	-
Uganda Embassy in Saudi Arabia, Riyadh	-	-	-	-	17,826,137	17,826,137
Uganda Embassy in Denmark, Copenhagen	-	-	-	-	14,791,840	14,791,840
Uganda Embassy in Belgium, Brussels	-	-	-	-	444,530,836	444,530,836
Uganda Embassy in Italy, Rome	-	-	-	-	-	-
Uganda Embassy in DRC, Kinshasa	-	-	-	-	-	-
Uganda Embassy in Sudan, Khartoum	-	-	-	-	-	-
Uganda Embassy in France, Paris	-	-	-	-	-	-
Uganda Embassy in Germany, Berlin	-	-	-	-	-	-
Uganda Embassy in Tehran	-	-	-	-	-	-
Uganda Embassy in Moscow	-	-	-	-	-	-
Uganda Embassy in Canberra	-	-	-	-	-	-
Uganda Embassy in Juba	-	-	-	-	-	-
Uganda Embassy in Abu Dhabi, UAE	-	-	-	-	10,696,008	10,696,008
Uganda Embassy in Bujumbura, Burundi	-	-	-	-	6,553,284	6,553,284
Uganda Embassy in Guangzhou	-	-	-	-	-	-
Uganda Embassy in Ankara	-	-	-	-	-	-
Uganda Embassy Mogadishu	-	-	-	-	-	-
Uganda Embassy in Malaysia	-	-	-	89,789,216	-	89,789,216
Uganda Consulate in Mombasa	-	-	-	693,018	-	693,018

Statement of Outstanding Commitments by vote for the Year ended 30 June 2019
[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	-	-	-	217,236	-	217,236
Total 30 June 2019	274,058,164	-	-	2,746,226,598	-	3,020,284,762
Total 30 June 2018	2,308,305	-	-	1,320,948,125	-	1,323,256,430

ACCOUNTANT GENERAL'S OFFICE

GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Statement of losses of public moneys and stores written off, and claims abandoned by vote during the year ended 30 June 2019**[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 2018 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 2019	-	-	-	-	-
At 30 June 2018	-	-	-	-	-

Statement of losses of public moneys and stores written off, and claims abandoned by vote during the year ended 30 June 2019

[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 2019 Shs.	Total losses at 30 June 2018 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 2019					
At 30 June 2018					

ACCOUNTANT GENERAL'S OFFICE

GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Statement of losses of public moneys and stores written off, and claims abandoned by vote during the year ended 30 June 2019

[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 2018 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 2019	-	-	-	-	-
At 30 June 2018	-	-	-	-	-

ACCOUNTANT GENERAL'S OFFICE

GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Statement of losses of public moneys and stores written off, and claims abandoned by vote during the year ended 30 June 2019**[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 2019	Total losses 30 June 2018
	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 2019	-	-	-	-	-
At 30 June 2018	-	-	-	-	-

ACCOUNTANT GENERAL'S OFFICE
 GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Statement of losses of public moneys and stores reported by vote during the year ended 30 June 2019

[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 2019 Shs.	Total losses reported at 30 June 2018 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
Ministry of Finance, Planning and Economic Dev't	-	-	-	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	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
Ministry of Water & Environment	-	-	-	78,000,000
Ministry of Communication & ICT	-	-	-	-
Ministry of East African Affairs	-	-	-	8,000,000
Ministry of Tourism & Heritage	-	-	-	-
Ministry of Science, Tech & Innovation	-	-	-	-
At 30 June 2019	1,443,496,342	361,765,900	1,805,262,242	2,756,792,639
At 30 June 2018	1,443,496,342	1,313,296,297	2,756,792,639	

**Statement of losses of public moneys and stores reported by vote during the year ended
30 June 2019**

[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 2019 Shs.	Total losses reported at 30 June 2018 Shs
Judiciary	139,484,926	-	139,484,926	-
Electoral Commission	-	71,060,000	71,060,000	71,060,000
Inspector General of Government's Office			-	-
Parliamentary Commission	-	-	-	-
Law Reform Commission	-	-	-	-
Uganda Human Rights Commission	-	-	-	-
Uganda Aids Commission	-	-	-	-
National Planning Authority	-	-	-	-
Law Development Centre	-	-	-	-
Uganda Industrial Research Institute	-	-	-	-
Busitema University	-	1,211,056,050	1,211,056,050	1,211,056,050
Directorate of Ethics & Integrity	-	-	-	-
Uganda National Roads Authority			-	-
Uganda Cancer Institute	-	-	-	-
Uganda Heart Institute	-	160,362,000	160,362,000	160,362,000
Uganda National Medical Stores				
Uganda Tourism Board	-	-	-	-
Uganda Road Fund	13,900,260	1,400,000	15,300,260	15,300,260
Uganda Registration Services Bureau	-	-	-	3,620,000
National Citizenship & Imm Ctrl	-	-	-	-
Diary Development Authority	-	-	-	-
KCCA	-	-	-	-
Rural Electrification Agency	-	-	-	-
Equal Opportunities Commission	-	-	-	-
National Animal Genetic Resource Centre and Data Bank(NAGRC&DB)	-	690,208,152	690,208,152	690,208,152
National Information Technology Authority-Uganda (NITA-U)	-	-	-	-
Muni University		45,913,761	45,913,761	39,460,198
UNEB	-	-		
Financial Intelligence Authority	-	-	-	-
Treasury Operations			-	-
Office of the Auditor General	-	-	-	-
Education Service Commission	-	-	-	-
Directorate of Public Prosecution			-	-
Health Service Commission	-	-	-	-
Makerere University	-	-	-	-
Mbarara University	-	-	-	-
Makerere University Business School	-	-	-	-
Kyambogo University	-	-	-	-
Uganda Management Institute	-	-	-	-
Uganda Revenue Authority	-	-	-	-
National Agricultural Research Organisation	126,811,100	90,958,142	217,769,242	217,769,242
Uganda Bureau of Statistics (UBOS)	-	58,286,304	58,286,304	58,286,304
Uganda Police	-	-	-	-

Statement of losses of public moneys and stores reported by vote during the year ended 30 June 2019

[As submitted and signed by Accounting Officers]

Agency	Losses of public moneys (cash and cash equivalents) Shs.	Value of losses of stores Shs.	Total losses reported as at 30 June 2019 Shs.	Total losses reported at 30 June 2018 Shs
Uganda Prisons	-	-	-	-
Public Service Commission	-	-	-	-
Local Government Finance Commission	-	-	-	-
Judicial Service Commission	-	-	-	-
Gulu University	0	0	0	-
National Environment Management Authority	-	-	-	-
Uganda Blood Transfusion Service	-	-	-	-
National Agricultural Advisory Services	-	-	-	-
Public Procurement & Disposal of Assets			-	-
Uganda National Bureau of Standards			-	-
Cotton Development Organisation	-	-	-	-
Uganda Lands Commission			-	-
National Forestry Authority	-	-	-	-
External Security Organisation	-	-	-	-
Uganda Coffee Development Authority	-	-	-	-
Lira University	-	-	-	-
Uganda National Metrological Authority	-	-	-	-
National Curriculum Development Centre (NCDC)	-	-	-	-
Uganda Virus Research Institute	-	-	-	-
Directorate of Government Analytical Lab		26,386,791	26,386,791	26,386,791
Uganda Export Promotion Board	-	-	-	-
Kabale University	-	-	-	-
Soroti University	-	-	-	-
National Identification & Registration Authority (NIRA)	-	-	-	-
Uganda Investment Authority	-	-	-	-
Uganda National Oil Company	-	-	-	-
Petroleum Authority of Uganda	-	-	-	-
At 30 June 2019	280,196,286	2,355,631,200	2,635,827,486	2,045,006,607
At 30 June 2018	140,711,360	1,904,295,247	2,045,006,607	

**Statement of losses of public moneys and stores reported by vote during the year ended
30 June 2019**

[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 2019 Shs.	Total losses reported at 30 June 2018 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
Lira Hospital	-	-	-	-
Mbarara Regional Hospital	-	-	-	-
Mubende Reg Hospital	-	-	-	-
Moroto Regional Hospital	-	-	-	-
Naguru referral Hospital	-	-	-	-
At 30 June 2019	-	-	-	4,731,960
At 30 June 2018	-	4,731,960	4,731,960	-

ACCOUNTANT GENERAL'S OFFICE
GOVERNMENT OF THE REPUBLIC OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

**Statement of losses of public moneys and stores reported by vote during the year ended
30 June 2019**
[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 2019 Shs.	Total losses as reported at 30 June 2018 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	-	47,250,000	47,250,000	-
Uganda Embassy in Rwanda	-	-	-	-
Uganda Embassy in Switzerland	-	-	-	-
Uganda Embassy in Japan	-	1,236,806	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	-	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 2019	50,295,227	54,603,836	104,899,063	57,649,063
At 30 June 2018	50,295,227	7,353,836	57,649,063	

**Statement of Arrears of Revenues, by vote, as at 30 June 2019
[As submitted and signed by Accounting Officers]**

MINISTRIES

Ministry	Arrears of Revenue 30 June 2018 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 2019 Shs.
Office of the President	-	126,002,500	126,002,500	126,002,500	-	-
State House	-	155,644,440	155,644,440	155,644,440	-	-
Office of the Prime Minister	-	31,210,000	31,210,000	31,210,000	-	-
Ministry of Defence	-	1,443,290,000	1,443,290,000	1,443,290,000	-	-
Ministry of Public Service	-	284,241,261	284,241,261	284,241,261	-	-
Ministry of Foreign Affairs	-	107,262,302	107,262,302	107,262,302	-	-
Ministry of Justice and Constitutional Affairs	-	662,462,293	662,462,293	662,462,293	-	-
Ministry of Finance, Planning and Economic Development	-	22,773,718,202	22,773,718,202	22,773,718,202	-	-
Ministry of Internal Affairs	-	1,359,140,549	1,359,140,549	1,359,140,549	-	-
Ministry of Agriculture, Animal Industry and Fisheries	-	3,443,629,000	3,443,629,000	3,443,629,000	-	-
Ministry of Local Government	-	103,207,900	103,207,900	103,207,900	-	-
Ministry of Lands, Housing and Urban Development	-	5,020,863,135	5,020,863,135	5,020,863,135	-	-
Ministry of Education and Sports	-	159,066,354	159,066,354	159,066,354	-	-
Ministry of Health	-	134,218,800	134,218,800	134,218,800	-	-
Ministry of Trade and Industry	-	68,105,000	68,105,000	68,105,000	-	-
Ministry of Works, Housing and Communications	-	8,939,279,360	8,939,279,360	8,939,279,360	-	-
Ministry of Energy and Minerals	19,591,559,781	16,958,769,781	16,958,769,781	16,958,769,781	2,632,790,000	2,632,790,000
Ministry of Gender, Labour and Social Development	-	1,992,826,601	1,992,826,601	1,992,826,601	-	-
Ministry of Water & Environment	-	1,040,014,136	1,040,014,136	1,040,014,136	-	-
Ministry of Communication & ICT	-	3,018,711,000	3,018,711,000	3,018,711,000	-	-
Ministry of East African Affairs	-	18,400,000	18,400,000	18,400,000	-	-
Ministry of Tourism and Heritage	-	199,276,797	199,276,797	199,276,797	-	-
Ministry of Science, Tech and Innovation	-	4,250,000	4,250,000	4,250,000	-	-
At 30 June 2019	-	70,676,379,411	68,043,589,411	68,690,521,862	2,632,790,000	2,632,790,000
At 30 June 2018	-	44,791,599,649	44,791,599,649	44,466,052,703	-	-

**Statement of Arrears of Revenues, by vote, as at 30 June 2019
[As submitted and signed by Accounting Officers]**

AGENCIES

Ministry/ Agency	Arrears of Revenue 30 June 2018	Total Revenue billed during the Year	Actual amounts collected during the year	Amounts remitted to the Consolidated Fund during the year	Arrears of Revenue	Cumulative Arrears of Revenue at 30 June 2019
	Shs.	Shs.	Shs.	Shs.	Shs.	Shs.
Judiciary	-	6,071,611,477	6,071,611,477	6,071,611,477	-	-
Electoral Commission	-	74,152,840	74,152,840	74,152,840	-	-
Inspector General Of Government	-	434,212,590	434,212,590	434,212,590	-	-
Parliamentary Commission	-	862,124,655	862,124,655	862,124,655	-	-
Law Reform Commission	-	42,222,200	42,222,200	42,222,200	-	-
Uganda Human Rights Commission	-	5,750,000	5,750,000	5,750,000	-	-
Uganda Aids Commission	-	-	-	-	-	-
National Planning Authority	-	30,561,000	30,561,000	30,561,000	-	-
Law Development Centre	-	7,820,173,682	7,820,173,682	7,392,846,180	427,327,502	842,378,381
Uganda Industrial Research Inst	-	218,264,256	218,264,256	217,970,256	-	-
Buseitema University	-	6,787,386,284	6,689,346,500	6,489,346,500	98,039,784	298,039,784
Directorate Of Ethics & Integrity	-	87,922,930	87,922,930	87,046,620	-	-
Uganda National Roads Authority	-	9,386,629,574	9,386,629,574	9,386,629,574	-	-
Uganda Cancer Institute	-	1,456,020,904	1,446,351,504	1,317,394,004	9,669,400	9,669,400
Uganda Heart Institute	-	6,171,861,437	6,171,861,437	4,306,668,465	-	131,660,608
Uganda National Medical Stores	-	5,494,450,000	5,494,450,000	5,494,450,000	-	-
Uganda Tourism Board	-	308,361,689	308,361,689	308,300,000	-	-
Uganda Road Fund	-	9,500,000	9,500,000	9,500,000	-	-
Uganda Registration Services Bureau	-	56,806,067,462	56,806,067,462	56,806,067,462	-	-
National Citizenship & Imm Control	-	215,877,191,510	215,877,191,510	215,877,153,510	-	-
Diary Development Authority	-	519,401,155	519,401,155	552,644,902	-	(33,243,747)
KCCA	-	90,553,238,928	90,553,238,928	90,046,414,266	-	-
Rural Electrification Agency	-	58,835,449,266	32,252,534,826	45,362,242,012	26,582,914,440	13,473,207,254
Equal Opportunities Commission	-	44,652,840	44,652,840	44,652,840	-	-
NAGRIC & LDB	-	2,007,895,211	2,005,9238,798	1,918,465,624	1,956,413	89,429,587
Nita-U	-	14,768,376,181	14,768,376,181	14,767,968,771	-	407,410
Muni University	-	677,287,037	677,287,037	531,054,482	-	-
UNIB	-	53,550,971,530	53,550,971,530	-	-	-
Financial Intelligence Authority	-	13,500,000	13,500,000	13,500,000	-	-
Treasury Operations	-	8,610,331,900	8,610,331,900	8,610,331,900	-	-
Office of the Auditor General	-	7,600,000	7,600,000	7,600,000	-	-
Education Service Commission	-	200,000	200,000	200,000	-	-
Directorate of Public Prosecution	-	12,350,000	12,350,000	12,350,000	-	-

**Statement of Arrears of Revenues, by vote, as at 30 June 2019
[As submitted and signed by Accounting Officers]**

Ministry/ Agency	Arrears of Revenue 30 June 2018 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 2019 Shs.
Health Service Commission	-	13,243,700	13,243,700	1,3243,700	-	-
Makere University	-	92,990,519,985	88,323,203,906	84,751,579,001	3,571,624,905	4,667,316,079
Mbarara University	232,240,937	11,412,179,867	11,412,179,867	12,198,619,396	-	-
Makere University Business School	1,341,048,881	38,270,671,80	38,270,671,80	35,024,124,200	-	742,811,519
Kyambogo University	2,233,539,819	80,192,361,785	74,885,475,494	71,440,595,000	3,444,880,494	7,540,426,110
Uganda Management Institute	5,055,742,547	18,776,495,245	19,794,182,141	18,077,000,000	1,717,182,141	5,755,237,792
Uganda Revenue Authority	-	-	-	-	-	-
National Agricultural & Research Org.	-	3,610,929,693	3,610,929,693	3,610,929,693	-	-
Uganda Bureau Of Statistics	-	21,553,000	21,553,000	21,553,000	-	-
Uganda Police	-	24,331,462,746	24,331,462,746	23,548,589,183	-	782,873,563
Uganda Prisons	-	15,882,468,282	15,882,468,282	1,275,466,541	-	-
Public Service Commission	-	400,000	400,000	400,000	-	-
Local Government Finance Comm	-	47,496,600	47,496,600	47,496,600	-	-
Judicial Service Commission	-	3,719,150	3,719,150	3,719,150	-	-
NEMA	176,936,088	12,080,889,581	12,080,889,581	6,629,453,000	-	176,936,088
Gulu University	-	3,504,000	3,504,000	3,504,000	-	-
Uganda Blood Transfusion Service	-	2,150,000	2,150,000	2,150,000	-	-
National Agricultural Advisory Services PPDA	-	47,226,530	47,226,530	147,718,530	-	-
Uganda National Bureau Of Standards	-	730,284,283	730,284,283	730,284,283	-	-
Cotton Development Organization	-	32,622,386,807	32,622,386,807	32,622,386,807	-	-
Uganda Land Commission	-	4,581,744,129	4,581,744,129	4,581,744,129	-	-
National Forestry Authority	9,202,603,909	9,730,129,225	9,730,129,225	8,452,395,514	-	9,202,603,909
External Security Organization	-	-	-	-	-	-
Uganda Coffee Dev Authority	3,260,204,100	18,823,193,068	18,823,193,068	18,795,322,637	-	1,407,072,104
Lira University	349,102,795	2,544,847,446	2,544,847,446	2,543,984,635	-	862,811
UNIMA	525,000,000	2,219,369,756	2,219,369,756	1,198,627,009	-	100,000,000
NCDC	-	303,000,000	303,000,000	317,000,000	-	-
Uganda Virus Research Institute	-	107,120,835	107,120,835	107,120,835	-	-
DGAL	-	870,000	870,000	870,000	-	-
Uganda Export Promotions	-	-	-	-	-	-
Kabale University	289,158,694	5,877,567,374	5,877,567,374	6,101,000,000	-	65,726,068
Soroti University	-	46,245,546	46,245,546	-	-	-

Statement of Arrears of Revenues, by vote, as at 30 June 2019
[As submitted and signed by Accounting Officers]

Ministry/ Agency	Arrears of Revenue 30 June 2018 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 2019 Shs.
National Identification & Registration Authority	20,947,556,617	547,357,249	333,942,240	4,870,764,664	4,870,764,664	-
Uganda Investment Authority	-	-	-	786,619,614	213,415,009	20,374,352,012
Uganda National Oil Company	-	-	-	-	-	-
Petroleum Authority of Uganda	8,862,572,184	931,279,152,051	895,630,056,540	817,787,712,673	35,853,595,079	34,477,149,828
At 30 June 2019	-	1,028,770,714,576	1,028,770,714,576	870,450,336,003	-	-
At 30 June 2018						

**Statement of Arrears of Revenues, by vote, as at 30 June 2019
[As submitted and signed by Accounting Officers]**

REFERRAL HOSPITALS

Referral hospital	Arrears of Revenue 30 June 2018 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 2019 Shs
Mulago Hospital Complex	1,820,069,732	3,948,263,830	3,948,263,830	3,943,606,330	4,657,500	1,824,727,232
Butabika Hospital	65,794,313	1,124,181,541	1,124,181,541	1,111,206,838	-	78,769,016
Arua Hospital	-	108,748,130	108,748,130	97,123,860	-	-
Fort Portal Hospital	-	430,334,240	430,334,240	321,319,933	-	-
Gulu Hospital	-	440,964,139	440,964,139	241,010,413	199,953,726	199,953,726
Homa Hospital	-	176,695,965	176,695,965	167,000,000	-	-
Jinja Hospital	-	381,702,293	381,702,293	342,000,000	-	-
Kahale Hospital	-	356,172,832	356,172,832	356,500,000	-	-
Masaka Hospital	-	354,845,415	354,845,415	354,845,415	-	-
Mbale Hospital	-	199,000,000	199,000,000	192,339,136	-	-
Soroti Hospital	-	70,954,127	70,954,127	61,304,154	9,649,973	9,649,973
Lira Hospital	-	90,825,475	90,825,475	50,000,000	-	-
Mbarara Regional Hospital	1,039,971,234	1,323,611,682	1,323,611,682	221,540,000	-	1,039,971,234
Mubende Reg Hospital	-	154,205,200	154,205,200	138,884,394	-	-
Moroto Reg Hospital	15,710,000	3,575,000	3,575,000	5,150,000	-	15,710,000
Naguru Referral Hospital	346,001	136,972,203	136,972,203	116,400,000	-	346,001
At 30 June 2019	2,925,835,279	9,301,152,072	9,301,152,072	7,720,230,473	214,261,199	3,169,127,182
At 30 June 2018	-	7,640,320,035	7,640,320,035	5,563,278,614	-	-

