



THE REPUBLIC OF UGANDA

TREASURY MEMORANDUM
ON THE REPORT OF PARLIAMENT ON THE REPORT OF
THE AUDITOR GENERAL FOR THE FINANCIAL YEAR 2023/24
VOLUME II
CENTRAL GOVERNMENT MINISTRIES



PRESENTED BY
THE HON. MINISTER OF FINANCE, PLANNING
AND ECONOMIC DEVELOPMENT

MARCH 2026



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LIST OF ABBREVIATIONS AND ACRONYMS

BC	Business Continuity
Bn	Billion
BoQ	Bill of Quantities
BoU	Bank of Uganda
CDC	Centers for Disease Control and Prevention
CDO	Cotton Development Organisation
CFR	Central Forest Reserve
CID	Criminal Investigations Directorate
CIP	Compliance Improvement Plan
CNDPF	Comprehensive National Development Framework
CoC	Certificate of Compliance
COSASE	Commissions, Statutory Authorities and State Enterprises
Covid-19	Coronavirus Disease
CSC	City Service Commission
DCIC	Directorate of Citizenship and Immigration Control
DDA	Dairy Development Authority
DGF	Democratic Governance Facility
DHoM	Deputy Head of Mission
DLB	District Land Board
DLG	District Local Government
DR	Disaster Recovery
DSC	District Service Commission
DTS	Digital Tracking Solution
EAC	East African Community
EC	Electoral Commission
ECCMIS	Electronic Court Case Management Information System
ECD	Economic and Commercial Diplomacy
EDMS	Electronic Document Management System
EFRIS	Electronic Fiscal Receipting & Invoicing Solution
EIA	Environmental Impact Assessment
EMIS	Education Management Information System
EOC	Equal Opportunities Commission
ERP	Enterprise Resource Planning
ETD	Emergency Travel Document
FIA	Financial Intelligence Authority
FMD	Foot and Mouth Disease
FSA	Foreign Service Allowance
FSO	Foreign Service Officer

FY	Financial Year
GBP	Great British Pound
GFMIS	Government Financial Management Information Systems
GoU	Government of the Republic of Uganda
GPA	Gross Payments Account
HCM	Human Capital Management
HESFB	Higher Education Students' Financing Board
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
HLG	Higher Local Government
HoM	Head of Mission
HSC	Health Service Commission
IAS	International Accounting Standards
IASB	International Accounting Standards Board
ICT	Information and Communications Technology
IDI	Infectious Diseases Institute
IFMS	Integrated Financial Management System
IFRS	International Financial Reporting Standards
IHMIS	Integrated Hospital Management Information System
ILMIS	Integrated Loan Management Information System
IPC	Interim Payment Certificate
IPPS	Integrated Personnel and Payroll System
IT	Information Technology
JICA	Japan International Cooperation Agency
JSC	Judicial Service Commission
JVA	Joint Venture Agreement
KCCA	Kampala Capital City Authority
Km	Kilometer
LC	Letters of Credit
LG	Local Government
LGFC	Local Government Finance Commission
LLG	Lower Local Government
LLIN	Long-Lasting Insecticidal Nets
M&E	Monitoring and Evaluation
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries
MBPS	Megabits Per Second
MCC	Milk Collection Center
MDA	Ministries, Departments and Agencies
MDALG	Ministries, Departments, Agencies and Local Governments
Mn	Million

MoES	Ministry of Education and Sports
MoFA	Ministry of Foreign Affairs
MoFPED	Ministry of Finance, Planning and Economic Development
MoH	Ministry of Health
MoICT&NG	Ministry of ICT and National Guidance
MoJCA	Ministry of Justice and Constitutional Affairs
MoLHUD	Ministry of Lands, Housing and Urban Development
MoPS	Ministry of Public Service
MoTIC	Ministry of Trade, Industry and Cooperatives
MoU	Memorandum of Understanding
MoWT	Ministry of Works and Transport
MTEF	Medium-Term Expenditure Framework
MTR	Mid-Term Review
NAADS	National Agricultural Advisory Services
NAGRC&DB	National Animal Genetic Resources Centre and Data Bank
NARO	National Agricultural Research Organisation
NBI/EGI	National Backbone Infrastructure/E-Government Infrastructure
NCDC	National Curriculum Development Centre
NDA	National Drug Authority
NDP	National Development Plan
NEF	National Environment Fund
NEMA	National Environment Management Authority
NFA	National Forestry Authority
NIN	National Identification Number
NIRA	National Identification and Registration Authority
NITA-U	National Information Technology Authority - Uganda
NL&GRB	National Lotteries and Gaming Regulatory Board
NMS	National Medical Stores
NMTS	National Meteorological Training School
NPA	National Planning Authority
NPC	National Population Council
NSC	National Standards Council
NSSF	National Social Security Fund
NTR	Non-Tax Revenue
NWSC	National Water and Sewerage Corporation
ODPP	Office of the Director of Public Prosecutions
PAC	Public Accounts Committee
PAP	Project Affected Persons
PAU	Petroleum Authority of Uganda
PAYE	Pay as You Earn

PBS	Programme Budgeting System
PCA	Parish Coffee Advisor
PDM	Parish Development Model
PDMIS	Parish Development Management Information System
PFMA	Public Finance Management Act, Cap. 171
PIAP	Programme Implementation Action Plan
PPDA	Public Procurement Disposal of Public Assets
PPR	Peste des Petits Ruminants
PROCAMIS	Prosecution Case Management Information System
PS/ST	Permanent Secretary/Secretary to the Treasury
PSC	Public Service Commission
PVoC	Pre-Export Verification of Conformity
PWD	Persons with Disabilities
RAPEX	Rationalisation of Agencies and Public Expenditure
SACCO	Savings and Credit Cooperative Organisation
SDLC	Systems Development Lifecycle
TB	Tuberculosis
TIN	Tax Identification Number
TREP	Taxpayer Registration and Expansion Program
UBOS	Uganda Bureau of Statistics
UBTEB	Uganda Business and Technical Examination Board
UCDA	Uganda Coffee Development Authority
UDC	Uganda Development Corporation
UEPB	Uganda Export Promotion Board
UESW	Uganda Electronic Single Window
UFZA	Uganda Free Zones Authority
UGX	Uganda Shilling
UHRC	Uganda Human Rights Commission
UIA	Uganda Investment Authority
UIRI	Uganda Industrial Research Institute
ULC	Uganda Land Commission
ULRC	Uganda Law Reform Commission
UMRA	Uganda Microfinance Regulatory Authority
UNBS	Uganda National Bureau of Standards
UNCST	Uganda National Council for Science & Technology
UNMA	Uganda National Meteorological Authority
UNMEB	Uganda National Medical Examination Board
UNRA	Uganda National Roads Authority
UNSA	Uganda National Students' Association
UPPC	Uganda Printing and Publishing Corporation

URA	Uganda Revenue Authority
URBRA	Uganda Retirements Benefits Regulatory Authority
URF	Uganda Road Fund
URSB	Uganda Registration Services Bureau
USD	United States Dollar
USPCL	Uganda Security Printing Company Limited
UTB	Uganda Tourism Board
UVRI	Uganda Virus Research Institute
VAT	Value Added Tax
WHT	Withholding Tax

GLOSSARY OF KEY TERMS IN PUBLIC FINANCE MANAGEMENT

Absorption of Funds: This refers to funds spent by Ministries, Departments and Agencies as a proportion of the funds released from Central Government, or, simply, the proportion of the budgeted funds that have been spent by an entity.

Academic Information Management System: It is an Integrated Information System locally designed and customised to meet the unique needs of the public educational institutions (with special emphasis on colleges and universities).

Accounts Payable: This refers to the amount of an entity's short-term obligation to pay for goods and services which the entity procured on credit. It includes payroll liabilities, third-party liabilities and other payables.

Adoption of the report of the Auditor General: Parliament shall, within six months after the submission of the report of the Auditor General, debate, consider and may adopt the report.

Approved Budget: The budget approved by the Parliament of the Republic of Uganda, normally adopted in May of the preceding Financial Year.

Budget Item: This is the lowest operational level of the budget, and represents the resources necessary to carry out activities.

Chart of Accounts: A list of accounts set up for an organisation, used to classify and record transactions in the organisation's books. This forms the basis for the detailed budget estimates.

Commitment: In the context of a vote, this means entering into a contract or other binding arrangement that creates a future expense or liability.

Contingent Asset: This means a possible asset that arises from past events and whose existence shall be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent liability: This means;

- a) a possible obligation that arises from past events and whose existence shall be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) a present obligation that arises from past events but is not recognised because:
 - i) it is not probable that an outflow of resources embodying economic benefits or service potential shall be required to settle the obligation; or
 - ii) the amount of the obligation cannot be measured with sufficient reliability."

Domestic Arrears: These are financial obligations due but remain unpaid beyond the financial year in which they were incurred.

Electronic Government Procurement (e-GP): A web-based tool used to carry out public procurement and disposal, enabling the end-to-end Government

procurement and disposal process online. It involves all stages, from procurement planning, bidding, evaluation, award, contract management, invoicing, and payment for supplies, works, and services.

Electronic Tax (e-Tax): It is an Integrated Tax Administration System that provides online services to the taxpayer on a 24-hour basis, making it easy for taxpayers to fulfil their tax obligations.

Entity: This includes a Government vote, fund, body corporate, and other organization and group of persons.

Expenditure limit: This is an amount provided under the annual or supplementary estimates which has been allocated to an entity by the Secretary to the Treasury to spend in a quarter.

Human Capital Management (HCM) System: An integrated system that streamlines and automates the various traditional administrative functions of Human Resource (HR) including; recruiting, training, payroll, compensation, and performance management to drive productivity and business value.

Integrated Financial Management System (IFMS): An integrated system that captures all accounting processes from budgeting, payment processing, cutting through to reporting.

Integrated Personnel and Payroll System (IPPS): It is a computerized automated Government Human Resource Management System. This system is being replaced by HCM.

Integrated Revenue Administration System (IRAS): It is a web and mobile application platform that aids local Government entities in collection of local revenue from registration, assessment, billing, payment, sensitization of taxpayers and linking the citizens to these entities.

Key Performance Indicators: These are measurable values to monitor progress of how effectively an organization is achieving specific objectives.

Letter of Credit: This is a written undertaking by a bank (the issuing bank) given to a supplier (the beneficiary) upon a request from a purchaser (the applicant) according to instructions to pay a specified amount of money on agreed fixed terms.

Microsoft Navision (NAV): This is the system used by Government to handle all payments and financial reporting in Uganda's foreign missions (Embassies, High Commissions and Consulates) as aligned with approved budget.

Programme Budgeting System (PBS): This is an online system used by all Government votes whose budgets are appropriated by Parliament for purposes of planning, budget preparation, and reporting on budget performance in a given financial year.

Programme: This relates to a group of entities (Votes) or parts of institutions which contribute towards a common function, e.g. Human Capital Development, Agro-industrialization, and Private Sector Development.

Reallocation of funds: Parliament may, by resolution, authorize the Minister to move funds from a vote to another vote where the functions of a vote are transferred to that other vote.

Secretary to the Treasury: This means a person appointed as such under Section 10 of the Public Finance Management Act, Cap 171.

Supplementary Budget: This is an in-year addition to an MDA's approved budget, which is also appropriated by Parliament during the course of the Financial Year as provided for in the PFM Act, Cap 171.

Treasury Single Account: This is a bank account held in Bank of Uganda for all Ministries, Departments, Agencies and Local Government entities.

Uganda Consolidated Fund: This is the Government account onto which all Government revenues and funds are paid and from which money is withdrawn to fund all activities of Government as per Article 153 of the Constitution.

Virement: This means the transfer of funds within the budget of a vote, from a budget line to another budget line authorised by the Minister responsible for Finance.

Vote: These are institutions (Ministries, Departments, Agencies and Local Governments) which are the basis of the annual budget and appropriations made by Parliament, and the basis for accountability

Warrant: This is an authority given by the Minister responsible for Finance to the Accountant General to withdraw funds from the Consolidated Fund as specified in section 32 of the Public Finance Management Act, Cap 171. Subsequently, the Accountant General issues quarterly warrants to Government entities to withdraw funds from the Consolidated Fund,

STATEMENT BY THE HON. MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

Rt. Hon. Speaker of Parliament,
Hon. Members of Parliament.

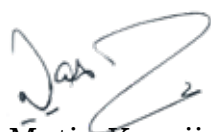
Rt. Hon. Speaker, Parliament passed resolutions on various Public Accounts Committee reports on the report of the Auditor General for the financial year ended 30th June 2024.

Rt. Hon. Speaker, Article 163 of the Constitution of the Republic of Uganda and Section 51 of the Public Finance Management Act, Cap. 171 requires the Minister responsible for Finance to submit a Treasury Memorandum detailing measures taken by each vote to implement the recommendations of Parliament.

This Treasury Memorandum presented before the House consists of six (6) volumes, namely:

Volume	I	– Consolidated Financial Statements and Treasury Operations
Volume	II	– Central Government Ministries
Volume	III	– Uganda Missions Abroad
Volume	IV	– Public Universities and Referral Hospitals
Volume	V	– Local Governments
Volume	VI	– Commissions, Statutory Authorities and State Enterprises

I thank Parliament for considering the report of the Auditor General and for carrying out its oversight role in ensuring that public funds are managed responsibly. The Executive reaffirms its commitment to the timely conclusion of the Public Financial Management accountability cycle.



Matia Kasaija (MP)

MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

STATEMENT BY THE PERMANENT SECRETARY/SECRETARY TO THE TREASURY

Section 10(2)(m) of the Public Finance Management Act, Cap. 171 requires the Secretary to the Treasury to prepare a Treasury Memorandum. Section 51 of the same Act specifies that a Treasury Memorandum shall contain measures taken by each vote to implement the recommendations of Parliament.

In pursuit of the above legal provisions, this Treasury Memorandum has been prepared in six (6) volumes and below are the highlights of the recommendations of Parliament and measures taken to address them:

A. Cross-Cutting Issues

1) Change in Accounting Treatment for Non-Current Assets

The Fixed Assets Module (FAM) of the Financial Management System (IFMS) was re-engineered to support the journey to accrual accounting.

Historical asset data was loaded into the FAM, and a comprehensive asset register for the whole of Government is now in place. The change resulted in a revision to the accounting treatment of non-current assets.

The change in accounting treatment for non-current assets was initially piloted during FY 2022/23 in five (5) votes, namely the Ministry of Defence and Veteran Affairs; the Uganda Police; the Internal Security Organisation; the External Security Organisation; and Kalungu District Local Government.

The change in accounting policy for non-current assets was subsequently rolled out to all Local and Central Government votes in FY 2023/24 and completed in FY 2024/25. This means that all non-current assets of Government are recognised/recorded on the face of the Statement of Financial Position.

2) Implementation of the item master restrictions

To support the above change and the management of assets, effective 1st July 2026, the GoU will implement item master restrictions, starting with the capital development budget. An item master is a centralised database within an Enterprise Resource Planning system, such as the Integrated Financial Management System; it is an inventory system that contains detailed, accurate, and structured information about every product, service, or raw material an organisation handles.

The item master will be enforced for capital expenditure items in the PFM systems of PBS, IFMS, and e-GP. The Item Master will ensure that work plans and budgets are implemented as intended and properly appropriated.

Training is ongoing country-wide for the item master implementation across both central and local Government entities.

3) Management of Non-Tax Revenue

The report of Parliament highlighted instances of under- or over-budgeting of non-tax revenue by entities. Some of these non-tax revenue budgets were not supported by underlying historical data.

To ensure credible revenue projections and to avoid mid-year corrections and supplementary budget requests, Accounting Officers have been requested to submit detailed, realistic source-by-source revenue forecasts to the Ministry of Finance, Planning and Economic Development for validation. You are further required to outline the key reforms and assumptions to improve non-tax revenue collections.

Section 27 of the Public Finance Management Act, Cap. 171 mandates the remittance of all Non-Tax Revenue collected by Votes to the Uganda Consolidated Fund. Accounting Officers have been reminded to comply with this provision of the Public Finance Management Act, Cap. 171.

Non-tax revenue collections against set targets will be one of the parameters for assessing the performance of Accounting Officers for non-tax revenue-collecting institutions.

Accordingly, performance contracts for Accounting Officers of non-tax revenue-collecting entities have been updated. Accounting Officers should ensure that NTR collections are in line with the annual budget forecast as approved by Parliament.

The Integrated Revenue Administration System (IRAS) has been implemented across all Local Governments to facilitate budgeting and revenue collection. The Ministry of Finance, Planning and Economic Development undertook consultative meetings with all votes to determine realistic non-tax revenue budgets.

4) Utilisation of the Wage, Pensions and Gratuity Budgets

The performance of the Wage, Pensions and Gratuity Budgets continues to pose a challenge to Government. One of the key recommendations of the special audit of the payroll by the Auditor General was the full integration of the Human Capital Management (HCM) system with the Integrated Financial Management System (IFMS).

The Government, through the Ministry of Public Service, has deepened the rollout of the Human Capital Management system to replace the Integrated Personnel and Payroll System. The Human Capital Management system offers more robust payroll management features, including salaries, retirement, transfers, and pensions, and this information feeds into the budgeting and payment process for salaries.

Government reiterates its commitment to enhancing the salaries and pensions of civil servants and ensuring they are paid by the 28th of each month.

5) Settlement of Domestic Arrears

Parliament has consistently and correctly recognised the persistent increase in domestic arrears despite various Government interventions. This is further obscured by some Accounting Officers concealing domestic arrears and paying these arrears that were previously neither disclosed nor budgeted for, leading to the diversion of funds and the crowding out of services planned for the year.

It is the duty of Accounting Officers to ensure that budget implementation occurs effectively, adhering to both approved work plans and budgetary constraints, to prevent the accumulation of new arrears.

A phased approach has been adopted to eliminate domestic arrears over the next three (3) financial years. This was informed by a verification conducted by the Auditor General to ensure only confirmed/verified domestic arrears are considered for settlement.

Payments will prioritise suppliers of goods/services in the following categories: statutory obligations; contractors for infrastructure, energy and water; taxes/deductions; utilities; and compensations under the Uganda Land Commission, the Ministry of Lands, Housing and Urban Development, and the Ministry of Justice and Constitutional Affairs.

In financial year 2025/26, UGX 1.4Tn has been allocated for payment of domestic arrears. The Ministry has instituted the following measures:

- i) Sanctioning Accounting Officers for the creation of new domestic arrears by not renewing their contracts as Accounting Officers;
- ii) Accounting Officers should not sign any new contracts without confirmation of the availability of resources.

Accounting Officers have been reminded in their appointment letters of their duty to ensure proper utilisation of appropriated budget in line with the approved work plans.

6) Implementation of Approved Work Plans and Activities

The report of Parliament also highlighted instances of partial or non-implementation of approved work plans across several entities.

During budget implementation, Accounting Officers are required to submit quarterly budget performance reports. Expenditure limits are communicated based on the work plans, performance of the previous quarter and the actual cash projections of Government.

Accounting Officers have also been directed to put in place robust monitoring and evaluation frameworks to enable real-time tracking of the execution of ongoing projects. In addition, Accounting Officers were advised to re-scope ongoing projects and activities to address bottlenecks that lead to time and cost overruns.

B. Specific Issues

Uganda Missions Abroad

7) Operationalisation of the Economic and Commercial Diplomacy Strategy

The Economic and Commercial Diplomacy Strategic Plan has been fully rolled out for implementation, enabling Missions abroad to contribute to the Tenfold Growth Strategy.

Accordingly, this Ministry will continue working closely with the Ministry of Foreign Affairs and the National Planning Authority to support the Missions Abroad in fully integrating their Economic and Commercial Diplomacy interventions into the Programme Implementation Action Plans and the Mission Strategic Plans.

The Economic and Commercial Diplomacy funding is results-based, and consequently, the budget allocations are guided by:

- i) Strategic positioning of Missions with regard to economic potential
- ii) Implementation performance
- iii) Prevailing conditions for implementing activities

8) Exchange Rate fluctuations/Loss of Poundage

Releases to Missions were hitherto transferred in United States dollars on a quarterly basis, which often resulted in a loss of poundage due to foreign exchange rate fluctuations, thereby affecting the implementation of activities.

As a mitigation measure, the release of funds to Missions has been changed to a semi-annual basis and in several major currencies, such as the United States dollar, the euro, the British pound and the Danish krone to hedge against loss of poundage and to enable Missions to meet obligations which require one-off payments, such as rent.

However, the Missions have been advised to continue holding quarterly finance committee meetings to agree on the priority areas of expenditure before the warrants are issued. Once warrants are issued, the Finance Committee meets to review progress.

Public Universities and Referral Hospitals

9) Off-Budget Financing

Off-budget financing continues to persist, especially amongst Public Universities, Referral Hospitals, and Specialised Health Facilities.

The Programme Budgeting System was upgraded with features that make it mandatory for Accounting Officers to declare known and/anticipated external financing during the budgeting process.

Accounting Officers have also been notified not to accept any external financing without prior authorisation from the Minister responsible for Finance.

10) Status of Medical Equipment

The report highlighted that hospitals lacked specialised personnel to operate medical machines, often leaving these machines idle. This is an indication of poor human resource planning as health facilities acquired machines without due regard to the existence of personnel to operate them. In addition, the maintenance of medical equipment was either lacking or inadequate. Idle/non-functional medical equipment denies the community proper health services.

Government adopted the policy of using the Placement Method in the acquisition of medical equipment as opposed to outright purchase of viable medical equipment, such as laboratory and dialysis equipment.

The Ministry of Health should take lead to address the recruitment and placement of health workers at the various health facilities with the appropriate skill sets to operate the machines.

The budget allocation for medical equipment maintenance at health facilities will continue to be addressed through the Government appropriation processes.

Commissions, Statutory Authorities and State Enterprises

11) Rationalisation of Government Agencies and Public Expenditure

H.E. the President assented to 34 RAPEX Bills. The rationalised institutions/functions and their respective budgets have been transferred to the receiving Votes or departments. All Accounting Officers have been advised to ensure that the new functions are fully operationalised.



Ramathan Ggoobi

PERMANENT SECRETARY/SECRETARY TO THE TREASURY

VOTE 001 - OFFICE OF THE PRESIDENT**Query****Unwarranted Funds****Audit Findings**

The audit noted that the entity had an approved budget of UGX 299Bn, of which UGX 298.9Bn was warranted, as broken down in the table below.

Table 1: Summary analysis of the entity's budget

Sn	Budget category	Total Revised Budget (UGX Bn)	%age Proportion of total revised budget	Warrants (UGX Bn)
1	Recurrent (Wage)	27.141	9.1	27.141
2	Recurrent (Non-wage)	249.511	83.4	249.436
3	Development	22.36	7.5	22.36
	Total	299.012	100	298.937

Out of the total warrants of UGX 298.94Bn, UGX 43.80Bn was utilised for classified expenditure, leaving a balance of UGX 255.14Bn for non-classified related activities.

The audit revealed that the Office of the President had an approved budget of UGX 255.22Bn, exclusive of classified expenditure, out of which UGX 255.14Bn was warranted, resulting in a shortfall of UGX 0.08Bn, representing a 99.9% performance. The UGX 0.08Bn that was not warranted was intended for staff training to strengthen governance and management practices within the Office of the President.

Observation

The Committee noted that failure to provide funds for budgeted activities adversely affected the implementation of those activities and the delivery of expected services.

Recommendation

- i) The Vote should warrant all the budget to enable them to carry out activities.
- ii) The Accounting Officer should ensure that the affected activities are included in the work plan and budgeted for in the subsequent financial year.

Action Status

In the Budget Execution Circulars, the PS/ST has continuously guided Accounting Officers to warrant the 100% expenditure limits issued and submit them in a timely manner, i.e., within five (5) working days.

The staff training activity was rolled over into the Vote's work plan for FY 2024/25 and was undertaken from 2nd - 6th December 2024 at Imperial Royale Hotel, Kampala.

Query	Failure to Fully Implement Activities

Audit Findings

The Audit assessed the extent of implementation of activities for which funds were availed and utilised. A total of 14 outputs with 120 activities worth UGX 233.30Bn were assessed, and the following were observed;

- i) Thirteen (13) outputs, comprising 99 activities and expenditures totalling UGX 211.90Bn, were fully implemented.
- ii) One (01) output with 21 activities worth UGX 21.36Bn was partially implemented. Out of the 21 activities, the entity fully implemented 19 activities worth UGX 20Bn; one (01) activity worth UGX 1Bn was partially implemented; and one (1) activity worth UGX 0.36Bn remained unimplemented.

Details of the partially implemented activity are provided in the table below.

Table 2: Details of the partially implemented activity

Sn	Planned Activity and amount warranted	Audit comment	Management response
1	Renovation of three (03) RDC offices. Amount; UGX 1Bn	Only one RDC office in Mukono district was renovated. The entity went ahead and partitioned additional space and paid for retention.	During the year, the Office of the President implemented one major renovation at the RDC Mukono office, valued at UGX 0.43Bn. The balance of UGX 0.57Bn was used to undertake renovations of RDCs' Offices in Kyotera and Buvuma, to pay retention for the RDC office in Nebbi, and to create additional space for the Senior Presidential Advisors due to space limitations at the Office headquarters.

Source: OAG review of the performance reports, IFMS BIG reports, & management response

The Accounting Officer explained that they had rolled over the renovation of two RDCs' offices to the subsequent Financial year.

Table 3: Details of the un-implemented activities

Sn	Planned Activity and amount warranted	Management response
1	One 14-seater vehicle Amount: UGX 0.36Bn	Funds were used to top up the procurement of 71 double-cabin vehicles, as the contract sum for a 14-seater vehicle was insufficient.

Source: OAG review of the performance reports, IFMS BIG reports & management response

Observation

The Committee observed that the Accounting Officer had failed to implement activities as approved in the work plan. The decision to use the balance of UGX 0.57Bn for renovations of RDCs' offices in Kyotera and Buvuma, and for the payment of retention for the RDC office in Nebbi, without revising the work plan, was irregular and could lead to the diversion/mischarge of funds. Equally, using money meant for the purchase of a coaster to purchase RDCs' pickups was also irregular.

Recommendation

The Committee recommended that the Accounting Officer consistently implements the approved work plan and seek to revise it whenever there is a need to change it.

Action Status

In the FY 2024/25, all the planned activities were implemented as per the approved work plan.

In FY 2024/25, the Vote sought approval to vary the work plan from the Ministry of Finance, Planning and Economic Development.

Query

Delays in the Procurement Process

Audit Findings

The Audit reviewed 18 sampled procurements worth UGX 23.7Bn and reported that six (06) procurements worth UGX 2.5Bn took, on average, seven (07) months from initiation to final contract signing. The Audit further noted an average delay of three (03) months from the planned contract signing date to the actual contract signing date. Details are in the table below;

Table 4: Details of procurements undertaken

Subject of procurement	Date of initiation (A)	Planned contract signature date (B)	Date of Contract signing (C)	Days taken D= (C-A)	Delayed days E-(C-B)	Management response
Supply and delivery of computers and accessories at UGX 0.496Bn	29.9.2023	7.3.2024	13.4.2024	192	36	The delay in supplying the computers was due to NITA-U's delayed approval of the specifications and the delay in completing the evaluation.
Supply of furniture and fittings at UGX 0.245Bn	2.9.2023	7.3.2024	28.3.2024	210	21	The delay in supplying furniture and fittings was due to inadequate specifications, which led to the procurement request being returned to the user department.
Procurement of tyres at UGX 0.534Bn	02.11.2023	12.3.2024	18.4.2024	32	36	The delay in supplying tyres was due to the due diligence exercise carried out following receipt of an abnormally low bid price.
Procurement of furniture at UGX 0.376Bn	28.10.2023	12.3.2024	25.4.2024	180	43	The delay in supplying the furniture was due to the Solicitor General's delayed clearance of the contract.
Procurement of motor vehicles at UGX 0.390Bn	25.7.2023	15.10.2024	13.5.2024	258	210	The delay was due to a temporary halt in the procurement process for administrative

						reasons.
Renovation of RDC office in Mukono at UGX 0.431Bn	27.7.2023	12.12.2024	3.3.2024	15	46	The delay in renovating the RDC's office was due to the due diligence exercise carried out following receipt of an abnormally low bid price.

The Accounting Officer regretted the procurement delays and explained that the bulk of them were caused by the delay in releasing the development budget, which was done in the 2nd quarter.

It should be noted that the Standard bidding documents for all procurements provide for planned timelines within which a PDE should undertake its procurements, in the form of a procurement schedule. The schedule outlines key timelines, including the publishing (advertising) date, the bid closing date, the date for the display and communication of the best-evaluated bidder notice, and the expected contract signature date.

Observation

The Committee observed that the Accounting Officer had numerous irregularities in the procurement process, including failure to follow the procurement plan and delays in preparing specifications and bidding documents, thereby denying the intended beneficiaries timely services due to capacity gaps.

Recommendations

The Committee recommended that, to avoid delays, the Accounting Officer should adhere to procurement plans and the approved budget.

Action Status

In the current FY 2025/26, all hiccups causing delays in the procurement process have been addressed, and procurements are now executed within the statutory timelines. In addition, the Procurement Plan is informed by the work plan; as a result, procurement irregularities were eliminated.

Furthermore, as a mitigation measure, all User Departments were asked at the beginning of the current financial year to initiate procurement processes for various items, with clear descriptions, quantities, and detailed statements of requirements.

Query

Failure to Complete Procurement on e-GP

Audit Findings

As part of reforms to make the public procurement system more efficient and accountable, the Public Procurement and Disposal of Public Assets Authority (PPDA) introduced online public procurement through the rollout of the Electronic Government Procurement (e-GP). The e-GP comprises all the modules/stages in procurement, with Key benefits such as Efficiency, Transparency, and Accountability.

The Office of the President was among the entities fully enrolled on e-GP; however, the Audit reported that four (04) procurements were partially done on the e-GP system, which defeats the purpose for which the system was set up—to enhance accountability and transparency, among others. Details are in the table below;

Table 5: Details of e-GP procurements

S/N	Subject	Amount (UGX Bn)	Management response
1	Supply and installation of a Private Automatic Branch Exchange (PABX). This procurement stopped at initiation	0.398	The procurement required the Solicitor General's approval, which is done off the system.
2	Collectables and medals. This procurement stopped at initiation	0.522	The procurement required the Solicitor General's approval, which is done off the system.
3	Building, Construction, Architectural, Plumbing and Carpentry Works - Partitioning works. This procurement stopped at initiation	0.618	The procurement required the Solicitor General's approval, which is done off the system.
4	Proposed Renovation of Gate House and Partitioning of Storage Room at Office of the President. This procurement stopped at solicitation.	0.156	The procurement necessitated a change in the evaluation team, and as a result, it was done outside the e-GP system.
Total		1.694	

Source: OAG review of procurement files and e-GP records

Observation

The Committee observed that failure to implement the procurement plan leads to haphazard procurement, which may not guarantee value for money.

Failure to fully implement planned procurements defeats the purpose for which they were included in the procurement plan and affects the entity's performance in service delivery.

Guideline 4 (2) of the Public Procurement and Disposal of Public Assets (Electronic Government Procurement) Guidelines 1/2020 issued by PPDA states that the procurement process and procedures for the supply of goods, works, and services, as well as disposal of public assets, shall be carried out by a procuring and disposing entity using the system.

Recommendation		
The Committee recommended that the Accounting Officer should implements the approved procurement plan and seek revision whenever there is a need for change.		
Action Status		
Following the migration to the e-GP System, all procurements are tagged to the approved Vote Procurement Plan, and procurement activities are executed through the System. The e-GP system is currently being enhanced from e-GP 1.0 to e-GP 2.0. The enhanced e-GP 2.0 has robust functionalities and is envisaged to overcome the limitations in the old e-GP system.		
Query	Outstanding Domestic Arrears	
Audit Findings		
A review of the trend of payables over the last three (3) years revealed that outstanding domestic arrears by the Office of the President had reduced by 11.6% from the balance of UGX 21.80Bn in the FY 2022/23. However, as at the close of the financial year 2023/24, the entity still had outstanding domestic arrears of UGX 19.27B. The table below refers.		
Table 6: Outstanding domestic arrears as at 30th June 2024		
Year end	Amount (UGX Bn)	Percentage increase/decrease
30 th June 2022	31.801	
30 th June 2023	21.818	31.1%
30 th June 2024	19.271	11.6%
The Accounting Officer explained that the situation resulted from the Ministry of Finance's failure to release funding. He added that in the last FY 2024/25, Government had provided UGX 1.47Bn toward the settlement of domestic arrears. As at 12 th February 2025, the balance stood at UGX 17.70Bn, a 7.6% reduction.		
Observation		
The Committee noted that the Accounting Officer had continued to accrue domestic arrears despite having insufficient budget allocated to clear the arrears. The Committee further pointed out that the Accounting Officer failed to put in place commitment control measures to safeguard against over-committing Government. Continued accrual of domestic arrears denies suppliers the much-needed funds and may lead to costly settlements due to litigation.		

Recommendation	
The Committee recommended that the Accounting Officer should verify the arrears and provide budgets for them, and ensure that they get the first call on the budget.	
Action Status	
The Entity's arrears position as at 30th June 2024 was UGX 19.27Bn. However, as a result of engagements with the Ministry of Finance, Planning and Economic Development to provide resources to clear off the arrears, the Vote in FY 2024/25 received funds amounting to UGX 1.48Bn to offset part of the domestic arrears; bringing it down to UGX 17.79Bn as at 12th February, 2025, representing a further 7.6% reduction. During FY 2024/25, the Vote incurred new outstanding commitments amounting to UGX 10.43Bn, and the domestic arrears position as at 30th June 2025 was UGX 28.22Bn. Following continuous engagement with the Ministry of Finance, Planning and Economic Development, UGX 13.83Bn has been released in the 2nd Quarter of FY 2025/26 as per the breakdown: i) UGX 3.4Bn for compensation for the former staff of Uganda Printing and Publishing Corporation (UPPC) ii) UGX 10.43Bn for Operation Wealth Creation. Therefore, the revised position of arrears is now UGX 14.37Bn. Nonetheless, the budgets for the payment of the unsettled arrears to date will continue to be addressed through the Government appropriation processes.	
Query	Lack of Employment Contract for National Leadership Institute Staff
Audit Findings	
The audit reported that the National Leadership Institute (NALI) had 93 civilian employees, with an annual salary of UGX 0.35Bn. However, their contracts were not provided to confirm whether they were paid in accordance with their terms. The Accounting Officer explained that NALTHE AUDIT indeed had civilian employees who were paid without valid employment contracts. He added that they had submitted a request to the Ministry of Public Service to formalise their contracts, and that discussions were ongoing to harmonise the positions.	
Observation	
The Committee observes that it was irregular for the Accounting Officer to commit Government to paying salaries without proper terms and conditions of	

employment. This not only poses a risk of staff demotivation due to uncertainty about the status of their employment, but the situation can also be abused by employees to make unrealistic demands.

Recommendation

The Committee recommended that the Accounting Officer halt payments of salaries and follow up with the Ministry of Public Service to regularise the contracts of the said employees within six (6) months of adoption of this report by Parliament.

Action Status

Efforts are underway to regularise the Contracts for NALTHE AUDIT Staff. Engagement has been made with the Ministry of Public Service on the matter, and the response was provided in their letter COM 006/293/06 Vol. 26 dated 25th March, 2025, which granted a blanket clearance to the Office. Since then, applications from 108 staff have been received and reviewed, of which 59 were found suitable for appointment; a submission to that effect has been made to the Public Service Commission for their appropriate action. Regarding halting their salary payments, this is not feasible at the moment because the staff in question are still providing services at the Institute, and the suspension will further affect its operations.

Query

Failure to Account for NAM-Conference Funds

Audit Findings

Verification of expenditure meant for the Non-Aligned Movement (NAM) Conference

The Audit reported that in January 2024, Uganda hosted two significant summits: the 19th Summit of the Member States of the Non-Aligned Movement (NAM) from 19th to 20th January 2024, and the 3rd South Summit of the G-77 countries plus China from 21st to 22nd January. The Government had a total budget of UGX 61.73Bn, which was fully availed.

The Audit reviewed the utilisation and accountability of these funds and noted that the balance of UGX 3.01Bn had not been appropriately accounted for at the time the report was finalised, as shown in the table below.

Table showing unaccounted for funds

Sn	Entity	Amount (UGX-Bn)	Audit Remarks
1	Ministry of Works and Transport	2.623	➤ UGX 58.8Mn relates to unspent balances where no evidence of return of the funds to the UCF was provided as required by law.

			➤ UGX 1.29Bn relates to expenditures where the procurement processes did not fully comply with the PPDA regulations and guidelines. ➤ UGX 12.3Mn relates to expenditures where no evidence was provided that withholding tax was deducted from suppliers. ➤ UGX 1.26Bn relates to fuel expenditure that was not supported.
2	Ministry of ICT & Uganda Broadcasting Corporation	0.390	➤ UGX 95.8Mn relates to expenditures where the procurement processes did not fully comply with the PPDA regulations and guidelines. ➤ UGX 14.2Mn relates to expenditures where no evidence was provided that withholding tax was deducted from suppliers. ➤ UGX 219Mn related to expenditure that did not have supporting documents to confirm utilisation. ➤ UGX 60.6Mn relates to cash payments that were not accounted for.
	Total	3.013	

Source: OAG verification of expenditure records

The officers from UBC and the Ministry of Works & Transport explained that they did not have the opportunity to present their accountabilities during the exit meeting with the Auditor General, but they had all the files/evidence and had submitted them to the Accounting Officer of the Office of the President for further management.

Observation

The Committee noted that various sub-committees were charged with different responsibilities during the Conference. These included State House, which chaired the accommodation and security sub-committee; the Ministry of Works & Transport, which chaired the transportation and works subcommittee; and the Ministry of ICT, under UBC, which oversaw the communication and transmission of the event.

The Committee observed that there was general negligence and indifference on the part of all subcommittees/spending entities regarding accountability. When the Auditor General issued a management letter, the Accounting Officer of the Office of the President informed the various sub-committees of the need to account. However, this was not heeded by the spending agencies. They instead chose to bring their accountability files before the Committee, which is not an audit bureau and does not possess the mandate.

The Committee further noted that the Auditor General had already issued a report on the spending institutions for unaccounted-for funds by the time the spending agencies brought their accountability files.

Recommendation

The Committee recommended that a forensic audit be instituted on the entire NAM expenditure with a view to verifying the accountabilities and the responsible officers held accountable should they be found culpable.

Action Status

The forensic audit has not yet commenced; however, the spending entities have been informed to prepare for the exercise.

VOTE 002 - STATE HOUSE

Query

Non-Implementation of Mandate Activities

Audit Findings

State House is mandated to provide, at all times, support to the Presidency, to facilitate the effective and efficient performance of its constitutional and administrative responsibilities, and to cater for the welfare and security of H.E. the President, the Vice President, and their immediate families, as per Article 99 of the Constitution of Uganda, 1995.

A comparison of the entity's strategic and annual work plans for the last three (3) years with the mandate as stipulated in the constitution revealed that the entity had not adequately executed the following mandates, yet the entity's budget had been fully funded in the previous years.

Table 1: Mandate activities that were not prioritised

Sn	Mandated activity	Audit Comment
(a)	Development, renovation, and Maintenance of Entebbe State House Complex, Nakasero State Lodge and other upcountry state lodges	- The entity did not construct four (04) State Lodges (Isingiro, Hoima, Yumbe, and Katambogo) because they were not prioritised in the work plans and budgets, despite being prioritised in the Strategic plan (2020/21-2024/25). - A planned 3-year asset management strategic plan has not been developed to date. Although it is in the entity's strategic plan, it has not been prioritised in the entity's work plans and budgets.
(b)	Procurement and maintenance of Transport and Specialised Equipment	The entity did not procure the Presidential Jet, and yet this was a priority in the Strategic plan (2020/21-2024/25).

Source: OAG review of performance reports, strategic plan and work plans

Failure to ensure that all mandated activities are provided for in budgets and annual work plans implies that no resources will be earmarked for them, and the associated service delivery benefits will not be achieved.

The Accounting Officer explained that under the Strategic Plan for 2020/21 - 2024/25, management had planned to construct four (4) new state lodges (Isingiro, Hoima, Yumbe and Katambogo), develop the asset management strategic plan, refurbish the State House Complex, Entebbe and procure a new Presidential Jet. However, due to limited resources, the construction of the four (4) new lodges was not undertaken. Similarly, the funds for the procurement of the new Presidential Jet were not provided.

Recommendation

The Accounting Officer should follow up with the Ministry of Finance, Planning and Economic Development and ensure that funding is secured to implement the entity's mandate fully.

Action Status

Construction of four (4) State Lodges: During the execution of the Strategic Plan, the strategy shifted from construction to remodelling, with the refurbishment of the existing State Lodges.

For the construction of new lodges, State House embarked on a project to cater for the Development of the State House. The State House team have

appeared before the Ministry of Finance Development Committee for guidance and approval of the project. This process is still ongoing, and the same has been rolled over into the new strategic plan.

Procurement of the new Presidential Jet: The procurement was estimated at UGX 314.25Bn. These funds were not provided in the budget. To manage the situation, the Jet undergoes annual maintenance, which is funded in the budget. The procurement of a new jet has been rolled over into the subsequent Strategic Plan.

VOTE 003 - OFFICE OF THE PRIME MINISTER

Query

Failure to Cost and Implement Activities

Audit Findings

The Audit assessed the extent of implementation of activities for which funds were availed and utilised. A total of six (6) outputs with 31 activities worth UGX 1.90Bn were assessed, and the following was observed;

- i) Three (3) outputs, comprising 20 activities and expenditures totalling UGX 1.10Bn, were fully implemented.
- ii) Three (3) outputs, comprising 11 activities, worth UGX 0.80 Bn, were partially implemented.

The Audit could not attach activity costs to the analysis because the entity did not provide detailed activity costs in its work plans and budget. Examples of activities partially implemented are provided in the table below.

Table 1: Partially implemented activities

No	Activity	Amount warranted (UGX)	Amount Spent (UGX)	Audit Comments
1	Four (04) Quarterly monitoring/supervisions conducted on the implementation of activities in the Refugees and Disaster	Activity/item cost not specified	Activity/item cost not specified	Funds were instead used for coordination and office administration to implement Refugee and Disaster activities. The costs for the activities could not be determined because they were not costed in the work plan.
2	Four (04) Quarterly monitoring and inspections conducted on Service delivery systems in MDAs and LGs	Activity/item cost not specified.	Activity/item cost not specified.	Four joint reports were prepared instead of 16 comprehensive reports covering the four aspects due to staffing challenges and resource constraints. The costs for the activities could not be determined
3	Four (04) Quarterly monitoring and Inspections conducted	Activity/item cost not specified.	Activity/item cost not specified.	

	on structures and operational standards of MDA and LG			because they were not costed in the work plan.
4	Four (04) Quarterly monitoring and inspections were conducted on implementation of service delivery standards			
5	Four (04) Quarterly Establishment, Performance and Inspection reports for MDAs and LGs produced			
6	Attend ten (10) National and international events as assigned by Rt. Hon. PM	Activity/item cost not specified	Activity/item cost not specified	Exhaustion of the budget on the eight events. The costs for the activities could not be determined because they were not costed in the work plan.

Observation

The Committee noted that failure to provide detailed activity costs in the work plans and budget made the Accounting Officer's expenditures doubtful, as their implementation could not be quantified.

The Committee further noted that non-disclosure of detailed activity costs was sometimes intentionally undertaken by the Accounting Officers to evade auditors' scrutiny and to avoid detection of misuse and diversions of funds.

Recommendation

- i) The Accounting Officer should ensure that all activities are properly costed in the budget to aid performance assessment.
- ii) The Ministry of Finance should conduct capacity-building for all stakeholders on the effective use of the PBS as a planning and budgetary tool.

Action Status

Management has since ensured compliance with budgeting and costing of all the planned activities to guide implementation and reporting. Detailed, current-costed work plans and budgets are in place.

The Ministry of Finance, Planning and Economic Development has undertaken capacity building in Planning and Budgeting processes, including the effective use of the Programme Budgeting System.

Query		Delays in the Implementation of Activities		
Audit Findings				
The Audit reported delays of three (3) months on average, in the implementation of four (4) projects worth UGX 2.36 Bn, as shown in the table below;				
Table 2: Delayed projects/works				
S/n	Project description and value	Amount Spent (UGX Bn)	Audit comment	Management response
1	Project name and description: Procurement of two armoured 4WD station wagons and four 4WD double-cabin pickups. Contractor: Uganda Police Force MOU Amount: UGX 2.6Bn Contract start date: 13th June 2024 Expected completion date: 30th June 2024 Actual completion date: Not yet delivered	0.932	The vehicles were to be procured before the close of the financial year. However, at the time of The Audit in October 2024, the Uganda Police Force had not delivered the vehicles.	The Accounting Officer explained that the delay was occasioned by changes in specifications, among other factors. In addition, the funds available were sufficient for only one unit, which has since been delivered (Station Wagon, Toyota Land Cruiser VXR, under Reg. No. UG 1137Z). The other units have been rolled over to the subsequent Financial Year.
2	Project name and description: Construction of the Administration block, cultural centre and Palace for the Lango cultural Institution Contract Amount: UGX 3.56Bn	0.928	At the time of The Audit inspection in October 2024, works had not commenced. Site for construction below;	The Accounting Officer explained that the designs needed to be improved to accommodate emerging developments. Accordingly, OPM engaged a consultant who

	Contract start date: 12/4/2021 Expected completion date: 28/8/2024 Actual completion date: Not yet delivered			carried out a design review and made Recommendations to improve the structure. These designs are now complete, approved by the Lira City Physical Planning Committee, and construction works have commenced. The Solicitor General, in a letter dated 11th April, 2024, approved a 'No Cost extension' of the contract for three years up to 12th April, 2027. The Advance Payment Guarantee was extended from 2nd December 2024 to 16th December, 2025.
3	Project name and description: Construction works at OPM stores at Namanve Industrial Park Contract Amount: UGX 906Mn Phase 1: 411Mn Phase 2: 495Mn Contract start date: 13/6/2024	0.2	At the time of audit inspection in October 2024, the project was left with only 7 months to the end of the expected contract implementation period of 12 months; however, the works were still at less than 10% as illustrated below: Preliminary works had not commenced - UGX 7.2Mn	The Accounting Officer explained that following the signing of the MoU between OPM and MoDVA/UPDF Engineering Brigade on 13th June 2024, UGX 200M was transferred to UPDF on 27th June 2024.

	Expected completion date: 30/6/2025 Actual completion date: Contract still running.	• Modification of 40ft shipping containers into an office had not been undertaken (UGX 23.5Mn) • Paving around the containers had not been done (UGX 320Mn) • The fence and gates had not been installed, and phase ITHE AUDIT works involving renovation of the warehouse had not been done (UGX 537Mn) Refer to the pictures below:  Unpaved parking area  A container used as a temporary structure  Warehouse not renovated	The works commenced in August 2024. Due to budgetary constraints, the project execution was planned to be implemented in phases. The completed works to date include brickwork on the perimeter wall and partial paving of the driveway. The works are done in consideration of the funds transferred. An additional UGX 100M has been disbursed to continue with the project implementation. It is expected that the project will be completed by 30th June 2027.

4	Project name and description: Backfilling and levelling of the OPM plot of Land in Namanve Industrial Park for the construction of the UNHCR Regional logistics hub. Contractor: NEC Construction Works & Engineering Limited. Contract Amount: UGX 3.48Bn Contract Start Date: 3/7/2023 Contract End date: 4/1/2024	0.3	The Audit noted that backfilling and levelling had not yet been completed. The Audit also noted that the plot had not yet been connected to the main access road. The picture below refers to 	The Accounting Officer explained that OPM faces funding challenges in clearing outstanding claims from NEC. Up to 90% of the work is completed. OPM made a request to MoFPED for a supplementary, but the reply was that we re-allocate funds internally; however, the total budget for the Department of Refugees is only UGX 1Bn, including salaries, allowances, and travel, among others, hence not able to fund the project internally. OPM has engaged MoFPED to reconsider their recommendation and provide additional funding to complete the civil works.
	Total	2.36		

Observation

The Committee observed poor planning, weak contract management, and inadequate supervision by the Accounting Officer. For example, delays in the supply of station wagons were caused by changes in specifications, while amendments to the design of the administration block to accommodate emerging developments caused delays in construction. With proper planning, all these delays would have been mitigated early.

Recommendation	
i)	The Accounting Officer must ensure proper contract management and supervision to ensure the timely implementation of projects.
ii)	The Ministry of Finance, Planning and Economic Development should release the required funds in time to mitigate budgetary distortions.
Action Status	
i)	Three Station Wagons UG 410020, UG 41002 and UG 4100220, two Double Cabin Pickups UG 4100026 and UG 4100217 were delivered by the Uganda Police Force.
ii)	To date, construction works are at 10%.
iii)	Construction works at the OPM stores in Namanve Industrial Park have progressed as follows: a) Two 40-foot shipping containers have been fabricated into offices, b) The perimeter wall fence was completed c) The yard reinforcement has been laid with hard-core, and preparations for paving are ongoing d) The main store floor was scraped and reinforced with British Reinforced Concrete (BRC) mesh and 150mm-thick concrete. e) Preliminary works.
The site telephone, temporary structure, and the visitor's book have since been instituted. Below are pictures of the ongoing works.	



View of premises with perimeter wall completed, pending fixing of the gate



20 40ft Containers fabricated into offices and completed. Hardcore is being placed to reinforce the parking yard



Excavation of the floor in the main store



Warehouse: Inspection of the completed works on the floor



The yard is near completion

Works are at 90% completion. The Contract Manager was appointed.

Query	Outstanding Domestic Arrears
Audit Findings The Audit noted that the entity had verified stock of outstanding commitments to the tune of UGX 1.19Bn at year-end, contrary to Section 20(2) of the Public Finance Management Act, Cap. 171, which states that a vote shall not take any credit from any local company or body unless it has no unpaid domestic arrears from debts in the previous financial year, and it has the capacity to pay the expenditure from the approved estimates as appropriated by Parliament for that financial year.	

The Accounting Officer noted that the arrears accumulated during the period when key technical staff, including the then Accounting Officer and the head of department, were arrested. However, the entity had received a release of UGX 0.17Bn in the 2024/25 budget for domestic arrears, leaving a balance of UGX 1.03Bn.

Observation

The Committee noted that the Accounting Officer had failed to settle domestic arrears, which have continued to rise over the years. This is not only a negation of duty and responsibility but also shows that the settlement of domestic arrears must be the first call on the budget. Unpaid arrears affect suppliers' financial stability, threaten their long-term viability, and may lead to higher unit costs as suppliers factor in payment delays.

Recommendation

The Committee recommended that the Accounting Officer should always budget for domestic arrears and make it the first call on the budget as required.

Action Status

Management wishes to respond that the domestic arrears for the Year ending 30th June 2025 were verified by Internal Audit and submitted to MoFPED.

In the Budget Execution Circular Ref: BPD 86/179/01, the PS/ST communicated that payment of the existing stock of arrears will only be made upon verification by an independent audit firm appointed by this Ministry. To curb further accumulation of domestic arrears, this Ministry has instituted the following measures.

- i) Sanctioning Accounting Officers for the creation of new domestic arrears by not renewing their contracts as Accounting Officers; and
- ii) Accounting Officers should not sign any new contracts without confirmation of the availability of resources. Multi-year contracts should take a first call on available resources. Accounting Officers who sign contracts without the availability of funds will be held personally liable. Please note that the Expenditure Limits issued by this Ministry are based on available funds, not the appropriated budget.

All Accounting Officers are reminded to submit their draft final accounts by 31st August of every year to the Accountant General's Office with duly signed certificates of outstanding commitments, with copies to the Internal Auditor General. Draft final accounts submitted without certificates of outstanding commitments will be rejected.

Query	Overpayment to the Uganda Veterans Assistance Board
Audit Findings The Audit reported that the OPM paid UGX 0.53Bn to the Uganda Veterans Assistance Board (UVAB) instead of the budgeted and approved UGX 0.5Bn, resulting in an excess payment of UGX 25Mn. It was further noted that there was no Memorandum of Understanding (MoU) between OPM and the Board to facilitate the transfer of funds. The Accounting Officer acknowledged the anomaly and attributed it to a system error. He explained that management had written to UVAB, notifying them of the extra payment with the aim of recovering the amount from the subsequent disbursement. The Accounting Officer further undertook to establish a committee to evaluate and make recommendations on all MoUs between the OPM and UVAB. Observation The Committee noted that the overpayments indicated that the Accounting Officer did not deploy commitment controls to mitigate them. Further, the Committee noted that there was no evidence in the entity's books of accounts showing the source of the additional UGX 25Mn. Therefore, the Accounting Officer's claim that it was a system error is misleading. The lack of an MoU between OPM and UVAB further undermines this transaction.	
Recommendation	
The Committee recommended that the Accounting Officer be reprimanded for overcommitment and that measures be instituted to recover the additional UGX 25Mn.	
Action Status	
The Accounting Officer instituted the recovery measure by formally notifying UVAB that the overpayment would be treated as an advance for FY 2024/25 and that the payments made would be applied to the recovery.	
Query	Delay in Implementation of Recommendations of Disaster Risk Management Plan
Audit Findings Following the impact of the COVID-19 pandemic in 2021 and other pandemics, a Presidential directive was issued in July 2021 to the OPM (Department of Disaster Preparedness and Management) to develop a comprehensive National Disaster Risk Management Plan and Standard Operating Procedures for Uganda.	

Consequently, the OPM developed a National Disaster Risk Management Plan in 2022 detailing the equipment, staffing, preparedness and response needed to effectively and efficiently manage disasters in Uganda. The plan detailed the implementation strategy, which involved sequencing disaster risk management interventions, financial arrangements, activation, and updating, as well as implementation and reporting arrangements. In addition, the plan highlighted several key recommendations to manage the risks associated with disasters in the country.

However, a review of the disaster risk management plan by The Audit revealed that several recommendations had not yet been implemented, as shown in the table below;

Table 3: Unimplemented activities of the disaster risk management plan

S/n	Recommendation	Status of implementation	Implication	Management response
1.	A review of the Disaster Risk Management current structure to ensure that OPM has the required number of staff and skills to execute its mandate and coordinate with all institutions, communities and stakeholders involved in disaster management at all levels.	Partial	Without the required number of staff and skills, the disaster plan may not be implemented.	The Accounting Officer explained that the Ministry of Public Service has reviewed the structure to accommodate the required personnel at the regional offices and authorised the recruitment of principal disaster preparedness officers for the four (4) regional offices, and awaits recruitment by the Public Service Commission.
2.	The National Policy for Disaster Preparedness and Management of 2011 has not been reviewed in 13 years despite various emerging issues over the years.	Partial	The plan's fundable actions are based on sector-based planning; however, the Government has since implemented programme-	The Accounting Officer explained that the policy review process is ongoing and a draft policy is expected to be available by the close of FY 2024/2025.

	This may affect the country's disaster risk management.		based planning, and there is a risk that the actions may not be funded as planned, which may affect the management of risks and Government's preparedness in case of disasters.	
3.	The need to fast-track the enactment of the Disaster Preparedness and Management Bill to provide direction and a basis for the decentralisation of Disaster Risk Management efforts and sustained funding for the implementation of the policy provisions.	Partial	Absence of the Bill implies that the requisite institutional framework and established operational principles and guidelines for disaster preparedness and management cannot be put in place. This affects the implementation of the strategy meant to ensure that Uganda is capable of anticipating, preparing for and coping with all disaster risks.	The Accounting Officer explained that the draft principles of the bill were submitted to Cabinet for approval. Cabinet Secretariat advised that the Ministry of Public Service makes a pronouncement on the Disaster Management Commission as provided for in the Constitution, and management has engaged the Ministry of Public Service on the matter.
4.	All MDAs and NPA should mainstream Disaster Risk Reduction into all development plans to facilitate effective Disaster Risk Management coordination and collaboration in the country.	Not Implemented	Failure to mainstream the risk reduction in all MDAs implies that these activities will not be included in the work plans, which affects the implementation of the disaster risk management	The Accounting Officer explained that the NDP IITHE AUDIT mainstreamed disaster preparedness and response in the respective national programs. All Programs/MDAs are required to budget for disaster

			plan, thereby exposing the country to the effects of disasters.	preparedness as a cross-cutting issue under the relevant budget output codes.
5.	Establish and operationalise regional hubs to decentralise disaster risk management in the country and create the possibility for further coordination and collaboration with all stakeholders.	Not Implemented	Failure to operationalise the regional hubs affects coordination, response and early detection of disasters.	The Accounting Officer explained that the Ministry of Public Service reviewed and approved the staffing structure for OPM, which includes the required personnel for the regional offices/hubs, and the recruitment process was being handled by the Public Service Commission. The Accounting Officer further explained that inadequate resources constrain the full operationalisation of the regional hubs.

Source: OAG review of the performance report

The Accounting Officer explained that many of the recommendations, such as reviewing the policy and the proposed National Disaster Preparedness and Management Bill from the Ministry of Public Service, were work in progress.

Observation

The Committee noted that the delay in reviewing the National Policy for Disaster Preparedness and Management of 2011 over the last 13 years, despite various emerging issues and the delay in enacting the Disaster Preparedness and Management Bill, has led the OPM to handle disasters in an uncoordinated manner.

Many at times, disasters have been addressed politically through the Prime Minister's Question time in Parliament, as opposed to having a structured

policy spearheaded by the OPM. The Committee observed that this policy would provide direction as a basis for decentralisation of disaster risk management efforts and sustained funding for implementation of the policy.

Recommendations

- i) The Accounting Officer and the Ministry of Public Service fast-track the enactment of the Disaster Preparedness and Management Bill to streamline response measures.
- ii) The Accounting Officer should coordinate the mainstreaming of disaster risk reduction into our national development plans to facilitate effective disaster risk management.

Action Status

The Disaster Preparedness and Management Bill has been submitted to Cabinet thrice but deferred due to the establishment of the Disaster Preparedness and Management Commission.

Further, Consultations on mainstreaming guidelines have been concluded with Program 4 of the NDP IV, Natural Resources and PIAPs Developed.

Query

Management of Disaster Resettlement Fund

Audit Findings

On the 12th of September 2022, Cabinet approved a cash transfer strategy as an option for resettlement of disaster victims and directed the Hon. Minister of Finance, Planning and Economic Development to release UGX 57.6Bn to 5,715 households living in high-risk landslide areas in the Elgon Sub-region. The Cabinet approved payment of UGX 10Mn to each household.

Subsequently, OPM signed an implementation agreement with Post Bank Uganda on 13th June 2023 to disburse cash transfers to the persons at risk of landslides. A sum of UGX 12.05Bn was released and deposited on the Resettlement Fund account for subsequent payment of the victims.

On 4th October 2023, the Internal Security Organisation (ISO) constituted a verification committee to verify beneficiaries in Manafwa, Sironko, Bududa and Namisindwa. The Audit reviewed bank statements and documents related to the fund and reported the following,

a) Delayed disbursement of funds

The verification committee verified 3,840 beneficiaries on 4th October 2023 and 8th February 2024 to receive UGX 10Mn each from the resettlement fund, as detailed in the table below.

Table 4: Verified beneficiaries in four districts

S/n	District	Households approved by OPM	Date of Approval
1	Bududa	2,109	8 th February 2024
2	Manafwa	705	4 th October 2023
3	Sironko	545	4 th October 2023
4	Namisindwa	481	4 th October 2023
	Total	3,840	

Source: OAG review of verified beneficiary list

The Auditor noted that by the end of the financial year, OPM had paid UGX 2.74Bn to 274 beneficiaries; however, UGX 30Mn bounced, and a balance of UGX 9.34Bn remained unspent.

The Accounting Officer explained that the delay in disbursement was due to protracted consultations with stakeholders on the amount of land to be allocated to each beneficiary, given that the land available was inadequate to distribute 2 acres per beneficiary as had been approved by Cabinet. Further, the Accounting Officer noted that efforts were underway to secure land within the Elgon region to settle the victims of the landslide.

The Accounting Officer noted that the OPM was undertaking the evacuation of persons at high risk of landslides to Bunambutye settlement, in addition to seeking guidance on how to disburse UGX 17M to persons who may wish to buy land and relocate elsewhere on their own.

Observation

The Committee noted that the lack of a clear policy on disaster management had caused uncoordinated disaster risk management by the Government. The unpredictable nature of disasters requires that a clear plan by Government is in place, including early warning signs to enable prompt mitigation measures. The committee further noted that failure to disburse funds negates the purpose for which they are provided.

Recommendation

The Committee recommended that;

- i) Government fast-tracks the review and implementation of the disaster risk management policy.
- ii) As a matter of priority, identify land within the region to settle the victims of the landslide within six (6) months of the adoption of this report by Parliament.

Action Status

i)

The Ministry has started the process of hiring a consultant to develop a Regulatory Impact Analysis(RIA) as the first step to reviewing the policy. The exercise is ongoing.

ii)

In a Cabinet Minute No.228 CT (CT 2025)93), the Cabinet Sub-Committee on Land Acquisition for Resettlement of households at risk of landslides in the Mount Elgon Sub-Region and the status of acquisition of land to resettle landslide disaster victims were presented.

iii)

The Cabinet authorised the Office of the Prime Minister to fast-track the purchase of the eight (08) parcels of land, approximately 2,698 acres.

iv)

The Procurement process is ongoing under the procurement reference number. OPM/NCONS/25-26/00032

Query

Breach of Contract/Violation of the Signed MoU

Audit Findings

Article 2 of the signed agreement stipulates that the account shall not attract any charges. In contrast, Article 5 provides for normal subsidised processing fees, inclusive of the exercise duty, payable by each beneficiary of UGX 25,000. However, the Audit noted from a review of the bank statements that the bank had deducted UGX 5.49Mn from the beneficiary accounts as bank charges contrary to the signed MoU, as shown in the table below;

Table 5: Bank charges incurred by beneficiaries

S/n	Date	Transaction Particulars	Amount (UGX)
1.	22/07/2023	Commission & Excise Duty	4,600
2.	18/08/2023	Excise Duty	600
3.	18/08/2023	Commission	4,000
4.	15/03/2024	Commission	4,000
5.	15/03/2024	Excise Duty	600
6.	07/06/2024	Float Purchase	5,480,000
	Total		5,493,800

Source: OAG review of bank statements

The Accounting Officer explained that Post Bank had acknowledged the contravention of the agreement terms and had since refunded the charges in full.

Observation

The Committee noted that although the funds were refunded, Post Bank acted in total contravention of the terms and conditions of the MoU and therefore

should face the appropriate sanctions as stipulated in the MoU. This violation of the signed MoU had denied the intended beneficiaries their full-allocated funds.

Recommendation

The Committee recommended that, going forward, the Accounting Officer should invoke the fines and penalties as prescribed in the MoU whenever there is a breach by any of the parties.

Action Status

Management commits that going forward, it will enforce adherence to the MoU.

Query

Resettlement of Landslide Victims

Audit Findings

Cabinet, vide minute extract 320 (CT 2022), agreed to relocate Bududa landslide victims to Bulambuli The Audit district and agreed to provide each household with UGX 10Mn for the construction of a house and 2 acres of land for settlement and agriculture.

On 14th November 2024, the Auditor General carried out Inspections at the Bulambuli The Audit resettlement site and noted the following;

- i) Out of the 271 beneficiaries who received funding, a total of 224 landslide victims were transferred to Bulambuli District in August 2024 for resettlement. By the time of inspection in November 2024, no land had been allocated to the individual households for settlement, and hence the victims were still residing in tents despite receiving UGX 10Mn each for the construction of houses.
- ii) Interviews with beneficiaries revealed that most of the beneficiaries had diverted the UGX 10Mn meant for the construction of houses to cater for other needs, such as food and school fees, among others, due to delays in the allocation of land.
- iii) The land on which the victims were to be resettled lacked basic social services like roads, power, schools and health facilities. This has created resistance to the resettlement arrangements.
- iv) There was poor hygiene and sanitation in the temporary camp where the victims had been temporarily settled, as the toilets were all full. This may lead to outbreaks of diseases such as cholera and dysentery.

The Accounting Officer explained that the allocation of the land and construction of houses by the beneficiaries was eventually done after

Bulambuli DLG opened roads. He also noted that they continue to sensitise the beneficiaries on the proper use of the money allocated to them for construction.

Observation

The Committee observed that the delays to offer land had affected the already distressed victims as they faced the risk of diseases due to poor hygiene and health facilities. The victims had also diverted the money meant for construction.

The Committee further noted that the Accounting Officer needed first to secure the land and provide the necessary social amenities before disbursing the construction fee.

Recommendation

- i) The Accounting Officer should carry out proper planning and adhere to the set guidelines before relocating victims.
- ii) Beneficiaries should always be sensitised before the implementation of such programmes.

Action Status

Subsequent resettlements are being properly planned and managed.
Extensive Sensitization is being conducted for the beneficiaries.

Query

Delayed Resettlement of Encroachers on Apaa Game Reserve

Audit Findings

Apaa Game Reserve is part of the game reserves under the Management of Uganda Wildlife Authority. In 2018, Uganda Wildlife Authority attempted to evict squatters who had illegally encroached on the land without success.

An Inter-Ministerial Committee, chaired by the Rt. Hon Prime Minister was constituted to engage the relevant stakeholders to find amicable solutions. The committee presented its findings to the Cabinet, which approved a proposed resettlement package of UGX 10Mn and 20 iron sheets for each household in the reserve to enable them to move and settle somewhere else. OPM received funding in the FY 2018/19 to undertake the

Compensation and resettlement of affected persons

The Accounting Officer reported that the affected persons had not yet been compensated by the time of authoring his report, and a sum of UGX 2.5Bn

was still held on the Ministry's account in Centenary Bank. As a result of failure to compensate the affected persons, the communities are still on the land and continue to encroach.

The Accounting Officer explained that the resettlement exercise encountered challenges as the parties involved disagreed on specific terms and conditions, which halted the process. A Judicial Commission of inquiry was constituted in May 2023 to handle the matter to its logical conclusion.

Observation

The Committee noted that the delays in the resolution of this matter had led to further encroachment of the game reserve, on top of fuelling more land conflicts, which had sometimes been fatal. The continuous stay of compensation money in the bank account exposes it to risks of mismanagement.

Recommendation

The Committee recommended that the Accounting Officer, through the Rt. Hon. Prime Minister, follow up on the status of the matter with the Judicial Commission of Enquiry, with a view of fast-tracking the resolution of the matter.

Action Status

In a letter dated 23rd February 2023, H.E the President constituted a Judicial Commission of inquiry into the Apaa land matter. However, the commission has not commenced its work due to a lack of funding.

In subsequent letters dated 9th July 2024 and 17th April 2025, the President directed the Minister of Finance, Planning and Economic Development to release the necessary funds to enable the Commission commence work.

Furthermore, the Attorney General, in a letter dated 9th July 2025, requested the Minister of Finance to release a supplementary funding amounting to UGX 7.95Bn to facilitate the operations of the Commission. The Ministry has since indicated that the funding will be included in the supplementary schedule currently under processing.

Query

Dispute over the 200 acres of land purchased by OPM in Kasese

Audit Findings

The Ministry purchased 200 acres of land in Kasese from M/S Watujo Millers Ltd for the resettlement of flood victims at a contract sum of UGX 1.2Bn. On 15th August, 2023, the land was transferred in the names of Uganda Land Commission (Office of the Prime Minister).

A review of the board of survey report by the Audit revealed that there was a conflict of ownership of the land, which had not been resolved to date. In the circumstances, the Audit noted that OPM did not have possession of the land. The land was therefore susceptible to future ownership claims from third parties.

The Accounting Officer explained that following the clearance by the Inspectorate of Government, OPM had acquired full possession of the land, including the title now registered under the Uganda Land Commission (OPM). The Accounting Officer noted that one of the family members had, however, filed a civil suit against Government and the Attorney General claiming ownership of the land.

Observation

The Committee noted that the Accounting Officer had not carried out sufficient due diligence before the purchase of the land. The Committee noted that the matter was before the court and the sub judice rule should be respected.

Recommendation

The Committee recommended that the Accounting Officer should wait for the judgment of the court to decide on the next course of action.

Action Status

The Office of the Prime Minister (OPM) exercised due diligence and followed due process during the acquisition of the 200 acres, which was part of the 493.06 acres of land comprised in LRV 1795, Folio 18, Busongora Block 17, Plot 6, land at Muhokya, Butakinga in Kasese district. Ms Joyce Keine Mugisha, one of the beneficiaries of the estate of the late Jacob Mugisha, filed Civil Suit No. 030 in the High Court of Uganda at Fort Portal, against the Attorney General, the Registrar of Land Titles and six others, contesting the transaction.

Her family members who willingly sold part of their share to the Government (OPM) contend that her share of 13 acres was left intact since it is part of the 293.06 acres that were not sold.

Attorney General's Chambers has updated the Office of the Prime Minister to the effect that the matter was considered/handled, and referred for mediation by Fort Portal High Court. The Attorney General's Chambers will communicate mediation in due course.