**Statement of Arrears of Revenues, by vote, as at 30 June 2019
[As submitted and signed by Accounting Officers]**

EMBASSIES/MISSIONS	Embassy/Mission	Arrears of Revenue 30 June 2018 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 2019 Shs
Uganda Mission at the United Nations		7,870,127,967		7,870,127,967		2,152,023,248	-
Uganda High Commission in the UK	2,169,938,497	1,165,939,559		1,165,939,559	1,543,327,938	-	2,169,938,497
Uganda High Commission in Canada	13,127,319	25,916,812		25,916,812	11,007,115	14,909,697	28,037,016
Uganda High Commission in India	52,363,240	4,228,268		4,228,268	32,393,184	24,198,324	24,198,324
Uganda High Commission in Egypt	11,825,245	168,804,268		168,804,268	150,197,466	-	11,825,245
Uganda High Commission in Kenya	396,344,756	276,196,251		276,196,251	266,454,989	9,741,262	406,086,018
Uganda High Commission in Tanzania	39,816,173	27,778,740		27,778,740	-	27,778,740	67,594,913
Uganda High Commission in Nigeria		215,479,523		215,479,523	6,634,433	208,845,090	208,845,090
Uganda High Commission in South Africa	199,931,507	247,996,157		247,996,157	414,249,343	-	199,931,507
Uganda Embassy in the United States		378,355,771		378,355,771	336,644,191	-	-
Uganda Embassy in Ethiopia		405,912,390		405,912,390	18,007,634	-	-
Uganda Embassy in China	322,445,040	10,674,388		10,674,388	2,095,394	-	322,445,040
Uganda Embassy in Rwanda	-	65,246,149		65,246,149	59,517,939	-	-
Uganda Embassy in Switzerland		160,936,241		160,936,241	129,176,171	-	-
Uganda Embassy in Japan (Tokyo)	145,346,152	218,287,302		218,287,302	299,604,694	-	145,346,152
Uganda Embassy in Libya (Tripoli)		-		-	-	-	-
Uganda Embassy in Saudi Arabia	24,290,179	9,157,628		9,157,628	15,007,332	-	24,290,179
Uganda Embassy in Denmark	267,744,437	56,834,625		56,834,625	279,934,911	44,644,151	44,644,151
Uganda Embassy in Belgium (Brussels)	206,607,475	240,863,949		240,863,949	127,044,295	-	206,607,475
Uganda Embassy in Italy (Rome)	22,828,742	131,992,133		131,992,133	63,387,651	68,204,482	91,033,224
Uganda Embassy in DRC (Kinshasa)	278,074,974	725,258,111		725,258,111	595,003,524	-	278,074,974
Uganda Embassy in Sudan (Khartoum)	154,392,612	117,395,345		117,395,345	187,590,585	-	154,392,612
Uganda Embassy in France (Paris)	460,947,194	26,610,490		26,610,490	40,242,782	-	460,947,194
Uganda Embassy in Germany (Berlin)	45,403,784	52,124,725		52,124,725	97,528,509	-	45,403,784
Uganda Embassy in Iran (Teheran)	57,937,358	41,090,397		41,090,397	-	41,090,397	99,027,755
Uganda Embassy in Russia (Moscow)		58,492,096		58,492,096	217,311,697	-	-
Uganda Embassy in Australia-Canberra		116,941,690		116,941,690	101,437,184	-	-
Uganda Embassy in Juba		648,823,885		648,823,885	597,598,427	-	-
Uganda Embassy in Abu Dhabi (UAE)		48,153,854		48,153,854	44,859,147	-	-
Uganda Embassy in Burundi		364,997,335		364,997,335	355,550,407	-	-
Uganda Embassy in Guangzhou		4,407,818		4,407,818	3,852,647	-	-
Uganda Embassy in Ankara	31,518,523	54,528,505		54,528,505	34,548,502	-	31,518,523
Uganda Embassy in Somalia		1,293,723		1,293,723	1,309,000	-	-
Uganda Embassy in Malaysia	732,288	13,417,789		13,417,789	14,150,077	-	732,288
Uganda Consulate in Mombassa	2,403,363	680,286		680,286	-	-	2,403,363
Uganda Embassy in Algiers	11,769,501	10,657,356		10,657,356	16,382,995	-	11,769,501
At 30 June 2019	4,915,788,359	13,965,601,526		13,965,601,526	8,214,383,411	439,412,143	5,035,092,825
At 30 June 2018		16,371,903,550		16,371,903,550	8,111,407,902	-	-

Statement of stores and other assets (physical assets) acquired, by vote during the year ended 30 June 2019

[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 2018 Shs.
Office of the President	810,779,796	3,295,031,243	88,000,000	4,193,811,039	5,004,080,645
State House	11,243,419,735	9,585,811,302	4,150,000,000	24,979,231,037	15,308,410,956
Office of the Prime Minister	2,500,374,221	3,829,999,999	-	6,330,374,220	10,093,871,412
Ministry of Defence	27,210,087,089	7,835,125,136	-	35,045,212,225	23,562,047,227
Ministry of Public Service	1,601,596,125	311,641,912	527,578,878	2,440,816,915	2,564,529,757
Ministry of Foreign Affairs	138,000,000	406,068,459	102,000,000	646,068,459	712,144,489
Ministry of Justice and Constitutional Affairs	3,914,732,676	4,889,481,322	-	8,804,213,998	4,028,858,759
Ministry of Finance, Planning and Economic Development	12,603,902,226	13,178,462,140	-	25,782,364,366	12,677,094,875
Ministry of Internal Affairs	-	495,848,712	10,000,000	505,848,712	794,050,719
Ministry of Agriculture, Animal Industry and Fisheries	16,201,032,712	14,466,357,077	20,065,290,140	50,732,679,929	25,408,686,204
Ministry of Local Government	17,660,750,539	5,345,424,797	1,011,000,000	24,017,175,336	14,019,709,797
Ministry of Lands, Housing and Urban Development	-	4,743,402,627	630,019,139	5,373,421,766	3,986,372,261
Ministry of Education and Sports	32,438,634,628	8,848,956,769	662,123,838	41,949,715,235	37,534,770,894
Ministry of Health	39,895,719,283	10,085,875,953	233,138,443	50,214,733,679	13,891,377,315
Ministry of Trade and Industry	5,721,356,872	871,645,924	185,000,670	6,778,003,466	17,008,352,343
Ministry of Works and Transport	108,733,234,762	7,292,093,325	301,338,284,015	417,363,612,102	39,102,956,998
Ministry of Energy and Minerals	168,290,244,508	26,396,040,684	16,014,343,437	210,700,628,629	51,967,419,447
Ministry of Gender, Labour and Social Development	3,543,116,964	5,215,321,001	151,700,000	8,910,137,965	95,200,809,146
Ministry of Water & Environment	14,371,688,963	14,173,049,651	206,497,002,850	235,041,741,464	169,859,927,406
Ministry of Communication & ICT	3,651,689,490	1,264,799,999	456,908,474	5,373,397,963	14,843,710,430
Ministry of East African Affairs	-	499,367,593	-	499,367,593	949,999,911
Ministry of Tourism and Heritage	1,538,490,546	3,599,999	1,222,048,872	2,764,139,417	2,657,260,000
Ministry of Science, Tech & Innovation	-	369,455,277	-	369,455,277	1,525,263,696
As at 30 June 2019	472,068,851,135	143,402,860,901	553,344,438,756	1,168,816,150,792	562,701,704,687
As at 30 June 2018	281,093,118,432	84,946,349,835	196,662,236,420	562,701,704,687	

Statement of stores and other assets (physical assets) acquired, by vote during the year ended 30 June 2019
[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 2018
Judiciary	-	4,751,854,202	-	4,751,854,202	2,591,083,448
Electoral Commission	16,875,000,000	199,991,663	-	17,074,991,663	200,000,011
Inspector General of Government's Office	11,251,929,049	598,359,485	223,562,729	12,073,851,263	424,526,821
Parliamentary Commission	10,786,182,115	24,668,362,670	-	35,454,544,785	14,006,395,802
Law Reform Commission	-	175,917,656	12,971,976	188,889,632	26,510,000
Uganda Human Rights Commission	-	386,347,360	-	386,347,360	305,833,656
Uganda Aids Commission	-	122,000,000	5,610,237	127,610,237	50,242,983
National Planning Authority	477,113,728	486,000,000	56,972,950	1,020,086,678	998,149,273
Law Development Centre	2,969,766,073	500,292,423	50,000,000	3,520,058,496	2,042,998,936
Uganda Industrial Research Inst.	730,332,320	674,693,726	419,790,775	1,824,816,821	2,218,297,199
Busitema University	991,262,608	681,970,914	-	1,673,233,522	1,335,137,806
Directorate of Ethics & Integrity	-	210,596,690	-	210,596,690	210,596,691
Uganda National Roads Authority	1,710,972,025,502	46,233,306,000	7,588,196,828	1,764,793,528,330	1,897,310,151,984
Uganda Cancer Institute	9,262,437,262	-	1,129,772,747	10,392,210,009	8,344,648,301
Uganda Heart Institute	-	402,438,398	4,073,391,669	4,475,830,067	3,923,074,533
Uganda National Medical Stores	-	-	-	-	-
Uganda Tourism Board	-	521,013,930	-	521,013,930	166,643,868
Uganda Road Fund	4,704,000,001	719,788,417	-	5,423,788,418	888,642,344
Uganda Registration Services Bureau	-	842,683,331	-	842,683,331	-
NC&IC	1,291,395,066	8,570,034,633	466,443,089	10,327,872,788	30,268,674,101
Diary Development Authority	93,045,158	166,000,000	83,000,000	342,045,158	1,423,720,483
Kampala Capital City Authority	89,156,253,338	159,075,835	111,738,232	89,427,067,405	59,059,314,657
Rural Electrification Agency (REA)	-	86,807,532	51,038,775,811	51,125,583,343	63,733,791,503
Equal Opportunities Commission	-	1,259,999,999	20,000,000	1,279,999,999	50,000,000
NAGRC &DB	4,742,135,496	2,401,774,034	792,128,241	7,936,037,771	8,116,592,474
NITA-U	-	271,001,574	92,539,140	363,540,714	-
Muni University	2,476,000,000	1,763,474,624	128,561,620	4,368,036,244	3,779,519,594
Uganda National Examinations Board	1,658,000,000	7,309,100,000	-	8,967,100,000	1,081,473,333
Financial Intelligence Authority	-	409,298,587	-	409,298,587	839,999,704
Treasury Operations	-	-	-	-	-
Office of the Auditor General	935,540,074	2,662,606,445	-	3,598,146,519	4,825,462,236
Education Service Commission	-	382,818,756	-	382,818,756	653,006,611
Directorate of Public Prosecution	800,000,000	900,000,000	3,876,006,101	5,576,006,101	6,693,141,481
Health Service Commission	-	263,398,712	-	263,398,712	446,709,379
Makerecere University	9,975,311,723	2,178,377,941	2,032,643,206	14,186,332,870	7,718,843,814
Mbarara University	6,988,379,411	408,952,415	139,967,647	7,537,299,473	2,240,630,762
Makerecere University Business School	4,629,593,299	632,883,839	725,323,760	5,987,800,898	1,487,985,799
Kyambogo University	3,864,337,778	1,768,344,670	2,062,979,683	7,695,662,131	3,536,594,631
Uganda Management Institute	2,634,113,910	472,575,456	326,080,297	3,432,769,663	719,477,727
Uganda Revenue Authority	-	-	-	-	-
National Agricultural Research Organisation	10,507,615,001	6,289,969,531	-	16,797,584,532	449,000,000
Uganda Bureau of Statistics	-	16,368,960	-	16,368,960	3,964,779,484
Uganda Police	16,409,999,998	100,000,000	246,931,473,928	263,441,473,926	108,514,264,939
Uganda Prisons	16,380,891,891	5,944,231,980	-	22,325,123,871	16,112,708,020
Public Service Commission	-	386,008,000	128,999,100	515,007,100	783,744,200
Local Government Finance Commission	-	571,699,840	-	571,699,840	413,272,675
Judicial Service Commission	-	895,069,392	-	895,069,392	238,758,912
Gulu University	2,335,892,227	1,043,445,765	852,731,695	4,232,069,687	2,405,909,857

Statement of stores and other assets (physical assets) acquired, by vote during the year ended 30 June 2019

[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 2018
NEMA	-	216,310,698	160,042,473	376,353,171	311,347,037
Uganda Blood Transfusion Service	1,499,999,999	288,704,324	369,999,999	2,158,704,322	369,716,111
National Agricultural Advisory Services	-	1,170,547,499	119,250,000	1,289,797,499	2,124,681,400
Public Procurement & Disposal of Assets	8,569,000,609	756,515,371	-	9,325,515,980	2,319,701,775
Uganda national Bureau of Standards	5,054,179,466	3,496,814,486	-	8,550,993,952	10,762,382,637
Cotton Development Organization	2,917,876,494	178,984,982	-	3,096,861,476	4,059,349,100
Uganda Land Commission	38,050,284,498	479,974,086	-	38,530,258,584	28,424,585,609
National Forestry Authority	201,399,650	2,499,310,798	85,259,547	2,785,969,995	317,808,750
External Security Organization	-	391,176,000	3,232,275,784	3,623,451,784	392,000,000
Uganda Coffee Development Authority	-	-	-	-	-
Lira University	2,035,034,333	165,850,000	121,376,988	2,322,261,321	2,820,816,500
Uganda National Meteorological Authority	190,000,000	563,461,751	-	753,461,751	5,283,724,549
National Curriculum Development Centre	-	129,875,000	-	129,875,000	116,784,930
Uganda Virus Research Institute	150,000,000	137,275,000	-	287,275,000	399,999,991
Directorate Of Government Analytical Lab	1,907,309,431	1,990,000,001	4,085,032,707	7,982,342,139	4,824,998,999
Uganda Export Promotion Board	34,320,000	334,999,999	-	369,319,999	339,999,999
Kabale University	788,749,223	582,108,446	50,050,000	1,420,907,669	1,587,699,197
Soroti University	1,937,644,407	3,565,862,390	1,786,615,453	7,290,122,250	4,170,276,218
National Identification & Registration Auth	-	5,691,455,358	2,218,659,485	7,910,114,843	14,495,986,539
Uganda Investment Authority	34,344,564	-	-	34,344,564	-
Uganda National Oil Company	-	-	-	-	-
Petroleum Authority of Uganda	-	-	-	-	-
At 30 June 2019	2,007,234,351,138	152,128,161,574	335,598,223,897	2,494,960,736,609	2,244,418,795,202
At 30 June 2018	1,840,944,607,445	120,942,646,567	282,531,541,190	2,244,418,795,202	-

Statement of stores and other assets (physical assets) acquired, by vote during the year ended 30 June 2019

[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 2019 Shs.	Total value of fixed assets acquired 30 June 2018 Shs.
Mulago Hospital Complex	2,400,000,000	1,363,874,500	2,256,125,500	6,020,000,000	22,520,000,000
Butabika Hospital	1,270,000,000	332,763,290	206,921,640	1,809,684,930	1,777,258,468
Arua Hospital	937,000,000	97,270,000	24,300,000	1,058,570,000	1,084,961,457
Fort Portal Hospital	900,000,000	159,999,930	-	1,059,999,930	1,035,073,943
Gulu Hospital	899,202,688	586,923,263	-	1,486,125,951	1,486,700,000
Hoima Hospital	-	100,000,000	960,000,000	1,060,000,000	1,060,000,000
Jinja Hospital	1,200,000,000	186,969,461	-	1,386,969,461	1,384,589,447
Kabale Hospital	869,549,388	149,982,700	208,000,000	1,227,532,088	1,387,849,885
Masaka Hospital	1,789,847,122	167,250,000	75,750,000	2,032,847,122	2,003,000,000
Mbale Hospital	-	1,058,000,000	-	1,058,000,000	3,057,455,099
Soroti Hospital	488,000,000	249,955,072	749,992,276	1,487,947,348	589,543,591
Lira Hospital	1,242,000,000	118,000,000	40,000,000	1,400,000,000	1,487,000,000
Mbarara Regional Hospital	1,176,398,687	751,753,739	-	1,928,152,426	1,951,610,000
Mubende Reg Hospital	-	9,994,800	150,000,000	159,994,800	383,405,130
Moroto Reg Hospital	1,388,000,000	100,000,000	-	1,488,000,000	1,488,000,000
Naguru Referral Hospital	900,000,001	37,550,000	100,000,000	1,037,550,001	1,005,636,244
As at 30 June 2019	15,459,997,886	5,470,286,755	4,771,089,416	25,701,374,057	43,702,083,264
As at 30 June 2018	25,171,490,946	4,109,893,873	14,420,698,445	43,702,083,264	

Statement of stores and other assets (physical assets) acquired, by vote during the year ended 30 June 2019

[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 2019 Shs.	Total value of fixed assets acquired 30 June 2018 Shs.
Uganda Mission at the United Nations, NY	2,206,912,133	-	-	2,206,912,133	613,757,922
Uganda High Commission in the UK	54,498,154	410,838,186	-	465,336,340	497,939,652
Uganda High Commission in Canada	657,812,860	-	-	657,812,860	187,354,578
Uganda High Commission in India	-	110,784,815	-	110,784,815	161,935,454
Uganda High Commission in Egypt	-	-	-	-	309,989,532
Uganda High Commission in Kenya	-	40,586,192	-	40,586,192	186,347,240
Uganda High Commission in Tanzania	568,008,038	317,903,385	-	885,911,423	724,445,549
Uganda High Commission in Nigeria	626,734,827	370,522,957	9,776,047	1,007,033,831	392,660,075
Uganda High Commission in South Africa	-	-	-	-	177,508,508
Uganda Embassy in the United States	-	77,392,305	-	77,392,305	101,264,464
Uganda Embassy in Ethiopia	-	-	-	-	-
Uganda Embassy in China	-	-	-	-	382,351,268
Uganda Embassy in Rwanda	-	19,370,064	-	19,370,064	196,174,503
Uganda Embassy in Switzerland	-	80,789,267	-	80,789,267	181,941,376
Uganda Embassy in Japan Tokyo	-	86,630,311	-	86,630,311	50,533,179
Uganda Embassy in Libya	-	-	-	-	-
Uganda Embassy in Saudi Arabia	-	-	-	-	85,475,541
Uganda Embassy in Denmark	-	-	-	-	342,771,071
Uganda Embassy in Belgium	6,968,300,425	-	-	6,968,300,425	254,060,035
Uganda Embassy in Italy	-	-	-	-	-
Uganda Embassy in DRC	198,329,781	-	-	198,329,781	217,518,545
Uganda Embassy in Sudan	-	-	-	-	52,428,258
Uganda Embassy in France	491,589,268	-	-	491,589,268	-
Uganda Embassy in Germany	-	13,537,263	-	13,537,263	176,761,106
Uganda Embassy in Iran	-	-	-	-	-
Uganda Embassy in Russia	-	376,850,475	-	376,850,475	147,335,574
Uganda Embassy in Australia	-	-	-	-	69,735,672
Uganda Embassy in Juba	-	75,228,077	-	75,228,077	844,955,435
Uganda Embassy in Abu Dhabi	-	43,750,622	-	43,750,622	139,008,018
Uganda Embassy in Burundi	6,426,423,653	-	-	6,426,423,653	7,367,229,015
Uganda Embassy Guangzhou	-	302,453,743	-	302,453,743	69,589,286
Uganda Embassy Ankara	-	-	-	-	327,555,751
Uganda Embassy in Mogadishu	-	-	-	-	1,060,945,249
Uganda Embassy in Malaysia	-	80,000,000	-	80,000,000	37,125,911
Uganda Consulate in Mombasa	-	92,222,320	-	92,222,320	11,999,900
Uganda Embassy in Algeria	-	-	-	-	48,671,177
As at 30 June 2019	18,198,609,139	2,498,859,982	9,776,047	20,707,245,168	15,417,368,844
As at 30 June 2018	9,869,862,665	5,522,511,431	24,994,748	15,417,368,844	

Government of the Republic of Uganda



Consolidated Summary Statement of Financial Performance of Public Corporations and State Enterprises

For the year ended 30 June 2019

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 2019

Table of contents

Srl No.	Description of the Summary Statement	Pages
1	Commentary on the Financial Performance by the Accountant General	2-3
2	Statement of Financial Performance	4-5

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 2019

Commentary on the Financial Performance by the Accountant General

The Summary Statement of financial performance set out on pages 4 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 in the financial year 2017/18.

However, some financial institutions have not yet complied, maintaining their reporting period to 31st December highlighting the reporting requirements as per the Financial Institutions Act that requires reporting as at 31st December. Those that have complied prepare two sets of financial statements to meet requirements of the two sets of legislation.

Below is a summary of the entities that prepared and submitted the summary statement of financial performance as at 30th June 2019;

Number of entities	Period of Financial Statements
30 Public Corporations and State Enterprises	1st July 2018 – 30th June 2019
1(Bank of Baroda)	1 st January 2019- 30 th June 2019
1(Uganda Development Bank)	1 st January 2018 – 31 st December 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 2019

During the period, 16 entities did not submit the summary statement of financial performance for consolidation. These are listed in the table below

SN	Entity Name
1	Allied Health Professionals Council
2	Hotel and Tourism Training Institute
3	Nakivubo War Memorial Stadium
4	National Council for Children
5	National Council for Disability
6	National Council of Sports
7	Uganda Airlines Limited*
8	National Women Council
9	National Youth Council
10	Uganda Air Cargo Corporation
11	Uganda Livestock Industries
12	Uganda Medical & Dental Practitioners Council
13	Uganda Nurses and Midwives Council
14	Uganda Seeds Ltd
15	Uganda Railways Corporation
16	The Microfinance Support Centre Ltd

***Uganda Airlines started operations towards the end of the Financial Year 2018/19.**

The Ministry is in the process of finalizing guide lines for Public Corporations and State Enterprises with detailed formats for future reporting. This is in addition to reviewing the existing list of entities that qualify to be under this category.

Attached is the Consolidated Statement of Financial Performance for Public corporations and State Enterprises for the period.


.....
Lawrence Semakula

ACCOUNTANT GENERAL

**Government of the Republic of Uganda
Consolidated Summary Statement of Financial Performance of Public Corporations and State Enterprises
For the Financial Year ended 30 June 2019**

	Government Shareholding	Total Income	Total Expenditure	Dividends declared	Retained Earnings	Net worth
Non-Financial Sector Class						
Kilembe Mines Limited	90%	2,357,190,636	5,212,941,080	-	2,711,204,307	36,854,366,594
Nile Hotel International Limited	100%	2,344,530,519	1,123,118,795	-	6,059,996,806	231,442,064,287
Uganda National Culture Centre	100%	2,917,520,421	3,181,957,240	-	-	13,572,239,153
Uganda Electricity Distribution Company Limited	100%	70,955,434,000	78,599,445,000	-	-46,081,127,000	203,887,718,000
Uganda Electricity Generation Company Limited	100%	77,990,956,000	45,133,007,000	-	-185,611,258,000	862,510,156,000
Uganda Printing and Publishing Corporation	100%	5,077,949,994	2,006,070,968	-	-1,622,139,801	14,441,892,256
The Amnesty Commission		6,367,858,845	6,365,077,845	-	-	514,848,344
National Drug Authority		55,028,256,415	54,973,427,891	-	113,791,465,639	113,791,465,639
Electricity Regulatory Authority		26,573,546,542	20,358,793,429	-	23,858,086,539	13,572,109,402
National Water and Sewerage Corporation	100%	443,216,108,000	413,546,010,000	-	323,981,170,000	1,936,711,467,000
Uganda Property Holdings Limited		10,063,659,757	8,872,523,720	100,000,000	1,091,136,037	246,958,724,338
Atomic Energy Council		6,837,831,425	7,822,180,000	-	1,156,678,484	2,296,032,756
Uganda Broadcasting Corporation		9,943,225,358	12,342,768,608	-	8,457,409,454	243,312,502,184
Mandela National Stadium		2,273,259,595	2,283,273,229	-	-	177,239,030,996
Uganda Retirements Benefits Regulatory Authority		9,920,150,704	9,855,130,806	-	450,071,631	1,848,785,909
The New Vision Printing and Publishing Co LTD		90,173,840,000	85,939,770,000	-	33,335,415,000	73,157,958,000
Uganda Communications Commission		121,461,302,598	115,361,194,933	-	63,417,110,523	148,965,781,066
Uganda Wildlife Authority		149,331,317,269	79,829,783,382	-	97,349,405,694	148,534,989,813
National Council for Higher Education	100%	9,011,331,650	8,644,050,384	-	9,778,242,389	9,778,242,389
Uganda Electricity Transmission Company Limited	100%	1,162,486,685,604	1,046,842,674,990	-	1,665,954,954	494,833,317,793
Management Training and Advisory Centre(MTAC)		5,350,899,000	3,846,047,000	-	-	36,106,418,000
National Enterprise Corporation		47,195,533,593	44,870,075,811	-	-21,043,115,182	37,063,143,334
Uganda Development Corporation		1,420,278,015	3,583,333,679	-	-26,269,490,911	113,479,598,761

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 2019

	Government Shareholding	Total Income	Total Expenditure	Dividends declared	Retained Earnings	Net worth
Uganda Post Limited		18,936,744,480	18,709,069,050	-	-	76,867,264,580
National Housing and Construction Company Limited	51%	27,120,060,348	25,594,269,240	-	226,553,791,157	316,896,568,370
Uganda Wildlife Conservation Education Centre		4,916,556,799	4,630,856,405	-	6,429,011,604	13,519,199,360
Sub- Total Non-Financial		2,369,272,027,567	2,109,526,910,485	100,000,000	639,459,019,324	5,568,155,704,324
Financial Sector Class						
Bank of Uganda	100%	491,671,000,000	613,330,000,000	-	2,199,564,000,000	3,179,581,000,000
Pride Micro Finance Limited	100%	46,577,481,033	40,365,520,870	-	96,564,248,778	121,771,598,778
Housing Finance Bank (U) Limited	49%	111,386,675,000	91,418,946,000	-	76,328,431,000	151,207,518,000
Post Bank Uganda Limited		50,666,859,990	45,498,316,160	-	9,584,748,147	82,346,741,819
Uganda Development Bank (FY ended 31/12/2018)		31,875,127,000	21,479,969,000	-	52,236,720,000	253,611,790,000
Bank of Baroda Uganda limited (Jan-June 2019)		114,263,713,000	70,514,157,000		310,802,335,000	392,691,620
Subtotal- Financial Class		846,440,856,023	882,606,909,030	-	2,745,080,482,925	3,788,911,340,217
TOTAL		3,215,712,883,590	2,992,133,819,515	100,000,000	3,384,539,502,249	9,357,067,044,541

.....
 Lawrence Semakula
 ACCOUNTANT GENERAL

Government of the Republic of Uganda



Reports and Consolidated Financial Statements of the Local Governments

For the year ended 30 June 2019

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Table of Contents

Statement by the Secretary to the Treasury	2
Commentary on the Financial Statements by the Accountant General.....	3
Section A: District Local Government	10
Consolidated Financial Statements Districts Local Government	10
Consolidated Statement of Financial Performance	11
The Consolidated Statement of Financial Position.....	12
Statement of changes in Equity (Net worth)	12
Consolidated Statement of Revenues and Expenditure by Vote.....	15
Notes to the Financial Statements	19
Consolidated Statement of Arrears of Revenues	32
Consolidated Summary Statement of Contingent Liabilities.....	36
Consolidated Statement of Outstanding Commitments.....	37
Summary Statement of losses of public moneys and stores reported	41
Statement of stores and other assets (physical assets) purchased	42
Section B: Municipal Councils.....	46
Consolidated Financial Statements of Municipal Councils.....	46
Consolidated Statement of Financial Performance	47
Consolidated Statement of Financial Position.....	48
Statement of Changes In Equity (Net Worth)	49
Statement of Revenues and Expenditure by vote.....	52
Notes to the Financial Statements	54
Statement of Arrears of Revenues	69
Statement of Contingent Liabilities.....	71
Statement of Outstanding Commitments.....	72
Statement of losses of public moneys and stores.....	74
Statement of stores and other assets (physical assets) acquired	76

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Statement by the Secretary to the Treasury

The financial Statements for the financial year ended 30 June 2019, 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 where 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 taxes are recognized when earned and expenditures recognised when incurred and not when received and paid respectively. Central government grants and taxes are recognized when received.

The LGs financial performance for the year ended 30 June 2019 has been driven by national priorities as approved by parliament 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 UGX 43.273 billion compared to UGX 39.373 billion in FY2017/18 representing a 9.9% increase.

In addition, there was an increase in the approved central government transfers by UGX 256 billion from UGX 2.533 billion in FY2017/18 to UGX 2.789 billion in FY2018/19. This is an indication of government's continued commitment towards decentralization in an effort to improve service delivery at community level.

During FY 2018/19, 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), Program Based Budgeting System (PBS) and the TSA framework for LGs which has provided better visibility with reference to both LG revenue and expenditure.

Systems support has also been strengthened through the refurbishment and opening of regional Treasury Service Centers in Mbarara, Mbale, Gulu, Arua, Masaka, Jinja and Soroti while setup is ongoing in Hoima and Moroto.

The E-cash payment platform was also rolled out to a number of local governments to enable them efficiently and effectively manage their cash transactions whilst minimizing risks.



Keith Muhakanizi
Permanent Secretary / Secretary to the Treasury

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Commentary on the Financial Statements by the Accountant General

Introduction

These annual consolidated financial statements (CFS) of Local Governments (LGs) comprise of the District Local Governments (DLGs) and Municipal Councils (MCs). During the financial year ended 30 June 2019, LGs were provided with necessary capacity building in the preparation of financial statements to ensure timely preparation of quality reports. A total of 124 DLGs and 38 MCs were able to submit their financial statements on time for consolidation.

Scope

All the Local Government votes have been fully consolidated except for three (3) districts and three (3) municipals that did not submit financial statements in time for consolidation. These included Yumbe, Zombo, and Alebtong District Local Governments and Arua, Ntungamo and Mubende Municipal Councils. The submission rate is expected to improve going forward with the increase in the number of votes connected to IFMS and enhancement of systems support through the establishment of the regional Treasury Service centers.

Consolidation

Due to the differences in the accounting policies between DLGs and MCs, the CFS are presented in two separate sections i.e. section A 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 out. Municipal Councils on the other hand prepare their financial statements using the accrual basis of accounting where revenue and expenditure are recognised when earned and incurred respectively.

In a bid to achieve one Consolidation of both DLGS and MCs, 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 DLGs. This is also in line with the aspirations of both the East African Countries and the African Union States.

Below is the summary of the LGs financial performance and financial position for the financial year ended 30th June 2019.

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).

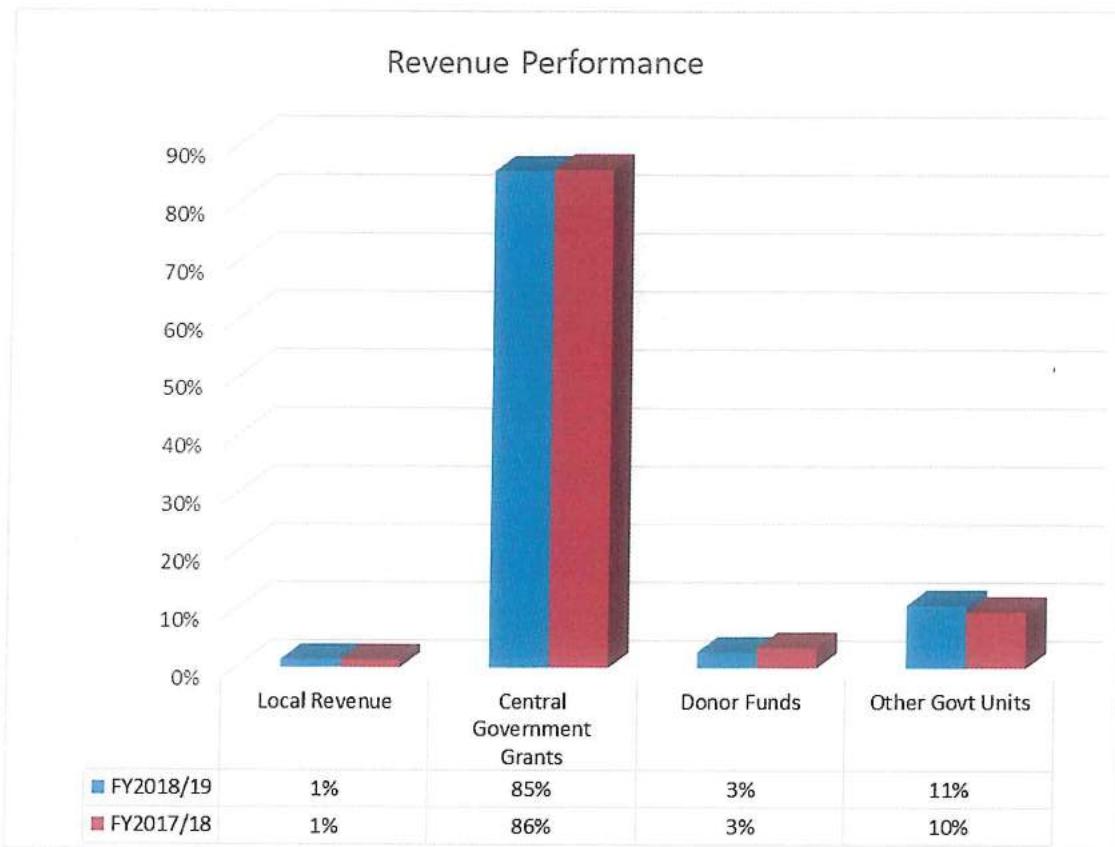
ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

The bulk of total revenue for the year was from central government grants. The total central government grants received by DLGs amounted to UGX 2,789 billion which is 85% of the total funding for LGs (UGX 3,272 billion).

The revenue from external assistance was UGX 88 billion (3%) and that from other government units amounted to UGX 351 billion (11%). Local revenue was 43 billion (1%) of total revenue collected for the year.

The graph below shows the breakdown of DLGs revenue by source.

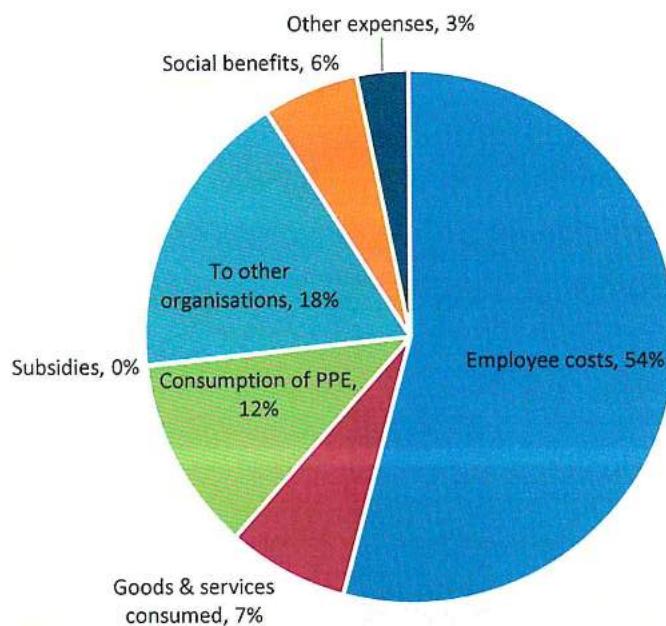


Expenditure

The total operating expenditure during the financial year 2018/19 was UGX 3,224 billion of which employee costs accounted for 54%, goods and services 7%, consumption of PPE 12%, transfer to other organisations 18%, social benefits 6% and other expenses 3%.

This is illustrated below:

DLG Expenditure Performance for the FY 2018/19



Total Assets

The current accounting policy is to depreciate at 100% any purchased property, plant and equipment in the financial year of acquisition. As a result, these assets are not reflected as part of total assets in the statement of Financial Position but rather expensed as consumption of property, plant and equipment in the statement of financial performance. 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 accrual accounting.

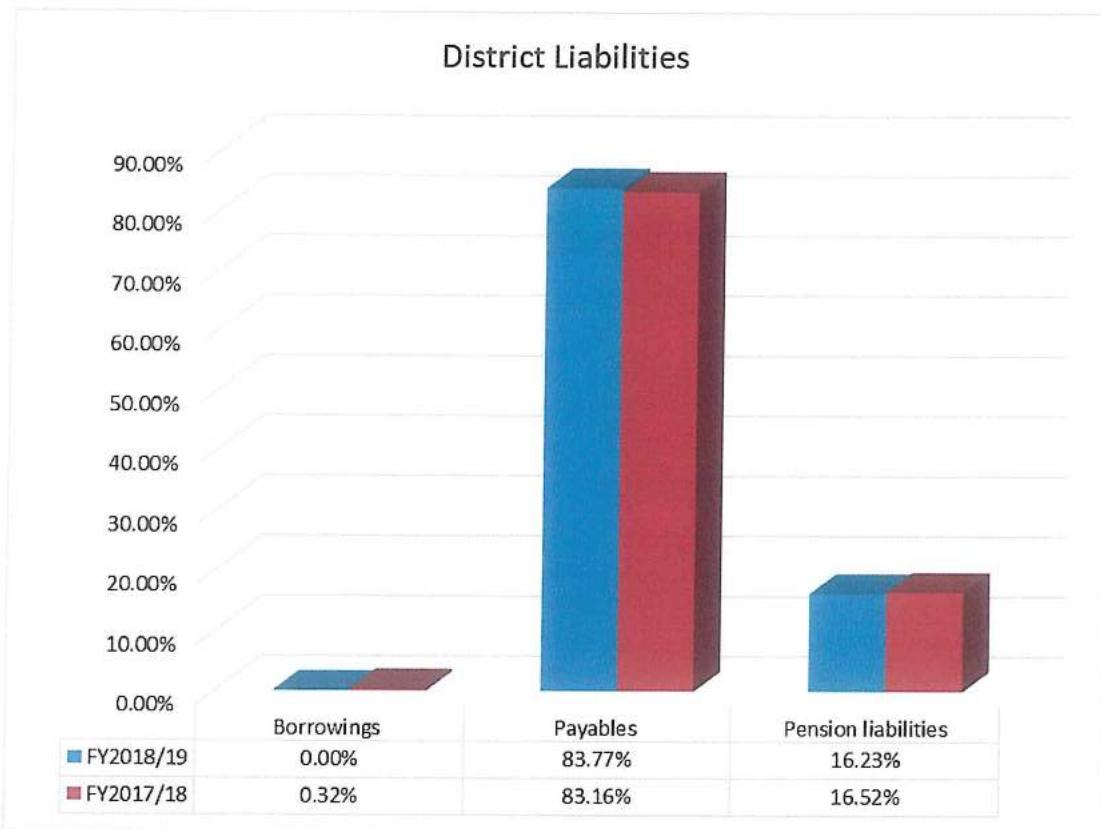
Total Liabilities

The total liabilities comprise of payables, pension liabilities and borrowings. As at 30th June 2019, these stood at UGX 177bn reflecting an increase of 41% from UGX 125 billion in FY2017/18. This is attributed to the increase of deposits received and advances from YLP and UWEP.

This is illustrated below;

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019



Municipal Councils Performance

Revenue

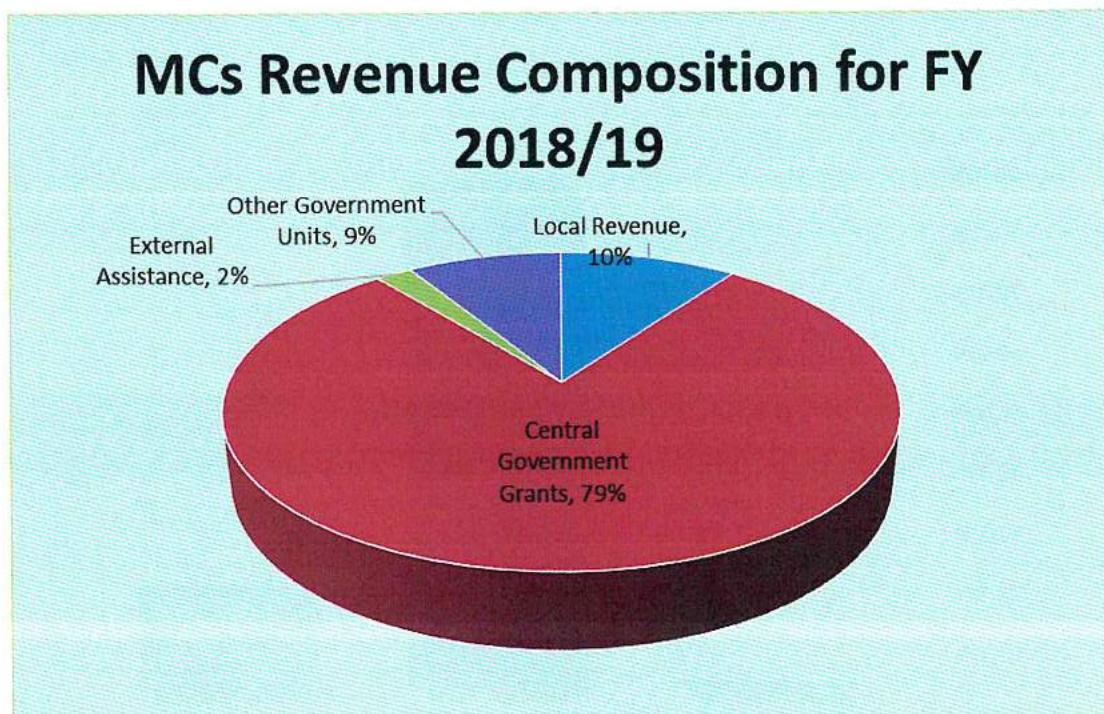
The total revenue for the MCs amounted to UGX 424 billion of which Central Government grants amounted to UGX 335 billion representing 79%, donor funds was UGX 9 billion (2%) and that from other government units amounted to UGX 37 billion (9%). Local revenue was UGX 43 billion (10%) of total revenue collected 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:

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019



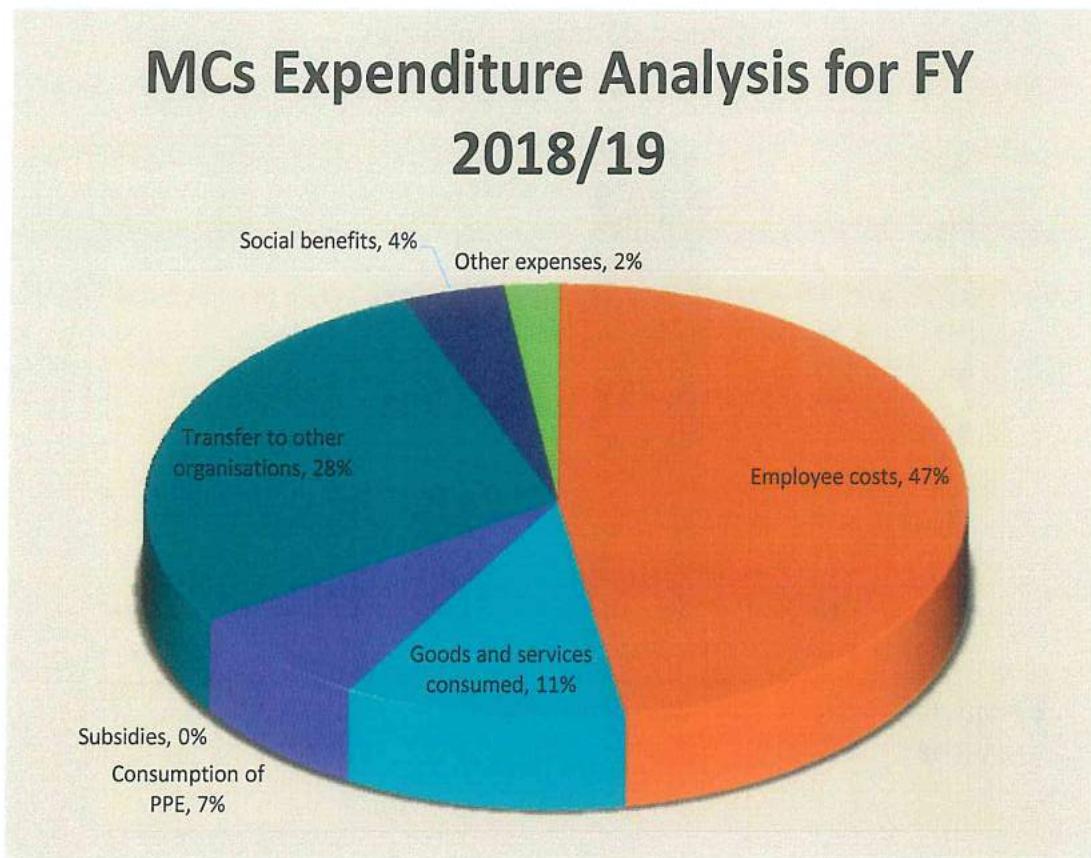
The MCs revenue performance shows a decrease in total revenues for FY18/19 compared to the FY17/18 by 5%. The decrease in total revenue is majorly attributed to the decrease in donor funds and transfers received from other government units.