VOTE 004 - MINISTRY OF DEFENCE AND VETERAN AFFAIRS**Query Delays in the Procurement Process****Audit Findings**

Standard bidding documents for all procurements provide for planned timelines within which a PDE should undertake its procurements in the form of a procurement schedule. The schedule provides key timelines such as the publishing (advertising) date, bid closing date, date for display and communication of the best evaluated bidder notice and expected contract signature date.

An examination of bid documents for the sampled procurements revealed that management set timelines of approximately 2 to 5 months from bid publishing to contract signing for the various procurements.

A review of a sample of 24 procurements worth UGX.75.99Bn revealed that 18 (75%) procurements worth UGX.38.11Bn took an average of seven (7) months from initiation to final contract signing. The table below refers.

Table 2: Delays in the procurement processes

Sn	Procurement reference number	Amount (UGX Bn)	Date of initiation (A)	Date of Contract signing (B)	Days taken C=(B-A)
1.	MD/SUPLS/23-24/00034	8.494	18/08/2023	09/1/2024	144
2.	MD/SUPLS/23-24/00127	0.907	17/01/2024	07/06/2024	142
3.	MD/SUPLS/23-24/00059	5.565	23/08/2023	09/01/2024	139
4.	MD/SUPLS/23-24/00087	0.743	18/10/2023	03/05/2024	198
5.	MD/SUPLS/23-24/00133	2.014	16/01/2024	11/07/2024	177
6.	MD/SUPLS/23-24/00119	0.687	20/12/2023	09/05/2024	141
7.	MD/SUPLS/23-24/00084	2.510	06/11/2023	31/01/2024	86
8.	MD/SUPLS/2023-2024/00013	0.680	31/07/2023	05/12/2023	127
9.	MD/SUPLS/2022-2023/00190	1.790	26/04/2023	04/09/2023	131
10.	MD/SUPLS/23-24/00177	1.163	08/04/2024	24/07/2024	107
11.	MD/SUPLS/23-24/00033	1.550	06/09/2023	23/02/2024	170
12.	MD/SUPLS/23-24/00044	1.493	13/09/2023	27/03/2024	196
13.	MD/SUPLS/2023-2024/00011	3.170	11/07/2023	05/12/2023	147
14.	MD/SUPLS/23-24/00075	0.289	10/10/2023	26/02/2024	139
15.	MD/SUPLS/23-24/00025	1.618	07/09/2023	17/01/2024	132
16.	MD/SUPLS/23-24/00017	1.897	15/04 /2024	05/08/2024	112
17.	MD/SUPLS/23-24/00165	3.548	13/03/2024		
		38.118	Average days		143
			Average working Months (143/22 days)		6.6

Source: OAG review of procurement records

Deayed procurements affect timely service delivery and expose the Ministry to the risk of an increase in contract costs through inflation or fluctuations in prices.

The Accounting Officer explained that the Ministry largely commences and completes procurements on time. However, in some cases, the Ministry has experienced delays due to checks and balances at various levels of approval. Some of which are external to the Ministry.

Recommendation

The Accounting Officer was advised to undertake a review of the procurement processes with a view of identifying and addressing inefficiencies within the procurement system to avoid such delays.

Action Status

The Ministry put in place the following measures to minimise delays in market assessment, evaluation period and contract formation.

- i) The Ministry now conducts market assessment using the developed database of prices for common user items, and bids are prepared using standardised specifications.
- ii) Procurements are initiated in time, Evaluation Committees are appointed in time and Evaluation meetings are held in time and tasked to ensure that they complete the Evaluation Exercise within the specified period in line with the Guidelines.
- iii) The Ministry appointed a dedicated Legal Officer to liaise between MoDVA and SG's Office to attend to any clarification that may be required, in an attempt to fast-track contract clearance.

Query

Failure to Execute Performance Security

Audit Findings

Regulation 11 (1 and 2) of the PPDA (Contracts) regulations 2023 states that the bidding documents shall state the requirement for a performance security or a performance securing declaration. The value of the performance security shall be specified in guidelines issued by the Authority.

The Audit noted that management excluded the requirement for a performance security in 14 contracts worth UGX 27.46Bn. In all of these contracts, the bid document had explicitly provided for the security, but management excluded it from the signed contract. Details are provided in the table below;

Table 3: Procurements for which no performance security was executed

Sn	Procurement reference number	Contract sum (UGX Bn)	Unexecuted Performance security (UGX Bn)
1.	MD/SUPLS/23-24/00034	8.494	0.424
2.	MD/SUPLS/23-24/00127	0.907	0.090
3.	MD/SUPLS/23-24/00087	0.743	0.074
4.	MD/SUPLS/23-24/00133	2.014	0.100
5.	MD/SUPLS/23-24/00119	0.687	0.068
6.	MD/SUPLS/23-24/00084	2.510	0.125
7.	MD/SUPLS/2023-2024/00013	0.680	0.034
8.	MD/SUPLS/2022-2023/00190	1.790	0.089
9.	MD/SUPLS/23-24/00177	1.163	0.058
10.	MD/SUPLS/23-24/00044	1.493	0.074
11.	MD/SUPLS/2023-2024/00011	3.170	0.317
12.	MD/SUPLS/23-24/00075	0.289	0.014
13.	MD/SUPLS/23-24/00025	1.618	0.080
14.	MD/SUPLS/23-24/00017	1.897	0.094
	Total	27.455	1.641

Source: OAG review of procurement and contract management files

Non-execution of performance security exposes the entity to a risk of under- or non-performance by the contractors without any fallback position.

The Accounting Officer explained that in all cases, the Ministry makes provisions for the inclusion of performance security in all procurement contracts, which gets approval from the contracts committee. However, at the final drafting stage, some omissions may occur, as in cases highlighted by The Audit . However, Instructions have been given to the legal department to give more attention to critical details.

Recommendation

The Accounting Officer was advised to ensure that the requirement for performance securities is enforced on all contracts to mitigate the risks of non-performance.

Action Status

The Entity is now strictly enforcing the submission of a Performance Securing Declaration, a non-monetary commitment that provides for penalties in the event of failure to perform a contract, for all Contracts under Restricted bidding, Quotation, and Direct bidding methods, and the submission of performance securities for Open bidding methods.

Query			Contract Implementation Delays			
Audit Findings						
Regulation 52 (1) (b) of the PPDA (Contracts) regulations 2023 requires a contract manager to make certain that the provider performs the contract in accordance with the terms and conditions specified in the contract.						
The Audit noted delayed contract implementation for 14 contracts worth UGX 27.46Bn, with delays ranging from one month to over a year. Details are provided in the table below;						
Table 4: Contract implementation delays						
S/N	Procurement reference number	Contract sum (UGX Bns)	Revised delivery date	Actual delivery date/audit	Delay period-days	Delay period-Months
1.	MD/SUPLS/23-24/00034	8.494	22/09/2024	15/11/2024	54	2
2.	MD/SUPLS/23-24/00127	0.907	28/06/2024	15/11/2024	140	5
3.	MD/SUPLS/23-24/00087	0.743	15/06/2024	19/07/2024	34	1
4.	MD/SUPLS/23-24/00133	2.014	11/10/2024	15/11/2024	35	1
5.	MD/SUPLS/23-24/00119	0.687	09/07/2024	21/08/2024	43	1
6.	MD/SUPLS/23-24/00084	2.510	12/03/2024	15/11/2024	248	8
7.	MD/SUPLS/2023-2024/00013	0.680	03/01/2024	15/11/2024	317	11
8.	MD/SUPLS/2022-2024/00190	1.790	25/09/2023	15/11/2024	417	14
9.	MD/SUPLS/23-24/00177	1.163	15/08/2024	15/11/2024	92	3
10.	MD/SUPLS/23-24/00044	1.493	18/04/2024	27/05/2024	39	1
11.	MD/SUPLS/2023-2024/00011	3.170	17/01/2024	15/11/2024	303	10
12.	MD/SUPLS/23-24/00075	0.289	17/03/2024	15/11/2024	243	8
13.	MD/SUPLS/23-24/00025	1.618	20/01/2024	20/06/2024	152	5
14.	MD/SUPLS/23-24/00017	1.897	17/09/2024	15/11/2024	59	2
	Total	27.455				
Source: OAG review of contract implementation records						
Delayed contract implementation may lead to increased project costs due to inflationary pressures over time.						
The Accounting Officer explained that delays in contract implementation were occasioned by various reasons, which were managed in liaison with Contract Managers/Management Teams.						

Recommendation	
The Accounting Officer was advised to strengthen contract management and supervision processes within the Ministry to avoid/minimise such delays.	
Action Status	
The Contract Variations were approved as required. In addition, management has strengthened its contract supervision by creating an independent contract management unit to oversee the implementation of various contracts undertaken by the Ministry. This has resulted in remarkable improvements in project implementation deadlines and management of contracts executed by the Ministry.	
Query	Utilisation of warrants
Audit Findings	
The Ministry had non-classified warrants of UGX 2.08Tn, out of which warrants worth UGX 1.54 Tn had been utilised by the close of the financial year. The balance of UGX.0.54Bn that was not utilised was meant for the payment of pension and gratuity for non-uniformed officers. Failure to pay pension and gratuity affects the livelihoods of the pensioners and defeats the purpose for which these funds were appropriated to the entity. The Accounting officer explained that the affected pension payments bounced back due to incorrect bank account details of the beneficiaries and dormant bank accounts, and stated that the Ministry had so far re-processed payments amounting to UGX 0.13Bn for some of the failed cases.	
Recommendation	
The Accounting Officer was advised to ensure that the pension payments for all the remaining pensioners are re-processed in order not to disadvantage the pensioners, and also to regularly verify the details of all the Ministry pensioners.	
Action Status	
The Ministry has successfully reprocessed payments that failed in FY 2023/24, amounting to UGX 0.52Bn for 147 beneficiaries. These transactions, mainly of pension and gratuity, bounced back due to incorrect bank account details of the beneficiaries and dormancy of bank accounts. The Ministry continues to undertake measures such as: i) Engaging Commercial Banks to keep bank accounts for Pension Beneficiaries active ii) Demanding beneficiaries to submit copies of their bank statement to the Ministry for capture of their correct details on IFMS at the time of e-registration. The above measures have progressively reduced such occurrences.	

Query	Failure to Quantify and Cost Work Plans
Audit Findings The Audit reviewed the annual work plan and quarterly performance reports of the Ministry to assess the extent to which the Ministry had implemented activities for which funds were availed. The Audit, however, noted that the outputs and activities in the work plans available were not appropriately quantified and costed. The work plan did not provide quantified targets and detailed costs for each of the planned activities. In the circumstances, it was impossible to assess the extent to which the Ministry implemented the planned activities for which the warrants were provided. The Accounting Officer explained that the Ministry is cognizant of the need and importance of performance measurement and has made efforts to quantify appropriately and cost activities internally. However, due to the sensitivity and security nature of the Ministry's activities, having such details easily accessible in public documents risks compromising national security.	
Recommendation	
The Accounting Officer is to ensure that, going forward, the quantified and costed work plans are provided to facilitate performance assessment.	
Action Status	
The Ministry is cognizant of the need and importance of performance measurement. To this effect, the Ministry's activities and outputs are internally quantified in the work plans and budgets. However, some of the outputs and activities are not externalised for security reasons.	
Query	Delay in Implementation of Activities
Audit Findings Out of the 13 sampled projects, six (6) projects worth UGX.152.42Bn had delays averaging four (4) months from the expected completion date, as shown in the table below;	

Table 4: Delayed projects/works

S/n	Project description and value	Audit comment	Management Response
1.	Construction of the UPDF National Referral Hospital Contract Amount: UGX.143.43Bn	The project commenced in February 2018 for a period of 30 months ending July 2020. At the time of inspection (November 2024), the project had delayed for over 26 months, with project progress estimated at 86%. Works were still ongoing on internal wall paintings, installation of suspended ceiling boards, tiling, terrazzo works, electricity distributions, drainage works and landscaping, among others.	The Accounting Officer explained that delays were caused by KCCA halting works due to land ownership issues, effects of COVID 19 and delays to approve an addendum to the contract following variations due to design changes.
2.	Construction works on the security improvement of the MoDVA headquarters Contract Amount: UGX.1.68Bn	The expected completion date for these works was 30 th June 2024. At the time of audit (October 2024), works were still ongoing, and the alternative route constructed for access to the MODVA headquarters had been graded but was yet to be tarmacked.	The Accounting Officer explained that access road grading and stabilisation of sub/base had been completed, while the road base and surface dressing were to start and be completed by 30 th March 2025.
3.	Proposed infrastructure development at Kololo Ceremonial grounds. Contract Amount: UGX.3.78Bn	The expected completion date was 30 th June 2024. At the time of audit (October 2024), works were still ongoing pending fixing of metal grills along Kololo upper terrace, gate houses and canopy finishes, steel gates, windows, electrical and fittings. Renovation of the parade ground had not commenced while the Presidential Dias was at terrazzo works.	The Accounting Officer explained that the Ministry is concurrently implementing phase THE AUDIT extra works with phase I THE AUDIT works that include paving of the parade ground, internal roads and construction of the drainage system. These works are planned to be completed by 30 Jan 2025.

4.	Construction of Forensic Sciences Laboratory in NFSU Jinja Project Amount: UGX.0.477Bn	The expected completion date was 30 th June 2024. At the time of audit (October 2024), the project progress was estimated at 45% pending plastering, outside toilet, building of retention and fencing wall, drainage, septic tank and landscaping to enlarge the compound area.	The Accounting Officer explained that works are expected to be completed by 30 th March 2025.
5.	Construction of the National Military Museum Boundary wall at Katonga Project Amount: UGX.2.20Bn	The expected completion date was 30 th June 2024. At the time of The Audit (October 2024), the works were still ongoing, and approximately 700 meters of the wall fence had been completed, which is almost half of the contractual works.	The Accounting Officer explained that the project started in Jun 2024 with an expected completion period of March 2025.
6.	Phase I THE AUDIT works for motor fuel stations for UPDF in-house fuel in Kaweweta cantonment Project Amount: UGX.0.851Bn	Inspections carried out in October 2024 revealed that works had not commenced except for the survey of the land.	The Accounting Officer explained that the works are to be completed by 30 th March 2025.

Source: OAG review of contract management documents and physical inspections

Delayed completion of works exposes the projects to cost escalations as a result of time overruns and delays the achievement of the intended benefits.

Recommendation

The Accounting Officer was advised to enhance contract supervision and fast-track the completion of the pending works on all the above projects.

Action Status

Out of the 13 sampled projects, six (6) projects worth UGX 152.42Bn had delays averaging four (4) months from the expected completion date, as shown in the table below;

Table 5: Delayed projects/works

S/n	Project description and value	Audit comment	Management Response	Status update
1.	Construction of the UPDF National Referral Hospital Contract Amount: UGX.143.43Bn	The project commenced in February 2018 for a period of 30 months ending July 2020. At the time of inspection (November 2024), the project had	The Accounting Officer explained that delays were caused by KCCA halting works due to land ownership issues, effects	- The practical completion was attained on 30th June 2025, with a current performance status at 98%. - The remaining 2% covers minor civil

		delayed for over 26 months, with project progress estimated at 86%. Works were still ongoing on internal wall paintings, installation of suspended ceiling boards, tiling, terrazzo works, electricity distributions, drainage works and landscaping, among others.	of COVID 19 and delays to approve an addendum to the contract following variations due to design changes.	works and works to be done when equipment installation is completed. Several factors led to the delayed completion of the project, including the following; - Between September 2018 and 12th April 2019, works were halted due to KCCA's intervention arising from Land ownership issues. - The effect of the COVID-19 pandemic between 25th March 2020 and 10th January 2022. - Contractor's request for a contract amendment to provide for a price adjustment. - The process for procurement of the Contract addendum to provide for Mechanical, Electrical, and Plumbing (MEP) variations due to design changes and the need to optimise functionality and safety of the facility.
2.	Construction works on the security improvement of the MoDVA headquarters Contract Amount: UGX.1.68Bn	The expected completion date for these works was 30th June 2024. At the time of audit (October 2024), works were still ongoing, and the alternative route constructed for access to the MODVA	The Accounting Officer explained that access road grading and stabilisation of sub/base had been completed, while the road base and surface	The works were completed on 31st January, 2025, and it is in use.

		headquarters had been graded but was yet to be tarmacked.	dressing were to start and be completed by 30 th March 2025.	
3.	Proposed infrastructure development at Kololo Ceremonial grounds. Contract Amount: UGX 3.78Bn	The expected completion date was 30th June 2024. At the time of audit (October 2024), works were still ongoing pending fixing of metal grills along Kololoupper terrace, gate houses and canopy finishes, steel gates, windows, electrical and fittings. Renovation of the parade ground had not commenced while the Presidential Dias was at terrazzo works.	The Accounting Officer explained that the Ministry is concurrently implementing phase THE AUDIT extra works with phase I THE AUDIT works that include paving of the parade ground, internal roads and construction of the drainage system. These works are planned to be completed by 30 Jan 2025.	The infrastructure development works for phase 1 and 2 were completed by 30th January, 2025. Additional works, including accommodation for security personnel, additional parking space, landscaping and access staircases were completed and handed over on 3rd October 2025.
4.	Construction of Forensic Sciences Laboratory in NFSU Jinja Project Amount: UGX 0.477Bn	The expected completion date was 30th June 2024. At the time of audit (October 2024), the project progress was estimated at 45% pending plastering, outside toilet, building of retention and fencing wall, drainage, septic tank and landscaping to enlarge the compound area.	The Accounting Officer explained that works are expected to be completed by 30th March 2025.	The works were completed, and the facility is in use.

5.	Construction of the National Military Museum Boundary wall at Katonga Project Amount: UGX.2.20Bn	The expected completion date was 30 th June 2024. At the time of The Audit (October 2024), the works were still ongoing, and approximately 700 meters of the wall fence had been completed, which is almost half of the contractual works.	The Accounting Officer explained that the project started in Jun 2024 with an expected completion period of March 2025.	The boundary wall project started with the section that was highly prone to encroachment, which is the distance of 700m already constructed. The second part that faces the River Katonga wetland is expected to be completed by June 2026.
6.	Phase I THE AUDIT works for motor fuel stations for UPDF in-house fuel in Kaweweta cantonment Project Amount: UGX.0.851Bn	Inspections carried out in October 2024 revealed that works had not commenced except for the survey of the land.	The Accounting Officer explained that the works are to be completed by 30 th March 2025.	The works are in progress at 90%, awaiting installation of fuel dispensers, Electrical and mechanical fittings. Procurement of the aforementioned is ongoing.

Source: OAG review of contract management documents and physical inspections

Query	Non-Functionality of Facilities		
Audit Findings			
The Audit undertook a physical inspection to confirm the functionality of the completed structures/works. The Audit noted that two (2) out of the 13 sampled projects worth UGX.0.628Bn were not functional despite completion, as shown in the table below;			
Table 6: Functionality of inspected works/equipment			
S/N	Project details and observations	Total expenditure (UGX Bn)	Management letter
1	Construction of mess and kitchen at URDCC- The Audit noted that the kitchen was completed but was not furnished and, as such, not in use at the time of inspection in October 2024.	0.2	The Accounting Officer explained that procurement of equipment for the mess and kitchen were underway and will be installed in quarter 1 of FY 2025/2026.

2	Renovation of the Old Officers' Mess in Bombo However, The Audit noted that the renovation was complete and the area is under a locked fence with no occupation.	0.428	The Accounting Officer explained that the facility will be put to use following commissioning.
	Total	0.628	

Source: OAG review of contract management documents and physical inspections

Failure to utilise the completed structures for the intended function negates the purpose for which Government invested money to construct the facilities.

Recommendation

The Accounting Officer was advised to expedite the procurement of equipment for the mess and kitchen to ensure full functionality of the facilities.

Action Status

Table 7: Functionality of inspected works/equipment

SN	Project details and observations	Total expenditure (UGX Bn)	Management letter	Response
1	Construction of mess and kitchen at URDCC- The Audit noted that the kitchen was completed but was not furnished and, as such, was not in use at the time of inspection in October 2024.	0.2	The Accounting Officer explained that procurement of equipment for the mess and kitchen was underway and will be installed in quarter 1 of FY 2025/2026.	The procurement of equipment to furnish the mess and kitchen was completed, and the facility is in use.
2	Renovation of the Old Officers' Mess in Bombo However, THE AUDIT noted that the renovation was complete and the area is under a locked fence with no occupation.	0.428	The Accounting Officer explained that the facility will be put to use following commissioning.	The procurement for the supply of equipment and installation is underway.
	Total	0.628		

Query		Delayed completion of the UPDF National Referral Hospital
Audit Findings		
On the 6th October 2017, MoDVA signed a contract with China National Aero-Technology International Engineering Corporation to execute works on the construction of UPDF National Referral Hospital at Lower Mbuya at a revised contract sum of UGX.106.30Bn. The project that commenced on 26th February 2018 was expected to be completed by 30th July 2020. The Audit observed that several variation requests had been made to the project in the last four (4) years, as summarised in the table below;		
Table 5: Showing the variations in the last four years		
FY	Variation requests (UGX Bn)	Audit comment
2020/2021	23.162	
2021/2022	30.504	This figure includes the earlier variation of UGX.23.162Bn
2022/2023	22.907	
2023/2024	29.676	
Source: OAG review of the project contract management file		
At the time of inspection in October 2024, which was four (4) years after the expected completion date of the hospital, works were still ongoing. The project was not complete, and work had stalled in some areas. The continued delay in completing the project has resulted in avoidable expenditure in terms of medical expenses paid to private hospitals for services that the UPDF National Referral Hospital should have provided. The Accounting Officer explained that the delayed completion of the project was due to several factors, such as KCCA’s intervention arising from land ownership issues, the effect of the COVID-19 pandemic, and requests for contract amendment to provide for price adjustment. In addition, there were delays in approving the contract addendum to provide for mechanical, electrical, and plumbing variations due to revisions. The pace of work had now improved, and progress was estimated at 89%, with work expected to be completed by the end of January 2025.		
Recommendation		
The Accounting Officer was advised to enhance contract supervision and ensure that all outstanding works are completed without further delays.		
Action Status		
The practical completion of the hospital was attained on 30th June 2025, with a current performance status of 98%. The remaining 2% works cover minor		

remaining works and works to be done when equipment installation is completed.

In addition, the installation of the electromechanical equipment and other equipment was completed.

The delayed completion of the project was due to several factors, including KCCA's intervention arising from land ownership issues, the effects of the COVID-19 pandemic, and requests for a contract amendment to provide for a price adjustment. In addition, there were delays in approving the contract addendum to provide for mechanical, electrical, and plumbing variations due to revisions. The pace of work had now improved, and progress was estimated at 98%, with work expected to be completed by the end of January 2025.

The contract supervision structure is elaborate and adequate to steer the project to completion.

Query	Unapproved Contract Amendments
Audit Findings Regulation 54 (6) (contracts), 2023 requires that a contract amendment shall not be issued to a provider without; i) Revising the contract ii) Obtaining approval from the contracts committee iii) Obtaining approval of the Solicitor General and other concerned bodies. The approval required under sub-regulation (6) (c) shall be obtained after approval of the amendment by the Contracts Committee. It was observed that the Ministry amended the original contract for the procurement of assorted medical equipment for the UPDF National Referral Hospital without the necessary approvals. The amendments included changes to the payment structure, storage of equipment, warehousing fees, liability of the provider while the equipment is in the warehouse, insurance, rights of inspection of the warehouse premises, security of the premises and drawings/designs of the works. The Audit further observed that a request for a variation in the FY 2023/2024 of UGX 29.676Bn was awarded to the company on 23rd April 2024. The Audit, however, was not provided with evidence that the Solicitor General approved the variation. Unapproved changes to contracts are a sign of weaknesses within the PDU and the controls surrounding contract management. The Accounting officer explained that the Ministry entered into contracts with suppliers of equipment for the hospital based on the projected initial	

completion of the hospital construction works. The providers proceeded to ship the equipment, but due to mechanical, electrical and plumbing variations, the equipment could not be installed before the mechanical and electrical works were completed. However, management, the Contracts Committee and the Solicitor General approved the contract addenda.

Although management explained that the contract addenda was approved by the Contracts Committee and the Solicitor General, copies of the Solicitor General's clearance were not availed.

Recommendation

The Accounting Officer was advised to ensure that all contract variations and approvals are in line with the PPDA regulations, including seeking approvals from the Solicitor General.

Action Status

It should be noted that the Ministry entered into contracts with suppliers of equipment for the hospital based on the projected initial completion of the hospital construction works. The providers proceeded to ship the equipment, but due to mechanical, electrical and plumbing variations, the equipment could not be installed before the mechanical and electrical works were completed. The Contract Variations were approved as required.

Query

Delayed installation of Equipment at the UPDF-NRH

Audit Findings

The Audit noted that UGX 9.68Bn was paid to two (2) suppliers for the procurement and delivery of assorted medical equipment, laundry and kitchen equipment and instruments meant for the UPDF National Referral Hospital construction site as summarised below;

Table 9: Showing payments for equipment

S/N	Details of payment	Amount (UGX Bn)
1.	Being 30% advance payment on the contract No.MOD/SUPLS/2020-21-/00069	6.96
2.	Being 20% payment on the supply of Laundry, Kitchen equipment and instruments	0.39
3.	Being 10% payment on the addendum of the contract No.MOD/SUPLS/2020-21-/00069	2.32
		9.67

Source: OAG review of documents and physical inspections

The Audit observed that the contract for these supplies was signed in FY 2020/2021; however, by the time of my report in December 2024, the delivered items had not yet been installed.

The Audit further noted that the Ministry was paying for warehouse and insurance charges at a rate of USD.6.30 per square meter and UGX 74.153Mn per year, respectively. During the year, the Ministry paid a total of UGX 214Mn for these costs, as shown in the table below. These costs would have been avoided if the equipment had been brought when the construction of the hospital was complete and installed immediately.

Table 10: Showing payments for warehouse rent and insurance charges

S/N	Details of Payment	Amount (UGX Bn)
1.	Rent, VAT and service charges for the period from July/2023 to March 2024	0.140
2.	Insurance charges for the period from July 2023 to June 2024	0.074
		0.214

Source: OAG review of contract management records and payments file

Due to the lapse of time, these items may no longer be fit for purpose, given the changes in technology, which may render these items obsolete. Government may, therefore, have to incur additional costs to procure other equipment once the construction of the hospital is completed.

The Accounting Officer explained that planning for the procurement of equipment was scheduled to coincide with the practical completion of civil works. However, due to the delays, the equipment was delivered slightly ahead of the completion of the work. The installation of equipment will be done as soon as the civil works are completed.

Recommendation

The Accounting Officer was advised to ensure that the completion of all pending works on the hospital is fast-tracked to avoid such additional avoidable contract management costs.

Action Status

Practical completion was attained on 30th June 2025. The civil works were completed at 98%, with the remaining 2% for minor civil works and works to be done after the installation of equipment is completed.

It is worth noting that the planning for the procurement of equipment was scheduled to coincide with the practical completion of civil works. However, due to the delays, the equipment was delivered slightly ahead of the completion

of the work, thus necessitating the need to store it in the warehouses. The Ministry had the responsibility to pay for warehouse costs and Insurance because they had not been covered by the contract, as the delivery point was the Hospital with specific timelines. However, most of the equipment was removed from warehouses and delivered to the site for installation.

Equipment installation is ongoing, with the status as indicated below for the three lots of equipment that were in warehouses.

- i) Lot 2. All equipment has been delivered to the hospital and is undergoing verification before installation.
- ii) Lot 4- Has delivered all items to the site, and 70% of these have already been installed.
- iii) Lot 5- All equipment was removed from the stores and are undergoing verification at the site.

The Hospital is to be commissioned before the end of the year 2025.

Query	Special Audit Report on Gratuity Payments and Pension Payroll

Audit Findings

The Audit undertook a special audit of the pension payroll that covered the period from FY 2019/20 to 2023/24, and below is a summary of the significant findings and recommendations;

- i) The MODVA had an approved pension, gratuity and arrears budget of UGX 2.39Bn for the period under review, which was all released and spent.
- ii) The Ministry paid UGX 0.12Bn to ten (10) pensioners who did not have the required documents in their pension files to support their inclusion on the pension payroll. This may lead to the payment of ineligible pensioners.
- iii) Out of 59 pensioners/beneficiaries in the entity, 50 (85%) were thoroughly verified, while nine (9) (15%) did not show up. Two (2) pensioners who were not on the entity's pension payroll showed up for validation and were captured as new records.
- iv) The Ministry's expected pension and gratuity arrears estimate for the year 2024/2025 is UGX 0.85Bn, inclusive of arrears to cater for the 65 confirmed pensioners/beneficiaries.

Recommendations

The Accounting Officer was advised to;

- i) Follow up on the matter of pensioners on the payroll, but without key documents, with the Ministry of Public Service and ensure that the missing documents are retrieved and filed.
- ii) Consider the verified payroll as a basis to update the monthly payroll to pay pensioners/beneficiaries.
- iii) Engage the Ministries of Public Service and that of Finance, Planning and Economic Development, to review the approved pension and gratuity estimates of the Ministry for the FY 2024/25 in line with the results of the validation exercise.

Action Status

All nine Pensioners were verified and are on the Ministry's Payroll.

The nine (9) Pensioners with missing documents retired before the decentralisation of pensions in 2015. Their records were finally traced to the Ministry of Public Service, which was responsible for pension payments at that time.

The Ministry of Public Service provided certified copies of the missing documents, enabling the completion of their verification, and the pensioners have since accessed their benefits.

VOTE 005 - MINISTRY OF PUBLIC SERVICE

Query

Unwarranted Funds

Audit Findings

The Audit noted that the entity had an approved budget of UGX 34.39Bn, out of which UGX 31.74Bn was warranted for the year under question. Below is a summary breakdown of this budget and warrants.

Table 1: Summary analysis of entity budget

S/N	Budget category	Total Revised Budget (UGX Bn)	Proportion of total revised budget (%age)	Warrants (UGX Bn)
1	Recurrent (Wage)	4.67	13.6	4.67
2	Recurrent (Non-wage)	26.52	77.1	25.47
3	Development	3.2	9.3	1.6
	Total	34.39	100	31.74

Source: OAG review of IFMS and PBS budget performance reports

The Accounting Officer reported that the entity had an approved budget of UGX 34.39Bn, out of which UGX 31.74Bn was warranted, resulting in a shortfall of UGX 2.65 Bn, representing a 92% performance. The shortfall was meant to

implement activities such as the roll-out of the Electronic Document Management System (EDRMS) in eight MDAs, review of the Public Service Act and renovate and refurbish Kampala Post Office.

Observation

The Committee noted that failure to provide funds for activities that were budgeted negatively affected their implementation and achievement of the expected services. For example, the enactment of the Public Service Act is required to guide the long-awaited reforms in the wider public service.

Recommendation

- i) The Ministry should warrant all the budget due to the Ministry to ensure that all activities are undertaken.
- ii) The Accounting Officer should ensure that the affected activities are included in the work plan and budgeted for in the subsequent financial year.

Action Status

In the Budget Execution Circulars, the PS/ST has continuously guided Accounting Officers to warrant 100% expenditure limits issued and submit them in a timely manner, i.e., within five (5) working days.

But the Ministry prioritised and rolled out the unimplemented activities in subsequent financial years.

Funds for the rollout of EDRMS amounting to UGX 1Bn were included in the current budget, and implementation is ongoing, with 175 MDALGs onboarded. The principles of the Public Service Act were submitted to the Attorney General for approval, and he advised that the principles should be submitted to Cabinet for approval before the bill is drafted.

The renovation of the General Post Office building to house the Kampala Regional Service Uganda Centre is ongoing following the release of development funds in Q2 FY2025/26.

The works are expected to be completed next year.

Query

Non-Implementation of Activities

Audit Findings

The Audit assessed the extent of implementation of activities for which funds were availed and utilised. A total of 16 outputs with 101 activities worth UGX 12.7Bn were assessed, and the following was observed.

- i) Ten (10) outputs with 56 activities and expenditure worth UGX 4.1Bn were fully implemented.

- ii) Six (6) outputs with 45 activities worth UGX 8.67Bn were partially implemented. Out of the 45 activities, the entity fully implemented 32 activities, and 13 activities were partially implemented.

The Audit or noted that he could not attach activity costs in his analysis because the detailed activity costs were not provided by Management during The Audit .

The Accounting Officer could not provide any plausible response to the partial/non-implementation of outputs with their corresponding activities worth UGX 8.67Bn.

Observation

Denying Auditors access to documentary evidence that may aid in accountability is not only negligent by the Accounting Officer, but also an offence according to Section 37 of The Audit Act. It also makes the activities doubtful, as it may be presumed that the funds meant for the implementation of the activities were misused or diverted.

Recommendation

The Committee recommended that the Accounting Officer should implement the work plan as approved and seek to revise it whenever the need arises.

Action Status

In the Budget Execution Circulars, the PS/ST has continuously guided Accounting Officers to adhere to approved work plans and budgets to minimise distortions during budget execution and uphold budget credibility.

Query

Special Audit on Management of Government pension and Gratuity payroll

Audit Findings

The Audit undertook a special audit of the pension payroll that covered the period from FY 2019/20 to 2023/24, and below is a summary of the significant findings.

- i) The Ministry of Public Service had an initial approved pension, gratuity and arrears budget of UGX 13.32Bn for the period under review and also obtained supplementary funding of UGX 0.489 Bn, resulting in a revised budget of UGX 13.81Bn. Out of this, UGX 13.52Bn (98%) was released, resulting in a funding shortfall of UGX 296 Mn.
- ii) Out of the total funds released of UGX 13.52Bn, UGX 12.33Bn was utilised, resulting in unutilised funds of UGX 1.19Bn (9%). The failure

- to utilise funds was due to the delayed submission of the required documents by some pensioners. The unutilized wage funds resulted in non-payment of pensioners and accumulation of arrears.
- iii) Pension payments totalling UGX 27Mn were charged on the wrong account codes. This practice distorts budget monitoring and misstates financial statements.
 - iv) A re-computation of benefits revealed an underpayment of gratuity of UGX 1.61Mn to one (1) pensioner and underpayment of pension of UGX 2.27Mn to six (6) pensioners/beneficiaries. Underpayment affects the livelihood of the pensioners and exposes Government to the risk of accumulation of domestic arrears.
 - v) The Ministry delayed removing one estate beneficiary from the pension payroll by up to 19 months. Similarly, one (1) pensioner who had died after the age of 75 years was not deleted from the payroll for a period of nine (9) months. Delayed deletion of these pensioners resulted in ineligible payments totalling UGX 21Mn.
 - vi) Six (6) pensioners continued to receive reduced pension on expiry of the 15-year period for which the commuted pension gratuity applied. This resulted in underpayments of UGX 23.56Mn. Out of 168 pensioners/beneficiaries in the Ministry, 147 (88%) were thoroughly verified, while three (3) (1%) were not validated due to various reasons. The balance of 18 (11%) pensioners did not show up for the validation exercise. In addition, seven (7) pensioners had not accessed the pension payroll by the end of June 2024, and these were captured as new records.
 - vii) All 18 pensioners/beneficiaries had all the pre-requisite documents on file that qualify them to access the pension payroll. The Accounting Officer acknowledged that these pensioners were known to the Ministry.
 - viii) The Ministry's re-computed expected pension and gratuity estimate for the financial year 2024/25 is UGX 2.34Bn to cater for 178 confirmed pensioners/beneficiaries, excluding pension and gratuity arrears of UGX 40.99Mn.

Observation

The Committee noted that this was a special audit on the payroll, whose mandate was under the Ministry of Public Service. The Committee is in total agreement with the findings of the Auditor General on the matter.

Recommendation	
The Committee agrees with the recommendations in the Audit report to the Accounting Officer.	
Action Status	
i)	This has greatly improved as there is now a direct transition from salary payroll to pension payroll without any delays. The primary problem concerns estate beneficiaries, who are obligated to fulfil legal requirements beyond the Ministry's jurisdiction.
ii)	The system capability has been enhanced to pay pension and gratuity at the same time, in the first month of retirement, with correct charge items, which have been aligned, and no more mischarges.
iii)	Other cases were payments of the missed previous monthly pension in the same FY that was paid from pension, the right charge code, but with an inappropriate description, which has been corrected.
The two cases have been removed from the pension payroll.	
iv)	The first involved the estate of the late Mboizi Lukunyanga, where a record error was discovered due to a system migration, but has since been rectified with the implementation of an automated end date feature in the new payroll system.
v)	The second case concerned pensioner Sakira Wilberforce Amram, whose death in November 2023 was confirmed and deactivated after receiving information and a death certificate from the family.
vi)	This was due to migration of their figures from the old system on IPPS which used to automatically adjust the figures to full pension but the HCM did not have the formula, which is still under review to automate the figures.
vii)	The affected pensioners are under review for consideration of payment.
viii)	The Ministry has considered only the verified pensioners in the budget and new beneficiaries in the current financial year.
ix)	The pensioners were contacted, and so far, out of 18, 7 have already appeared and presented their life certificates. Pension for the remaining eleven was withheld, pending their appearance or further management.
x)	The Ministry has considered only the verified pensioners in the budget and new beneficiaries in the current financial year

Query	Cost Implications of Enhanced Pay for Science Employees
Audit Findings Following the Government's decision to increase salaries for scientists, their salaries were subsequently increased accordingly. This move was aimed at attracting and retaining critical talents, as well as emphasising the importance of science and innovation, in driving the country's development. The Audit did not obtain any evidence that there was a comprehensive analysis of the cost implications of the increased wages and the resultant exponential increment in pension liability. In addition, it has been observed that some science employees who had served and qualified for early retirement have since retired due to the increase. In essence, the increase appears to have become an incentive for early retirement. The Audit further analysed two (2) salary scales of an Officer and a Commissioner for Science and Arts who had served for 30 years (360 months) to determine the effect of the increase in the salaries on pension and gratuity, and observed the following in the two case scenarios; Scenario One The Audit compared the position of an Education Officer (Teacher) for science (U4-PTEACHSC) and non-science (U4-PTEACHLWR) payments to determine the effect on their retirement benefits. It was noted that an officer with science qualifications earns UGX 4,000,000, whereas an arts Teacher earns UGX 1,078,162. The following would be the effect; - The science teacher will get UGX 172,800,000, while the Arts teacher will get UGX 46,576,598 as gratuity payments at the end of their service, respectively. - The science teacher will get UGX 1,920,000, while the Arts teacher will get UGX 517,518 as a monthly Reduced pension. - The reduced monthly pension of a science teacher of UGX 1,920,000 is more than twice the net pay of a serving Arts teacher of the same scale. Scenario Two Relatedly, the Audit compared the payments for the position of Commissioner for Science (U1SE-1 SC) and non-science (U1SE-1) to determine the effect on their retirement benefits. The Audit noted that an officer with science qualifications earns UGX 10.62Mn, whereas one with arts qualifications earns UGX 1.86Mn. The following would be the effect;	

- a) The science officer will get UGX 0.46Mn, while the Arts officer will get UGX 0.81Mn as gratuity payments at the end of their service, respectively.
- b) The science officer will get UGX 5.14Mn, while the Arts officer will get UGX 0.9Mn as a monthly Reduced pension.
- c) The reduced monthly pension of a science officer of UGX 5.14Mn is more than thrice the net pay of a serving Arts officer of the same scale.

The Accounting Officer concurred with the observation and explained that the implications of salary enhancement on pension and gratuity were equally highlighted by the Ministry, budgeted for and presented to Cabinet for consideration.

Observation

The Committee noted that the decision of Government to enhance the salaries of only science teachers was not informed by a detailed cost implication analysis, and as such, many science teachers had used it to their advantage by taking early retirement, to the detriment of their arts counterparts, who have become demotivated. If not addressed, the policy will continue to create disharmony within public service and thereby create an unsustainable Pension liability to Government.

Recommendations

- i) Government should conduct reforms on the policy by enhancing salaries for all levels of teachers.
- ii) The Accounting Officer should consider reviewing the salary schemes alongside the terms and conditions of service for in-service officers with a view to harmonising them.

Action Status

The Ministry recognises that unequal salaries lead to unequal retirement benefits. This is because pensions are calculated using the final salary earned (pensionable emolument). This method of calculation is in accordance with the Constitution and the Pensions Act.

Early retirement applications include both science and arts teachers. A study by the Ministry and Makerere University supports this observation.

The claim that science teachers are the only ones seeking early retirement is not entirely accurate. While 20 out of 35 secondary school teachers applying for early retirement were science teachers, 15 were from the arts. This observation is supported by a 2025 research study conducted by the Ministry

in collaboration with Makerere University on the impact of salary enhancements on teacher performance.

It is also not true that Government did not determine the financial implications of the salary enhancement in FY 2022/2023.

Salary enhancement for FY 2022/2023 was based on the approved pay policy principles and the long-term pay targets approved by Cabinet under Minute No. 502 of (CT 2017) and 509 (CT 2017), with a total financial obligation of UGX. 9.2 Trillion. A phased approach was developed due to the significant implications of the enhancement.

With specific reference to the enhancement for FY 2022/2023, the decision was reached after seven Cabinet sittings, mainly due to the financial implications. The enhancement total was determined at UGX 954.85Bn for Scientists and UGX 175.3Bn for General Officers in the UPDF and the DPP staff.

The pension and gratuity obligations for the enhanced employees who were due to retire after the enhancement were also determined; however, they were not fully funded.

Regarding the enhancement for all other Public Officers, the plan has now been embedded in NDP IV to be financed over five years. All stakeholders should pursue this policy agenda during budgeting.

VOTE 006 - MINISTRY OF FOREIGN AFFAIRS

Query

Outstanding Domestic Arrears

Audit Findings

Paragraph 10.9.17 of the Treasury Instructions, 2017 states that “An Accounting Officer will ensure that no payments due in any financial year remain unpaid at the end of that year. Towards the close of each financial year, the Head of Finance and Accounts function will take steps to obtain bills from any persons to whom money may be due and submit payment vouchers for them to the appropriate Accounting Officer for payment.”

The Audit reviewed the Ministry’s financial statements and noted that the entity had accumulated domestic arrears totalling UGX 69.93Bn as detailed below;

Table 1: The Ministry's payables position

Sn	Details	Outstanding Arrears (UGX Bn)	
		2022/23	2023/24
1	Contributions to international organisations	41.86	68.95
2	Goods and services	0.29	0.98
	Total	42.15	69.93

Source: analysis of MoFA financial statements

The Audit noted the following;

- i) The Ministry's payables position grew by 66% from UGX 42.15Bn in FY 2022/23 to UGX 69.93 Bn in FY 2023/24.
- ii) Contributions to International Organisations accounted for 98.6% of the Ministry's payables in 2023/24.
- iii) No budget allocations for settlement of payables were made in the budget for the financial year 2023/24.

Failure to contribute to International Organisations affects the image of the Country and denies Ugandans opportunities to take up jobs in these organisations.

The Accounting Officer confirmed that no funds were provided for the settlement of arrears during the financial year, and this affected the payment of subscriptions to International Organisations. The arrears will continue to grow, considering that the annual assessed contributions are approximately UGX 25Bn, but only UGX 6.13Bn is provided annually.

Furthermore, the Accounting officer explained that the Ministry has brought the matter to the attention of MoFPED, the Presidency and Parliament, but still no budget has been provided for FY 2025/2026 to cater for annual subscription and domestic arrears.

Recommendation

The Accounting Officer was advised to continue engaging with MoFPED, Parliament and the President's office to ensure that adequate funding is provided for the settlement of these payables.

Action Status

In the Budget Execution Circular Ref: BPD 86/179/01, the PS/ST communicated that payment of the existing stock of arrears will only be made upon verification by an independent audit firm appointed by this Ministry. To curb further accumulation of domestic arrears, this Ministry has instituted the following measures.

- i) Sanctioning Accounting Officers for the creation of new domestic arrears by not renewing their contracts as Accounting Officers; and
- ii) Accounting Officers should not sign any new contracts without confirmation of the availability of resources. Multi-year contracts should take a first call on available resources. Accounting Officers who sign contracts without the availability of funds will be held personally liable. Please note that the Expenditure Limits issued by this Ministry are on the basis of the available funds, not the appropriated budget.

All Accounting Officers are reminded to submit their draft final accounts by 31st August of every year to the Accountant General's Office with duly signed certificates of outstanding commitments, with copies to the Internal Auditor General. Draft final accounts submitted without certificates of outstanding commitments will be rejected.

Query	Mis-allocation of Mission Budgets in Various Programmes

Audit Findings

Effective financial year 2022/2023, appropriation of resources in the budget was done using the programme approach. Under this approach, entities were appropriated resources in programmes with the expectation of contributing towards the achievement of the programme objectives.

The Audit sampled 23 Missions to evaluate the alignment of the Mission's mandates to the objectives of the programmes through which funds were availed. The Audit noted that 23 Missions received UGX 12.81Bn from programmes for which the Missions have no contribution as per the NDP-III. Allocation of funds to Missions under programmes for which the Missions have no contributions defeats the purpose of the programmatic approach to budgeting. It will, in the long run, affect the achievement of NDP-III. The Accounting Officers of the Missions/Embassies explained that they did not participate in the allocation of these programmes.

An interview with the management of the National Planning Authority (NPA) revealed that the Missions contributed to several programmes depending on Uganda's key interests in the particular Embassy's area of operation. The Accounting Officer-MoFA explained that the matter relates to the anomaly during the planning process at the Ministry and the Missions. However, this

has been discussed with NPA and will be rectified during the preparation of NDP IV.	
Recommendation	
The Permanent Secretary, MoFA, was advised to ensure that during the planning process, programme allocations in the missions' budgets are aligned to the programme objectives to which the Mission best contributes, given its location and area of jurisdiction.	
Action Status	
During the preparation of NDPIV, Missions were engaged and advised to subscribe to only programmes where they make substantial contributions. The NDP4 programmes are:	
i) Tourism Development ii) Private Sector Development iii) Development Plan Implementation iv) Governance and Security	
Query	Recruitment of Local Contract Staff Without the Necessary Approval
Audit Findings Section (A-a) paragraph 9(f) of the Uganda Public Service Standing Orders, 2021 stipulates that the power to appoint, confirm, discipline and remove public officers from office in the Public Service is vested in the Head of a Mission, subject to approval in writing by the Responsible Officer (Permanent Secretary MoFA) in the case of locally recruited staff for the mission. In the Foreign Service Circular No.1 of 2023 dated 25th April 2023 issued by the PS-MoFA, the Accounting Officers at the Missions were reminded that the recruitment of local staff has to be done with express authority of the Responsible Officer and must be subject to the availability of wages. The Audit reviewed the recruitment of local staff employed at a sample of 12 Missions and observed that they recruited 144 local contract staff without approval from the Permanent Secretary of MoFA. These staff were earning an annual salary of UGX.14.07Bn. Recruitment of Local contract staff without approval by the PS MoFA exposes the Missions to budget overruns since the Missions may recruit beyond the available contract staff salaries' budget.	

The Accounting Officers of Missions/Embassies explained that this was caused by the changes in the local contract staff (Cooks, Cleaners and Gardeners) that occur with every change of Ambassadors and Deputy Ambassadors, but only inform the Accounting Officers after recruitment. For the other local contract staff (drivers, office assistants, translators, accounts assistants, etc.) who do not usually change with changes of Ambassadors and Deputy Ambassadors, the Accounting Officers further explained that these cases will be brought to the attention of PS-MoFA for regularisation.

Further, the Accounting Officers explained that going forward, approvals will always be sought from the PS-MoFA before recruiting any Local Contract Staff at the Missions.

The Accounting Officer-MoFA explained that the Ministry was equally concerned about the irregularity, and efforts will be made to ensure that the recruitments in all Missions are regularised in accordance with the regulations. In addition, indicated that Accounting Officers at the Missions will be advised to stop making payments to the irregularly recruited local contract staff.

Recommendation

The Accounting Officer was advised to ensure that all local contract staff currently employed at the Missions whose recruitment was not approved should be regularised in line with the requirements of standing orders and approved Mission staff structures.

Action Status

Under Foreign Service Circular No.1 of 2023, Missions were advised to follow the right recruitment procedure. The Ministry has continued to engage with and guide Missions in streamlining their recruitment process.

Uganda's Embassy in Algiers had recruited local contract staff without authorisation from the Ministry. However, they later rescinded all unlawful contracts and sought clearance from the MoFA to fill the vacant positions. The request was granted, and vacant positions filled.

Query

Use of Travel Abroad Rates for in-land travel

Audit Findings

Paragraph (2) of section (E-b) of the Uganda Public Service Standing Orders 2021 requires that in the case of a Foreign Service Officer abroad, night allowance is payable when he or she is travelling on duty away from the duty

station, in the country to which his or her Mission is accredited and having to spend nights away from his or her residence.

The Audit observed that in a sample of seven (07) Missions, management paid out UGX 1.30Bn to Mission officials travelling from their duty stations to undertake Mission activities within the host country using rates for travel abroad to cater for their allowances.

The Audit also noted that the Ministry of Public Service had not approved rates to be used in circumstances where Foreign Service officers have to travel long distances away from their duty stations, but within the same country.

Due to a lack of clarity on which rates to use in such circumstances, the Accounting Officers used the per-diem rates for travel abroad in these circumstances.

The Accounting Officers at the Missions explained that this matter had been brought to the attention of PS-MoFA to engage the Ministry of Public Service to provide adequate guidance on what rate to use in such circumstances. This was exacerbated by the long distances between the travel destinations and the high cost of living in these countries.

Recommendation

The Accounting Officer was advised that MoFA should bring this matter to the attention of the PS-MoPS so that proper guidance/review of the rates to use in such circumstances is provided.

Action Status

Management brought the matter to the attention of the PS-MoPS. However, travel inland in Uganda costs around USD 30. This is not tenable in many of the Capitals where we are accredited, such as Washington DC, Ottawa and throughout Europe.

Query

Lack of a Capital Development Budget

Audit Findings

From the analysis of the work plans and budgets for the different Missions audited, the Audit noted that only 10 out of 38 Missions received capital development funding amounting to UGX 51.67Bn in the financial year under review. The other 28 Missions were not provided with any capital development despite the urgent need for funds to replace old furniture, procure ICT equipment, utility vehicles, undertake repairs and refurbishment of Chanceries and the Ambassador's residences, among others.

In The Audit or General's report FY 2022/23 to Parliament, the Audit noted significant deterioration of Mission structures in Copenhagen, London, Washington, New York, Dar es Salaam, and Ottawa, to the extent that the Authorities have condemned some. The situation has not improved during the year. The following photographs illustrate this matter;

Table 2: Status of Missions' infrastructure

Mission	Findings	Pictorial evidence	
Copenhagen	The Authorities had condemned the Chancery and were threatening evictions.		
			
Ottawa	The Authorities condemned the Official residence and is awaiting demolition.		

Source: inspection of mission operations

This has accelerated the deterioration of the structures and affected Uganda's image abroad. The failure to provide capital development resources encourages mischarges.

The Accounting Officers of the Missions/Embassies explained that several requests have been made to the PS/ST for the provision of capital development budgets, but no funds have been availed, and the communications have not been responded to.

The Accounting Officer-MoFA explained that the ceiling provided for the development budget falls far below the requirements for the development needs for maintenance of Uganda properties abroad. Therefore, the Ministry prioritises and sequences the rehabilitation/maintenance over several financial years. Copenhagen has been catered for in the budget for the financial

year 2025/26. Furthermore, the Ministry presented a paper to Cabinet in August 2024, where Cabinet pledged full support for not only funding the maintenance, but also the development and acquisition of Mission properties.	
Recommendation	
The Accounting Officer was advised to continue engaging the PS/ST for capital development funds to meet the Missions' capital development needs.	
Action Status	
Management continues to engage MoFPED to increase the Ministry's Capital Development Budget to address retooling and office and residential accommodation issues in Missions Abroad. The Ministry presented a Cabinet Memorandum to Cabinet on 26th August 2024, titled "Status of Uganda's diplomatic properties abroad under the Ministry of Foreign Affairs", in which Cabinet pledged full support for funding the maintenance, development, and acquisition of Mission properties, but funding has not yet been provided in the MTEF by MoFPED.	
Query	Progress of Ongoing Constructions in the Missions
Audit Findings The Government of Uganda, through the Ministry of Foreign Affairs and the various Missions, has been undertaking the construction and renovation of Chanceries and official residences of Ambassadors as a way of improving working environments and promoting Uganda's image abroad. The Audit reviewed the progress of 13 ongoing construction and renovation works and observed that 12 projects were behind schedule. The progress of work is shown in the table below; Delayed commencement and progress of projects implies that the anticipated benefits, specifically better working conditions and living space, will be delayed. The Accounting Officer explained that for projects where progress was not satisfactory, Contract Management Teams (CMTs) and the Accounting Officers will enhance contract supervision and monitoring.	
Recommendation	
The Accounting Officer was advised to ensure that the recommendations of the CMTs and Accounting Officers are implemented to avoid further delays of these projects.	

Action Status	
Management has continued to implement and supervise the Mission's construction projects. However, it is worth noting that the building/construction regulations differ from country to country and, in some cases, are responsible for the delays.	
Query	Failure to Document the Diaspora Policy
Audit Findings Diasporas refer to migrants or descendants of migrants. Diaspora engagement policies consist of a variety of Government measures aimed at engaging, maintaining or developing a relationship with their diaspora living abroad. These policies include ensuring the rights and protection of diaspora members and reinforcing national identity or sense of belonging, fostering strong relations and facilitating diaspora contributions to a country's social and economic development. On the contrary, the Audit noted that the Ministry does not have a policy on the management of the diaspora, both in and out of the country. Absence of a policy on the management of the diaspora implies that the Ministry's engagements are not informed by clear and grounded policy direction and goals. The Accounting Officer explained that the preparation of an elaborate diaspora policy is underway, and a draft will be in place in December 2024.	
Recommendation	
The Accounting Officer was advised to fast-track the completion of the diaspora policy.	
Action Status	
Draft policy is in place.	
Query	Failure to Operationalise/Open Planned Missions
Audit Findings The Ministry of Foreign Affairs implements its strategic objectives of strengthening the provision of diplomatic, protocol and consular services both at home and through the creation of Missions abroad in strategic locations for business, political and other national interests. The Audit noted that for the last four (4) years, the Ministry had planned to open Missions in South Korea and Brazil as a way of promoting Uganda's interests in these regions. However, at the time of The Audit (October, 2024), these two Embassies were not yet opened. This limits the effectiveness with which Uganda's political, diplomatic, business and consular interests are being promoted in the Asian and South American areas.	

The Accounting Officer explained that the planned Missions would be operationalised when resources have been provided.	
Recommendation	
The Accounting Officer was advised to continue engaging the Ministry of Finance, Planning, and Economic Development to ensure that the planned Missions are funded and operationalised.	
Action Status	
Funds for operationalisation of the Missions in South Korea and Brazil are yet to be availed.	
Query	Budgeted Activities for which no Funds were released
Audit Findings The Ministry had an approved budget of UGX 30.46Bn, out of which UGX 30.44Bn was warranted, resulting in a shortfall of UGX 17Mn representing 99% performance. The UGX 17Mn that was not warranted was for the Arusha consulate to kick-start its operations. Failure to provide funds for the consulate affected the implementation of the consulate's activities. The Accounting Officer indicated that UGX 17Mn that was not warranted was meant for the procurement of ICT equipment for the Arusha Consulate. This was a one-off expenditure.	
Recommendation	
The Accounting Officer was advised to consider rolling over this activity into the work plans and budgets of the subsequent financial year.	
Action Status	
The supplementary funding for Arusha was mistakenly allocated to vote 006-Ministry of Foreign Affairs. This was a once-off allocation. In your letter Ref: PAD 51/256/01 DATED 20th December 2023, you requested the MoFA to transfer UGX 498,750,000 to the Arusha Consulate. However, only UGX 0.48Bn was available for warranting. We thus warranted UGX 0.48Bn that was available.	
Query	Utilisation of warrants
Audit Findings The Ministry had total warrants of UGX 30.44Bn, out of which UGX 29.59Bn had been utilised by the close of the financial year. The balance of UGX 0.85Bn was meant for the following activities, which were either partially or not implemented at all. The failure to absorb funds defeats the purpose for which the funds were appropriated in the entity budget.	

Recommendation

The Accounting Officer was advised to always ensure budgets for wages are based on the actual staff in post and any expected recruitments to avoid over-budgeting. In addition, the Accounting Officer was advised to ensure that payments are processed in a timely manner to avoid under-utilisation of availed warrants.

Action Status

Table 5: Activities affected by the underutilization of warrants

S/N	Programme	Warrants not Utilised (UGX)	Activities affected by the underutilisation	Action taken
1	Governance & Security	488	Gratuity	The Ministry has since requested for a supplementary provision from MoFPED to cater for the gratuity shortfall in the current budget allocation.
2	Governance & Security	159	Pension	We have aligned the budget
3	Governance & Security	35	Maintenance-Transport Equipment	This was caused by the challenges in the e-GP system. The Ministry of Finance, Planning and Economic Development has advised that eGP is undergoing a comprehensive upgrade.
4	Several programmes	166	Various activities (individually less 10mn)	These were residual balances.
	Total	848		

Query

Failure to Cost Activities

Audit Findings

The Audit assessed the extent of implementation of activities for which funds were availed and utilised. A total of 23 outputs with 253 activities worth UGX 28.59Bn were assessed, and the following was observed;

- i) Ten (10) outputs with 42 activities worth UGX 1.98Bn were fully implemented.
- ii) Thirteen (13) outputs with 211 activities worth UGX 26.61Bn were partially implemented. Out of 211, the entity fully implemented 131 activities, 54 activities were partially implemented, while 26 activities remained unimplemented.

The Audit was not able to ascertain the cost of the individual activities since these were not availed.

Examples of the activities that were partially or not implemented at all are provided below.

Table 6: Partially and un-implemented activities

S/N	Activity	Audit Comments
1	Mobilisation of eight (8) grants coordinated	Coordinated and mobilised seven (07) Grants by Government of Japan and China to Uganda that included the donation of anti-malaria drugs from China and the implementation of Japan's Grant for Food Assistance Programme
2	Seven (7) Investment promotion engagements coordinated or participated in	Participated in two (02) Investment promotion engagements, i.e. the launch of the Uganda – Serbia Business Summit, where the Uganda Trade Hub in Belgrade was commissioned, and the Birmingham-Uganda Investment Convention from 23rd to 25 th August 2023
3	Seven (7) regional and international Tourism Promotional activities coordinated	Coordinated four (04) tourism promotion activities, which involved the signing of an MOU with the Republic of Serbia on promoting the growth of Tourism between the two countries.
4	Seven (7) Investment promotion engagements coordinated or participated in	Participated in two (02) Investment promotion engagements, i.e. the launch of the Uganda – Serbia Business Summit, where the Uganda Trade Hub in Belgrade was commissioned, and the Birmingham-Uganda Investment Convention from 23-25 August 2023
5	Eight (8) investment trade promotion events coordinated/participated in.	Only two (2) investment trade promotions were implemented.
Activities that were not implemented at all		
1	Joint Permanent Commission organised/participated in with Iran, Cuba and Russia.	This activity was not implemented at all.
2	A three-phase elevator voltage stabilizer procured	This activity was not implemented at all
3	A Mitsubishi Audit inverter drive board for the elevators (master card) was procured	This activity was not implemented at all
4	Boardroom chairs procured	This activity only stopped at procurement initiation.
5	A knowledge management and content/information generation system has been established.	This activity was not implemented at all

Source: OAG review of the quarterly performance reports

Failure to appropriately cost activities affected my analysis of the performance of the entity, and it also affects budget monitoring. Failure to implement activities as planned negatively impacts service delivery and defeats the purpose for which funds were provided to the Ministry.

The Accounting Officer explained that the architecture of the PBS does not provide for the costing of individual outputs, but it aggregates the cost for all outputs per budget output. However, during budget preparation, all outputs are costed separately but out of the PBS.

The Accounting Officer pledged to fast-track the implementation of pending/outstanding activities.

Recommendation

The Accounting Officer was advised to reassess the relevance of the affected activities and consider rolling over these activities into the work plans and budgets for the subsequent financial year. In addition, the Accounting Officer was advised to ensure that all work plans, budgets, outputs and activities are appropriately costed to allow for performance assessment.

Action Status

Table 7: Implementation of Activities

S/N	Activity	Audit Comments	Action taken
1	Mobilisation of eight(8) grants coordinated	Coordinated the absorption of seven(7) grants by Government of Japan and China to Uganda that included the donation of anti-malaria drugs from China and the implementation of Japan's Grant for Food Assistance Programme.	The activity was rolled over to the subsequent Financial and planned for under the following; Programme: Development Plan Implementation Economic Cooperation Budget Output(s): Leadership & Management Cooperation and Development Assistance PIAP Output: 18010901 Bilateral and Multilateral resource development sourced.
2	Seven(7) investment promotion engagements coordinated or participated in	Participated in two(2) investments, promotion engagement, i.e., the launch of the Uganda-Serbia Business Summit, where the Uganda Trade Hub in Belgrade was commissioned and the Birmingham-Uganda investment convention from 23-25 August 2023.	The activity was rolled over to the subsequent Financial and Planned for under the following; Programme: Development Plan Implementation International Economic Cooperation Budget Output: Leadership & Management PIAP Output: 18010901 Bilateral and Multilateral resource development sourced.

The Audit reported further that out of the approved budget of UGX 215.78Bn, received by MoJCA, UGX 205.73Bn was warranted, resulting in a shortfall of UGX 10.05Bn, representing 95% performance. As a result of the shortfall, compensation to 3rd Parties, transfer to Other Government Units, construction of the JLOS House, utilities, and consultancy were partially funded, while employee gratuity was not funded at all, as seen in the table below:

Table 2: Unfunded activities for the year

S/N	Activities/ Purpose	Amount not warranted (UGX Bn)	Audit Comment
1	Compensation to 3 rd Parties	7.782	The funds were meant to settle verified war debt claimants. The under-release further aggravated the accumulation of domestic arrears arising from compensations.
2	Transfers to Other Government Units	1.512	The funds were budgeted under the PIAP intervention of development/review of laws and policies for effective governance and security. However, a review of the PBS PIAP performance report revealed that there were no direct activities or recipient Government units for the related transfer. Consequently, the impact of the under-release could not be assessed.
3	Construction of JLOS House	0.339	- The unreleased funds were meant for the construction of the JLOS House project. - Underfunding is a contributing factor to the delayed completion of the JLOS House. Consequently, ease of access to JLOS services by the general public is impeded because the premises currently occupied by JLOS institutions were not specially designed for the provision of JLOS services and are therefore not convenient for the provision of JLOS services. - In addition, Government continues to incur considerable annual rent costs for the institutions that are supposed to occupy the JLOS House.

4	Others	0.113	• These funds were meant for medical supplies and services, property management expenses, postage and courier, among others.
	Total	9.746	

Source: PBS performance reports and annual performance reports for FY 2023/24

Observation

The Committee noted that failure to provide funds for activities that were budgeted negatively affected their implementation and achievement of the expected services. For instance, compensation to 3rd Parties, transfer to Other Government Units, construction of the JLOS House, utilities, and consultancy and employee gratuity that were not adequately funded are outstanding obligations that, if not cleared, may lead to the accumulation of domestic arrears.

Recommendation

- i) The vote should warrant all the budget due to the entity to enable them to carry out activities.
- ii) The Accounting Officer should ensure that all affected activities are included in the work plan and budget for the subsequent financial year.

Action Status

- i) In the Budget Execution Circulars, the PS/ST has continuously guided Accounting Officers to warrant 100% expenditure limits issued and submit them in a timely manner, i.e., within five (5) working days.
- ii) The activities were rolled over to the subsequent financial year and funded by MoFPED in FY 2024/25 and FY 2025/26. Extracts of the Ministerial Policy Statement.

Query

Long Outstanding Court Awards and Compensations

Audit Findings

The Audit reviewed 71 human rights awards, court awards, ex gratia and compensations ordered by Courts and reported that awards worth UGX 1.98Bn remained unpaid for a period ranging from 2 years to over 10 years. This has resulted in additional interest totalling UGX 0.16Bn for the financial year 2023/24. This was attributed to a failure by management to access the account details for the awardees.

The Accounting Officer acknowledged the challenge and explained that the delay was mainly caused by insufficient funds; for instance, the Ministry had

no funds for Court awards and compensation in the financial year 2024/25. The Accounting Officer undertook to continue engaging the Uganda Human Rights Commission to explore other options for tracing the awardees.

Observation

The Committee observed that the non-payment of the awards and compensation had resulted in a nugatory expenditure of UGX 0.16Bn in interest. This is a financial loss to the entity and Government. The failure by management to access beneficiary account details and persistent funding gaps shows the lack of priority in meeting statutory obligations and the lack of inter-agency coordination.

Recommendation

- i) The Accounting Officer should budget for the awards, and Government should provide the requisite funds.
- ii) The Accounting Officer, together with the Uganda Human Rights Commission, establishes the details of the beneficiaries for quick settlement to avoid accumulation of interest due to delay in payment.

Action Status

In the Budget Execution Circular Ref: BPD 86/179/01, the PS/ST communicated that payment of the existing stock of arrears will only be made upon verification by an independent audit firm appointed by this Ministry. To curb further accumulation of domestic arrears, this Ministry has instituted the following measures.

- i) Sanctioning Accounting Officers for the creation of new domestic arrears by not renewing their contracts as Accounting Officers; and
- ii) Accounting Officers should not sign any new contracts without confirmation of the availability of resources. Multi-year contracts should take first call on the available resources. Accounting Officers who sign contracts without the availability of funds will be held personally liable. Please note that the Expenditure Limits issued by this Ministry are on the basis of the available funds, not the appropriated budget.

All Accounting Officers are reminded to submit their draft final accounts by 31st August of every year to the Accountant General's Office with duly signed certificates of outstanding commitments, with copies to the Internal Auditor General. Draft final accounts submitted without certificates of outstanding commitments are rejected.

Query	Failure to Assess the Impact of Intervention
Audit Findings While Government of Uganda had adopted various programmes like the Peace Recovery and Development Plan (PRDP) and the Presidential directives on monetary compensation of victims of war, the Audit noted that there was no assessment of the impact of the intervention of compensation of war debt claimants, even though UGX 119.83Bn had so far been paid out to verified claimants as at 30th June 2024. The Accounting Officer explained that the Ministry had tabled the issue of the sustainability of war debt claimants to Cabinet, and management undertakes to carry out this assessment as per the Audit recommendation. Observation The Committee observed that the absence of an assessment mechanism may hinder the monitoring of the progress of the implementation of the intervention and the improvements needed. The Committee further noted that the compensation of war debt claimants had been dogged by a lot of challenges that needed to be addressed as a way of streamlining future compensation attempts.	
Recommendation	
The Committee recommended that the Accounting Officer should institute assessment mechanisms to inform similar policy propositions in the future.	
Action Status	
The impact assessment of the exercise was directed to the Office of the Vice President, who is currently undertaking the exercise in the Acholi, Lango and Teso sub-regions.	
Query	Lack of Sufficiently Detailed Procurement Plans
Audit Findings The Audit noted that the procurement plan of MoJCA was not detailed; instead, the information presented in the Electronic Government Procurement (e-GP) system was a consolidated summary of procurement subjects, listing only the total estimated amounts. This format does not fulfil the regulatory requirement for a comprehensive plan, which should include specific timelines, itemised needs, and resource allocations. Regulation 3 of the PPDA (Procuring and Disposing Entity) Regulations 2014 requires a procuring and disposing entity to prepare a procurement plan in line with the budget. Regulation 2 of the PPDA (Procurement Planning)	

Regulations, 2023, requires the ODPP to have an annual procurement plan for each financial year.

The Accounting Officer explained that the Ministry's procurement plan was uploaded on E-GP. However, the functionality of the system was restrictive in certain details, so much so that when one downloads the outputs, not all details are displayed.

Observation

The Committee observed that the user challenges of the system notwithstanding, the Ministry did not prepare a sufficiently detailed procurement plan as required under Regulation 3 of the PPDA Regulations, 2014 and Regulation 2 of the PPDA Procurement Planning Regulations, 2023. This undermines procurement transparency, impedes budget alignment, and contravenes regulatory standards. The explanation attributing the issue to system limitations does not absolve the Ministry of its statutory obligation to ensure full disclosure and compliance.

Recommendation

- i) The Accounting officer should ensure that a fully detailed procurement plan is revised and re-uploaded to the e-GP system, in strict conformity with PPDA regulations.
- ii) The Ministry should liaise with the Ministry of Finance, Planning and Economic Development and PPDA to resolve system interface limitations and ensure that all procurement details are accessible, auditable, and aligned with approved budgets.

Action Status

The Government is upgrading the e-GP system from e-GP version 1.0 to e-GP version 2.0. The enhanced e-GP system will have more robust functionality and will be aligned with the public procurement legal framework, as amended. The plan is to roll out the enhanced e-GP system on 1st July 2026.