Expenditure

Overall total operating expenditure during the FY2018/19 amounted to UGX 408 billion. Below is the breakdown and analysis the total expenditure by category.

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019



MCs biggest expenditure is on employee costs followed by transfers to other organisations. These are mainly to fund the budgets and activities of the different divisions within the municipality.

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.

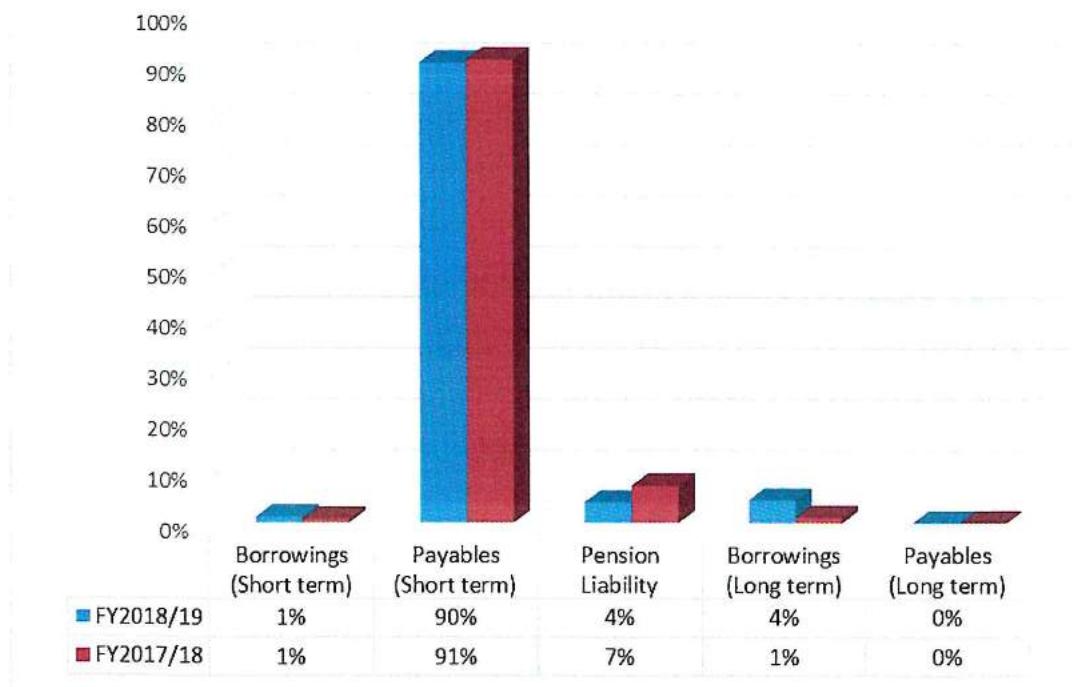
Total Liabilities

The total liabilities comprise of payables, pension liabilities and borrowings (short and long term). These were Shs.27bn which is a decrease of 15% from Shs.31bn in FY2017/18. This is attributed to the decrease in pension and in deposits received for UWEP and YLP.

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Municipal Council Liabilities



Conclusion

Government is fully committed to improving public financial management and has continued to initiate and implement reforms that are aimed at improving efficiency in operations as well as transparency and accountability for public resources. This has been demonstrated by deepening of IFMS to the majority of the Local Government votes, introduction of the e-cash platform to the various LG entities and the enhancement of the users on the usage of the system through the establishment of the regional Treasury Service Centers.

For effective interpretation, the financial statements should be read in conjunction with the underlying notes and schedules.


Lawrence Semakula
Accountant General

| Section A: District Local Government

Consolidated Financial Statements Districts Local Government

For the Year Ended 30 June 2019

[Modified Cash Basis of Accounting]

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Consolidated Statement of Financial Performance
[Based on classification of expenditures by nature]

	Note	Actual 30 June 2019 Shs	Actual 30 June 2018 Shs
OPERATING REVENUE			
Revenue			
Local Revenue	2	43,273,120,135	39,373,431,172
Central Government Grants	3	2,789,182,595,449	2,533,845,487,030
Donor Funds	4	87,932,105,146	102,418,056,059
Transfers received from Other Government units	5	351,328,461,250	285,176,624,171
Total Revenue		3,271,716,281,980	2,960,813,598,432
OPERATING EXPENSES			
Operating Expenses			
Employee costs	6	1,746,859,542,920	1,579,311,180,601
Goods and services consumed	7	238,352,579,304	304,411,530,404
Consumption of property, plant & equipment	8	378,363,311,187	225,821,714,551
Subsidies	9	957,600,000	1,191,434,969
Transfers to other Organisations	10	569,892,828,100	635,616,967,879
Social benefits	11	188,582,044,231	124,882,701,510
Other expenses	12	101,068,221,924	43,403,039,213
Total Operating expenses		3,224,076,127,666	2,914,638,569,127
Surplus / (Deficit) from operating activities		47,640,154,314	46,175,029,305
Foreign exchange loss (Gain)	13		-
Bad Debts expenses	14		-
Transfers to Treasury	15	29,660,043,671	20,325,163,122
Surplus / (Deficit) for the year		17,980,110,643	25,849,866,183

Notes and schedules set out on pages 18 to 45 form an integral part of the financial statements.

Lawrence Semakula
Accountant General

Keith Muhakanizi
Permanent Secretary/ Secretary to the Treasury

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

The Consolidated Statement of Financial Position

	Notes	30 June 2019 Shs.	30 June 2018 Shs.
ASSETS			
Cash and cash equivalents	16	47,780,392,214	47,072,577,658
Receivables	17	132,911,154,557	92,388,900,805
Inventories	18	236,058,837	823,643,982
Investment Properties	19	-	-
Investments	20	2,500,000,000	2,500,000,000
Non-Produced Assets	21	2,294,648,000	2,923,469,271
Total assets		185,722,253,608	145,708,591,716
LIABILITIES			
Borrowings	22	-	404,060,600
Payables	23	148,056,101,815	104,061,463,566
Pension liabilities	24	28,689,443,061	20,670,224,592
Total liabilities		176,745,544,876	125,135,748,758
Net Assets		8,976,708,732	20,572,842,958
REPRESENTED BY:-			
Closing Net worth		8,976,708,732	20,572,842,958

Statement of changes in Equity (Net worth)

	Note	30 June 2019 Shs	30 June 2018 Shs
At 1 July - Net worth Last Year (B/F)		20,572,842,958	8,430,851,339
Adjustments to the opening balance		(29,576,244,869)	(13,707,874,564)
Add: Excess of revenue over expenditure for the Year (<i>see statement of Financial Performance</i>)		17,980,110,643	25,849,866,183
At 30 June - Closing Net Financial Worth		8,976,708,732	20,572,842,958

Lawrence Semakula
Accountant General

Keith Muhakanizi
Permanent Secretary/ Secretary to the Treasury

Notes and schedules set out on pages 18 to 45 form an integral part of the financial statements

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Consolidated Cash Flow Statement [Direct Method]

	30 June 2019 Shs	30 June 2018 Shs
CASH FLOWS FROM OPERATING ACTIVITIES		
Total receipts from operating revenues were (see below):	3,285,723,121,756	2,981,797,401,749
PAYMENTS FOR OPERATING EXPENSES:		
Employee costs	1,743,898,311,601	1,573,773,179,525
Goods and services consumed	234,611,976,260	298,756,724,585
Subsidies	957,600,000	1,191,434,969
Transfers to Other Organisations	567,560,388,907	632,580,528,382
Social benefits	176,161,330,330	112,979,520,953
Other expenses	100,595,176,435	40,509,622,381
Foreign exchange loss/(gain)	-	-
Net Advances paid	41,625,227,070	40,711,744,598
Domestic arrears paid during the year	35,298,847,835	46,361,202,722
Pension Arrears paid during the Year	-	-
Losses of cash	-	-
Letters of Credit receivable	-	-
Total payments for operating activities	2,900,708,858,438	2,746,863,958,115
Net cash inflows/(outflows) from operating activities	385,014,263,318	234,933,443,634
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	376,357,141,112	222,321,618,590
Purchase of non-produced assets	812,512,148	2,139,416,266
Proceeds from sale of property, plant and equipment	-	-
Purchase of investments	-	-
Proceeds from sale of investments	-	-
Net cash inflows/(outflows) from investing activities	377,169,653,260	224,461,034,856
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	-	-
Net increase (decrease) in cash and cash equivalents	7,844,610,058	10,472,408,778

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Cash Flow Statement for the year ended 30 June 2019 (continued)

For cash flow purposes receipts from operating revenue comprise:

	Notes	30 June 2019 Shs.	30 June 2018 Shs.
Operating revenue			
Local Revenue		43,273,120,135	39,373,431,172
Central Government Grants		2,789,182,595,449	2,533,845,487,030
Donor Funds		87,932,105,146	102,418,056,059
Transfers received from Other Government units		351,328,461,250	285,176,624,171
Deposits received		40,989,577,438	38,713,373,201
Advances recovered		2,677,306,009	2,595,593,238
Less Transfer to Treasury (Balances)		(29,660,043,671)	(20,325,163,122)
Total Operating revenue		3,285,723,121,756	2,981,797,401,749

Reconciliation of movement of cash during the year

		30 June 2019 Shs.	30 June 2018 Shs.
At the beginning of the year		47,072,577,658	35,967,827,840
Add/ (Less): Adjustments to the opening balance		(7,136,795,502)	632,341,040
Net increase in cash from the Cash Flow Statement		7,844,610,058	10,472,408,778
At the end of the year		47,780,392,214	47,072,577,658

Net cash and bank balances comprise of;

	Notes	30 June 2019 Shs.	30 June 2018 Shs.
Cash and bank balances	16	47,780,392,214	47,072,577,658
Less Bank overdraft with BoU and others	16		-
Net cash and bank balances		47,780,392,214	47,072,577,658

Notes and schedules set out on pages 18 to 45 form an integral part of the financial statements.

Lawrence Semakula
Accountant General

Keith Muhakanizi
Permanent Secretary/ Secretary to the Treasury

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Consolidated Statement of Revenues and Expenditure by Vote

Districts	Approved/Revised Estimates Shs	Actual Revenue Shs	Actual Expenditure Shs	Over/Under Expenditure Shs
Adjumani	40,897,761,821	21,419,716,052	35,911,634,671	4,986,127,150
Apac	28,098,264,390	21,172,507,844	27,142,246,223	956,018,167
Arua	63,004,648,763	60,291,797,758	60,086,448,787	2,918,199,976
Bugiri	32,378,745,613	27,399,243,074	30,107,869,905	2,270,875,708
Bundibugyo	29,438,779,000	28,036,571,985	28,599,508,160	839,270,840
Bushenyi	27,196,009,534	21,359,529,377	25,089,178,808	2,106,830,726
Busia	31,877,621,595	26,540,638,988	30,846,015,597	1,031,605,998
Gulu	34,425,432,088	20,679,559,743	29,021,784,440	5,403,647,648
Hoima	25,835,055,445	16,051,936,386	20,456,808,035	5,378,247,410
Iganga	37,851,933,152	31,836,778,964	33,494,455,229	4,357,477,923
Jinja	44,296,286,426	37,589,776,498	41,108,048,131	3,188,238,295
Kabale	30,237,121,423	30,467,862,599	25,916,349,982	4,320,771,441
Kabarole	27,286,630,342	22,024,083,837	25,548,314,906	1,738,315,436
Kaberamaido	25,054,380,794	20,185,804,267	22,819,105,073	2,235,275,721
Kalangala	19,419,741,000	8,196,133,805	15,167,287,386	4,252,453,614
Kamuli	42,409,362,857	33,071,600,711	38,753,026,036	3,656,336,821
Kamwenge	28,972,772,827	28,688,202,712	28,688,202,712	284,570,115
Kanungu	38,496,990,000	31,694,436,241	33,244,970,100	5,252,019,900
Kapchorwa	17,590,867,678	13,143,950,303	14,737,217,587	2,853,650,091
Kasese	67,383,889,365	59,021,389,287	66,716,722,144	667,167,221
Katakwi	26,920,579,201	21,470,595,497	23,803,165,862	3,117,413,339
Kayunga	32,846,992,868	30,644,678,877	30,095,929,945	2,751,062,923
Kibaale	21,203,110,530	14,743,267,813	16,815,159,684	4,387,950,846
Kiboga	21,802,039,081	19,460,697,323	20,391,671,521	1,410,367,560
Kisoro	35,853,667,243	32,312,224,092	34,265,992,416	1,587,674,827
Kitgum	30,825,058,592	25,096,904,159	28,017,746,375	2,807,312,217
Kotido	21,023,577,000	8,869,831,106	13,632,280,020	7,391,296,980
Kumi	26,798,214,579	21,382,516,214	24,560,739,103	2,237,475,476
Kyenjojo	33,987,696,193	28,626,263,946	29,001,048,844	4,986,647,349
Lira	37,319,887,515	31,755,244,434	35,881,899,771	1,437,987,744
Luwero	52,141,963,466	45,759,391,048	48,325,641,617	3,816,321,849
Masaka	24,215,670,947	20,944,770,473	22,060,730,506	2,154,940,441
Masindi	27,591,751,409	18,522,638,064	26,306,456,933	1,285,294,476
Mayuge	38,142,526,006	33,355,800,793	33,476,118,630	4,666,407,376

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Districts	Approved/Revised Estimates Shs	Actual Revenue Shs	Actual Expenditure Shs	Over/Under Expenditure Shs
Mbale	49,123,984,251	41,081,827,059	45,789,684,342	3,334,299,909
Mbarara	37,813,366,298	31,318,903,308	33,382,783,038	4,430,583,260
Moroto	20,072,466,323	11,614,881,415	19,095,965,669	976,500,654
Moyo	21,645,568,026	21,453,379,963	21,453,379,963	192,188,063
Mpigi	27,180,612,705	23,268,537,108	25,648,361,186	1,532,251,519
Mubende	25,921,535,520	19,050,140,708	22,334,084,571	3,587,450,949
Mukono	40,074,196,482	37,407,196,482	39,129,633,120	944,563,362
Nakapiripirit	9,409,689,923	9,402,154,021	9,361,141,298	48,548,625
Nakasongola	25,349,713,648	22,014,307,819	24,753,614,278	596,099,370
Nebbi	35,001,313,734	23,424,345,563	28,674,973,078	6,326,340,656
Ntungamo	47,822,793,445	10,194,744,441	44,003,923,479	3,818,869,966
Pader	27,742,564,974	22,411,014,289	24,937,105,654	2,805,459,320
Pallisa	31,624,272,347	25,846,533,497	29,148,414,781	2,475,857,566
Rakai	37,135,447,364	30,177,323,533	33,727,443,353	3,408,004,011
Rukungiri	38,148,466,104	32,971,334,029	35,274,195,331	2,874,270,773
Sembabule	26,853,742,278	22,445,257,366	24,318,289,449	2,535,452,829
Sironko	31,043,200,597	28,955,410,069	28,742,120,641	2,301,079,956
Soroti	22,725,827,869	23,544,605,207	22,072,994,852	652,833,017
Tororo	56,933,647,392	42,538,248,421	48,573,865,452	8,359,781,940
Wakiso	77,379,470,761	52,592,150,021	65,193,294,524	12,186,176,237
Yumbe	33,900,994,925	31,893,051,397	31,893,051,397	2,007,943,528
Butaleja	31,082,214,403	26,751,056,841	28,744,142,973	2,338,071,430
Ibanda	18,903,196,336	15,800,754,913	17,345,611,603	1,557,584,733
Kaabong	31,925,028,000	17,312,296,683	30,366,355,040	1,558,672,960
Isingiro	29,764,665,670	29,430,210,163	28,915,235,620	849,430,050
Kaliro	26,814,679,432	23,173,339,119	24,329,297,664	2,485,381,768
Kiruhura	29,907,498,420	22,820,330,126	25,090,805,820	4,816,692,600
Koboko	27,820,116,063	13,582,240,515	23,083,711,326	4,736,404,737
Amolatar	19,719,770,000	15,311,094,203	18,048,552,016	1,671,217,984
Amuria	24,003,885,236	16,979,098,298	21,120,513,758	2,883,371,478
Manafwa	21,588,594,538	18,050,826,527	21,588,594,538	-
Bukwo	17,884,922,000	16,342,610,024	17,463,274,842	421,647,158
Mityana	30,136,989,726	26,897,269,417	28,429,222,660	1,707,767,066
Nakaseke	30,719,760,758	24,228,365,882	28,304,447,104	2,415,313,654
Amuru	25,453,493,872	17,470,860,109	22,231,022,465	3,222,471,407
Budaka	23,003,338,330	19,858,844,518	22,108,605,929	894,732,401
Oyam	39,603,801,049	30,735,870,760	39,160,845,060	442,955,989