Query

Delays at the Evaluation and Contract Signing

Audit Findings

The Audit reviewed a sample of five (5) procurements, which revealed significant delays in evaluation after bid opening, evident in two (2) framework contracts, as the average delay was sixty-eight (68) days, hence bid validity extension by bidders. There were delays at contract signing after the Solicitor General's approval or after the removal date of the best-evaluated bidder notice, and the average delay was two (2) months. These delays were

unjustifiable and contrary to the requirements of Section 51 of the PPDA Act, Cap 205.

The Accounting Officer explained that the delays resulted from e-GP technical challenges, which were brought to the attention of the e-GP team in the Ministry of Finance, Planning, and Economic Development.

Observation

The Committee noted with concern that significant delays occurred at both the evaluation and contract signing stages of the procurement process, with an average of 68 days' post-bid opening and two months' post-approval or bidder notice. These delays, observed in two framework contracts, necessitated bid validity extensions and contravened Section 51 of the PPDA Act, Cap 205. Delays in procurement cause increased costs, project delays, cash flow disruptions, reputational damage, and reduced profitability.

Recommendation

- i) The Accounting Officer should adhere to procurement timelines and mitigate avoidable delays.
- ii) In addition, the Ministry of Finance, Planning and Economic Development should expedite the resolution of e-GP system bottlenecks.

Action Status

The Government is upgrading the e-GP system from e-GP version 1.0 to e-GP version 2.0. The enhanced e-GP system will have more robust functionality and will be aligned with the public procurement legal framework, as amended. The plan is to roll out the enhanced e-GP system on 1st July 2026.

VOTE 008 - MINISTRY OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

Query

Utilisation of Warrants

Audit Findings

The Audit reported that out of the Ministry's approved budget of UGX 2,677.094Bn, the total warrants for the year amounted to UGX 2,388.036Bn as indicated in the summary table below;

Table 1: Summary analysis of entity budget- UGX Bn

SN	Budget category	Total Revised Budget in	Proportion of total revised budget (%)	Warrants
1	Recurrent (Wage)	9.490	0.35	8.021
2	Recurrent (Non-wage)	2,127.972	79.49	2,039.291
3	Development	539.631	20.16	340.723
	Total	2,677.094		2,388.036

The Audit reviewed 84.21% (UGX 1,947.705Bn) of the total warrants, and the Committee makes the following observations based on this assessment.

The Audit reported that the entity had total warrants of UGX 2.39Bn, of which UGX 2.31Bn was utilised by the close of the financial year, leaving UGX 75.04Bn as unutilised warrants. The Audit noted the following on the unutilized warrants,

- a) Of the overall Ministry's unutilized balance of UGX 75.036Bn, it was noted that UGX 52.878Bn, representing 70.47%, was voted under Project 1778: Enhancing Growth and Productivity Opportunities for Women Enterprises (GROW). The failure to absorb the funds was attributed to insufficient documentation presented by the prospective beneficiaries, resulting in low drawdowns of the available funds for spending.
- b) In addition, it was also observed that UGX 14.8 Bn, representing 19.73% of the unutilized funds, was meant to cater for the construction of non-residential buildings under Project 1289: Competitiveness and Enterprise Development Project-CEDP.

The Accounting Officer attributed the low absorption of funds under the GROW project to delays in clearing MoUs with banks for funds for further lending. He, however, noted that six (6) financial institutions (Banks) had signed Participating Agreements and a total of UGX 136.8Bn had been committed, out of which UGX 63.76Bn had been paid to the Banks for further loans to the project's intended beneficiaries.

Observation

The Committee noted that difficulties in accessing loans under the GROW Project, due to strict requirements and limited awareness, had caused severe delays in the project's uptake. This had been the primary cause of poor utilisation of funds. The Ministry needed to do more to address the lack of awareness amongst the intended beneficiaries. Failure to fully utilise all funds as warranted indicates poor planning and denies timely delivery of services to the intended beneficiaries.

Recommendation

The Committee recommended that the Accounting Officer intensify awareness campaigns and address the complaints about the strict requirements for businesswomen to access the funds.

Action Status

Awareness campaigns: The Ministry, in collaboration with key stakeholders, developed and implemented a targeted communication strategy to popularise the project amongst women entrepreneurs in Uganda. This comprehensive strategy utilised a range of media platforms, including television shows, radio programmes, and social media, to raise awareness about the project and its benefits. Additionally, the approach incorporated outreach through women's associations and participation in conferences to further extend the project's reach. Partnerships were formed with organisations such as UIRI, MUBS, and DDA; local Focal Persons were deployed; and a central website, along with a toll-free number, was established to facilitate easy access to information.

As a direct result of these concerted efforts, women borrowers are now represented in 113 districts and eight(8) cities across the country, with only 26 districts yet to access the GROW funds.

Eligibility criteria & access: To make loan applications and business support more accessible, the project introduced a range of enhancements. Training services are integrated, including a free 10-module curriculum. Access to loans and grants is available through various banks, SACCOS, and Microfinance Institutions, in line with Cabinet guidance to broaden eligibility. Notably, SACCOS and Microfinance Institutions were included as Participating Financial Institutions because they do not necessarily require borrowers to provide collateral, thereby making GROW funds more accessible, especially to women entrepreneurs.

The project further streamlined application procedures, offered additional support for business registration and product certification, and provided targeted assistance to host and refugee communities, with a focus on sector-specific and trade facilitation services. To improve access for refugee borrowers, the minimum loan amount was lowered to shs. 2 million from shs. 4 million, which remains the minimum for other borrowers.

To ensure equitable access, a sub-regional focus was adopted to ensure a fair distribution of GROW funds across the country. An allocation criteria based on sub-region was put in place. By September 2025, a total of 2,958 borrowers

had accessed GROW funds, with recipients distributed throughout all sub-regions, although the majority are concentrated in Kampala.

Query

Implementation of Funded Activities

Audit Findings

The Audit assessed the extent of implementation of activities for which funds were availed and utilised. A total of thirty-four (34) outputs with 318 activities and expenditures worth UGX 1,829.704Bn were assessed, and the following were observed;

- a. Six (6) outputs with twenty-five (25) activities and expenditures worth UGX 39.31Bn had all their activities fully implemented.
- b. In Eleven (11) outputs with ninety (90) activities and expenditures worth UGX 1,323.50Bn, the Audit noted that sixty-nine (69) of the 90 activities were fully implemented. In contrast, twenty-one (21) activities could not be assessed due to a lack of performance targets and indicators.
- c. Fourteen (14) outputs with 194 activities and expenditures worth UGX 413.95Bn were partially implemented. Out of 194 activities, the entity fully implemented 102 activities, partially implemented five (5) activities, thirty-seven (38) activities were not implemented, while forty-nine (49) activities could not be assessed due to a lack of performance targets and indicators.
- d. Three (3) outputs with nine (9) activities and expenditures worth UGX 52.944Bn were not implemented.

The extent of implementation of planned activities is summarised in the table below;

Table 2: Partially implemented activities

SN	Output	Activity	Amount warranted UGX- (Bn)	Amount Spent (UGX)	Audit Comments
1	560024: Management of ICT systems and infrastructure	Construction of the Ministry's new office building finalised	27.206	26.313	It was noted that by the end of the FY, UGX 0.893Bn had remained unspent under this output. The activity was not completed.

2	560029: PPP Unit services	PPP Training for 11 members of the PPP Committee and 5 PPP Unit technical staff in Project Preparation, Analysis, Feasibility, and Financing; PPPs & Infrastructure Finance; Project Finance; Negotiation of key contract clauses; and Renegotiation of Agreements	5.324	5.293	UGX 0.030Bn remained unexpended by the end of the FY. The activities were not completed.
3		4 PPP Committee meetings convened			

Table 3: Un- implemented activities - UGX (Bn)

SN	Output	Activity	Amount warranted	Amount Spent	Audit Comments
1	560024: Management of ICT systems and infrastructure	Shifting from the old office building to the new office building	27.206	26.313	This activity was not implemented because the new office block was yet to be completed by the time of The Audit .
2	190011: Investment climate advisory	Technical assistance to MDAs supporting investment promotion undertaken	1.000	0.473	UGX 0.526Bn had remained unexpended by the end of the FY.
		MSME Web platform maintained and operationalised			
		Master plan and detailed engineering designs for the selected sites for the development of industrial/business parks (6).			
		Grants provided to Export firms (BDS)			
		Environment, Sustainability, and Impact Assessment (ESIA) submitted.			
3	190015: Private Sector Development Services	Value Chain Status Report produced	3.920	3.573	UGX 0.346Bn had remained unspent by the end of the FY.
		PCF International Engagements Reports prepared			

		National Startups Survey under Makerere incubation and innovation Centre Conducted			
		Makerere Incubation and Innovation Centre Annual Report Produced			
The Accounting Officer noted that they encountered challenges in completing the new office and therefore could not proceed with certain fittings, especially ICT equipment. Observation The Committee noted that the Accounting Officer had not implemented his approved workplan in time, despite having received and spent the money. For example, he had spent UGX 26Bn out of UGX 27.3Bn earmarked to aid in the transfer to the new building. However, the transfer did not take place. Non-implementation of planned activities hinders the realisation of strategic objectives and mandate.					
Recommendation					
The Committee recommended that the Accounting Officer implement all activities as approved and always revise the work plan whenever there are changes to be made.					
Action Status					
The Ministry has addressed the Committee’s concerns about delays in certain activities, specifically the completion and moving to the new office block. All delayed actions identified by The Auditand the Committee, such as the completion and operationalisation of the new office building, the transfer of staff and operations to the new office, and the resolution of pending construction and logistical tasks, have now been fully completed. The Ministry reaffirms its commitment to the timely delivery of its work plans and will continue updating them to prevent future delays.					
Query				Failure to Utilise Supplementary Expenditures	
Audit Findings					
The Auditnoted that the Ministry received total supplementary funding of UGX 243.554Bn during the year. An analysis of the Ministry’s total supplementary funding advanced to the different budget lines in the various departments					

indicated that UGX 21.664Bn remained un-expensed, representing 8.90% of the overall supplementary funding, as detailed below.

Table 4: Details of the performance of un-expensed supplementary

Project	Budget Output	Account	Revised budget/Supplementary budget UGX (Bn)	Amount warranted UGX (Bn)	Expenditure UGX (Bn)	Un-expensed warrants UGX (Bn)
1289: Competitiveness and Enterprise Development Project (CEDP)	560024: Management of ICT systems and infrastructure	312121: Non-Residential Buildings - Acquisition	26.296	26.296	11.498	14.799
		312231: Office Equipment - Acquisition	7.087	7.087	1.099	5.988
		312212: Light Vehicles - Acquisition	1.408	1.408	0.531	0.877
		Total	34.791	34.791	13.128	21.664

From the table above, it can be observed that out of the supplementary amount of UGX 34.791Bn advanced to project 1289 – CEDP to cater for activities under output: 560024, only UGX 13.128Bn was utilised, leaving an un-expensed amount of UGX 21.664Bn representing 62.27% of the un-utilised warrants.

The Accounting Officer explained that the supplementary was related to donor activities but was released towards the end of the financial year. Resultantly, the activities could not be completed and were thus rolled over to the FY 2024/25.

Observation

The Committee observed that the late release of supplementary funds renders the reasons for the request redundant, as intended activities are not implemented.

Recommendation

The Committee recommends that the Ministry of Finance, Planning and Economic Development ensure the timely release of the funds to enable the implementation of activities.

Action Status

The Ministry has reviewed its internal processes to improve the timely absorption of funds, including closer coordination with donors and enhanced planning for project implementation.

Steps were taken to ensure that future supplementary releases are requested and processed earlier, allowing adequate time for execution.

The Ministry remains committed to efficient utilisation of all allocated resources and will continue to monitor and report on the progress of activities funded under the CEDP.

Query**IT Audit of the e-GP System****Audit Findings**

In accordance with Section 12 of the National Audit Act Cap 170, The Audit conducted an Information Systems audit on the Electronic Government Procurement System (e-GP), along with the related system interfaces covering the period since its inception.

From the review of the e-GP system, The Audit or noted some areas that require improvement, a summary of which is contained in the table below,

Table 5: Audit on e-GP system

Sn	Key Finding	Recommendation
1	Lack of a Comprehensive Business Case Without a comprehensive business case, the Ministry risks poor decision-making, inefficient use of resources, and potential scope creep, leading to increased costs and delays. While meeting the Committee, the Accounting Officer noted that the Business cases was being updated to reflect the changes in the PPDA law, which had been done.	The Audit advised Management to develop and implement a comprehensive business case in future projects of like nature.

2	Lack of a Business Impact Assessment Under the circumstances, the project faces substantial risks, arising from poor planning, operational disruptions, and unexpected costs.	The Audit advised the E-GP Project Manager to ensure that the project implementation is anchored on a viable business impact analysis to guarantee viability.
3	Non-compliance with the National ICT Initiatives Support Program (NIISP) guidelines Non-compliance with the National ICT Initiatives Support Program (NIISP) guidelines exposed the Government to the risk of awarding a contract for the development of the System to a firm that did not have experience in the same. Project delays and persistent System failures are likely. The Accounting Officer, however, explained that the selection process was based on the NIISP framework, which did not require experience as a prime factor. It was an incubation program that was used to nurture the local ICT industry.	The Audit advised Management to always follow the due approved procurement process, laws and regulations in place.
4	Unclear Ownership of the e-GP System Failure by the developer/vendor to hand over the System code creates limited access and significant control and operational issues, and the vendor's continued backend access to the System makes matters even worse. The Accounting Officer explained that the Government of Uganda owned the system and that the source code had been handed over to the National Information Technology Authority – Uganda	The Audit advised Management to heighten efforts to ensure the handover of the source code and prerequisites and takeover of complete control of the E-GP System.

	(NITA-U) for verification, after which it would be handed over to the Ministry of ICT as the custodian of the Intellectual property.	
5	Failure to develop user manuals, guidelines and other System documentation The absence of a well-documented and approved E-GP System user manual and guidelines undermines knowledge transfer and promotes reliance on the vendor.	The Audit advised Management to engage the Vendor to develop user manuals for all user categories since it was part of the contract deliverables before the System handover.
6	Failure to integrate with other Government Systems The vendor paid UGX 385Mn for Systems integration, but did not complete the deliverable. The failure by the vendor hinders the Government from benefiting from the envisaged benefits of the integration, including seamless information sharing, among others. The Accounting Officer explained to the Committee that the system has been integrated with IFMS, URSB, and the SMS email gateway. He, however, noted that certain systems were yet to be linked to the system, like PBS, E-TAX, NSSF and NIRA, among others.	The Audit advised Management to follow up with the vendor to ensure that all the pending interfaces are implemented as per the contract.
7	Non-compliance with the Standard Bidding financial proposal format There was non-compliance with the standard pricing schedule provided by the PPDA. The Audit was not able to confirm how the amounts charged for each item had been arrived at.	The Audit advised Management to always ensure that while undertaking procurements, the PPDA laws and Regulations are strictly adhered to. The contract should be reviewed in this regard.
8	Irregular charging of Value Added Tax; UGX 1.057 Bn	

	The charging and payment of VAT was irregular. The contract was overpriced, and the VAT paid caused financial loss to the Government. Explaining to the committee, the Accounting Officer noted that no payments had been made to the vendor in lieu of the FY 24/25 services. The amount in view would be recovered from the pending balance by the end of this financial year.	The Audit advised Management to ensure that VAT is not charged by vendors in future projects (homegrown Systems development and maintenance) of this nature. The amount paid should be recovered.
9	Delayed implementation and roll-out of the e-GP System Delays in System rollout could lead to technology obsolescence since the technology used to develop the System could be out of life before deployment, escalating operational costs. The Accounting Officer acknowledged the challenge and attributed it to delays caused by amendments to the PPDA in 2022. He noted that re-engineering of the program had commenced.	The Audit advised Management to set realistic and achievable targets. There is a need to expedite the rollout.
10	Failure to operationalise the Report and Disposal module Non-functional Disposal Module The Audit noted that of the two proposed modules, all entities enrolled on the E-GP System were using only the procurement module. The supplier and oversight portals could not use or view the contents of the disposal function. Failure by the System to generate Procurement Reports.	The Audit advised Management to ensure the vendor develops and deploys the disposal module to ensure transparency in the procurement process as a whole.

	A review of the reporting functionality under the oversight module indicated that the interface was not functional, as it returned an error upon selection.	
11	Insufficient Internal and External Audit Review Functionality In the absence of a functional oversight portal, it becomes difficult for external oversight parties to undertake audits on procurement processes in the different entities across the Government.	The Audit advised Management to review the existing oversight portal and make it functional.
12	Procurements processed outside the E-GP System Failure to utilise the E-GP System undermines the Government's investments in ICT Systems.	The Audit advised Management to enforce the use of the E-GP System by ensuring that all the procurements undertaken in the rolled-out entities are affected by the procurement System.
13	The discrepancy between Rejected Procurement Plans on E-GP and Payments processed on the IFMS This may lead to an intentional bypass of the E-GP System controls by the entity. The Accounting Officer explained that this had been caused by workflow malfunctions, which were under consideration in the upgraded version.	The Audit advised Management to expeditiously and wholly integrate the E-GP and IFMS Systems to minimise human intervention as much as possible.
14	Workflow discrepancies or procedural bypass on the E-GP System oversight This poses a risk of non-compliance with procurement laws, reduced accountability, and operational inefficiencies.	The Audit advised Management to ensure full compliance with the E-GP workflows across all entities.

Observation

The Committee observed from its interaction with several Accounting Officers that the implementation of Government Electronic Government Procurement (e-GP) systems had faced several challenges, including inadequate infrastructure, resistance to change, and security concerns. While e-GP aims to improve transparency and efficiency in public procurement, it also introduces complexities related to technology adoption and end-user expertise.

Recommendation

The Committee recommend that the Accounting Officer fast-tracks the update of the system and roll out a massive capacity building for all MDAs for Government to reap the intended benefits of the system.

Action Status

The Electronic Government Procurement System was developed under the National ICT Initiatives Support Programme (NIISP) within the Ministry of ICT and National Guidance.

The homegrown solution was deployed into production on 17th August, 2020 for proof of concept. The system has been piloted within 36 procuring and disposing entities, of which MoFPED was part. During the pilot phase, management took a decision to re-engineer the system to ensure that it is aligned to: -

- i) The amendments in the PPDA law include the updating of all the PPDA forms/templates.
- ii) The recommendations from the various assessments, e.g. the multi-lateral Development Bank (MDB) assessment, Ernst and Young assessment.
- iii) Vulnerability assessments by NITA-U, as well as the assessment of the Office of The Audit or General.
- iv) The feedback from the piloting entities includes resolving all outstanding system issues/logs.
- v) In addition, several modules/functionalities that had not been fully developed within the current system, e.g. Reports, oversight bodies, Solicitor General functionality, staged payments, multi-year procurements, etc., are to be developed within the enhanced system.

The implementation activities of the enhanced system commenced with a target rollout date of 1st July, 2026.

Query**Unplanned Cost Escalation****Audit Findings**

The Ministry of Finance, Planning and Economic Development entered into a contract with a contractor in October 2018 to build an Office Block on Plot 2-12 & 2A Apollo Kaggwa Road. This was a design and build contract that would

cost the Government UGX 44.2Bn. The planned structure was to have 10 levels with 8,307M² and the contract was to run for 2 years and 20 weeks, effective January 2019 to December 2021.

The Audit or noted a contract price variation of UGX 1.4Bn for Phase One due to price increments, hence a total contract price for Phase One of UGX 45.7Bn with a revised completion date of 28th February 2024 as per Phase One change order 07.

In March 2022, the Ministry entered another contract with the contractor for Phase Two at a contract price of UGX 45.6Bn. This was in response to the amended design scope of the building, which increased the office space from 8,307M² to 16,417M². The Audit ors noted that the contract had been varied and amended from UGX 44.2Bn to UGX 93.799Bn.

The total current project cost, including price variations, is summarised in the table below.

Table 6: Project Cost Variations

S/n	Details / Phase	Amount 2018 – 2024 UGX(Bn)
1	Phase One	44.234
2	Phase One- Cost Variation	1.659
3	Phase Two	45.668
4	Price Variations	2.238
	Total	93.799

The Ministry has since spent approximately UGX 92.785Bn on this project, including Letters of Credit worth UGX 11.145Bn.

The Accounting Officer explained that the project had been varied because part of the land on which the project is situated had the Kampala NWSC sewer system underneath. It was envisaged that the pipes could not be moved. Later, it was discovered that the pipes could be moved and that part of the land was used to cater for the accommodation needs of the Ministry, and it was noted that the project was at 98% of completion as per the approved designs of phases 1 & 2.

Observation

The Committee observed that the continued redesign of the project led to unplanned cost escalations. This points to weaknesses in the identification of needs at the time of designing for the office block.

Recommendation

The Committee recommends that the Accounting Officer should minimise the alteration of the prior approved project design and only include earlier unforeseen and unavoidable additions.

Action Status

The building was completed and handed over.

VOTE 009 - MINISTRY OF INTERNAL AFFAIRS**Query****Review of the Progress of Implementation of the Rationalisation of the NGO-Bureau****Audit Findings**

As part of the RAPEX, the Government merged, mainstreamed and transferred the NGO Bureau's functions to the Ministry of Internal Affairs(MIA).

The Audit undertook procedures to confirm the level of implementation of RAPEX against the approved roadmap. Based on the procedures undertaken, and observed the following;

- i) Lack of a customised strategy and roadmap: Whereas there is a general roadmap by the Ministry of Public Service, The Audit was not provided with a customised strategy that the Ministry of Internal Affairs had developed to ensure that the merger is smoothly carried out. Similarly, The Audit was not provided with evidence that Parliament had approved the legal instruments (and laws) to actualise the merger. In addition, there was no evidence that the financial implications of the merger were presented by the Ministry of Finance to Parliament for approval.
- ii) Staff of the institutions: Some staff in the Bureau would be retained, while others would retire following the merger. The Audit noted that staff were being interviewed for appointment into the Ministry, while staff who would not be taken on were to be laid off. In addition, the NGO Bureau had temporary staff in its ranks whose contracts had been renewed several times over two (2) years. Their fate following the merger was not clear. This lack of clarity created uncertainty and affected staff morale.
- iii) Planning for the compensation benefits: Arrangements for staff retirement, such as support through counselling and retirement training, were yet to be done. The severance packages, including the financial compensation, were yet to be agreed upon and budgeted for the temporary and permanent staff to retire. The nature and size of these benefits was not yet agreed upon or communicated.
- iv) Assets and liabilities of the NGO Bureau post-merger. NGO Bureau has arrears of UGX 3.14Bn as of 30th June 2024. However, arrangements for identification, verification and harmonisation of the two institutions' assets were yet to be finalised.

Besides, there were no clear procedures through which Government assets under the NGO Bureau were to be accounted for and handed over to the MIA. A review of the assets register, and the latest Board of Survey report revealed that the NGO Bureau had vehicles, computers, furniture and office equipment, among others. There is a risk that these assets could get lost during the transition if no clear handover procedures are followed. The Audit was not provided with the draft transition plan for review.

The Ministry may not be adequately prepared for the RAPEX, given the lack of a clear and comprehensive strategy. Without a clear, customised strategy, there is a risk of disruptions in the services that the NGO Bureau offers to the citizens and NGOs, particularly in managing NGOs in the country.

The Accounting Officer explained that legal instruments and a transitional plan are in place. The statutory instruments for the commencement of the NGO (Amendment) Act 2024 issued by the MIA were gazetted on 27th September 2024, with 30th September being the commencement date. The Public Service Commission had appointed 14 staff, and the process of absorbing more staff is still ongoing. The Accounting Officer further explained that the process of compensation awaits guidance from the Attorney General, while an ad-hoc Board of Survey was constituted by the MoFPED to verify assets and liabilities independently, and the Ministry awaits a report from the Accountant General's Office.

Recommendations

The Accounting Officer was advised to ensure that the rationalisation of the Bureau is managed in a transparent and non-disruptive manner. In addition, the Accounting Officer should continue to boost staff morale, engage counselling services for all concerned staff, and engage responsible stakeholders to secure funds for the payment of terminal benefits.

Action Status

- i) A customised strategy for the merger of the NGO-Bureau with the Ministry was developed, and the merger was smoothly carried out.
- ii) Staff of the institutions:
So far, fifteen (15) staff members have been appointed by the Public Service Commission. The process of hiring more staff is still ongoing. Guidance from the Ministry of Public Service on short-term employees (temporary) was that they were not among those affected by RAPEX and could respond to the external advertisement that PSC would run.

- iii) Planning for the compensation benefits:
Following the guidance from the Attorney General, none of the existing staff qualify for a severance package. However, their gratuity was processed and paid.
- iv) Assets and liabilities of the NGO Bureau post-merger.
An ad-hoc Board of Survey was constituted by the Ministry of Finance, Planning and Economic Development (MoFPED) to undertake an independent verification of assets and liabilities.
- v) Staff who were to be retired were offered counselling services on a one-on-one basis.

Query	Partially Implemented Activities

Audit Findings

Five (5) activities worth UGX 0.5Bn were partially implemented even when the funds were released. The partially implemented activities included: training stakeholders on the implementation of community service as a sentence, distribution of offender jackets, enrolment of offenders, and facilitation of district service committee meetings. The details are summarised in the table below;

Table 1: Partially implemented activities

S/N	Activity	Amount warranted (UGX Bn)	Amount Spent (UGX Bn)	Audit Comments
1	Training stakeholders on the implementation of community service as a sentence	0.054	0.054	The Ministry planned to train 2,000 stakeholders on the implementation of community service as a sentence at UGX.54Mn, and all the funds were released and spent for that purpose. However, only 624 (31%) stakeholders were trained. The failure to train the targeted number of participants may affect the implementation of community service as a sentence.
2	Distribution of offender jackets	0.015	0.015	The Ministry planned to distribute 10,000 offender jackets for

				UGX 15m, and all funds were released as scheduled. However, only 730 jackets were distributed. The 9,270 offenders who were not given jackets may affect the ease of identifying and supervising offenders during community service.
3	Enrolment of offenders under case management	0.11	0.11	The Ministry planned to enrol 6000 offenders under case management for UGX 110m. The Audit noted that all the funds were released and utilised; however, only 4,720 offenders were enrolled. The failure to enrol all offenders may affect case management efforts in creating change to a prisoner's behaviour and may increase the chances of re-offending
4	Facilitate district community service committees to conduct meetings, monitor and hold Audit sessions	0.286	0.286	The Ministry planned to facilitate 143 district community service committees to conduct meetings, monitor and hold Audit sessions for UGX 286Mn, and all the funds were released and spent. However, only 107 DSC committees were facilitated.

				The failure to conduct meetings and sessions in 36 districts may imply that offenders were not provided opportunities for reconciliation and rehabilitation, which may ultimately lead to prison cell congestion.
5	Hold two inter-district visits for DCSC committees	0.035	0.035	The Ministry planned to conduct two inter-district visits for DCSC committees at UGX 35Mn. However, only one visit took place. This impacted benchmarking efforts and the sharing of best practices and experiences among district community service committees.
	Total	0.5	0.5	

Source: PBS report, Q4 performance report

Partially implementing planned activities indicates that the intended objectives were not fully achieved. The use of Community Service as a non-custodial sentencing option may be weakened due to limited awareness and training among community service committees.

The Accounting Officer explained that activities could not be implemented as planned due to changes in unit costs. For example, the planned cost of 1500 was way too low compared to the actual cost of UGX 20,500. The activities were rolled over to the subsequent Financial Year.

Un-implemented activities

Three (3) activities worth UGX 0.2Bn remained unimplemented even when the funds required for implementing them were released.

Table 2: Unimplemented activities

S/N	Activity	Amount warranted (UGX BN)	Amount Spent (UGX)	Audit Comments	Management Response
1	Holding the annual Police	0.15	0	The annual Police Authority	The Annual Police Authority Retreat was not held because of

	Authority retreat			retreat was not held.	significant changes in Uganda Police Force leadership, which happened at a time when the retreat was being organised. This led to the postponement of the retreat as continuing to organise the same would have been meaningless with the new IGP, DIGP and other new deployments and appointments of AIGPs in various Directorates.
2	Recruitment of 200 cadet superintendents into the Uganda Prisons Service	0.025	0	UPS was not given authorisation to carry out recruitment. As a result, the Ministry could not recruit anyone.	- The Prisons Authority carries out its work through meetings. These high-level meetings approve recruitments alongside other constitutional mandates, such as promotion, discipline, grievance handling, supervision, monitoring and guidance. - During FY 2023/2024, the Prisons Authority recruited 64 officers on promotion, appointed and renewed 16 senior officers' contracts, handled and concluded 4 appeals and disciplined more than 12 officers. All this falls under the recruitment budget.

					• Due to budget shortfalls, many of our planned activities were partially conducted. • There were no funds repurposed due to not recruiting graduate cadet officers. Other activities that ran in tandem with this exercise were conducted as planned.
3	Appointment of 200 cadet superintendents into the Uganda Prisons Service	0.025	0	UPS was not given authorisation to carry out recruitment. As a result, the Ministry could not recruit anyone.	Same as above in (2).
	Total	0.2			

Source: PBS report, Q4 performance report

The funds allocated to these activities may have been reallocated to other pressing activities, hindering the achievement of the intended objectives.

Recommendation

- i) The Accounting Officer was advised to prioritise completing rolled-over activities in the financial year 2024/25 to avoid further delays and ensure the intended benefits are realised.
- ii) The Accounting Officer was further advised to re-evaluate these activities and, if deemed relevant, plan for their execution in the subsequent financial year. In addition, the Accounting Officer should develop an action plan to ensure that all future activities that are planned and funded are completed within the designated timeframe of a financial year.

Action Status

In the Budget Execution Circular FY 2023/24 Ref: BPD 86/179/01, the PS/ST guided that the Ministry of Finance, Planning and Economic Development issues Quarterly Expenditure Limits for all categories of funds once every quarter, depending on the revenue position of Government,

approved work plans, and the prevailing macroeconomic conditions. Accordingly, all votes were advised to implement the budget in accordance with the quarterly cash flow projections issued by MoFPED.

The unimplemented activities were rolled over and completed in subsequent financial years.

Query

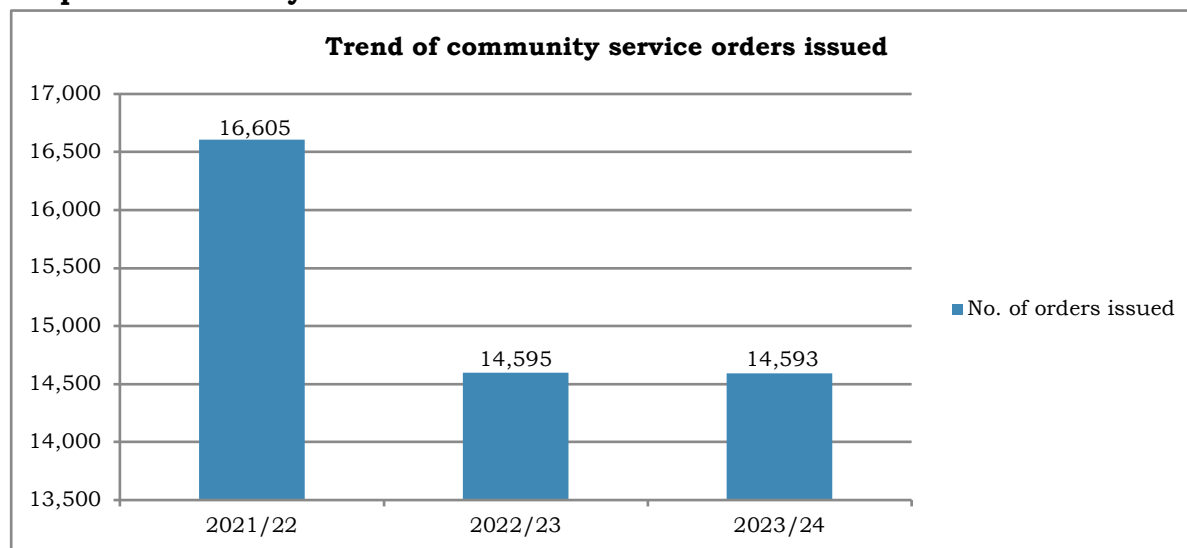
Assessment of Community Service Orders Issued

Audit Findings

Section 2(1) of the National Community Service Act states, “Where a person is convicted of a minor offence, the court may, instead of sentencing that person to prison, make a community service order.”

Audit noted that there has been a decrease in the number of community service orders issued, with a decline of 12% from 16,605 orders in FY 2021/22 to 14,593 orders in FY 2023/24, as shown in the graph below;

Graph 1: Community Service Orders



Source: Annual reports of the Directorate of Community Service and Q4 performance reports

The declining number of community service orders issued over the years implies that the objective of reduced congestion in prisons through the utilisation of the non-custodial sentencing option may not be achieved. In addition, petty offenders risk being influenced and turned into serious

criminals due to their proximity and close interaction with dangerous criminals while in prison.

The Accounting Officer acknowledged The Audit observation and explained that due to a reduction in the budget for the Directorate in the last three financial years from UGX 3.6Bn to UGX 1.5Bn, the targets were equally reduced to match existing resources. In addition, inadequate staffing of the Directorate remains a challenge, with only 75 out of 146 districts having staff to oversee operations, which affects the issuance of community service orders. As of 2024, the current structure still provides for staff at each district instead of individual courts, which further complicates the situation. Uganda has 398 operational Magistrates' courts out of the 696 gazetted courts, and community service is present only at 75 district stations. Since Community Service is more court-based than district-based, this mismatch affects the issuance of orders, as Judicial Officers are reluctant to issue orders that may end up unsupervised.

This implies that unless the staffing structure of Community Service is strengthened, the number of orders issued may continue to decline. As a result, prison congestion will continue to grow, magistrates will have fewer sentencing options, and there will be increased expenditure on prisons where community service could have created savings. Overall, the country's human rights situation will be impacted negatively. The Ministry will, however, continue to undertake activities that can easily facilitate the issuance of orders by Courts, namely the identification of eligible offenders from prisons and the preparation of social inquiry reports in areas where they have physical presence.

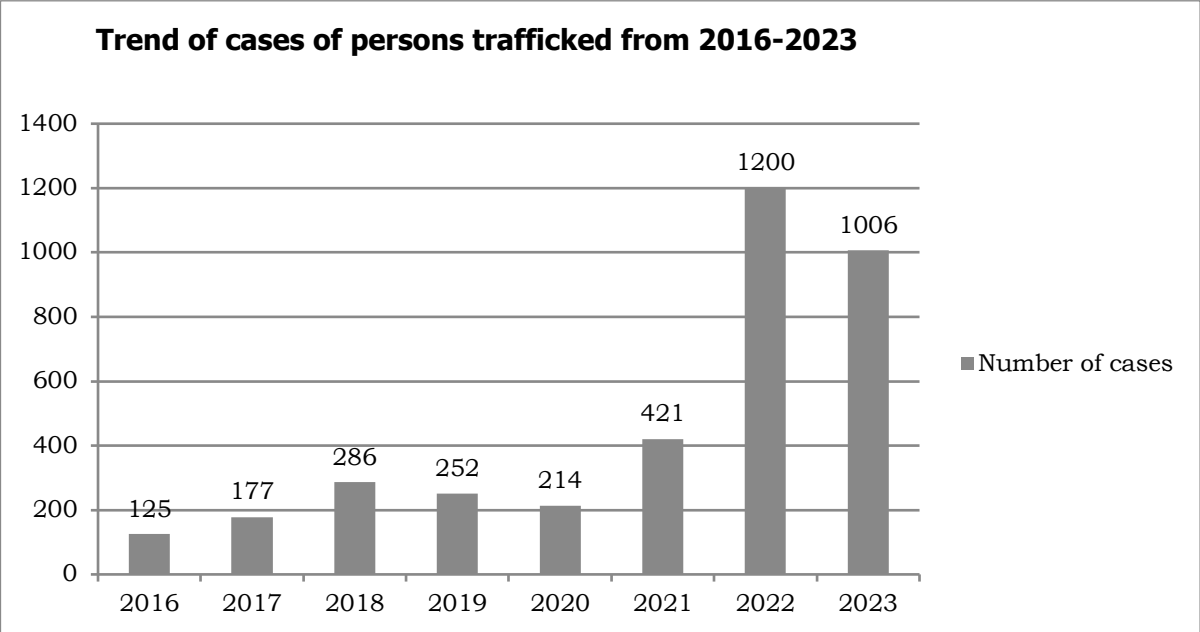
Recommendation

The Accounting Officer was advised to collaborate with the Courts and the Office of the Directorate of Public Prosecution to promote the use of community service orders as an alternative sentencing option. This will support the administration of justice and help reduce the number of petty offenders in prison cells.

Action Status

Recruitment of more Community Service Officers is part of the recruitment plan for the FY 25/26. In addition, the Ministry continues to work with Police,

Courts and DPP to promote the use of community service orders as an alternative sentencing option.	
Query	District Community Service Committee Meetings
Audit Findings Regulation 9 of the Community Service Regulations, 2001 provides for the functions of the District Community Service Committees (DCSC), which include; carrying out activities and public campaigns that would make the programme popular and acceptable, supervising, monitoring and evaluating the implementation of community service in the district, to visit institutions to monitor the performance of offenders, to advise the National Committee on the failures and progress of the programme, to submit monthly reports to the National Committee on community service implementation and to identify placement institutions. Audit noted that whereas District Community Service Committees are operational in 143 districts, during the financial year 2023/24, only 82 District Community Service Committee meetings were held in 56 districts (representing a coverage of 39%). The failure to hold District Community Service Committee meetings hinders the effective implementation and management of Community Service Orders. The Accounting Officer acknowledged the critical role of District Community Service Committees in implementing Community Service. However, the Ministry prioritised activities that deliver immediate results, particularly the monitoring and supervision of offenders. Management further clarified that Obongi, Terego, and Rukiga districts lack DCSCs because they lack courts, and the committees are typically chaired by Senior Magistrates within the district.	
Recommendation The Accounting Officer was advised to put in place mechanisms to ensure that District Community Service Committees are fully operational and facilitated to carry out their functions (including holding all necessary meetings). In addition, the Accounting Officer was advised to explore establishing alternative mechanisms for districts without Courts, such as delegating roles to nearby districts or creating sub-regional committees to ensure comprehensive coverage.	
Action Status Management has, in the meantime, established a zoning strategy where one staff member takes care of more than one District to cater for Districts without Courts.	

Query	Trend of Cases of Persons Trafficked
Audit Findings Section 20(2)(a) of the Prevention of Trafficking in Persons Act, Cap. 131 mandates the Coordination Office for Prevention of Trafficking in Persons to formulate a comprehensive and integrated program to prevent and suppress trafficking in persons. Audit noted that the cases of trafficking of persons have generally been increasing up to 2022, though the number dropped slightly in 2023 from 1,200 cases to 1,006 cases. The Audit notes that these cases are still high, with 510 (51%) cases related to child trafficking and 496 (41%) cases of adult human trafficking. The trend of cases of persons trafficked over the last eight years is shown in the graph below; Graph 2: persons trafficked from 2016-2023  Source: National report on countering trafficking in persons in Uganda for 2023 The high number of cases of persons trafficked was attributed to high levels of unemployment and poverty in the country. Yet, there exist available opportunities for non-skilled jobs in the Middle East and other destinations, which create avenues for trafficking in persons. The high number of persons trafficked from the country poses a security threat to all the citizens of Uganda, resulting in exploitation, increased vulnerability,	

and exposure to health complications for the victims, and also raises public outcry.

The Accounting Officer explained that the Ministry has continued to raise public awareness and sensitisation campaigns against trafficking in persons through outreach programs and the use of media. In collaboration with the Directorate of Criminal Investigations, the Ministry supports investigations into suspects as a deterrent measure.

However, poverty and unemployment remain the primary causes of trafficking in persons. As long as the root causes are not adequately addressed, cases of trafficking in persons will continue to increase. There is a need to conduct research into the impact of poverty alleviation programs to better understand their impact and refine strategies to combat trafficking in persons.

Recommendation

The Accounting Officer was advised to consistently engage and collaborate with relevant stakeholders to tackle the rising incidents of person trafficking.

Action Status

The cases increased steadily due to the sensitisation programs, which helped the community to identify victims of trafficking. Also, after suspending travel restrictions of the Covid-19 lockdown, it opened for many migrants, and numbers shot up. Management continues to conduct sensitisation and coordinate with CID and ODPP to prosecute offenders. However, some cases continue not to be reported because of a cover-up by suspects.

Query

Lack of Government Shelters for Victims of Trafficking

Audit Findings

Section 11(7) of the Prevention of Trafficking in Persons Act, Cap 131, requires that a victim of trafficking be provided with safe and appropriate accommodation and material assistance. Shelters provide victims of trafficking with a safe space where they get feeding, medication, accommodation, psychosocial counselling, rehabilitation, reunification, legal support, repatriation assistance, skilling, vocational training and education in preparation for their reintegration.

However, The Audit noted that the Government does not have shelters for victims of trafficking. Instead, the victims are kept in police cells or remand homes for children, even though the victims of trafficking in persons are not offenders of the law.

The lack of suitable shelters affects the rehabilitation and reintegration of trafficking victims. It also affects investigations and prosecutions since some victims who return to their homes may not be accessible to provide testimonies against the suspected traffickers.

The Accounting Officer confirmed that the Government does not have shelters for trafficking victims. As a result, the Ministry relies on Civil Society Organisations (CSOs) to provide shelter whenever victims of trafficking are intercepted and rescued. The Ministry developed a project concept for establishing shelters in Uganda, whose setup requires funding of UGX 12.2Bn. This initiative is still a work in progress.

Recommendation

The Accounting Officer was advised to prioritise securing funding for the establishment of shelters for trafficking victims. In the meantime, the Accounting Officer should continue partnering with Civil Society Organizations to provide a safe environment and accommodation for the victims of trafficking.

Action Status

Providing shelter for trafficking victims remains a challenge, yet these shelters are crucial for the rehabilitation and reintegration of victims. The Ministry is working on a more detailed concept plan for these shelters.

However, Management continues to lobby Civil Society Organisations like Willow International, Rahab Uganda, Hope for Justice, Dwelling Places and Kyampis. The Audit Child Care Ministries, whenever there is interception and rescue of victims of trafficking.

Query

Repatriation of Victims of Trafficking

Audit Findings

Section 13 of the Prevention of Trafficking in Persons Act, Cap 131, requires that the Minister, in cooperation with the appropriate Government agencies, shall be responsible for the facilitation of the repatriation of victims of trafficking in persons to and from Uganda.

The Audit observed that the Coordination Office for Prevention of Trafficking in Persons at the Ministry of Internal Affairs faces difficulties in repatriating trafficked migrant workers because workers find jobs in countries where Uganda does not have bilateral agreements. In addition, licensed recruitment companies take a long time to respond to issues raised by externalised Ugandans.

The challenges faced in the repatriation of trafficking victims sometimes result in the deaths of some victims due to delayed responses. Additionally, because of the limited availability of shelters and protections, the Government often quickly repatriates foreign victims before obtaining their testimony, which may hinder the completion of their trials and ultimately affect the administration of justice for the victims.

The Accounting Officer explained that the Ministry will continue to lobby for funds and collaborate with stakeholders to ensure the repatriation of the victims of trafficking. This effort is complemented by the Ministry of Gender, Labour and Social Development's efforts to fast-track the insurance policy for all migrant workers. However, it should be noted that after repatriation, the victims require rehabilitation and reintegration support. The victims of trafficking, especially those from areas where they have been engaged in forced criminality, pose a threat to security and the economy.

Recommendation

The Accounting Officer was advised to engage the relevant stakeholders to address challenges in the facilitation of the repatriation of victims of trafficking in persons to and from Uganda.

Action Status

Management continues to lobby for funds and collaborate with other stakeholders to ensure repatriation of the victims of trafficking. This is in addition to the Ministry of Gender, Labour and Social Development's efforts to fast-track the insurance policy for all migrant workers. However, it should be noted that after repatriation, the victims require rehabilitation and reintegration support. The victims of trafficking, especially those from areas where they have been engaged in forced criminality, pose a threat to security and the economy.

Query		Procurement off e-GP			
Audit Findings					
As part of the reforms to make the public procurement system more efficient and accountable, the Public Procurement and Disposal of Public Assets Authority (PPDA) enrolled public procurements online through the roll-out of the Electronic Government Procurement (e-GP). e-GP comprises all the modules/ stages in procurement with Key benefits such as Efficiency, Transparency, and Accountability.					
The Ministry of Internal Affairs was among the entities fully enrolled in e-GP; however, The Audit noted that four (4) planned procurements worth UGX 237.92Mn were completed off the e-GP system. Details are shown in the table below;					
Table 3: Procurements handled off the e-GP					
S/N	Ref. no	Description	Supplier	Amount (UGX Mn)	Audit Comment
1		Renovation works of the washrooms and the walkway corridor	Quacil Project Limited	8.74	Procurement solicitation, Evaluation, and contract management are not undertaken on the system.
2	MIA/WRKS/2023-2024/00008	Creation of a Pantry for the Office of the Permanent Secretary	C J Technologies and Logistics Ltd	14.85	The contracting and Contract Management process is not done on the system
3	MIA/WRKS/2023-2024/00003	Renovation of the National Focal Point and D/DCS's Office	Deshone Concepts	8.26	The contracting and Contract Management process is not done on the system
4	MIA/CONS/2023-2024/00001	A Study on The Status of Public Service Delivery by the Ministry of Internal Affairs at The Local Government Levels Within	Pazel Conroy Ltd	206.05	Contract Management is not undertaken on the system

		the Framework of The Decentralisation Policy			
		Total		237.9	

Source: Review of procurement files on EGP

Using manual procurement processes instead of e-GP undermines the objectives of e-procurement and its associated benefits, such as increased transparency and efficiency.

The Accounting Officer noted The Audit observation and explained that some processes were handled on e-GP, except for contract management, which was unavailable on the e-GP system at the time.

Recommendation

The Accounting Officer was advised to engage the relevant stakeholders and ensure that the challenges of the e-GP are addressed so that the Ministry fully utilises the e-GP system to undertake procurements.

Action Status

Government is upgrading the e-GP system from e-GP version 1.0 to e-GP version 2.0. The enhanced e-GP system will have more robust functionalities and will be aligned to the public procurement legal framework as amended. The plan is to roll out the enhanced e-GP system on 1st July 2026.

Query

Delays in the Procurement Process

Audit Findings

Standard bidding documents for all procurements provide for planned timelines within which a Procuring and Disposing Entity (PDE) should undertake its procurements in the form of a procurement schedule. The schedule provides key timelines such as the publishing (advertising) date, bid closing date, date for display and communication of the best-evaluated bidder notice and expected contract signature date.

The Audit sampled and reviewed four (4) procurements worth UGX 668.05Bn and observed that, on average, it took three (3) months from the initiation of a procurement process to final contract signing. The delays at different stages of the procurement process are as detailed below;

Table 4: Time taken to undertake procurement processes

S/N	Subject of Procurement	Amount (UGX Mn)	Days taken	Remarks
1	Procurement of consultancy to conduct the mid-term review for the Ministry of Internal Affairs strategic plan (MIA/CONS/2023-2024/00002)	146.73	107	The contract was initiated on 26/10/2023 and concluded on 13/02/2024.
2	Procurement for consultancy services on the status of public service delivery by the Ministry of Internal Affairs at the local Government levels (MIA/CONS/2023-2024/00001)	206.050	158	Initiated on 12/10/2023 and concluded on 26/03/2024.
3	Procurement of assorted furniture for various departments (MIA/SUPLS/2023-2024/00063)	199.390	82	The procurement process was initiated on 08/02/2023 and concluded on 02/05/2024
4	Procurement of Computers and Printers (MIA/SUPLS/2023-2024/00031)	115.879	88	The process was initiated on 27/10/2023 and concluded on 24/01/2024.
Total		668.049		

Source: Procurement records

Delayed procurements affect timely service delivery and increase contract costs through inflation or price fluctuations.

The Accounting Officer attributed the delays to stakeholders trying to learn and adapt to this new e-GP procurement system.

Recommendation

The Accounting Officer was advised to ensure that procurement processes are commenced early once the budgets and work plans are approved to avoid delays. Management should also consider sensitising the bidders on the e-GP to minimise delays.

Action Status

These delays were mainly due to inadequate knowledge of the e-GP system among various stakeholders.

Management continues to engage staff in sensitisation sessions about e-GP usage to familiarise various users with the skills and competencies needed to operate the e-GP system through practical training. Management also hopes

to hold change management sessions for stakeholders to ease the adoption and use of the e-GP system to resolve procurement delays.

The Ministry of Finance, Planning and Economic Development undertakes training in e-GP at the request of the Accounting Officers. In addition, Government is upgrading the e-GP system from e-GP version 1.0 to e-GP version 2.0. The enhanced e-GP system will have more robust functionalities and will be aligned to the public procurement legal framework as amended.

The plan is to roll out the enhanced e-GP system on 1st July 2026; more training will be carried out.

Query	Management of the Government Pension Payroll

Audit Findings

The Audit undertook a special audit of the pension payroll that covered the period from FY 2019/20 to 2023/24, and below is a summary of the significant findings and recommendations:

- i) Out of the budgeted and released pension funds of UGX 6.58 Bn, a total of UGX 4.84Bn was utilised, resulting in unutilised funds totalling UGX 1.74 Bn. In addition, out of the total supplementary funds received of UGX 45.2Mn, UGX 2.45Mn (5%) was not utilised. Failure to utilise all the funds negates the purpose for which the funds were provided.
- ii) A re-computation of pension benefits revealed an underpayment of pension to six (6) pensioners worth UGX 24Mn. Four (4) pensioners who were paid UGX 74.2Mn accessed the pension payroll without all the key documents. As a result, The Audit was not able to confirm their eligibility.
- iii) One (1) pensioner, who was paid UGX 9.5Mn, had a missing pension file. As a result, The Audit was not able to confirm his eligibility.
- iv) A review of the payroll register and the IFMS payments files for the financial years 2019/20 to 2023/24 revealed that fifteen (15) pensioners were paid UGX 41Mn off the IPPS/HCMS.
- v) Eight (8) pensioners delayed to access the payroll, while 14 pensioners delayed to receive their pension and gratuity upon access to the payroll, with delays ranging from three (3) to 33 months.

- vi) The Ministry delayed to remove six (6) pensioners' estates, who were irregularly paid UGX 41.1Mn from the pension payroll. Delays ranged from seven (7) to 86 months after expiry of the 15-year pension period.
- vii) The Ministry had accumulated pension arrears of UGX 24.4Mn arising from the under or non-payment of six (6) pensioners/beneficiaries.
- viii) Seven (7) pensioners/beneficiaries had inconsistencies in their dates of birth, dates of first appointment, dates of retirement, names, and NINs. This affected the integrity of the pension payroll.
- ix) Out of 68 pensioners at the entity, 53 (78%) pensioners were validated and confirmed as eligible to remain on the payroll, while 15 (22%) pensioners did not appear for headcount.
- x) The Ministry's expected pension and pension arrears estimate for the year 2024/25 is UGX 0.65Bn, to cater for the 71 confirmed pensioners and pension arrears.

Recommendation

The Accounting Officer was advised to;

- i) Ensure that retirees are engaged six (6) months before retirement so that all necessary documents are provided to facilitate a smooth transition to the pension payroll to minimise under absorption of funds.
- ii) Follow up with pensioners/beneficiaries who have yet to provide the required documents to facilitate access to the pension payroll, to avoid cases of underpayment. In addition, the underpaid pensioners should be included in the schedule of arrears and budgeted for eventual settlement.
- iii) Ensure that pensioners'/beneficiaries' files are promptly updated with all the key documents to avoid payment to pensioners who lack key documents on file.
- iv) Follow up with the Ministry of Public Service and locate the pensioner's file, which was never transferred to the Ministry at the time of pension decentralisation.

- v) Engage the Ministry of Public Service to resolve all challenges and inconsistencies with the IPPS/HCMS and ensure that the affected pensioners are enrolled onto the HCM and all subsequent payments are made through the system.
- vi) Put in place measures that ensure that staff are promptly added to the pension's payroll and paid following retirement from active service to avoid delayed access and payments for the pension. In addition, all ineligible pensioners should be promptly removed from the pension payroll.
- vii) Put in place mechanisms for verifying records of pensioners with arrears and ensure that the arrears are subsequently budgeted for and settled promptly.
- viii) Engage the Pensioners/beneficiaries with inconsistencies in their data and ensure their records are duly harmonised, updated and brought to the attention of the Ministry of Public Service within a specified timeline for appropriate action.
- ix) Consider the verified payroll as a basis to update monthly payrolls to pay Pensioners/beneficiaries and subsequently budget for the accumulated arrears and ensure their eventual payment promptly. In addition, the Accounting Officer was advised to liaise with the Ministry of Public Service to validate those pensioners/beneficiaries with updated pension files who did not appear during the physical validation.
- x) Engage the Ministry of Public Service and the Ministry of Finance, Planning and Economic Development to review the approved pension and gratuity estimates of the entity for the FY 2024/25 in line with the results of the validation exercise.

Action Status	
i) Going forward, Management will engage retirees six (6) months before retirement. ii) Most delays are caused by the process of acquiring the required documents, most especially letters of Administration. Management is, however, in touch with the beneficiaries to provide the required documents to enable processing of their terminal benefits. The Human Capital Management(HCM) System has addressed cases of underpayment, e.g. Erone John Baptist, Peter Vunia Nsubuga Emmanuel, etc. iii) Update of pensioners' documents is continuously done both on the HCM System and on the pension file. iv) Efforts to operationalise the EDMS are ongoing to enable easy access to the pensioners' files from the Ministry of Public Service on the system. In addition, we usually engage the Ministry of Public Service to provide the pension files for specific individuals. v) Management is in the process of migrating all the pensioners from IPPS to HCM, as long as they have the required documents. vi) The HCM System is addressing this, for new retirees and ineligible pensioners have been suspended from the pension payroll. vii) There are no outstanding pension arrears currently. viii) The Ministry of Public Service (MoPS) guided entities in a letter to consider the information as submitted by the applicant on their first appointment. In addition, the Ministry of Internal Affairs considers the information provided in the pensioner's file at the first appointment. ix) Management will ensure that the verified payroll is the basis for updating the monthly payroll. Those who missed validation, management will ensure that MoPS validates them under Phase 2. x) The Ministry consistently engages the Ministry of Public Service and the Ministry of Finance, Planning and Economic Development to review the approved pension and validation exercise gratuity estimates of the entity for the FY 2024/25 in line with the results of the.	
VOTE 010 - MINISTRY OF AGRICULTURE, ANIMAL INDUSTRY AND FISHERIES	
Query	Budget Shortfall
Audit Findings The Audit noted that out of the approved budget of UGX 321.95Bn (inclusive of contingency funds), the total warrants for the entity amounted to UGX 245.85Bn for the year. Below is a summary breakdown of this budget and warrants.	

Table 1: Summary analysis of entity budget

S/N	Budget category	Total Revised Budget (UGX Bn)	%age Proportion of total revised budget	Warrants (UGX Bn)
1	Recurrent (Wage)	23.67	7%	23.67
2	Recurrent (Non-wage)	35.83	11%	32.12
3	Development	169.30	53%	155.06
4	Contingency fund	93.15	29%	35.00
	Total	321.95	100%	245.85

Source: OAG Review of the approved budgets and work plans

The Audit reported that the entity had an approved budget of UGX 321.9Bn, out of which UGX 245.85Bn was warranted, resulting in a shortfall of UGX 76.1 Bn, representing a 76.3% performance. The activities that were affected by the underfunding included training of 200 extension workers on appropriate technologies and general control of pests and diseases conducted in 20 districts, and procurement and distribution of 100 tons of soya bean seed to at least 500 farmers in all the project districts, targeting 50% of the beneficiaries being women and youth.

Observation

The Committee noted that failure to provide funds for activities that were budgeted negatively affected their implementation and achievement of the expected services. The Committee further noted that the affected were central in the promotion of food security, and because of its importance, the Ministry had to implement them using external funding from donors.

Recommendation

- i) The Ministry should warrant all the budget due to the Ministry to enable them to carry out activities.
- ii) The Accounting Officer should ensure that the affected activities are included in the work plan and budgeted for in the subsequent financial year.

Action Status

- i) The PS/ST, in the Budget Execution Circulars, has continuously guided Accounting Officers to warrant 100% expenditure limits issued and submit them in a timely manner, i.e., within five (5) working days.
- ii) The Ministry implements a rolling plan; affected activities have been planned under the FY2025/26 budget.

Query

Implementation of Funded Activities

The Audit assessed the extent of implementation of activities for which funds were availed and utilised and reported that a total of 26 outputs with 115 activities worth UGX 127Bn were assessed, and the following was observed:

- Eight (8) outputs with 27 activities and expenditure worth UGX 6.73Bn were fully implemented.
- Eighteen (18) outputs with 88 activities worth UGX 119.6Bn were partially implemented. Out of 88, the entity fully implemented 45 activities worth UGX 68.5Bn, 23 activities worth UGX 52.13Bn were partially implemented, while 20 activities remained unimplemented.

Notable among these activities was the construction of Mechanisation Centres in Kiryandongo and Mbale. While the Ministry had budgeted for these works to be done in Kiryandongo and Mbale, they instead undertook extra works in other mechanisation centres of Sanga, Buwama, Agwata and Namalere, which were incomplete by the time of inspection in November 2024.

The Accounting Officer explained that the Ministry had planned and budgeted for all six (6) sites mentioned, but only the two (2) were provided with funds. At the time of this audit, he added, all six(6) centres were being constructed with Namalere, Buwama, Mbale, Agwata planned for completion this FY and Sanga and Kiryandongo set to follow.

It was further noted that the Aquaculture Park at Kyembogo in Kiboga District was to be developed and stocked. However, the banks of the fishponds had not been filled. Construction of other planned permanent structures, like warehouses and stores, had not been undertaken.

Observation

The Committee observed that the explanation by the Accounting Officer on unreleased funds was misleading. For example, the Accounting Officer had been provided funds for the construction of Mechanisation Centres in Kiryandongo and Mbale. He instead diverted the activity by undertaking works in other mechanisation centres of Sanga, Buwama, and Agwata without revising the workplan.

Recommendation

- The Accounting Officer should implement the work plan as approved and seek to revise the work plan in case of any planned changes.
- The Accounting Officer should consider budgeting for the affected activities in the subsequent financial year.

Action Status

In the budget and workplan for FY 2025/26, funds were allocated for the following planned activities:

- Establishment, equipping and operationalisation of four(4) Agricultural mechanisation centres to support commercialization of Agriculture under the Uganda Climate Smart Agricultural Transformation Project. These include equipping of Kiryandongo and Mbale mechanisation

- centres to ensure operationalisation within the Financial year, as well as the establishment of centers in Sanga and Nabuin.
- ii) Three(3) regional crop disease and pest diagnostic laboratories were constructed, equipped and operationalised in Serere, Mbarara, and Rubona under the Uganda Climate Smart Agricultural Transformation Project.
 - iii) 48 district-based satellite centres established in Project districts under the Uganda Climate Smart Agricultural Transformation Project.
 - iv) Establishment of fertilizer Store in Buvuma, Mayuge and Kyotera Hubs constructed under the National Oil Palm Project
 - v) Construction of two (2) Zonal research laboratories and compliance centres (Crops, Livestock & Fish) under the Enhancing Agricultural Production, Quality and Standards for Market Access Project.
 - vi) Construction of one (1) National Agricultural Diagnostics Laboratory & Support Centre constructed under the Enhancing Agricultural Production, Quality and Standards for Market Access Project.

All other activities that were reprioritised to the FY2025/26 have been incorporated in the budget and work plan.

Query	Delays in Implementation of Activities

Audit Findings

Timeliness of delivery of services from implemented activities

The Audit undertook procedures on a sample of 11 activities worth UGX 43.47Bn to confirm if they were implemented by the entity on time, were of acceptable quality, quantity and functionality and noted the delays in implementation of activities as highlighted below;

Out of the 11 sampled projects, seven (7) projects worth UGX 41.6Bn had delays averaging 5 months from the expected completion date, as detailed in the table below;

Table 2: Delayed implementation of activities

S/N	Project details	Audit comment	Average delays
1	Supply and delivery of 1,350,000,000 FMD vaccine Contract amount: UGX 9.44Bn Expected delivery date: 22nd April 2024 Yet to be delivered fully by 30th November 2024	The first batch was delivered on 24th June 2024, implying a delay of 2 months; the second batch was delivered on 5th September 2024, implying a delay of 4 months; and the third batch of 539,250 doses was yet to be delivered by the time of The	3 months

		Audit on 30 th November 2024.	
2	Construction of the Sanga zonal Agricultural Mechanisation centre in Kiruhura district Call-off order No. 041: UGX 2.11Bn Call-off order No. 041-2: UGX 1.44Bn Expected delivery date: 7th January, 2023 Actual date of delivery: 25th May 2023.	The deliveries were made on 25 th May, 2023, implying a delay of 5 months.	5 months
3	Construction of the Bungokho regional Agricultural Mechanisation centre in Mbale district Call-off order No. 039: UGX 1.140Bn Expected delivery date: 7th January, 2023 Actual date of delivery: 13th February, 2023	The deliveries were made on 13 th February, 2023, implying a delay of one month.	THE AUDIT months
4	Supply and delivery of selected units of heavy earth equipment with maintenance parts and all accessories. Initial Contract sum: UGX 15.90Bn Final Contract sum: UGX 17.918Bn Amount paid to contractor: UGX 8.24Bn	The first consignment was delivered in September 2023, implying a delay of 11 months.	11 months

	Expected delivery date: 26 th October, 2022		
	Actual date of delivery: September 2023		
5	Supply and delivery of selected units of heavy earth equipment with maintenance parts and all accessories- Contract sum/ amount paid: UGX 3.93Bn Expected delivery end date: 13 th October 2022 Actual date of delivery: The second batch is yet to be delivered.	The first consignment was delivered on 20 th July 2023, implying a delay of 9 months. THE AUDIT also noted that the contractor was granted four (4) extensions totalling twenty (20) extra months' period at no cost for the delivery of the remaining vehicles, thus delaying execution.	11 months

Source: OAG review of performance report and physical inspections

The Accounting Officer explained that the FMD vaccine needed at the time required large quantities of antigens for its formulation, and the production took some time. The Accounting Officer further noted that they had entered framework contracts with seven (7) suppliers for the next three years to minimise delays by having a pool of suppliers as second alternatives.

Observations.

The Committee noted that the late delivery of the vaccines caused a lot of distress as many farmers lost livestock, resulting in financial losses. The Committee further noted that despite knowledge of the long turnaround time for the manufacture and delivery of the medicine, the Accounting Officer did not put in place proper counter plans or options.

Recommendation

- i) The Accounting Officer should ensure adequate planning and timely initiation of procurement to minimise delays.
- ii) Accounting Officer should ensure suppliers who don't meet timelines are blacklisted and fined where applicable.

Action Status

Following the alignment of the e-GP system with IFMS, the procurement delays have reduced.

Currently, procurement planning and processing are done on e-GP, which has reduced the procurement turnaround time.

Query	Under Budgeting for Domestic Arrears
Audit Findings The Audit ors reviewed the statement of appropriation of the entity and noted that the total budget for settlement of domestic arrears was UGX 0.343Bn. However, according to the cash flow statement, the Ministry had paid UGX 5.75Bn for settlement of domestic arrears during the year, implying that arrears amounting to UGX 5.407Bn were paid from the current year's budget without authorisation. The Accounting Officer admitted to the anomaly and explained that the payments were to suppliers who had put a lot of pressure and were about to press charges, and yet there were inadequate requisite funds. Observation The Committee noted that the Accounting Officer expended money worth UGX 5.407Bn without necessary approval, which amounts to diversions of funds. This is an offence as defined under Section 77(q) of the PFMA.	
Recommendation	
i) The Accounting Officer should be reprimanded for flouting the law in accordance with section 77(2) of the PFMA. ii) The MoFPED should allocate adequate funding for payment of arrears.	
Action Status	
i) The Ministry declared its arrears to MoFPED and UGX 0.343Bn was allocated. ii) In the Budget Execution Circular FY 2024/25 Ref: BPD 86/179/01, the PS/ST communicated that payment of the existing stock of arrears will only be made upon verification by an independent audit firm appointed by this Ministry. To curb further accumulation of domestic arrears, this Ministry has instituted the following measures. i) Sanctioning Accounting Officers for the creation of new domestic arrears by not renewing their contracts as Accounting Officers; and ii) Accounting Officers should not sign any new contracts without confirmation of the availability of resources. Multi-year contracts should take a first call on available resources. Accounting Officers who sign contracts without the availability of funds will be held personally liable. Please note that the Expenditure Limits issued by this Ministry are on the basis of the available funds, not the appropriated budget. All Accounting Officers are reminded to submit their draft final accounts by 31st August of every year to the Accountant General's Office with duly signed certificates of outstanding commitments, with copies to the	

Internal Auditor General. Draft final accounts submitted without certificates of outstanding commitments will be rejected.

Query	Outstanding Domestic arrears

Audit Findings

The Auditor reported that there was a substantial increase in domestic arrears as shown in the statement of financial position from UGX 19.47Bn to UGX 26.89 Bn, representing a 38% increase from the previous financial year. The table below refers.

Table 3: Trend analysis of domestic arrears

SN	Year End	Domestic Arrears at the year-end (UGX Bn)	% Increase/ Decrease
1	30 th June 2021	11.03	
2	30 th June 2022	11.46	4%
3	30 th June 2023	19.47	70%
4	30 th June 2024	26.89	38%

Source: OAG analysis of entity domestic arrears

The Accounting Officer attributed the increment in arrears to an outbreak of Foot and Mouth Disease at the time, which required an emergency supply of vaccines, yet they did not have an adequate budget.

Observation

The Committee noted that the Accounting Officer had processed UGX 35Bn in the contingency fund to vaccinate against FMD and had even failed to absorb, as reported by The Auditor page 19 of his report on the entity. Therefore, the assertion by the Accounting Officer that the arrears arose out of a need to carry out emergency vaccination against Foot and Mouth Disease is misleading. The Accounting Officers had failed to put in place commitment controls and spent without the necessary approvals. This is financial indiscipline that adversely distorts the budget, as outputs anticipated cannot be attained.

Recommendation

- i) The Accounting Officer should be reprimanded for the creation of arrears.
- ii) The PS/ST should consider deducting the newly accumulated arrears from the entity's MTEF ceilings in the subsequent financial year to settle the creditors.

Action Status	
i) The Ministry did not receive 76.1Bn out of the planned 321Bn, hence creating arrears. ii) In the Budget Execution Circular FY 2024/25 Ref: BPD 86/179/01, the PS/ST communicated that payment of the existing stock of arrears will only be made upon verification by an independent audit firm appointed by this Ministry. To curb further accumulation of domestic arrears, this Ministry has instituted the following measures. i) Sanctioning Accounting Officers for the creation of new domestic arrears by not renewing their contracts as Accounting Officers; and ii) Accounting Officers should not sign any new contracts without confirmation of the availability of resources. Multi-year contracts should take a first call on available resources. Accounting Officers who sign contracts without the availability of funds will be held personally liable. Please note that the Expenditure Limits issued by this Ministry are on the basis of the available funds, not the appropriated budget. All Accounting Officers are reminded to submit their draft final accounts by 31st August of every year to the Accountant General's Office with duly signed certificates of outstanding commitments, with copies to the Internal Auditor General. Draft final accounts submitted without certificates of outstanding commitments will be rejected.	
Query	Mischarge of Expenditure
Audit Findings The Audit reported that funds to the tune of UGX 1.04Bn were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. This is contrary to Step 4 of Paragraph 10.3.1 of the Treasury Instructions, 2017, which states 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 wrongly charged accounts used for expenditure incurred by his/her vote. The Accounting Officer conceded to the anomaly and attributed it to budgetary constraints due to budget cuts and the non-release of the recurrent budget in the first quarter.	

Observation	
The Committee noted that by diverting funds, the Accounting Officer had committed an offence as defined under section 77 (q) of the PFMA.	
Recommendation	
The Committee recommended that the Accounting Officer be reprimanded for the diversion of UGX 1.04Bn as per section 77 (2) of the PFMA.	
Action Status	
The PS/ST in the Budget Execution Circular FY 25-26 dated 10 th July 2025 guided that funds must be warranted only against their correct expenditure category. No warranting of funds across expenditure categories will be entertained, and each expense must be charged to its proper category.	
Query	Inadequate Funding of the Contingency Budget to Manage FMD Outbreak
Audit Findings	
The Audit reported that there was an outbreak of foot-and-mouth disease (FMD) in 36 districts during the year, which led to the imposition of quarantine as a temporary measure to contain the spread of the disease. The Ministry presented a Cabinet Memorandum (CT (2024) 08), about the strategy for control and eradication and was approved by Cabinet on 5th February 2024. This Memo indicated that 10 million doses of FMD vaccines were to be procured and stored in eight (08) refrigerated containers as part of setting up the National Veterinary Storage infrastructure at Entebbe. The Ministry had an approved contingency budget of UGX 93.15 Bn, out of which UGX 35Bn was warranted, resulting in a shortfall of UGX 58.15 Bn, representing a 37.6% performance. The unwarranted funds of UGX 58.15Bn were meant for the procurement of 3,000,000 doses of FMD vaccine and the procurement of eight (08) refrigerated containers to set up the National Veterinary Storage infrastructure in Entebbe. The Accounting Officer explained that the shortfall would be addressed by special funding provided in the 2024/2025 budget.	
Observation	
Through the interrogation by the Committee, it was noted that the Ministry was ill-prepared and lacked the capacity to undertake such a massive vaccination exercise, even if it had received the funds. No plans were put in place before requesting the contingency fund to set up the National Veterinary Storage Infrastructure in Entebbe, where the vaccine would be stored. The Committee further noted that the non-release of UGX 58.15Bn out of the UGX 93.15Bn requested shows that the Ministry of Finance, Planning and Economic Development underestimated the importance of the activity.	

Recommendation	
The Committee recommended that the Accounting Officer should make adequate preparations and planning before seeking a contingency fund of that nature.	
Action Status	
Following the change in implementation policy of FMD control, the Ministry is implementing a revolving fund strategy to finance FMD control up to FY 27/28, whereby the farmers pay for the cost of the vaccine, and Government pays for the administration. 52 district cold chain storage facilities and one National cold chain facility at NADEC are under construction. At the moment, 15 out of the 52 cold chains are already complete in the following districts: Rukungiri, Isingiro, Kamwenge, Kyenjojo, Kiruhura, Lyantonde, Kazo, Nakasongola, Kumi, Serere, Moroto, Nakapiripiriti, Kayunga, Iganga, Kamuli, and ongoing in Kakumiro, Mubende, Kyankwanzi, and Kiboga. Currently, the Ministry has in stock 53 million doses for the mass bi-annual vaccination.	
Query	Absorption of Availed Contingency Funds
Audit Findings The entity had total releases of UGX 35 Bn, out of which funds worth UGX 34.06Bn had been utilised by the close of the financial year. The balance of UGX 0.939Bn that was not utilised was meant for allowances of district officers who were going to undertake the vaccination against the FMD. As at the time of audit (30th September 2024), the funds had not been remitted to the consolidated fund and were still held on the Ministry contingency bank account. The Accounting Officer regretted the anomaly and noted that the funds had since been transferred to the Consolidated Fund. Observation The Committee noted that by not remitting the funds to the Consolidated Fund, the Accounting Officer had flouted Section 16 (2) of the PFMA, which states, “a vote that does not expend money that was appropriated to the vote for the financial year shall, at the close of the financial year, repay the money to the consolidated fund.” Failure to repay the funds by 31st July 2024 exposes these funds to unauthorised utilisation. Further, the Committee noted that failure to utilise	

the funds for allowances meant that the vaccination was not carried out despite the availability of funds.

Recommendation

- i) The Committee recommended that the Accounting Officer should be held liable for flouting the law.
- ii) The Accounting Officer should ensure the timely payment of allowances to enhance the motivation of staff.

Action Status

The funds were transferred to the Contingency Fund.

Query

Delays in the Implementation of Contracts

Audit Findings

The Audit reviewed a sample of procurements carried out throughout the year and reported the following.

- i) Delayed contract implementation for 11 contracts/call-offs worth UGX 15.636 Bn, with delays ranging from one week to four and a half months from the date of expected delivery to actual delivery dates.
- ii) Liquidated damages to the tune of UGX 0.171Bn were never deducted from five (05) suppliers for delayed deliveries. These suppliers did not request delivery extensions, and neither were there any approvals from contract managers.

Regulation 53 (1) (b) of the PPDA (Contracts) regulations 2014 requires a contract manager to make certain that the provider performs the contract in accordance with the terms and conditions specified in the contract. Further, subregulation 3 (a) (i) requires a contract manager to ascertain that a provider meets all performance or delivery obligations in accordance with the terms and conditions of a contract.

The Accounting Officer noted that they had a challenge in contract management that may have caused the delays. He undertook to ensure that the appointed contract managers on each of the procurements follow up so that the timelines are adhered to.

Observation

The Committee noted that the Accounting Officer had neglected his duty and responsibility by not deducting liquidated damages to the tune of UGX 0.171Bn from five (05) suppliers for delayed deliveries. This is a loss of funds to Government. Delayed supplies hamper service delivery to the public and may lead to contract variations as a result of inflationary tendencies with the passage of time.

Recommendation	
i) The Accounting Officer should institute recovery of deductible liquidated damages worth UGX 0.171Bn from the suppliers who failed to deliver on time. ii) The Accounting Officer should enhance contract management and supervision to avoid/minimize the costs associated with the delayed completion of projects.	
Action Status	
Management will charge liquidated damages of 10% (UGX 135,000,000) on the outstanding balance of \$2,653,000 at the time of payment. For the following procurements, liquidated damages were not required because the contracts were extended as explained below: There was a no-cost contract extension arising out of a request from the supplier. The Russia-Ukraine conflict caused global logistical disruptions, particularly for critical components sourced from Ukraine by the US-based manufacturer, resulting in delays in delivery.	
Query	Failure to Align the Procurement Plan to the Approved Budget
Audit Findings The Audit reviewed the Ministry's consolidated procurement work plan, which was uploaded on the e-GP system and reported that the entity had failed to fully implement the procurement plan. A sample review of uploaded procurements above UGX 30Mn revealed that 60 procurements worth UGX 136Bn were either never initiated or partially undertaken up to some stage, i.e. initiation, bid creation, solicitation in progress, evaluation of bids, bid notice publishing and confirmation of budget stages, but never crystallised into signed contracts. The Accounting Officer explained that the budgeting on e-GP during the financial year of audit was not aligned with the approved budget by Parliament because the e-GP system is not linked with the budgeting system. He added that going forward, Management had ensured that the budgeting on e-GP is informed by the approved budget by parliament, and this has been implemented this financial year. Failure to align the e-GP system with the approved budget defeats the purpose for which the system was created.	

Observation As the Committee observed, failure to implement the procurement plan leads to delays in the implementation of activities, which denies the intended beneficiaries timely services. Failure to fully implement planned procurements defeats the purpose for which these procurements were included in the procurement plan and affects the performance of the Ministry in regard to service delivery.	
Recommendation i) The Accounting Officer should implement the procurement plan as approved and seek revision whenever there is a need for change. ii) The MoFPED, in conjunction with the Ministry of ICT, should ensure that the e-GP system is integrated with other systems to ensure seamless procurement across Government.	
Action Status i) In the Budget Execution Circulars, the PS/ST has continuously guided Accounting Officers to adhere to approved work plans and budgets to minimise distortions during budget execution and uphold budget credibility. ii) The Government is upgrading the e-GP system from e-GP version 1.0 to e-GP version 2.0. The enhanced e-GP system will have more robust functionalities and will be aligned to the public procurement legal framework as amended. The plan is to roll out the enhanced e-GP system on 1st July 2026.	
Query	Land Encroachment at Buwama and Bungokho Regional
Audit Findings Agricultural Mechanization Centers. The Audit reported that the Ministry was undertaking construction at the above mechanisation centres, which were inspected in November 2024. It was noted that the construction works had not been completed, and the sites appeared abandoned without any staff at the premises. The Audit further noted that although the Ministry had constructed a permanent perimeter fence around the Buwama mechanisation centre, a certain portion of the same land had been left out because it had been encroached on. Interviews with the occupants of the land revealed that this land had been sold to them.	

In addition, although the Ministry had constructed a permanent perimeter fence around the Bungokho mechanisation centre, a certain portion of the same land was being claimed by an individual who had threatened to sue the Ministry due to trespass on his land. This land cuts across the middle of the constructed mechanisation centre structure, which poses a risk of loss to the Ministry. Pictorial evidence of the above is seen below:

Table 4: Pictorial evidence of land encroachment

S/N	Description	Pictorial evidence
1	Buwama Zonal Agricultural Mechanisation	  A permanent structure is being constructed by encroachers on the Ministry land at Buwama zonal mechanisation centre (above)   Different views of the perimeter fence that was constructed by the Ministry around the mechanisation centre
2	Bungokho zonal agricultural mechanisation centre in Mbale district	 A mechanisation centre structure that is claimed to have been partly constructed on another individual's land.



Different views of the perimeter fence that was constructed by the Ministry around the mechanisation centre

Source: OAG physical inspection

The Accounting Officer explained that the Ministry had put in place measures to undertake surveying, boundary opening and titling of the land. On the Bungokho Zonal Agricultural Mechanisation Centre in Mbale, the boundary opening was complete, and the Ministry had engaged the district officials to help in harmonising the contestations.

About the Buwama Agricultural Mechanisation Centre, the Accounting Officer stated that they had verified the extent of the encroachment to enable them to resolve it. The Accounting Officer, however, denied the sale of land to any individual.

Observation

The Committee noted weak monitoring and supervision on the part of the Ministry on unutilised land, leading to encroachment, which ends up expensive to resolve in the long run. The Accounting Officer had delayed to fence off the land, which led to encroachment.

Recommendation

The Committee recommended that the Accounting Officer should speed up surveying, boundary opening and titling of the land to mitigate further encroachment.

Action Status

The Ministry has fast-tracked this and is undertaking the land resurveying process; however, the claimants have failed to provide the original copy of the title of the land portion in question.

The Ministry has fenced all the land and blocked the encroached sections as the surveying is finalised.

The Ministry has constituted a land committee to follow up and handle all the key issues of the Ministry's land (Surveying, registering and titling) and reports to top management for appropriate action.

VOTE 011 - MINISTRY OF LOCAL GOVERNMENT**Query****Outstanding Domestic Arrears****Audit Findings**

Section 12 (10) (a) (iv) of the Public Finance Management Act, Cap 171, 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.

The Audit noted that the Ministry had an outstanding arrears balance of UGX 22.43Bn as at 30th June 2024. The Audit further noted that the Ministry provided for UGX 0.11Bn for settlement of prior year arrears, yet the balance of arrears was UGX 22.47Bn in 2022/2023. This resulted in an under-budgeting of UGX 22.37Bn.

Failure to budget for arrears can lead to diversion of funds from activities that had been budgeted for, thus affecting the implementation of the planned activities and distorting budget execution.

The Accounting Officer explained that allocation of funds for settlement of Domestic arrears is done at the macro level, headed by the Ministry of Finance, Planning and Economic Development (MoFPED); however, the Ministry of Local Government submitted the status of Domestic Arrears as required, but funding was never made.

Recommendation

The Accounting Officer was advised to continue engaging with MoFPED for the provision of a sufficient budget to clear the arrears.

Action Status

In the Budget Execution Circular FY 2024/25 Ref: BPD 86/179/01, the PS/ST communicated that payment of the existing stock of arrears will only be made upon verification by an independent audit firm appointed by this Ministry. To curb further accumulation of domestic arrears, this Ministry has instituted the following measures.

- i) Sanctioning Accounting Officers for the creation of new domestic arrears by not renewing their contracts as Accounting Officers; and
- ii) Accounting Officers should not sign any new contracts without confirmation of the availability of resources. Multi-year contracts should take a first call on available resources. Accounting Officers who sign contracts without the availability of funds will be held personally liable. Please note that the Expenditure Limits issued by this Ministry are on the basis of the available funds, not the appropriated budget.

All Accounting Officers are reminded to submit their draft final accounts by 31st August of every year to the Accountant General's Office with duly signed certificates of outstanding commitments, with copies to the Internal Auditor General. Draft final accounts submitted without certificates of outstanding commitments will be rejected.

Query	Management of the Parish Development Model

Audit Findings

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

In the FY 2023/2024, Parliament appropriated UGX 1.112 trillion for the PDM Programme, of which UGX 12.32Bn relates to PDM administration costs in the Ministry of Local Government.

Table 6: Funding for PDM Secretariat in the Ministry of Local Government

Vote	Vote Name	Activity	Budget FY 2023/24 (UGX' Bn)
11	Ministry of Local Government	PDM Secretariat and support for coordination	12.32
	Total		12.32

The Audit reviewed MoLG's approved work plans and budgets for PDM activities and noted the following;

Table 7: Planning, budgeting and absorption of PDM funds

S/N	Audit observation	Management response	Recommendation
1. a	<u>Funding and Absorption</u> The Ministry received direct funding of UGX.12.32Bn for implementation of PDM activities, which included: PDM Secretariat and PDM Coordination Services.	All the funds were released as budgeted.	

	The UGX.12.32Bn was all warranted and spent.		
2. b	<u>Alignment of MDA Work Plans and budgets to the PDM</u> PDM Working Groups are required to assist participating MDAs in the alignment of their plans and budgets to the PDM. A comparison of the Working Group activity implementation action plan with the entity budgets and work plans revealed that; • The Ministry of Local Government aligned the work plans to the pillar action plan. • The Ministry has a pillar working group with an approved work plan. • Pillar/WG Work plan has quantified targets and costs.	Alignment of MDA Work Plans and budgets to the PDM was done during the FY 2022/23, following the Recommendation by The Audit or General.	The Audit encouraged the Accounting Officer to continue the good performance.
3. c	<u>Creation of vulnerability index databases</u> Paragraph 4.1 of the Parish Development Model Pillar 2 - Infrastructure and economic services operation Manual, May 2023, provided that the vulnerability index should be calculated	The formula for calculating the Parish vulnerability index has not yet been finalised, but will be finalised in the current financial year 2024/2025	The Audit advised the Accounting Officer to expedite the process of generating the formula.

	using information obtained on the PDMIS in the area of existing status, economic activities, security requirements, geographical location, population, existing similar development programs, among others. Each activity lead Ministry (MoWT, MoLG, MoWE, MoEMD, ICT&NG, and MoLUD) would develop its formula for calculating the Parish Vulnerability Index, which would be submitted to the Pillar Working Group for approval. The vulnerability index should be utilised at the PDM activity planning stage. From interviews, THE AUDIT noted that the MoLG pillar working group did not develop the formula to calculate the Parish vulnerability index. Parishes with urgently needed social services (projects) may not be prioritised during pillar activity selection.		
4. d	<u>Utilisation of PDM administrative and coordination funds</u> Instruction 10.1.6 (a-h) of the Treasury instructions, 2017 states that no payment shall be	Planned activities were not implemented due to the re-prioritisation of activities such as the broadcast of the PDM implementation success stories and	The Audit advised the Accounting Officer always to revise the budget once the planned activities have been altered and roll over the un-implemented activities

	made for goods, services and works outside properly authorised commitments and without adequate supporting documents. For example, Purchase orders, Signed Contract/agreement, Original invoices, Goods Delivery Notes, Goods Received Notes and Certificates of completion of works, among others. The Audit noted that activities worth UGX.5.75Bn that were planned and fully funded were not fully implemented. Details are in Appendix IV Failure to properly utilise PDM funds for administrative costs and coordination of PDM activities affects the supervision and monitoring of the PDM, hence undermining the achievement of the overall goal.	sensitisation through radio talk shows.	to the next financial year if these activities are still relevant.
Action Status			
The affected activities that were not done have been rolled over to the FY 2024/25 & 2025/26.			

Query		Review of PDM Governance structures		
Audit Findings				
The PDM Governance Structures are guided under Paragraphs 2.1, 2.3, and 22 of the Governance and Administration Pillar Operations Manual, February 2022.				
The Audit reviewed the existence and functionality of the PDM governance structures at the Ministry of Local Government and made the following observations;				
Table 8: Review of PDM Governance structures				
S/N	Governance Structure	Observations	Management response	Recommendation
a	Functionality of the National Policy Committee Para 2.1 of the Governance and Administration Pillar Operations Manual, February 2022, stipulates that the NPC, chaired by His Excellency (HE) the President, shall provide overall policy direction to the PDM, oversee, guide the operationalisation of the programmes and ensure alignment with NDP IITHE AUDIT and NRM Manifesto. The Committee will convene at least once a quarter.	The Audit was not provided with records of the NPC resolutions made to ascertain the status of implementation of the resolutions. Failure to convene and implement resolutions of the NPC hinders its ability to oversee and guide the operationalisation of the PDM.	The resolutions are always in the cabinet minute extract, and management will endeavour to extract the minutes.	The Audit advised the National Coordinator of the PDM Secretariat to ensure that the resolutions are extracted and maintained on time.
b	Functionality of the PDM Secretariat Para 22 of the Governance and Administration	The Audit noted that PDM implementation action plans were developed and issued by the Secretariat at the	Management implemented action plans that were developed and issued by the Secretariat.	THE AUDIT advised the Accounting Officer to keep up the good performance.

	Pillar Operations Manual, February 2022, states that the PDM Secretariat shall coordinate activities of the NPC, MDAs, and PDM Working Groups. It shall develop action plans for PDM implementation and compile, monitor, and track work plans of MDA&LGs.	time of The Audit in December 2024. The Audit further noted that the MoLG PDM action plan was compiled by the Secretariat.		
c	Functionality of the Pillar Working Groups Requires PDM Pillar Working Groups to review, propose amendments to the Operational Guidelines and respective Pillars Manuals, and to assist in the alignment of plans and budgets of MDAs to the PDM.	THE AUDIT reviewed the operations of the pillar working group 7 and noted the following; • The MoLG Pillar working group has an approved pillar manual. • The pillar seven implementation action plan had been developed and aligned to the Ministry budget and work plan. It was further noted that the action plan had quantified activities. • The MoLG Pillar working group submitted the required number of quarterly	PDM is fully functional with the pillar working groups in place	THE AUDIT advised the Accounting Officer to keep up the good performance.

		performance reports to the PDM Secretariat.		
d	Consistency of the guidance on the implementation of PDM activities The PDM Governance Structures are guided under: Paragraph 22 of the Governance and Administration Pillar Operations Manual, February 2022, requires PDM Pillar Working Groups to review, propose amendments to the Operational Guidelines and respective Pillars Manuals. In addition, the PDM Secretariat should review and update PDM guidelines for approval by the NPC.	The Audit reviewed PDM implementation guidelines, operational manuals and circulars, and noted the following contradictions; Table 4	Reconciliations are done through subsequent circulars to the implementers of PDM, and these become an integral part of guidance.	THE AUDIT advised the Accounting Officer of the PDM Secretariat to ensure that any amendments to PDM implementation guidelines and operational manuals are harmonised with guidance already issued.

Table 4: Contradictions in PDM guidelines and Circulars

SN	PDM implementation guidelines, operational manuals and circulars	Contradictions	Implication
1.	• PDM Operational Guidelines Pillar 1. • Circular on the implementation of financial inclusion activities under the parish development	• List of priority commodities as selected by each local Government based on ecological advantages.	Distort the implementation of the program and undermine the achievement of the PDM objectives.

	model during the stabilisation phase, 8th January 2024.	• Qualifying project along the agricultural value chain and in line with the priority PDM enterprises, i.e. poultry, fish, dairy, coffee, piggery, fruits and food crops.	
2.	• Circular on the implementation of financial inclusion activities under the parish development model during the stabilisation phase, 8th January 2024.	• Paragraph 2(e) ensuring effective use of digital systems, mainly PDMIS and Mobile wallets, to support beneficiary identification. • Paragraph 8(a) (iii) provides that an eligible borrower must be from a subsistence household, as determined at the community meetings where applicants are vetted by the village residents.	

Action Status

- i) The resolutions are always filled in the Cabinet Minute, extracts, action points and the decisions are incorporated in the PDM Guidelines issued from time to time.
- ii) The lead Pillar for the development of the formula for calculating the Parish vulnerability index is UBOS, with the support of the other six (6) Pillars. The process of finalising the production of the formula for calculating the Parish vulnerability index is ongoing.

Query

Unutilised Warrants

Audit Findings

The entity had total warrants of UGX 66.9 out of which UGX 63.8Bn had been utilised by the close of the financial year. The balance of UGX 3.1Bn was meant for the following activities, which were either partially or not implemented at all. The table below refers.

Table 5: Showing utilisation of warrants

S/N	Activities affected by the underutilization	Un-utilised (UGX Bn)	Management response
1	Payment of general staff salaries	0.72	This was unspent because of the delayed recruitment of Chief Administrative Officers (CAOs) and the delayed approval of the CAOs' enhanced salaries.
2	Payment of pension	0.65	This was not spent because of the delayed verification of the pensioners, which was ongoing.
3	Payment of Contract Staff Salaries	0.51	This was unspent because of the delayed approval of the recruitment of contract staff by the Ministry of Public Service.
4	Payment of gratuity	0.39	
5	PDM procurements and transfers to other Government units	0.36	The under absorption was caused by the delayed initiation of procurements for PDM supplies/activities by the user departments.
6	Sensitisation activities about the PDM	0.32	
7	Payment of non-residential buildings – acquisition –(MATIP Markets)	0.10	This contract amount was lower than the budget, hence the under absorption. This was a saving for the Government.
8	Payment of social security contributions	0.06	This was unspent because of the delayed approval of the recruitment of contract staff by the Ministry of Public Service.
9	Others	0.01	These were residual balances on various items which had been implemented.
Total		3.12	

Source: OAG analysis of the PBS performance report

Failure to utilise warranted funds defeats the purpose for which Parliament appropriated the funds to the Ministry.

Recommendation

The Accounting Officer was advised to reassess the relevance of the activities that were affected by the under absorption and ensure that the critical ones are provided for in the work plans and budgets of the subsequent financial years.

Action Status

All procurements that had been delayed have been procured, and the Ministry has already carried out recruitment of the Chief Administrative Officers and their Deputies. Further still, the salaries of CAOs were enhanced to absorb the

balances. In addition, the contract staff for projects such as NOSP and LEGS have been filled, and this led to the absorption of the contract wage.

Query	Failure to Fully Implement Activities

Audit Findings

The Audit assessed the extent of implementation of activities for which funds were availed and utilised. A total of 21 outputs with 58 activities worth UGX 31.54Bn were assessed, and the following was observed;

- Twelve (12) outputs with 22 activities and expenditure worth UGX.21.2Bn were fully implemented.
- Nine (9) outputs with 36 activities worth UGX.10.34Bn were partially implemented. Out of 36 activities, the entity fully implemented 21 activities, nine (9) activities were partially implemented, and six (6) activities were not implemented at all.

THE AUDIT was, however, not able to cost the activities during my analysis because the Ministry did not have detailed activity costs to support the output costs provided and input into the PBS system.

The activities that were partially implemented and not implemented are provided in the table below:

Table 6: Showing partially implemented activities

S/n	Planned Activity	Audit comment	Management response
1	Coordination and mobilisation of 12 regions to identify learners (Youth/Women, PWDs and hard-to-reach places) for skilling in the regional industrial hubs undertaken	This activity was only undertaken in 7 regions out of the planned 12 regions.	The intended costs of the budget changed due to price changes, and therefore, management opted for core activities and hence low numbers. The availed funds were therefore not adequate.
2	20 LGs to establish Public-Private Dialogue platforms or fora across all regions trained.	Only 17 out of 20 LGs facilitated the adoption of PPPs.	Management had anticipated getting off-budget support to supplement the implementation of the activities; however, when donors such as UNDP provided less funding, other activities could not be done since the available funds were not adequate.
3	Verification of PDM funds by the Internal	Verification of PDM funds was done in 5 districts out of the	Due to the implementation of other priorities, some planned activities could not be fully implemented.

	Audit was conducted in 20 LGs	expected 20 in the financial year	
4	Consultations in 36 Local Governments on the laws, regulations, and Policies affecting children from across all regions undertaken;	Consultations were done in only 10 Local Governments.	Staff were engaged in the implementation of other activities, and this affected the achievement of all planned activities.
5	Conflicts and disputes in 20 Local Governments from across all regions resolved.	Conflicts were resolved in only 5 Districts of MadThe Audit - Okollo, Napak, Rwampara, Butaleja and Moyo.	We planned to resolve all conflicts; however, during the year, the Ministry received conflicts from only those districts.
6	Four progressive reports for the implementation of PDM Pillar 7 intervention prepared.	The Ministry only prepared one (1) progressive report.	Due to the implementation of other priorities, some planned activities could not be fully implemented.
7	Procurement of five (5) printers.	One (1) out of five (5) printers was procured	The delays by the user department to initiate the procurement process affected the procurement; however, they have all now been procured.
8	Induction of LG political leaders in 20 districts across all regions undertaken.	Induction of Councils conducted in 5 LGs of Madi-Okollo, Rwampara, Butaleja, Budaka, Moyo	This was a case of under-budgeting, and as such, the funds released to the Ministry could not permit full implementation.
9	The LG Council standard rules of procedure disseminated to all Local Leaders in 40 LGs across all regions undertaken.	The LG Council standard rules of procedure disseminated to all Local Leaders in 20 LGs across all regions undertaken.	Due to the implementation of other priorities, some planned activities could not be fully implemented.

Source: OAG analysis of MoLG work plans and performance reports

Table 7: Showing un-implemented activities

S/n	Activity not implemented	Management response
1	Strengthening the capacity of 176 Clerks to council in 176 Local Governments from all regions undertaken	This was a case of under-budgeting, and as such, the funds that were availed could not facilitate the implementation of all the activities.
2	Monitor all Parish SACCOs for compliance with laws and regulations	The funds initially meant for this activity were repurposed to Barazas and capturing key achievements through radio talks broadcast by UBC.

3	Conduct training in poorly performing DLGs in Local revenue enhancement.	The activity was affected by late mobilisation and the acquisition of the venue. Funds were reallocated to cater for inspections and resolving conflicts in Local Government.
4	Developing two (02) Regional Development Plan Concepts for Bukeddi and Bugisu	The activity was not done because of the delayed initiation of the procurement.
5	Monitoring the functionality and implementation of PDM structures in 15 selected Local Governments.	The funds initially meant for this activity were repurposed to Barazas and capturing key achievements through radio talks broadcast by UBC.
6	Procurement of eight (8) tables.	The funds were re-purposed for the procurement of laptops and computers.

Source: OAG analysis of MoLG work plans and performance reports

Failure to implement budgeted activities leads to the delayed achievement of the Ministry's mandate.

Recommendation

The Audit advised the Accounting Officer to reassess the relevance of these activities and roll them over to the subsequent period for implementation.

Action Status

In the Budget Execution Circulars, the PS/ST has continuously guided Accounting Officers to adhere to approved work plans and budgets to minimise distortions during budget execution and uphold budget credibility. In addition, when virements are unavoidable, they must be submitted online through the Programme Budgeting System (PBS) in accordance with Section 21(2) of the Public Financial Management Act, Cap. 171, and before the start of the subsequent quarter. No virements will be permitted after expenditure limits have been issued and funds released. Each virement request must include an updated work plan showing which outputs will be scaled down/up or deferred, as well as the new outputs.

Query	Under-budgeting of Start-up Funds for the Newly Created Units

Audit Findings

During the three (3) financial years, the Ministry of Local Government budgeted for UGX 6.80Bn. However, the Audit noted that the Ministry created 740 new administrative units, which required UGX 74Bn at a rate of UGX 100Mn per unit as per the guidance issued by the Ministry. This resulted in an under-budgeting of UGX 67.2Bn. The table below shows the budgets for start-up funds for the three (3) financial years.

Table 9: Showing under budgeting for start-up funds for the last three financial years

Number of units created	Expected budget provision (UGX Bn)	Budget provided for three years (UGX Bn)	Under budgeting (UGX Bn)
740	74	6.8	67.2

Source: MOLG IFMS BIG report for 2021/2022-2023/2024

In addition, the Audit noted that UGX 6.7Bn was released for the start-up funds for the last three years against the approved budget of UGX 6.80 Bn, resulting in an under-release of UGX 0.1Bn, which exacerbated the effects of the under-budgeting.

Failure to adequately budget for start-up funds denies the newly created units resources to construct, renovate office accommodation, procure office furniture and equipment, stationery, stores and other needs. In addition, this has resulted in increased costs relating to renting premises for administrative units.

The Accounting Officer explained that the budget for start-up funds is provided after receiving the budget ceiling from the Ministry of Finance and pledged to engage MoFPED on the unfunded units.

Recommendation

The Audit advised the Accounting Officer to continue engaging MoFPED for funding of all the newly created administrative units. In addition, the Accounting Officer should consider advising the concerned stakeholders of these funding challenges so that the creation of new administrative units is matched with available resources.

Action Status

The Ministry would like to fund all the newly created Administrative Units by supporting them in the construction of Administrative Structures; However, this is not possible because of the limited resources.

The Ministry has also put a ban on the approval of the New Administrative Units until we have adequately supported the existing Units.

Query

Absence of Uniform/Standardised Structural Designs

Audit Findings

The Audit noted that the Ministry provided funds to the newly created administrative units for the construction of administration blocks without approved uniform/standardised structural designs.

In the absence of standardised structural designs, the administrative units constructed structures of different structural designs and sizes. This exposed the administrative units to contract management risks such as stalled projects and inadequate funds for the completion of projects.

In other cases, the start-up funds provided were used for the procurement of land instead of the construction of structures, as was the case for Okwang and Barjobi. The Audit Town Councils in Otuke district.

This has resulted into high overall cost of structures, leading to delays and failure to complete structures. This defeats the purpose for which these funds were provided.

The Accounting Officer explained that the Ministry is in the process of coming up with standard structural designs for all the Districts, Town Councils and Sub-Counties, with the approval process currently at the committee level and once completed, they will be circularised to the districts, Town Councils and sub-counties for implementation.

Recommendation

The Audit advised the Accounting Officer to expedite the process and ensure that all subsequent transfers are made after completion and distribution of the structural designs for the administrative units.

Action Status

The Ministry have now finalised the Standardised Structural Designs for the Administrative Units, which are now ready for utilisation.

Query

Failure to complete already started structures

Audit Findings

The Audit noted that 21 newly created units were provided with funds amounting to UGX 1.35Bn for the last three (3) financial years, out of which 19 units used the funds for constructions, while the two (2) units used the funds to procure land. The Audit inspected the 19 structures and noted that;

- i) Six (6) units had completed the construction or renovation of the structures, while 12 units were still under construction.
- ii) Magodes Town Council had not started on construction despite receiving UGX 50m. The table below shows a sample of pictures showing the incomplete administrative units under construction.

Table 10: Showing the progress of construction out of start-up funds

Entity	Amount received (UGX Mn)	Status of construction	Remarks
Kasambya Sub-County in Mubende District	100		Structure in place up to roofing and external shutters done. Plastering, ceiling, internal shutters, and flooring are not yet done.
Kikoora Subcounty in Kakumiro District	50		The funds covered the foundation and slab, and there were no funds for continuation of the project.

Source: OAG inspection of the constructed administrative units

Failure to complete the structures affects the operations of the new administrative units, which impacts service delivery.

The Accounting Officer explained that the Ministry provides partial funding for the construction of the newly created units, and the Town Councils/ Sub-Counties are expected to complete the construction using their generated revenue or any other source of funding.

Recommendation

The Accounting Officer was advised to engage the concerned stakeholders to review the practice of expecting that the administrative units co-fund these projects, since it may not be viable and sustainable, given the limited resources of these administrative units.

Action Status

Limited resources affected the completion of these structures; However, the Ministry has tracked the affected Lower units so as to ensure that incremental funding is provided for the completion of these structures.

Query

Management of the Government Pension Payroll

Audit Findings

The Audit undertook a special audit of the pension payroll that covered the period from FY 2019/20 to 2023/24, and below is a summary of the major findings and Recommendations;

- i) The Ministry had a revised pension, gratuity and arrears budget of UGX 25.2Bn for the period under review, which was all warranted.

- ii) Out of the total funds warranted of UGX 25.2Bn, UGX 23.2Bn (92%) was utilised, resulting in underutilization of funds totalling UGX 2.03Bn (8%). This under absorption resulted in non-payment of pensioners during the different financial years.
- iii) In the financial year 2022/23, MoFPED released UGX 0.2Bn as supplementary funds in excess of what was requested by the Accounting Officer. In addition, UGX 0.7Bn was released as supplementary funding during the financial year 2020/21 without any request by the Accounting Officer. This violated the PFMA.
- iv) Pension funds amounting to UGX 0.16Bn were diverted to other non-pension activities during the period under review. This indicates weaknesses in the budget/commitment control system, which resulted in arrears.
- v) Pension expenditure amounting to UGX 0.48Bn was misclassified and charged on the wrong account codes by the Ministry. This distorted budget performance and budget monitoring resulted in a misstatement of financial statements.
- vi) The Ministry overpaid gratuity worth UGX 4Mn to three (3) pensioners, while 20 pensioners were overpaid pension to the tune of UGX 48.6Mn. On the other hand, 17 pensioners were underpaid their gratuity to the tune of UGX 0.25 Bn, while 43 pensioners were underpaid their pension to the tune of UGX 0.295Bn.
- vii) Ninety-seven (97) pensioners who were paid UGX.4.2Bn accessed the pension payroll without some key documents on their pension files. This exposes the Ministry to the payment of ineligible pensioners.
- viii) Seventeen (17) pensioners had not yet accessed the pension payroll (by June 2024). The delays by these pensioners to access the payroll ranged from one (1) to 31 months. This affected the livelihood of these pensioners.
- ix) The Ministry accumulated pension and gratuity arrears totalling UGX 0.33Bn arising from the under/non-payment of 51 pensioners/beneficiaries. Failure to pay the benefits affects the social welfare of the beneficiaries and discredits Government.
- x) Out of 300 pensioners/beneficiaries in MoLG, 233 (77.7%) were fully verified, four (4) pensioners (1.3%) showed up but were not validated, while 63 (21%) pensioners did not show up. In addition, 20 individuals had not accessed the pension payroll by the end of June, 2024, and these were captured as new records in my determination of the Ministry's pension and gratuity estimates.

- xi) The Ministry's expected pension and gratuity estimate for the year 2024/2025 is UGX 4.87Bn to cater for 273 confirmed pensioners/beneficiaries, inclusive of the pension and gratuity arrears of UGX 0.33Bn.

Recommendations

The Accounting Officer was advised to;

- i) Ensure that retirees are engaged six (6) months before retirement to provide all the necessary documents and to avoid underutilisation of pension funds going forward.
- ii) Always seek clarification from MoFPED whenever funds are released as supplementary funding before spending in cases where the supplementary funds were never requested for.
- iii) Streamline the budget process to ensure that sufficient funds are allocated to various expenditure accounts or seek reallocation of funds from MoFPED to minimise diversion of funds.
- iv) Streamline the budgeting for pension and gratuity going forward to avoid misclassification of pension and gratuity expenditures.
- v) Make recoveries of funds from subsequent payments in cases of overpayments of gratuity and pension to various pensioners/beneficiaries. In addition, the Accounting Officer should adequately budget for pension and gratuity arrears for pensioners/beneficiaries who were underpaid and ensure these are paid once the funds have been released.
- vi) Ensure that all pension/gratuity payments are supported by pension files, which should always be updated with the necessary and relevant key documents.
- vii) Ensure that retirees are engaged six (6) months before their retirement to avail all the required documents to facilitate a smooth transition onto the pension payroll on the date of retirement, to avoid delays in accessing the pension payroll.
- viii) Make budgetary provisions for the accumulated pension and gratuity arrears so that they are cleared promptly and avoid litigation and its associated costs.
- ix) Consider the verified payroll as a basis for updating monthly payrolls to pay pensioners/beneficiaries.
- x) Liaise with the Ministry of Public Service to validate those pensioners/beneficiaries who were not present during the physical validation exercise conducted by my office.

xi)	Always ensure prompt updates of the pension payroll going forward. A follow-up of the affected pensioners/beneficiaries should immediately be made by management to enable them access the payroll.
xii)	Engage Ministries of Public Service and that of Finance, Planning and Economic Development to review the approved pension and gratuity estimates of the entity for the FY 2024/25 in line with the results of the validation exercise.
Action Status	
i)	Management ensures that all staff who are due to retire are notified on the mandatory retirement date and requests them to submit NS 20B and NS 18 forms, which are used to open pension files. All pensioners due to retire in the subsequent six months are notified.
ii)	The Supplementary arose from the Statutory Revision for monthly Pension and Gratuity during the two FYs (Ref: BPD 103/132/01 dated 17 th April, 2023 from the Responsible Minister. However, the Ministry had already requested a Supplementary (Ref: HRM/132/01).
iii)	The initial Charter of Accounts for GoU funds for employee Gratuity were budgeted together with pension Gratuity, and that is where it was appropriated under code 212104. Therefore, there was no diversion of Funds. However, currently, we are budgeting using the two different classifications as described in the Charter of Accounts.
iv)	Management has addressed the issue of misclassification. Currently, we are budgeting for Pension and Gratuity using the two different Classifications as described in the Charter of Accounts.
v)	Management has begun the recovery of funds arising from the overpayment of gratuity and pension. So far, UGX 24,760,214 has been recovered as of 28 th February 2025.
vi)	Furthermore, Management plans to budget for the Pension and Gratuity Arrears arising from the underpayment in the FY 2025/26 so that all the claims are paid once funds are provided.
vii)	Management has developed a Checklist indicating all the required documents which must be contained in a pension file before Pension and gratuity are processed for payment.
viii)	Management conducts monthly pension payroll verification and validation on HCM. Hard copies of the Pension Payroll are submitted to the Internal Auditor for verification before forwarding to Accounts for payment.
ix)	Management has compiled information for the 43 Pensioners who were underpaid and plans to budget for the Pension and Gratuity arrears

arising from the underpayment in the FY 2025/26, so that all the claims are paid once funds are provided. x) The Ministry plans to engage with both Ministries as soon as the validation of 61 pensioners and beneficiaries is completed, so as obtain the accurate Pension payroll numbers for budgeting purposes.	
Query	Value for Money audit on the supervision of Local Governments by MoLG
Audit Findings The Audit conducted a Value for Money audit on the supervision of Local Governments by the Ministry of Local Government. THE AUDIT issued a separate report as a result of this audit. The summary of key findings from the report follows below; i) The Ministry did not undertake a comprehensive needs assessment before undertaking trainings in the three (3) years period reviewed. ii) Out of the 5,054 elected leaders in 135 districts, only 2,250 (44%) leaders were inducted despite receiving all the budgeted funds. iii) The Ministry did not maintain comprehensive data on the training undertaken. The Audit, therefore, carried out a field inspection and noted that trainings were conducted in only 14 of the 30 districts sampled. Trainings were majorly carried out in IT systems initiated by MoFPED. iv) There were no training undertaken in emerging areas such as disaster management, climate change, and refugee management, which are the most pertinent in Local Governments. v) MoLG is not actively involved in the local Government performance assessment process undertaken by OPM. The Ministry's role is limited to performance improvement planning and follow-up on the results of the national assessments. vi) Out of the expected 58 support visits to the 20 worst-performing districts, the Ministry only conducted 25 visits. In addition, MoLG made 56 support visits to districts that were not among the worst performing, which implies that the results of the LGPA do not inform the MoLG's support supervision. vii) Out of 369 planned inspections, 233 (73%) were not undertaken. Out of the 136 (27%) inspections that were undertaken, only 22 inspection reports were prepared, which affects the effectiveness of the supervision. viii) The Ministry does not undertake adequate follow-up of the extent to which inspection Recommendations were implemented due to more	

- supervisors than inspectors to conduct the inspection, with a ratio of 4 supervisors to one inspector.
- ix) Review of the inspection reports revealed that the inspectors did not assess all the required parameters provided in the approved checklist, which compromises the quality of inspections and their impact on service delivery.
 - x) There is currently no coordination framework through which MoLG and other MDAs, such as OPM, MoPs, and MoWE, handle related issues affecting service delivery at the districts.

Recommendations

For MoLG to improve the supervision of districts, management needs to;

- i) Ensure that, going forward, detailed training needs assessments are planned for in the Ministry's work plans, and once funds are released, the activity is undertaken.
- ii) Ensure that induction is done for all newly elected political leaders, and the funds provided for induction are not repurposed for other activities.
- iii) Ensure that the training work plans and activities are aligned with the capacity-building policy. Further, the Accounting Officer should ensure that funds provided for training are not repurposed to other Ministry activities.
- iv) Play a more active role in the entire performance assessment process of local Government. In addition, MoLG should engage OPM to have the assessment criteria and methodology reviewed and improved to make it more acceptable to all parties involved.
- v) Ensure that the districts selected for support supervision are informed by the results of the national assessment. In addition, follow-up should be undertaken on the Recommendations from the support supervisions.
- vi) Ensure that funds provided for inspection are not repurposed to other Ministry activities. In addition, the Ministry should explore the option of inspecting districts on a rotation basis and revisiting the inspection staff structure to have more inspectors doing the inspection than supervisors.
- vii) Ensure that the inspections cover all the areas provided for in the approved inspection checklist.
- viii) Put in place a functional and robust institutional framework through which MoLG coordinates with other stakeholders involved in the supervision of districts. In addition, MoLG should automate the supervision processes in order to enhance the coordination with other players.

Action Status

- i) The Ministry has always used other reports, such as performance assessment, Auditor General's reports on LGs, PPDA audit reports on LGs, complaint letters written by different stakeholders on challenges in specific LGs and inspection reports, among others, to determine the needs for training.
- ii) Induction of Political Leaders could not take place because MOFPED did not give us funds.
- iii) The training funds provided are utilised for training purposes only. However, more funds are required to meet the training needs at the Districts and other Local Government levels.
- iv) The process to review the assessment Manual has been finalised by the Office of the Prime Minister with full participation of MoLG in consultation with all Local Governments.
- v) The LGs are supported based on performance in the assessment. Nevertheless, issues usually arise even in high performing Local Governments. In such cases, the Ministry conducts support supervision as a strategy to address the root causes of conflicts. In addition, the 20 worst performing Local Govt are supported by MOLG through the UGIFT programme, which is why they are not catered for in the mainstream budget.
- vi) During the FY 2024/25 and 2025/26 FYs, the Department has carefully set realistic targets for Districts to be inspected in line with the available funds.
- vii) The Department developed a deployment schedule for all officers irrespective of their Ranks per region to ensure equitable and regular inspection.
- viii) The approved inspection checklist is in place, being followed, and reports on all parameters done by all inspectors.
- ix) Management is in the process of developing an institutional framework, especially the automated supervision and coordination of the Ministry activities, to avoid duplication.

Query		Electronic Local Government Revenue Management System
Audit Findings The Audit conducted an Information Systems audit on the Electronic Local Government Revenue Management System (E LOGREV). The summary of the key findings from the report is highlighted below;		
Table 11: Summary of findings from IT audit		
SN	Summary of the Finding	Recommendation
1.	ELOGREV has interfaced with URA E-Tax and NIRA NSIS, but not with URSB, PBS, and IFMS. This limits automation in taxpayer detail fetching, NTR reporting, and budgeting processes, resulting in inefficiencies.	Expedite engagements with relevant stakeholders to secure necessary interfaces.
2.	The contract with M/s Tucksee Pty Limited does not clearly state the requirement for source code transfer to the Government, complicating future system maintenance, updates, or modifications.	Ensure future contracts explicitly specify source code ownership to align with best practices and enhance transparency and accountability.
3.	The absence of IT governance structures, such as IT Steering and Strategy Committees, and the lack of SLAs with IT vendors and user departments, may cause misalignment of IT investments with business goals and hinder performance measurement.	Establish IT Steering and Strategy Committees and formulate SLAs and service charters to define clear performance metrics and ensure alignment with organisational goals.
4.	Without formal master data management policies or procedures, vendor data modifications are made ad-hoc, risking data inconsistencies, errors, and security vulnerabilities.	Expedite the development and implementation of master data management policies and procedures to guide the vendor and ensure data integrity.
5.	No IT risk management policy is in place, and internal audit activities are limited to physical verification, leading to potential unchecked IT risks and vulnerabilities.	Develop and implement an IT risk management framework to conduct continuous risk assessments and enable internal audits to address IT-related risks effectively.
6.	The ELOGREV rollout cost per site is UGX 249.99 million, while IRAS treats Higher and Lower LGs as single sites, resulting in cost savings. The current model leads to high costs and resource duplication.	Review and adjust the costing model to optimise resource utilisation and minimise costs by adopting a more unified and efficient approach.
7.	ELOGREV, intended for widespread deployment to enhance revenue management in Local Government units, has been implemented at only 71 out of 2,366 sites since the 2014/2015 financial year. This slow	Management should continuously engage relevant stakeholders to ensure enhanced and sustainable project financing. The rollout of ELOGREV should be harmonised

	rollout limits the benefits of improved revenue collection, accountability, and operational efficiency.	with other systems like ECITIE and IRAS to avoid duplication and resource wastage.
8.	MoLG lacks key IT policies such as an IT Strategic Plan, Risk Management Policy, and Security Policy. Policies are developed and communicated reactively and inconsistently, leading to unmanaged IT-related issues, non-compliance, and misalignment with organisational goals.	Management should proactively develop and maintain comprehensive IT policies, including Risk Management, Security, and IT Strategic Plans. Formal processes for policy development, review, and communication should be established.
9.	MoLG lacks updated Disaster Recovery and Business Continuity Plans and has not conducted disaster simulations or trained staff on disaster management. This puts the Ministry at risk of significant disruption, data loss, and ineffective response during actual disasters.	Develop IT continuity and disaster recovery plans, establish critical teams and contacts for disaster management, and regularly test disaster recovery procedures to ensure their effectiveness.
10.	ELOGREV implementation is funded by both MoFPED and URA TREP, leading to potential budget overestimation and duplication of payments. Budget projections do not consider sites already covered by other revenue systems, risking resource wastage.	Management should assess the status of revenue systems at LG sites to avoid budget slack and duplication. Expedite the harmonisation of revenue management systems in Local Governments to prevent resource wastage.
11.	There is no formalised policy for granting access to the ELOGREV database, and there is no evidence that the system vendor, M/s Tucksee Pty Limited, sought MoLG approval for user access before setting up accounts. This lack of standardised access procedures increases the risk of unauthorised access, which can compromise the security and integrity of the system.	Establish and formalise policies and procedures for granting access to the ELOGREV database. Ensure these policies require approval from the system owner and relevant supervisors before any user accounts are created.

Action Status

In reference to the Letter from the MoFPED(Ref: IPS/124/140/01, dated 3rd December,2024) and the Second Budget Call Circular (BCC) for FY 2025/26, the MoLG and LGFC were instructed that the Integrated Revenue Administration System (IRAS) should replace the E-LogRev system in all Local Governments effective 1st July 2025. To date, IRAS has not yet taken over the E-LogRev sites due to procurement and technical hitches. As a result, Local Governments that were using E-LogRev have continued to rely on the same system for revenue collection.

E-LOGREV has since been terminated and handed over to IRAS for further management

VOTE 012 - MINISTRY OF LANDS, HOUSING AND URBAN DEVELOPMENT

Query	Failure to Warrant Funds for Critical Activities

Audit Findings

The Audit reported that out of the approved budget of UGX 425.910Bn, the entity had a total warrant of UGX 416.344 Bn (98%) for the year. Below is a summary breakdown of this budget and warrants.

Table 1: Summary analysis of entity budget

S/N	Budget category	Total Revised Budget in UGX (Bn)	Proportion of total Revised Budget (%)	Warrants UGX (Bn)
	GOU Funds			
1	Recurrent (Wage, Pension & Gratuity)	22.711	5.0	21.527
2	Recurrent (non-wage)	116.208	27.3	114.377
3	Development	21.148	5.0	14.758
	Sub-Total-MLHUD	160.067	37.3	150.662

The Audit reported that the entity had an approved budget under GoU of UGX 160.1Bn out of which UGX 150.7Bn (94%) was warranted, resulting in a shortfall of UGX 9.4Bn (6%). The UGX 9.4Bn that was not warranted was meant for activities such as monitoring and supervision of capital works at MZOs worth UGX 0.080Bn and maintenance of machinery worth UGX 0.053Bn.

Observation

The Committee noted that failure to provide funds for activities that were budgeted negatively affected their implementation and achievement of the expected services. The Committee further noted that the affected activities were very significant, especially in the promotion of efficiency at the MZOs.

Recommendation

- i) The Vote should warrant all the budget to enable them to carry out activities.
- ii) The Accounting Officer should ensure that the affected activities are included in the workplan and budgeted for in the subsequent financial year.

Action Status	
In the Budget Execution Circulars, the PS/ST has continuously guided Accounting Officers to warrant 100% expenditure limits issued and submit them in a timely manner, i.e., within five (5) working days.	
Query	Failure to Cost and Fully Implement Activities
Audit Findings The Audit assessed the extent of implementation of activities for which funds were availed and utilised. A total of 15 outputs with 112 activities worth UGX 117.074Bn, that is 84% of the available funds of UGX 140.0Bn were assessed, and the following was observed; i) A total of 75 activities were fully implemented; 25 activities were partially implemented; 12 activities were not implemented at all. ii) The Audit noted that although the outputs had been costed, the activities to achieve the outputs were not costed, making it difficult for the Audit team to determine the cost of the activities. Although the Accounting Officer explained that all activities were costed at the departmental level, the Audit was not availed documentation to confirm the assertion. The Accounting Officer attributed the non- or partial implementation of the activities to the non-release of funds by the Ministry of Finance and undertook to roll over the activities to the subsequent financial year. Observation The Committee noted that the response by the Accounting Officer was misleading, as at this point, the Audit is focusing on activities for which funds were provided and expended by the entity. In this case, the entity is being audited on a total of 28 outputs with 237 activities worth UGX 243.972Bn, which funds were released and spent by the entity. Further, failure to cost activities meant to achieve the intended outputs renders the expenditure doubtful and difficult to assess as directed under paragraph 23 of the second budget call circular 2023-2025. The Accounting Officer, therefore, failed to implement his workplan as approved.	
Recommendation	
The Committee recommended that the Accounting Officer ensure that all activities are costed and fully implemented as approved in the work plan.	
Action Status	
Management took note of the recommendations. All activities affected by unwarranted funds are rolled over to the subsequent financial year's budgets.	

Partial implementation:

The Ministry has undertaken several measures to mitigate the budget shortfalls. These include, but are not limited to:

Focus on project proposal formulation and preparation to diversify funding sources and fulfil its mandate.

Rationalisation of activities across the department to improve efficiency.

Failure to cost activities:

The Ministry uses a decentralised Programme Budgeting System(PBS) to undertake planning and budgeting in terms of allocation to outputs estimated. The costing of outputs and activities is guided by the approved PIAPs and NDP intervention.

The costing of interventions, outputs, activities and related inputs is done through a consultative manner at the departmental level, after which it goes for approval by the Ministry Senior Management Meeting and Top Management Meeting.

The documentation of outputs and activities for each department is contained in the approved BFP and MPS.

Query	Expenditure not meeting Supplementary Criteria

Audit Findings

The Audit noted that supplementary expenditure amounting to UGX 5.277Bn did not meet the supplementary expenditure criteria as shown in the table below.

Table 2: Showing supplementary funding that did not meet the criteria

S/N	Purpose of the supplementary	Amount requested (UGX' Bn)	Amount Utilised (UGX'Bn)	Un Utilised Amount (UGX'Bn)	Audit comment
1	Wage-211101	0.813	0	0.813	The supplementary funds were not utilised because the recruitment of staff had not been done. Therefore, the supplementary was avoidable
2	Compensation to Ranchers and Kingdoms - 282104	81	76.536	4.464	The funds were not utilised because the verification of some ranchers had not been concluded. Therefore, the supplementary was avoidable.
TOTAL		81.813	76.536	5.277	

The Accounting Officer explained that the failure to utilise the funds was occasioned by the late release of funds and system downtime. He added that the Ministry had submitted a request to the Ministry of Public Service for clearance to fill vacant positions in the Ministry vide Letter ADM 4/39/04 dated 22 February 2024. However, they had not received clearance to fill the vacant positions because of the verification exercise of employees by the Audit.

Observation

The Committee noted that, for all intents and purposes, the reason for which the Accounting Officer sought a supplementary budget did not meet the set criteria and was therefore misleading. Seeking a supplementary wage for which the Ministry of Public Service had not yet cleared the recruitment was something predictable and avoidable. Equally, the Accounting Officer needed to have first concluded the verification exercise of the ranchers and kingdoms to be compensated.

Regulation 18 (5) of the Public Finance Management Regulations, 2016 requires that Parliament may approve a supplementary appropriation or the Minister may approve a supplementary budget, as the case may be, where the supplementary expenditure is un-absorbable (expenditure that cannot be funded through virements), unavoidable (expenditure that cannot be postponed to the next financial year) and unforeseeable (does not include an expenditure that was foreseeable by the vote at the time of preparation of the budget).

Recommendation

- i) The Accounting Officer should be held liable for misleading Parliament in approving a supplementary estimate for which he did not qualify.
- ii) Parliament should stop passing supplementary budgets that don't comply with the criteria.

Action Status

Failure to utilise the funds was due to circumstances beyond the Ministry's control. The obligation had been established, but there was a delay in obtaining clearance from the Ministry of Public Service and a delay in the release of funds. The delay in paying ranches was occasioned by a policy change requiring management to pay directly to the primary beneficiaries rather than through their lawyers, as in the past. This necessitated further verification of the beneficiaries.

Query

Delays in Issuance of Title

Audit Findings

The Ministry Client's Charter 2017/18 – 2020/21 states the standard time for processing land transfers on a certificate of title is five (5) working days. Review of data extracted from the National Land Information System for the transfer

of land titles in sampled MZOs of Wakiso-Busiro, Wakiso Kyadondo, Kampala (KCCA), Luweero and Mukono revealed the following, as per the table below.

Table 3: Transactions for transfer of titles

S/N	MZO	Total transactions	Processed & issued titles	Unprocessed titles
1	Wakiso- Busiro	20,011	17,110	2,901
2	Wakiso- Kyadondo	15,264	12,637	2,627
3	Kampala (KCCA)	3,930	3,649	281
4	Luweero	8,926	8,090	836
5	Mukono	12,610	9,875	2,735
	Totals	60,741	51,361	9,380

The table above shows that, out of 60,741 transactions, 51,361 titles were processed and issued, while 9,380 were not processed as of the time of the audit.

Further analysis showed that even in the processed titles of 51,361, there were delays in the processing of the titles per MZO, as per the table below.

Table 4: Average number of days taken in processing titles

S/N	MZO	Average No. of days taken to process
1	Wakiso- Busiro	55
2	Wakiso- Kyadondo	26
3	Kampala	31
4	Luweero	31
5	Mukono	112

From the table above, there were delays in the processing of titles averaging between 26 and 112 days among MZOs.

Further scrutiny showed that most of the unprocessed titles averaged over 370 days, which is slightly over a year, as per the table below;

Table 5: Average number of days taken for the unprocessed titles

S/N	MZO	Average No. of days taken for the Unprocessed titles
1	Wakiso- Busiro	372
2	Wakiso- Kyadondo	406
3	Kampala	437
4	Luweero	381
5	Mukono	436

The table above shows that the delays to process titles averaged between 372 and 437 days among the MZOs. The Audit identified the causes of delays in processing titles as follows;

a) Failure to allocate timelines for Divisions

The land titling process is a conveyor belt involving a land officer, a land valuer, a surveyor, a land registrar and other staff responsible for receiving applications and issuing signed titles. The Audit reported that the number of days allocated in the client charter to process a title was not apportioned among the various divisions on the conveyor belt. As a result, the divisions worked without timelines to serve as a guide for the registration processes, leading to undue delays in processing applications.

b) Lack of Monitoring of the transfer of title processes by Administrators

The Ministry uses the National Land Information System (NLIS) in the land transfer process. The Information System is supposed to have a transaction number for each land transaction, date of application, date of approval and status of each transaction. The Audit reported that although the administrators had access to the system, there was no provision in the system for them to review the transactions by way of comments or clearance. As a result, the MZO administrators do not monitor the average processing time spent by each division in the processing of applications. Consequently, it causes long periods to process applications.

c) Inadequate Staffing Levels at MZOs

A review of the staffing levels revealed that the MZOs were understaffed. For The Audit period, the MZOs had one or two Registrar of Titles each, who were responsible for vetting land documents and approving the issuance of deed certificates. The Registrars are Lawyers who also represent the Ministry in court for land cases in their respective zonal offices. This double schedule, at times, led to undue delays in processing applications.

The Accounting Officer explained that the Ministry, with the support of CEDP, had enhanced the manpower requirement; however, on a contractual basis, as the current structure has a ceiling. The Accounting Officer further noted that with the new Land Valuation Management Information System (LAVMIS), efficiency would be enhanced by way of automating the land valuation process, hence enhancing revenue collection.

Observation

The Committee noted that the Ministry had not implemented its client charter, thereby making it difficult to achieve outputs. While the establishment of Ministry Zonal Offices (MZOs) aimed to streamline land title processing in Uganda, several challenges had persisted, making the process long and difficult. These challenges include the need to reconstruct and digitise old

survey records, incomplete documentation from previous manual transactions, and the ongoing process of digitising all land records.	
Recommendation	
The Committee recommended that the Accounting Officer implements the client charter to enhance efficiency.	
Action Status	
Compliance with the timelines in the Client's Charter depends on all required documentation being available and clients responding promptly to queries and requests for additional information.	
The reasons for non-completion and delays in processing the received applications during the period under review are complex and, most of the time, beyond the control of Registry staff. They include processes outside the Ministry, e.g., District Land Board approvals, Planning approvals, and Area Land Committee approvals.	
Query	Lack of Valuation Figures
Audit Findings	
Paragraph 62 (1) of Schedule 2 of the Stamps Duty Act Cap 339 requires that the transactions for transfer should be subjected to 1.5% of the total consideration. However, the Audit reported that the data for NLIS lacked value for the transactions, therefore making it difficult to determine the amount of stamp duty payable. This was due to a lack of configuration in the system.	
The Accounting Officer explained that the stamp duty was based on the market value of the property of interest being transferred, and that the process is initiated by an application through the URA Portal. The valuation/assessment is then done through the same URA Portal before coming to UgNLIS. All the assessment records are stored in the URA Portal that is why UgNLIS would not have the valuation figures.	
Recommendation	
The Committee recommended that the Accounting Officer should engage URA to have the valuation figures on the URA Portal shared with UgNLIS.	
Action Status	
The Ministry has implemented the Land Valuation Management Information System (LaVMIS) to capture market values for all assessed properties on the cadastral map. This data is shared with the Uganda National Land Information System(UgNLIS) to aid in the creation of a Land Value Map in the specified location. Additionally, it is shared with Uganda Revenue Authority (URA) through UgNLIS to facilitate the payment of stamp duty. The Ministry is also expanding the system to all Ministry Zonal Offices (MZOs) to address the concerns that have been raised.	

For past transactions recorded in the URA portal before the deployment of LaVMIS, the Ministry will request that assessed property data be imported and used as comparable values in the Land Valuation Management Information System.

Query

Outstanding Domestic arrears

Audit Findings

The Audit reported that the Ministry's domestic arrears as of 1st July 2023 was UGX 163.20Bn, out of which only UGX 37.930Bn (23%) was paid during the year under review, (i.e. UGX 15.07Bn appropriated for and UGX 20.0Bn in the form of supplementary).

The balance of UGX 125.27Bn (77%) of domestic arrears had not been paid. The Audit further noted that additional arrears of UGX 121.1Bn were verified during the year, now making a total of UGX 246.4Bn domestic arrears at the close of the period under review.

Observation

The Committee noted that the Accounting Officer had continued to accrue domestic arrears, well aware that there was insufficient budget to offset them. Failure to pay domestic arrears means that the Accounting Officer failed in commitment controls, which is financial indiscipline in the opinion of the Committee. Domestic arrears is supposed to be the first call on the budget.

Recommendation

- i) The Accounting Officer should ensure that domestic arrears are budgeted for and made the first call in the budget.
- ii) The PS/ST should consider deducting the newly accumulated arrears from the entity's MTEF ceilings for the subsequent financial year to settle the creditors.

Action Status

The Permanent Secretary/Secretary to the Treasury constituted an inter-Ministerial Committee (comprising MLHUD, MoJCA, ULC, and MoFPED) to reconcile the claims and prepare a report on the outstanding Ranchers' obligations.

Government through the Ministry of Finance, has committed to settle their claims over three FYs with a budget provision of 66Bn per year. For FY 24/24, UGX 66Bn has been appropriated for compensation.

Query	Non -approval of Multi-year Contracts
Audit Findings The Audit reviewed procurements made during the year by the entity and reported that payments of UGX 1.10 Bn spanned for more than one year without providing corresponding Parliamentary approval. Section 22 (1) of the PFM Act Cap 171 requires that a vote shall not enter into a contract, transaction, or agreement that binds the Government to a financial commitment for more than one financial year or which results in a contingent liability, except where a financial commitment or contingent liability is authorised by Parliament. Parliament may, in the annual budget, authorise a vote to make a multi-year expenditure commitment, and where Parliament authorises, the annual budget shall indicate the commitment approved for the financial year and the approved multi-year commitments. The Accounting Officer noted that they had not sought Parliamentary approvals of the emergency nature of some of the procurements that could not provide enough time. Observation The Committee observed that by expending without Parliamentary approval, the Accounting Officer acted contrary to Section 77 (m) of the PFMA by entering unauthorised commitments.	
Recommendation	
The Committee recommended that the Accounting Officer be reprimanded in accordance with Section 77 of the PFMA.	
Action Status	
The Ministry did not currently have any multi-year contracts running.	

VOTE 013 - MINISTRY OF EDUCATION AND SPORTS**Query****Long Outstanding Commitments****Audit Findings**

The review of Note 28, the Head of Finance's commentary, and the statement of outstanding commitments revealed that the entity had outstanding commitments at the beginning of the year of UGX 74.7Bn. However, the following were noted:

- i) The Ministry made an adjustment to the opening balance of 11.1Bn comprising UGX 8.4Bn obligation whose claimants abandoned interest, and UGX 2.7Bn relating to liabilities of Busoga University, accrued interest on outstanding obligation written off.
- ii) During the year, the Ministry budgeted only UGX 1.62Bn for payment of arrears but spent UGX 43.56 Bn, resulting in an overpayment of UGX 41.94 Bn, leaving a balance of UGX 21.45Bn. The funds paid were a result of supplementary funding requested by the Ministry to clear arrears on educational materials.
- iii) Out of the outstanding balance of UGX 21.45Bn, a sum of UGX 0.18Bn was for employee costs, while UGX 0.52Bn was for Pension.
- iv) The balance of UGX 20.8Bn is outstanding arrears under Goods and Services.

Delays in clearing arrears may result in unnecessary litigation and nugatory expenditure. The Accounting Officer attributed the delay to funding shortfalls from MoFPED.

Recommendation

The Accounting Officer was advised to engage MoFPED and set aside funds for the settlement of employee outstanding commitments.

Action Status

Out of the UGX 1.04Bn, employee costs of UGX 517Mn has been settled. In the Budget Execution Circular FY 2024/25 (Ref: BPD 86/179/01), the PS/ST communicated that payment of the existing stock of arrears will be made only upon verification by an independent audit firm appointed by this Ministry. To curb further accumulation of domestic arrears, this Ministry has instituted the following measures.

- i) Sanctioning Accounting Officers for the creation of new domestic arrears by not renewing their contracts as Accounting Officers; and
- ii) Accounting Officers should not sign any new contracts without confirmation of the availability of resources. Multi-year contracts should take a first call on available resources. Accounting Officers who sign

contracts without the availability of funds will be held personally liable. Please note that the Expenditure Limits issued by this Ministry are based on available funds, not on the appropriated budget.

All Accounting Officers are reminded to submit their draft final accounts by 31st August of every year to the Accountant General's Office with duly signed certificates of outstanding commitments, with copies to the Internal Auditor General. Draft final accounts submitted without certificates of outstanding commitments will be rejected.

Query	Delayed Completion of Planned Activities under the APL1 Project

Audit Findings

A review of the APL1 project profile indicated that there were various interventions to be implemented, these included Secondary Schools constructed and rehabilitated, procurement and distribution of laboratory instruction manuals and practical science textbooks, payment of monitoring allowances for 50 Engineering Assistants, and headquarters staff monitoring allowances. The project duration for these interventions was from FY 2019/20 to 2023/24.

However, it was noted that the Ministry had not completed various constructions and rehabilitations, as a total of 25 schools remained incomplete at the end of the project duration. See the table below.

Table 1: Constructions and rehabilitations

SN	District	School	Details	Amount - UGX
1	NebbThe Audit	Akworo SS	Construction of a 2-unit science laboratory	266,000,000
2	Kalangala	Bishop Dunstan Mem. S.S.	Construction of 2 classrooms, a science laboratory and two blocks of 5-stance lined VIP latrines for students	428,730,000
3	BulambulThe Audit	Bulaago S.S.	Completion of 6 new classes; 1-5 stance latrines, one teacher house	346,210,675
4	Mbale	Busaano S.S.	Completion of science lab, two classroom blocks, a staff house and latrine blocks APL	443,963,400
5	Jinja City	Busedde College Bugaya	Completion of 2 Unit Science laboratory	95,790,000
6	Wakiso	Entebbe Comp S.S.	Construction of a 2-unit science laboratory	247,380,000
7	Kapchorwa	GamatuThe Audit Girls S.S	Completion of a storeyed dormitory block	969,104,504
8	RakaThe Audit	Kakoma secondary	Completion of a 2-unit Science laboratory	46,500,000
9	Nakaseke	Kapeeka S.S	Phased Rehabilitation of Facilities	279,000,000

10	Ntoroko	Karugutu S.S	Completion of 4 classrooms; 2No. 5 stance lined VIP latrines	103,368,501
11	Bukwo	Kortek Girls SS	Construction of 2 No. 2-Classroom blocks and 2-unit Science Laboratory	493,830,000
12	Mbale	Mbale H.S	Completion of a 9-classroom block, a library and latrine blocks APL	298,211,793
13	Kiboga	Nankandula SS	Completion of 2no. 2 classroom blocks	68,300,821
14	RukungirThe Audit	NyakishenyThe Audit S.S Nangara	Phased construction of Nyakishenyi The Audit S.S Nangala (2no. 2-Classroom blocks, Administration block, 2 Unit Science Laboratory, 2no. 5stance latrine for boys and girls, two stance latrine for Administration). Presidential pledge	746,405,809
15	Kyenjojo	Nyarukoma Secondary	Completion of 6 classrooms, 2-unit science laboratory and 10 stances of latrines work stopped at 65%	324,532,176
16	Otuke	Okwang SS	Construction of a multipurpose Hall and construction of 2 No. 2-Classroom blocks	481,740,000
17	NebbThe Audit	Pakwach SS	Completion of 8 classes; 3-5 stance latrines from APL	119,985,026
18	NebbThe Audit	Panyango SS	Completion of 6 classes: 2-5 stance latrine, one laboratory from APL	201,246,239
19	Bududa	ShitumThe Audit S.S.	Construction of 2 new classrooms	151,125,000
20	Namayingo	Sigulu S.S	Completion of 10 classes, a 3-5 stance latrine and a library	264,333,927
21	Kalangala	Sserwanga Lwanga S.S.	Construction of a 2 Unit Science Laboratory	265,050,000
22	Mubende	St Andrew Kaggwa Madudu S.S	Completion of science laboratory works	78,953,927
23	Jinja City	St Stephen SS Budondo	Completion of 7 classrooms, the administration block, and a 2-unit laboratory.	544,335,575
24	Mityana	St. Kizito Banda	Completion of a 2-unit science laboratory	78,120,000
25	Madi- Okollo	UleppThe Audit S.S	Retention funds	13,817,954
TOTAL				7,356,035,327

Failure to complete the project activities delays achievement of the intended project objectives, leading to inadequate service delivery.

The Accounting Officer attributed the delay in completion of the constructions to limited funding and indicated that the activities had been rolled over to the subsequent financial Year.

Recommendation					
The Accounting Officer was advised to engage MoFPED for the necessary resources to complete the outstanding works for the benefit of the schools.					
Action Status					
The constructions are pre-financed, and activities are done in accordance with the respective MoUs between the Ministry of Defence and Veteran Affairs(MoDVA) and the MoES. The construction unit of the Ministry closely monitors the implementation of projects. The funds in question were allocated for the construction and rehabilitation of various secondary schools and Wapakhabulo Memorial College of Nursing and Midwifery. The civil works on Wapakhabulo Memorial College of Nursing and Midwifery are progressing well, with the substructure completed and extension of utilities (water and power) ongoing. On the advice of the Attorney General, each of the secondary Schools to be rehabilitated must have a separate MoU. The MoUs are being finalised, and the renovation works will commence immediately after they have been signed.					
Query	Procurements done outside the E-GP System				
Audit Findings					
Guideline 4(2) of the PPDA E-GP 2020 states that the procurement process and procedures for the supply of goods, works, and services, as well as the disposal of public assets, shall be carried out by a procuring and disposing entity using the system. Review of the procurement reports generated for the period under review in comparison to the monthly procurement reports revealed that procurements worth UGX 4.66Bn were conducted outside the procurement system in violation of the issued guidelines. See the table below;					
Table 2: Procurement Conducted outside e-GP					
SN	Procurement Reference	Procurement subject	BEB	Procurement method	Contact Amount - UGX
1	MOES/SUPLS/23-24	Supply of instructional educational materials	River Flow International Ltd	Framework	4,656,631,350
		Total			4,656,631,350
Failure to carry out procurements on the system is not only a violation of issued guidelines, but also defeats the purpose for which it was created to reduce inefficiencies and delays in the procurement and disposal process.					