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Districts	Approved/Revised Estimates Shs	Actual Revenue Shs	Actual Expenditure Shs	Over/Under Expenditure Shs
Abim	14,317,251,915	14,317,018,790	13,260,742,884	1,056,509,031
Narmutumba	21,244,255,817	21,244,649,732	20,810,804,046	433,451,771
Dokolo	23,252,764,832	19,702,142,002	20,058,157,501	3,194,607,331
Buliisa	15,600,117,250	11,402,044,222	13,992,350,128	1,607,767,122
Maracha-Terego	24,145,094,000	19,088,600,992	23,296,859,968	848,234,032
Bukedea	26,162,498,796	23,079,816,903	26,047,353,820	115,144,976
Bududa	22,635,694,758	19,698,284,758	21,721,526,867	914,167,891
Lyantonde	20,214,450,847	18,386,041,037	14,846,481,474	5,367,969,373
Amudat	7,619,031,716	7,609,356,620	7,465,453,430	153,578,286
Buikwe	35,495,423,816	17,607,605,997	35,279,887,133	215,536,683
Buyende	20,146,431,000	18,134,499,758	18,789,911,452	1,356,519,548
Kycgegwa	26,242,004,089	16,247,493,109	24,128,459,671	2,113,544,418
Lamwo	28,750,481,100	14,677,824,001	27,514,508,931	1,235,972,169
Otuke	15,582,631,000	12,307,796,209	15,382,050,731	200,580,269
Zombo	19,159,084,097	18,457,913,436	18,457,913,436	701,170,661
Alebtong	20,031,290,422	19,421,992,045	19,421,992,045	609,298,377
Bulambuli	22,376,542,440	17,544,105,392	21,816,628,108	559,914,332
Buvuma	10,596,241,000	8,452,682,816	10,262,302,270	333,938,730
Gomba	17,534,224,000	15,894,275,180	17,017,270,000	516,954,000
Kiryandongo	32,377,178,000	17,473,787,300	30,638,830,590	1,738,347,410
Luuuka	20,268,744,502	20,078,854,018	20,078,581,497	190,163,005
Namayingo	20,115,870,000	17,752,493,967	19,103,830,757	1,012,039,243
Ntoroko	11,383,645,000	9,068,129,559	11,136,117,155	247,527,845
Serere	30,914,126,617	24,779,540,821	28,857,198,059	2,056,928,558
Kyankwanzi	22,000,206,608	18,482,988,183	20,237,907,682	1,762,298,926
Kalungu	23,773,809,712	19,982,477,945	22,497,880,796	1,275,928,916
Iwengo	28,758,009,862	22,301,466,262	26,715,998,177	2,042,011,685
Bukomansimbi	17,095,415,413	13,175,303,103	16,161,636,323	933,779,090
Mitooma	23,337,335,214	20,571,843,471	22,650,181,981	687,153,233
Rubirizi	13,988,524,710	13,270,343,048	13,319,903,151	668,621,559
Ngora	18,312,202,925	16,072,446,595	17,617,103,204	695,099,721
Napak	20,574,505,000	12,666,542,367	19,562,834,415	1,011,670,585
Kibuku	21,637,102,841	18,822,996,215	20,362,411,987	1,274,690,854
Nwoya	20,702,304,581	15,794,510,978	20,156,906,052	545,398,529
Kole	26,589,621,105	21,614,044,658	25,653,494,244	936,126,861
Butambala	18,373,527,656	16,342,235,623	18,343,682,880	29,844,776
Sheema	24,007,557,074	20,088,393,321	21,740,824,345	2,266,732,729

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Districts	Approved/Revised Estimates Shs	Actual Revenue Shs	Actual Expenditure Shs	Over/Under Expenditure Shs
Buhweju	12,104,412,108	10,914,386,578	11,751,297,025	353,115,083
Agago	28,628,872,916	22,175,288,767	27,832,880,914	795,992,002
Kween	16,661,908,415	14,055,989,233	15,942,705,337	719,203,078
Kagadi	25,768,606,747	22,993,200,086	25,582,481,949	186,124,798
Kakumiro	17,924,980,493	16,443,527,158	17,492,248,976	432,731,517
Ornoro	24,846,632,000	19,689,609,997	22,235,304,773	2,611,327,227
Rubanda	24,322,208,186	17,562,690,111	21,290,100,228	3,032,107,958
Namisindwa	22,865,850,011	18,322,534,802	21,064,965,693	1,800,884,318
Pakwach	16,713,974,000	12,608,417,625	14,804,498,571	1,909,475,429
Butebo	14,703,642,000	12,876,856,190	12,908,335,156	1,795,306,844
Rukiga	16,972,674,000	12,698,624,646	13,611,960,026	3,360,713,974
Kyotera	29,262,481,784	24,866,456,481	28,230,008,831	1,032,472,953
Bunyagabu	16,813,304,137	14,569,610,656	15,939,942,914	873,361,223
Nabilatuk	9,475,572,000	6,976,948,368	7,809,226,636	1,666,345,364
Bugweri	17,372,858,617	13,820,005,885	14,429,545,785	2,943,312,832
Kasanda	20,043,923,092	17,764,238,546	18,714,178,490	1,329,744,602
Kwania	22,212,889,000	18,643,297,224	17,442,232,429	4,770,656,571
Kapelebyong	9,801,477,994	9,075,215,421	9,575,569,940	225,908,054
Kikuube	20,063,620,636	13,950,553,477	16,681,988,470	3,381,632,166
Total for 30 June 2019	3,425,934,945,393	2,741,786,749,768	3,151,673,782,346	274,261,163,047
Total for 30 June 2018	2,989,379,135,811	2,402,177,372,716	2,749,469,844,176	239,909,291,635

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 2019

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

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

The financial statements have been prepared in accordance with the requirements of the Public Finance Management Act, 2015 [the Act] and comply with generally accepted accounting principles. The Financial Statements have 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 2018 to 30 June 2019, 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.

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

12) Expenses

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).

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

(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.

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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 2019 for major currencies was:

	Actual 30 June 2019 Shs	Actual 30 June 2018 Shs
United States Dollar	-	-
Japanese Yen	-	-
British Pound	-	-
Euro	-	-
SDR/AFU/IDI	-	-

Source: Bank of Uganda website

Note 2 – Local Revenue

	30 June 2019 Shs.	30 June 2018 Shs.
Local Service Tax	11,023,341,815	9,353,365,665
Land Fees	3,373,426,197	2,923,828,693
Business Licenses	1,849,858,721	1,808,170,221
Local Hotel tax	131,008,608	111,781,715
Other Gen Taxes on Goods & Services	4,226,513,654	3,883,687,184
Other Tax Revenues	2,210,283,534	4,068,103,309
Dividends	48,875,941	341,608,726
Rent	2,725,384,523	1,946,118,864
Disposal of Assets	603,851,998	528,507,037
Sale of Goods & Services	2,483,789,692	4,677,914,787
Administrative fees and licences	8,484,196,499	5,590,857,921
Court fine & Penalties	14,326,490	4,839,441
Other Fines & Penalties	397,517,504	594,499,853
Miscellaneous & unidentified revenues	5,700,744,959	3,540,147,756
Total Local Revenue	43,273,120,135	39,373,431,172

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 3 – Central Government Grants

	30 June 2019 Shs.	30 June 2018 Shs.
Conditional Grants	2,375,391,241,133	1,951,365,681,853
Unconditional Grants	317,024,226,297	503,371,656,968
Equalisation Grants	96,767,128,019	79,108,148,209
Total Central Government Grants	2,789,182,595,449	2,533,845,487,030

Note 4 – Donor Funds

	30 June 2019 Shs.	30 June 2018 Shs.
Grants from foreign governments	10,034,713,591	45,626,406,498
Grants from International organisations	77,897,391,555	56,791,649,561
Total grants	87,932,105,146	102,418,056,059

Note 5 – Transfers received from Other Government Units

	30 June 2019 Shs.	30 June 2018 Shs.
Transfers received from other Govt Units- current	183,924,848,581	148,720,678,870
Transfers received from other Govt Units- Capital	167,403,612,669	136,455,945,301
Total Transfers received from Other Government Units	351,328,461,250	285,176,624,171

Note 6 - Employee costs

Principally comprise:

	30 June 2019 Shs.	30 June 2018 Shs.
Wages and salaries	1,724,466,368,356	1,512,466,177,807
Social Contributions	6,134,224,459	38,060,068,540
Other employment costs	16,258,950,105	28,784,934,254
Total employee costs.	1,746,859,542,920	1,579,311,180,601

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 7 - Goods and services consumed

These comprise:

	30 June 2019 Shs.	30 June 2018 Shs.
General expenses	77,324,227,169	86,447,657,771
Communications	2,151,562,069	2,384,695,306
Utility and property expenses	5,376,197,071	6,598,316,555
Supplies and services	32,279,483,130	71,609,755,296
Professional services	1,814,361,683	2,080,601,933
Insurances and licenses	424,968,444	27,854,432
Travel and transport	92,523,874,049	105,231,499,245
Maintenance	26,457,905,689	30,031,149,866
Total goods and services	238,352,579,304	304,411,530,404

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 2019 Shs.	30 June 2018 Shs.
Buildings and structures	247,377,785,165	160,768,696,319
Machinery, furniture	11,138,930,214	12,732,799,752
Transport Equipment	12,264,193,912	5,718,027,647
Other fixed assets	107,582,401,896	46,602,190,833
Total value of property, plant and equipment expensed	378,363,311,187	225,821,714,551

Note 9 – Subsidies

The total Subsidies comprise;

	30 June 2019 Shs.	30 June 2018 Shs.
To public corporations	-	-
To private enterprises	957,600,000	1,191,434,969
To private individuals	-	-
Total subsidies for the year	957,600,000	1,191,434,969

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 10 – Transfers to Other Organizations

The DLGs paid grants during the year to the following:

	30 June 2019 Shs.	30 June 2018 Shs.
To Foreign Govts	-	-
To International Organizations	61,194,611	1,466,762,211
To other Govt Units	561,588,970,642	627,394,358,385
To resident non-government units	8,242,662,847	6,755,847,283
Total Transfers for the period	569,892,828,100	635,616,967,879

Note 11 - Social benefits

Social benefits paid during the year comprise:

	30 June 2019 Shs.	30 June 2018 Shs.
Pensions	125,464,617,600	102,188,620,919
Employer Social benefits	63,117,426,631	22,694,080,591
Total social benefits	188,582,044,231	124,882,701,510

Note 12 - Other expenses

These comprise:

	30 June 2019 Shs.	30 June 2018 Shs.
Property expenses other than interest	7,880,198,660	1,563,439,299
Miscellaneous expenses	88,177,052,259	41,669,428,049
Goods Purchased for resale	5,010,971,005	170,171,865
Total other operating expenses	101,068,221,924	43,403,039,213

Note 13 - Foreign exchange gains and losses

	30 June 2019 Shs.	30 June 2018 Shs.
Realised loss (gain)	-	-
Un/realized loss	-	-
Un/realized gain	-	-
Net foreign exchange (gains)/ losses	-	-

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 14 – Bad Debts expense

	30 June 2019 Shs.	30 June 2018 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 2019 Shs.	30 June 2018 Shs.
Non-Tax Revenue	1,689,637,888	3,640,060,669
Unspent Salary Balances	10,265,568,803	9,683,141,613
Expenditure Account Balances	17,704,836,980	7,001,960,840
Total	29,660,043,671	20,325,163,122

Note 16 – Cash and cash equivalents

	30 June 2019 Shs.	30 June 2018 Shs.
Revenue accounts	7,208,187,817	4,842,955,150
Expenditure accounts	15,802,943,679	8,248,754,373
Project Accounts	13,144,567,086	31,398,083,633
Collection accounts	10,115,432,877	508,866,146
Cash in transit	451,664,585	109,231,526
Cash at hand- Imprest	972,642,519	284,984,856
Others	84,953,651	1,679,701,974
Total cash and cash equivalents	47,780,392,214	47,072,577,658

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 17- Receivables

These comprise:

	30 June 2019 Shs.	30 June 2018 Shs.
Loans (Short Term) Others	5,180,480,749	4,619,440,630
Advances	32,533,357,474	24,080,915,179
Outstanding Letters of Credit	-	-
Other accounts receivable- domestic	95,197,316,334	63,688,544,996
Total receivables	132,911,154,557	92,388,900,805
Total Receivables	-	-
Less provision for bad debts	-	-
Net Receivables	132,911,154,557	92,388,900,805

Note 18 - Inventories

These comprise:

	30 June 2019 Shs.	30 June 2018 Shs.
Strategic stock -Petroleum Products	-	-
Other Inventories	236,058,837	823,643,982
Total inventories	236,058,837	823,643,982

Note 19- Investments Properties

	30 June 2019 Shs.	30 June 2018 Shs.
At the beginning of the year 1 July	-	-
Additions/ Acquisitions made during the year	-	-
Disposals during the year	-	-
Total Cost of Investment Properties	-	-

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 20- Investments

	30 June 2019 Shs.	30 June 2018 Shs.
Securities other than shares-domestic	2,500,000,000	2,500,000,000
shares and other equity - Domestic	-	-
Securities other than shares-foreign	-	-
Total investments	2,500,000,000	2,500,000,000

Note 21- Non-Produced Assets

	30 June 2019 Shs.	30 June 2018 Shs.
Land	2,007,511,586	1,771,319,179
Cultivated Assets	287,136,414	1,052,795,681
Other Naturally Occurring Assets	-	99,354,411
Total Non-Produced Assets	2,294,648,000	2,923,469,271

Note 22 - Borrowings

	30 June 2019 Shs.	30 June 2018 Shs.
Domestic		
Loans from commercial banks	-	404,060,600
Interest payable on bank loans/borrowings	-	-
Other/Overdraft	-	-
Total current borrowings	-	404,060,600
Foreign		
Loans from multi laterals	-	-
Loans from foreign Governments	-	-
Loans from commercial banks	-	-
Interest payable on bank loans/borrowings	-	-
Other	-	-
Total non-current borrowings	-	-
Total borrowings	-	404,060,600

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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 2019 Shs.	30 June 2018 Shs.
Trade Creditors	12,183,146,258	11,469,018,797
Sundry Creditors	8,742,413,936	4,466,629,849
Committed Creditors	3,403,778,112	6,738,043,032
Accountable advances	25,590,242,934	10,223,654,437
Withholding tax payable	161,781,653	657,317,686
Deposits received	90,324,889,761	51,361,791,665
Advances from other Government units	5,114,937,372	17,758,187,523
Clearing transfers from other govt units	-	-
Miscellaneous accounts payables	2,534,911,789	1,386,820,577
Total payables	148,056,101,815	104,061,463,566

Note 24- Pension liabilities

	30 June 2019 Shs.	30 June 2018 Shs.
Former employees in Public Service	13,616,269,599	8,405,142,511
Former employees of the Education Service	538,924,659	159,709,162
Gratuity Arrears	14,534,248,803	12,105,372,919
Total pension liabilities	28,689,443,061	20,670,224,592

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Memorandum Statements

Consolidated Statement of Arrears of Revenues

Districts	Arrears of Revenue 30 th June 2018 Shs.	Total Revenue billed during the Year Shs.	Actual amounts collected during the year Shs.	Cumulative Arrears of Revenue as at 30 th June 2019 Shs.
Adjumani	-	832,076,408	762,432,790	69,643,618
Apac	401,026,094	414,000,000	323,423,822	491,602,272
Arua	-	1,318,539,180	600,775,709	717,763,471
Bugiri	212,160,710	335,562,922	217,125,000	330,598,632
Bundibugyo	-	64,349,811	64,349,811	-
Bushenyi	-	362,681,278	362,681,278	-
Busia	-	270,158,000	249,585,319	20,572,681
Gulu	260,900,000	771,718,771	1,032,618,771	-
Hoima	39,500,400	767,078,681	645,365,250	161,213,831
Iganga	-	337,665,167	337,665,167	-
Jinja	16,473,292	1,330,441,175	1,329,392,226	17,522,241
Kabale	-	326,705,000	231,850,052	94,854,948
Kabarole	128,000,000	641,923,410	769,923,410	-
Kaberamaido	-	281,341,631	138,668,931	142,672,700
Kalangala	-	922,565,000	643,692,878	278,872,122
Kamuli	1,226,829,993	662,762,000	244,795,083	1,644,796,910
Kamwenge	-	873,459,000	873,459,000	-
Kanungu	16,330,000	298,720,000	265,283,391	49,766,609
Kapchorwa	22,639,231	307,000,000	252,903,737	76,735,494
Kasese	-	1,430,879,451	1,430,879,451	-
Katakwi	-	435,366,900	357,173,877	78,193,023
Kayunga	-	463,688,930	463,688,930	-
Kibaale	-	155,192,006	155,192,006	-
Kiboga	-	294,477,122	294,477,122	-
Kisoro	-	517,693,401	517,693,401	-
Kitgum	-	236,776,200	236,776,200	-
Kotido	-	118,973,772	118,973,772	-
Kumi	303,483,364	223,774,697	223,774,697	303,483,364
Kyenjojo	2,470,708	353,658,512	356,129,220	-
Lira	342,580,905	388,702,728	388,702,728	342,580,905
Luwero	86,269,047	462,911,000	515,595,662	33,584,385

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Districts	Arrears of Revenue 30 th June 2018 Shs.	Total Revenue billed during the Year Shs.	Actual amounts collected during the year Shs.	Cumulative Arrears of Revenue as at 30 th June 2019 Shs.
Masaka	-	218,868,049	218,868,049	-
Masindi	-	449,562,298	449,562,298	-
Mayuge	-	213,152,376	460,948,765	-
Mbale	1,913,566,413	1,184,563,359	615,870,040	2,482,259,732
Mbarara	98,554,993	1,518,000,000	830,912,389	785,642,604
Moreto	-	697,629,116	697,629,116	-
Moyo	445,478,094	509,587,000	628,432,067	326,633,027
Mpigi	-	289,482,854	289,482,854	-
Mubende	293,268,431	280,651,640	280,651,640	293,268,431
Mukono	-	537,000,000	534,072,893	2,927,107
Nakapiripirit	-	114,154,594	114,154,594	-
Nakasongola	65,237,243	603,489,000	600,945,868	67,780,375
Nebbi	-	292,459,601	292,459,601	-
Ntungamo	948,888,480	316,821,345	314,537,913	951,171,912
Pader	676,038,000	592,000,000	431,867,406	836,170,594
Pallisa	-	240,384,491	240,384,491	-
Rakai	-	389,269,093	389,269,093	-
Rukungiri	-	296,632,143	296,632,143	-
Sembabule	-	354,606,496	354,606,496	-
Sironko	917,178,684	382,010,000	186,753,307	1,112,435,377
Soroti	-	528,355,000	367,106,998	161,248,002
Tororo	2,040,381,049	550,732,834	499,956,848	2,091,157,035
Wakiso	13,016,986	2,154,024,768	2,140,041,754	27,000,000
Yumbe	-	-	-	-
Butaleja	13,826,856	339,112,000	170,415,560	182,523,296
Ibanda	2,895,000	237,460,382	237,460,382	2,895,000
Kaabong	-	619,732,349	619,732,349	-
Isingiro	-	470,973,729	470,973,729	-
Kaliro	-	170,922,128	170,922,128	-
Kiruhura	-	821,268,813	821,268,813	-
Koboko	-	202,558,925	202,558,925	-
Amolatar	-	363,644,117	363,644,117	-
Amuria	-	195,971,537	195,971,537	-
Manafwa	-	338,619,570	338,619,570	-
Bukwo	-	114,960,639	114,960,639	-

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Districts	Arrears of Revenue 30 th June 2018 Shs.	Total Revenue billed during the Year Shs.	Actual amounts collected during the year Shs.	Cumulative Arrears of Revenue as at 30 th June 2019 Shs.
Mityana	-	303,116,906	303,086,906	30,000
Nakaseke	744,086,879	560,114,772	539,070,277	765,131,374
Amuru	5,303,550	817,350,400	834,696,620	-
Budaka	-	297,618,503	297,618,503	-
Oyam	382,870,004	836,522,000	766,559,650	452,832,354
Abim	-	193,344,000	178,908,189	14,435,811
Namutumba	-	95,943,119	95,943,119	-
Dokolo	236,299,119	224,500,000	128,072,267	332,726,852
Buliisa	111,767,759	272,739,986	272,739,986	111,767,759
Maracha-Terego	69,400,446	215,062,000	175,519,601	108,942,845
Bukedea	-	311,243,587	311,243,587	-
Bududa	-	120,651,000	120,651,000	-
Lyantonde	-	199,039,505	150,015,505	49,024,000
Amudat	26,378,553	51,645,650	76,444,961	1,579,242
Buikwe	-	644,966,900	644,966,900	-
Buyende	116,641,357	197,000,000	121,814,219	191,827,138
Kyegegwa	-	309,743,924	309,743,924	-
Lamwo	109,625,893	131,012,000	131,012,000	109,625,893
Otuke	26,831,350	149,794,000	149,254,765	27,370,585
Zombo	82,415,466	-	-	82,415,466
Alebtong	11,541,105		-	11,541,105
Bulambuli	-	243,957,257	243,957,257	-
Buvuma	-	106,110,000	64,557,081	41,552,919
Gomba	-	202,923,728	202,923,728	-
Kiryandongo	-	403,091,266	282,002,055	121,089,211
Luuka	-	114,898,362	114,898,362	-
Namayingo	-	250,239,697	250,239,697	-
Ntoroko	-	552,055,154	212,968,901	339,086,253
Serere	5,002,000	254,064,474	249,248,474	9,818,000
Kyankwanzi	5,922,050	338,838,424	344,760,474	-
Kalungu	-	307,592,700	201,298,801	106,293,899
Lwengo	-	206,541,097	206,541,097	-
Bukomansimbi	-	145,092,353	145,092,353	-
Mitoroma	-	271,850,387	271,850,387	-
Rubirizi	-	163,568,982	163,568,982	-