Recommendation	
The Accounting Officer was advised to ensure that all Ministry procurements are done through the system as guided by PSST.	
Action Status	
The procurement alluded to was initiated in May 2024 when the NITA-U servers were unstable and down most of the time. Due to the little time left until the end of the financial year, procurement was done outside the e-GP system. The Government is upgrading the e-GP system from e-GP version 1.0 to e-GP version 2.0. The enhanced e-GP system will have more robust functionalities and will be aligned to the public procurement legal framework as amended. The plan is to roll out the enhanced e-GP system on 1st July 2026.	
Query	Failure to Provide Salary Increment for Promoted Staff
Audit Findings	
Section B-a (30) of the Public Standing Orders, 2010 states that when a public officer is appointed on promotion, he or she shall receive a salary at the minimum point of the scale of the post to which he or she is promoted, and the date of the anniversary of his or her appointment shall be his or her future incremental date. Review of Education Service Commission (ESC) Minutes No.384/2021 revealed that there was an appointment on promotion of 154 Education Officers to Senior Education Officers. On the contrary, the Audit noted that despite the appointment on promotion and issue of appointment letters, posting instructions, and notification of assumption of duty, there was no salary increment for the promoted staff. An interview with an official of the Education Service Commission revealed that recruitment was sanctioned by the Ministry of Education and Sports, thus undertaking the process of recruitment on promotion. Review of the salary structure revealed that prior to being promoted, the 154 staff were earning a total of UGX 9.38Bn and after promotion to Senior Education Officer, they were supposed to earn UGX 10.1Bn in total, thus leaving a variance unpaid for two years of UGX 0.72Bn as shown in Appendix II. Failure to pay Senior Education Officers the salary rates they should be earning could lead to litigation and accumulation of salary arrears. The Accounting Officer explained that consultations are going on with the Ministry of Public Service on the implementation of the scheme of service.	
Recommendation	
The Accounting Officer was advised to follow up on the consultations with the Ministry of Public Service.	

Action Status

The Ministry communicated this matter to the Ministry of Public Service vide letter ADM 137/155/01 dated 13th December 2024.

The Ministry of Public Service has since considered and included the position of Senior Education Officer on the approved staff structures for both Secondary and Primary Schools. The position has been updated on the Human Capital Management System(HCM), and the officers are now earning the rightful salary.

However, the Ministry of Education and Sports has sought guidance from the Ministry of Public Service regarding the accumulated salary arrears arising from the appointments of the 154 Senior Education Officers in March 2022, who were not placed on or paid the salary scale for that position for the period between their promotion and creation of the post in the structure.

Additionally, guidance has been sought on Senior Education Officers who have since been appointed as Deputy Head teachers, as well as those who retired before accessing the new salary scale. The Ministry is currently awaiting a response from the Ministry of Public Service on these matters.

Query

Low Absorption of Scholarships

Audit Findings

A review of the scholarships awarded in the financial year under review revealed that scholarship opportunities totalling 139 were available, but only 30 had been awarded, resulting in a shortfall of 109. See the table below;

Table 3: Scholarship Slots

SN	COUNTRY	SLOTS	AWARDED	NOT AWARDED
1	UK Commonwealth	35	08	27
2	China	08	05	03
3	India	32	14	18
4	Mauritius	15	03	12
5	China MOFCOM	15	0	15
6	Bangladesh	25	0	25
7	Pakistan	04	0	04
8	Qatar Government Scholarship	05	0	05
	TOTAL	139	30	109

The low absorption could imply inadequate awareness by the qualifying candidates.

The Accounting Officer explained that candidates are notified through advertisements and that the award of scholarships is done by the donor Country after assessments to ascertain their competencies.

Recommendation

The Accounting Officer should explore alternative ways of creating awareness about available scholarships, including liaison with universities and other educational institutions.

Action Status

Upon receiving scholarship calls from the donor Countries, the MoES advertises the scholarship in the print media of wide circulation.

The scholarship offer is further uploaded on the website of the MoEs, various social media handles and notice boards at the MoES headquarters.

MoES has, of late, been forwarding the scholarship adverts to the Clerk to Parliament to circulate to the Members of Parliament for dissemination to their constituents. This is an attempt to make the scholarship offers reach a wider population of the Country.

The Ministry is also considering sharing them on other alternative platforms, such as the WhatsApp platforms of the District Education Officers in Local Governments.

The guidance by the Office of the Auditor to have the scholarship adverts sent to Universities and other Education Institutions is taken and will be effected accordingly going forward.

The low absorption is basically because of:

- i) Low quota in the case of the UK Commonwealth scholarships. The Commonwealth Scholarship Commission(CSC) has clarified that, while the call is for 35 nominations, the actual number of scholarships available(Uganda's quota) is 33% of the 35, which is about 11 slots, and this is always communicated to the applicants. This is not unique to Uganda but across all the Commonwealth countries. For example, in the academic year 2024/25, only eight candidates were awarded scholarships out of the 11 expected (from the 35 candidates nominated). In fact, according to the Commonwealth Scholarship Commission (CSC), MoES, as a nomination agency, is among the best-performing nomination agencies.

For the case of India, all the 32 slots have been filled, of which 18 were through MoES. The other 14 slots are from other MDAs because the offer is communicated to them as well by the donor country. ii) Lack of feedback from some donor countries The application for scholarships from some donor countries is done online directly to the universities in these countries. The Universities deal directly with the applicants, and they give no information to the Ministry. Countries like Bangladesh, Pakistan, China(Mofcom), Azerbaijan and Qatar have never given feedback to the MoES on the number of students who actually applied, awarded and or reported for studies. The MoES, therefore, doesn't have the statistics of the students awarded by those countries. MoES has, however, written to the Ministry of Foreign Affairs to help engage those donor Countries to give us feedback on the status of those students nominated.	
Query	Failure to Put in Place a BTJET Qualification Framework
Audit Findings Paragraph 7.2.5 of the Technical Vocational Education and Training Policy, 2019 requires all assessment bodies to assess and award qualifications based on the TVET council-approved programs in line with the Technical Vocational Education and Training (TVET) Qualifications Framework and the National Qualifications Framework and set standards for ease of equating qualifications. The qualifications framework classifies and clusters qualifications in line with the skills and competencies and ensures that the certification and award of the TVET qualifications reflect the occupations in the world of work. The responsibility of putting in place a BTJET Qualification Framework lies with the Department of TVET Operations and Management. However, the Audit noted that the Technical Vocational Education and Training Qualifications Framework has never been put in place, rendering it difficult for all assessment bodies to effectively execute their mandate. The lack of a Qualifications Framework renders it difficult to equate qualifications, hence limiting competitiveness in the global job market. The Accounting Officer explained that the TVET Qualifications framework is provided for under clause 28 of the TVET Bill, which has just been passed by Parliament and will be implemented once it has been assented to.	

Recommendation

The Accounting Officer was advised to follow up on the matter for implementation.

Action Status

The TVET Qualification Framework is provided for in the TVET Act 2025. The TVET Council (Regulator), under whose mandate the Qualification framework will be operationalised, has been fully constituted. The Council has embarked on the process of constituting the Secretariat. Once the TVET Secretariat is fully operational, it will review the draft TVET qualifications Framework and operationalise it in accordance with the TVET Act 2025.

Query**Budgeted Activities for which no Funds were Released****Audit Findings**

The entity had an approved budget of UGX 731.9Bn out of which UGX 466.8Bn was warranted, resulting in a shortfall of UGX 262.8Bn, representing a 63.9% performance. The UGX 262.8Bn that was not warranted was meant for the following activities;

Table 4: Unfunded priorities for the year

No.	Programme	Budget Code/description	Amount not warranted – UGX	Activities not implemented (Affected activities)
1	Human Capital Development	Advertising and Public Relations	40,859,771	Various activities
2	Human Capital Development	Allowances (Incl. Casuals, Temporary, sitting allowances)	391,987,635	Various activities
3	Human Capital Development	Books, Periodicals & Newspapers	2,140,152	Various activities
4	Human Capital Development	Consultancy Services	5,566,220,813	Various activities
5	Human Capital Development	Contract Staff Salaries	3,185,996,902	Various activities
6	Human Capital Development	Educational Materials and Services	6,048,521,785	Various activities
7	Human Capital Development	Fuel, Lubricants and Oils	53,200,169	Various activities
8	Human Capital Development	General Staff Salaries	6,581,487,994	Various activities
9	Human Capital Development	Guard and Security Services	171,276	Various activities
10	Human Capital Development	Information and Communication Technology Services.	5,145,786	Various activities

11	Human Capital Development	Information and Communication Technology Supplies.	2,161,762,544	Various activities
12	Human Capital Development	Maintenance - Machinery & Equipment Other than Transport Equipment	3,215,007	Various activities
13	Human Capital Development	Maintenance - Transport Equipment	94,433,673	Various activities
14	Human Capital Development	Other Intellectual Property products - Stock	176,409,736,325	Various activities
15	Human Capital Development	Pension and Gratuity Arrears Budgeting	44	Various activities
16	Human Capital Development	Postage and Courier	5,918,273	Various activities
17	Human Capital Development	Printing, Stationery, Photocopying and Binding	80,519,132	Various activities
18	Human Capital Development	Property Management Expenses	1,315,144	Various activities
19	Human Capital Development	Rent	237,677,001	Various activities
20	Human Capital Development	Research Expenses	9,598,590	Various activities
21	Human Capital Development	Scholarships and related costs	4,083,203,085	Various activities
22	Human Capital Development	Small Office Equipment	203,184,844	Various activities
23	Human Capital Development	Social Security Contributions	268,161,603	Various activities
24	Human Capital Development	Special Meals and Drinks	1,009	Various activities
24	Human Capital Development	Staff Training	8,679,340,879	Various activities
26	Human Capital Development	Transfer to Other Government Units	46,459,586,789	Various activities
27	Human Capital Development	Travel inland	569,604,660	Various activities
28	Human Capital Development	Water	485,799	Various activities
29	Human Capital Development	Welfare and Entertainment	66,412,759	Various activities
30	Human Capital Development	Workshops, Meetings and Seminars	1,624,679,300	Various activities
		Grand Total	262,834,568,743	

Failure to provide funds for activities that were budgeted for negatively affected their implementation and achievement of the expected services.

The Accounting Officer indicated that the Ministry would continue engaging MoFPED to ensure that all the funds as budgeted are released and fully warranted as per the approved budget.

Recommendation

The Accounting Officer was advised to continue engaging MoFPED to ensure that all budgeted funds are released and fully warranted in accordance with the approved budget.

Action Status

Quarterly Expenditure Limits for all categories of funds are approved once every quarter, depending on the revenue position of Government, approved work plans, and the prevailing macroeconomic conditions.

Query**Failure to fully utilise warrants****Audit Findings**

The entity had total warrants of UGX 466.8Bn out of which warrants worth UGX 407.7Bn had been utilised by the close of the financial year. The balance of UGX 59.1Bn was meant for the following activities, which were either partially or not implemented at all. The table below refers.

Table 5: Utilisation of warrants

S/N	Programme	Warrants not Utilised	Activities affected by the underutilization	Audit comment (effect on service delivery)
1	Human Capital Development	4,354,010,370	Pension	The activity may not be adequately implemented
2	Human Capital Development	5,905,601,467	Educational Materials and Services	The activity may not be adequately implemented
3	Human Capital Development	18,220,952,000	Other Intellectual Property products - Stock	Acquisition of Non-Residential Buildings was not achieved
4	Human Capital Development	4,836,750,000	Staff Training	The activity may not be adequately implemented
5	Human Capital Development	391,987,635	Allowances (Incl. Casuals, Temporary, sitting allowances)	The activity may not be adequately implemented
6	Human Capital Development	4,083,203,085	Scholarships and related costs	The activity may not be adequately implemented
7	Human Capital Development	2,161,762,544	Information and Communication Technology Supplies.	The activity may not be adequately implemented

8	Human Capital Development	6,581,487,994	General Staff Salaries	The activity may not be adequately implemented
9	Human Capital Development	16,925,000,000	Various budget lines expenses	The activities may not be adequately implemented
	Total	59,106,798,635		

Failure to utilise warrants hinder implementation of the budget and planned activities.

The Accounting Officer indicated that the Ministry would continue engaging MoFPED to ensure that all the funds as budgeted are released.

Recommendation

The Accounting Officer should provide innovations for the implementation of the activities.

Action Status

The unutilized warrants relate to funds released under the Uganda Secondary Education Expansion Project (USEEP) and the Pension.

- i) The underabsorption under USEEP was occasioned by the delayed acquisition of land titles, which affected the implementation of activities. Since then, efforts have been made to fast-track the acquisition of land titles, and to date, 155 titles out of 177 have been acquired.

Civil works contracts for 16 sites have been signed, and construction progress is at an average of 10% against the time elapse of 23%. Evaluation has been completed for 36 sites, and the Contracts Committee recommended award of 32 sites, which await World Bank Approval. Four(4) sites have to be retendered, 12 other sites are under evaluation, while bids for an additional 12 sites were opened on 23rd October, 2025.

- ii) The pension budget has not yet been aligned with the actual pension requirements of the vote. We have engaged MoFPED and MoPS to have this alignment done.

VOTE 014 - MINISTRY OF HEALTH

Query	Accumulation of Domestic Arrears

Audit Findings

Section 20 (2) of the Public Finance Management Act, Cap 171 states that a vote shall not take any credit from any local company or body unless it has no unpaid domestic arrears from a debt in the previous financial year. It has the capacity to pay the expenditure from the approved estimates as appropriated by Parliament for that financial year. Further, Paragraph 10.10.17 of the Treasury Instructions, 2017 states “An Accounting Officer will ensure that no payments due in any financial year remain unpaid at the end of that year”.

The Audit observed that domestic arrears have increased over the last three years, with a slight decrease of 9.6% in the year under review. Details in the table below;

Table 12: Trend Analysis of the Ministry's Domestic Arrears

No	Financial Year	Amount (Accumulated Domestic Arrears (UGX-Bn)	Percentage Increase/(Decrease)
1	2020/21	6.796	
2	2021/22	54.439	701%
3	2022/23	72.878	33.9%
4	2023/24	65.853	(9.6%)

The Audit further noted that a sum of UGX 3.74Bn was budgeted to settle domestic arrears during the financial year 2023/24, representing 5.14% of the domestic arrears from the prior year of UGX 72.88Bn. However, the Audit observed that the Ministry paid domestic arrears to the tune of UGX 8.15Bn. The delayed settlement of domestic arrears may result in payment of fines and penalties in case legal action is taken.

The Accounting Officer explained that the reflected increase in domestic arrears was partly due to delayed reconciliation between the MoH, NDA and NMS. Settlement of these arrears depends on the release by MoFPED under that specific budget item. The Officer explained that entities submit a verified domestic arrears position to MoFPED at year's end. However, the MoFPED determines the budget allocation for arrears.

Recommendation

The Accounting officer was advised to;

- i) Prioritise the timely reconciliation of domestic arrears with the National Drug Authority (NDA) and the National Medical Stores (NMS) to prevent further accumulation.
- ii) Advocate for a more structured and predictable approach to budgeting for domestic arrears, ensuring that critical payments, such as those for health-related supplies, are not delayed due to funding constraints.

Action Status

PS/ST, in the Budget Execution Circular FY 2024/25 Ref: BPD 86/179/01, guided that payment of the existing stock of arrears will only be made upon verification by an independent audit firm appointed by this Ministry. To curb further accumulation of domestic arrears, this Ministry has instituted the following measures.

- i) Sanctioning Accounting Officers for the creation of new domestic arrears by not renewing their contracts as Accounting Officers; and
- ii) Accounting Officers should not sign any new contracts without confirmation of the availability of resources. Multi-year contracts should take a first call on available resources. Accounting Officers who sign contracts without the availability of funds will be held personally liable. Please note that the Expenditure Limits issued by this Ministry are based on available funds, not on the appropriated budget.

All Accounting Officers are reminded to submit their draft final accounts by 31st August of every year to the Accountant General's Office with duly signed certificates of outstanding commitments, with copies to the Internal Auditor General. Draft final accounts submitted without certificates of outstanding commitments will be rejected.

Query	Review of Emergency – Life Support for Civilian War Victims-Hospital

Audit Findings

Ministry of Health, on behalf of Government of Uganda, entered into a memorandum of understanding with Emergency Life Support for Civilian War Victims-Hospital on 25th September 2013.

The purpose of the intervention was to provide health services to the people of Uganda and neighbouring countries, trainings recognised by the MoH for the medical and nursing staff and to define the standards that will constitute a model for the development of health systems in Uganda.

In the year under review, UGX 17.133Bn was transferred to the Emergency Life Support for Civilian War Victims Hospital as financial contributions to the project's annual running costs. However, the Audit noted the following;

Lack of Audit Visits

Article 6(1), Monitoring and Evaluation Procedures, requires that the Emergency shall facilitate the MoH and the MoFPED representatives to conduct audit visits to verify expenditures related to the Governmental contribution.

However, the Audit was not provided with supervision reports for audit verification. Additionally, there was no evidence of the appointment of an evaluation committee, which was supposed to be established within two months of the signature of the agreement.

The lack of audit visits and the absence of an evaluation committee hinder the ability to verify expenditures related to the Governmental contribution. This non-compliance with the Monitoring and Evaluation Procedures raises

concerns about the oversight and accountability of the funds, potentially leading to misuse or inefficiency in fund utilisation.

The Accounting Officer explained that, regarding monitoring and evaluation of operations under the emergency hospital, the practice has been that Top Management periodically visits the hospital to assess its operations. Nonetheless, the Officer acknowledged the need to create a monitoring and evaluation committee as required by the agreement.

Recommendation

The Accounting Officer was advised to ensure that audit visits are periodically conducted and the formation of the evaluation committee is fast-tracked.

Action Status

The Committee was instituted, and it includes the Commissioner of Clinical Services, the Commissioner of Health Infrastructure, the Assistant Commissioner of Budget and Finance and the Assistant Commissioner of Internal Audit. It reports to the Director General of Health Services.

Query

Non-Use of the e-GP system

Audit Findings

Despite the Ministry's enrolment and utilisation of the e-GP (Electronic Government Procurement) system from May 2022 to execute procurements, an analysis of procurement records indicated non-usage of the e-GP system for some procurements.

The Ministry undertook 391 procurements during the FY 2023/24, worth UGX.31.418Bn. Despite the high utilisation of the e-GP system, there was a partial non-adoption, with four (4) procurements worth UGX.0.680Bn conducted outside the system. Additionally, a significant number of procurements initiated through e-GP were either incomplete, cancelled, or did not receive bidder responses.

Analysis of procurements initiated through e-GP revealed that;

- i) 77 procurements worth UGX 16.11Bn were completed
- ii) 152 procurements worth UGX 4.59Bn were initiated in e-GP with no replies from bidders, hence the procurements did not proceed to the final stage.
- iii) Eight(8) procurements were cancelled by the user department before completion
- iv) 150 procurements worth UGX 10.04Bn were incomplete and were at different stages of the procurement cycle, such as the bid notice, creating bids, bid opening, and solicitation in progress.

Details in the table below;

Table 13: Showing the summary of non-utilisation of the e-GP system

Procurement Type	Micro	Macro			Total		%
Item	No	Amount (UGX)	No	Amount (UGX)	No	Amount (UGX)	
NOT on E-GP							
1) Procurements NOT on E-GP	0	0	4	0.68	4	0.68	2
Procurements on E-GP							
1. Valid procurements – completed	1	0.004	76	16.109	77	16.113	49
2. Incomplete procurements	105	0.424	45	9.615	150	10.039	31
3. Cancelled procurements by PDU	0	0	8	0	8	0	0
4. Cancelled procurements that were initiated but had no replies from bidders, and thus the procurements did not proceed.	66	0.235	86	4.351	152	4.586	14
Total	172	0.663	219	30.755	391	31.418	

Source: eGP system

Failure to fully adopt the e-GP system denies the Ministry the intended benefits of efficiency, transparency, and accountability.

The Accounting Officer explained that the e-GP system is in the pilot phase, and as such, some modules are not fully functional. This creates challenges during the procurement process. Progressively, the system has been re-engineered to address the gaps identified by users.

The challenges highlighted in the year under review were the result of many stakeholders' failure to use the system due to inherent weaknesses in the system, as well as users' lack of competencies. This has gradually been improved by training different stakeholders.

Recommendation

The Accounting Officer was advised to liaise with the relevant Authorities to address the inherent weaknesses in the system and conduct user training for all stakeholders. In addition, the Accounting Officer should ensure that all MoH procurements are executed through the e-GP system.

The Ministry effectively enrolled all User Departments to plan and raise all Government of Uganda procurements on the system. Continuous training on the system is ongoing with the support of the Ministry of Finance, Planning and Economic Development.

The Government is upgrading the e-GP system from e-GP version 1.0 to e-GP version 2.0. The enhanced e-GP system will have more robust functionalities and will be aligned to the public procurement legal framework as amended. The plan is to roll out the enhanced e-GP system on 1st July 2026.

Query	Failure to upload signed Contract documents into e-GP

Audit Findings

The Audit noted that none of the sampled procurements in the e-GP system have scanned, signed contract documents attached. After the evaluation process is concluded, the Procurement and Disposal Unit (PDU) prints the draft contracts for the Accounting Officer's signature. However, the signed contracts are not uploaded onto the e-GP system but only filed in the manual file.

The absence of signed contract documents on the e-GP system undermines the purpose of the online platform, which is designed to enhance transparency, efficiency, and accountability in the procurement process.

The Accounting Officer explained that the e-GP system does not provide for uploading signed contracts. This concern was brought to the attention of the e-GP development team, who advised that contracts should be prepared off-system in order to submit them to the Solicitor General for clearance.

The Officer, however, undertook continue engaging the e-GP development team for the solution to facilitate uploading the off-system signed contracts.

Recommendation

The Accounting Officer was advised to continue engaging the e-GP development team to ensure that the challenge of uploading signed contract documents onto the online procurement platform is addressed.

Action Status

The Government is upgrading the e-GP system from e-GP version 1.0 to e-GP version 2.0. The enhanced e-GP system will have more robust functionalities and will be aligned to the public procurement legal framework as amended. The plan is to roll out the enhanced e-GP system by 1st July 2026.

Query	Failure to Upload Signed Contract Documents on the eGP system														
Audit Findings															
The Ministry of Health did not receive any direct funding for the implementation of PDM activities.															
THE AUDIT reviewed the Ministry’s approved work plans and budgets for PDM activities and noted the following;															
Table 3: Approved work plans and budgets for PDM activities															
S/N	Audit observation		Recommendation												
2.3.1.1	<u>Alignment of MDA Work Plans and Budgets to the PDM</u> PDM Working Groups are required to assist participating MDAs in the alignment of their plans and budgets to the PDM. A comparison of the Working Group activity implementation action plan with the Ministry’s budget and work plan revealed that; MoH did not fully align the work plan to the pillar action work plan. While the pillar working group work plan had a total of five (5) activities, only two (2) 40% were incorporated into the Ministry’s work plan <table><tr><th>SN</th><th>Pillar Working Group Activities</th><th>The Ministry's work plan Activities.</th><th>Cost (UGX)</th></tr><tr><td>1</td><td>Engage the pillar chairperson to obtain endorsement for the manual</td><td>Finalise the PDM pillar four implementation manual</td><td>N/A</td></tr><tr><td>2</td><td>PDM Expo to showcase social service delivery and opportunities for communities to access services under the PDM framework.</td><td>Not integrated</td><td>N/A</td></tr></table>		SN	Pillar Working Group Activities	The Ministry's work plan Activities.	Cost (UGX)	1	Engage the pillar chairperson to obtain endorsement for the manual	Finalise the PDM pillar four implementation manual	N/A	2	PDM Expo to showcase social service delivery and opportunities for communities to access services under the PDM framework.	Not integrated	N/A	The Audit advised the Accounting Officer to ensure that PDM activities are prioritised and are incorporated in the Ministry's annual work plan.
SN	Pillar Working Group Activities	The Ministry's work plan Activities.	Cost (UGX)												
1	Engage the pillar chairperson to obtain endorsement for the manual	Finalise the PDM pillar four implementation manual	N/A												
2	PDM Expo to showcase social service delivery and opportunities for communities to access services under the PDM framework.	Not integrated	N/A												

	3	Conduct a regional orientation on the Social Service pillar Implementation Manual	Orient Parish committees on the PDM social Pillar in 1 region.	N/A
	4	Stakeholder engagement on operationalisation of the Social Service pillar implementation manual	Not integrated	N/A
	5	Conduct Training of Trainers to support operationalisation of the manual at all levels	Not integrated	N/A
The Audit noted that, whereas there was an approved quantified WG/pillar work plan, the planned activities were not costed. Failure to align the budget and work plan to PDM hinders the achievement of the pillar objectives. The Accounting Officer explained that the Ministry of Health, through collaboration with the Ministry of Local Government and OPM, participated in PDM expos in Mbale, Mubende, and Butambala with support from partners. The Officer explained that management had equally engaged stakeholders through different departments on health messaging and service delivery that is aligned to PDM. The Ministry of Health conducted a national Trainers of Trainers on the implementation of the community health strategy that is aligned to the PDM. The Accounting Officer undertook to ensure that management continues to engage with all departments as well as health partners for full alignment and integration of PDM-focused interventions.				
Action Status				
PDM-aligned activities have been prioritized in work plans as per the resources available to the Ministry.				

Query		Slow Formulation of Policies and Legislation in Accordance with the Mandate of the Ministry		
Audit Findings				
Paragraph 1.0.1 of the Ministry of Health (MoH) strategic plan 2020/21 - 2024/25 mandates the Ministry of Health to initiate policy formulation, coordinate overall health sector activities and bring together stakeholders at the national, sub-national and community level for the delivery of quality health services. In terms of development and maintenance of the National Health System, the MoH is responsible for setting regulations, standards and guidelines development and dissemination.				
The Audit assessed the policies and legislation developed by the Ministry and their approval status in the last three years, and noted the following;				
Table 4: Status of policies under MoH				
SN	Mandated activity	Source of Mandate	Audit observation	Management response
1	Laws, regulations, and policies developed/reviewed	Section 2.3 of the National Health Policy states that the functions of the Ministry of Health (MoH) include policy formulation and policy dialogue, setting standards and quality assurance.	THE AUDIT noted that the following Bills had been submitted to Cabinet; however, they had not been approved. • The National Specialised Hospitals Bill, 2022 • Assisted Reproductive Health Bill, 2022 • The Food and Drug Authority Bill, 2021 • The National Health Insurance Bill, 2021 • National Food and Drug Authority Bill, 2022 The Audit was not availed the actual dates of submission	The National Specialised Hospitals Bill,2024, has not been submitted to Cabinet yet. The Ministry of Health is still conducting consultations with stakeholders on the Principles of the National Specialised Hospitals Bill. The Bill will be submitted to Cabinet for approval by March 2025. The Principles of Assisted Reproductive Health Bill, 2024, were submitted to the Cabinet Secretariat for review, and a response with

					comments was provided to the Ministry of Health for action. The Ministry is concluding stakeholder consultations in response to comments from the Cabinet Secretariat. The Principles of this Bill will be submitted for approval by Cabinet by March 2025, after the consultations. Regarding the National Food and Drug Authority Bill, 2024, the First Parliamentary Council provided comments on the Bill after review. The Ministry is consolidating review comments and will submit the Bill to Cabinet for approval by March 2025. The National Health Insurance Bill, 2023, was submitted to the Cabinet Secretariat in November 2023 for discussion by the Cabinet.
2	Laws, regulations, and policies developed/reviewed	Section 2.3 of the National Health	The Audit noted that the Ministry of Health was still conducting consultations with		

		Policy states that the functions of the Ministry of Health (MoH) include policy formulation and policy dialogue, setting standards and quality assurance	stakeholders to discuss the Principles of the Bill for the following; • The Health Professional Council Authority Bill, 2021 • Assisted Reproductive Health Bill, 2022	
3	Laws, regulations, and policies developed/reviewed.	Section 2.3 of the National Health Policy states that the functions of the Ministry of Health (MoH) include policy formulation and policy dialogue, setting standards and quality assurance.	The Audit noted that several legislations were being implemented without the relevant regulations to operationalise them, namely; • Public Health (Amendment) Act, 2021 • The Mental Health Act (2019) • The Uganda Human and Organ Transplant Act, 2022 • Traditional and Complementary Medicine Act, 2019 • The HIV Prevention and Control Act, 2014	The Ministry has planned to conduct stakeholder consultations in Q4 of FY 2023/24 to develop the relevant regulations for the Acts with no regulations. The Regulations for these legislations will be ready and approved by June, 2025.
4	Laws, regulations, and policies developed/reviewed	Section 2.3 of the National Health Policy states that the functions of	Interviews with management indicated that some laws required review and update to identify key gaps in improvement and implementation. These include;	The Ministry of Health has planned for a review of all the legislation in the Health sub-sector in FY 2024/25, to identify the enablers and

		the Ministry of Health (MoH) include policy formulation and policy dialogue, setting standards and quality assurance	• The Uganda Cancer Institute Act, 2016 • Uganda Heart Institute Act, 2016 • The Tobacco Control Act, 2015 • The Occupational Safety and Health Act, 2006 • The Medical and Dental Practitioners Act, • The Allied Health Professionals Act, 1996 • Nurses and Midwives Act, 1996	gaps in the implementation of all health-related laws.
5	Laws, regulations, and policies developed/reviewed.	Section 2.3 of the National Health Policy states that the functions of the Ministry of Health (MoH) include policy formulation and policy dialogue, setting standards and quality assurance.	The Audit noted that the Ministry formulated the following policies. However, the Audit noted through interviews that these policies required review and update. • Community Health Extension Workers National Policy, 2018 • National e-Health Policy 2016 • National Medicines Policy, 2015 • Uganda National Malaria Control Policy. 2011 • National Child-Focused Policy Research Agenda (2016–2020) • Uganda Human Resources for Health Policy, 2006 • National Policy on Public-Private Partnership in Health, 2012	The Ministry of Health, together with the Office of the President, Department of Policy Analysis, have planned for an audit of all Policies in the Health sub-sector in FY 2024/25, to identify the enablers and gaps in the implementation of all health-related policies.

			• Adolescent Health Policy for Uganda, 2004 • Uganda Food and Nutrition Policy, 2003 • Uganda Sanitation and Hygiene Policy, 1997	
Failure to fast-track the development and approval of regulations affects the full operationalisation of the laws. Furthermore, delayed review and update of the existing laws and policies may render them obsolete in responding to emerging issues within the Health Sector.				
Recommendation				
The Audit advised the Accounting Officer to expedite the development and approval of the necessary regulations to operationalise existing laws and promptly review and update existing laws and policies to ensure they effectively address the dynamic nature of the health sector landscape. The Ministry has prepared the Statements of Financial Implications to be forwarded to the MoFPED for issuance of the Letter of Financial Clearance for the Principles of the Health Professional Council Authority Bill, 2025. i) The Ministry has prioritised the appointment of the Boards of the Uganda Human and Organ Transplant Council and the Traditional and Complementary Medicine Councils, which will facilitate the development and implementation of the regulations of the respective Acts. The Ministry has prioritised the appointment of the Boards of the Uganda Human and Organ Transplant Council and the Traditional and Complementary Medicine Councils to facilitate the development and implementation of the regulations under the respective Acts. ii) The review of all the legislation is still ongoing. The processes are planned to be concluded by the end of FY 2025/26. iii) The review of all these Policies is still ongoing. The processes are planned to be concluded by the end of FY 2025/26.				
Query			Budgeted activities for which no Funds were released	
Audit Findings				
The entity had an approved budget of UGX 242.54Bn out of which UGX 216.017Bn was warranted, resulting in a shortfall of UGX 26.527Bn (<i>representing 89% performance</i>). The entire sum related to partially funded outputs. Details in the table below;				

Table 5: Budgeted activities for which no funds were released

No.	Programme	Budget Code/ description	Amount not warranted (UGX-Bn)	Activities/Purpose
1	Human capital development	000002	1.332	Payment of Contract Staff Salaries for construction management
2	Human capital development	000002	0.196	Allowances for construction management
3	Human capital development	000002	0.145	payment of allowances for construction management
4	Human capital development	000005	0.169	payment of social security contributions
5	Human capital development	000002	0.013	Advertising and Public Relations for Construction Management
6	Human capital development	000005	0.005	Recruitment
7	Human capital development	000002	0.004	Purchase of Books, Periodicals & Newspapers
8	Human capital development	000002	0.113	Information and Communication Technology Supplies.
9	Human capital development	000002	0.028	Welfare and Entertainment for Construction Management
10	Human capital development	000002	0.034	Printing, Stationery, Photocopying and Binding
11	Human capital development		0.004	payment of bank-related costs
12	Human capital development		0.010	Information and Communication Technology Services.
13	Human capital development		0.004	Postage and Courier

14	Human capital development	000007	3.531	Procurement of medical supplies and services
15	Human capital development	000002	0.600	consultancy services for construction management
16	Human capital development	000002	0.561	Travel in for construction management
17	Human capital development	000002	0.172	fuel, Lubricants and Oils for construction management
18	Human capital development	320059	1.157	Fuel, Lubricants and Oils for coordination of EMS services, support supervision and mentorship for hospital and pre - hospital emergency care services.
19	Human capital development	000002	0.0800	Maintenance of transport equipment under construction management
20	Human capital development	320022	0.190	Transfer to Gavi
21	Human capital development	000002	6.660	Transfer to Other Government Units for improvement of health facilities(upgrade of 43 health centres)
22	Human capital development	000005	0.059	Payment of pension
23	Human capital development	000005	0.006	Payment of gratuity
24	Human capital development	000002	0.182	Acquisition of Non-Residential Buildings
25	Human capital development	000003	1.017	Acquisition of Medical, Laboratory and Research & appliances
26	Human capital development	000003	0.500	Acquisition of other machines and equipment

27	Human capital development	000002	9.303	Improvement of Non-Residential Buildings
28	Human capital development	000005	0.452	payment of salary arrears
	TOTAL		26.527	

Failure to provide funds for activities that were budgeted negatively affected their implementation and achievement of the intended services.

The Accounting Officer attributed the shortfall to inadequate release from MoFPED. This was under the Development budget category, and it affected the planned construction of health facilities by the UPDF engineering brigade, recruitment of clerk of works, procurement of medical equipment and rehabilitation of health facilities in the Local Governments. MoFPED attributed the shortfall in the releases to cashflow challenges experienced at the treasury.

Recommendation

The Accounting Officer was advised to liaise with the relevant stakeholders and consider partnering with the Donor Community to bridge the funding gap, especially in the area of infrastructure development.

Action Status

Quarterly Expenditure Limits for all categories of funds are approved once every quarter, depending on the revenue position of Government, approved work plans, and the prevailing macroeconomic conditions.

Query

Unutilised Warrants

Audit Findings

The entity had total warrants of UGX 216.02Bn out of which warrants worth UGX 214.23Bn had been utilised by the close of the financial year. The balance of UGX 1.78Bn was meant for a number of activities, such as employee costs, like salaries, allowances, contributions to NSSF, payment of gratuity, acquisition of furniture and fittings, among others. These activities were either partially implemented or not implemented. Details in the Table below;

Table 6: Utilisation of receipts

No.	Programme	Account Description	Warrants not Utilised (UGX)	Activities affected by the underutilization	Effect on service delivery
1	Human Capital Development	General Staff Salaries	1.342	Payment of general staff salaries	
2		Contract Staff Salaries	0.004	Payment of contract staff salaries	
3		Allowances (Incl. Casuals, Temporary, sitting allowances)	0.008	Payment Of Allowances	

4		Social Security Contributions	0.013	Payment For Social Security Contributions	
5		Medical expenses (Employees)	0.001	Payment Of Staff Medical Expenses	
6		Social Security Contributions	0.004	Payment For Social Security Contributions	
7		Advertising and Public Relations	0.017	Advertising and Public Relations	
8		Staff Training	0.001	Conduct of staff training	
9		Information and Communication Technology Supplies.	0.008	Information and Communication Technology Supplies.	
10		Printing, Stationery, Photocopying and Binding	0.001	Printing, Stationery, Photocopying and Binding	
11		Travel inland	0.014	Travel inland	
12		Maintenance - Transport Equipment	0.07	Maintenance of Transport Equipment	Breakdown of equipment and increased repair costs
13		Maintenance - Machinery & Equipment Other than Transport Equipment	0.003	Maintenance of Machinery & Equipment Other than Transport Equipment	Breakdown of equipment and increased repair costs
14		Maintenance - Other Fixed Assets	0.006	Maintenance of Other Fixed Assets	Breakdown of equipment and increased repair costs
15		Transfer to Other Government Units	0.005	Transfer to other Governments units	
16		Incapacity, death benefits and funeral expenses	0.004	Incapacity, death benefits and funeral expenses	
17		Pension	0.003	Payment of pension	Delays in the settlement of pensioners
18		Gratuity	0.244	payment of gratuity	Delays in the settlement of pensioners
19		Scholarships and related costs	0.015	payment for staff scholarships	
20		Furniture and Fittings – Acquisition	0.011	Acquisition of furniture and fittings	
21		Non-Residential Buildings - Improvement	0.003	Improvement of Non-Residential Buildings	Deterioration of Non-residential Buildings
22		Salary Arrears Budgeting	0.011	Payment of salary arrears	
		TOTAL	1.788		

Failure to absorb warranted funds affects the implementation of planned activities, thus negatively impacting the effective execution of the Ministry's mandate.

The Accounting Officer attributed the underutilization of warrants for General Staff salaries amounting to UGX 1.342Bn to the following;

- i) Retirement of officers during the FYs 2022/23 and FY 2023/24, who were not replaced immediately due to the associated recruitment processes. In addition, there were vacant positions earmarked for filling which were not filled during the FY under review.
- ii) On the other hand, underutilization of Gratuity amounting to UGX 0.244Bn is a result of changes in the dates of retirement for one staff member whose initial date of retirement was 30th January, 2024, according to the payroll system and accordingly budgeted for under FY 2023/24. However, a review of his personal file revealed his correct date of retirement as 30th October 2024. Therefore, he was instead budgeted for under FY 2024/25

Recommendation

The Accounting Officer was advised to;

- i) Work closely with the relevant stakeholders and ensure that all the vacant positions are duly filled to enable absorption of wage funds.
- ii) Regularly update the employee's personal files to ensure that the correct information is filed and kept.

Action Status

The underutilization of warrants for General Staff salaries amounting to UGX 1.342 Bn arose out of;

- i) Retirement of officers under the FY 2022-23 and FY 2023-24 who were not replaced immediately due to the associated recruitment processes. Since then, a number of positions have been filled for example, Commissioner Nursing and Midwifery Services, Commissioner Reproductive and Child Health, Commissioner Standards, Compliance Accreditation and Patient Protection, Registrar Allied Health Professionals' Council, Registrar Uganda Medical and Dental Practitioners' Council, Principal Environmental Health Officer, Principal Entomologist, Assistant Commissioner, Standards And Accreditation, Principal Microbiologist, Principla Monitoring and Evaluation Officer, Senior Consultant among others.
- ii) Underutilization of Gratuity amounting to UGX 0.244Bn was a result of variations in the date of retirement for Dr Tusiime Patrick (Commissioner, Communicable Diseases Prevention and Control),

whose initial date of retirement was 30th January, 2024, according to the payroll system and accordingly budgeted for under FY 2023/24. However, a review of his personal file revealed his correct retirement date as 30th October 2024, which was submitted to MoPS for correction in the payroll system. The inconsistencies led to his inclusion on the Gratuity budget for FY 2023-24. Following the correction of his date of birth by MoPS, he retired mandatorily w.e.f 30th October, 2024, and his benefits were accordingly processed and paid under the FY 2024-25.	
Query	Failure to Fully Implement Activities
Audit Findings The Audit assessed the extent of implementation of activities for which funds were availed and utilised. A total of eighteen (18) outputs with 108 activities worth UGX 137.278Bn were assessed, and the following was observed; i) Eight (8) outputs with 30 activities and expenditure worth UGX 50.507Bn were fully implemented. ii) Ten (10) outputs with 78 activities worth UGX 86.771Bn were partially implemented. Out of the 78 activities, the entity fully implemented sixty-one (61) activities, thirteen (13) activities were partially implemented, while four (04) activities were not implemented. Failure to implement planned activities hinders service delivery to the intended stakeholders. The Accounting Officer attributed the partial implementation of the thirteen (13) activities to several reasons, including insufficient funds/ releases, procurement-related delays, delayed finalisation and approval of strategic documents, and phased implementation of construction-related activities. Four (4) activities were not implemented at all due to a lack of funds and delays in procurement processes.	
Recommendation	
The Accounting Officer was advised to; i) Strengthen internal controls over procurement processes and ensure the timely finalisation and approval of strategic documents. ii) Establish clear project timelines and ensure effective coordination for phased implementation of construction activities. iii) Regularly monitor these activities to mitigate the risk of delays and ensure that planned activities are fully implemented within the available funds.	
Action Status	
The Ministry has established mechanisms to improve process monitoring further and ensure that all planned activities are implemented on time. The	

M&E section undertakes quarterly monitoring and verification of all planned activities, and a compliance report is discussed with departments to formulate action plans for pending activities.

Discussion of the work plan monitoring report has also been integrated into the Quarterly performance review meetings, to further improve implementation compliance by all responsible departments and units.

Query

Failure to Prioritise Activities Affecting Service Delivery

Audit Findings

Review of the MoH strategic plan 2020/21 – 2023/24 revealed that the Ministry planned to implement the following activities within five (5) years. However, the Ministry did not prioritise the following activities in its annual work plans and approved budget in the strategic plan period, affecting their full implementation, hence affecting service delivery.

Table 7: Un-prioritised activities

S/N	Project description and value	Audit observation	Implication	Management Response
1	Construction of 138 Health Centre IIIs in sub-counties without any health facility	Review of the MoH strategic plan 2020/21 – 2024/25 revealed that the Ministry planned to construct 138 Health Centre IIIs in sub-counties without any health facilities. However, by audit time, only 46 HC IIIs (33%) had been constructed. THE AUDIT noted that this activity was not included in the annual workplans and Budgets for the last four (4) years	The absence of Health Centre IIIs in these sub-counties hinders the provision of basic healthcare to communities and supervision of community health workers at Health Centre IIIs, leading to inadequate healthcare services and potentially higher morbidity and mortality rates.	The Ministry has constructed and upgraded a total of 373 health facilities under UgiFT; 81 facilities were also constructed and upgraded under the URMCHIP project. However, with the creation of more administrative units, 488 sub-counties lack HC IIIs. The Ministry is engaging Government and partners for additional funding to address the gap.
2	Set up 12 regional ambulance hubs with Ambulance	Review of the MoH strategic plan 2020/21 – 2024/25 revealed that the Ministry planned to	Failure to establish all regional ambulance hubs	The Ministry was unable to construct all 12 regional ambulance Hubs as earlier planned

	spots in all Health sub-districts	establish 12 regional ambulance hubs within 5 years. However, 6 months to the end of the strategic plan implementation period, only two (2) had been established, representing 17% implementation.	significantly hinders the provision of emergency medical services (EMS), which can result in delays in emergency response times and potentially increased mortality rates in medical emergencies.	due to inadequate funds. However, it has mobilised funds for four additional hubs (3 URCREPP and one under ENABEL). The Global Fund has provided equipment and furniture to support the setting up of the other three hubs.
3	Establish and functionalize a centre of excellence for trauma at the national level (Paediatric Surgical Hospital, CUFH Naguru)	Review of the MoH strategic plan 2020/21 – 2024/25 revealed that the Ministry planned to establish and functionalize a centre of excellence for trauma at the national level (Paediatric Surgical Hospital, CUFH Naguru). Six months to the end of the strategic plan, the National Trauma Referral Hospital had not been established. Further, it was noted that this activity was not included in the annual work plans and Budgets for the last four (4) years.	Failure to establish the National Trauma Referral Hospital implies that specialised treatment for patients with severe physical injuries may be hindered, potentially leading to higher morbidity and mortality rates for trauma patients.	The Ministry is in advanced negotiation with the Chinese Government to establish and functionalise Naguru as the national trauma centre.
4	Construction of General Hospitals in Rubaga Division and	Review of the MoH strategic plan 2020/21 – 2024/25 revealed that the Ministry planned to construct General	The absence of General Hospitals in these areas implies that the communities	Government of Uganda has not secured resources to undertake the construction of General Hospitals as previously planned.

	Wakiso District	Hospitals in Rubaga Division and Wakiso District starting FY 2020/21. Six (6) months to the end of the strategic plan, these constructions had not taken place. In addition, this activity had never been included in the annual work plans and budgets for the Ministry in the last four (4) years.	will not benefit from primitive, preventive, and rehabilitative services, in-service training, basic research, and technical support supervision to lower-level units. This could lead to unmet healthcare needs and poorer health outcomes.	
5	Construction of 4 regional blood banks	Review of the MoH strategic plan 2020/21 – 2024/25 revealed that the Ministry planned to construct four regional blood banks at Hoima, Arua, Jinja and Soroti. The Audit noted that only two blood banks, namely Hoima and Arua, had been completed. No work had been done at Jinja RRH, and construction at Soroti. The Audit noted that construction at Soroti RRH was at 80%. Further review of the Contract Management report revealed that on 30th September 2021, MoH signed a	Delayed completion of regional blood banks negatively affects the collection, separation, testing, and storage of blood, thereby limiting the availability of safe blood. This can lead to blood shortages and impact emergency and surgical care.	Out of the four planned blood banks, Hoima and Arua are complete, and Soroti. The Audit is at 85% completion, and funds have been secured from KOICA to construct the fourth in Jinja.

		contract with M/s Rina One Investment Limited to construct a blood bank at SorotThe Audit regional referral hospital, at a contract sum of UGX 2.409Bn. Works were expected to be completed within one (01) year. However, the project has delayed by 26 months.		
Recommendation				
The Accounting Officer was advised to prioritise and include these key activities in the Ministry's annual work plans and budgets to ensure timely implementation and enhance healthcare service delivery.				

Action Status				
S/N	Project description and value	Audit observation	Implication	Action taken
1	Construction of 138 Health Centre IIIs in sub-counties without any health facility	Review of the MoH strategic plan 2020/21 – 2024/25 revealed that the Ministry planned to construct 138 Health Centre IIIs in sub-counties without any health facilities. However, by audit time, only 46 HC IIIs (33%) had been constructed. THE AUDIT noted that this activity was not included in the annual workplans and Budgets for the last four (4) years	The absence of Health Centre IIIs in these sub-counties hinders the provision of basic healthcare to communities and supervision of community health workers at Health Centre IIs, leading to inadequate healthcare services and potentially higher morbidity and mortality rates.	The Ministry has upgraded a total of 381 health Centre IIs to HC IIIs and constructed 31 new HC IIIs in sub-counties without any health facility in the last five years. Additionally, 40 HC IIIs have undergone infrastructure improvement (construction and equipment) Of the 138 new HC IIIs planned to be constructed, the Ministry constructed 31 due to funding limitations. However, with the creation of more administrative units, 488 sub-counties lack HC IIIs. The Ministry is engaging Government and partners for additional funding to address the gap.
2	Set up 12 regional ambulance hubs with Ambulance spots in all Health sub-districts	Review of the MoH strategic plan 2020/21 – 2024/25 revealed that the Ministry planned to establish 12 regional ambulance hubs within 5 years. However, 6 months to the end of the strategic plan implementation period, only two	Failure to establish all regional ambulance hubs significantly hinders the provision of emergency medical services (EMS), which can result in delays in emergency response times and potentially increased mortality rates in	The Ministry did not realise all the projected resources in the strategic plan. The Ministry indeed planned to set up a National Emergency Call and Dispatch Centre and 14 Regional Ambulance Call and Dispatch centres located at Regional Referral Hospitals. So far, 8 (57%) regional ambulance call and dispatch centres and one National Call and dispatch centre are at

		(2) had been established, representing 17% implementation.	medical emergencies.	different stages of set-up as below: a) Naguru and Masaka – Equipped and functional b) Arua, Mbarara and Lira – Advanced stages of construction (70%) c) Mbale – Over 60% of construction d) Yumbe and Jinja – Existing space equipped and purposed for call and dispatch (80% readiness) e) Mulago National Centre – Space has been identified and equipped at the Mulago Isolation unit. The MOH is in advanced stages of procuring a call and dispatch solution with funding from the Global Fund, which will functionalise the 912 short code for communication. The remaining projects have been rolled over to NDPIV.
3	Establish and functionalize a centre of excellence for trauma at the national level (Paediatric Surgical Hospital, CUFH Naguru)	Review of the MoH strategic plan 2020/21 – 2024/25 revealed that the Ministry planned to establish and functionalize a centre of excellence for trauma at the national level (Paediatric Surgical	Failure to establish the National Trauma Referral Hospital implies that specialised treatment for patients with severe physical injuries may be hindered, potentially leading to higher morbidity and	The MoH could not establish and functionalise the National Trauma centre due to a lack of funds. However, Government, with the support of the Government of China, has prioritized establishment and implementation of the National Trauma Centre at Naguru under NDP IV.

		Hospital, CUFH Naguru). Six months to the end of the strategic plan, the National Trauma Referral Hospital had not been established. Further, it was noted that this activity was not included in the annual work plans and Budgets for the last four (4) years.	mortality rates for trauma patients.	
4	Construction of General Hospitals in Rubaga Division and Wakiso District	Review of the MoH strategic plan 2020/21 – 2024/25 revealed that the Ministry planned to construct General Hospitals in Rubaga Division and Wakiso District starting FY 2020/21. Six (6) months to the end of the strategic plan, these constructions had not taken place. In addition, this activity had never been included in the annual work plans and budgets for the Ministry in the	The absence of General Hospitals in these areas implies that the communities will not benefit from primitive, preventive, and rehabilitative services, in-service training, basic research, and technical support supervision to lower-level units. This could lead to unmet healthcare needs and poorer health outcomes.	The construction of general hospitals in Rubaga and Wakiso couldn't be undertaken due to a lack of funds. This activity has been re-planned under the NDP IV.

		last four (4) years.		
5	Construction of 4 regional blood banks	Review of the MoH strategic plan 2020/21 – 2024/25 revealed that the Ministry planned to construct four regional blood banks at Hoima, Arua, Jinja and Soroti. The Audit RRHs. Six (6) months to the end of the strategic plan, THE AUDIT noted that only two blood banks, namely Hoima and Arua, had been completed. No work had been done at Jinja RRH, and construction at Soroti. The Audit RRH was at 80% Further review of the Contract Management report revealed that on 30th September 2021, MoH signed a contract with M/s Rina One Investment Limited to construct a blood bank at Soroti. The Audit regional referral hospital, at a	Delayed completion of regional blood banks negatively affects the collection, separation, testing, and storage of blood, thereby limiting the availability of safe blood. This can lead to blood shortages and impact emergency and surgical care.	Three(3) blood banks out of the planned four (4) have been constructed and equipped in Hoima, Arua and Soroti. The fourth Blood bank has been planned for construction in Jinja under funding from KOICA. M/s Rina One Investment Limited was contracted to undertake the works in 12 months. However, due to the reduced capacity of the contractor, he couldn't complete the works despite several extensions and warnings. A new contractor was procured, and the works have since been completed.

		contract sum of UGX.2.409Bn. Works were expected to be completed within one (01) year. However, the project has delayed by 26 months.		

Query**Lack of ambulances for the Delivery of Emergency Medical Services****Audit Findings**

The MoH Emergency Medical Services Department was established to develop and oversee emergency health services nationwide to reduce mortality and morbidity from preventable injuries and illnesses. The majority of these are time-sensitive, implying that a lot of lives could be saved if structures and resources are in place to respond in a timely manner.

The Audit reviewed the Ministry's ambulances inventory schedule. It noted that the Ministry had only acquired 276 (53%) of the required 516 ambulances for EMS delivery, leaving a gap of 240 (47%), as illustrated in the table below. This shortage in ambulances resulted in a national ambulances utilisation rate of only 7.5% as of June 2024.

Table 8: Population of Ambulances

Ambulance Type	Required	Available	Gap	Gap Percentage
Emergency ambulances (type B) at the constituency level	353	181	172	49
National and Regional level	52	40	12	23
Marine	20	14	6	30
Specialized	66	35	31	47
Aeromedical	5	0	5	100
Medical Command	20	6	14	70
Total	516	276	240	47

Source: Health sector performance report 2024

Furthermore, review of the EMS strategic plan 2020/21 -2024/25 revealed that the Ministry had planned to implement the following emergency medical service activities in FY 2023/24. However, these activities were neither included in the Ministry's approved annual work plan nor in the approved budget for FY 2023/24, leaving the set targets not achieved.

Table 9: Unimplemented activities

Objective	Strategy	Activity	Indicator	Target
Objective 1: Increase access to on-scene emergency medical care by 50%	Strategy 1.1: Strengthen first aid capacity at the household and community level for medical emergencies	1.1.3. Conducting 10 cascaded training sessions of community-based bystander responders per district	Number of people trained as community-based bystander responders per parish	10
		1.1.4. Conducting 5 Training of Trainers in the corporate sector to cascade workplace emergency medical care training for 30 participants each	Number of private sector ToTs	150
	Strategy 1.3: Public Education and integrating EMS in other prevention resources	1.3.1 Conducting annual community-based first aid and prehospital care promotion campaigns countrywide	Number of national campaigns completed	14 (1 per region)
		1.3.3 Placements to publicise community-based first aid and prehospital care, as well as responsible activation of the EMS system in electronic and print media	Number of placements made	100 per Region
	Strategy 1.4: Integrating first aid curriculum in training institutions	1.4.4 Conduct 10 cascaded training sessions of teachers in secondary and tertiary level schools per district	Number of schools with at least two teachers trained	14
Objective 3: Increase availability of quality EMS hospital care	Strategy 3.1 Establish emergency departments/units	3.1.3 Renovate/Construct Emergency Departments in 170 General Hospitals	Number of Emergency Departments at Hospitals renovated	170

in 14 RRH, 147 District Hospitals and 193 HC IVs		3.1.6 Construction and equipping of 5 regional trauma centres	Number of Trauma Centres established	5
Objective 4: Continuously improve and sustain the operations of the national EMS system	Strategy 4.1: Build strong EMS leadership and governance structures	4.1.5 Print and disseminate 2,000 EMS standardised clinical and procedural protocols	Number and type of protocols disseminated	2000
	Strategy 4.6: Financing for Emergency Care	4.6.5 Conduct meetings to develop EMS financing by health care insurers and other private providers	EMS is incorporated in private health insurance and related schemes	4

Source: Health sector performance report 2024

The shortage of ambulances hampers the effective coordination of the referral system and EMS services.

The Accounting Officer explained that Government procured 276 ambulances between 2020/21 and 2023/24, moving the ambulance vehicle coverage from less than 5% to over 50%. 140 districts/cities have at least one standard ambulance, giving a coverage of 96% (140/146). The Coverage at the constituency is at 51% (181/353). This year Government has mobilised resources for an additional 67 ambulances.

Recommendation

The Accounting Officer was advised to continue planning and budgeting for the ambulance vehicles and also liaise with relevant stakeholders to ensure that all constituencies are fully catered for in respect of ambulance services.

Action Status

The Ministry now has 286 ambulances; 10 additional ambulances were acquired with the support of the Embassy of Japan, pushing constituency coverage to 54%.

The Ministerial Policy Statement (MPS) 2025/26 indicated the National Ambulance service needs to MoFPED and Parliament.

Ambulance vehicle utilisation improved from 7.5% to 16.6% last quarter.

External Financing is in advance stages at MoFPED for procurement of 12 specialised ambulances, one helicopter ambulance and emergency equipment for 52 health facilities.

Query	Underutilisation of Medical Equipment Procured during the Covid 19 period								
Audit Findings The Audit inspected medical equipment distributed by the Ministry, as well as equipment acquired during the COVID-19 pandemic between 2nd and 6th of December 2024, to; - To assess whether all the medical equipment and vehicles (ambulances and pickups) that were procured and distributed by the MoH were received by the facility. - To ascertain whether the equipment is operational and is utilised for the intended purpose. - To establish whether maintenance practices are aligned with the applicable guidelines, laws and regulations. The team inspected medical equipment at four health facilities (Entebbe RRH, Kisenyi the Audit HCIV, KasangataThe Audit HCIV and Makerere University Hospital), ambulances deployed under EMS (7) and double cabin pick-ups (61) distributed at health facilities and other Government units within the central region and noted the following; Table 10: Showing Inspections of medical equipment at the sampled facilities <table border="1"> <thead> <tr> <th data-bbox="193 1155 608 1189">Audit observation</th><th data-bbox="608 1155 1398 1189">Management response</th></tr> </thead> <tbody> <tr> <td data-bbox="193 1189 608 1518">At all four (4) sampled facilities, some of the distributed equipment, such as ICU beds, patient monitors and oxygen concentrators, were not in use but stored away despite being functional.</td><td data-bbox="608 1189 1398 1518">This equipment was supplied at the peak of COVID-19, where the focus was on patient survival. Following the reduction in the number of critical care admissions for COVID-19 patients, there was a need to focus on the recommended bed-to-bed spacing, which led to the removal of some of the beds. The Ministry is currently constructing ICUs in 3 Regional Referral hospitals (Arua, Hoima and Kabale). Once completed, the equipment in excess will be utilised.</td></tr> <tr> <td data-bbox="193 1518 608 1771">The ICU unit at Entebbe RRH was not functional. All equipment intended for ICU operations was stored away in the inpatient private ward and the non-functional ICU room.</td><td data-bbox="608 1518 1398 1771">The ICU unit is not functional because of the absence of the critical staff. Currently, the critically ill patients who require ICU are very few, and as such, they are referred to the national Referral facilities. The rest of the ICU equipment is kept in store for safety against possible deterioration due to environmental conditions (dust).</td></tr> <tr> <td data-bbox="193 1771 608 1948">At Entebbe RRH and KisenyiThe Audit HCIV audit noted that two (2) and one (1) oxygen concentrator respectively,</td><td data-bbox="608 1771 1398 1948">Entebbe RRH and Kisenyi. The Audit HCIV have oxygen plants, which are the primary source of medical oxygen supply. Oxygen concentrators are mainly used as backup, especially when the demand is very high.</td></tr> </tbody> </table>		Audit observation	Management response	At all four (4) sampled facilities, some of the distributed equipment, such as ICU beds, patient monitors and oxygen concentrators, were not in use but stored away despite being functional.	This equipment was supplied at the peak of COVID-19, where the focus was on patient survival. Following the reduction in the number of critical care admissions for COVID-19 patients, there was a need to focus on the recommended bed-to-bed spacing, which led to the removal of some of the beds. The Ministry is currently constructing ICUs in 3 Regional Referral hospitals (Arua, Hoima and Kabale). Once completed, the equipment in excess will be utilised.	The ICU unit at Entebbe RRH was not functional. All equipment intended for ICU operations was stored away in the inpatient private ward and the non-functional ICU room.	The ICU unit is not functional because of the absence of the critical staff. Currently, the critically ill patients who require ICU are very few, and as such, they are referred to the national Referral facilities. The rest of the ICU equipment is kept in store for safety against possible deterioration due to environmental conditions (dust).	At Entebbe RRH and KisenyiThe Audit HCIV audit noted that two (2) and one (1) oxygen concentrator respectively,	Entebbe RRH and Kisenyi. The Audit HCIV have oxygen plants, which are the primary source of medical oxygen supply. Oxygen concentrators are mainly used as backup, especially when the demand is very high.
Audit observation	Management response								
At all four (4) sampled facilities, some of the distributed equipment, such as ICU beds, patient monitors and oxygen concentrators, were not in use but stored away despite being functional.	This equipment was supplied at the peak of COVID-19, where the focus was on patient survival. Following the reduction in the number of critical care admissions for COVID-19 patients, there was a need to focus on the recommended bed-to-bed spacing, which led to the removal of some of the beds. The Ministry is currently constructing ICUs in 3 Regional Referral hospitals (Arua, Hoima and Kabale). Once completed, the equipment in excess will be utilised.								
The ICU unit at Entebbe RRH was not functional. All equipment intended for ICU operations was stored away in the inpatient private ward and the non-functional ICU room.	The ICU unit is not functional because of the absence of the critical staff. Currently, the critically ill patients who require ICU are very few, and as such, they are referred to the national Referral facilities. The rest of the ICU equipment is kept in store for safety against possible deterioration due to environmental conditions (dust).								
At Entebbe RRH and KisenyiThe Audit HCIV audit noted that two (2) and one (1) oxygen concentrator respectively,	Entebbe RRH and Kisenyi. The Audit HCIV have oxygen plants, which are the primary source of medical oxygen supply. Oxygen concentrators are mainly used as backup, especially when the demand is very high.								

had never been used and were still in the facility's store.	
Two (2) of the five (5) oxygen concentrators were distributed to Kisenyi. The Audit HCIV were not functional due to faulty compressor valves.	The Ministry had already noted and is following up to have the issue addressed.
Equipment distributed to the four (4) sampled facilities was not engraved. In addition, the equipment had not been included in the facilities' asset registers.	Regarding the engraving and inclusion into the asset registers, management will take this up with the beneficiary facilities to ensure they engrave this equipment and update it in their asset registers. Additionally, the Ministry of Health, through the Infrastructure department, maintains an online medical equipment inventory database, where all the equipment inventory details are captured.
Source: OAG Inspections	
Failure to fully utilise distributed medical equipment hinders the delivery of healthcare services.	
Recommendation	
The Audit advised the Accounting Officer to;	
i) Fast-track the operationalisation of the ICU at Entebbe RRH to extend intensive care service to patients and ii) Assess the medical equipment distributed to the health facilities to identify defective equipment that needs repair, as well as consider the redistribution of idle equipment to other health facilities.	
Action Status	
Hospitals have been instructed to use the Covid 19 equipment. The most commonly used have been the oxygen plants.	
A directive shall be issued and followed up with oversight, supervision, and monitoring to ensure that all equipment is put to use.	
Query	Failure by the Government of Uganda to fully provide for the maintenance of Ministry Vehicles and Ambulances
Audit Findings	
Section 6.1.2 of the GoU Asset Management Framework and Guidelines-October 2020 states that Accounting Officers shall monitor and track the use and movement of assets to avoid unauthorised transfers, damage, loss, theft or destruction of assets under their Votes. Assets shall be handled carefully and stored securely to safeguard them against misuse, pilferage, abuse,	

negligence, destruction (especially highly volatile and toxic substances), etc. Special attention must be given to small attractive items such as mobile electronic items (laptops, phones, iPads, etc.), electrical installations, among others, as they are easy to lose sight of.

Physical inspection of three (3) ambulances stationed at the Naguru Trauma Department and Call centre revealed that some of the equipment in the road ambulances were non-functional, such as the oxygen humidifiers and air conditioning systems.

Other essential equipment, such as portable suction machines, fire extinguishers, spinal board and straps, cardiology stethoscope, portable oxygen cylinders, manual resuscitator, safety head cap, reflector jackets, Nebuliser machine, and Diagnostic light, could not be traced and were reported missing as summarised in the table below.

Table 11: Equipment status of medical equipment in road ambulances

Ambulance	UG 3100135	UG 3100139	UG 3100132
Total Present and Functional (number of equipment)	19	24	23
Total Present but non-functional (number of equipment)	1	2	2
Total Not Present (number of equipment)	18	12	13
	38	38	38

Source: OAG inspection

The presence of non-functional equipment in ambulances compromises the ability to provide necessary medical care during patient transport. This could lead to worsening of patient conditions or failure to manage emergencies effectively during transit.

The Accounting Officer explained that some medical equipment were not functional due to obsolescence, expiry and wear and tear. However, the Ministry regularly inspected ambulances to ascertain the functionality of the equipment therein. Where the equipment were found to be non-functional, they would be removed for repair or replacement. This explained the gaps identified during the audit.

Recommendation

The Accounting Officer was advised to prioritise the repair and replacement of non-functional and missing equipment in ambulances to ensure that all ambulances are fully equipped to handle medical emergencies. Additionally, the Ministry should establish a more robust asset management system that

includes regular checks and tracking of equipment in ambulances. A formalised process for removing, repairing, and replacing non-functional equipment should be implemented. The Audit also advised the Accounting Officer to consider setting up preventive maintenance schedules to minimise equipment obsolescence and wear and tear.

Action Status

A request was made to MoFPED and Parliament for funding. Additionally, a request to include in the supplementary budget was submitted to MoFPED.

VOTE 015 - MINISTRY OF TRADE, INDUSTRY AND CO-OPERATIVES

Query

Incomplete Renovation Works at Farmer's House and Transfer of Renovation Monies to MTAC

Audit Findings

The Ministry reported UGX 132.941Bn in the Statement of Financial Performance and Note 14 to the financial statements as Grants and other transfers. During the financial year, THE AUDIT reviewed the expenditure and the Budget Information Generator (BIG) report of MoTIC. It established that UGX 1.165Bn was remitted to the Management Training and Advisory Centre (MTAC), a subvention of the Ministry of Trade, Industry and Cooperatives under budget output 263402 as part of their Development Budget funding. This comprised the funds earmarked for renovation of Office space at the Farmer's House for the Ministry of Trade, Industry and Cooperatives, which was expected to be recovered from future remittances to the Subvention.

The Audit observed that MTAC is one of the entities that had been rationalised under the Rationalisation of Public Expenditure Entities (RAPEX) and merged to Ministry of Education and Sports. This implies that the funds given to MTAC are to move to another vote altogether. It may become difficult to recover the funds, affecting the completion of renovation works on the office space that has remained on a standstill.

The Accounting Officer explained that although the funds were meant for the renovation of the Ministry Office space, the contractor had long abandoned the site. As such, these funds remained redundant. The MTAC development budget was not fully released. The Accounting Officer further explained that, in that regard, they gave the funding for the urgent construction of the Project of building Mbale Skills Incubation Centre that did not have infrastructure to accommodate students who come from Mbale, Teso and Karamoja regions, among others, but with a hope of recovering later from their (MTAC) release.

Recommendation			
The Accounting Officer was advised to seek guidance from relevant authorities, including PS/ST, on how the funds will be recovered to enable the completion of the renovation works of the office space at Farmer’s House.			
Action Status			
The matter has since been settled. MTAC paid the money to the consolidated account.			
Query	Unimplemented procurements		
Audit Findings			
Section 45 (3) of the Public Finance and Management Act, Cap 171, stipulates that the Accounting Officer shall enter into an annual performance contract with the Secretary to the Treasury, which shall bind the Accounting Officer to deliver on the activities in the work plan for the vote for the financial year.			
According to Paragraph 24 of the Budget Execution Circular for the FY 2023/24, Accounting Officers and their Heads of Department/Units were instructed to initiate procurements and contracts in time with the beneficiary departments as stipulated under the procurement plan.			
During the financial year, planned procurements valued at UGX 2.45Bn were not implemented. The unimplemented planned procurements are shown in the table below;			
Table 1: Un-implemented procurements			
S N	Subject of procurement	Estimated cost (UGX Bn)	Audit Remarks
1.	Equipment Maintenance, Serving and Repairs	0.261	Inadequate funds
2.	Business and Management Consultancy	1.721	Inadequate funds
3.	Furniture and Fittings	0.126	Inadequate funds
4.	Targeted Communication Programs (e.g. radio shows)	0.10	Inadequate funds
5.	Television Programming and broadcasting activities	0.10	Inadequate funds
6.	Carriage, Haulage, Freight and Transport Hire	0.147	Inadequate funds
	Total	2.445	

Non-implementation critically affects planned activities and fails the attainment of planned objectives.

Management explained that going forward, the procurement plan was to be reviewed in line with the available resources.

Recommendation

The Accounting Officer was advised to roll over the procurements to the subsequent period and ensure that they are implemented.

Action Status

In the Budget Execution Circulars, the PS/ST has continuously guided Accounting Officers to adhere to approved work plans and budgets to minimise distortions during budget execution and uphold budget credibility. In addition, when virements are unavoidable, they must be submitted online through the Programme Budgeting System (PBS) in accordance with Section 21(2) of the Public Financial Management Act, Cap. 171, and before the start of the subsequent quarter. No virements will be permitted after expenditure limits have been issued and funds released. Each virement request must include an updated work plan showing which outputs will be scaled down/up or deferred, as well as the new outputs.

The unimplemented procurements, except Carriage, Haulage, Freight and Transport hire, were rolled over to FY 2024/25.

Query

Failure to align the Activities with the Mandate of the Ministry

Audit Findings

Article 189 of the Constitution of the Republic of Uganda of 1995, specifically under Sixth Schedule, Sections 11, 12, 13, 20, 23, 25 and 29, spells out the mandate of the Ministry of Trade, Industry, and Cooperatives. It entails formulating, reviewing, and supporting policies, strategies, plans, and programs that promote and ensure the expansion and diversification of trade, cooperatives, environmentally sustainable industrialisation, and the development and transfer of appropriate technology to generate wealth for poverty eradication and benefit the country socially and economically.