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Districts	Arrears of Revenue 30 th June 2018	Total Revenue billed during the Year	Actual amounts collected during the year	Cumulative Arrears of Revenue as at
				30 th June 2019
	Shs.	Shs.	Shs.	Shs.
Ngora	55,306,623	101,399,343	101,399,343	55,306,623
Napak	-	208,402,630	208,402,630	-
Kibuku	-	83,024,300	83,024,300	-
Nwoya	-	340,832,244	340,832,244	-
Kole	204,175,496	246,733,000	245,896,378	205,012,118
Butambala	-	162,262,346	162,262,346	-
Sheema	138,169,973	353,157,589	353,157,589	138,169,973
Buhweju	-	85,853,798	85,853,798	-
Agago		286,700,000	171,321,815	115,378,185
Kween	-	197,600,000	197,580,188	19,812
Kagadi	-	265,000,000	180,147,668	84,852,332
Kakumiro	-	171,999,600	171,999,600	-
Omoro	-	365,500,000	356,684,556	8,815,444
Rubanda	-	489,328,000	211,809,167	277,518,833
Namisindwa	-	386,002,967	386,002,967	-
Pakwach	-	105,724,100	105,724,100	-
Butebo	35,825,685	165,200,000	158,027,000	42,998,685
Rukiga	-	391,621,000	144,298,926	247,322,074
Kyotera	-	368,406,290	368,406,290	-
Bunyagabu	-	102,259,526	102,259,526	-
Nabilatuk	-	88,340,828	88,340,828	-
Bugweri	-	191,675,000	68,402,156	123,272,844
Kasanda	-	323,578,932	323,578,932	-
Kwania	-	148,583,829	148,583,829	-
Kapelebyong	-	445,507,000	288,649,480	156,857,520
Kikuube	-	312,481,788	312,481,788	-
At 30 June 2019	12,854,557,281	48,668,908,642	43,273,120,135	18,510,184,847
At 30 June 2018	8,513,791,945	50,152,302,583	39,373,431,172	10,778,871,411

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Consolidated Summary Statement of Contingent Liabilities

Districts	Legal proceedings Shs.	Guarantees & indemnities Shs.	Guarantees of bank Overdrafts Shs.	Other Contingent Shs.	Total 30-Jun-2019 Shs.	Total 30-Jun-2018 Shs.
Apac	638,850,902	-	-	-	638,850,902	-
Gulu	-	-	-	-	-	6,000,000,000
Kapchorwa	-	-	-	-	-	364,679,863
Kayunga	51,547,700	-	-	-	51,547,700	51,547,700
Masindi	-	-	-	98,050,000	98,050,000	161,050,000
Mpigi	-	-	-	-	-	157,084,103
Mubende	117,389,200	-	-	-	117,389,200	117,389,200
Nebbi	352,297,184	-	-	-	352,297,184	359,297,184
Isingiro	150,000,000	-	-	-	150,000,000	150,000,000
Amuru	-	-	-	56,441,200	56,441,200	-
Dokolo	-	-	-	463,413,106	463,413,106	288,959,106
Bududa	150,000,000	-	-	-	150,000,000	550,000,000
Buhweju	-	-	-	-	-	66,995,000
Agago	20,000,000	-	-	-	20,000,000	20,000,000
Kakumiro	9,141,729	-	-	-	9,141,729	250,000,000
Pakwach	-	-	-	-	-	370,000,000
Total for 30 June 2019	1,489,226,715	-	-	617,904,306	2,107,131,021	2,357,002,156
Total for 30 June 2018	1,145,998,187	300,168,863	-	910,835,106	2,357,002,156	2,587,407,514

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Consolidated Statement of Outstanding Commitments

[As submitted and signed by accounting Officers]

	Operating Commitments Shs.	Capital Commitments Shs.	Outstanding Commitments long-term Shs.	Total Commitments 30 th June 2019 Shs.	Total Commitments 30 th Jun 2018 Shs.
Adjumani	20,978,030	-	-	20,978,030	575,781,057
Apac	1,323,833,228	-	-	1,323,833,228	1,121,653,489
Arua	-	-	-	-	1,087,878,122
Bugiri	278,077,460	-	-	278,077,460	957,853,513
Bundibugyo	-	-	-	-	538,926,000
Bushenyi	2,742,003,540	-	-	2,742,003,540	-
Busia	1,499,864,173	-	-	1,499,864,173	-
Gulu	755,360,444	159,053,383	-	914,413,827	18,776,700
Hoima	429,970,000	-	-	429,970,000	792,976,258
Iganga	6,044,997	-	-	6,044,997	99,665,936
Jinja	170,828,162	-	-	170,828,162	499,419,015
Kabale	829,201,341	-	-	829,201,341	1,591,719,180
Kabarole	608,270,119	-	-	608,270,119	728,300,507
Kaberamaido	113,170,727	-	-	113,170,727	678,332,345
Kalangala	118,035,000	-	-	118,035,000	205,295,883
Kamuli	405,691,935	-	-	405,691,935	486,502,199
Kamwenge	103,372,200	-	-	103,372,200	425,182,436
Kanungu	376,708,150	-	-	376,708,150	363,808,700
Kapchorwa	695,621,729	-	-	695,621,729	591,031,491
Kasese	1,982,173,943	-	-	1,982,173,943	1,439,576,058
Katakwi	414,966,000	-	-	414,966,000	75,369,889
Kayunga	636,859,595	-	-	636,859,595	605,053,057
Kibaale	900,909,925	-	-	900,909,925	361,344,072
Kiboga	-	-	-	-	290,448,287
Kisoro	295,265,684	-	-	295,265,684	928,123,051
Kitgum	-	-	-	-	674,135,113
Kotido	-	-	-	-	21,206,315
Kumi	421,383,974	-	-	421,383,974	175,015,785
Kyenjojo	784,731,000	-	-	784,731,000	466,081,314
Lira	469,517,784	-	-	469,517,784	458,240,000
Luwero	1,994,509,388	-	-	1,994,509,388	215,488,518

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	Operating Commitments Shs.	Capital Commitments Shs.	Outstanding Commitments long-term Shs.	Total Commitments 30 th June 2019 Shs.	Total Commitments 30 th Jun 2018 Shs.
Masaka	224,300,000	-	-	224,300,000	298,701,513
Masindi	364,557,084	-	-	364,557,084	478,813,839
Mayuge	-	-	-	-	979,302,465
Mbale	272,336,000	-	-	272,336,000	888,445,800
Mbarara	215,985,799	-	-	215,985,799	542,139,206
Moroto	1,502,680,435	-	-	1,502,680,435	466,899,650
Moyo	-	-	-	-	121,270,086
Mpigi	271,186,948	-	-	271,186,948	304,905,331
Mubende	-	-	-	-	1,883,900,227
Mukono	441,741,338	-	-	441,741,338	358,918,496
Nakapiripirit	1,069,261,844	-	-	1,069,261,844	1,015,605,258
Nakasongola	420,180,197	27,985,556	-	448,165,753	402,461,500
Nebbi	437,652,000	-	-	437,652,000	504,230,457
Ntungamo	701,215,327	-	-	701,215,327	1,640,539,744
Pader	532,111,000	-	-	532,111,000	448,844,274
Pallisa	671,520,000	-	-	671,520,000	812,045,705
Rakai	333,800,000	-	-	333,800,000	676,454,900
Rukungiri	448,975,762	-	-	448,975,762	449,867,273
Sembabule	307,200,000	-	-	307,200,000	386,207,000
Sironko	698,037,000	-	-	698,037,000	378,651,150
Soroti	4,193,894,336	-	-	4,193,894,336	714,756,238
Tororo	884,513,563	-	-	884,513,563	394,789,500
Wakiso	831,349,469	-	-	831,349,469	672,919,436
Yumbe	-	-	-	-	871,874,239
Butaleja	662,121,880	-	-	662,121,880	1,307,660,292
Ibanda	209,116,000	-	-	209,116,000	392,246,624
Kaabong	267,318,684	-	-	267,318,684	-
Isingiro	756,476,382	-	-	756,476,382	1,488,739,040
Kaliro	346,250,000	-	-	346,250,000	228,914,397
Kiruhura	193,400,000	-	-	193,400,000	692,133,178
Koboko	-	-	-	-	748,251,476
Amolatar	507,190,258	-	-	507,190,258	528,451,695
Amuria	284,072,818	-	-	284,072,818	865,479,159
Manafa	452,467,537	-	-	452,467,537	1,405,219,057
Bukwo	246,770,000	-	-	246,770,000	688,526,275

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	Operating Commitments Shs.	Capital Commitments Shs.	Outstanding Commitments long-term Shs.	Total Commitments 30 th June 2019 Shs.	Total Commitments 30 th Jun 2018 Shs.
				30 th June 2019 Shs.	30 th Jun 2018 Shs.
Mityana	33,435,737	-	-	33,435,737	651,297,045
Nakaseke	-	-	-	-	387,256,191
Arinuru	459,430,258	-	-	459,430,258	739,062,997
Budaka	650,979,862	-	-	650,979,862	1,065,754,996
Oyam	1,230,796,510	971,360,616	-	2,202,157,126	996,946,777
Abim	217,785,585	-	-	217,785,585	20,601,774
Namutumba	256,423,776	-	-	256,423,776	625,430,835
Dokolo	144,125,942	-	-	144,125,942	717,290,418
Buliisa	316,740,352	-	-	316,740,352	497,053,434
Maracha-Terego	377,472,932	-	-	377,472,932	505,992,288
Bukedea	367,194,294	-	-	367,194,294	-
Bududa	156,159,500	-	-	156,159,500	750,053,928
Iyantonde	1,028,220	-	-	1,028,220	565,209,849
Amudat	1,116,022,400	-	-	1,116,022,400	566,371,150
Buikwe	360,405,406	-	-	360,405,406	660,066,948
Buyende	974,259,800	-	-	974,259,800	696,836,000
Kyeggegwaa	386,932,858	-	-	386,932,858	579,943,000
Lamwo	417,472,000	90,121,198	-	507,593,198	844,909,456
Otuke	1,210,658,608	16,176,155	-	1,226,834,763	497,445,130
Zombo	-	-	-	-	1,118,510,756
Alebtong	-	-	-	-	314,818,577
Bulambuli	307,410,509	-	-	307,410,509	582,346,000
Buvuma	250,655,000	-	-	250,655,000	752,712,620
Gomba	119,017,000	-	-	119,017,000	238,820,000
Kiryandongo	301,827,434	-	-	301,827,434	1,465,654,033
Juuka	791,275,161	-	-	791,275,161	422,784,136
Namayingo	241,569,000	-	-	241,569,000	352,670,200
Ntoroko	428,134,584	-	-	428,134,584	136,871,778
Sercere	306,333,000	-	-	306,333,000	728,321,667
Kyankwanzi	1,182,484,593	-	-	1,182,484,593	128,056,500
Kalungu	531,087,150	-	-	531,087,150	352,931,886
Iwengo	349,256,960	50,028,615	-	399,285,575	891,980,423
Bukomansimbi	716,074,606	-	-	716,074,606	339,729,406
Mitooma	-	-	-	-	-
Rubirizi	490,163,200	209,268,713	-	699,431,913	24,078,150

ACCOUNTANT GENERAL'S OFFICE
LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	Operating Commitments Shs.	Capital Commitments Shs.	Outstanding Commitments long-term Shs.	Total Commitments 30 th June 2019 Shs.	Total Commitments 30 th Jun 2018 Shs.
Ngora	-	-	-	-	24,526,661
Napak	244,900,000	-	-	244,900,000	432,033,264
Kibuku	955,452,977	-	-	955,452,977	601,547,781
Nwoya	170,310,000	-	-	170,310,000	278,132,000
Kole	609,874,146	-	-	609,874,146	199,169,000
Butambala	189,746,067	-	-	189,746,067	419,771,101
Sheema	320,470,917	26,597,786	-	347,068,703	599,706,691
Buhweju	1,114,788,224	-	-	1,114,788,224	323,288,747
Agago	1,006,091,521	-	-	1,006,091,521	933,664,037
Kween	697,817,560	-	-	697,817,560	286,040,000
Kagadi	699,047,025	-	-	699,047,025	315,226,940
Kakumiro	475,602,628	-	-	475,602,628	251,176,702
Omoro	439,872,343	-	-	439,872,343	499,932,691
Rubanda	966,679,847	-	-	966,679,847	367,171,620
Namisindwa	359,798,700	-	-	359,798,700	926,946,282
Pakwach	17,254,931	-	-	17,254,931	819,334,000
Butebo	323,084,200	-	-	323,084,200	225,108,000
Rukiga	326,914,644	-	-	326,914,644	275,336,191
Kyotera	409,201,646	-	-	409,201,646	-
Bunyagabu	616,635,891	-	-	616,635,891	-
Nabilatuk	164,114,250	51,999,545	-	216,113,795	-
Bugweri	307,000,000	403,578,508	-	710,578,508	-
Kasanda	180,060,000	-	-	180,060,000	-
Kwania	322,654,441	-	-	322,654,441	-
Kapelebyong	182,596,000	-	-	182,596,000	-
Kikuube	-	-	-	-	-
At 30 June 2019	62,917,610,384	2,006,170,075	-	64,923,780,459	67,507,268,826
At 30 June 2018	67,471,218,152	36,050,674	-	67,507,268,826	-

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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)	Values of losses of stores	Total losses reported as at 30 June 2019	Total losses at 30 June 2018
	Shs.		Shs.	
Bugiri	45,945,600	-	45,945,600	45,945,600
Luwero	-	19,962,950	19,962,950	19,962,950
Mayuge	-	7,000,000	7,000,000	7,000,000
Rukungiri	-	7,950,000	7,950,000	7,950,000
Tororo	-	650,000	650,000	650,000
Buliisa	24,240,000	-	24,240,000	24,240,000
Bududa	-	4,000,000	4,000,000	-
Lamwo	-	8,000,000	8,000,000	8,531,036
Otuke	-	16,000,000	16,000,000	16,000,000
Kalungu	-	4,923,491	4,923,491	4,923,491
Omoro	29,131,500	-	29,131,500	29,131,500
At 30 June 2019	99,317,100	68,486,441	167,803,541	186,844,577
At 30 June 2018	48,824,450	45,454,527	94,278,977	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 Shs.	Property-land, buildings, highways Shs.	Plant, machinery, MV, furniture Shs.	Others- computers, copiers Shs.	Total purchased during the year 30- Jun-2019 Shs.	Total purchased in 30- Jun-2018 Shs.
Adjumani	-	1,144,583,348	7,741,164,209	-	8,885,747,557	1,276,629,116
Apac	-	2,067,370,004	79,169,228	4,890,545,139	7,037,084,371	1,611,201,706
Arua	-	13,007,622,985	758,148,612	-	13,765,771,597	7,543,020,618
Bugiri	-	2,945,176,978	-	-	2,945,176,978	1,662,868,743
Bundibugyo	10,000,000	1,632,235,543	88,452,578	-	1,730,688,121	33,000,000
Bushenyi	-	850,038,751	287,159,395	-	1,137,198,146	507,855,400
Busia	-	3,540,409,564	1,788,899,019	-	5,329,308,583	2,574,047,814
Gulu	-	1,109,489,080	395,240,976	-	1,504,730,056	839,078,670
Hoima	13,420,000	1,335,991,119	2,093,442,196	-	3,442,853,315	-
Iganga	15,000,000	123,705,721	37,354,401	-	176,060,122	1,792,988,528
Jinja	-	1,781,761,378	250,740,824	-	2,032,502,202	1,059,883,612
Kabale	-	351,108,995	787,721,503	-	1,138,830,498	1,019,019,259
Kabarole	-	22,016,000	-	-	22,016,000	2,551,535,336
Kaberamaido	-	1,765,079,005	589,226,516	-	2,354,305,521	2,662,371,095
Kalangala	-	2,150,984,284	1,393,005,790	-	3,543,990,074	4,635,439,905
Kamuli	35,810,000	1,503,138,684	536,770,243	-	2,075,718,927	1,201,952,050
Kamwenge	-	3,766,010,480	-	-	3,766,010,480	1,705,173,985
Kanungu	-	564,232,040	404,419,111	-	968,651,151	1,015,777,438
Kapechorwa	-	861,728,464	363,857,113	-	1,225,585,577	263,436,725
Kasese	-	3,812,090,740	602,754,872	-	4,414,845,612	2,488,029,982
Katakwi	-	2,221,255,641	1,182,087,264	-	3,403,342,905	1,449,119,886
Kayunga	-	2,671,581,239	445,457,590	-	3,117,038,829	2,150,085,962
Kibaale	-	1,670,116,420	1,912,093,828	-	3,582,210,248	2,571,540,746
Kiboga	40,000,000	1,608,544,002	3,200,000	134,823,091	1,786,567,093	917,046,393
Kisoro	-	1,228,145,666	-	-	1,228,145,666	667,638,397
Kitgum	-	1,297,951,958	1,122,668,198	-	2,420,620,156	1,838,294,255
Kotido	-	881,698,994	101,593,980	-	983,292,974	6,055,303,384
Kumi	7,000,000	-	-	-	7,000,000	1,723,153,882
Kyenjojo	-	1,957,406,583	399,718,444	-	2,357,125,027	1,964,199,359
Lira	6,600,000	1,614,813,417	1,204,683,187	-	2,826,096,604	-

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Districts	Non Produced Assets Shs.	Property-land, buildings, highways Shs.	Plant, machinery, MV, furniture Shs.	Others- computers, copiers Shs.	Total purchased during the year 30- Jun-2019 Shs.	Total purchased in 30- Jun-2018 Shs.
Luwero	-	1,574,424,929	650,489,902	-	2,224,914,831	1,954,093,284
Masaka	-	492,113,700	509,852,728	-	1,001,966,428	657,325,339
Masindi	-	959,013,914	2,400,365,664	-	3,359,379,578	2,022,043,078
Mayuge	101,564,113	2,435,912,405	275,116,445	-	2,812,592,963	1,897,313,110
Mbale	-	57,011,621	202,294,560	-	259,306,181	1,412,913,609
Mbarara	4,996,247	2,255,801,752	17,771,753	-	2,278,569,752	2,220,395,350
Moroto	-	-	-	84,532,944	84,532,944	-
Moyo	84,378,480	8,923,859,481	150,353,000	-	9,158,590,961	1,149,947,600
Mpigi	-	1,324,830,670	184,498,029	42,493,891	1,551,822,590	741,003,423
Mubende	20,539,600	2,651,696,065	401,892,374	-	3,074,128,039	2,777,143,736
Mukono	-	877,410,342	791,953,160	-	1,669,363,502	421,129,336
Nakapiripirit	-	659,957,221	-	476,911,456	1,136,868,677	5,090,961,492
Nakasongola	-	1,180,021,413	620,100,673	-	1,800,122,086	1,277,380,940
Nebbi	-	1,156,446,993	4,341,556,132	-	5,498,003,125	1,601,690,848
Ntungamo	-	1,166,257,184	671,153,160	-	1,837,410,344	2,747,548,268
Pader	-	1,130,599,491	627,890,179	-	1,758,489,670	309,252,000
Pallisa	-	1,900,002,237	2,777,785,785	-	4,677,788,022	1,744,794,540
Rakai	-	2,090,900,349	527,085,692	-	2,617,986,041	2,233,304,885
Rukungiri	-	1,492,485,058	36,925,451	706,723,796	2,236,134,305	3,079,474,176
Sembabule	-	1,150,780,201	741,166,067	48,922,270	1,940,868,538	1,502,134,079
Sironko	73,826,570	3,202,405,877	171,278,418	-	3,447,510,865	807,909,292
Soroti	-	4,106,453,002	297,995,370	-	4,404,448,372	1,236,669,915
Tororo	58,345,000	2,776,233,103	269,108,975	-	3,103,687,078	2,265,083,570
Wakiso	-	2,630,788,809	227,475,375	3,665,400	2,861,929,584	11,338,808,021
Yumbwe	-	-	-	-	-	6,592,252,859
Butalecia	-	2,458,066,344	44,741,628	2,476,788,160	4,979,596,132	5,315,744
Ibanda	-	15,859,023	-	273,299,229	289,158,252	1,070,514,299
Kaabong	-	1,589,403,459	273,018,000	-	1,862,421,459	1,960,343,386
Isingiro	-	6,315,592,280	5,043,592,360	-	11,359,184,640	1,725,055,913
Kaliro	-	1,993,848,085	637,764,823	4,000,000	2,635,612,908	715,127,981
Kiruhura	-	1,846,298,639	110,043,086	1,069,661,143	3,026,002,868	2,083,163,199
Koboko	20,000,000	7,496,735,668	2,208,864,150	-	9,725,599,818	2,589,359,455
Amolatar	-	1,206,587,137	233,293,678	-	1,439,880,815	881,389,108
Amuria	-	1,626,341,471	3,074,347,400	-	4,700,688,871	3,302,894,881
Manafwa	-	2,985,936,963	625,632,778	-	3,611,569,741	1,975,935,161
Bukwo	-	1,513,445,407	80,173,400	-	1,593,618,807	822,449,246

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Districts	Non Produced Assets Shs.	Property-land, buildings, highways Shs.	Plant, machinery, MV, furniture Shs.	Others- computers, copiers Shs.	Total purchased during the year 30- Jun-2019 Shs.	Total purchased in 30- Jun-2018 Shs.
Mityana	-	3,653,476,354	980,349,429	26,141,500	4,659,967,283	2,407,968,462
Nakaseke	-	2,958,428,488	385,862,053		3,344,290,541	2,428,012,955
Amuru	-	1,112,815,455	273,987,672	429,973,146	1,816,776,273	3,082,204,317
Budaka	-	992,203,118	90,322,989	-	1,082,526,107	435,586,841
Oyam	-	3,431,044,595	1,153,981,204	-	4,585,025,799	4,359,838,378
Abim	-	566,185,985	203,634,453	-	769,820,438	607,768,246
Namutumba	-	1,347,158,771	236,081,362	-	1,583,240,133	-
Dokolo	-	1,404,542,646	261,181,114	-	1,665,723,760	2,453,249,000
Buliisa	-	718,582,265	198,588,520	-	917,170,785	525,623,049
Maracha-Terego	-	1,897,118,257	370,936,553	-	2,268,054,810	1,347,663,646
Bukedea	73,973,301	1,007,419,999	2,617,561,139	-	3,698,954,439	2,049,330,911
Bududa	-	7,394,807	56,627,658	-	64,022,465	2,103,057,258
Lyantonde	-	1,822,704,436	369,443,812	-	2,192,148,248	1,888,089,734
Amudat	-	1,276,322,309	354,534,306	-	1,630,856,615	3,687,498,645
Buikwe	-	8,322,695,270	5,015,333,750	-	13,338,029,020	10,169,735,333
Buyende	-	1,628,466,190	971,766,047	-	2,600,232,237	1,839,978,138
Kyegegwa	-	1,484,491,238	192,155,488	-	1,676,646,726	665,782,315
Lamwo	-	1,358,163,877	957,434,263	-	2,315,598,140	1,219,982,251
Otuke	-	2,067,676,591	224,229,394	11,759,000	2,303,664,985	1,515,465,861
Zombo	-			-	-	1,847,990,049
Alebtong	-	-	-	-	-	1,980,970,077
Bulambuli	-	2,030,515,192	643,092,958	-	2,673,608,150	1,142,212,639
Buvuma	-	1,460,510,962	555,347,205	-	2,015,858,167	1,804,870,459
Gomba	-	-	23,000,000	-	23,000,000	16,417,549
Kiryandongo	-	1,322,900,830	196,730,170	7,181,630,379	8,701,261,379	3,052,662,804
Luuka	-	1,030,693,827	45,360,000	-	1,076,053,827	501,239,743
Namayingo	-	1,268,161,429	526,889,505	-	1,795,050,934	1,466,542,079
Ntoroko	-	926,875,859	253,991,977	-	1,180,867,836	385,410,384
Serere	-	2,681,022,988	523,973,781	-	3,204,996,769	1,524,276,965
Kyankwanzi	-	2,688,983,159	68,957,000	528,828,667	3,286,768,826	1,849,340,176
Kalungu	-	1,044,753,820	268,349,925	-	1,313,103,745	936,564,472
Lwengo	-	3,817,129,564	562,805,604	-	4,379,935,168	2,990,340,667
Bukomansimbi	-	270,084,333	272,218,300	14,800,000	557,102,633	1,285,959,711
Mitooma	-	3,190,963,645	23,500,000	25,685,295	3,240,148,940	1,872,236,168
Rubirizi	-	1,377,039,968	-	-	1,377,039,968	646,762,736
Ngora	-	1,064,411,649	1,076,121,713	-	2,140,533,362	1,491,801,724

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Districts	Non Produced Assets Shs.	Property-land, buildings, highways Shs.	Plant, machinery, MV, furniture Shs.	Others- computers, copiers Shs.	Total purchased during the year 30- Jun-2019 Shs.	Total purchased in 30- Jun-2018 Shs.
Napak	-	1,667,354,005	294,399,387	-	1,961,753,392	862,037,361
Kibuku	-	1,575,749,081	895,210,888	-	2,470,959,969	1,617,140,374
Nwoya	-	1,859,734,478	243,200,000	357,145,674	2,460,080,152	1,519,445,148
Kole	-	2,273,548,773	412,406,591	-	2,685,955,364	1,461,175,281
Butambala	-	1,425,266,306	172,157,415	-	1,597,423,721	763,074,910
Sheema	-	1,886,391,156	76,888,030	-	1,963,279,186	1,656,416,985
Buhweju	-	1,144,873,915	247,593,535	167,430,266	1,559,897,716	579,613,254
Agago	-	879,057,256	6,000,000	-	885,057,256	1,576,101,994
Kween	-	1,188,030,878	214,912,290	-	1,402,943,168	342,601,000
Kagadi	-	3,683,937,668	1,623,561,146	-	5,307,498,814	4,088,564,462
Kakumiro	-	3,871,209,146	835,901,495	-	4,707,110,641	2,231,198,156
Omoro	-	2,142,414,403	634,112,555	2,015,588,543	4,792,115,501	2,886,762,260
Rubanda	-	2,804,063,700	335,048,713	-	3,139,112,413	1,027,309,762
Namisindwa	-	952,445,617	269,174,385	-	1,221,620,002	1,661,853,650
Pakwach	-	326,738,143	705,847,621	-	1,032,585,764	1,423,824,468
Butebo	-	939,184,000	746,159,360	-	1,685,343,360	1,859,502,503
Rukiga	-	410,687,892	218,477,625	-	629,165,517	1,330,302,369
Kyotera	-	2,061,034,903	91,007,829	-	2,152,042,732	1,339,350,899
Bunyagabu	-	1,266,962,435	302,208,026	-	1,569,170,461	2,160,608,870
Nabilatuk	-	1,552,855,407	820,947,607	-	2,373,803,014	-
Bugweri	-	1,218,615,111	362,742,000	446,272,711	2,027,629,822	-
Kasanda	11,000,000	377,688,631	900,381,465	-	1,289,070,096	-
Kwania	-	1,405,522,577	342,740,610	55,046,000	1,803,309,187	-
Kapelbyong	-	1,360,344,636	611,034,455	-	1,971,379,091	-
Kikuube	-	-	-	-	-	-
At 30 June 2019	576,453,311	234,234,455,369	85,111,071,644	21,472,667,700	341,394,648,024	
At 30 June 2018	2,139,416,266	160,768,696,319	18,450,827,399	46,602,190,833	227,961,130,817	

| Section B: Municipal Councils

Consolidated Financial Statements of Municipal Councils For the Year Ended 30 June 2019

[Based on Accrual Basis of Accounting]

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Consolidated Statement of Financial Performance

[Based on classification of expenditures by nature]

	Note	Actual 30 June 2019 Shs	Actual 30 June 2018 Shs
OPERATING REVENUE			
Revenue			
Local Revenue	2	42,810,950,667	47,054,392,943
Central Government Grants	3	335,053,101,508	284,592,939,782
Donor Funds	4	8,745,954,025	24,143,544,941
Transfers received from Other Government units	5	37,116,028,832	89,604,903,720
Total Revenue		423,726,035,032	445,395,781,386
OPERATING EXPENSES			
Employee costs	6	205,369,804,893	170,623,753,631
Goods and services consumed	7	48,195,451,879	59,028,489,572
Consumption of property, plant & equipment	8	32,391,989,447	24,790,608,382
Subsidies	9	0	0
Transfers to other Organisations	10	94,636,636,192	97,762,092,831
Social benefits	11	17,452,405,537	5,667,607,487
Other expenses	12	9,478,733,440	7,995,339,500
Total operating expenses		407,525,021,388	365,867,891,403
Surplus / (Deficit) from operating activities		16,201,013,644	79,527,889,983
Foreign exchange loss (Gain)	13		0
Finance costs	14		0
Bad Debts expenses	15		0
Transfers to Treasury	16	6,759,826,897	3,218,409,594
Surplus / (Deficit) for the year		9,441,186,747	76,309,480,389

Notes and Schedules set out on pages 47 to 77 form an integral part of the financial statements.


Lawrence Semakula
Accountant General


Keith Muhakanzi
Permanent Secretary/ Secretary to the Treasury

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Consolidated Statement of Financial Position

	Notes	30 June 2019 Shs	30 June 2018 Shs
ASSETS			
Current Assets			
Cash and cash equivalents	17	7,352,696,554	100,462,128,549
Receivables	18	27,159,040,912	18,906,454,489
Inventories	19	354,246,895	386,148,801
Investments (Short term)	20(a)	-	1,150,000,000
Total current assets		34,865,984,361	120,904,731,839
Non-Current Assets			
Investments (Long term)	20(a)	2,154,704,247	696,088,783
Investment Properties	20(b)	-	-
Property, Plant and Equipment	21	608,623,504,899	538,731,948,670
Total non-current assets		610,778,209,146	539,428,037,453
Total Assets		645,644,193,507	660,332,769,292
LIABILITIES			
Current Liabilities			
Borrowings (Short term)	22	309,951,664	217,655,963
Payables	23	24,075,228,782	28,514,331,251
Pension Liability	24	1,066,735,090	2,273,928,574
Total Current liability		25,451,915,536	31,005,915,788
Non-current Liabilities			
Long-term borrowings	22	1,194,365,659	341,763,463
Payables	23	-	-
Pension liability	24	-	-
Total non-current liability		1,194,365,659	341,763,463
Total Liabilities		26,646,281,195	31,347,679,251
Net assets (liabilities)		618,997,912,312	628,985,090,041
REPRESENTED BY:-			
Net worth/ Equity		618,997,912,312	628,985,090,041

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Statement of Changes In Equity (Net Worth)

	Notes	30 June 2019 Shs	30 June 2018 Shs
Opening Balance		628,985,090,041	504,334,276,675
Add/ (Less): Adjustments to the opening balance		(19,428,364,476)	48,341,332,977
Add: Surplus/deficit for the year (<i>see statement of Financial Performance</i>)		9,441,186,747	76,309,480,389
At 30 June - Closing Net Financial Worth		618,997,912,312	628,985,090,041

Notes and Schedules set out on pages 47 to 77 form an integral part of the financial statements.

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Lawrence Semakula
Accountant General

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Keith Muhakanizi
Permanent Secretary/ Secretary to the Treasury

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Consolidated Cash Flow Statement [Direct Method]

	30 June 2019 Shs	30 June 2018 Shs
CASH FLOWS FROM OPERATING ACTIVITIES		
Revenue from Operating activities (see below)	422,470,656,652	448,823,011,106
PAYMENTS FOR OPERATING EXPENSES		
Employee costs	205,369,804,893	169,490,425,824
Goods and services consumed	44,988,696,819	56,662,571,318
Subsidies	-	-
Transfers to other Organisation	94,636,636,192	96,567,705,311
Social benefits	17,137,004,242	3,957,899,904
Other expenses	9,281,585,122	8,006,885,685
Foreign exchange loss/(gain)	-	-
Net Advances paid	5,207,022,489	6,356,815,520
Domestic arrears paid during the year	20,811,068,443	12,980,217,405
Pension Arrears paid during the Year	-	-
Losses of cash	-	-
Letters of Credit receivable	-	-
Total payments for operating activities	397,431,818,200	354,022,520,967
Net cash inflows/(outflows) from operating activities	25,038,838,452	94,800,490,139
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	111,532,182,560	128,857,979,079
Proceeds from sale of property, plant and equipment	-	-
Purchase of investments	-	-
Proceeds from sale of investments	-	-
Net cash inflows/(outflows) from investing activities	111,532,182,560	128,857,979,079
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	(86,493,344,108)	(34,057,488,940)
Net increase (decrease) in cash and cash equivalents	(86,493,344,108)	(34,057,488,940)

Notes and Schedules set out on pages 47 to 77 form an integral part of the financial statements.

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Cash Flow Statement for the year ended (continued)

For cash flow purposes receipts from operating revenue comprise:

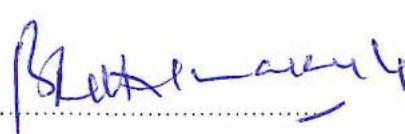
	Notes	30 June 2019 Shs.	30 June 2018 Shs.
Operating revenue			
Local Revenue		40,928,966,355	43,947,419,829
Central Government Grants		335,053,101,508	284,592,939,782
Donor Funds		8,745,954,025	24,143,544,941
Transfers received from Other Government units		37,116,028,832	89,604,903,720
Deposits received		6,458,800,735	8,314,811,655
Advances recovered		927,632,094	1,437,800,773
Less Transfer to Treasury (Balances)		(6,759,826,897)	(3,218,409,594)
Total Operating revenue		422,470,656,652	448,823,011,106

Reconciliation of movement of cash during the year

	Notes	30 June 2019 Shs	30 June 2018 Shs
Opening Balance		100,462,128,549	119,348,465,691
Add/ (Less): Adjustments to the opening balance		(6,616,087,887)	15,171,151,798
Net increase (decrease) of cash from the <i>Cash flow Statement</i>		(86,493,344,108)	(34,057,488,940)
At the end of the year		7,352,696,554	100,462,128,549

For purposes of the cash flow statement, cash and cash equivalents comprise

		30th June 2019 Shs	30th June 2018 Shs
Cash and bank balances	17	7,352,696,554	100,462,128,549
Net cash and bank balances		7,352,696,554	100,462,128,549


Lawrence Sernakula
Accountant General


Keith Mukakanizi
Permanent Secretary/ Secretary to the Treasury

Notes and Schedules set out on pages 47 to 77 form an integral part of the financial statements.

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Statement of Revenues and Expenditure by vote [As submitted and signed by Accounting Officers]

Municipals	Approved/Revised	Actual Revenue	Actual Expenditure	Over/Under Expenditure
Arua Municipal Council	8,938,115,260	8,378,526,033	8,378,526,033	559,589,227
Entebbe Municipal Council	17,656,998,579	9,796,657,483	16,120,870,461	1,536,128,118
Fort-Portal Municipal Council	13,413,306,827	9,300,210,278	12,022,527,030	1,390,779,797
Gulu Municipal Council	13,685,082,128	13,665,382,613	13,415,920,570	269,161,558
Jinja Municipal Council	19,409,870,449	14,112,202,038	18,800,758,305	609,112,144
Kabale Municipal Council	11,155,597,151	10,399,917,218	10,234,850,267	920,746,884
Lira Municipal Council	9,710,311,456	9,696,716,164	9,289,481,615	420,829,841
Masaka Municipal Council	13,319,601,778	9,600,237,570	12,026,350,531	1,293,251,247
Mbale Municipal Council	16,304,020,410	17,551,140,544	14,983,957,047	1,320,063,363
Mbarara Municipal Council	43,239,842,714	17,891,303,245	35,966,796,833	7,273,045,881
Moroto Municipal Council	6,849,311,281	2,715,994,797	6,826,422,640	22,888,641
Soroti Municipal Council	9,486,855,941	9,286,974,470	9,282,603,483	204,252,458
Tororo Municipal Council	6,832,935,691	6,465,621,303	6,465,621,303	367,314,388
Kasese Municipal Council	12,758,123,135	9,539,448,289	10,669,942,860	2,088,180,275
Hoima Municipal Council	23,169,311,135	9,060,111,055	20,958,547,574	2,210,763,561
Mukono Municipal Council	14,966,688,924	10,506,258,675	13,582,618,913	1,384,070,011
Iganga Municipal Council	6,331,760,622	6,045,419,624	5,571,272,327	760,488,295
Masindi Municipal Council	8,262,277,694	7,658,745,268	7,736,564,325	525,713,369
Ntungamo Municipal Council	3,775,541,705	3,338,906,042	3,338,906,042	436,635,663
Busia Municipal Council	6,238,802,083	4,322,250,885	5,542,823,661	695,978,422
Bushenyi-Ishaka Municipal Council	9,222,800,200	7,426,284,742	8,537,237,721	685,562,479
Rukungiri Municipal Council	7,500,888,632	6,367,377,949	7,053,262,949	447,625,683
Nansana Municipal Council	11,949,941,990	14,107,033,420	11,890,455,725	59,486,265
Makindye Ssabagabo	9,463,769,150	9,259,465,962	9,210,018,122	253,751,028
Kira Municipal Council	17,927,544,884	8,485,185,705	16,138,151,639	1,789,393,245
Kisoro Municipal Council	2,676,891,688	2,356,911,266	2,356,911,266	319,980,422
Mityana Municipal Council	8,660,692,182	6,641,400,960	7,098,935,772	1,561,756,410
Kitgum Municipal Council	7,080,184,006	5,773,142,917	5,781,463,016	1,298,720,990
Koboko Municipal Council	8,272,170,363	6,058,077,114	7,561,626,142	710,544,221
Mubende Municipal Council	7,044,556,795	6,683,920,226	6,683,920,226	360,636,569
Kumi Municipal Council	5,097,784,041	4,737,562,453	4,737,562,453	360,221,588
Lugazi Municipal Council	8,447,575,000	6,036,563,727	7,611,813,960	835,761,040

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Municipals	Approved/Revised	Actual Revenue	Actual Expenditure	Over/Under Expenditure
Kamuli Municipal Council	6,728,602,737	6,267,403,176	6,367,472,443	361,130,294
Kapchorwa Municipal Council	7,500,151,000	6,329,341,581	6,765,215,898	734,935,102
Ibanda Municipal Council	9,135,284,935	9,653,913,682	8,624,070,681	511,214,254
Njeru Municipal Council	13,485,611,000	7,445,061,398	10,730,976,329	2,754,634,671
Apac Municipal Council	5,224,489,991	5,230,969,991	4,869,109,084	355,380,907
Nebbi Municipal Council	7,153,848,090	4,424,470,962	4,581,965,000	2,571,883,090
Bugiri Municipal Council	4,342,621,358	4,187,443,989	4,187,443,989	155,177,369
Sheema Municipal Council	11,630,311,115	9,876,958,275	11,513,811,264	116,499,851
Kotido Municipal Council	6,596,306,477	4,811,522,051	5,189,886,762	1,406,419,715
Total	440,646,380,597	331,492,035,140	398,706,672,261	41,939,708,336

Notes and Schedules set out on pages 47 to 77 form an integral part of the financial statements.

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

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

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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.

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.

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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%
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

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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.

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

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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.

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 crystallize 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 crystallize which are assessed annually. If the events crystallize, 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 2019

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 2019 Shs	30 June 2018 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 2019 Shs	30 June 2018 Shs
Local Services Tax	2,473,052,111	3,205,040,613
Land fees	1,850,003,246	1,897,816,373
Business Licenses	5,086,484,010	5,313,219,818
Local hotel tax	805,623,077	861,319,593
Other general taxes on goods and services	5,644,756,713	5,083,534,680
Other tax revenues	5,729,279,967	7,948,210,941
Investment Income	34,343,555	414,671,329
Dividends	-	43,000,000
Rent	1,980,202,005	4,509,921,458
Disposal of Assets	508,586,250	638,378,835
Sale of Goods and services	1,934,542,899	8,467,171,472
Administrative fees and licenses	14,003,466,664	4,067,643,560
Court fines and Penalties	12,430,000	10,500,000
Other fines and penalties	165,601,874	78,525,792
Miscellaneous and unidentified revenue	2,582,578,296	4,515,438,479
Total	42,810,950,667	47,054,392,943

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 3: Central Government Grants

	30 June 2019 Shs	30 June 2019 Shs
Conditional Grants	267,520,081,807	190,640,513,104
Unconditional Grants	56,712,484,882	91,242,644,498
Equalization Grants	10,820,534,819	2,709,782,180
Other Grants		
Total	335,053,101,508	284,592,939,782

Note 4: Donor Funds

	30 June 2019 Shs	30 June 2019 Shs
Grants from foreign governments		843,970,825
Grants from International Organisations	8,745,954,025	23,299,574,116
Total	8,745,954,025	24,143,544,941

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 2019 Shs	30 June 2019 Shs
Transfers received from other Gov't units- Current	16,555,325,663	23,064,978,086
Transfers received from other Gov't units- Capital	20,560,703,169	66,539,925,634
Total	37,116,028,832	89,604,903,720

Note 6: Employee Costs

Employee costs principally comprise:

	30 June 2019 Shs	30 June 2019 Shs
Wages and salaries	202,408,385,403	155,844,631,252
Social contributions	132,654,362	2,380,812,746
Other employment costs	2,828,765,128	12,398,309,633
Total employee costs.	205,369,804,893	170,623,753,631

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 7: Goods and Services

Expenditure on goods and services during the year principally comprise the following:

	30 June 2019 Shs	30 June 2019 Shs
General expenses	12,738,733,496	18,036,559,610
Communications	644,993,086	1,573,315,734
Utility and property expenses	1,954,272,808	2,303,880,874
Supplies and services	6,284,703,214	13,981,792,034
Professional services	3,084,336,201	3,404,419,225
Insurances and licenses	8,600,000	15,883,628
Travel and transport	12,159,579,866	10,494,169,273
Maintenance	11,320,233,208	9,218,469,194
Total cost of goods and services	48,195,451,879	59,028,489,572

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 2019 Shs	30 June 2019 Shs
Buildings and structures	24,540,982,691	18,380,574,444
Machinery, furniture	3,578,539,606	2,196,952,647
Transport Equip (Motor vehicles)	3,590,544,575	3,330,518,627
Other fixed assets	681,922,575	882,562,664
Total value of property, plant and equipment expensed	32,391,989,447	24,790,608,382

Note 9: Subsidies

Subsidies paid during the year are summarized as below:

	30 June 2019 Shs	30 June 2019 Shs
To public corporations	-	-
To private enterprises	-	-
To private individuals	-	-
Total subsidies for the year	-	-

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 10: Transfers to other Organizations

Transfers made during the year are summarized as below:

	30 June 2019 Shs	30 June 2019 Shs
Transfer to foreign Governments		
Transfers to International Organisations		
Transfers to other government units	94,636,636,192	97,574,779,342
To resident non-government units	-	187,313,489
Total transfers	94,636,636,192	97,762,092,831

Note 11: Social Benefits

Social benefits paid during the year comprise:

	30 June 2019 Shs	30 June 2019 Shs
Pensions	7,408,621,014	4,243,951,402
Employer Social benefits	10,043,784,523	1,423,656,085
Total social benefits	17,452,405,537	5,667,607,487

Note 12: Other Operating Expenses

These comprise:

	Actuals 30 June 2019 Shs	Actuals 30 June 2018 Shs
Property expenses other than interest	1,485,399,243	632,264,559
Miscellaneous other expenses- current	7,993,334,197	7,363,074,941
Miscellaneous other expenses- capital		-
Goods Purchased for resale		-
Total other operating expenses	9,478,733,440	7,995,339,500

Note 13: Foreign Exchange Gains and Losses

During the year, foreign exchange losses and gains were as follows:

	30 June 2019 Shs	30 June 2018 Shs
Realized loss (gain)	-	-
Un/realized loss	-	-
Un/realized gain	-	-
Net foreign exchange (gains)/ losses	-	-

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 14: Finance Costs

	30 June 2019 Shs.	30 June 2018 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 2019 Shs.	30 June 2018 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 2019 Shs.	30 June 2018 Shs.
Unspent Salary balances	4,310,090,037	2,287,640,735
Expenditure account balances	2,449,736,860	930,768,859
Total for the year.	6,759,826,897	3,218,409,594

Note 17: Cash and cash equivalents

	30 June 2019 Shs.	30 June 2018 Shs.
DOMESTIC		
Revenue accounts	2,948,541,103	3,281,315,972
Expenditure accounts	1,590,172,253	7,588,567,241

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	30 June 2019 Shs.	30 June 2018 Shs.
Project accounts	2,130,778,878	89,211,788,701
Collection accounts	652,444,675	264,967,598
Cash in transit	6,079,300	53,023,318
Cash at hand- Imprest	-	-
Others	24,680,345	62,465,719
Total cash and bank balances	7,352,696,554	100,462,128,549

Note 18: Receivables

Comprise the following receivables at the end of the year net of any provision for receivables doubtful of recovery.