A comparison of the entity's strategic and annual work plans for the last three (3) years with the mandate as stipulated in relevant laws revealed that the entity had not adequately executed the following;

Table 2: Unexecuted mandates

S/N	Mandated activity	Source of Mandate	Audit Comments
1.	Foreign relations and external trade.	Constitution of the Republic of Uganda.	The Ministry planned to have the Competition Regulations developed and approved. But this was only in a draft form and therefore not fully implemented.
2.	Making national plans for providing services and coordinating plans made by local Governments.	Constitution of the Republic of Uganda.	Strategic objective funded: Increase agro-processing & value addition. The Ministry bought value-adding machines at a cost of UGX143m, including a maize mill huller, a weighing scale, Feeds mixer and a handheld bag sealing machine, but only managed to deliver and install.
3.	National standards.	Constitution of the Republic of Uganda.	Regulatory Impact Assessment on Cooperative Development and Trade Development was planned but not implemented.
4.	Industrial policy.	Constitution of the Republic of Uganda.	Awareness creation materials on Competition and Consumer Protection were developed, printed, and disseminated, but were only partially implemented.
5.	National research policy.	Constitution of the Republic of Uganda.	Information compiled on proposed Mergers and Acquisitions to guide decisions on the same was the planned activity, but this was not done.

Implication

Failure to ensure that mandated activities in the entity's strategic plan are implemented implies that the associated service delivery benefits will not be achieved.

Management responded as follows;

- i) The First Parliamentary Counsel has cleared the draft regulations with comments. Further stakeholder consultations would be conducted, after which the regulations would be finalised and gazetted by the Ministry.
- ii) During the financial year 2023/24, the Rural Industrial Development Project (RIDP) supported Hilton Group of Companies with a maize mill, maize huller, feed mixer, digital weighing scale and a bag-sealing machine. The machines were procured and delivered to the beneficiary enterprise, which were to be followed by training of operators to operationalise the facility once the beneficiary enterprise has completed

extension of power to the equipment structure as detailed in the MOU. The power extension to the facility will be complete by December 2024. iii) The management also pledged to make realistic plans in the future.	
Recommendation	
The Accounting Officer was advised to continue aligning the Ministry's activities to the delivery of its mandate.	
Action Status	
The Ministry is continuously aligning its activities to deliver the Ministry's mandate as stated below; a) The competition regulations were gazetted on 8th of August, 2025, under statutory instrument number 60 of 2025. b) The regulatory impact assessment for Trade Policy was concluded, stakeholders have validated the Trade Policy final draft, and the Ministry of Trade, Industry and Cooperatives is ready for printing and dissemination. The Ministry is yet to conduct a regulatory impact assessment for the Cooperative Policy, subject to the availability of funds. c) The guidelines on Industrial parks and free zones for all stakeholders were developed and launched. d) The Memorandum of Understanding for Barcodes between Uganda and GSI was concluded and submitted to the Solicitor General for clearance. The Solicitor General, in the letter dated 4th August, 2025, raised issues that the Ministry has yet to respond to.	
Query	Budgeted Activities for which no funds were released
Audit Findings	
The entity had an approved budget of UGX 189.69Bn (including subvention funds), out of which UGX 166.24Bn (87.6%) was warranted, resulting in a shortfall of UGX 23.45Bn, representing 12.4% underperformance.	
Implication	
Non-release of budgeted funds for activities negatively affected their implementation and achievement of the expected services. The Accounting Officer explained that in the current financial year, the Ministry of Trade has engaged the Ministry of Finance, Planning and Economic Development (MoFPED) to provide additional cash limits.	

Recommendation

The Accounting Officer was advised to further liaise with the Ministry of Finance, Planning and Economic Development for full releases and to ensure implementation of the activities.

Action Status

Quarterly Expenditure Limits for all categories of funds are approved once every quarter, depending on the revenue position of Government, approved work plans, and the prevailing macroeconomic conditions.

Query**Failure to Fully Utilise Warrants****Audit Findings**

The Ministry, as a single entity, had total warrants of UGX 27.46Bn, of which UGX 26.16Bn had been utilised by the close of the financial year. The balance of UGX 1.29Bn was meant for the following activities, which were either partially or not implemented at all, as shown in the table below.

Table 3: Utilisation of Warrants

S/N	Programme	Warrants not Utilised (UGX Bn)	Activities affected by the underutilization	Audit comment (effect on service delivery)	Management responses
1	Manufacturing	0.016	Number of regulations and guidelines developed and enforced	One was planned, but none were achieved despite utilizing 93% of the released funds for the activity.	The Ministry developed, launched and disseminated guidelines on Industrial parks and free zones to all stakeholders.
2	Manufacturing	0.962	Number of inspections undertaken	Output indicators are ambiguous. The entity planned to undertake four inspections and performed none despite utilizing 78% of the releases.	The planned activities were undertaken, and reports are available.

3	Private Sector Development	0.035	E-commerce transaction register	One was planned for, and none was performed.	The Ministry planned for the register, but later discovered that it could not be developed without a digital identity. (Barcode). The system for issuing barcodes has been developed and will be implemented this financial year.
4	Manufacturing	0.131	Number of inspections undertaken	Output indicators are ambiguous. The entity planned to undertake four inspections and performed none despite utilizing 91% of the releases.	The planned activities were undertaken.
5	Private Sector Development	0.014	Number of bills developed	One was planned, but none was done despite utilizing 94% of the released funds.	The Ministry developed a consumer protection Bill, and it is before the First parliamentary counsel for review and submission to the cabinet for approval.
6	Private Sector Development	0.111	No. of Incubation Centres	According to the performance	The management notes and

				reports, the targets were met despite underutilising the released funds by 12%	appreciates the commendation.
	Total	1.2			

Partial implementation implies the full mandate of the entity was not attained.

Recommendation

The Accounting Officer was advised to engage the Ministry of Finance, Planning and Economic Development to ensure that funds for mandated activities are released as budgeted and on a timely basis to ensure timely implementation of the same.

Action Status

In the Budget Execution Circulars, the PS/ST has continuously guided Accounting Officers to warrant 100% expenditure limits issued and submit them in a timely manner, i.e., within five (5) working days.

Query

Failure to Fully Implement Activities

Audit Findings

The Audit assessed the extent of implementation of activities for which funds were availed and utilised. Fifteen (15) outputs with one hundred twelve (112) activities worth UGX 26.16 Bn were assessed, and the following was observed.

- i) Four (4) outputs with twenty-one (21) activities and expenditure worth UGX 3.67Bn were fully implemented.
- ii) Eleven (11) outputs with 91 activities worth UGX 9.42Bn were partially implemented. Out of ninety-one (91) activities, the entity fully implemented seventy-two (72) activities; eleven (11) activities were partially implemented, while eight (8) activities remained unimplemented.

Recommendation

The Accounting Officer was advised to engage MoFPED to ensure that funds for mandated activities are released as budgeted and on a timely basis to ensure full implementation of the same.

Action Status

In the Budget Execution Circular FY 2023/24 Ref: BPD 86/179/01, the PS/ST guided that the Ministry of Finance, Planning and Economic Development issues Quarterly Expenditure Limits for all categories of funds once every quarter, depending on the revenue position of Government, macroeconomic conditions, approved work plans, and the prevailing macroeconomic conditions.

Query**Irregular Procurement for the Repair and Renovation of Office Space at Farmers House****Audit Findings**

The special audit of the Ministry of Trade, Industry and Cooperatives renovation fund. The key findings are summarised below;

- a) The Audit noted that the Permanent Secretary, Ministry of Trade, Industry and Cooperatives, charged wrong expenditure codes leading to mischarge of UGX 5.31Bn.
- b) The Ministry did not provide a changed Work Plan per the guidance of the PS/ST, hence the Audit could not confirm compliance with the guidance provided for the use of the funds.
- c) During the financial year ended 30th June 2022, the Ministry awarded a contract for the Repair and Renovation of Properties (Office Space at Farmers House) ref MTIC/Works/2021-2022/00007 to M/S Sarick Construction Limited at a contract price of UGX 6.06Bn.
- d) The market price for this procurement was UGX 6.2Bn. Sarick Construction Limited was paid UGX 4.8Bn for the works during the financial year. Hence, the Ministry owed the contractor a balance of UGX 1.2Bn.
- e) The Audit observed that the Ministry contravened paragraph 1 of the PPDA Guidelines 2014 on thresholds for procurement that requires the use of Open International bidding if the estimated value of works exceeds UGX 0.5Bn.
- f) An advance of UGX 4.8Bn (80%) of the contract sum was made to the contractor in contravention of Regulation 43(3) of PPDA (Contract) Regulations 2023, which specifies that a PDE will not make an advance payment exceeding 30% of the contract amount, which posed a risk of financial loss, that has actually crystallised as the works have not been completed to date.
- g) The Audit also observed that while the monies were paid in June 2022, the works had not commenced by September 2022.

- h) The Accounting Officer approved the availability of funding for the procurement on 24th May 2022. This was a date before the PS/ST approved the virement on 2nd June 2022, hence the Accounting Officer committed the entity into the procurement process before securing funding, as it required an approval for repurposing, which led to the distortion of other planned priorities of the entity.
- i) The Accounting Officer signed a contract above the approved budget. The Accounting Officer signed a contract worth UGX 6.06Bn against an approved virement of UGX 5 billion; hence, the Accounting Officer did not secure additional funding equivalent to UGX 1.06bn, implying an overcommitment of the entity that could have led to the accrual of domestic arrears or further diversion of funds.
- j) A review of the payment file established that the Ministry irregularly diverted UGX 4.8Bn (ref invoice number RB/395/JUN 2022) that was meant for rental expenses, and diverted it to the renovation of Office Properties/Office Space at Farmers House.
- k) Irregularities in the Bills of Quantities (BoQs)

The Audit reviewed the Bills of Quantities (BoQs) supposedly from the Ministry of Works and Transport (Public Structures Department), and noted the following anomalies.

- a) There was no correspondence on file from the Permanent Secretary, Ministry of Works and Transport, appointing an Engineer from the Public Structures Department to draft the BoQs in relation to procurement for the Repair and Renovation of Properties (Office Space at Farmers House).
- b) There was no evidence that these BoQs were actually from the Ministry of Works and Transport, as the name of the Engineer or Engineers from the Ministry of Works who drafted the BoQs and their signatures were not appended to the document.
- c) The BoQs lacked the Ministry Engineer's price estimates for the various items on the BoQs. This would have guided the determination of the market price for this procurement and final contract award amount.
- k) A review of the bidding documents established that the minimum bidding period for this procurement was stated as six working days in the bidding documents, and the actual minimum bidding period was five working days instead of 12 days as required by the regulations.
- l) The contract for the works of repair and renovation of properties (office space at Farmer's House), Ref No: MTIC/WRKS/2021-2022/00007 of the Ministry,

was supposed to be completed by 15th June 2022. However, the works are not completed, and the Office space has been left in a deplorable state.

Recommendation

The Accounting Officer was advised to seek guidance from the relevant authorities, including the PS/ST, on how to recover the funds to enable the completion of renovation works to the office space at Farmer's house.

Action Status

The Ministry has undertaken the following actions regarding renovation works;

- a) The Ministry engaged the Ministry of Works and Transport to conduct a cost appraisal of the contract. The Ministry of Works and Transport completed the exercise and issued a report. In its findings, the Ministry of Works and Transport found out, among others, that the Contractor was paid UGX 4.8Bn yet the executed works was costed at UGX 1.46Bn.
- b) The Ministry of Works and Transport recommended in their report that the overpayment should be recovered and the remaining works should be retendered.
- c) The Ministry has written to the Attorney General seeking a legal opinion on the recovery of overpayment worth UGX 3.34Bn being the difference between the amount of the work done and the total contract sum as indicated in the report by the Ministry of Works and Transport.
- d) The Ministry has since contracted National Enterprise Corporation to complete the outstanding renovation works.
- e) PPDA conducted an investigation and recommended the black listing of the contractor.

Query

Audit on Pension Payroll

Audit Findings

A special audit of the pension payroll was undertaken, and key findings are summarised below;

- a) The Ministry had an initial approved pension, gratuity and arrears budget of UGX 21.06Bn for the period under review, and obtained supplementary funds of UGX 0.68Bn, leading to a revised budget of UGX.21.74Bn, out of which UGX 20.61Bn (95%) was released, resulting in a funding shortfall of UGX 1.13Bn (5%).
- b) Out of the funds released of UGX 20.61Bn, UGX 15.9Bn was utilized resulting in un-utilised funds of UGX4.71Bn (22.8%) of the initial budget. In addition, out of the total supplementary funds received of UGX.0.68Bn, UGX 0.12Bn (7%) was not utilised.
- c) Funds amounting to UGX 0.43Bn were charged on wrong account codes.

- d) Further, there was an underpayment of pension of UGX 0.01Bn to four(4) pensioners/beneficiaries.
- e) A total of UGX 5.76Bn was paid to 192 pensioners/beneficiaries who did not have some of the key documents or lacked pension files. As a result, the Audit was not able to confirm their eligibility.
- f) From the comparison of the payroll register and IFMS payment file for the FYs 2019/20 to 2023/24, 16 pensioners were paid UGX 0.43Bn off the Integrated Personnel and Payroll System (IPPS) / Human Capital Management (HCMS).
- g) The Audit noted that 11 pensioners/beneficiaries delayed receiving pension payments, with delays ranging from 1 to 20 months.
- h) The Audit noted delays in the removal of 40 beneficiaries (estates) from the pension payroll, with delays ranging from 5 to 50 months.
- i) Out of the 40 beneficiaries (estates), nine beneficiaries (estates) (23%) were irregularly paid a total of UGX.0.164Bn more than 15 years from the date of retirement of the pensioners who passed on before completing the 15 years (mandatory, early, etc.).
- j) The entity had accumulated pension and gratuity arrears totalling UGX 0.01Bn arising from the underpayment of four(4) pensioners/beneficiaries.
- k) The Audit noted that out of 344 pensioners/beneficiaries in the entity, 258 (75%) were fully verified, 8 (2%), who were paid UGX 0.22Bn over the period of 5 years, were not verified, while 78 (23%) did not show up.
- l) In addition, 27 individuals had not accessed the pension payroll by the end of June 2024, and these were captured as new records. Of these new records, 13 were verified and included in my determination of the entity's pension and gratuity estimates. In contrast, 14 were not verified and therefore not included in my determination of the pension and gratuity estimates.

Recommendation

The Audit advised the Accounting Officer to;

- a) Always liaise with the Treasury to ensure that funding is availed to meet the entity's planned activities to avoid accumulation of arrears.
- b) Ensure timely payment of pensioners and beneficiaries to avoid accumulation of arrears, as well as avoid instances of over-budgeting.
- c) Ensure that wage, pension and gratuity expenditure is always charged on the appropriate codes.
- d) Recomputed the gratuity and pension for the affected persons and paid up the underpaid amounts.

- e) Always ensure that pensioners/beneficiaries' files are updated with all the key documents.
- f) Plan gratuity payments of retirees in time to avoid payments off the system.
- g) Ensure that pension and gratuity paid are processed through IPPS
- h) Ensure all pensionable staff are enrolled onto the pension payroll immediately they attain the mandatory retirement age.
- i) Consider the verified payroll as a basis for updating monthly payrolls to pay pensioners/beneficiaries. Regularly review the entity pension payroll so as to promptly remove ineligible pensioners/beneficiaries and avoid continues loss to Government.
- j) Ensure that the valid pensioners who missed validation are validated to ensure their inclusion on the payroll.
- k) Ensure that the deceased pensioners who have exceeded fifteen years on the payroll are removed from the payroll.
- l) To always liaise with the relevant stakeholders to ensure prompt updates of the pension payroll going forward.
- m) Review the approved pension and gratuity estimates of the entity for the FY 2024/2025 in line with the results of the validation exercise to ensure an accurate pension and gratuity budget for the entity.

Action Status

- i) The Ministry has planned and budgeted for adequate funds to pay pensions to avoid inadequacy.
- ii) The Ministry has ensured that all verified individuals have accessed pension pay. In FY 2025/26, the Ministry budgeted for pension according to pensioners on the payroll.
- iii) Mischarge for pension and gratuity has been corrected. Payments are charged on the correct charge codes.
- iv) Computation of pension and gratuity was done, and four pensioners were paid the right salaries are;
 - a) Jeffrey Onencan
 - b) Fredrick Kasozi
 - c) Kalule Daniel
 - d) Lubega Sebide
- v) Pensioners beneficiaries' files who are on the payroll have been updated with the required documents.
- vi) The Ministry is processing pension and gratuity on the HCM system.

- vii) The Ministry has ensured that all benefits for retirees are processed on the HCM system.
- viii) The Ministry has ensured that all retirees, after attaining mandatory retirement age, have their benefits processed and migrated to the pension payroll.
- ix) The Ministry is regularly reviewing and updating monthly payrolls to remove ineligible pensioners/beneficiaries.
- x) The Ministry advertised in the newspapers to inform pensioners who missed the verification exercise and have not filled out life certificates.
- xi) All the pensioners on the Ministry payroll are verified, and pensioners fill out life certificates.
- xii) The Ministry has occasionally advertised in the newspapers to inform pensioners who missed the verification exercise and have not filled out life certificates.
- xiii) The Ministry is embarking on this exercise for FY 2024/25.

VOTE 016 - MINISTRY OF WORKS AND TRANSPORT

Query

Long Outstanding Payables

Audit Findings

Paragraph 10.15.4 (b) of the Treasury Instructions 2017 states that Expenditure arrears are bills that remain outstanding beyond the financial year in which they were incurred and pose a big risk against effective budget execution. For this reason, Accounting Officers are required to give priority to payment of all other arrears by giving them first call in the allocation of resources during the budgeting process of the responsible vote.

Management disclosed payables of UGX 242.55Bn on page 17 of the statement of financial position. Contrary to the requirements of the Treasury Instructions, an ageing of the disclosed payables revealed that nine (9) payables with the value of UGX 30.98Bn have been outstanding for more than three years, four (4) payables worth UGX 261.67Mn have been outstanding for more than one year. Still, less than three years and thirty (30) payables with the value of UGX 211.31Bn have been outstanding for less than one year. Refer to the Table below;

Table 1: Ageing of payables

Ageing of payables	No of payables	Value of payables (UGX)
3 years and above	9	30,974,459,453
Older than 1 year but less than 3 years	4	261,667,420
1 year and below	30	211,308,656,787
Total	43	242,544,783,660

Source: OAG Analysis of the Ministry's Financial Statements and payables ledgers

Long outstanding payables are an indication of poor budgeting and management faces a risk of litigation and payment of penalties (Interest) for delayed settlement.

The Accounting Officer acknowledged the finding and explained that efforts have been made to engage the Ministry of Finance, Planning, and Economic Development (MoFPED) to provide adequate resources under the MTEF Ceiling-Domestic arrears category to clear the long-standing domestic arrears.

Recommendation

The Accounting Officer was advised to continue engaging with MoFPED and Parliament to ensure adequate resources are available to settle domestic arrears.

Action Status

The Ministry received funds from MoFPED and paid off domestic arrears to the tune of UGX 185.97 Bn, leaving a balance of UGX 56.58Bn in respect of domestic arrears reported as at 30th June 2024 Consisting of;

- i) National Environment Management Authority UGX 8.2Bn
- ii) UCAA Uganda Airlines UGX 15.94Bn
- iii) SGR UGX 29.95Bn
- iv) Imperial Royal Hotel UGX 5.27Mn
- v) NEC Construction Works & Engineering UGX 2.48Bn

According to the Budget Execution Circular Ref. BPD 86/179/01 FY 25/26, the PS/ST communicated the Government's strategy to eliminate domestic arrears over the next three (3) financial years, starting FY 2025/26. Payments will prioritise the following categories:

- i) Domestic suppliers of goods and services;
- ii) Statutory expenses;
- iii) Contractors for works and transport, energy, water, and classified;
- iv) Taxes and deductions;
- v) Utilities; and
- vi) Compensations under the Uganda Land Commission, the Ministry of Lands, Housing and Urban Development, and the Ministry of Justice and Constitutional Affairs.

Query

Inadequate Budget Provision for the Settlement of Domestic Arrears

Audit Findings

A review of the Statement of Appropriation on page 20 of the financial statements revealed that. In contrast, the Ministry budgeted and received funds to the tune of UGX 1.14Bn for the settlement of domestic arrears. During the year, management settled arrears to the tune of UGX 69.53Bn as per the

Statement of Outstanding Commitments on page 51 of the financial statements and the payables ledger.

Funds to the tune of UGX 68.38Bn appropriated for current year activities were used to settle outstanding commitments relating to prior years without authority.

The Accounting Officer explained that the Ministry paid domestic arrears amounting to UGX 69.53Bn from two (2) budget categories, that is, the domestic arrears budget code item of UGX 1.09Bn and the funds appropriated under the current budget codes of UGX 68.44Bn.

This was due to the need to clear outstanding Project Affected Persons (PAPs) under the Standard Gauge Railway (SGR) to create the right of way for the construction works and the increasing pressure from the Ministry's service providers, who were demanding payments.

Recommendation

Accounting Officer was advised to liaise with MoFPED to ensure that the Ministry receives adequate funds for the settlement of prior year claims in order to safeguard the funds appropriated for current year activities against being used to settle domestic arrears.

Action Status

The major component of the domestic arrears under MoWT FY 2023/24 was PAPs compensation under the Standard Gauge Railway Project. The Ministry pays PAPs on a FIFO basis to avoid increased costs arising from revaluation, delayed payments, and PAPs rejecting the valued amounts over time.

Query

Irrecoverable Receivables and Advances

Audit Findings

Included in the Statement of Financial Position as at 30th June 2024 on page 17 of the financial statements, are receivables of UGX 43.83Mn from the financial year 2013/14 and advances of UGX 61Mn and UGX 521.69Mn relating to an embezzlement case and a court case, respectively, from 2008.

However, Management did not provide any supporting documentation to enable the verification of the accuracy and completeness of the receivable of UGX 43.83Mn as it relates to earlier periods for which source documentation was not handed over to the current administration of the Ministry. For the UGX 521.69Mn, the embezzlement case has never been resolved, as the case was dismissed in 2008 and efforts to have it reinstated have been futile. Similarly, the embezzlement case involving the UGX 61Mn has never been resolved.

Irrecoverable receivables and advances inflate the asset amounts and violate the prudence concept of accounting.

The Accounting Officer explained that the receivables figures had been carried forward in the Ministry's financial statements since FY 2007/08, and efforts to obtain supporting documents to support the UGX 43.83Mn receivables have so far not been successful. Additionally, no response from the Attorney General had been received regarding the resolution of the court cases for the affected advances.

Recommendation

The Accounting Officer was advised to engage MoFPED and other relevant stakeholders to have the irrecoverable receivables and advances written off and derecognised from the Ministry's Financial Statements. The balance can be recovered through engagement with the Attorney General and the courts of law.

Action Status

All efforts to obtain additional information in the recovery of advances of UGX 102.17Mn and UGX 521.69Mn reported in the financial statements from FY 2007/08 to 2014/15 have proven futile, and the Ministry requests Parliament through PS/ST to approve writing off of these receivables as bad debts.

Query

Downgrading of Staff Salaries

Audit Findings

According to the letter dated 9th January 2016 (Ref: PMD/80/80/01) from the Permanent Secretary, Ministry of Public Service, a new salary band (SC) was introduced to cater for science staff based on their key job functions, not educational qualifications.

This guidance, in conjunction with appointment letters and the Ministry's Approved Costed Staff Establishment Structure, forms the basis for determining salaries of affected positions. Furthermore, the Attorney General provided a legal opinion on the downgrading of salaries, reiterating that an appointment letter constitutes a contract of employment and that a change in the Officer's job title should have no bearing on the Officer's remuneration.

A review of documentation revealed that four (4) Logistics Officer Cadres in the Ministry are being paid salaries lower than those stipulated in their appointment letters and the Ministry's Approved Costed Staff Establishment Structure. These affected officers had written to the Ministry of Public Service on 7th September 2023 (Ref: P4495) requesting rectification of the anomaly.

Additionally, the anomaly extends to several other positions where staff are paid based on administrative salary scales rather than the science salary scales specified in the approved costed establishment and appointment instruments.

The discrepancy arises from inconsistencies between the salary scales recorded in the Human Capital Management (HCM) system, which reflect administrative salary scales rather than science salary scales as stipulated in the Ministry's Approved Costed Staff Establishment Structure and appointment instruments.

Non-compliance with the terms stipulated in appointment letters may expose the Ministry to legal risks.

The Accounting Officer explained that the Ministry wrote to the Ministry of Public Service requesting the reinstatement of the salaries of the affected staff who guided the Ministry in submitting the above cases to the Public Service Commission for the officers to be appointed with salary scales, personal to the holder. However Public Service Commission did not take any action.

Recommendation

Accounting Officer was advised to continue engaging the Ministry of Public Service to resolve the systemic inconsistencies in salary scale administration.

Action Status

The Ministry wrote to the Ministry of Public Service requesting the reinstatement of the affected staff's salaries. Still, the Ministry was guided to submit the above cases to the Public Service Commission for the Officers to be appointed with salary scales, personal to the holder. The Recommendation to the Public Service Commission was made, but it was not accepted.

Query

Transfer of Ownership of Assets under Motor Vehicle Inspection Services (MVIS)

Audit Findings

An exclusive concession was granted to a contractor to provide motor vehicle inspection services (MVIS) under a contract with the Government of Uganda (GoU) signed on 17th March 2015. Following the suspension of the program and renegotiation, a settlement agreement was signed on 15th December 2023. GoU agreed to pay the contractor UGX 109.86Bn, with 30% of the settlement to be paid by 31st March 2024 and the balance in instalments during the financial year 2024/25.

Section 5.1 of the settlement agreement provides that upon receipt of the first instalment of the settlement amount, the contractor is required to transfer the title and ownership of all movable and immovable assets, including land, buildings, equipment, and machinery of all motor vehicle inspection sites across the country. These sites include Namanve, Nabingo, Namulanda, Kawanda, Mbale, Gulu, and Mbarara.

The Ministry made the first instalment of UGX 32.99Bn as summarised below;

Table 2: Payments of the first instalment

Invoice Number	Description	Payment Date	Distribution Amount (UGX)
D100-MAR-2024	Being 1st Instalment of 30% as per the settlement agreement on compensation for their investment	13-Mar-24	9,999,999,984
D101-MAR-2024	Being part payment of the 1 st Instalment of 30% as per the settlement agreement on compensation for their investment	13-Mar-24	9,999,999,984
D102-MAR-2024	Being part payment of the 1 st Instalment of 30% as per the settlement agreement on compensation for their investment	13-Mar-24	9,999,999,984
D157-JUN-2024	Balance on the first instalment of 30% on the compensation of SGS for the Investment	18-Jul-24	2,999,999,996
Total			32,999,999,948

Source: Payment file extracted from IFMS

However, as of November 2024, there was no evidence that the contractor had transferred ownership of the assets to GoU as required under the settlement agreement.

Failure to transfer ownership of assets to Government puts in doubt the eventual ownership of the assets by the GoU. Besides, the assets remain idle and unavailable for use, which may lead to obsolescence and malfunction due to non-serviceability.

The Accounting Officer explained that prior to the transfer of the assets, Management opted first to undertake a comprehensive verification of the assets to ascertain their condition. The verification exercise was conducted from 30th September 2024 to 11th October 2024. The exercise was further extended up to 22nd November 2024 to allow the contractor rectify the gaps that the verification team had identified; hence, a new date for handover had been scheduled on either 15th or 16th January 2025, subject to completion of all

pending processes and issuance of payment schedules to the contractor for their outstanding compensation payment of UGX 76.90Bn.

Recommendation

Accounting Officer was advised, through the Attorney General, to enforce the terms of the agreement by the service provider. Meanwhile, management should ensure that the Ministry's procedures for verifying the assets set to be transferred are fast-tracked, while at the same time continuing with engagement with MoFPED to secure the remaining funds needed to clear the outstanding debt.

Action Status

The assets transfer process is ongoing. SGS handed over to the Ministry all the land titles/leases where the vehicle inspection facilities were constructed, together with the corresponding transfer instruments that are fully endorsed. The land titles were submitted to the Office of the Chief Government Valuer for attaching the current value of land corresponding to each of the locations in the land title to facilitate payment of land transfer fees. It is anticipated that the transfer process will be completed before the end of the 2nd Quarter of the Financial Year 2025/26.

Query

Registration of Motor Vehicles Older than 15 years from the date of Manufacture

Audit Findings

Section 15 of the Traffic and Road Safety Act Cap 347, states that a person shall not import a motor vehicle which is fifteen years or more from the date of manufacture. Under section 61 of the same Act, the Department of Transport Regulation and Safety in the Ministry is responsible for carrying out joint enforcement of the provisions of the Act in Liaison with the Uganda Police Force.

The Audit noted that the Ministry registered 13,176 Motor vehicles during the year, which were more than 15 years old as of the date of manufacture. This greatly undermines the Ministry's efforts to reduce road accidents and carbon emissions caused by old motor vehicles.

The Accounting Officer explained that Section 15 of the Traffic and Road Safety Act Cap 347 provides for exemptions to the prohibition, hence attributed the numbers to vehicles which are exempted and vehicles which are already registered in the Country belonging to the Government MDAs, Embassies/Foreign Missions or vehicles categorized as duty free, but which are boarded off and upon re-registration reflect as newly registered.

However, during my subsequent verification, the Audit established that the vehicles in question were indeed newly registered vehicles and did therefore not fall in the category presented by the Accounting Officer.

Recommendation

The Accounting Officer was advised to put in place a mechanism to verify Motor Vehicles before registration, to ensure that Motor Vehicles older than 15 Years from their date of manufacture are not registered. Besides, the identified cases should be followed up, and appropriate action taken against any staff who are established to have flouted the regulation in question.

Action Status

The Ministry was included in the process of clearing vehicles for first-time motor vehicle registration on the ASYCUDA system, effective 6th January 2025. This process allows the Ministry to clear or release vehicles that comply with the provisions of the Traffic and Road Safety Act by un-tagging them for first-time registration on the ASYCUDA system after the customs dues (taxes) have been assessed and UNBS clearance has been obtained. This will now enable MoWT to fully implement the provisions of the law that limit the importation of vehicles older than 15 years, except for those legally exempt.

Furthermore, the Ministry discovered that many vehicles are brought into the boundaries of the East African Community and that import duties are not paid immediately. Consequently, at the point of registration, some of these vehicles may be more than 15 years from the year of Manufacture, which may be deemed non-compliant with the Traffic and Road Safety Act.

In light of this fact, the Ministry sought guidance from the Attorney General regarding the registration of such vehicles. The Attorney General advised that “All vehicles that were imported and brought within the boundaries of any Partner State of the East African Community before they were fifteen (15) years old should be assessed for payment of applicable taxes and subsequently registered in accordance with the provisions of the Traffic and Road Safety Act”

Query

Failure to Pay Licensing Fees

Audit Findings

On 16th January 2009, the Government of Uganda (GoU) signed an Implementation Agreement (IA) with a private service provider to develop and maintain key infrastructure services on Bugala Island. The IA was amended in April 2012 to extend its duration to 17th August 2025. Separately, on 18th December 2009, GoU signed a Ferry License Agreement (FLA) with the service provider, requiring payment of USD.25,000 per year per vessel and USD.1,000 annually for operating licenses.

However, the FLA, which expired on 17th August 2020, was not amended to align with the extended IA. As a result, while GoU continues to pay implementation fees under the IA, the service provider has not paid licensing fees since the FLA's expiration.

Failure to synchronise the agreements has led to a financial loss of USD 200,000 in vessel licensing fees and USD 4,000 in operating license fees, over four years, for the two vessels which were in operation.

Management acknowledged that the FLA expired in August 2020, and the service provider did not apply for renewal. The matter has been referred to the Solicitor General for guidance, but no response has been received to date.

Recommendation

The Accounting Officer was advised to expedite follow-up with the Solicitor General to resolve the legal and contractual implications of the lapsed FLA. In addition, ensure future agreements are properly aligned and synchronised to prevent similar issues.

Action Status

The matter has been referred to the Solicitor General for guidance, and the Ministry awaits the response.

Query

Failure to Align Activities in the Ministry Workplan with the PDM Working Group's Activity

Audit Findings

The Audit reviewed the Ministry's approved work plans and budgets for PDM activities and noted the following;

Table 3: Observations under PDM

SN	Audit observation	Recommendation
a)	Alignment of Ministry Work Plans and Budgets to the PDM PDM Working Groups are required to assist participating MDAs in the alignment of their plans and budgets to the PDM. A comparison of the Working Group activity implementation action plan with the entity budgets and work plans revealed that; The Approved Work plan was not in perfect alignment with the Ministry's portion of the Working Group activity implementation plan, with five (5) out of ten (10) activities that exist in the Working group plan not being expressly catered for in the approved work plan for the year.	The Audit advised the Accounting Officer to ensure that future Ministry work plans are aligned with the PDM Working Group activity implementation plan.

	• All five (5) targets, which were both in the Approved work plan and the Working Group activity implementation plan, were allocated different quantitative values in the respective documents. • The annual Ministry and Working Group PDM reports were not availed to enable the Audit team confirm the actual quantities and amounts spent on each item as per the classification in the Working Group activity implementation plan. The Accounting Officer acknowledged the failure by the Ministry to fully adhere to the specified activity quantities as outlined in the Pillar Operational Manual and attributed the deviation to budgetary constraints.	
b)	Creation of vulnerability index databases Paragraph 4.1 of the Parish Development Model Pillar 2 - Infrastructure and economic services operation Manual, May 2023, provided that the vulnerability index should be calculated using information obtained on the PDMIS in the area of existing status, economic activities, security requirements, geographical location, population, existing similar development programs, among others. Each activity lead Ministry (MoWT, MoLG, MoWE, MoEMD, MoICT&NG, and MoLUD) would develop its formula for calculating the Parish Vulnerability Index, which would be submitted to the Pillar Working Group for approval. The vulnerability index should be utilised at the PDM activity planning stage. The Ministry of Works and Transport did not develop the formula to calculate the Parish vulnerability index. Parishes with urgently needed social services (projects) may not be prioritised during pillar activity selection. The Accounting Officer explained that the Ministry of Information, Communication Technology, and National Guidance was yet to respond to or act on his letter dated 30th April 2024 and referenced as ADM/137/141/01 in which he requested the development of the Pillar 2 information system to guide the determination of the Parish Vulnerability indices.	The Audit advised the Accounting Officer to continue engaging MoICT to ensure that the development of the Pillar 2 PDMIS module is fast-tracked.

Action Status

Whereas PDM Pillar 2 has not yet utilised infrastructure and economic services data to develop the Parish Vulnerability Indexes, efforts towards the digitalisation of Pillar 2 are progressing. Key activities completed.

Query**Failure to Carry out Market Assessments****Audit Findings**

Regulation 3 (2) (a) (rules and methods of procurement) of 2014 requires that the estimate should be based on market assessment.

It was noted that the Ministry did not carry out market assessments for procurements worth UGX 3.75Bn as summarised below;

Table 4: Procurements for which market surveys were not performed

S/N	Procurement Ref.	Procurement description	Contract Amount - UGX	Audit Comment
1	MOWT/SUPLS/22-23/00063	Supply of Geogrids, Geotextiles and Guard Rails (Lot 4)	3,694,943,440	No market assessment reports were available.
2	MOWT/SPLS/23-24/00147	Supply and Delivery of Additional Drivers' Uniforms (Kaunda Suits) for the Non-Aligned Movement (NAM) and G-77 plus China	49,896,000	No market assessment reports availed.

Source: OAG Analysis of procurement file on the system

Failure to carry out market assessments leads to the entity procuring goods and services that miss the mark, hence leading to wastage of resources. The Accounting Officer explained that the Ministry used as benchmarks prices and rates used for similar previous procurements.

Recommendation

The Accounting Officer was advised to always ensure that market assessments are carried out and reports are put on record.

Action Status

It should be noted that over FY 2018/19 and FY 2020/21, the Ministry undertook the procurement of supplies, including geotextiles and geogrids. The rates provided in previous procurements, submitted by various bidders and outlined in contracts, served as a benchmark for pricing in the procurement of geotextiles, geogrids, and guardrails in FY 2022/23. In the case of the uniforms, UGX 49.90Mn was additional to the earlier procurement, and there was no need for a market survey.

Query	Review of the Implementation of the Entity’s Mandate		
Audit Findings			
The Ministry is mandated to;			
a) Develop, harmonize and enforce policy, legal and regulatory framework. b) Develop sustainable multimodal transport infrastructure and services in the country. c) Strengthen transport assets management. d) Strengthen planning, supervision, coordination and human resource capacity of the Ministry. e) Promote connectivity and trade. f) Strengthen the capacity of the national construction industry.			
A comparison of the entity’s strategic and annual work plans for the last three (3) years with the mandate as stipulated in relevant laws revealed that the entity had not adequately executed the following aspect of the mandate;			
Table 5: Aspects of the mandate that are inadequately executed			
S/N	Mandated activity	Source of Mandate	Audit Comment
1.	Strengthen transport assets management.	Article 189 of the Acts of Parliament Act Cap1	One of the proposed projects in the NDP II, the Audit, was the repair and maintenance of road equipment. The project would facilitate the opening and maintenance of District, Urban and Community Access (DUCAR) roads, which were in bad condition but considered important for providing access to social and economic services. However, the Ministry has experienced challenges in repairing and maintaining the road equipment, with most of the maintenance being referred to the individual districts.
Failure to ensure that all mandate activities are implemented means that the associated service delivery benefits will not be achieved.			
The Accounting Officer explained that the Ministry had undertaken efforts to engage both MoFPED and the Parliamentary Committee on Infrastructure on the funding requirements for equipment repair and maintenance.			

Recommendation	
Accounting Officer was advised to continue engaging MoFPED and Parliament to ensure that the budgeted funds are appropriated in order to enable the Ministry adequately implement activities under its mandate.	
Action Status	
Quarterly Expenditure Limits for all categories of funds are approved once every quarter, depending on the revenue position of Government, approved work plans, and the prevailing macroeconomic conditions.	
Query	Budgeted Activities for which no Funds were Released
Audit Findings The entity had an approved budget of UGX 1,470.02Bn out of which UGX 754.34Bn was warranted, resulting in a shortfall of UGX 715.68Bn, representing a 51.32% performance. The UGX 715.68Bn that was not warranted relates to partially funded outputs. Failure to provide funds for activities that were budgeted negatively affected their implementation and achievement of the expected services. The Accounting Officer explained that work plan revisions to account for the budget cuts were done on the PBS system during the second and third quarters of the FY.	
Recommendation	
The Accounting Officer was advised to continue engaging MoFPED and Parliament to have more funds released for the implementation of all the Ministry's budget outputs. Where there are budget cuts, work plan revisions must always be conducted and the PBS system updated.	
Action Status	
Quarterly Expenditure Limits for all categories of funds are approved once every quarter, depending on the revenue position of Government, approved work plans, and the prevailing macroeconomic conditions.	
Query	Failure to Fully Utilise Warrants
Audit Findings The entity had total warrants of UGX 754.34Bn out of which warrants worth UGX 753.68Bn had been utilised by the close of the financial year. The balance of UGX 0.67Bn was meant for activities which were either partially implemented or not implemented at all. The Accounting Officer explained that the unutilised warrants were partly a result of unpaid pension brought about by the failure of pensioners and their beneficiaries to submit the documentation required to process their payment/gratuity payments on time. Additionally, the main cause of the	

unutilized warrants was that UGX 500Mn, which had been released for field trials of Consolid-55, could not be spent as the Consolid road consolidation technology stabilisers did not indicate significant strength gains during the prerequisite laboratory tests that were conducted before the field trials would be conducted.

Recommendation

The Accounting Officer was advised always to seek the required approvals from the relevant stakeholders to reallocate funding to underfunded budget priorities, from activities whose feasibility is found to be unviable, to underfunded priorities.

On the same note, the Ministry should make efforts to continuously engage Pensioners and their beneficiaries to ensure that they submit on time any documentation necessary for processing their payments.

Action Status

In the Budget Execution Circulars, the PS/ST has continuously guided Accounting Officers to adhere to approved work plans and budgets to minimise distortions during budget execution and uphold budget credibility. In addition, when virements are unavoidable, they must be submitted online through the Programme Budgeting System (PBS) in accordance with Section 21(2) of the Public Financial Management Act, Cap. 171, and before the start of the subsequent quarter. No virements will be permitted after expenditure limits have been issued and funds released. Each virement request must include an updated work plan showing which outputs will be scaled down/up or deferred, as well as the new outputs.

The PS/ST in the Budget Execution Circular FY 25-26 dated 10th July 2025 guided that Accounting Officers must ensure the timely processing and approval of pension files, and that new pensioners are added to the payroll immediately upon final approval. Verification and approval steps related to pension processing should be completed within one week per stage, and under no circumstances should the entire process exceed 30 days from the date of retirement. Disciplinary action will be taken against any officers responsible for undue delays

Query

Failure to Fully Implement Activities

Audit Findings

The Audit assessed the extent of implementation of activities for which funds were availed and utilised. A total of 28 outputs with 292 activities worth UGX 546.48Bn were assessed, and the following was observed.

- i) Twenty-two outputs with 179 activities and expenditure worth UGX 359.04Bn were fully implemented.
- ii) Six (6) outputs with 113 activities worth UGX 187.44Bn were partially implemented. Out of 113, the entity fully implemented 100 activities worth UGX 100.06Bn, 11 activities worth UGX 86.68Bn were partially implemented, while two (2) activities worth UGX 0.700Bn remained unimplemented. Examples of the activities that were partially or not implemented at all are provided in the tables below.
- iii) None of the outputs was implemented at all.

Failure to implement fully funded projects implies that funds that could have been utilised for other activities were swept back to the consolidated fund or diverted to other uses.

The Accounting Officer explained that multi-year outputs, such as acquisition of Right of Way (RoW) for transport projects such as Standard Gauge Railway (SGR), Bill development, stakeholder consultations and others can be partially implemented even when all the funding has been released.

Recommendation

The Accounting Officer was advised to strengthen planning and project execution frameworks to ensure the timely implementation of funded activities. In addition, the Accounting Officer should improve monitoring mechanisms to track progress and address delays proactively.

Action Status

The PS/ST in the Budget Execution Circular FY 25/26 dated 10th July 2025 stated that Government adopted the Framework for Tracking the Implementation and Performance of Public Investments to strengthen oversight of public investments and ensure their timely implementation. This framework requires all MDAs to adopt standardised tools and practices such as Earned Value Management (EVM), a Quality Performance Index (QPI), Performance-Based Contracts, Project Implementation Units (PIUs), integration with the Integrated Bank of Projects (IBP), and the certification of projects. Managers are to ensure they possess the technical expertise necessary to effectively manage complex projects. Accounting Officers should therefore ensure full compliance with the framework, given that it is a prerequisite for continued project financing, as well as consideration of new project proposals, and to avoid the termination of underperforming projects.

Query		Delayed Implementation of Planned Activities	
Audit Findings Out of 11 sampled projects, five (5) projects worth UGX 34Bn had delays averaging thirteen (13) months from the expected completion date, as shown in the table below.			
Table 6: Delayed projects/works			
S/N	Project description and value	Audit comment	Management response
1	Project: Upgrading using low-cost sealing of Ikulwe-Buyemba-Kyando Road (4.121Km) and Access to district headquarters (0.514km) in Mayuge District Project Cost: UGX.5,683,045,241 Amount released as at 30th September 2024: UGX.2,400,000,000	The project is being implemented under the Force Account Mechanism, and the works commenced on 14 th September 2023 and were supposed to be completed by 15 th February 2024 (6 months). However, as at 30 th September 2024, the physical progress was 37.7% against a time progress of 200%.	Management attributed the delays to budget cuts, funds could not be availed to implement the works in time, and the frequent mechanical breakdown of the road construction equipment.
2.	Project: Upgrading the road network (3.41km) leading to Maya nature resort from gravel to bituminous standard in Kyengera, Wakiso district. Proc Ref No: MoWT/WRKS/21-22/00533 Contract Amount: UGX. 7,981,816,062	The Audit reviewed the commencement letter dated 29th May 2023, under reference number TRP 241/299/01 and noted that the contract start date was 7th June 2023 and the end date was 8th February 2024. From the review of the site inspection report as at 27 th November 2024, THE AUDIT noted that the contract physical progress was 56%,	Management explained that the delays were due to the closure of Mercantile Bank, which affected the contractor’s cash flows.

	So far paid: UGX 4,001,267,491 cumulatively	with a time progress of 157% and financial progress of 50%. The Audit further noted that the contract had so far been extended 3 times, with the last extension letter reference TRP 241/299/01 dated 13th August 2024, indicating a completion date of 13th November 2024. At the time of inspections on 28th November 2024, The Audit noted that the project works were still incomplete (56%) despite the expiry of the contract period. No evidence of further extension was provided.	
3.	Project; Upgrading of Akright Roads in Bwebajja Ddundu, Wakiso district to Paved Bituminous Standard Proc Ref No. MoWT/WRKS/2021-22/002408 Contract Amount: UGX. 5,869,906,047 So far paid: UGX 5,576,410,745 cumulatively	The Audit reviewed the progress report for September 2023 and noted that the project was substantially completed on 15th August 2023 with a defects liability period of 6 months, which ended on 15th February 2024. At the time of inspections on 28th November 2024, THE AUDIT noted that the project works were still incomplete despite the expiry of	Management explained that the contractor had not addressed the defects despite several communications. However, Management did not have evidence of any communications to the contractor in this regard.

		the defects liability period. No evidence of further extension of the contract was provided, and the contractor was not on site.	
4.	Project: Low-Cost Sealing of Bitereko S/C – Nchwera, Omukyapa – Kigalama Cou and Nchwera Nyengaramire – Omukigano Road (5.6Km) Contract Amount: UGX.5,995,890,030 VAT inclusive So far paid: UGX.2,706,372,363	The start date was 11th October 2023, and the expected completion date was 10th October 2024, which was later revised to 10th February 2025. At the time of inspection in November 2024, less than 3 months to the completion date, the physical progress was at 57%, time progress at 78.8% and financial progress at 45%. On the date of the site inspection carried out on 22/11/2024, THE AUDIT did not find road workers or road equipment on the road, implying that the contractor had demobilised from the site.	Management explained that the contractor had halted the construction work due to the ongoing heavy rains at the time.
5.	Project: Rehabilitation and Expansion of Facilities at Central Materials Laboratory – Kireka Procurement Ref: MOWT/WRKS/21-22/00409	The works were expected to be completed within 24 months after the commencement date of 1 st September 2022. According to the project progress report dated 31 st July 2024, the Contractor suspended works on	Management explained that the Contractor had abandoned the works.

	Contract Amount: UGX.8,470,376,243 VAT inclusive So far paid: UGX.3,861,373,795	9th January 2024 due to the delayed payment of IPCs. On physical inspection of the project on 2nd December 2024, THE AUDIT confirmed that the works had stalled, there were unguarded construction materials at the site, and the Contractor had demobilised from the site.	
Delayed completion of works/services implies that the beneficiaries will not receive the intended services in time. The Accounting Officer attributed the delays to heavy rains affecting project sites, abandonment of works by the Contractors and budget cuts.			
Recommendation The Accounting Officer was advised to liaise with MoFPED to ensure that the Ministry receives all the required funding to pay the contractors on time. Additionally, efforts to replace Contractors who abandon works should be fast-tracked.			
Action Status The PS/ST in the Budget Execution Circular FY 25/26 dated 10th July 2025 stated that Government adopted the Framework for Tracking the Implementation and Performance of Public Investments to strengthen oversight of public investments and ensure their timely implementation. This framework requires all MDAs to adopt standardised tools and practices such as Earned Value Management (EVM), a Quality Performance Index (QPI), Performance-Based Contracts, Project Implementation Units (PIUs), integration with the Integrated Bank of Projects (IBP), and the certification of projects. Managers are to ensure they possess the technical expertise necessary to effectively manage complex projects. Accounting Officers should therefore ensure full compliance with the framework, given that it is a prerequisite for continued project financing, as well as consideration of new project proposals, and to avoid the termination of underperforming projects.			

Query		Unsatisfactory Quality of Works/Services	
Audit Findings			
The Audit undertook physical inspections on seven (7) of the 11 projects and noted defects on two (2) of the seven (7) inspected projects worth UGX 7.87Bn as highlighted below: Refer to the table below;			
Table 7: Quality deficiencies			
S/N	Contract details	Audit comment	Management response
1	Project name and description: Rehabilitation of Sonde – Kiwanga TC – Lumul Road with Spurs to Buto Boundary and Kiwanga, Rwanda, through Akright Road (6.9 KM) and Kawuga Grammar road (1 km)	On 19th July 2023, the Ministry entered into a contract (reference number MoWT/WRKS/CRIP/22-23/088) for the Rehabilitation of Sonde – Kiwanga TC – LumulThe Audit Road with Spurs to Buto Boundary and Kiwanga, Rwanda through Akright road (6.9km) and Kawuga Grammar Road (1 km) in Mukono Municipality for a contract sum of UGX 2Bn. The works were expected to be completed within 8 months by 29th April 2024. The Audit noted during audit inspections that there is a building at Kawuga Grammar school, which is occupying part of the project right-of-way, thus creating a choke point on the road.	Management explained that engagements made with the proprietor of the school and the local political leadership to acquire the ROW in this section of the road had been futile.
2.	Project; Upgrading of Akright Roads in Bwebajja Ddundu, Wakiso district to Paved 9-Bituminous Standard	From inspections done on 28 th November 2024, the Audit noted that although the defects liability period ended on 15 th February 2024, the project had several uncorrected defects. Similarly, no completion report was prepared.	Management explained that the contractor had not addressed the defects despite several communications. However, Management did not have evidence of any communications to the contractor in this regard.
Poor quality works affects the usability of these facilities and therefore affects service delivery.			

Recommendation

The Accounting Officer was advised to improve contract management in order to ensure that works are of satisfactory quality to increase the availability and reliability of the infrastructure services.

Action Status

Upgrading of Akright Roads in Bwebajja Ddundu, Wakiso district to Paved 9-bituminous Standard. The defects were addressed, and the works were completed.

Rehabilitation of Sonde – Kiwanga TC – LumulThe Audit Road with Spurs to Buto Boundary and Kiwanga, Rwanda through Akright Road (6.9 KM) and Kawuga Grammar road (1 km). The engagements made with the proprietor of the school and the local political leadership to acquire the Right-of-Way in this section of the road had been futile.

Query

Non-functional facilities

Audit Findings

The Audit undertook a physical inspection to confirm the functionality of the completed structures/works. The Audit, however, noted that one (1) out of the 10 sampled projects worth UGX 2.71Bn was not functional due to several reasons as summarised in the table below;

Table 8: Functionality of inspected works/equipment

S/N	Project	Total expenditure UGX	Inspection remarks	Management response
1	Project: Low-Cost Sealing of Bitereko S/C – Nchwera, Omukyapa – Kigalama Cou and Nchwera Nyengaramire – Omukigano Road (5.6Km) Procurement Ref: Contract Amount: UGX.5,995,890,030 VAT inclusive So far paid: UGX 2,706,372,363	2,706,372,363	On 14th July 2023, MoWT made an agreement with a contractor for the Low Cost Sealing of Bitereko S/C – Nchwera, Omukyapa – Kigalama Cou and Nchwera Nyengaramire – Omukigano Road (5.6Km) in Mitooma District for a contract price of UGX.5,995,890,030 VAT inclusive. It was further noted that the start date was 11th October 2023 and the expected completion date was 10th October 2024, which was later revised to 10th February 2025. Management explained that the justification for the low-cost sealing of the road section was due to the fact that the road section was always slippery during the rains, and yet the volume of traffic had increased, including heavy trucks. The intended width of the road is 6.5 metres, making it a dual lane. However, there is a bridge at the	Management explained that the bridge was not considered due to a lack of funds.

			river Nchwera through which the road passes. According to the management, the bridge width is 3.5 meters, making it a single lane. It was established that the bridge was constructed more than 40 years ago, and Management did not provide for the enlargement and construction of the bridge. Given the size and age of the bridge and the increase in traffic that will occur on the completion of the road works, there is a risk that the bridge will become a choke point that will not only slow traffic but may also collapse. This is attributed to the failure by the Ministry to undertake feasibility studies before the commencement of works.	
	Total	2,706,372,363		

Failure to undertake feasibility studies and to adequately plan road works undermines their functionality and negates the purpose for which the Government has invested money in rehabilitating the road.

The Accounting Officer explained that failure to consider the bridge as part of the scope for the road works was a result of funding constraints.

Recommendation

The Accounting Officer was advised to always undertake the feasibility studies during the implementation of road works.

Action Status

The PS/ST in the Budget Execution Circular FY 25/26 dated 10th July 2025 stated that Government adopted the Framework for Tracking the Implementation and Performance of Public Investments to strengthen oversight of public investments and ensure their timely implementation. This framework requires all MDAs to adopt standardised tools and practices, such as Earned Value Management (EVM), a Quality Performance Index (QPI), Performance-Based Contracts, Project Implementation Units (PIUs), integration with the Integrated Bank of Projects (IBP), and project certification. Managers are to ensure they possess the technical expertise necessary to effectively manage complex projects. Accounting Officers should therefore ensure full compliance with the framework, given that it is a prerequisite for

continued project financing, as well as consideration of new project proposals, and to avoid the termination of underperforming projects.

Query

Security Roads in Karamoja Sub-Region

Audit Findings

Cabinet, through Action Extract from Minute 208 (CT 2022), directed the Ministry of Finance, Planning and Economic Development (MoFPED) on 11th July 2022 to provide UGX 699.63Bn to the Ministry of Works and Transport (MoWT) for the opening and rehabilitation of security roads in Karamoja Sub-Region and surrounding areas. This intervention was aimed at curbing cattle rustling and improving connectivity in line with the National Development Plan III (NDP III) strategy to address poverty in the country's poorest sub-regions, including Busoga, Teso, and Karamoja.

A phased cash flow projection was provided by the Minister of Works and Transport to MoFPED in a letter dated 4th August 2022 (Ref MINS/PERS/36) and outlined the funding requirements for the project as follows;

Table 9: Cash flow projections

Financial Year	Projected Amount (UGX' BN)
2022/23	214.02
2023/24	323.01
2024/25	162.61
Total	699.64

A review of the funding for the security roads project revealed that only UGX 25Bn was released to the Ministry during FY 2022/23, representing 3.57% of the total funds required. The remaining UGX 674.64Bn has not been availed, significantly delaying the implementation of the Cabinet directive.

The delayed funding has stalled the rehabilitation of 2,058.6Km of security roads in the Karamoja Sub-region, undermining Government efforts to improve connectivity and security.

The Accounting Officer explained that the Ministry had made efforts to secure the funding that was approved by Cabinet from MoFPED. Additionally, the works had commenced in a phased manner, with the most critical sections provided, totalling 250Km out of the 2,058.6Km.

Recommendation

The Accounting Officer was advised to intensify engagements with MoFPED to prioritise and provide the remaining funds for the opening and rehabilitation of security roads in Karamoja Sub-Region and surrounding areas.

Action Status	
The project formulation process was initiated, and the project profile was submitted to the Project Preparatory Committee.	
Query	Delayed Commencement and Completion of Civil Works on DRC-Uganda Road Projects
Audit Findings The Democratic Republic of Congo (DRC) and the Republic of Uganda agreed to jointly construct and upgrade key roads, including Mpondwe/Kasindi-Beni-Butembo (133km) and Bunagana-Rutshuru-Goma (89km), to enhance business, connectivity, security, and regional trade and investment. According to the contractual agreement signed on 13th May 2021, the contractor was expected to complete Phase 1 civil works (funded by the Government of Uganda at USD 110.26Mn) by 10th May 2023. Extensions were subsequently granted, pushing the completion date to 10th May 2025. A review of the project's progress report as of 30th September 2024 revealed significant delays in the execution of civil works, with the following physical progress reported; i) Mpondwe/Kasindi-Beni road: 49.68% completed. ii) Beni-Butembo road: 0.15% completed. iii) Bunagana-Rutshuru-Goma road: 0% completed (works not commenced). Despite the Government of Uganda contributing USD 50.98Mn (50% of its share of the total contribution of USD 101.95Mn for Phase 1), the contractor had only achieved 20% of the works against an elapsed construction time of 241%. The delays in commencement and completion of civil works are attributed to insecurity along the project roads, particularly in the Bunagana-Rutshuru-Goma section. The delays in completing the roads hinder the intended benefits of improved connectivity, enhanced trade, and regional integration. In addition, prolonged construction timelines may lead to cost overruns, including additional expenses for supervision and potential penalties. The Accounting Officer explained that the causes of the delays, such as DRC not meeting certain provisions of the Project Development Agreement, are political and security-related and therefore beyond the contractor's control. However, the Minister of Works and Transport had held a meeting with the	

Minister of Infrastructure of the DRC on 16th October, 2024, to address some of the challenges that were causing delays.

Recommendation

The Accounting Officer was advised to follow up with the relevant stakeholders, especially Parliament and the Contractor, to ensure that the Governments of Uganda and the DRC enhance their efforts to resolve project challenges and meet commitments.

Action Status

On 16th October 2024, a Joint Communiqué was issued between the Minister of Infrastructure and Public Works of the DRC and the Minister of Works and Transport of Uganda, focusing on upgrading key roads, including Mpondwe/Kasindi-Beni, Beni-Butembo, and Bunagana-Rutshuru-Goma roads.

The commitment includes:

- i) Enforcing the Bilateral Project Development Agreement (PDA)
- ii) Resolving Right of Way (ROW), Campsites and Borrow Pits Challenges
- iii) Strengthening Security measures,
- iv) Forming an Oversight Committee within the Multi-sectoral Steering Committee,
- v) Strengthening communication and Reporting Mechanisms, and
- vi) Contingency Planning and Risk Mitigation.

Also, the first Amendment to the PDA, enacted on October 16, 2024, introduced significant changes to the project implementation strategy. As stipulated in Clause 3.1.1, the project will now be executed in a staged construction manner, ensuring that Phase 2 builds upon the earthworks and drainage works completed in Phase 1. Furthermore, the newly added Sub-clause 4.3.1 enables Emergency Phase 2 works to commence concurrently with Phase 1 works, streamlining the project timeline.

On 12th March 2025, a Ugandan Government delegation, led by the Minister of Works and Transport, met with the North Kivu Provincial Governor in Beni to assess progress on the Kasindi-Beni-Butembo and Bunagana-Rutshuru-Goma road construction projects.

A final communiqué was signed, outlining the following measures to resume work and remove obstacles by:

- i) Establishing a commission for tax matters.
- ii) The Contractor provides lists of goods, materials, and equipment for tax exemption.

- iii) Establishing a commission for Land, Infrastructure, Environment, and Services to address land, right of way, compensation, and relocation issues.

Currently, the Contractor is on site carrying out road works.

Query

Slow Maintenance under DRRU West and North

Audit Findings

A review of the District Rural Rehabilitation Unit (DRRU)-West approved work plan revealed that UGX 4.4Bn was planned for the rehabilitation and intervention of 27 roads. However, a review performance report indicated that only UGX.2.11Bn (48%) was received, resulting in a shortfall of UGX 2.30Bn. Due to the revenue shortfall, 13 road activities with a total budget of UGX 2.25Bn were not carried out.

Similarly, DRRU-North received only UGX 2.55Bn out of the UGX 4.40Bn which had been incorporated in the approved work plan to cater for the works. As a result, only 66.6 km out of the 135.9 km planned for under DRRU North for the financial year 2023/24 was worked on during the year.

Non-rehabilitation of roads exposes them to further deterioration, which results in higher maintenance costs.

The Accounting Officer explained that the release of less funds than budgeted for resulted in the rehabilitation of fewer kilometres than planned.

Recommendation

The Accounting Officer was advised to continue engaging key stakeholders, especially Parliament and MoFPED, to allocate more funds towards road maintenance.

Action Status

Quarterly Expenditure Limits for all categories of funds are approved once every quarter, based on the revenue position of Government, approved work plans, and the prevailing macroeconomic conditions.

Query

Delayed Project Implementation

Audit Findings

According to Paragraph 4.2 of the SGR project document (2016), the railway was expected to become operational in March 2018. However, by the end of the financial year under review, construction of the Kampala-Malaba route (273km), the first phase of the railway, which is expected to cover only 15.8% of the total proposed project length of 1,724km, had not yet commenced.

At the time of Audit, although the contract had been signed for the construction of the Kampala-Malaba route, the project had not yet secured co-funding for the works.

Delayed project implementation adversely impacts service delivery and has resulted in escalation of project costs through inflated costs and appreciated compensation valuations with the passage of time. It also results in financial loss as Government continues to spend money on the project operations without seeing results in terms of capital works.

Discussions with management indicated that the delays were due to failure to secure financing, but construction is expected to start before the end of Financial Year 2024-25.

Failure to secure funding may affect the construction and result in financial loss in the form of interest payments to the contractor for delayed payments.

The Accounting Officer explained that the construction of the 272Km Malaba-Kampala SGR section had delayed for over five (5) years, with the intended completion target period of 2018 not met due to failure to secure financing from Exim Bank, China, on time as had earlier been planned. However, plans to commence construction had started, and discussions for acquiring the required funding were ongoing between MoFPED and European financiers, the African Development Bank and the Islamic Development Bank.

Recommendation

The Accounting Officer was advised to liaise with the relevant stakeholders, including Parliament and MoFPED, to ensure that the necessary funding is secured to expedite the project implementation process.

Action Status

The Ministry signed an Engineering, Procurement and Construction, Turnkey Contract with M/S Yapi Merkezi Insaat Ve Sanayi in a joint venture with Global Projects Ltd on 14th October 2024 to construct the Malaba-Kampala Route, and H.E. the President launched the construction works on 21st Nov 2024.

The Ministry has issued a Limited Notice to Proceed that commenced on 14th May 2025.

Query

Delayed Compensation of PAPs

Audit Findings

Appendix 1 (11) of the Guidelines for Compensation Assessment under land acquisition (2017) requires that, under arbitration, compensation and resettlement, the period from final report approval to payment of compensation awards shall not exceed 6 months.

A review of the Standard Gauge Railway Project's land acquisition and final assessment reports revealed that, as of 18th October 2024, compensation for

7,791 PAPs valued at UGX 363.20Bn had been assessed. Out of these, 5,342 PAPs, worth UGX 179.12Bn, had been compensated, leaving 2,448 PAPs, valued at UGX 184.08Bn unpaid.

Delayed compensation has led to several reassessments and revaluations as some PAPs have rejected the earlier assessed values, increasing the compensation amounts and incurring additional administrative expenses. Management explained that this was a result of underfunding, even with communication made to MoFPED.

Unpaid compensations may hinder timely project completion and may result in additional administrative expenses for re-assessments, and may further escalate due to litigation by PAPs.

The Accounting Officer explained that there have been significant delays in settling outstanding PAP compensations due to budget constraints.

Recommendation

The Accounting Officer was advised to;

- i) Liaise with MoFPED to prioritise the release of funds for the outstanding compensations.
- ii) Develop a clear timeline and action plan to ensure that all outstanding PAPs are compensated promptly, avoiding further delays and associated costs.

Action Status

Following various engagements between the MoWT and MoFPED, the project's budget was increased, and compensation has been substantially completed on the section from Malaba to Mayuge, where 99% of PAPs have been paid.

In FY 2023/24, the Project's approved budget of UGX 80.02Bn was fully received. And in FY 2024/25, the Project's approved budget is UGX 79.028Bn. As of October 2025, the current CGV-approved compensation is at 463.45Mn, and the Ministry has written to MoFPED to request for this funding.

Query

Failure to Meet Certification Status

Audit Findings

In a letter from Uganda Civil Aviation Authority (UCAA) to East Africa Civil Aviation Academy (EAACA) dated 10th May, 2024 and referenced DSSER/ATO/001, UCAA informed the Academy that its Approved Training Organisation had been renewed for 12 months. However, the letter also pointed out a non-compliance relating to training shortfalls of instructors and understaffing that the Academy was required to address within the agreed timelines of the year.

The Academy may have its certification revoked if the non-compliances are not rectified.

The Accounting Officer attributed the non-compliance to funding gaps that hinder the undertaking of the mandatory training and the recruitment of staff.

Recommendation

The Accounting Officer was advised to liaise with MoFPED to have funds availed for the mandatory training and the recruitment of Staff of the East Africa Civil Aviation Academy (EAACA).

Action Status

The Uganda Civil Aviation Authority Certified the Academy as an Approved Training Organisation (ATO) on 15th May, 2025, and the certification is valid until 18th May, 2026. UCCA also certified the Academy as an Approved Maintenance Organisation (AMO) from 1st July 2025 to 31st March 2026. The ATO and AMO certificates are attached.

The Academy still has a significant funding gap and has been operating on a constrained budget for some time. This has meant that the Academy has not been able to recruit staff in critical positions due to wage constraints.

The Ministry continues to work with the MoFPED and the Public Service to address these issues.

VOTE 017 - MINISTRY OF ENERGY AND MINERAL DEVELOPMENT

Query

Underperformance of NTR

Audit Findings

Reported under the statement of revenue collected during the year is non-tax revenue of UGX 28.33Bn collected against the budget of UGX 54.27Bn, representing a performance of 52% of the target.

Underperformance of NTR affects Government revenue collection, which impacts service delivery.

Management attributed NTR's underperformance to the ban on the export of unprocessed minerals and added that the Ministry was in the advanced stages of installing weighbridges where mineral levies will be collected and of establishing gold markets in Entebbe and Kasanda District, which will increase Non-Tax Revenue. Furthermore, the Ministry has issued a public notice in the media reminding all Mineral rights holders to settle outstanding obligations.

Recommendation

The Accounting Officer was advised to assess the feasibility of value addition for all minerals and also undertake a cost-benefit analysis for the exportation

of unprocessed minerals with a view to providing recommendations to Government for optimum mineral exploitation.

Action Status

The Ministry assessed the value addition of several strategic minerals, including Iron ore, Gold, Tin and Vermiculite which informed the Statutory Instruments that were put in place for these minerals, defining the purity levels for refining. This has supported the development of several processing facilities, including a tin refinery in Mbarara, nine (9) gold refineries, and three (3) Direct Reduced Iron plants, all of which contribute to mineral processing and refining. The Ministry has now embarked on defining value-addition requirements for the next set of minerals, which will include Lithium, Nickel, Copper, and Rare Earth Elements.

The Ministry is in advanced stages of installing weighbridges where mineral levies will be collected, and of establishing gold markets in Kampala, Entebbe and Kasanda District, which will increase Non-Tax Revenue.

Procurement of rental premises for the Mineral Markets, equipment, furniture and recruitment of staff for the Mineral Markets are all ongoing. The contract for the supply of mobile weighbridges was completed, and the Ministry is awaiting delivery of the equipment by the end of calendar year 2025 so that the weighbridges can be installed.

Query

Long Outstanding Receivables

Audit Findings

The statement of financial position under Note 23 reports an amount of UGX 129.57Bn as receivables. A review of the ageing analysis revealed that UGX 129.05Bn had been outstanding for over two financial years, as detailed in the table below;

Table 1: Long Outstanding Receivables

S N	Customers	Amount (UGX'Bn)	Remarks
1	Bridge Credit Finance Company	0.15	Relates to outstanding rent as at 31/03/2022
3	Annual Mineral Rent	3.94	Relates to Annual Mineral Rent as at 30/06/2022
4	Kilembe Investments Limited	0.30	Refers to operational

			fees due to the former REA as of 30/06/2022
5	Ferdsult	3.45	Refers to operational fees due to the former REA as at 30/06/2022
6	Bundibugyo Energy Cooperative Society Limited	0.054	Refers to operational fees due to the former REA as at 30/06/2022
7	Pader-Abim Community Multi-Purpose Electric Cooperative	0.039	Refers to operational fees due to the former REA as at 30/06/2022
8	Kyegegwa Rural Electricity Cooperative Society Limited	0.006	Refers to operational fees due to the former REA as at 30/06/2022
9	UETCL	121.11	Refers to 5% transmission Levy outstanding balance as at 30/06/2022
	Total	129.049	

There is a risk that the long outstanding receivables may become bad debts, leading to potential write-offs and loss to the Ministry.

Management indicated that the Ministry will seek authority from the Accountant General to write off UGX 154Mn due from Bridge Credit Finance Company, which was confirmed to have been liquidated 2 years ago, and that demand notices had been sent to all clients with outstanding receivables.

Recommendation

The Accounting Officer was advised to institute mechanisms to ensure the timely recovery of the outstanding receivables. Considerations should be made to identify and write off the receivables deemed unrecoverable.

Action Status

The Ministry took the initiative to write to Ms Bridge Credit Finance Company; however, no response was received. Efforts to confirm the company's existence with the Uganda Registration Services Bureau (URSB) revealed that it was liquidated 2 years ago. In addition, the Ministry sent demand notices to all clients with outstanding receivables, but the response has been slow.

The Ministry has now requested for authority from the Accountant General to write off UGX 154.49Mn from the Financial Statements.

Query

First-time Recognition of Historical Tangible Assets

Audit Findings

Reported in the statement of financial position are non-current assets totalling UGX 36.72Tn. The Audit noted that UGX 35.80Tn relating to historical assets was recognised in the statement of financial position for the first time following guidance by the Accountant General. Notable among the historical assets recognised are energy and mineral resources valued at UGX 34.26Tn.