	30 June 2019 Shs.	30 June 2018 Shs.
Loans (short-term) -others	425,273,645	1,271,770,084
Advances	7,551,817,525	4,415,330,438
Outstanding letters of credit	7,127,240	-
Other accounts receivable	19,174,822,502	13,219,353,967
Total domestic receivables	27,159,040,912	18,906,454,489
Net receivables	27,159,040,912	18,906,454,489

Note 19: Inventories

Comprise strategic stock and other inventories purchased which have not been expensed.

	30 June 2019 Shs.	30 June 2018 Shs.
Strategic stock-petroleum products	100	-
Other inventories(goods purchased for re-sale)	354,246,795	386,148,801
Total inventories	354,246,895	386,148,801

Note 20(a): Investments

Comprise investments as follows:

	30 June 2019 Shs.	30 June 2018 Shs.
Current Investments		
Securities other than shares (long-term)-domestic		1,150,000,000

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Shares and other equity-domestic		-
Securities other than shares-foreign		-
Fixed Deposits		-
Total Current Investments		1,150,000,000
Non-current Investments		
Securities other than shares (long-term)-domestic	2,154,704,247	696,088,783
Shares and other equity-domestic		
Securities other than shares-foreign		
Fixed Deposits		
Total non-current Investments	2,154,704,247	696,088,783
Total investments	2,154,704,247	1,846,088,783

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 2019 Shs.	30 June 2018 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 2019 Acc. Depreciation Shs	30 June 2019 Net Book Value Shs	30 June 2018 Net Book Value Shs
Non-Produced assets	129,111,956,746	-	129,111,956,746	124,791,361,912
Non-Residential buildings	140,595,385,154	23,478,827,888	117,116,557,266	89,151,388,423
Residential buildings	12,943,366,022	2,596,436,716	10,346,929,306	9,891,191,361
Roads and bridges	379,629,018,512	53,136,428,577	326,492,589,935	287,729,624,892
Transport equipment	21,394,172,576	12,176,923,000	9,217,249,576	7,687,389,813
Machinery and equipment	17,831,436,177	10,703,172,776	7,128,263,401	8,299,027,362
Furniture and fittings	5,063,289,854	2,164,700,159	2,898,589,695	6,576,418,416
Other fixed assets	7,922,884,312	1,611,515,338	6,311,368,974	4,605,546,491
Total	714,491,509,353	105,868,004,454	608,623,504,899	538,731,948,670

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 22: Borrowings

	30 June 2019 Shs.	30 June 2018 Shs.
Current		
Overdraft		-
Loans from commercial banks	256,324,200	139,650,594
Interest payable on bank loans/borrowings	53,627,464	78,005,369
Loans from multi laterals		
Loans from foreign Governments		
Other		
Total current borrowings	309,951,664	217,655,963
Non-Current		
Loans from commercial banks	1,170,991,316	265,285,080
Interest payable on bank loans/borrowings	23,374,343	76,478,383
Loans from multi laterals		
Loans from foreign Governments		
Other		
Total non-current borrowings	1,194,365,659	341,763,463
Total borrowings	1,504,317,323	559,419,426

Note 23: Payables

These are principally accounts payables, domestic and otherwise, outstanding at the year-end and comprise:

	30 June 2019 Shs.	30 June 2018 Shs.
Current Payables		
Trade Creditors	3,024,095,428	1,988,066,168
Sundry Creditors	1,851,341,154	2,568,082,291
Committed Creditors	1,774,359,842	1,660,771,300
Accountable advances	5,705,794,968	450,918,600
Withholding tax payable	299,829,197	227,262,255
Deposits received	5,480,110,144	17,364,305,945
Advances from other Government units	5,219,831,311	1,199,556,897
Clearing transfers from other govt units	-	-
Miscellaneous accounts payables	719,866,738	3,055,367,795

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	30 June 2019 Shs.	30 June 2018 Shs.
Total current payables	24,075,228,782	28,514,331,251
Trade Creditors		
Sundry Creditors		
Committed Creditors		
Accountable advances		
Withholding tax payable		
Deposits received		
Advances from other Government units		
Miscellaneous accounts payables		
Total non-current payables	24,075,228,782	28,514,331,251
Total payables	24,075,228,782	28,514,331,251

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

	30 June 2019 Shs.	30 June 2018 Shs.
Current Pension Liabilities		
Former employees in Public Service	938,773,864	833,680,125
Former employees of the Education Service	2,641,284	137,603,425
Gratuity Arrears	125,319,942	1,302,645,024
Total current pension liabilities	1,066,735,090	2,273,928,574
Non-Current Pension Liabilities		
Former employees in Public Service		
Former employees of the Education Service		
Gratuity Arrears		
Total non- current pension liabilities	1,066,735,090	2,273,928,574
Total	1,066,735,090	2,273,928,574

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

**Statement of Arrears of Revenues
[As submitted and signed by Accounting Officers]**

Municipal	Arrears of Revenue 30-Jun-2018	Total Revenue billed during the Year	Actual amounts collected during the year	Cumulative Arrears of Revenue at 30- Jun-2019
	Shs.	Shs.	Shs.	Shs.
Arua Municipal Council	-			-
Entebbe Municipal Council	889,042,940	3,577,980,921	3,577,980,921	889,042,940
Fort-Portal Municipal Council	123,283,000	1,166,506,470	1,166,506,470	123,283,000
Gulu Municipal Council	629,431,249	2,267,945,852	1,087,381,902	1,809,995,199
Jinja Municipal Council	-	4,073,255,147	4,073,255,147	-
Kabale Municipal Council	101,051,476	922,947,163	922,947,163	101,051,476
Lira Municipal Council	42,540,000	1,120,046,702	1,120,046,702	42,540,000
Masaka Municipal Council	-	1,564,125,138	1,564,125,138	-
Mbale Municipal Council	329,346,104	1,288,361,072	1,493,861,072	123,846,104
Mbarara Municipal Council	14,943,388	2,464,758,154	2,479,731,542	-
Moroto Municipal Council	115,612,115	210,530,995	210,530,995	115,612,115
Soroti Municipal Council	-	443,699,872	443,699,872	-
Tororo Municipal Council	276,511,425	1,517,997,641	404,409,066	1,390,100,000
Kasese Municipal Council	-	689,527,071	689,527,071	-
Hoima Municipal Council	2,137,308,394	870,662,474	870,662,474	2,137,308,394
Mukono Municipal Council	460,461,121	1,846,681,541	1,836,681,541	470,461,121
Iganga Municipal Council	-	500,611,622	154,090,870	346,520,752
Masindi Municipal Council	922,554,896	988,256,623	942,103,459	968,708,060
Ntungamo Municipal Council	-			-
Busia Municipal Council	57,070,097	468,147,549	468,147,549	57,070,097
Bushenyi-Ishaka Municipal Council	16,388,815	413,560,185	274,675,111	155,273,889
Rukungiri Municipal Council	-	334,953,699	306,379,988	28,573,711
Nansana Municipal Council	407,906,461	983,612,403	983,612,403	407,906,461
Makindye Ssabagabo	88,166,772	1,463,156,878	1,386,557,927	164,765,723
Kira Municipal Council	136,346,060	5,203,483,038	5,203,483,038	136,346,060
Kisoro Municipal Council	6,712,980	219,693,960	219,693,960	6,712,980
Mityana Municipal Council	486,045,645	311,954,355	615,849,953	182,150,047
Kitgum Municipal Council	-	206,471,913	206,471,913	-
Koboko Municipal Council	171,767,355	718,402,272	863,899,327	26,270,300
Mubende Municipal Council				-
Kumi Municipal Council	201,568,711	271,877,275	305,472,492	167,973,494
Lugazi Municipal Council	228,790,846	1,528,924,353	1,146,741,421	610,973,778
Kamuli Municipal Council	102,510,661	157,420,683	68,677,660	191,253,684

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Kapchorwa Municipal Council	61,110,925	200,000,000	54,640,825	206,470,100
Ibanda Municipal Council	-	562,046,404	562,046,404	-
Njeru Municipal Council	1,590,426,778	1,612,402,803	1,790,259,172	1,412,570,409
Apac Municipal Council	21,826,550	109,080,000	129,729,032	1,177,518
Nebbi Municipal Council	297,079,956	227,145,000	209,944,976	314,279,980
Bugiri Municipal Council	113,341,503	146,345,865	145,000,000	114,687,368
Sheema Municipal Council	63,185,800	613,986,156	572,102,756	105,069,200
Kotido Municipal Council	369,551,141	309,026,000	247,338,008	431,239,133
At 30 June 2019	10,461,883,164	41,575,585,249	38,798,265,320	13,239,233,093
At 30 June 2018	3,833,214,101	45,192,513,859	40,737,823,521	8,287,904,439

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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-2019	30-Jun-18
	Shs.	Shs.	Shs.	Shs.	Shs.	Shs.
Masaka Municipal Council	824,000,000	-	-	-	824,000,000	824,000,000
Moroto Municipal Council	36,500,000	-	-	-	36,500,000	36,500,000
Hoima Municipal Council	386,710,000	-	-	-	386,710,000	-
Kitgum Municipal Council	52,967,622	-	-	-	52,967,622	-
Koboko Municipal Council	20,986,000	-	-	-	20,986,000	20,986,000
Mubende Municipal Council	52,500,000	-	-	-	52,500,000	52,500,000
Kapchorwa Municipal Council	-	-	-	30,062,497	30,062,497	54,062,497
At 30 June 2019	1,373,663,622	-	-	30,062,497	1,403,726,119	
At 30 June 2018	933,986,000	-	-	54,062,497	988,048,497	

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Statement of Outstanding Commitments

[As submitted and signed by accounting Officers]

Municipal Council	Operating Commitments Shs.	Capital Commitment Shs.	Outstanding Commitments Long Term Shs.	Total Commitments 30-Jun-19 Shs.	Total Commitments 30-Jun-18 Shs.
Arua Municipal Council	-	-		-	-
Entebbe Municipal Council	-	-		-	1,653,641,725
Fort-Portal Municipal Council	777,998,392	-		777,998,392	172,996,534
Gulu Municipal Council	337,246,055	-		337,246,055	6,938,856
Jinja Municipal Council	137,234,394	-		137,234,394	789,784,852
Kabale Municipal Council	97,761,045	-		97,761,045	24,996,150
Lira Municipal Council	-	-	-	-	205,988,000
Masaka Municipal Council	221,245,340	-		221,245,340	118,920,600
Mbale Municipal Council	1,110,566,109	-		1,110,566,109	199,305,022
Mbarara Municipal Council	131,327,984	-		131,327,984	622,210,876
Moroto Municipal Council	1,187,214,541	-		1,187,214,541	132,542,337
Soroti Municipal Council	385,200	-		385,200	713,553,549
Tororo Municipal Council	49,850,000	-		49,850,000	1,247,967,564
Kasese Municipal Council	305,219,014	-		305,219,014	235,661,526
Hoima Municipal Council	1,341,753	-		1,341,753	5,648,118,554
Mukono Municipal Council	296,369,586	-		296,369,586	485,171,600
Iganga Municipal Council	79,813,422	-		79,813,422	-
Masindi Municipal Council	194,872,258	-		194,872,258	-
Ntungamo Municipal Council	-	-		-	-
Busia Municipal Council	204,707,346	-		204,707,346	-
Bushenyi-Ishaka Municipal Council	-	-		-	-
Rukungiri Municipal Council	-	-		-	70,887,973
Nansana	510,224,653	-		510,224,653	50,500,000
Makindye Ssabagabo	488,925,844	-		488,925,844	-
Kira	521,022,904	-		521,022,904	221,305,000
Kisoro Municipal Council	238,597,281	-		238,597,281	-
Mityana Municipal Council	56,100,400	-		56,100,400	129,347,500
Kitgum Municipal Council	227,039,000	-		227,039,000	-
Koboko Municipal Council	424,401,951	-		424,401,951	306,191,817
Mubende Municipal Council	-	-		-	138,117,597

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Municipal Council	Operating Commitments Shs.	Capital Commitment Shs.	Outstanding Commitments Long Term Shs.	Total Commitments 30-Jun-19 Shs.	Total Commitments 30-Jun-18 Shs.
Kumi Municipal Council	263,185,000	-		263,185,000	-
Lugazi Municipal Council	162,685,000	-	-	162,685,000	307,297,437
Kamuli Municipal Council	81,425,062	-		81,425,062	62,190,000
Kapchorwa Municipal Council	254,548,694	-		254,548,694	441,037,000
Ibanda Municipal Council	245,988,831	-		245,988,831	160,119,325
Njeru Municipal Council	240,115,447	-		240,115,447	223,850,344
Apac Municipal Council	230,715,281	-		230,715,281	309,734,104
Nebbi Municipal Council	130,626,310	-		130,626,310	160,206,128
Bugiri Municipal Council	267,505,165	-		267,505,165	435,383,797
Sheema Municipal Council	447,576,146	-		447,576,146	236,803,696
Kotido Municipal Council	254,270,000	-		254,270,000	530,479,518
At 30 June 2019	10,178,105,408	-	-	10,178,105,408	
At 30 June 2018	15,106,560,212	934,688,769	-	16,041,248,981	

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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 6/30/2019 Shs.	Total losses reported at 30 June 2018 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	-	-	-	-
Bustia Municipal Council	-	-	-	-
Bushenyi-Ishaka Municipal Council	-	-	-	-
Rukungiri Municipal Council	-	-	-	-
Nansana Municipal Council	-	-	-	-
Makindye Ssabagabo	-	-	-	-
Kira Municipal Council	-	-	-	-
Kisoro Municipal Council	-	-	-	-
Mityana Municipal Council	-	-	-	-
Kitgum Municipal Council	53,967,622.00	-	53,967,622.00	-
Koboko Municipal Council	-	-	-	-
Mubende Municipal Council	-	-	-	-
Kumi Municipal Council	-	-	-	-

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Municipal Council	Losses of public moneys (cash and cash equivalents)	Value of losses of stores Shs.	Total losses reported as at 6/30/2019 Shs.	Total losses reported at 30 June 2018 Shs
	Shs.			
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 2019	53,967,622.00	-	53,967,622.00	-
At 30 June 2018	-	-	-	-

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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 purchased during the year 2019	Total value purchased 2018
Arua Municipal Council	-	-	-	-	26,127,280,908
Entebbe Municipal Council	36,356,155,416	980,623,478	256,298,930	37,593,077,824	26,739,864,476
Fort-Portal Municipal Council	15,586,042,704	1,591,460,833	544,093,444	17,721,596,981	11,471,258,679
Gulu Municipal Council	96,042,293,985	3,408,785,468	296,036,605	99,747,116,058	77,480,054,012
Jinja Municipal Council	43,533,788,715	1,896,705,184	750,676,170	46,181,170,069	23,316,082,203
Kabale Municipal Council	15,374,844,190	3,081,873,401	-	18,456,717,591	13,596,852,700
Lira Municipal Council	75,909,529,914	2,538,186,178	-	78,447,716,092	64,700,017,588
Masaka Municipal Council	36,891,901,028	2,105,767,803	33,178,056	39,030,846,887	30,375,045,821
Mbale Municipal Council	62,746,755,380	2,332,866,206	27,005,530	65,106,627,116	45,645,903,938
Mbarara Municipal Council	48,290,830,162	3,250,917,418	461,387,814	52,003,135,394	33,159,991,709
Moroto Municipal Council	8,869,274,990	913,671,910	64,458,040	9,847,404,940	8,992,081,698
Soroti Municipal Council	84,875,622,786	2,110,805,259	192,144,904	87,178,572,949	82,480,586,489
Tororo Municipal Council	22,509,170,098	3,039,836,110	47,808,600	25,596,814,808	18,768,325,959
Kasese Municipal Council	6,647,950,836	519,999,467	82,420,358	7,250,370,661	5,507,277,874
Hoima Municipal Council	34,016,105,137	810,047,891	422,391,719	35,248,544,747	19,671,696,986
Mukono Municipal Council	11,513,776,372	1,922,540,392	1,243,594,121	14,679,910,885	11,646,167,527
Iganga Municipal Council	8,224,525,385	1,192,623,576	195,511,244	9,612,660,205	-
Masindi Municipal Council	2,692,785,055	399,546,192	171,194,798	3,263,526,045	-
Ntungamo Municipal Council	-	-	-	-	-
Busia Municipal Council	6,285,297,736	667,969,831	1,102,178,784	8,055,446,351	7,630,892,434
Bushenyi-Ishaka Municipal Council	1,383,218,770	1,091,819,162	9,335,938	2,484,373,870	-
Rukungiri Municipal Council	1,049,784,339	960,281,932	42,459,021	2,052,525,292	1,654,230,338
Nansana Municipal Council	3,209,007,327	543,559,314	172,726,314	3,925,292,955	3,071,369,883
Makindye Ssabagabo	8,270,613,850	694,225,270	-	8,964,839,120	-
Kira Municipal Council	6,306,119,576	1,510,824,809	94,678,023	7,911,622,408	5,614,430,716
Kisoro Municipal Council	2,018,466,145	640,632,147	141,772,499	2,800,870,791	-
Mityana Municipal Council	1,533,640,712	433,711,886	159,967,019	2,127,319,617	1,142,700,365
Kitgum Municipal Council	1,060,743,641	368,162,301	76,270,492	1,505,176,434	-
Koboko Municipal Council	3,863,126,568	581,081,728	-	4,444,208,296	4,095,665,332

ACCOUNTANT GENERAL'S OFFICE

LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Municipals	Property-land, buildings, highways	Plant & Machinery, MV, furniture	Others-computers, copiers	Total value purchased during the year 2019	Total value purchased 2018
Mubende Municipal Council	-	-	-	-	1,283,256,067
Kumi Municipal Council	692,031,240	450,337,498	130,926,896	1,273,295,634	-
Lugazi Municipal Council	2,194,723,934	992,051,126	622,866,714	3,809,641,774	2,707,343,983
Kamuli Municipal Council	1,694,245,569	220,901,921	126,309,225	2,041,456,715	1,285,024,943
Kapchorwa Municipal Council	815,100,600	367,239,020	2,843,000	1,185,182,620	637,347,012
Ibanda Municipal Council	1,121,646,393	799,505,595	63,968,733	1,985,120,721	1,326,133,619
Njeru Municipal Council	4,940,903,437	344,110,111	-	5,285,013,548	4,050,583,653
Apac Municipal Council	1,648,913,361	1,038,495,323	137,633,955	2,825,042,639	1,467,992,617
Nebbi Municipal Council	1,413,667,052	97,643,682	130,836,185	1,642,146,919	1,211,766,146
Bugiri Municipal Council	781,676,369	68,456,974	-	850,133,343	525,646,195
Sheema Municipal Council	496,174,787	155,013,896	46,903,371	698,092,054	584,339,807
Kotido Municipal Council	1,419,272,875	166,618,315	73,007,810	1,658,899,000	764,736,993
At 30 June 2019	662,279,726,434	44,288,898,607	7,922,884,312	714,491,509,353	
At 30 June 2018	511,563,566,588	22,562,835,591	4,605,546,491	538,731,948,670	