The Accountant General further guided that the recognition phase will be followed by asset validation, which is expected to be completed by the end of FY2024/25, and asset revaluation to arrive at the fair values of all tangible assets recognised in the statement of financial position. This implies that there could be discrepancies between the values uploaded and the physical assets until the above process is finalised.

Recommendation

The Accounting Officer was advised to ensure that the complete and accurate values of all Ministry assets are captured in the financial statements within the given timelines.

Action Status

The PPE figures in the financial statements were reconciled following validation by the Accountant General's Office.

Query	Unspent Warrants			
Audit Findings				
The Ministry reported UGX 6.38Bn as the budget provision from MoFPED for payment of domestic arrears during the financial year 2023/24 under the statement of appropriation, out of which UGX. 3.48Bn was paid. The Audit noted the following;				
i) UGX 6.15Bn was budgeted and warranted for payment of pension and gratuity arrears, out of which UGX 2.41Bn was spent, leaving UGX 3.73Bn unspent. The pension and gratuity arrears had not been disclosed in the prior year.				
ii) The remaining budget of UGX 0.23Bn was to cater for other domestic arrears, which had an opening balance of UGX 8.18 Bn, indicating a budget shortfall of UGX 7.95Bn (97%).				
iii) An additional amount totalling UGX 0.84Bn was spent to clear rent arrears for the former REA. The amount was in excess of the prior year recognised payable of UGX 0.57Bn by UGX.0.26Bn and had no budget provision for its clearance.				
iv) The outstanding arrears of UGX.7.14Bn as at the end of the financial year remained unpaid since financial years 2015/16 and 2017/18, as shown in the table below;				
Table 2: Reconciled position of domestic arrears as at 30/06/2024				
S/N	Invoice Date	Description	Supplier	Amount (UGX'Bn)
1	FY2017/18	Insurance Premium for former Rural Electrification Agency Staff	UAP Old Mutual Insurance (U) Ltd	0.067
2	FY2017/18	Contribution to International Organisation	African Mineral Geoscience Center (AMGC) (\$65,228)	0.247
3	FY2017/18	Contribution to International Organisation	Comprehensive Nuclear Test-Ban Treaty Organization (CTBTO) (\$8,026)	0.030
4	FY2017/18	Contribution to International Organisation	Comprehensive Nuclear Test-Ban Treaty Organization (CTBTO) (\$5,374)	0.022
5	FY2015/16	Outstanding Corporate Tax	Uganda Revenue Authority	0.345

		Obligation-Amber House Ltd (AHL)		
6	FY2015/16	Outstanding Debenture Payment on Isimba Hydro Power Dam	Uganda Revenue Authority	6.41
7	FY2017/18	Power Extension and Connection Fees (Electricity Sector Development Project)	Umeme Ltd	0.017
Total Outstanding as at 30/06/2024				7.14
Exchange Rate 1USD:3785.92UGX				

Failure to clear outstanding arrears may result in additional charges if action is taken on non-payment by the creditors.

Management responded that the pension arrears had not been recognised in the Ministry's books and were the result of a court case between GoU and the Lawyer representing the former UEB pensioners, in which GoU decided to release the money to the Ministry instead of the Lawyer to expedite the activity. Management further indicated that they are engaging the Ministry of Finance, Planning and Economic Development to enhance the domestic arrears budget to pay the outstanding arrears.

Recommendation

The Accounting Officer was advised to prioritise the clearance of the long outstanding payables to eliminate the risk of additional costs.

Action Status

The PS/ST in the Budget Execution Circular FY 2024/25 (Ref: BPD 86/179/01) communicated that payment of the existing stock of arrears will be made only upon verification by an independent audit firm appointed by this Ministry. To curb further accumulation of domestic arrears, this Ministry has instituted the following measures.

- i) Sanctioning Accounting Officers for the creation of new domestic arrears by not renewing their contracts as Accounting Officers; and
- ii) Accounting Officers should not sign any new contracts without confirmation of the availability of resources. Multi-year contracts should take a first call on available resources. Accounting Officers who sign contracts without the availability of funds will be held personally liable. Please note that the Expenditure Limits issued by this Ministry are based on available funds, not on the appropriated budget.

All Accounting Officers are reminded to submit their draft final accounts by 31st August of every year to the Accountant General's Office with duly signed certificates of outstanding commitments, with copies to the Internal Auditor General. Draft final accounts submitted without certificates of outstanding commitments will be rejected.

Query	Contingent Liabilities

Audit Findings

The Ministry reported a total of UGX 485.37Bn as contingent liabilities under the statement of contingent liabilities. UGX 408.67Bn (84%) of the amount relates to legal proceedings, mainly from suits by PAPs on the Ministry compensation process during the acquisition of land for different electricity infrastructure projects. Up to 36 more related cases, which are non-quantifiable, were disclosed.

An additional UGX 35.90Bn (7%) of the amount relates to liabilities taken over by the Ministry from the former REA in the financial year 2021/22.

This implies that the risk of financial outflow from the court cases exists, and additional costs may also be incurred due to the delayed settlement of REA contractors and suppliers.

Management responded that due to resource constraints, the liabilities have not been fully settled.

Recommendation

The Accounting Officer was advised to strengthen the Ministry's compensation processes to minimise disputes. Clearance of the REA liabilities should be prioritised to avoid further costs.

Action Status

At the time of declaring domestic arrears, the rent figure stood at UGX 572.53Mn; however, over time, rent accumulated to UGX.1,070,000,000 due to inadequate funds availed to the Ministry to settle the rent arrears. The rent arrears were later settled, and the tenancy agreement was terminated.

Query	Non-Alignment of the Ministry's Work Plan and Budget to PDM

Audit Findings

PDM Working Groups are required to assist participating MDAs in the alignment of their plans and budgets to the PDM. A comparison of the Working Group activity implementation action plan with the entity budgets and work plans revealed that;

- i) The Ministry did not align the work plan to the pillar action plan. THE AUDIT could not trace the program objectives and initiatives to the Ministry's budget outputs and activities in the work plan.

- ii) Two (2) activities, including continuing with the program of free connections to households and conducting the verification survey of electrified parishes in the Western region, were not included in the pillar action plan.
- iii) The approved work plan had similar activities with the Pillar/Working Group work plan, but eight (8) targets were different.

Failure to align the budget and work plan to PDM hinders the achievement of pillar objectives.

Management explained that the interventions in the PDM work plan originated from the NDP III PIAPs. Activities such as the verification survey of electrified parishes were developed after the NDP III PIAP and were therefore not reflected in the PDM work plan.

Further, the free connections programme addresses no pole and the one-pole service connections to households. It does not, however, address the network extensions and medium voltage, which are required to power the productive energy uses that are required under the PDM. Given the magnitude of the infrastructure required, an assessment of electrification was undertaken during the FY2023/24 to identify Parishes that do not have electricity infrastructure to power the required growth centers. This assessment informed the development of four flagship Projects that is; Grid Expansion to Support Parish Development in the Western, Eastern, Northern and Central regions, designed to electrify all Parishes.

Recommendation

The Accounting Officer was advised to align the budget and work plan with PDM.

Action Status

The interventions in the PDM work plan originate from the NDP III PIAPs. Activities such as the verification survey of electrified parishes were developed after the NDP III PIAP and are therefore not reflected in the PDM work plan. In the NDP IV, the Ministry has incorporated the PDM workplan in the Grid Strengthening to Support Parish Development Model Projects across the Country and these projects have progressed to the feasibility Study Stage.

Query

Failure to Develop the Formula for the Parish Vulnerability Index

Audit Findings

Paragraph 4.1 of the Parish Development Model Pillar 2 - Infrastructure and economic services operation Manual, May 2023, provided that the vulnerability

index should be calculated using information obtained on the PDMIS in the area of existing status, economic activities, security requirements, geographical location, population, existing similar development programs, among others.

MEMD, as the lead Ministry for the electricity and other energy sources activity, would develop its formula for calculating the Parish Vulnerability Index, which would be submitted to the Pillar Working Group for approval. The vulnerability index should be utilised at the PDM activity planning stage.

The Audit noted that the Ministry did not develop the formula to calculate the Parish vulnerability index. Without a vulnerability index, parishes with urgent needs of social services like access to electricity and clean energy may not be prioritised during pillar activity selection.

Management explained that the Sustainable Energy Program wasn't part of the initial PDM initiatives. However, it was later identified as one of the enablers. Consequently, MEMD was asked to integrate PDM activities into its work plan. While these activities were incorporated, MEMD can only provide input in the computation of the vulnerability index, but cannot compute it independently. This is because the index is composite in nature and incorporates the performance of other PDM implementers, and it is therefore centrally computed by the PDM Secretariat.

Although management asserts that the responsibility of developing the formula for calculating the parish vulnerability index lies with the secretariat, this contravenes the requirement of the PDM guidelines, which places the responsibility with the activity leads.

Recommendation

The Accounting Officer was advised to develop the formula to calculate the parish vulnerability index to facilitate proper planning.

Action Status

In the NDP IV, the Ministry has developed a vulnerability index, in which parishes with urgent social service needs, such as access to electricity and clean energy, have been prioritised during pillar activity selection.

Query

Failure to Prepare Multi-Year Procurement Plans

Audit Findings

Section 60(6) of the PPDA Act, Cap. 205 requires an entity that is to undertake a procurement over a period of more than one financial year to prepare a multi-year procurement plan using the guidelines issued.

The Audit reviewed the procurement plan for the financial year 2023/24. It noted that nine(9) procurements worth UGX 31.66Bn were initiated in prior periods and completed in the current year; however, the Ministry did not prepare multiyear procurement plans for the procurements as required by the Act.

The failure to prepare multiyear plans creates uncertainty regarding the availability of funds, which may lead to project delays and cancellations.

The Accounting Officer explained that the Ministry had implemented procurements on the E-GP system. However, the system did not have a provision for multi- year planning. The Ministry was currently planning to use both manual and electronic documents to cater for the multi-year procurement planning.

Recommendation

The Accounting Officer was advised to ensure that multi-year procurement plans are prepared for procurements expected to span more than one year to support proper planning and budgeting.

Action Status

The Ministry is among the pilot MDAs implementing their procurement and disposal activities on the e-GP system. Therefore, it is a requirement to have procurement and disposal planning for the Ministry conducted on the e-GP system.

However, the e-GP system does not have a provision for multi-year planning, and therefore, the Ministry was unable to plan for the multi-year procurement requirements. The PPDA, as the oversight authority, has also recognised this anomaly and, as such, has recommended that starting with financial year 2024-2025, procurement planning should be done both electronically and physically to cater for the multi-year procurement planning.

Going forward, the Ministry has prepared both electronic and physical procurement plans to support multi-year procurement planning.

Query

Challenges with the e-GP System

Audit Findings

The e-GP system is a digital platform or system that facilitates the procurement process within Government entities. The online platform is used for creating, submitting and managing all procurement processes and is expected to enhance competition, transparency, accountability and sustainable economic development. MEMD was enrolled on the e-GP system in the financial year 2022/23. The Audit noted the following issues;

During the Financial year 2023/24, the Ministry initiated 914 procurements with an estimated cost of UGX 226.98Bn. There was a limitation of assessment

of the Ministry's compliance with the PPDA procedures as a result of the following observations;

- i) **Insufficient Oversight Support:** The oversight portal lacked sufficient access rights to view communication details among members of various committees or officers involved in procurements. Additionally, procurements that appeared incomplete in the oversight portal were actually completed when viewed through the procuring and disposing entity portal. This limits the oversight portal's effectiveness in monitoring procurement processes, potentially leading to misreporting and inadequate accountability. The system developer should ensure sufficient integration and configuration of the oversight portal's access rights and functionalities.
- ii) **Lack of Electronic Submission Support:** Procurements worth UGX 202.87Bn, initiated using open domestic bidding, were processed manually because the system did not support electronic submission of bids and contracts to the Solicitor General. Manual submission, review, and feedback processes increase the likelihood of delays, inefficiencies, and errors, undermining the efficiency of procurement operations.
- iii) **Duplication of Entries:** The procurement ledger contained 288 duplicate entries valued at UGX 94.26Bn which could not be deleted by the procurement and disposal unit. Duplicate entries compromise the accuracy of reports, erode confidence in financial data, and increase the risk of fraud or undetected errors.
- iv) **Reporting Challenges:** The system failed to generate reports in compliance with Regulation 15(1) of the Public Procurement and Disposal of Public Assets (Procuring and Disposing Entities) Regulations, 2023. Consequently, the procurement and disposal unit prepared reports outside the system, which hinders adequate online assessment of procurement performance.
- v) **Procurement Planning Gaps:** The uploaded procurement plans did not meet the requirements of Regulation 6 of the Public Procurement and Disposal of Public Assets (Procurement Planning) Regulations, 2023. Missing details included timelines, recommended procurement methods, and contract packaging. Poorly structured procurement plans hinder the efficient execution of procurement activities and may lead to non-compliance with regulatory requirements.
- vi) **Insufficient Competition Support:** Vote controllers lacked visibility into the procurement of common-use items across departments. This resulted in procurement splitting, inappropriate methods, and reliance

on a limited pool of bidders due to siloed procurement processes. Fragmented procurement processes reduce competition, increase costs, and create inefficiencies, ultimately undermining value for money in procurement activities. The observations highlighted above limit The Audit ability of procurements. The Accounting officer explained that the issues raised above were e-GP system issues. As the Ministry, they have no control over them and were also challenged in their operations due to the inefficiencies of the system. Many of the issues have been raised with the MoFPED, who have confirmed that the system is still under development, and if the need arises, the system will be overhauled to take care of the challenges faced with its current version.	
Recommendation	
i) The Accounting Officer was advised to put in place remedial measures to ensure transparency in the above circumstances. ii) The PS/ST was advised to review the e-GP and ensure that the above challenges in the e-GP system are addressed.	
Action Status	
The Government is upgrading the e-GP system from e-GP version 1.0 to e-GP version 2.0. The enhanced e-GP system will have more robust functionalities and will be aligned to the public procurement legal framework as amended. The plan is to roll out the enhanced e-GP system on 1st July 2026.	
Query	Delays in Compensation of Project Affected Persons for the Various Project
Audit Findings	
Section 6 of the Land Acquisition Act, CAP 226 and Guideline No. 5 on Guidelines for compensation assessment under land acquisition require compensation to be completed promptly and prior to commencement of works. The Government of Uganda is implementing the Resettlement Action Plans for the petroleum product pipeline, Karuma and Isimba HPP. The following issues were noted; i) Compensation for the 30-meter-wide corridor of the 213Km refined petroleum products pipeline from Hoima to Mpigi. The Audit are ongoing. THE AUDIT noted that the total number of PAPs were 4,270 traversing the districts of Hoima, Kikuube, Kyankwanzi, Kiboga, Mityana, Wakiso and Mpigi. Although 3,439 PAPs had signed consent forms by the end of the financial year, only 3,261 (76%) have been paid to date. The delays	

in payments were attributed to supplementary valuations, and other PAPs (831) who are yet to sign the consent forms due to contention of the original valuations.

- ii) The total number of PAPs identified for the Karuma HPP dam-site were 1,174, out of which 1,049 (89%) have been compensated. 125 (11%) have not been paid yet, 6 of which are in the courts of law on various cases, while 119 are outstanding claims for physical resettlement. In addition, although the project code (1801) received UGX 4.50Bn as a release for the acquisition of land for both Karuma and Isimba HPP, a total of UGX 4.87Bn was spent, leading to an excess of UGX 0.37Bn. UGX 2.50Bn of the amount spent was diverted and transferred to the ERT III compensations.
- iii) Compensation for the Karuma Reservoir Area is at 308 (95.7%) out of the 322 PAPs have been informed of the value of their claims. Only 284 (88.2%) of the 322 claims have been paid. In addition, only 15 copies out of the 25 original titles have been received, and the RAP consultant has started the sub-division process to obtain the Ministry titles.
- iv) Out of a total of 2,906 PAPs at Isimba HPP dam site, only 2,771 (95.35%) worth UGX.39.7Bn have been compensated. A balance of 135 PAPs worth UGX 2.60Bn are yet to be compensated. Delayed payments of compensation result in increased costs of administration, but also revisions of original assessments due to new developments within the corridors.

Management stated as follows;

- i) Delays in the completion of the Resettlement Action Plan for the refined petroleum products pipeline from Hoima to Mpigi. The Audit was attributed to a lack of proper documentation from the Project Affected Persons (PAPS), Court cases, grievances, absentee PAPs, rejection of the compensation amounts approved by the Chief Government Valuer and inadequate releases from MoFPED.
- ii) For the Karuma HPP, the current disclosure progress stands at 95.7%, which represents 308 claims of the 322 total number of claims. To date, 91% (293 out of 322) of the consenting PAPs have been submitted to MEMD (under batches Nos. 1-18) for compensation, and 88.2% (284 out of 322) of the claims have been compensated. Out of the thirty-eight (38) (11.8%) claims whose payments are still outstanding, 29 are with the RAP implementation consultant and have not been submitted to the Ministry for payment due to various reasons, and six(6) were deferred by

the Ministry's Internal Audit and sent back to the Consultant for rectification.

- iii) For the Isimba HPP, the payments for the remaining balance had not been made due to a lack of funding.

Delays in compensation leading to Escalations in compensation for the Petroleum Product Pipeline

According to the RAP study report for the refined petroleum products pipeline, the cut-off date for the assessment and valuation was 12th December 2019. The first valuation assessments were approved on 15th February 2021 with a total of 4,270 PAPs and a value of UGX 73.85Bn as summarised in the table below;

Table 3: Valuation assessments for the petroleum products pipeline - UGX'Bn

S/N	District	No. of PAPS	Original Value	No. of PAPS	Supplementary Value
1	Hoima	88	2.98	3	0.02
2	Kiboga	1,673	18.21	54	2.84
3	Kikuube	464	12.31	102	11.27
4	Kyankwanzi	655	7.30	111	1.39
5	Mityana	415	6.30	133	3.61
6	Mpigi	289	8.21	115	2.51
7	Wakiso	686	18.54	301	10.45
	TOTAL	4,270	73.85	819	32.09

Supplementary assessments and valuations totalling UGX 32.09Bn were made by 29th August 2023, 30 months after the initial assessment. The reasons for the increments in valuations were cited as changes in ownership of property, objection of value rates attached to property, disputes in the assessment of the value of crops and developments on land after the cut-off date of the initial assessment.

In addition, the Audit noted that delays in payments resulted in PAPs registering new interests on land assessed, such as the construction of residential and commercial buildings that further inflated the cost of compensation.

Management explained that the delays were caused by the inadequate release of funds by MoFPED. The Ministry has repeatedly engaged the MoFPED for more funding to enable timely compensation to avoid the escalations and loss of funds. In addition, the responsiveness of PAPs to submitting supporting documents for compensation was not timely due to various reasons.

Compensation of PAPs on the Katenga-Rubaare-katooma-Rwagashani 33Kv

The Ministry, through the Rural Electrification Agency, undertook compensation in 2014 for the construction of the Katenga-rubaare-katooma-rwagashanThe Audit 33kv power line.

The Audit noted that 30 PAPs who had sued the Ministry for the construction of the powerline on their land without consent or compensation, had been awarded UGX 513.89Mn on 28th November 2022, by the Electricity Disputes Tribunal for the complaint number EDT/53 of 2018.

Although the Ministry claimed that sensitisation activities had been undertaken, and that the complainants had been duly served with consent forms, this was refuted in the tribunal, leading to an award. The following issues were noted on the subsequent payments;

- i) There was an increase in the cost of acquisition for the right of way, due to the items below;

Table 4: Cost increments in compensation

S/N	Item	Amount (UGX)
1	18% per annum increment in the compensation	215,028,000
2	Damages for the complainants	90,000,000
3	Interest on Damages at 12% per annum	10,800,000
4	Complainant costs	48,737,340
	Total	364,565,340

- ii) A total of UGX 527.39Mn was paid to the complainant's lawyer on 19th June 2024, which was in excess of the award by UGX 13.5Mn.
- iii) There was no evidence that the funds paid were duly transferred to the project-affected persons by their representative.

There is a risk that the PAPs were not paid the accurate amounts of the compensation assessed.

Management explained that they paid UGX 527.38Mn with an excess of UGX 13Mn, which was the interest accrued from the time of judgment to the time of payment. The Ministry made this payment after receiving a comfort letter from the complainants that it was appropriate to pay their compensation through their representative.

Recommendation

The Accounting Officer was advised to liaise with the relevant stakeholders to ensure prompt payments for the PAPs in the various projects to avoid cost escalations.

Action Status

The Ministry has continued to engage Project Affected Persons to submit supporting documents for payments, and established conflict resolution

committees to resolve grievances. The Ministry of Finance has provided funds for compensation of PAPs.

The above interventions have progressively increased the rate of compensation to Project Affected Persons under this Ministry.

Query	Human Resource Gap of 6,118 Scientists for the Energy Transition

Recommendation

The Ministry was advised to prioritise the review and amendment of the Electricity Act and Atomic Energy Act and expedite the enactment of the geothermal legislation.

Action Status

The Ministry is developing an integrated energy resources master plan (IERMP). The IERMP looks at the holistic and effective implementation of the Energy Transition Plan (ETP).

The IERMP will provide the implementation framework, the pipeline of projects and investments to achieve the ETP, as well as the Human resources requirement together with the skills and the monitoring and evaluation of the ETP.

The IERMP is expected to be completed by May 2026.

Query	Non-Payment of Annual Mineral Rent Fees

Audit Findings

Section 50(1.b) of the Mining and Minerals Act 2022 requires a license holder to pay the prescribed annual mineral rent for the area covered by the exploration license annually on the anniversary of the grant of the license until it expires.

The Audit noted that Annual Mineral Rent fees amounting to UGX.4.39Bn due from exploration and mining companies remained outstanding as at 30th June 2024. The failure to collect the expected revenue denies Government the funds necessary to deliver services to the citizens.

Management explained that the Ministry sent 135 demand notices for annual mineral rent arrears and that a list of non-compliant license holders had been compiled for publishing in the media to name, shame and compel non-compliant mineral right holders to clear out standing fees arrears. UGX 2.27Bn of the amount related to Kilembe Mines, which was in the final stages of Government getting an investor to revamp the mines.

Recommendation	
The Accounting Officer was advised to explore the possibility of writing off the Kilembe Mines receivable and to ensure that mineral rent fees are collected as required by law.	
Action Status	
Out of the UGX 6.90Bn, UGX 2.28Bn was from Kilembe Mines, where Government is in the final stages of getting an investor to revamp the Mines, and UGX 1.41Bn was from the cancelled 26 licenses and expired 344 licenses without renewal, where most of these were from ASMs. The Ministry has drafted additional cancellation notices and will continue to follow up on defaulters in accordance with the provisions of the law. Furthermore, the Ministry wrote 135 noncompliance/demand notices demanding payment of 3.247Bn in annual mineral rent arrears. A list of non-compliant license holders was compiled for publication in the media to name and shame, and compel non-compliant mineral right holders to clear outstanding fees arrears. From the above intervention, the Ministry has collected UGX 638.15Mn from defaulters and will continue to pursue the remaining defaulters through more frequent publications.	
Query	Export of Gold without Export Permits
Audit Findings	
Section 149 of the Mining and Minerals Act, Cap. 159 requires exporters to obtain an export permit from the Minister before exporting minerals from Uganda. The permit ensures the declaration of mineral origin, payment of prescribed fees, and assessment of purity levels. However, during the Financial Year 2023/24, gold exports worth USD 3.01Bn (approximately UGX 11Tn) were made without obtaining the required export permits. This non-compliance hindered the Ministry of Energy and Mineral Development from verifying the origin and purity of exported minerals and potentially contravenes the presidential moratorium of the 24th of November 2011, on exporting unprocessed minerals. Moreover, the lack of enforcement resulted in significant unpaid export levies. UGX 32.18Bn remained outstanding from prior years, and UGX 31.36Bn was not collected for the current year, increasing the cumulative unpaid levies to UGX 68.84Bn. Failure to enforce export permit requirements weakens MEMD's regulatory oversight, risks revenue loss, enables misdeclaration of mineral origins and	

purity, and facilitates illegal exports, undermining the Government's moratorium on unprocessed minerals and limiting economic value addition. The Ministry published a name & shame list of non-compliant companies as well as a public notice on gold purchase procedures in Uganda as a means to educate stakeholders in the sector.	
Recommendation	
The Accounting Officer was advised to strengthen coordination mechanisms with the Uganda Revenue Authority to ensure full compliance with export permit requirements. Measures should include joint enforcement initiatives, integration of systems to track mineral exports, and periodic reviews of dealer registrations in the mining cadastre. In accordance with Section 149(5) of the Mining and Mineral Act, the Accounting Officer should impose a penalty of 10,000 currency points on all mineral exporters who failed to obtain the required export permits from the Ministry.	
Action Status	
The Ministry has put in place the Mining and Minerals (Gold Export Levy) Regulations 2024, which took effect on 24th May 2024. Since then, Uganda Revenue Authority has been collecting the Gold Levies.	
Query	Budgeted Activities for which no Funds were Released
Audit Findings	
Out of the Ministry's GoU-approved budget of UGX 678.96Bn, UGX 601.05Bn was warranted, representing an 89% performance. The shortfall of UGX 77.91Bn that was not warranted represents UGX 14.20Bn for outputs that were totally unfunded, while the balance of UGX 63.60Bn relates to partially funded outputs. Failure to provide funds for activities that were budgeted negatively affected their implementation and achievement of the expected services. Management explained that the Ministry always prioritises these activities, but the inadequate allocation of funds to the vote does not enable their implementation. There will be continuous engagement with MoFPED to provide these funds.	
Recommendation	
The Accounting Officer was advised to ensure that activities that were affected by the shortfall are prioritised in the next budget cycle.	
Action Status	
Quarterly Expenditure Limits for all categories of funds are approved once every quarter, depending on the revenue position of Government, approved work plans, and the prevailing macroeconomic conditions.	

Query	Underutilisation of Warrants
Audit Findings Out of the warrants of UGX 601.05Bn, UGX 566.01Bn had been utilised by the close of the financial year, representing an absorption capacity of 94%. The balance of UGX 35.04Bn was meant for the following activities, which were either partially or not implemented at all. Management explained that the underutilised funds relate to compensation of PAPs and staff salaries. The PAPs could not be compensated because they rejected the prices that had been approved by the Government Chief Valuer. Further, the recruitment of staff under the Mineral regulations infrastructure project and Liquefied Petroleum Gas was deferred to the subsequent financial year 2024/2025 due to delays in approving the staff structure for the projects by the Ministry of Public Service. The Ministry of Public Service has since approved the structures, and staff have been recruited.	
Recommendation	
The Accounting Officer was advised to engage the outstanding PAPs to reach an agreement.	
Action Status	
The underutilised funds relate to compensation of PAPs and staff salaries. The Ministry could not compensate these PAPs because they rejected the prices that had been approved by the Government Chief Valuer. The recruitment of staff under the Mineral regulations infrastructure project and Liquefied Petroleum Gas (LPG) was deferred to the subsequent financial year 2024/2025 due to delays in approving the staff structure for the projects by the Ministry of Public Service. Ministry of Public Service has since approved the structures; however, we cannot recruit staff because this project will be exiting on 30th June 2026. The Ministry has requested an extension of five years from the Development Committee, and if approved, the staff will be recruited.	
Query	Partial/Non-implementation of Activities
Audit Findings The Audit assessed the extent of implementation of activities for which funds were availed and utilised. A total of 24 outputs with 200 activities were assessed, and the following was observed. i) Two (2) outputs with three(3) activities and expenditure were fully implemented. ii) Twenty-two (22) outputs with 197 activities were partially implemented. Out of 197, the Ministry fully implemented sixty-eight (68) activities,	

seventy-four (74) activities were partially implemented, while fifty-five (55) activities remained unimplemented.

- iii) The Audit was not provided with detailed costs per activity to enable assessment of the utilisation of funds for assessed activities.

Failure to fully implement planned activities affects the delivery of services for which they are intended.

Management explained that the funds were released in the last quarter of the financial year for payment to contractors. However, the Ministry needed audit and field technical verification of works before payment, which could not be done given the time remaining until the end of the financial year.

Recommendation

The Accounting Officer was advised to engage MoFPED for timely releases. In addition, the unimplemented activities should be prioritised in the 2024/2025 financial year.

Action Status

These activities were rolled over to the subsequent financial years, and some activities that received funding are being implemented.

Query

Non-functional Projects despite Completion

Audit Findings

The Audit undertook a physical inspection to confirm the functionality of the completed facilities and equipment procured by the Ministry. The Audit noted that two (2) projects worth UGX 4.71Bn were not functional despite completion/delivery as detailed below;

Table 4: Functionality of inspected works/equipment

SN	Project	Total expenditure UGX "Bn"	Inspection remarks
1	Supply and installation of two weigh bridges. MEMD/SPLS/2020-21/00182/DGSM	0.72	The weigh bridges and their accessories were procured and delivered in November and December 2021, but installation had not been done by December 2024, which indicates a three (3) year delay. The photo below demonstrates: 

2	Construction of regional offices and beneficiation centres in Fort Portal MEMD/WRKS/18-19/00093/DGSM	3.98	Construction of the centre was completed in 2023, and furniture was delivered in the year under review. The beneficiation equipment was not procured and installed, rendering the beneficiation centre non-functional. 
	Total	4.71	

Failure to utilise the completed structures and procured equipment delays the services for which the activities were intended.

Management explained that the installation of weigh bridges was delayed by the identification of suitable land for installation. Strategically located land was identified in Bulambuli and Napak, but upon verification, it was found to be untitled. The Ministry is working with the land owners to process the land titles so that weigh bridges can be installed.

Further, in the financial year under review, the Ministry had budgeted for both the construction of the beneficiation centre and the equipment at Fortportal. However, only construction funds were received. The Ministry has prioritised the procurement of this equipment in the next financial year 2025/26.

Recommendation

The Accounting Officer was advised to enforce the timely submission of reports to enable the update of the National Petroleum Information System to facilitate adequate regulation.

Action Status

The installation of weigh bridges was delayed by the identification of suitable land. The Ministry identified pieces of land in Bulambuli and Napak, which were strategically located.

However, all the land in this region is customarily owned and largely held under clan leadership. The Ministry reached an agreement with the land owner at Napak; this piece of land was acquired, and the titling process is ongoing with the Zonal offices of the Ministry of Lands, Housing and Urban Development.

For Bulambuli land, the lowest bidder was above the Chief Government Value (CGV), and CGV has undertaken a re-evaluation and is now awaiting its report. Once the above processes on the land are completed, the weighbridges will be installed.

Procurement of the equipment for beneficiation centres was completed, the contract signed, and we are processing the advance payment to the supplier so that the equipment can be delivered to the Ministry.

Query

Slow Increase in Annual Electricity Connections

Audit Findings

Section 2.3 of the Electricity Connection Policy provides that part of the objectives of the ECP is to increase the annual average number of connections from 70,000 to 300,000. In addition, section 7.1.1 of the ECP implementation manual, 2018 requires that the Service Providers in the electricity downstream supply industry shall, within 30 days of the start of each quarter, submit quarterly reports with the status of connections, status of verification of the completed connections and the connection work program for the next 2 quarters.

Review of the status of connections as required by the ECP revealed the following;

- i) The service providers planned to make 256,257 connections from various initiatives during the year. However, THE AUDIT noted that this was below the required 300,000 connections due to funding gaps.
- ii) Out of the planned 256,257 connections, only 63,188 (24.66%) were completed, leaving a balance of 193,069 (75.34%) incomplete. The low performance was attributed to the merger of the small service providers into UEDCL during the year.
- iii) Out of the 63,188 submitted connections, only 1,482 (2.33%) connections submitted by KRECs were verified during the year by KPMG. Management attributed the low verifications to the inefficient funding and slow process of procurement of an independent verifying agent.

Delays in the verification of implemented connections affect tracking and correction of defects. Additionally, failure to provide funding for the connections will affect Government's ability to achieve its targets under the Free Electricity Connection Policy and NDP III.

Management responded that the Ministry could not implement all the connections due to inadequate release of funds and the debts that the Ministry had accrued with Umeme and the other Service Providers. Government later paid UGX 32.45Bn to Umeme out of UGX 65.02Bn ECP arrears, leaving a balance of UGX 32.56Bn and connections are ongoing. Under the other Service Providers, connections are ongoing with connection materials provided by Government.

Recommendation

The Accounting Officer was advised to expedite the process of procurement of an IVA to verify completed connections. In addition, the Ministry should liaise with MoFPED, UEDCL and ERA to increase the performance on planned electricity connections so as to enhance access.

Action Status

The Ministry could not implement all the connections due to inadequate release of funds and the debts that the Ministry had accrued with Umeme and the other Service Providers.

The Independent Verification Agent (IVA) was hired (that is, KPMG) to verify over 900,000 connections made by Uganda Electricity Distribution Company Limited (UEDCL).

UEDCL, after taking over from UMEME, has hired about 900 technicians to increase connections per month, and has been able to make over 40,000 connections per month.

VOTE 018 - MINISTRY OF GENDER, LABOUR AND SOCIAL DEVELOPMENT

Query

Failure to Warrant Funds

Audit Findings

The Audit reported that out of the approved budget of UGX 363.43Bn, the entity received total warrants amounting to UGX 303.80Bn for the year in question, as detailed below.

Table 14: Summary analysis of entity budget - UGX Bn

Sn	Budget category	Revised Budget	% Proportion of total revised budget (%)	Warrants
1	Recurrent (Wage)	4.133	0.011	4.133
2	Recurrent (non-wage)	240.426	0.662	237.844
3	Development	5.000	0.014	2.684
4	External Financing	112.687	0.310	57.955
5	Arrears	1.189	0.003	1.189
	Total	363.43	1.000	303.80

The Audit reported that out of the approved budget of UGX 363.435Bn, a total of UGX 303.805Bn was warranted, resulting in a shortfall of UGX 59.63Bn, representing an 84% performance. The UGX 59.63Bn that was not warranted was meant for activities that were not costed, and the breakdown was not available for audit.

Observation

The Committee noted that failure to provide funds for activities that were budgeted negatively affected their implementation and achievement of the expected services. The Committee further noted that although a total of UGX 59.63Bn had not been warranted, the Accounting Officer had failed to cost the activities for which they were meant to implement. This is irregular, as failure to cost activities poses a huge risk for over-budgeting.

Recommendation

- i) Government should warrant all the budget due to the Ministry to enable them to carry out activities.
- ii) The Accounting Officer should ensure that all activities are costed in the workplan to enhance frugal expenditure.

Action Status

- i) The Ministry warrants all funds that are received in a timely manner for the various activities. A total of UGX 59.63Bn were funds for the Grow Project, funded by the World Bank (external funding UGX 27Bn). The delays arose mainly due to processes required to be implemented before funds are released. The affected activities included procurement of design and build contractor for the Multi-staff facility (7Bn), Women entrepreneur platforms (4Bn), recruitment of Project Implementation Team staff (2.5Bn), Infrastructure Grants (2Bn), Vehicles not procured (1.6Bn). However, to date, all Project Implementation Team staff have been recruited, the Advert for Expression of Interest for design and build has been completed, and all vehicles and women entrepreneur platforms have also been procured.
- ii) The Budgeting and Planning cycles of all Ministries, Departments and Agencies, inclusive of the Ministry of Gender, Labour and Social Development and the Accountability framework demand that a costed work plan is adhered to. The Accounting Officer, therefore, ensures that all activities are costed in the work plan. In addition, all outputs have budget allocations with strict implementation guidelines and internal control mechanisms to ensure frugal expenditure.

Further, the budget framework papers and any other activities sponsored by development partners are aligned with the NDP framework, thus ensuring that every activity is derived from costed work plans.

Query	Partial/Non-implementation of Activities

Audit Findings

The Audit assessed the extent of implementation of activities for which funds were availed and utilised. A total of 28 outputs with 237 activities worth UGX 243.972Bn were assessed, and the following was observed;

- i) Six (6) outputs with 26 activities and expenditure worth UGX 12.998Bn were fully implemented.
- ii) Twenty-two (22) outputs with 211 activities were partially implemented, worth UGX 230.97Bn. Out of 211, the entity fully implemented one hundred sixteen (116) activities, forty-six (46) activities were partially implemented, while fifty (50) activities remained unimplemented.

Examples of the activities that were partially or not implemented at all are provided below;

Table 2: Partially implemented activities

Sn	Activity	Audit Comments
1.	315,700 senior citizens countrywide benefiting from the Social Assistance Grant for Empowerment	150 senior citizens planned to be paid were not paid.
2.	Capacity building on Gender and Equity Budgeting in LGs and MDAs with capacity gaps conducted	Activity done in only seven (7) local Governments
3.	Technical backstopping and support supervision on Gender and Equity mainstreaming in 20 LGs conducted	6 out of 20 done.
4.	Compliance to GBV Shelter Guidelines, 2020, by service providers conducted and strengthened	Only 17 done
5.	Capacity of LG stakeholder in NGBVD management enhanced	6 out of 10 done
	120 NGO residential care institutions complied to Children and Babies Home Rules	Only 29 NGO visited.
6.	Improved access to justice by 1,500 children in conflict with the law through attendance at courts of law	915 out of the planned 1,500 children accessed justice.
	Care and protection provided to 200 abandoned, lost and children at Naguru Reception Centre	Care was provided to 139 out of the planned 200.
7.	Timely management and appropriate rehabilitation of 150 juvenile capital offenders at the KNRC	Only 104 were rehabilitated.
8.	Capacity of 1,868 youth built in entrepreneurial and life skills for livelihood	Only 410 youths` capacity in entrepreneurial and life skills out of the planned 1,868.
9.	1400 workplaces inspected for compliance with OSH standards	Only 639 workplaces inspected.
10.	600 statutory equipment examined and certified,	Only 575 were certified.

11.	Capacity building of 500 employers on best practices of Occupational Safety and Health management conducted	Only 88 were trained.
12.	Capacity building of 176 labour officers on the enforcement of OSH standards conducted	Only 35 were trained.
13.	Mediation sessions conducted to dispose of 60 cases of labour disputes	Only 26 cases out of the planned 60 were disposed of.
14.	4 Programme Working Group meetings conducted	Only one (1) done.
15.	80 Local Governments monitored and provided with technical support, backstopping on the implementation of the National Culture priority interventions, family and parenting guidelines	Only 34 district local Governments were done.

Table 3: Un-implemented activities

Sn	Activity	Audit Comments
1.	National Equal Opportunities Policy disseminated to MDAs and Local Governments of Kole, Oyam, Kwanja, Amolatar, Hoima, Buliisa, Masindi, Kyotera, Fortportal, Sembabule and Rukungiri.	Policy not distributed.
2.	National Social Capital Growth Strategy, Social Impact Bonds and Social Licensing Regulatory framework developed.	Strategy not developed.
3.	National Equity Guidelines for Natural Resources-dependent and surrounding Communities validated	Guidelines not validated.
4.	Gender Mainstreaming Guidelines printed and disseminated.	Guidelines not disseminated.
5.	The National Action Plan on Elimination of GBV revised.	Action plan not revised.
6.	Revised Uganda Gender Policy printed and disseminated	Policy not printed and disseminated.
7.	Popular Version of revised Gender Policy developed.	Policy not developed.
8.	Feasibility study on the child's disability grant for children with severe and multiple disabilities conducted	Study not done.
9.	Repayment of the Youth Venture Capital Fund improved through media campaigns.	Media campaigns not done.
10.	Titling of Ministry Institutions of Mbale Sheltered Workshop, Jinja Sheltered Workshop, Ocoko Rehab. Centre, Ogur Rehab. Centre, Onyakidi conducted	Land not titled.
11.	Titling of Ministry land undertaken	Land not titled.
12.	Renovation of Ministry Institutions of Ocoko Rehabilitation Centre, Ogur Rehabilitation Centre and OnyakidiThe Audit Rehabilitation Centre conducted	Renovations not done.
13.	485 Revalidation of pensioners conducted	Revalidation of pensioners not done.

The Accounting Officer explained that the activities were partially or not implemented because of the non-release of funds.

Observation

The Committee took exception to the explanation by the Accounting Officer and noted at this stage of auditing the implementation of approved work plans, the Audit focused on those activities for which funds were provided and

expended by the entity. In this case, the entity is being audited on a total of 28 outputs with 237 activities worth UGX 243.972Bn, which funds were released and spent by the entity.

The Committee therefore noted that the Accounting Officer had failed to implement the workplan as approved. This means that the purpose for which Parliament appropriated the funds was not met. It could also mean the funds were diverted to implement other activities for which funds were not appropriated or were outside the workplan. This is irregular on the part of the Accounting Officer.

Recommendation

- i) The Accounting Officer should be reprimanded for the non-implementation of the approved workplan
- ii) The Accounting Officer should prioritise the non-implemented activities and budgets for them in the subsequent financial year.

Action Status

- i) In FY 2023/24, the approved budget of the Ministry under the Non-Wage Recurrent budget category was UGX 12.27Bn of which a total of UGX 10.04Bn was released, representing 81.86%. By allocative efficiency, the Ministry took the first call on fixed and statutory expenses (rent, utilities, entitlements, security and cleaning services, among others) to reduce incidences of accumulation of domestic arrears. The resultant funding shortfall amounting to UGX 2.23Bn, representing 18.14%, hampered the Ministry's capacity to fully implement key activities in the Work Plan for FY 2023/24 across Departments/cost centres. The Accounting Officer could not, therefore, implement the Work Plan.
- ii) In the FY 2023/24, there were several activities which had not been undertaken due to inadequate funding. In the subsequent FY 2024/25, those activities were prioritised and implemented as listed below for ease of reference.
 - 1,113 pieces of statutory equipment were inspected in line with the requirements of the Occupational Safety and Health Act.
 - Capacity building of 571 employers and employees on the management of Occupational Safety and Health standards.
 - Capacity building of 113 Labour Officers on Occupational Safety and Health aspects in the National Labour Inspection Checklist, National Guidelines and Code of Conduct for labour inspectors conducted at a regional level of Eastern, Northern and Western
 - 128 cases of labour disputes were disposed of through mediation.

• Renovation of Ministry institutions was conducted in a phased manner due to resource constraints, Fort Portal Remand Home, Mubuku RH and Lweza Rehabilitation Centre, among others. • Development of the National Equal Opportunities Policy finalised. • Gender Mainstreaming guidelines were disseminated in five (5) District Local Governments of Adjumani, Lamwoi, Nebbi, Madokollo, Oyam and 30 copies were distributed.	
Query	Non-renewal of Workplace Registration
Audit Findings A review of the registered workplaces by the Audit revealed that 426 workplaces had not renewed their certificates, resulting in a revenue loss of UGX 0.49Bn in uncollected renewal fees. It was further observed that due to poor planning, the entity had not adequately incorporated enforcement and compliance activities into its work plan, leading to a lack of strong punitive measures for non-compliance. The Accounting Officer explained that they had written and shared reminders and guidelines for online registration with different employers. In addition, collaborative activities with other MDAs, such as UNBS, URA, and UIA, had been initiated to promote workplace registration. Observation The Committee noted that a significant number of workplaces, including schools, are not registered under the Occupational Safety and Health (OSH) Act. This lack of registration and non-compliance, despite it being a legal requirement and a key factor in workplace safety and procurement, leaves many workplaces and employees vulnerable and potentially exposed to exploitative tendencies by their employers. Section 40(3) of the Occupational Safety and Health Act, Cap 231, requires that a certificate of registration bear the embossed stamp of the Occupational Safety and Health Department and be renewed every three years. This had been ignored. The Committee further noted that because of the non-compliance and inaction in the enforcement of workplace registration, the Accounting Officer had caused a financial loss of UGX 0.49Bn.	
Recommendations	
- The Accounting Officer should be held accountable for causing a financial loss of UGX 0.49Bn. - The Accounting Officer should implement strategies to identify and quantify arrears from defaulters, and institute recovery mechanisms within 6months of adoption of this report.	
Action Status	

- i) According to data extracted from the Occupational Safety and Health Management Information System (OSHMIS) for FY 2023/24, the number of non-renewed workplace registration certificates has since been significantly reduced, given the following reasons:
- Workplaces, particularly in the construction/infrastructure sector, were primarily either annual/temporary establishments existing only for the duration of the specific construction of a building or roads. These sites would only register for the lifetime of the construction work, which in most cases would not go beyond one year. In the FY under review, 2023/24, many of the projects registered in the previous year did not renew because they had completed their work on site. UGX 0.49BN could not be realised.
 - Evidence also shows that Construction Projects, despite their one-off registrations, often contribute the highest NTR compared to workplaces in other sectors of the economy, which compensates for their non-renewal status. Upon project completion, such workplaces close permanently; hence, their non-renewal does not represent a compliance failure or revenue loss.
 - The number of temporary workplaces recorded during the period was 121 (28%) of the non-renewed workplaces, accounting for approximately UGX 0.24 billion (accounting for almost 50% of the alleged financial loss). These workplaces were project-based and temporary in nature, and therefore did not require renewal of registration certificates upon completion of their respective projects. 66 (15.5%) of the renewed 426 workplaces have since renewed their certificates in the subsequent financial year – 2024/25, generating UGX 56.16Mn in Non-Tax Revenue (NTR) (accounting for almost 12% of the alleged financial loss).
 - Continuous recovery efforts are ongoing for the remaining 239 workplaces, with over 150 reminder letters written to various workplaces. Based on that audit report, the unrecovered NTR stands at approximately UGX 0.19Bn (equivalent to about 38% of the alleged financial loss). There are plans to prosecute the non-compliant workplaces in liaison with the Office of the DPP.
- ii) Systemic Mitigation Measures: Prioritisation has been made towards identifying, quantifying and recovering arrears as follows:
- Procurement of a Consultant (FY 2025/26) to upgrade the Occupational Safety and Health Management Information System (OSHMIS) to incorporate an automated certificate renewal reminder

feature. The system will send notifications to both DOSH management and the concerned employers at three-month, one-month, and weekly intervals before certificate expiry, and daily alerts after expiry. This enhancement will ensure timely renewals, strengthen compliance monitoring, and facilitate the generation of quarterly compliance status reports for improved regulatory oversight.

- Conducting active telephone calls to workplaces at monthly intervals is done, beginning three months before the expiry of registration certificates and more regularly in the month leading up to the expiry of the certificate. This will continue in addition to the automated reminders, generated by the OSHMIS.
- Targeted inspection of workplaces that have not renewed their registration is being done and will continue to be done. This is in addition to the ongoing issuance of warning letters where applicable. These inspections also help to identify other non-conformities as the Department prepares for enforcement, in collaboration with the Office of the Director of Public Prosecutions (DPP).
- The Ministry has intensified awareness and sensitisation campaigns targeting employers and workplaces across all sectors to emphasise the importance of registration and renewal of workplace certificates. This is done through stakeholder engagement (workshops and webinars), which is to be supplemented by media outreach and institutionalised collaboration with District Labour Officers. Guidelines for this purpose are being finalised to streamline this collaboration with Local Governments
- There are plans to formally request for a dedicated team of legal officers from the Office of the DPP to work with the Department in analysing respective workplace details, preparing and executing enforcement actions in the case of the persistently non-compliant workplaces.
- In collaboration with the Judiciary, the Ministry plans to develop clear enforcement guidelines and standard operating procedures to provide the Department with structured legal steps to follow in enforcing the registration and renewal of workplace certificates, in addition to the enforcement of other non-compliances.
- The planned upgrade to enhance the functionality of the Occupational Safety and Health Management Information System (OSHMIS) shall include automated compliance tracking, digital

reminders, and analytical reporting tools to improve monitoring, follow-up, and enforcement efficiency.

- There shall be quarterly compliance review meetings to promptly identify workplaces that have not renewed their registration certificates and agree on appropriate enforcement action within 30 calendar days of expiry. This proactive approach will strengthen compliance monitoring and minimise revenue loss resulting from delayed renewals.
- There is an ongoing review of the Statutory Instrument 87 on OSH (Plant Examination and Workplace Registration Fees) 2014. The review is intended to streamline the process and requirements for workplace registration and NTR collection, including the requirement for payment of arrears for unrenewed workplace registration certificates.
- The Department will enforce the requirement for retrospective payment of renewal registration fees from the date of expiry of the previous certificate. This measure is intended to discourage lapses in workplace registration, promote timely renewals and prevent potential loss of Non-Tax Revenue (NTR) to the Government (as per Section 40 of the OSH Act, Cap 231, with support from the office of the DPP).
- There are plans to incentivise Workplace Registration, for example, by providing specific training to the employees of registered workplaces, inclusion of credit points for workplace registration in OSH audits, recognition of consistently compliant workplaces, etc.

Query	Inadequate Inspection of Workplaces
Audit Findings Section 40(4) of the Occupational Safety and Health (OSH) Act, Cap 231, states that any person who occupies or uses premises as a workplace without complying with OSH standards under Section 39 commits an offence and is liable to fines or imprisonment. The Audit observed that the Commissioner inspected only 390 workplaces (28%) out of the planned 1,400, leaving 1,010 workplaces (72%) uninspected. The Accounting Officer explained that increased inspections required additional funding, such as Appropriation-in-Aid, which had not been allocated to the OSH department for over five years. The Accounting Officer further explained that the Ministry was pursuing the finalisation of the	

National Employment Policy and Strategy, which would incorporate the National OSH Policy to enhance compliance, collaboration, and awareness.

Observation

The Committee observed that inadequate workplace inspections were hindering the enforcement of occupational safety and health (OSH) standards, leading to increased risks to workers. This was worsened by the severe shortage of OSH inspectors, with a ratio of 21 inspectors to over 8,000 registered workplaces, according to the Ministry. This shortage, coupled with weak enforcement and limited institutional commitment, results in non-compliance with OSH standards by many employers.

The Committee further noted that the Accounting Officer undermined the relevance/criticality of the inspection of workplaces and the impact it has on beneficiaries and even the employer.

Recommendation

- i) The Accounting Officer was advised to prioritise and budget for the inspection of workplaces.
- ii) Government should provide the necessary funding for the entity to enforce the inspection of workplaces.
- iii) The Accounting Officer was advised to prioritise the recruitment of more OSH Inspectors to enhance the enforcement of workplaces.

Action Status

- i) Inspection and registration of workplaces have been prioritised and budgeted to address the unfavourable trend where the inspection funds received have often been insufficient and released quite late in the quarter. The work plans and budgets of the OSH department constitute over 75% towards registration and inspection of workplaces.
- ii) Systematic measures:
 - Funding to the Department has significantly increased from UGX 1.5Bn (Non-Wage Recurrent) in FY 2023/24 and UGX 1.3Bn (Non-Wage Recurrent) in FY 2024/25 to UGX 5.19Bn (Non-Wage Recurrent) in FY 2025/26. The ongoing BFP process has a projection of UGX 6.12Mn for FY 2026/2027 (18.5% Wage, 8.0% Operations and 73.5% for inspections and workplace registration). The funding increase from Government is intended to strengthen inspection and enforcement.

- As a result of improved funding in the first quarter of FY 2025/26, the quarterly target of UGX 0.75Bn was met with Q1 collections totalling UGX 0.83Bn.
- The introduction of digital inspection reporting tools integrated into the upgraded OSHMIS will enable the Ministry to ensure real-time data capture, accountability, and transparency in inspection outcomes.

iii) Recruitment of additional OSH inspectors is ongoing through the Ministry of Public Service, with several positions already advertised. Since FY 2023/24, when OSH staffing stood at 19 out of the approved 39 technical staffing (48.7% staffing). In FY 2024/25, 2 positions were advertised, and interviews are expected to be concluded soon. In FY 2025/26, an additional three (3) positions were advertised, which will bring the total staffing to 24 technical staff (representing 61% staffing level). The vacant positions in the department will progressively be filled as wage bill provisions are also made, in consultation with the Ministry of Public Service.

Working within available human, technical and financial resources, inspection and enforcement are implemented on a risk-based approach for inspection planning, prioritising high-risk sectors and regions to optimise usage and ensure maximum impact of the available resources.

Query	Failure to Recover YLP and UWEP Funds
Audit Findings The Audit reported that by 30th June 2024, the Ministry had disbursed UGX 188Bn to 23,823 Youth groups and UGX 137Bn to 21,145 Women groups. However, only UGX 40Bn (24%) of the UGX 169Bn recoverable under YLP had been repaid, leaving UGX 129Bn (76%) unrecovered. Similarly, UGX 36Bn (54%) of the UGX 67Bn recoverable under UWEP had been repaid, leaving UGX 31Bn (46%) outstanding. The Accounting Officer explained that the Ministry had implemented measures to enhance fund recoveries, including technical support, monitoring visits, capacity-building training, and stakeholder engagements. These efforts had resulted in recoveries of UGX 41.24Bn from youth groups and UGX 37.93Bn from women groups as of November 2024. However, challenges such as budget cuts, reduced operational capacity, and COVID-19 disruptions have hindered recoveries.	

Observation

The Committee noted that failure to ensure timely recovery denies other eligible beneficiaries access to funding, since this is a revolving fund. The Committee observed that this Query had been recurring in the Auditor General's report for the previous five years, with no substantial solution from Government. The rate of recovery has remained low.

Chapter 6 of the YLP document outlines that Youth Grants are interest-free revolving funds to ensure program sustainability, with repayments, including a 5% service fee for inflation, to be completed within three years. This therefore defies this guideline.

Recommendation

The committee recommended that the Accounting Officer liaises with local Governments to ensure compliance with the guidelines to enforce recovery, which would in turn enhance the revolving of the funds.

Action Status

The inadequacies in fund recovery have largely been attributed to several factors, including the budget cuts experienced under the YLP since FY 2019/20, during which no operational funds were provided to monitor and follow up on group recoveries. In FY 2022/23, the two programmes—YLP and UWEP—were administratively merged due to limited budget allocations, further constraining operational capacity. Consequently, these budget cuts affected the Ministry's ability to provide sufficient operational funds to Local Governments (LGs) for enforcing recoveries, monitoring, and conducting regular technical support supervision.

In addition, the COVID-19 pandemic severely affected the performance of many women and youth group enterprises, undermining their repayment capacity. Other contributing factors included mobility of youth, the disintegration of groups, the selection of non-profitable enterprises, and natural calamities such as floods and prolonged drought, which disrupted livelihoods and project success. Consequently, several beneficiary groups were unable to make repayments as scheduled.

Despite these challenges, the Ministry has taken deliberate measures to strengthen fund recovery compliance by Local Governments. The Ministry has intensified technical support and supervision, performance monitoring, refresher training, and stakeholder engagement, during which the Funds Revolving Strategy has been widely disseminated to reinforce compliance. Circulars have been issued to all LGs reiterating the requirement to enforce

recoveries and remit funds to the respective Bank of Uganda recovery accounts on a timely basis.

Although operational funds remain limited, the Ministry has continued to disburse operational funds to LGs to support the monitoring and supervision of youth and women groups quarterly.

Furthermore, an incentive-based approach has been introduced, under which the top 20 performing LGs in fund recovery are annually rewarded with increased allocations to the Women Enterprise Fund (WEF) and Youth Livelihood Support (YLS). This initiative is designed to motivate and sustain improved performance across all LGs.

Beginning FY 2025/26, the Ministry instituted administrative sanctions to withhold further disbursement of both operational and project funds to non-compliant LGs until their recovery performance improves. Each LG is now required to achieve a minimum recovery target of UGX 60 million under UWEP and UGX 20 million under YLP by the end of the first quarter of the financial year.

As a result of these measures, as of 30th September 2025, recoveries from women projects under UWEP increased from UGX 32.3Bn to UGX 40.4Bn, an increment of UGX 8.1Bn. Similarly, recoveries under YLP rose from UGX 39.0Bn to UGX 42.1Bn, representing a UGX 3.1Bn increase compared to the previous reporting period (FY 2023/24).

The Ministry also notes that the existing programme guidelines provide for a 5% service fee (surcharge), payable by groups in the second and third years of project implementation. A standard recovery reporting template has been developed to capture this information, and compliant youth and women groups have been remitting the fee accordingly. However, LGs have encountered challenges in disaggregating principal repayments from service fee amounts during fund transfers to the respective Ministry Bank of Uganda recovery accounts. Similarly, at the Ministry level, it has been difficult to distinguish principal payments from service fees due to the lump-sum nature of the transfers.

To address this, the Ministry has directed all LGs to update their recovery templates to clearly separate and report the 5% service fee collected and transferred in accordance with programme guidelines. This practice will be institutionalised and enforced at the end of every financial year to ensure full compliance, transparency, and accountability.

Query	Un-tagged District Recovery Deposits on YLP & UWEP Recovery Account
Audit Findings The Audit reviewed the recovery account in Bank of Uganda and revealed that UGX 0.68Bn worth of receipts could not be attributed to specific districts or groups. This was attributed to poor maintenance of recovery ledgers, inadequate training for YIGs and women groups, and delays in reconciliation by districts and the Ministry. The Accounting Officer explained that they had had engagements with the Bank of Uganda to identify Local Governments that had transferred funds under untagged amounts for follow-ups. Chapter 6 of the YLP program document requires Youth Interest Groups (YIGs) to deposit repayments into the District Collection Account, receive receipts for each instalment, and mandates districts to maintain ledgers for monitoring repayments. Observation The Committee noted that many districts/groups had inadequate capacity to keep proper ledgers and carry out reconciliations to ensure proper postings. The Committee further noted that the onus was on the Accounting Officer to enhance the capacity of the different groups to ensure smooth operations of the revolving fund.	
Recommendation	
The Accounting Officer was advised to; - Prioritise capacity building for the different groups in bookkeeping. - Automate the operations of the YLP and UWEP Programs, which will ensure linking of the group disbursements, repayments, district submissions, district recovery accounts, and the national recovery account with an objective. This would ensure timely access to all data related to the Program.	
Action Status	
The Ministry acknowledges the existence of untagged funds under the YLP and UWEP recovery accounts. This has primarily resulted from beneficiary groups depositing recovered funds into District Local Government accounts under their individual names rather than group names, making reconciliation at the local level difficult. Additionally, during transfers from Local Governments to the Ministry's respective Bank of Uganda recovery accounts, some LGs provide inadequate transfer narrations or use abbreviated names, which further contribute to untagged and unreconciled funds.	

To address this challenge, the Ministry has implemented several measures to strengthen real-time reconciliation of recoveries, including:

- i) Engagement with the Bank of Uganda and commercial banks to streamline recovery processes and enhance transaction tracking.
- ii) Collaboration with Local Governments and their commercial banks to ensure clear and complete transfer narrations that include the full name of the respective LG for easy identification.
- iii) Mandatory submission of monthly recovery templates by all Local Governments to facilitate continuous monitoring and follow-up.
- iv) Institutionalisation of the Bank of Uganda (BoU) monthly recovery statement sharing process, through which the Ministry provides regular feedback on both tagged and untagged recoveries to Local Government Focal Persons via WhatsApp groups to facilitate timely verification and reconciliation of funds.
- v) The MGL&SD and that of LG have continuously reminded beneficiary groups to ensure that all recoveries are deposited in the official group names rather than in the names of the individuals.
- vi) The MGL&SD has also engaged MTN and Airtel to utilise their platforms to enhance recovery payments and tracking. Under this arrangement, each Local Government will be assigned a unique code for ease of identification. The MGL&SD is currently seeking the Solicitor General's approval for this partnership.

As a result of these measures, there has been a significant reduction in untagged recoveries. As of September 2025, untagged recovery amounts under YLP reduced from UGX 813.69Mn to UGX 412.24Mn, representing a 50% reconciliation (UGX 401.44Mn). Similarly, under UWEP, untagged funds decreased from UGX 823.95Mn to UGX 488.34Mn, reflecting a 40.7% reconciliation (UGX 335.62Mn).

Capacity building for beneficiary groups in bookkeeping and records management has remained a key component of programme implementation. LGs continuously train women and youth groups, particularly the Group Executive Committees, before fund disbursement, to ensure proper record keeping and financial management at the group level.

At the national level, the Ministry has also conducted several soft skills and business management training sessions, including a specific module on record-keeping and financial accountability. For instance, in the Financial Year 2024/25, a total of 286 women and youth groups, involving 3,729 individual members, were trained across various districts. In Quarter One of

FY 2025/26, over 100 groups, benefiting approximately 3,000 members from selected districts, have already been trained.

During ongoing Technical Support Supervision (TSS) exercises, the Ministry and Local Government teams continue to mentor and coach groups on maintaining proper records, bookkeeping, and financial management.

The Ministry, in collaboration with GIZ, is implementing the Women Economic Empowerment for the Green Transformation Project within the framework of the Uganda Women Entrepreneurship Programme (WEEG-UWEP). This project aims to enhance the competitiveness of 600 UWEP women and YLP youth groups through the provision of business advisory services. These include training and mentorship in record keeping and management, financial management, business formalisation, product certification, market access, and access to finance.

The MGL&SD has developed an integrated Management Information System (MIS) for both the YLP and UWEP. The system is being rolled out to all LGs starting this FY 2025/2026. Through these MIS platforms, beneficiary file submissions, approval processes, disbursements, and repayment/recovery tracking will be conducted online, ensuring timely access to accurate, up-to-date programme data. The MIS can be accessed on this link: <https://uwepmis.mglisd.go.ug/dashboard>

Query

Undercollection of NTR

Audit Findings

The Audit noted that the Ministry had collected NTR of UGX 8.10Bn (80%) against the budget of UGX 10Bn leading to a shortfall of UGX 2.05Bn (20%). This was due to a lack of proper assessment of NTR to establish the estimates of different revenue sources that the Ministry uses for planning purposes. Failure to correctly budget may lead to laxity in the collection of NTR due to underestimation.

Paragraph 9.3.8 (b) and Paragraph 9.6.3 of the Treasury Instructions, 2017 require NTR collections to be allocated in the accounts in accordance with the classification in the annual estimates.

The Accounting Officer attributed the reduction in NTR to a decline in job orders under labour externalisation, which was the largest NTR source. The Accounting Officer further noted that they had made realistic revenue projections for the 2024/25 budget.

Observation.

The Committee observed that the entity had underestimated its potential to collect revenue. For example, the entity had collected UGX 14.78Bn in the previous year but had only managed UGX 8.16Bn in the year under question.

This was because of inadequate assessment and under-budgeting. The entity had budgeted only UGX 10.213Bn for the year under review.

Recommendation

The Committee recommended that the Accounting Officer should adequately assess all revenue sources to set realistic targets for NTR and put in place a mechanism to enforce their collection.

Action Status

The Ministry has engaged other Ministries, Departments and Agencies, especially the Ministry of Local Government, to ensure strict joint inspections are carried out through the Labour Officers in Districts, Cities, Municipalities and Town Councils to enhance wide outreach and efficiency. The Ministry has also developed Guidelines to streamline collaboration with Local Governments and cities.

In addition, a conditional grant through Labour Officers has been secured, effective FY 2025/26, to scale inspections aimed at improving compliance with workplace registration. This support is targeted towards Labour Officers who shall support the Ministry in the function of workplace registration, among other delegated functions. This support will enable the Ministry to have realistic and evidence-based projections for NTR for each Local Government and city.

The Occupational Safety and Health Act Cap 231 has been amended to remove the minimum requirement of 5 persons for workplaces to comply with OSH Act provisions, and it now takes into account the current context to cover informal sector work.

To strengthen mechanisms for revenue collection, the Ministry, through the OSH Department, plans to set up a dedicated cross-functional technical team to;

- a) Comprehensively assess all revenue sources by conducting a revenue mapping exercise, and identify all potential NTR sources.
- b) Set realistic NTR targets by analysing historical revenue data, aligning targets with operational capacity.
- c) Advise on compliance enforcement measures.
- d) Undertake Quarterly revenue performance reviews to identify shortfalls early and propose corrective measures.

The Introduction of a centralised electronic invoicing and payment tracking system within OSHMIS shall minimise revenue leakages and improve traceability of NTR collections.

There are plans to develop a Revenue Diversification Strategy (2025-2028) to identify new NTR streams from training, certification, and advisory services. This shall include operationalising the sections of the law that provide for penalties and prosecution of non-compliant workplaces.

After Cabinet clearance of the National Employment Policy and Strategy, which includes the policy and strategy on OSH, the Ministry shall extract a National OSH Inspection and Enforcement Plan (2025–2030) to ensure strategic OSH coverage across all sectors of the economy.

Query	Diversion of Funds

Audit Findings

The Audit reported that the entity had received funds for domestic arrears during the year, amounting to UGX 1.18Bn, out of which UGX 0.25Bn was diverted to honoraria for traditional leaders, car repairs, printing and purchase of tyres, contrary to the guidance issued by the Accountant General.

The diversion of the funds implies that settlement of domestic arrears is further delayed and may attract litigation.

The Accounting Officer admitted to the anomaly and explained that the funds worth UGX 210Mn had been provided in the budget for domestic arrears. By error, they had used the honoraria budget line of 282106 to pay for arrears for the period, leaving them with no funds in the subsequent quarter to cater for honoraria for traditional leaders.

Observation

The Committee observed that by diverting funds, the Accounting Officer committed an offence as prescribed under section 77(q) of the PFMA. There is therefore no amount of justification that can be used for flouting the law.

Recommendation

The committee recommended that the Accounting Officer be held liable for the diversion of funds in accordance with section 77(2) of the PFMA.

Action Status

The PS/ST in the Budget Execution Circular FY 25-26 dated 10th July 2025, guided that funds must be warranted only against their correct expenditure category. No warranting of funds across expenditure categories will be entertained, and each expense must be charged to its proper category.

Query	Failure to set up model projects for older persons

Audit Findings

The Audit reported that the entity had failed to set up model projects nor utilised any available Government Centre to demonstrate to the older persons

new technologies for them to learn and replicate in their individual communities, contrary to Section 1.8 of the Guidelines for the Special Enterprise Grant for Older Persons, 2023, which states that as part implementation of the program, the Ministry would set up a model learning and demonstration Centre that would skill older persons in modern and profitable ventures.

The Accounting Officer explained that the Ministry had initiated the process of setting up the Centre of Excellence for model learning and demonstration at Jinja Home for the Elderly, but had encountered delays due to a land wrangle because of encroachment by St. Monica Secondary School, which was claiming part of the land. The Accounting Officer noted that they had engaged the Ministry of Lands to have the land title cancelled and reverted to the Ministry.

Observation

The Committee noted that failure to set up these centres denied senior citizens active and productive ageing and the opportunity to generate revenue. The idea of the centres was to allow older persons to remain engaged in the workforce, participate in their communities, and contribute through their experience(s) and wisdom.

Recommendation

The committee recommended that the Accounting Officer should follow up with the Ministry of Lands and resolve the land wrangle in order to expedite the processes of setting up the model centre.

Action Status

The Ministry has only one home for older persons based at Mpumude in Jinja City, and it is for this reason has undertaken to set up a model project for older persons in Jinja City. There have been several Land wrangles which the Ministry has been working with the Ministry of Lands, Housing and Urban Development to resolve by doing the following;

- The Ministry has written Letters and sent reminder letters to the Ministry of Lands, Housing and Urban Development, requesting to register the Land in the names of the Ministry of Gender, Labour and Social Development.
- The Ministry has attended a series of onsite meetings with the registrar of lands in Jinja and requested the cancellation of titles which had been issued in the names of the encroachers(Mr. Batwala and St Monica) and have the title registered in the names of the Ministry.

- The land in the following areas is known to belong to the Ministry of Gender, Labour and Social Development, Plots 7-13 Muyembe Close and 55-71 Mukonge Road, Mpumudde – Jinja City. However, this has not yet been effected due to two other claimants (Moses Batwara and St. Monica S.S.S) on the same piece of land.
- The Ministry continues to follow up on this matter with the aim of regaining transfer of the titles back in her name and thus continuing with the plan of setting up the Model Centre.

Query	Complaints against Recruitment Companies

Audit Findings

The Audit noted that only 53 recruitment firms had valid licenses. Out of the 53, only 17 (32%) firms submitted regular returns as required by the Employment Act.

The Ministry also received 868 labour complaints during the year, but only 806 (93%) were resolved, and 62 (7%) complaints remained unresolved. Section 5.1.2 of the Private Employment Agencies (PREAs) and Recruiters guidelines, 2021, requires that a company intending to operate as a Private Employment Agency shall be required to make an application for a license to the Department of Employment Services as per Regulation 12(1) of the Employment Regulations, 2011.

Additionally, there were no training reports to confirm that the Ministry monitored the training and extent of coverage of the pre-departure orientation program, although 63,556 migrant domestic workers were reported to have been trained/oriented before departure.

The Accounting Officer explained that the Ministry was committed to resolving labour complaints, and this includes those from the destination countries. The Accounting Officer noted that they had started developing the complaint module on the External Employment Management Information System (EEMIS) with the aim of tracking and resolving complaints. He added that they continue to monitor pre-departure orientation and training institutions, as well as create awareness through targeted campaigns on safe labour migration.

Observation

The Committee noted that despite the assertions of the Accounting Officer, many labour companies have continued to deploy workers to unknown destinations with hostile working conditions and have failed to adhere to regulations. This has led to migrant workers, particularly domestic workers, facing violations of rights, including physical and emotional abuse, forced labour, and non-payment of wages.

Recommendation	
The Accounting Officer was advised to: - Liaise with security agencies and District Labour Officers to enforce compliance with labour regulations. - Ensure accurate and up-to-date records of all recruitment activities, including candidate information, contracts, and financial transactions.	
Action Status	
- The Ministry of Gender has continued to work with other MDAs, such as the Ministry of Internal Affairs, the Ministry of Local Government, and the Ministry of Justice under JLOS, to ensure compliance with the regulations by the illegal and non-licensed recruitment agencies. The public has also been sensitised to report any companies operating illegally to the Ministry or to the nearest police station. - The Ministry is also mapping the operational areas with the police, since we could not do the operations without knowing the physical locations of these companies. The Ministry has so far identified 16 non-licensed companies, and the ongoing operations with the police are underway.	
Query	Management of the Parish Development Model
Audit Findings The Parish Development Model (PDM) is a strategy for service delivery by the Government of Uganda to improve the incomes and welfare of all Ugandans at the household level. The Audit assessed the implementation of the program under the Ministry of Gender, Labor and Social Development and noted the following concerns; i) Utilisation of PDM funds The Audit noted that no funds were released. Failure to release PDM funds for administrative costs and coordination of PDM activities undermines the achievement of the overall goal. The Accounting Officer noted that they had engaged the Ministry of Finance on the release of funds, including those meant for the mindset change pillar; however, they had not yet been provided with the funds by the time of the Audit. Observation The Committee observed that the Ministry of Finance had not honoured the request for a supplementary budget of UGX 67.75Bn in a letter to the PS/ST dated 9th July 2024, to support the entity's programs. Failure to provide funds for administrative costs undermines the key activities like monitoring and	

oversight, and may lead to corruption & delay in implementation of the program.	
The Committee recommended that the MoFPED should release adequate funding for the full implementation of the PDM.	
Action Status	
Quarterly Expenditure Limits for all categories of funds are approved once every quarter, depending on the revenue position of Government, approved work plans, and the prevailing macroeconomic conditions.	
Query	Failure to Align the MDAs Budgets with PDM
Audit Findings PDM Working Groups are required to assist participating MDAs in the alignment of their plans and budgets to the PDM. A comparison of the Working Group activity implementation action plan with the entity budgets and work plans revealed that: i) MoGLSD did not align the work plan to the pillar action plan. ii) There was no WG/pillar-approved work plan. iii) Pillar/WG Work plan exists, but with no quantified targets and costs. iv) The approved work plan had similar activities with the Pillar/WG Work plan, but the targets were different. The Accounting Officer explained that the overall Ministry Budget for the FY 2023/2024 was aligned to PDM. Under the program-based budgeting, part of the Ministry's budget was mapped under the community mobilisation and mindset change program, with the Ministry as the lead agency. Observation The Committee observed that failure to align the budget and work plan to PDM hinders the achievement of pillar objectives.	
Recommendation	
The Committee recommended that the Accounting Officer should align the work plan to the pillar action plan and have the Working Group/pillar-approved work plan.	
Action Status	
The PDM originated in the Ministry of Gender, Labour, and Social Development; however, the primary functions of the PDM were later transferred to the Ministry of Local Government, including the disbursement of funds to the beneficiaries while we continue implementing Pillar 5 through the departments of community development and Literacy; Youth and Children, Disability and Elderly, Gender and Women Affairs among others. This FY, the released funds were not sufficient to implement Pillar 5.	

Audit Findings

The Audit reported that out of the 378 procurements done by the entity on the e-GP system, only 13 advanced to the bid awarding stage; of which the contracts could be viewed on the system. 28 procurements completed the evaluation stage, 30 stopped at the solicitation stage, 268 were only initiated, and 39 were not fully initiated. This is contrary to Guideline 4(2) of the Public Procurement and Disposal of Public Assets (Electronic Government Procurement) Guidelines 1/2020 issued by PPDA, which states that the procurement process and procedures for the supply of goods, works, and services, as well as disposal of public assets, shall be carried out by a procuring and disposing entity using the system.

The Accounting Officer explained that the e-GP system had encountered functionality challenges during the year under review. They had to seek a waiver from MoFPED to carry out certain processes off the system.

Observation

The Committee received numerous complaints about the functionality of the e-GP system throughout its hearing. This included complaints about inadequate infrastructure, like a lack of reliable internet access, electricity, and appropriate hardware/software, which impede the functionality and accessibility of the e-GP system. Others mentioned were legal and regulatory issues like the existing procurement laws and regulations that are not fully adapted to the e-GP environment, leading to ambiguities and conflict. Also mentioned were technical/operational hurdles like system integration, data security, and user training, which all affected the performance and reliability of the e-GP system.

Recommendation

- i) The Ministry of Finance initiates comprehensive training programs for Government staff on e-GP systems.
- ii) Government should invest in IT infrastructure and integration all processes into the e-GP system.

Action Status

- i) The Government is upgrading the e-GP system from e-GP version 1.0 to e-GP version 2.0. The enhanced e-GP system will have more robust functionalities and will be aligned to the public procurement legal framework as amended. The plan is to roll out the enhanced e-GP system on 1st July 2026.

VOTE 019 - MINISTRY OF WATER AND ENVIRONMENT**Query Failure to Fully Warrant Funds****Audit Findings**

Out of the approved budget of UGX 1,226.96Bn, the entity received total warrants worth UGX 1,194.45Bn for the year under review as summarised below.

Table 1: Summary analysis of entity budget

S/N	Budget category	Total Revised Budget UGX – Bn	Warrants UGX - Bn
1	Recurrent (Wage)	16.87	16.86
2	Recurrent (Non-wage)	16.43	33.51
3	Development(GOU)	454.80	414.13
4	Development(Donor)	731.09	722.16
5	Arrears	7.78	7.78
	Total	1,226.97	1,194.44

The Audit reported that out of the approved budget of UGX 1,227.96Bn, the entity had total warrants of UGX 1,194.45Bn, resulting in a shortfall of UGX 32.53Bn representing 97.3% performance. The UGX 32.53Bn that was not warranted was meant for activities such as the construction of 03 Gravity-fed Irrigation scheme infrastructure and facilities for Unyama (1,500 ha), Sipi (400) and Namalu (1000 ha) and the construction of Nakivubo Waste Water Treatment Plant Project.

Observation

The Committee noted that failure to provide funds for activities that were budgeted negatively affected their implementation and achievement of the expected services. The Committee further noted that the affected activities were very significant, especially in the promotion of food security and having a sustainable solution in the management of the Nakivubo channel.

Recommendation

- i) Government should warrant all the budget due to the Ministry to enable them to carry out activities.
- ii) The Accounting Officer should ensure that the affected activities are included in the workplan and budgeted for in the subsequent financial year.

Action Status

PS/ST in the Budget Call Circular guided all Accounting Officers to warrant 100% expenditure limits issued and submit them in a timely manner

Query		Budgeted Activities for Which Monies were Never Released			
Audit Findings					
The entity had an approved budget of UGX 1,227.96Bn out of which only UGX 1,194.45Bn was warranted, resulting in a shortfall of UGX 32.53Bn, representing 97.3% performance. The UGX 32.53Bn that was not warranted was meant for the following activities;					
Table 2: Unfunded priorities for the year					
S/N	Programme	Budget Code/description	Amount not warranted – UGX -Bn	Activities not implemented (Affected activities)	Purpose of the unimplemented activity, which was not achieved
1. 1	Agro-Industrialization	Other Structures – Acquisition	13.00	Construction of 03 Gravity-fed Irrigation scheme infrastructure and facilities for Unyama (1,500 ha), SipThe Audit (400) and Namalu (1000 ha) not commenced	Irrigation schemes for improved agriculture
		Land - Acquisition	0.70	Acquisition of Land for the infrastructure and PAPs in the 03 Irrigation schemes (Unyama, SipThe Audit & Namalu)	Compensation of PAPs
2. 2	12-Human Capital Development	Plants, pipelines and sewerage networks – Acquisition	18.81	Construction of Nakivubo Waste Water Treatment Plant Project	Treatment and management of waste in the city
Total			32.51		

The Accounting Officer explained that, as much as they had prioritised and budgeted for these activities, money was never released for their implementation. The Accounting Officer further noted they had continued to lobby Government to release the necessary funds for the implementation of the above activities.

Observation

The Committee observed that the Accounting Officer got his priorities right by budgeting for the above activities. Government needed to have found merit in releasing funds, especially the UGX 18.1Bn toward the construction of the Nakivubo Wastewater Treatment Plant. A large portion of Kampala's population is not connected to the piped sewerage system, leading to a significant amount of untreated wastewater entering the Nakivubo wetland. Failure to provide funds for activities that were budgeted negatively affected their implementation and achievement of the expected services.

Recommendation

The Accounting Officer should consider budgeting for the activities in the subsequent financial year.

Action Status

Activities that were not done in FY 2023/24 were rolled over to the FY 2024/25 work plan.

Query

Failure to Cost the Planned Activities of the Work Plan

Audit Findings

The Audit reviewed the Ministry's work plan and budget for the year under review and observed that although the work plans uploaded in the Programme Budgeting System (PBS) were quantified and had costs at the output level, these costs were not supported by activity costs.

The Accounting Officer explained that the Programme Budgeting System (PBS) did not support standalone activity costing.

Observation.

The Committee noted that the Accounting Officer had a chance to present his working document showing the unit cost of the different activities that made him arrive at the total work plan budget for the sake of accountability and audit. The explanation, therefore, lacks merit and casts doubts on the overall expenditure figures.

The Committee noted that by failing to cost planned activities, the Accounting Officer had acted contrary to Paragraph 23 of the second budget call circular, specifically for the financial year 2023/2024, which required Accounting Officers to ensure that they prepared defined work plans with clear outputs

and outcomes to facilitate monitoring of the implementation of identified interventions.

The Committee further observed that the PBS, for all intent and purposes, had encountered numerous user challenges that need to be urgently addressed to enhance its advantage.

Recommendation

- i) The Accounting Officer should always cost the entity's planned activities to enhance accountability.
- ii) The Government should address the user challenges identified in the PBS and tailor it to address the day-to-day needs of the users.

Action Status

The architecture of the PBS provides for the quantification of activities at the budget output level. The vote prepared Ministerial Policy Statements, which include costed individual activities in the work plan.

Query

Delay In the Implementation of Activities

Audit Findings

The Auditsampled the status of implementation of activities and noted that out of the 23 sampled projects, six (6) projects worth UGX 30.25Bn had delays averaging fifteen (15) months from the expected completion date.

The Accounting Officer noted that most of the sampled projects were multi-year projects that had suffered intermittent budget releases and over 54% budget cuts, and therefore affecting their implementation schedules.

Observation

The Committee observed that Government had sometimes failed to honour its obligation with regard to the release of counterpart funding, especially for multiyear projects. Intermittent budget release causes poor absorption and haphazard implementation, which sometimes comes at a huge cost in fines and penalties due to delays.

The Committee has authored a separate report on the implementation of projects across Government, and members are urged to read the findings and Recommendations thereto.

Recommendation

The Accounting Officer must ensure that there is proper contract management and supervision to ensure the timely implementation of projects.

Action Status

The PS/ST in the Budget Execution Circular FY 25/26 dated 10th July 2025 stated that Government adopted the Framework for Tracking the Implementation and Performance of Public Investments to strengthen oversight of public investments and ensure their timely implementation. This framework requires all MDAs to adopt standardised tools and practices such as Earned Value Management (EVM), a Quality Performance Index (QPI), Performance-Based Contracts, Project Implementation Units (PIUs), integration with the Integrated Bank of Projects (IBP), and the certification of projects. Managers are to ensure they possess the technical expertise necessary to effectively manage complex projects. Accounting Officers should therefore ensure full compliance with the framework, given that it is a prerequisite for continued project financing, as well as consideration of new project proposals, and to avoid the termination of underperforming projects.

Query**Payment of Unbudgeted Domestic Arrears****Audit Findings**

The Audit reviewed the statement of appropriation and the IFMS warrants and reported that only UGX 7.78Bn was warranted and released for the payment of domestic arrears. However, UGX 18.49Bn was paid to settle unbudgeted domestic arrears.

The Accounting Officer acknowledged the Query and explained that the payments were for multi-year projects and not the typical day-to-day domestic arrears. The Accounting Officer further noted that the payment was prioritised in compliance with the budget execution circulars that required arrears to take first call on released finances.

Observation

The Committee noted that the Accounting Officer did not budget for the domestic arrears and yet went ahead to make payments using funds outside the budget without the necessary authorisation.

This is a contravention of Section 22 of the PFMA on the treatment of multi-year expenditure commitments. The payment of domestic arrears using the current budget stifles the implementation of the current year's planned activities.

Recommendation

The Committee recommended that the Accounting Officer be reprimanded for flouting Section 22 of the PFMA.

Action Status	
The PS/ST in the Budget Execution Circular FY 25-26 dated 10th July 2025 guided that funds must be warranted only against their correct expenditure category. No warranting of funds across expenditure categories will be entertained, and each expense must be charged to its proper category.	
Query	Long-standing Domestic Arrears
Audit Findings The Audit reported that the entity's stock of domestic arrears for the year stood at UGX 149.7Bn as per the statement of outstanding commitments and Notes 28(a) & 32 of the financial statements. A review of the Payables ledger, however, revealed that UGX 119.95Bn of the domestic arrears had been outstanding for more than two years. The Accounting Officer explained that the budget for domestic arrears was based on the indicative planning figures provided by MoFPED, adding that they had lobbied the MoFPED on the uncleared arrears to no avail. Observation The Committee noted that the Accounting Officer had failed to budget for domestic arrears and had been found to have made payments worth UGX 10.71Bn on domestic arrears for multi-year projects without the necessary authorisation. By not budgeting for arrears, the Accounting Officer not only failed in his duty and responsibility but also showed a lack of priority in settling arrears. Unpaid arrears affect suppliers' financial stability and threaten their long-term viability, and may lead to higher unit costs as suppliers tend to factor in delays in payments.	
Recommendation	
The Committee recommended that the Accounting Officer should always budget for domestic arrears and, as a matter of priority, make it the first call on the budget.	
Action Status	
In the Budget Execution Circular FY 2024/25 Ref: BPD 86/179/01, the PS/ST communicated that payment of the existing stock of arrears will only be made upon verification by an independent audit firm appointed by this Ministry. To curb further accumulation of domestic arrears, this Ministry has instituted the following measures. Sanctioning Accounting Officers for the creation of new domestic arrears by not renewing their contracts as Accounting Officers; and	

- ii) Accounting Officers should not sign any new contracts without confirmation of the availability of resources. Multi-year contracts should take a first call on available resources. Accounting Officers who sign contracts without the availability of funds will be held personally liable. Please note that the Expenditure Limits issued by this Ministry are on the basis of the available funds, not the appropriated budget.

All Accounting Officers are reminded to submit their draft final accounts by 31st August of every year to the Accountant General's Office with duly signed certificates of outstanding commitments, with copies to the Internal Auditor General. Draft final accounts submitted without certificates of outstanding commitments will be rejected.

Query

Nugatory Interest Payment

Audit Findings

The Audit examined the expenditure records and reported that UGX 1.46Bn was paid to a private company on payment voucher No. D530/05/R/24 to settle interest that had accrued due to the delayed payment of the retention amounting to UGX 1.88Bn for the construction of Nyarwodho Water Supply and Sanitation in Alwi dry Corridor in Nebbi district.

The Accounting Officer explained that the entity was not able to meet the obligation on time due to budgetary constraints.

Observation

The Committee noted that UGX 1.46Bn was too huge to be paid in interest due to Government's failure to meet its obligation. This is nugatory in nature and therefore unsustainable in the long run, as it increases the total costs of projects.

Recommendation

The Committee recommended that Government must honour its obligation to avoid such unnecessary expenditures. Favourable terms should be renegotiated whenever delays are anticipated.

Action Status

In the Budget Execution Circular FY 2024/25 Ref: BPD 86/179/01, the PS/ST communicated that payment of the existing stock of arrears will only be made upon verification by an independent audit firm appointed by this Ministry. To curb further accumulation of domestic arrears, this Ministry has instituted the following measures.

- i) Sanctioning Accounting Officers for the creation of new domestic arrears by not renewing their contracts as Accounting Officers; and
- ii) Accounting Officers should not sign any new contracts without confirmation of the availability of resources. Multi-year contracts should take a first call on available resources. Accounting Officers who sign contracts without the availability of funds will be held personally liable. Please note that the Expenditure Limits issued by this Ministry are on the basis of the available funds, not the appropriated budget.

All Accounting Officers are reminded to submit their draft final accounts by 31st August of every year to the Accountant General's Office with duly signed certificates of outstanding commitments, with copies to the Internal Auditor General. Draft final accounts submitted without certificates of outstanding commitments will be rejected.

Query

Lack of Land Titles

Audit Findings

The Audit noted that the entity had land worth UGX 41.95Bn, as per the statement of financial position under note 27 and the summary statement of stores and other assets (physical assets).

However, land that had been procured in the year and valued at UGX 13.15Bn did not have land titles, and yet they had been included in the financial statements.

The Accounting Officer attributed the delayed titling to contestations on value and compensation and explained that stakeholders, including landowners and district staff, were engaged to finalise consent and compensation. He stated that they had secured all boundaries to prevent encroachment, and all consent forms and MoUs had been signed.

Observation

The Committee notes that having untitled land is risky as it may be susceptible to wrangles and contestations that may prove costly.

The Accounting Officer is mandated under Section 43 (2) of the PFMA to put in place effective systems of risk management with respect to all resources, including transactions. Further, Instruction 16.13.11 of the Treasury Instruction, 2017 provides that for land, a Government entity shall be considered to have control if it has the title. If the Government entity does not have title to the land, the entity shall not be considered to have control.

The Committee recommends that the Accounting Officer resolve the land wrangle expeditiously to enable titling of the land.	
Action Status	
The titling process for the acquired land is ongoing. The Ministry has signed agreements for the land to be titled. However, for the wayleaves and compensation for crops, etc., to the beneficiaries, the Ministry awaits further guidance from MoFPED before they are expensed.	
Query	Failure to Withhold Tax on Payments
Audit Findings	
The Audit reviewed payments made by the entity during the year and noted that withholding tax worth UGX 437.86Mn was not withheld as required by Section 119(1) of the Income Tax Act, Cap 338, directing the Ministry of Water and Environment to withhold 6% of payments to suppliers of goods and services of UGX 1Mn or in aggregate exceeding UGX 1Mn. The Accounting Officer attributed this to a system error and noted that the Ministry had written to the various suppliers to seek recoveries from subsequent payments.	
Observation	
The Committee noted that the Accounting Officer had failed to provide evidence of notification of the failed system and attempts to make recoveries. There is therefore a huge risk that Government would lose the funds.	
Recommendation	
The Committee recommended that the Accounting Officer recovers the said fund from the suppliers; failure to do so should result in a reprimand for the possible loss of funds worth UGX 437.86Mn.	
Action Status	
The suppliers were written to, and the Ministry has so far made a recovery of tax from many of them.	

VOTE 020 - MINISTRY OF ICT & NATIONAL GUIDANCE

Query	Failure to Implement the Work Plan

Audit Findings

The Audit assessed the extent of implementation of activities for which funds were availed and utilised. A total of seventeen (17) outputs with 68 activities and expenditure worth UGX 59.693Bn were assessed, and the following was observed:

- Six outputs with 20 (twenty) activities and expenditure worth UGX 14.992Bn were fully implemented. However, one of the three activities could not be assessed due to a lack of performance targets and indicators.
- Eight (8) outputs with forty-four (44) activities and expenditure worth UGX 29.970Bn were partially implemented. Out of 44 activities, the entity fully implemented 28 (18) activities; 2 (2) were partially implemented; 14 (14) remained unimplemented; and 10 (10) could not be assessed due to a lack of performance targets and indicators.
- Three outputs with four activities and expenditure worth UGX 14.731Bn could not be assessed due to a lack of performance targets and indicators.

Details of the extent of implementation of the planned activities are provided in the table below;

Table 1: Partially implemented activities

Budget output	Activity	Amount warranted UGX ('000')	Amount Spent UGX ('000')	Audit Comments
300009: BPO Support Services	Fifty BPO companies trained in International BPO standards	1,338,000,000	1,335,956,230	Fifteen out of the planned enterprises were trained in business best practices.
300016: Parish Development Model Operations	PDMIS performance in all Parishes, MDAs and LGs assessed	481,358,000	481,358,000	The target was to assess PDMIS performance in all parishes (10,594 parishes); however, the performance monitoring was only carried out in selected parishes across 30 districts.

Table 2: Un-implemented Activities

Budget Output	Activity	Amount warranted UGX ('000')	Amount Spent UGX ('000')	Audit Comments
000003: Facilities and Equipment Management	Furniture and fittings for the Ministry procured and supplied	390,522,876	386,748,265	It was noted that only 50% of the revised budget (UGX 0.781Bn) was warranted. The non-warranted funds affected the implementation of this activity.
000006: Planning and Budgeting Services	New project concept notes developed, and support for development funding offered	23,516,600,314	23,516,600,314	UGX 3.12Bn representing 11.71% of the revised budget, was not warranted. This affected the implementation of this activity.
000017: Infrastructure Development and Management	Services (Government & non-Government) provided through the postal outlets.	687,721,570	685,405,811	
300007: ICT Infrastructure Planning	Regulations to implement the Information and Communications Bill 2022 developed	432,519,560	432,202,106	
300009: BPO Support Services	Zero Draft of the strategy developed.	1,338,000,000	1,335,956,230	55.61% of the revised budget was not warranted. This affected the implementation of these activities.
300009: BPO Support Services	Baseline report on existing attempts at branding Uganda to develop.			
300009: BPO Support Services	BPO and Innovation marketing plan produced			
300009: BPO Support Services	One Dissemination report and one sensitization report on BPO			

	marketing produced			
300010: Innovation Fund Management	Two Joint Research papers produced in the area of ICT and Innovation	2,831,715,453	2,832,075,453	35.6% (UGX 1.566Bn) was not warranted, and this affected the implementation of this activity.
300010: Innovation Fund Management	Design, development and deployment of the Government Assets Management Information System (GAMIS) at MoFPED			
300016: Parish Development Model Operations	The infrastructure module developed and implemented	481,358,000	481,358,000	
440010: Civic Education and Training	National vision, interest and common good popularised.	300,000,000	300,000,000	
440010: Civic Education and Training	A Bill on the duties and obligations of the citizen initiated and approved.			
440010: Civic Education and Training	Community Mobilization and campaign programs undertaken.			

The Accounting Officer attributed the partial and non-implementation of activities to funding challenges and noted that they had written to MoFPED several times for additional expenditure limits and supplementary financing to cover the budget gaps. To no avail.

Observation

The Committee observed that the Accounting Officer failed to execute the work plan as planned despite receiving the requisite funding. The non-implementation of activities means the objectives for which funds have been provided are not met, much to the disadvantage of the intended beneficiaries. It also distorts planning and budgeting at the vote level.

Recommendation	
The Committee recommended that the Accounting Officer should implement the work plan as approved and always seek to readjust work plans whenever there is a need.	
Action Status	
i) Through the Budget Execution Circulars, the PS/ST has continuously guided Accounting Officers to adhere to approved work plans and budgets to minimise distortions during budget execution and uphold budget credibility. In addition, when virements are unavoidable, they must be submitted online through the Programme Budgeting System (PBS) in accordance with Section 21(2) of the Public Financial Management Act, Cap. 171, and before the start of the subsequent quarter. No virements will be permitted after expenditure limits have been issued and funds released. Each virement request must include an updated work plan showing which outputs will be scaled down/up or deferred, as well as the new outputs. ii) The unimplemented/partially implemented activities were rolled over to the subsequent financial year and implemented.	
Query	Failure to Budget for Non-Tax Revenue
Audit Findings The Audit reviewed the Non-Tax Revenue (NTR) estimates, revenue sources and rates charged at the vote level for the financial year 2023/2024 and noted that the Ministry did not budget to collect any NTR during the year under review. However, review of the Ministry's sale of bids proceeds and Uganda Revenue Authority (URA) NTR returns to the Ministry revealed that UGX 11.6Mn was collected during the year. The Accounting Officer indicated that during the budgeting process, the Ministry did not anticipate any collections since it does not have specific NTR sources. Observation The Committee observed that the Accounting Officer had not fully assessed the NTR sources at the entity. Failure to budget for such collections deny Government the much-needed finances. NTR budgeting should be informed by trend analysis and projections of all sources of income for the entity. The Accounting Officer neglected his duty and responsibility, which could lead to a potential loss of income to Government.	

Recommendation	
The Committee recommended that the Accounting Officer map out all potential sources of NTR and budgets for them based on trend analysis for a more accurate collection.	
Action Status	
The Ministry assessed NTR sources and has since included the NTR estimates the subsequent budgets.	
Query	Value for Money Audit on the Implementation of the National ICT Initiatives Support Program
Audit Findings In accordance with Section 20 of the National Audit Act, Cap 170, the Audit conducted a Value for Money audit on the Implementation of the National ICT Initiatives Support Program by the Ministry of Information, Communications Technology and National Guidance. The Audit noted achievements by the Ministry in the implementation of NIISP. However, the following challenges were identified, i) Non-achievement of program outputs The Ministry set out to achieve five (5) outputs through the program namely: to provide systematic and sustainable support to national ICT innovators, To establish and operationalize ICT innovation parks, To promote ICT products, services and solutions for improved service delivery using digital marketplaces as part of a wider digital ecosystem, to promote local electronics manufacturing and assembly, and Program Management. The Audit established that none (0) was fully attained, four (4) were partially attained, and the promotion of local electronics manufacturing and assembly was not implemented at all. In addition, the Program targeted to improve Uganda's global innovation index ranking from 99th / 128 in 2017 to 75th / 128 in 2022 and to create 2.3 million jobs; however, by 2023 Global ICT index had declined to 121st/132 countries. Equally, only 570 out of the targeted 2.3 million new jobs were created. ii) Lack of an enabling legal environment The Program lacked the requisite legal framework, as the ICT innovation and manufacturing policy and Program implementation guidelines, among other key policy tools, were not developed. This was because the development of the required legislative instruments and review of existing laws to foster effective program implementation were not prioritised.	

iii) Non-existent Governance structures

Out of the eight (8) program implementation support committees namely Program Steering Committee (PSC), Program Management Unit (PMU), Innovation technical support (Selection) Committee, Monitoring & Evaluation (M&E) committee, Procurement and contracts committee, Financial and Audit committee, Publicity, Branding, and Marketing committee and Legal and Intellectual Property Rights (IPR) Committee which were supposed to form the back bone of the program's governance structure, only one (selection committee) was formed.

iv) Support to local innovators

Under the Program, MoICT & NG had a target of supporting 500 local innovators during the five financial years of Program implementation, i.e. 2017/2018 to 2021/2022. Despite receiving a total of 1,902 applications for financial support from qualifying local innovators, only 115 innovators (representing 23% of the target) were selected to benefit under the NIISP Program.

v) Development and use of developed innovations/products

Out of a sample of 50 innovators interacted with during The Audit, only 45 reached the development stages of their products. However, of the 45 completed products, only 24 (53%) were deployed and being used at the time of audit. Various products were still under incubation despite the time lag after receipt of funds. There is thus no value for money obtained from those products. This is attributed to the Ministry's inability to connect innovators to the respective MDAs and private players whose input and funding were crucial to the completion and deployment of their innovations.

vi) Lack of customisation of training and research support to innovators

There was no customisation of research and training support given to innovators directly by the Ministry and/or through the innovation hubs, contrary to implementation guidelines. Given the unique nature of each innovation, the absence of customised support undermined the effectiveness of the research and training interventions.

vii) Non-Establishment of ICT parks

The two (2) ICT parks expected to be established under the NIISP Program for a combined sum of UGX 13.8Bn were not established. Instead, an innovation hub at Nakawa, with fewer benefits (like facilities and technical support) to innovators than a park, was constructed and equipped at a total cost of UGX 11.145Bn. Three other regional innovation hubs were equipped under the Program at Kabale, Muni and Soroti Universities at a combined cost of UGX

750Mn. This was attributed to unrealistic cost estimations leading to under-budgeting for the parks.

viii) Limited Program monitoring and evaluation

The Ministry of ICT & NG did not conduct Baseline studies to establish the status of five (5) key Program indicators before Program commencement. In the absence of this baseline information, there were no yardsticks against which indicator information obtained from monitoring and evaluation can be evaluated to assess the extent of achievement of Program objectives.

In addition, only four (4) out of the targeted 28 M&E reports were produced, representing a 14% performance. The produced reports also focused on only 45 out of the 115 innovators and captured information on only 9 out of the 50 indicators designed to assess MoICT & NG's performance under the program. These anomalies were attributed to the Ministry's failure to constitute an M&E committee for the program.

Observation

The Committee observed that M&E reports were vital in providing avenues for evidence-based decision-making for program improvement and resource allocation. The Accounting Officer underperformed by having just 14% of M&E reports in place. The Committee further noted with concern that the Ministry had not constructed the two ICT Parks that were supposed to be under the NIISP program and instead used the money to construct an innovation hub at Nakawa, Kabale, MunThe Audit and Soroti Universities. This was poor planning by the Accounting Officer.

Recommendation

The Committee recommended that the Accounting Officer implements the work plan as approved.

Action Status

- i) The Ministry embarked on the process of reviewing the ICT policy, which will address all the legal issues as recommended.
- ii) A review of the NIISP program was done, and some of the governance structures were mainstreamed into the Ministry activities supported by existing structures, including the Contracts, Finance, Internal Audit, and Procurement unit among others.
- iii) The Ministry reprioritised its resources to secure value for money and selected only innovations that had an impact.
- iv) The guidelines have since been developed.

- v) Development of the Park became expensive, and the Ministry decided to mobilise resources to develop regional hubs as we wait for more resources for the park.
- vi) The Ministry took note of the challenges in monitoring and evaluation. Following the institutional review of the Ministry, the Monitoring and Evaluation has been strengthened. Moving forward, the program will be monitored and evaluated.

Query**Continued Failure to Settle
Outstanding Domestic Arrears****Audit Findings**

The Audit carried out an analysis of domestic arrears over the past three years and noted that although there was a decreasing trend with arrears by 51.5% over the last three financial years, it was noted that the Ministry had pension domestic arrears worth UGX 155.08Bn as at 30th June 2024, relating to the former employees of UPTC. Delayed settlement of these arrears poses reputational risk to the Ministry and may attract more legal suits. There is also a risk of the beneficiaries dying before accessing their benefits. The table below shows the trend in these arrears;

Financial year	2021/22	2022/23	2023/24
Amount (UGX Bn)	320.03	206.57	155.083

The Accounting Officer noted the accumulation of these arrears and explained that the Ministry would take steps to prevent their accumulation.

Observation

The Committee observed that the non-payment of pension of the former employees of UPTC had had adverse effects on taken so long without being paid, and many of them continue to suffer the consequences.

Recommendation

The Committee recommended that the Ministry fast-tracks the payment for all pensioners of the former UPTC.

Action Status

MoFPED released UGX 55Bn for pensioners of the former UPTC and the entire amount was paid towards the same. However, following complaints by the beneficiaries regarding the computation of the benefits, a review was done, leading to an adjusted figure of UGX 187.7Bn as at 30th June 2025.

Currently, UGX 100Bn has been provided in the FY 2025/26 budget towards the same.

Query	Insufficient Budget for Domestic Arrears
Audit Findings A review of the approved budget estimates for the Ministry of Information and Communications Technology and National Guidance for the last financial year indicated that the Accounting Officer did not make sufficient budget provisions towards the settlement of domestic arrears despite the accumulation of a total of UGX 207.6 Bn of unpaid obligations. The amount provided in the budget for 2023/24 was only UGX 51.48, which is 25% of the reported arrears for the previous financial year. Section 13(10) (a) (iv) of the Public Finance Management Act, Cap 171, 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. Insufficient budgets for Domestic arrears lead to delayed payments to the beneficiaries, which compounds the risk of being sued for non-payment and interest payments. Management noted the observation and stated that the Ministry continues to engage MoFPED to provide the resources as per the Audit ed and approved domestic arrears. Observation The Committee noted that it was the responsibility of an Accounting Officer to pay off all arrears and not accumulate more. Failure to provide an adequate budget to match her domestic arrears needs shows financial indiscipline to her creditors. Unpaid arrears affect suppliers' financial stability and threaten their long-term viability, and may lead to higher unit costs as suppliers tend to factor in delays in payments.	
Recommendation The Committee recommended that the Accounting Officer should always budget for domestic arrears and, as a matter of priority, make it the first call on the budget.	
Action Status The Ministry fully declared the outstanding domestic arrears to MoFPED for the provision of the budget. Currently, a provision of 100Bn has been made in FY2025/26.	

VOTE 021 - MINISTRY OF EAST AFRICAN COMMUNITY AFFAIRS

Query	Utilisation of Warrants

Audit Findings

The Audit reported that the entity had total warrants of UGX 39.03Bn out of which warrants worth UGX 38.48Bn had been utilised by the close of the financial year. The balance of UGX 534Mn was meant for the following activities, which were either partially or not implemented at all. The table below refers.

Table 1: Activities affected by the underutilization of warrants

S/N	Warrants Un-utilised (UGX Mn)	Activities affected by the underutilization of funds and the impact	Management response
1.	197	<i>Payment of general staff salaries for the planned new recruitments.</i> Failure to undertake planned recruitments means excessive workload on existing staff or failure to tap into opportunities due to missing expertise.	The Accounting Officer explained that the Ministry of Public Service halted the planned recruitment due to the ongoing OAG payroll validation exercise.
2.	8	<i>Payment of the Ministry's water bills</i> Failure to meet utilities may cause disruptions at work, hence affecting staff performance.	The Accounting Officer explained that all Ministry water bills were paid, and the unspent balance was an issue of overplanning.
3.	292	<i>Payment of pension to beneficiaries</i> Failure to pay pension benefits affects the livelihoods of the intended beneficiaries.	The Accounting Officer explained that some pension was not paid pending the verification of former EAC pensioners by the Ministry.
4.	37	Payment of gratuity to beneficiaries Failure to pay gratuity benefits affects the livelihoods of the intended beneficiaries.	The Accounting Officer explained that the unspent balance was planned for gratuity to Muwanika M.M., whose payment requisition was not concluded by the closure of the FY 2023/24.
	534		

Source: PBS data and IFMS BIG Budget analysis report

The Accounting Officer attributed the delays to a lack of funds available to implement the workplan. Regarding the non-payment of pensions to beneficiaries, the Accounting Officer noted that verification had been completed and that the files had been submitted to the Internal Auditor General for advice.

Observation

The Committee observed that the EAC pensioners' issue was long overdue. Although the non-release of funds affected the execution of the work plan, the poor planning and the inaction of the Accounting Officer affected the implementation. For example, the delays in the payment of pension beneficiaries were because of delays in the verification of former EAC pensioners by the Ministry, as the Accounting Officer explained; they could not trace the beneficiaries. Equally, the Accounting Officer had over budgeted for water bills, so much so that, even after clearing bills, there was an unspent balance of UGX 8Mn. This poor planning can lead to wastage of the much-needed and yet scarce resources.

Recommendation

The Accounting Officer was advised to;

- i) Expedite the payments of all pension beneficiaries within six (6) months of the adoption of this report.
- ii) Improve the planning and budgeting function to minimise wastage.

Action Status

- i) For the pensioners who were verified, the Ministry await funds from the Ministry of Finance, Planning and Economic Development (MoFPED) to effect the payments. Despite all efforts made to trace the remaining pensioners, the attempts have been in vain.
- ii) The Ministry recruited five (5) office attendants. The rest of the planned recruitment awaits MoPS clearance.

Query**Non-Quantification of Activities in the Work Plan****Audit Findings**

The Audit reviewed the Ministry's work-plan and budget for the year under audit and observed that outputs worth UGX 38.48Bn were not appropriately quantified. The activities in these outputs did not have clear performance indicators against which performance could be measured. There was also insufficient evidence to ascertain quantification and costing, even though the detail excel worksheet was provided.

Paragraph 23 of the second budget call circular 2023-2024 required Accounting Officers, specifically for the financial year 2023/24, to ensure they prepare defined work plans with clear outputs and outcomes to facilitate monitoring of the implementation of identified interventions.

The Accounting Officer explained that planning was undertaken at the departmental level; however, the output and activity quantities were not captured in the Programme Based Budgeting (PBS) at the time of consolidation.

Observation

The Committee observed that by disregarding the second budget call circular, the Accounting Officer acted irregularly and therefore risked carrying out unexplainable expenditures because of undertaking activities with no performance indicators. The limitation of the PBS notwithstanding, the Accounting Officer should have made use of his working document to fulfil his responsibility of ensuring that proper plans are in place, including quantifiable outputs, before implementation. Failure to quantify output makes it impossible to measure the level of performance by the Accounting Officer.

Recommendation

- i) The Accounting Officer should improve the planning and budgeting functions and comply with all requirements to align the performance assessment criteria.
- ii) The Ministry of Finance, Planning and Economic Development should conduct capacity building of all the staff who use the PBS.

Action Status

- i) The architecture of the PBS provides for the quantification of activities at the budget output level. The votes prepare their individual Ministerial Policy Statements, including an individual activity costed work plan.
- ii) The staff were trained, and for FY 2024/25 and FY 2025/26, the Ministry quantified and costed all its planned actions in its approved work plan.

Query

Limited Attendance of Technical Members from MDAs in Local and Regional Technical Meetings

Audit Findings

The Audit noted that MEACA had not adequately coordinated attendance of technical representatives from MDAs in most of the local and regional technical meetings. For example, a review of the minutes for the four (4) local and regional meetings held during the financial year indicated that no technical staff from key ministries attended.

For MEACA to achieve its mandate of steering Uganda's regional integration agenda in accordance with the objectives of the treaty for the establishment of the East African Community, MEACA established a Technical Working Group on EAC Integration (TWG-EAI).

The main function of the TWG-EAI is to discuss issues that are topical and pertinent to the National Policy of East African Community Integration (NPEACI), identify and follow up on its implementation, advise on strategic interventions that may improve the performance of the implementation of

NPEACI and develop benchmarks to be used to monitor the progress of the implementation of EAC agenda.

The Accounting Officer explained that the representation of some MDAs at the Statutory meetings was pegged on the travel abroad budget of the individual MDAs. Since many MDAs had suffered budget cuts on travel abroad, attendance had been low.

Observation

The Committee noted that the limited representation by technical officials from MDA's in key meetings affects the quality of inputs on strategic issues to be presented to the sectoral committees for further action.

Recommendations

The Committee recommended that, although consumptive in nature, the Government should consider reinstating the travel abroad budget for crucial MDAs in such engagement.

Action Status

All relevant MDAs are invited to the National preparatory meetings, where National positions are generated to inform the Regional negotiations. Some MDAs now participate in Regional engagements. More effort is being undertaken with MoFPED to ensure full participation.

Query

Failure to Convene the Sectoral Council Meetings on Legal and Judicial Affairs

Audit Findings

The Audit noted that MEACA and other partner states had not convened the Legal and Judicial Affairs Sector council meetings due to limited representation by Attorney Generals of each partner state for the last two (2) years.

Article 15 of the treaty requires the Council to meet twice each year, one meeting of which is to be held immediately preceding a meeting of the Summit. In addition, Article 15 (2) requires the Council to determine its own procedure, including that for convening its meetings for the conduct of business there and at other times, and for the rotation of the office of the Chairperson among its members who are Ministers responsible for regional co-operation in the Partner States.

The Accounting Officer explained this had not been possible because Attorney Generals are most times too occupied elsewhere to attend the Legal and Judicial Affairs meetings, and yet the Rules of Procedure require them to attend in person.

Observation	
The Committee observed that the non-attendance of Attorney Generals meant that the Legal and Judicial Affairs meeting could not be held. This posed a risk of delaying implementation of the sectoral Council's core functions, such as making policy decisions for the efficient and harmonious functioning and development of the community and initiating and submitting bills to the assembly.	
Recommendations	
The Committee recommended that the Accounting Officer should propose an amendment to the Rules of Procedure for the Council meetings on Judicial Affairs to allow delegation of Deputy Attorney Generals to attend such meetings in the event their principals are unable to attend.	
Action Status	
The sectoral council meetings on Legal and Judicial Affairs have not amended their rules of Procedure. However, the Council of Ministers has included the meeting of the sectoral council on Legal and Judicial Affairs on the EAC calendar of activities for the period June – December 2025.	
Query	Non-implementation of the Entity's Mandate Activities
Audit Findings	
The Audit reviewed the treaty that establishes the East African Community (as amended), the entity's strategic and annual work plans for the last three (3) years, which revealed that the entity did not prioritise the implementation of the following mandate activities.	
• Conducting research on the impact of East African Community (EAC) integration for policy actions. • Sensitisation and creation of awareness about the progress and benefits of EAC integration to enhance the participation of all stakeholders, including the public, private sector and civil society. • Building the capacity of stakeholders on EAC integration matters so as to enhance their participation from an informed point of view.	
Interviews with the Accounting Officer and the Ministry's management revealed that the above mandates were not prioritised because they require travel abroad funding to undertake research needed to inform policy making, sensitisation of the public on how to participate and benefit from the EAC integration, which component was banned based on being consumptive expenditure.	

Observation

The Committee noted that the Accounting Officer had failed to prioritise the activities in the strategic plans and annual work plans. This implies that no resources could be earmarked for the activities, and as such, the associated service delivery benefits could not be achieved.

It is important to note that the core mandate of MEACA is to steer Uganda's regional integration agenda in accordance with the objectives of the treaty for the establishment of the East African Community. To achieve this, the onus is on the Accounting Officer to ensure that the strategic plans and annual workplans capture all area of priorities to attract the necessary resources needed for implementation.

Recommendation

- i) The Accounting Officer should ensure all priority activities are included in the strategic and annual work plans.
- ii) Government should consider funding the travel-abroad budget component of MEACA to enable it to implement its mandate.

Action Status

The Ministry undertook all its planned Sensitisation interventions during the Financial year 2024/25. MEACA's Strategic objective under its New Strategic Plan is to strengthen the capacity of stakeholders to participate in EAC Regional integration. Therefore, MEACA intends to continue prioritising sensitisation and Public Awareness.

Query**Outstanding Pension and Gratuity Arrears****Audit Findings**

The Audit reviewed the Ministry's financial statements and noted that the pension and gratuity arrears balance had grown by UGX 186Mn (2%) from UGX 8.99Bn as at 30th of June 2023 to UGX 9.18Bn. These balances relate to former employees of the defunct East African Community. It was further observed that during the year, the Ministry had accrued interest on these outstanding amounts totalling UGX 170Mn, which further compounds the Ministry's burden.

The Accounting Officer explained that the increment was a result of a court directive on East African Airways pension arrears, where interest is computed annually against the closing outstanding balance for the period. The Accounting Officer noted that the Ministry had undertaken a verification exercise of the former East African Community (EAC) pensioners to determine

the physical existence and authenticity of claimants before processing their payments.

The Accounting Officer further noted that they had resolved to meet the pensioners physically, or at least, their beneficiaries, but had only succeeded in meeting 20 people, with their lawyers pleading for more time to look for the rest.

Observation

The Committee noted during interrogation of the matter that the major delays were being caused by the pensioners' lawyers who had failed to present their purported clients for verification. There was a genuine concern of a risk of inflating the number of beneficiaries or a disagreement between the pensioners and their lawyers. This has made the genuine claimants miss out on their hard-earned money and the interest to continue accruing.

Recommendation

The Committee recommends that the Accounting Officer proceeds to pay the verified pensioners and expedite the process of verification for the remaining claimants, and only pay after an intensive due diligence.

Action Status

For the pensioners who were verified, the Ministry continues to await funds from the Ministry of Finance, Planning and Economic Development (MoFPED) to effect the payments. Despite all efforts made to trace the remaining pensioners, the attempts have been in vain.

VOTE 022 - MINISTRY OF TOURISM, WILDLIFE & ANTIQUITIES

Query

Failure to Fully Warrant Funds

Audit Findings

The Audit reported that the entity had an approved budget of UGX 223.36Bn, out of which UGX 221.46Bn was warranted for the year as detailed below.

Table 1: Analysis of entity budget - UGX (Bn)

S/N	Budget category	Total Revised Budget	Proportion of total revised budget (%)	Warrants
1	Recurrent (Wage)	3.79	1.70	3.796
2	Recurrent (non-wage)	169.93	76.08	169.83
3	Development	49.64	22.22	47.84
	Total	223.36		221.46

The Audit noted that the entity had an approved budget of UGX 223.36Bn out of which UGX 221.46Bn was warranted, resulting in a shortfall of UGX 1.91Bn representing a 99.15% performance. The unfunded budget was meant to

carryout completion of the source of the Nile modern pier to elevate the source of the Nile into an internationally competitive water-based tourism product.

Observation

The Committee noted that failure to provide funds for activities that were budgeted negatively affected their implementation and achievement of the expected services. The Committee noted that tourism is one of the major sectors that contributes to foreign exchange earnings of Uganda, and therefore, improving the source of the Nile pier to international standards would be a major boost in tourism.

Recommendation

The Accounting Officer was advised to;

- i) Warrant all the budget due to the Ministry to enable them to carry out activities.
- ii) Ensure that all activities are costed in the work plan to enhance frugal expenditure.

Action Status

- i) In the Budget Execution Circulars, the PS/ST has continuously guided Accounting Officers to warrant 100% expenditure limits issued and submit them in a timely manner, i.e., within five (5) working days
- ii) All activities in the workplan are costed in the format provided under the planning and budgeting system, providing for budget outcomes, outputs, activities and costs. In addition, costs are arrived at as an aggregate of quantities and unit costs.

Query

Failure to Fully Implement Work Plan

Audit Findings

The Audit assessed the extent of implementation of activities for which funds were availed and utilised. A total of fifteen (15) outputs with ninety-seven (97) activities worth an expenditure amount of UGX 66.02Bn were assessed, and the following was observed.

- i) Eleven (11) outputs with nineteen (69) activities and expenditure worth UGX 52.14 Bn were fully implemented.
- ii) Three (3) outputs with nineteen (19) activities and expenditure worth UGX 13.89 Bn were partially implemented. Out of nineteen (19) activities, the entity fully implemented twelve (12) activities, partially implemented five (5) activities, did not implement two (2) activities, whereas three (3) activities could not be assessed due to a lack of performance targets and indicators.

Examples of the activities that were partially or not implemented at all are provided below.

Table 2: Partially implemented activities - UGX' Mn

Budget Output	Activity	Amount warranted	Amount Spent	Audit Comments
120012: Tourism Investment, Promotion and Marketing	10 Tourism Outreach programs with students (Tertiary, Secondary and Primary) conducted	6.700	6.507	Partially implemented
120013: Cultural Heritage Sites Development and Maintenance	Amuru Hot Springs and Guruguru hills Designs and BOQs developed.	8.240	6.1899	
120010: Product Modernisation and Development	The Source of the Nile modern pier was established and completed with facilities including a dock for 19 boats, a viewing bridge, two water fountains, an outdoor restaurant, sanitary, vehicle parking area, relaxing gardens, staff station and offices, security stat	12.777	12.775	THE AUDIT noted that the funds, which were meant to be realised as supplementary funding to the tune of UGX 1.8Bn were not realised.

Table 3: Un-implemented activities (UGX)

Budget Output	Activity	Amount warranted	Amount Spent
120013: Cultural Heritage Sites Development and Maintenance	The Kabalega and Mwanga Site in Dokolo developed	8.240	6.189

The Accounting Officer indicated that the Ministry had not received the requisite funds for the implementation of the above outputs and their corresponding activities and undertook to continue to engage MoFPED to ensure that all funds that are budgeted are released.

Observation

As earlier observed in this report, the Audit or General's main focus was on the performance of funds that were released and expended by the Accounting Officer on fifteen (15) outputs with ninety-seven (97) activities worth an expenditure amount of UGX 66.02Bn and not on what had not been released. What had not been released in this case was noted by the Accounting Officer as UGX 2.99Bn. The Accounting Officer, therefore, failed to implement

activities as approved despite having spent the money. This means that the activities implemented are doubtful.

Recommendation

The Committee recommended that the Accounting Officer should ensure that the work plan is implemented as approved.

Action Status

Through the Budget Execution Circulars, the PS/ST has continuously guided Accounting Officers to adhere to approved work plans and budgets to minimise distortions during budget execution and uphold budget credibility. In addition, when virements are unavoidable, they must be submitted online through the Programme Budgeting System (PBS) in accordance with Section 21(2) of the Public Financial Management Act, Cap. 171, and before the start of the subsequent quarter. No virements will be permitted after expenditure limits have been issued and funds released. Each virement request must include an updated work plan showing which outputs will be scaled down/up or deferred, as well as the new outputs.

In specific reference to the table, project output 120013 was meant to cover several activities that included Kabalega and Mwanga Site in Dokolo, but this activity was not implemented, and funds were returned to the consolidated fund.

Query	Delay in the Implementation of Activities

Audit Findings

The Accounting Officer noted that of the 10 sampled projects, three (3) projects worth UGX 20.48Bn were delayed by an average of three (3) months from the expected completion date, as shown in the table below.

Table 4: Delayed works

S/N	Project description and value	Audit comment	Management Response
1.	UWEC Construction of wall fence (Contract amount UGX 3.2Bn) A pier (Contract amount UGX 2Bn) and Mbale UWEC Regional Educational Centre (Contract amount UGX 7Bn)	At the time of the Audit, only 50% of the total amount of work had been completed.	The funds available in the budget were below the required funds for the completion of the project. This resulted in the Ministry (UWEC) only carrying out a portion of the required works. The site is located in a swampy and soggy area, where construction works are affected during rainy seasons.
2.	Developing of the Kabalega and Mwanga site in Dokolo	By the time of the Audit, it was noted that the	This was not implemented due to the failure of the contractor to fulfil his

	Contract Amount UGX 8.897	development of the site had not taken off.	obligations. The activity was rolled over to this FY (2023/24).
3.	Reconstruction of the Karamoja museum Contract Amount UGX 4.292Bn	It was noted that by the end of the FY, only 50% of the construction works had been undertaken.	This is a multiyear project which is implemented in phases. The construction works are still ongoing.
4.	Completion of works at the Kitagata Hot Springs Contract Amount UGX 2.852Bn	By the time of the Audit, it was noted that only 45% of the work had been done.	This is a multiyear project which is implemented in phases. The project is being implemented, and construction works are ongoing.
5.	Establishment of the source of the Nile modern pier. Contract Amount UGX 15.986Bn	It was noted that a supplementary request of UGX 1.8Bn was sought to cater for the works on the banks of the River Nile. However, this funding was not realised to cater for the same, hence leading to non-implementation of the project.	This is a multiyear project which is implemented in phases, and the funds available in the budget were below the required funds for the completion of the project. The construction works are ongoing, and tremendous progress has been made.

The Accounting Officer attributed the delays to the late release of funds and budget cuts and indicated that the Ministry continues to engage MoFPED to increase the allocation to expedite the implementation of the projects.

Observation

The Committee observed that although non-release of funds had hampered the implementation of some projects, the insufficient planning and lack of monitoring and supervision of projects had more far-reaching implications. For example, from the table above, the entity had not implemented a contract worth UGX 8.89Bn for the development of the Kabalega and Mwanga site in Dokolo because of non-fulfilment of contractor obligations.

The Committee has authored a separate report on the implementation of projects across Government, and members are urged to read the findings and Recommendations thereto.

Recommendation

The Accounting Officer must ensure that there is proper contract management and supervision to ensure the timely implementation of projects.

Action Status

- i) The perimeter fence at UWEC was completed and handed over to management by the contractor, while the works at the Mbale Regional

Wildlife Educational Centre are still ongoing at approximately 98% completion.

- ii) The development of the Kabalega and Mwanga Site in Dokolo commenced in February 2025, and physical progress is at 40%.
- iii) The construction of the Karamoja Museum and the physical progress of the works are at 73%.
- iv) The construction works for phases 1 & 2 at the Kitagata Hot Springs are complete, and the contract for the 3rd Phase is in the final stages, awaiting SG's clearance.
- v) The construction works for the Establishment of the Source of the Nile Modern Pier. Under phase I (Reception building, viewing deck, pier, multi-layered parking yard, thematic restaurant building, washroom facilitates, suspended bridge and sewage treatment plant) are ongoing and now at 90% progress and are expected to be completed by the end of December 2025.

Regarding the contractor's issues at the Kabalega and Mwanga Sites in Dokolo, they are outside the control of the entity. Through the entity's due diligence process, the contractor's weaknesses were discovered, leading to an award to the second-best evaluated bidder after the advice of the Solicitor General.

As for contract management and supervision, the Ministry continues to strengthen its capacity through training of contract managers, co-opting representatives from technical Ministries, e.g., MoWT and in some instances outsourcing for services of external consultants.

In addition, monitoring and inspection are conducted to track the progress of project implementation, whose reports are discussed quarterly by management.

Query	Failure to Value Plant, Property and Equipment

Audit Findings

The Audit noted that the Ministry had reported a balance of property, plant and Equipment worth UGX 27.07Bn as at 30th June 2024. The amount reported included the asset acquisitions done during the year ended 30th June 2024, as well as the brought forward balances upon change in the accounting policy for capitalisation that was affected in the financial year ended 30th June 2023.

The brought forward value of assets was not supported by a professional valuation report, but rather, the value recorded was the historical cost as guided by the Accountant General in the financial year 2023/24, as a Government commitment to adopt IPSAS.

Observation

The Committee noted that failing to value PPE over its useful life was irregular on the part of the Accounting Officer. According to International Accounting Standard 16, Property, Plant and Equipment is initially measured at its cost, subsequently measured either using a cost or a revaluation model, and depreciated so that its depreciable amount is allocated on a systematic basis over its useful life. This helps the Accounting Officer with decision-making when it comes to boarding off.

Recommendation

The Accounting Officer was advised to engage the Accountant General and Government Chief Valuer to ensure that the Ministry's assets are re-valued in a phased manner to arrive at a more accurate record and value.

Action Status

In line with the guidance provided by the Parliament, a letter was written to the Chief Government Value (CGV) and the Accountant General, requesting revaluation of all the Ministry's Plant, Property (Land) and Equipment as guided.

The Ministry awaits the response from the CGV & AGO.

Query**Long Outstanding Payables****Audit Findings**

The Lusaka Agreement was adopted at the Ministerial Meeting for the Adoption of the Agreed Text of the Lusaka Agreement on Co-operative Enforcement Operations Directed at Illegal Trade in Wild Fauna and Flora held at Lusaka on 8-9 September 1994. In accordance with its article 12 (1), the Agreement was open for signature on 9th September 1994 by all African States at Lusaka.

The Audit observed that the Ministry, being one of the long-standing members, had accumulated payables amounting to UGX 2.27Bn, owing to the Lusaka Agreement. The long-standing liability has remained overdue for years.

The Accounting Officer indicated that the Ministry had frequently engaged the MoFPED to secure funding to settle outstanding arrears, and in the year under audit, only UGX 0.099Bn was received for the settlement of Domestic Arrears, which was used to partly settle the arrears to the United Nations World Tourism Organisation (UNWTO).

Observation

The Committee noted that Government had not prioritised paying subscriptions to many international bodies. This has led to sanctions and penalties, which are most times embarrassing to the Country. The Government should reevaluate its membership with a view to unsubscribing.

The Committee noted that Uganda already has a law, the Uganda Wildlife Act (Cap 200), that addresses the illegal trade in wild animals and plants. This act consolidates and updates the laws related to wildlife management, including regulations on hunting, trade, and the establishment of protected areas. It also establishes the Uganda Wildlife Authority, which is responsible for the management and conservation of wildlife in the country.

The Lusaka Agreement on Co-operative Enforcement Operations Directed at Illegal Trade in Wild Fauna and Flora is an international treaty to which Uganda is a signatory, aimed at reducing and ultimately eliminating illegal trade in wild animals and plants. The agreement establishes a permanent task force, the Lusaka Agreement (LATF), to investigate and prosecute illegal trade cases.

Recommendation

The Committee recommends that Government should pay its arrears and re-evaluate its membership to the organisation with a view to unsubscribing should the cost outweigh the benefits.

Action Status

In the FY 2025/26, a provision of UGX 707.09Mn was made in the budget, and it has been released for payment to UNWTO. This will fully settle the outstanding bills, and the balance will be applied as a partial payment toward the Lusaka Agreement arrears.

Uganda withdrew from the Lusaka Agreement in FY 2021/22, and therefore, no new arrears are being accrued.

Query**Unapproved Multi-Year Commitments****Audit Findings**

The Audit reported that the Ministry awarded multiyear contracts worth UGX 36.34Bn without authority/approval by Parliament, contrary to the requirements. The details are included in the table below;

Table 5: Multi-year contracts without authority

S/N	Procurement Details	Contract Amount (UGX) Bn
1.	Works at Kabalega and Mwanga Sites in Dokolo	8.897
2.	Consultancy services to undertake a resettlement action plan	2.272
3.	Construction of a modern pier at the source of the Nile	15.985
4.	Construction of Kikorongo Equator Point	1.608
5.	Construction works at Ellena Camp	4.731
6.	Construction works at Kitagata Hot Springs	2.851
	Total	36.344

The Accounting Officer indicated that the activities were implemented under the projects that are in the Public Investment Plan and approved by the Ministry of Finance, Planning and Economic Development (MoFPED). It was indicated that the projects are part of the multi-year commitments that MoFPED submits to Parliament in line with the PFMA Act Cap 171, and the costs are within the project's Medium Term Expenditure Framework. The projects are to run until the FY 2025/26.

Section 22 (1) of the Public Finance Management Act, Cap. 171 requires a vote not to enter into a contract, transaction or agreement that binds the Government to a financial commitment for more than one financial year, or which results in a contingent liability, except where the financial commitment or contingent liability is authorised by Parliament.

Observation

The Committee observed that the Accounting Officer's actions were contrary to Section 22(1) of the PFMA and therefore committed an offence as defined under Section 77 (m) of the same act.

Recommendation

The Committee recommended that the Accounting Officer be reprimanded in accordance with Section 77 (2) of the PFMA.

Action Status

The Ministry currently submits multi-year commitments as per guidelines and circulars issued by PS/ST, Ref. letter No. PAP 474/475/01 dated October 8, 2021.

The submissions are done using a multi-year commitment form/template designed and issued by MoFPED annually.

VOTE 023 - MINISTRY OF KAMPALA CAPITAL CITY & METROPOLITAN AFFAIRS

Query	Failure to Fully Implement the Ministry's Mandate

Audit Findings

The Audit reviewed the Ministry's strategic and annual work plans for the last three (3) years with its mandate as stipulated in the relevant laws and noted that the Ministry had not adequately executed the following mandates;

Table 1: Implementation of the Ministry's mandate

S/N	Mandated activity	Audit Comment	Management response
1.	Development and provision of proper physical planning in the Greater Kampala Metropolitan Area covering the drainage, transport and development planning.	i) The physical development plan of the Greater Kampala Metropolitan Area had not been finalised, awaiting census results. ii) The Greater Kampala Metropolitan Area Drainage Master Plan has not been developed. This would ensure proper sewage and rainwater management within the GKMA. iii) onstruction of bus terminals in Kampala & Metropolitan Areas has not yet been done.	The Accounting Officer explained that the Greater Kampala Metropolitan Area Integrated Urban Development Master Plan had not been completed. The implementation of the Master Plan, which will include the development of the drainage and transport plans, will be done in a phased manner depending on the availability of resources.
2.	Development of a framework to coordinate local economic development within the Greater Kampala Metropolitan Area.	iv) No legislative framework has been developed to coordinate local economic development within the Greater Kampala Metropolitan Area.	The Accounting Officer further explained that the Ministry is in the process of developing a GKMA Governance Policy and was preparing a Regulatory Impact Assessment Report that will guide policy formulation.

Source: OAG analysis of the strategic plan and appropriate laws

The Accounting Officer explained that the Greater Kampala Metropolitan Area Integrated Urban Development Master Plan had not been completed and that the implementation of the Master Plan, which will include the development of the drainage and transport plans, would be done in a phased manner depending on the availability of resources. The Accounting Officer further noted that the Ministry was in the process of developing a Greater Kampala

Metropolitan Affairs (GKMA) Governance Policy and was preparing a Regulatory Impact Assessment Report that would guide policy formulation.

Observation

The Committee noted that the delays in the development of a development master plan had been costly to the residents and visitors of Kampala. The image of Kampala city in recent times has not inspired confidence in potential investors, with persistent flooding during rainy seasons, traffic congestion and proliferation of slums due to lack of enforcement of physical plans.

Failure to implement core activities that support the entity's strategic plan negates the purpose for which the plans were developed and may lead to underachievement of the entity's mandate.

Recommendation

The Committee recommended that the Accounting Officer fast-tracks the implementation of the Greater Kampala Metropolitan Area Integrated Urban Development Master Plan and Regulatory Impact Assessment, to facilitate the development of the transport and drainage plans.

Action Status

The Ministry has submitted a copy of the Greater Kampala Metropolitan Area Integrated Urban Development Master Plan to Cabinet for approval and onward submission to Parliament before implementation starts.

A regulatory Impact Assessment framework for the effective management of the Greater Kampala Metropolitan Area has been developed, including proposals for the development of a transport and drainage plan.

Query

Failure to Fully Implement the Greater Kampala Economic Strategy

Audit Findings

Under Cabinet extract Min. 132 (CT 2020), the Greater Kampala Economic Development Strategy was approved for implementation under the Ministry of Kampala Capital City and Metropolitan Affairs. The Ministry was mandated to coordinate local economic development, development of best policies, standards and plans that support the implementation of the Greater Kampala Metropolitan Area Economic Development Strategy.

From a review of the Kampala Economic Development Strategy and interviews with management, the Audit noted the following;

- i) The Ministry had not instituted any affordable housing and slum upgrading initiatives, and this had led to the continued growth of slums and related or associated effects.
- ii) There was no framework for the development of youth empowerment centres in every division headquarters, with skills development, a business incubation center and a resource centre in place.
- iii) The Ministry had not designed any tourism products/guidelines to foster tourism within the Greater Kampala Metropolitan Area.
- iv) A comprehensive GKMA-wide solid waste management program and investment policy in waste collection and processing had not yet been developed/approved.

The Accounting Officer explained that the Ministry had developed a concept for a comprehensive solid waste management plan and presented it to the Program working group of sustainable housing and urbanization which was passed and is now at the Development Committee level of the Ministry of Finance. The Accounting Officer further noted that the Ministry was working together with the relevant stakeholders to develop youth empowerment centres, ensure that the tourism guidelines and solid waste management strategy are developed and approved.

Observation

The Committee noted that failure to implement the above strategic initiatives implied that the intended strategic goals, which include improving the livelihoods of citizens, economically empowering the youth, fostering tourism and improving solid waste management, were not achieved.

Youth unemployment in Kampala, and Uganda more broadly, remains a significant challenge. The Committee noted that the Ministry did not have a framework for youth empowerment centres in every division headquarters, which would help alleviate the unemployment challenges.

Recommendation

- i) The Accounting Officer should fast-track the formulation of the Kampala Metropolitan Area Integrated Urban Development Master Plan to address the identified challenges.
- ii) Government should provide the necessary funds for the full implementation of the Master Plan to alleviate the identified challenges in Kampala.

Action Status

The Ministry is developing concepts for various proposed projects and continues to engage the MoFPED and other Development Partners on project funding.

Audit Findings

The Audit assessed the extent of implementation of activities for which funds were availed and utilised and noted that,

- i) Out of the four (4) outputs with 26 activities worth UGX 7.31Bn, one (1) output with two (2) activities worth UGX 0.07Bn was fully implemented,
- ii) Three (3) outputs with 24 activities worth UGX 7.24Bn were partially implemented. Out of the 24 activities, 19 activities worth UGX 5.51Bn were fully implemented,
- iii) Five (5) activities worth UGX 1.730Bn were partially implemented.

The summary is shown in the table below;

Table 2: Partially implemented activities

S/N	Activity	Amount Spent (UGX Mn)	Audit Comments
1.	To produce 20 reports on public awareness activities	195	Only 16 reports on awareness were produced i) Five (5) public awareness reports on PDM and GKMA-UDP were produced. ii) Five (5) monitoring reports on Markets, the construction of strategic roads in Kampala city, and employment creation programs were prepared. iii) One (1) report on public transport awareness to streamline the bus business in Kampala City and the metropolitan area was produced. iv) Five (5) monitoring reports on the construction of LubigThe Audit drainage channel.
2.	To coordinate the development of the GKMA Integrated Urban Development Master Plan (IUDMP) and the development of the GKMA drainage master plan	1,090	The GKMA Integrated Urban Development Master Plan was not finalised.

3.	To monitor the implementation of PDM with special focus on group formation, urban value addition and financial inclusion.	150	One (1) report on the performance of the PDM program in Kampala was produced.
4.	To maintain the Ministry's fixed assets	220	UGX 118Mn was repurposed to other operational activities. The balance of UGX 102Mn was spent on maintenance of assets.
5.	Preparation of financial statements, Quarterly internal Audits, and responses to Auditor General's report	75	While The Audit reports were prepared and finalised, three quarterly reports were not produced.
Total		1,730	

Source: OAG analysis of quarterly PBS performance reports

The Accounting Officer explained that the implementation of the activities was affected by the need to carry out impromptu activities that were critical in preparation for program implementation, such as recruitment of the Program Support Team and preparation of the Program Operational Manual, which were necessary for program effectiveness.

Observation

The Committee noted that there was poor planning on the part of the Accounting Officer regarding the recruitment of program staff, and the development of the program operational manual needed to have been done earlier.

The Committee noted that the Accounting Officer therefore failed to implement activities despite having received and spent UGX 1.730Bn worth of funds as detailed in the table above. Failure to implement all the planned activities impacts negatively on service delivery.

Recommendation

The Committee recommended that the Accounting Officer should be held liable for failure to implement the approved workplan despite having received the funds.

Action Status

- i) Implementation was affected by the impromptu activities that were critical in preparation for program implementation, such as recruitment of the Program Support Team and preparation of the Program Operational Manual, which were a precondition for program effectiveness.

- ii) The master plan incorporated the development of a drainage master plan, which is currently before Cabinet for discussion.
- iii) The Ministry has since aligned all assets acquired with the Board of Survey Recommendations and planning.
- iv) All Internal Audit reports have since been produced and submitted to the Internal Auditor General.

Query	Failure to Fully Implement the Greater Kampala Metropolitan Area Urban Development Program																																	
Audit Findings The Government of Uganda (GoU), through the Office of the President, Ministry of Kampala Capital City and Metropolitan Affairs (MKCC&MA), is implementing the Greater Kampala Metropolitan Area Urban Development Program (GKMA-UDP) in nine (9) entities. This comprises one capital city (governed by the Kampala Capital City Authority), three (3) districts (Mukono, Mpigi and Wakiso) and five (5) municipal councils (Entebbe, Kira, Makindye-Ssebagabo, Mukono and Nansana). The program is funded by the World Bank to the tune of USD 518Mn credit, USD 90.66Mn grant and USD 517.31Mn GoU counterpart funding as indicated in the funding agreement. This will be implemented over five (5) fiscal years, starting from FY 2023/24. The program Details are in the table below; Table 3: Key program data <table><tr><th>S/N</th><th>Description</th><th>Dates and Amounts</th></tr><tr><td>1.</td><td>World Bank Board Approval</td><td>31st May, 2022</td></tr><tr><td>2.</td><td>Financing agreement signed</td><td>17th November, 2023</td></tr><tr><td>3.</td><td>Effectiveness date</td><td>28th December, 2023</td></tr><tr><td>4.</td><td>Financing closing date</td><td>31st December, 2027</td></tr><tr><td>5.</td><td>Program start date</td><td>1st July, 2023</td></tr><tr><td>6.</td><td>Program end date</td><td>30th June, 2028</td></tr><tr><td>7.</td><td>IDA Program for results financing (47.97%)</td><td>USD 566Mn (Credit) USD 48Mn (Grant)</td></tr><tr><td>8.</td><td>AFD financing (3.6%)</td><td>USD 42.66Mn (Grant)</td></tr><tr><td>9.</td><td>GoU counterpart funding (48.42%)</td><td>USD 571.31Mn</td></tr><tr><td></td><td>Total operation cost for the program (100%)</td><td>USD 1,179.97Mn</td></tr></table> Source: Program Appraisal Document and Financing Agreement		S/N	Description	Dates and Amounts	1.	World Bank Board Approval	31 st May, 2022	2.	Financing agreement signed	17 th November, 2023	3.	Effectiveness date	28 th December, 2023	4.	Financing closing date	31 st December, 2027	5.	Program start date	1 st July, 2023	6.	Program end date	30 th June, 2028	7.	IDA Program for results financing (47.97%)	USD 566Mn (Credit) USD 48Mn (Grant)	8.	AFD financing (3.6%)	USD 42.66Mn (Grant)	9.	GoU counterpart funding (48.42%)	USD 571.31Mn		Total operation cost for the program (100%)	USD 1,179.97Mn
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The Audit reviewed the implementation of the program and noted the following,

Delayed Commencement of the Program

The Audit reviewed the timeliness with which the program activities were implemented since loan approval and observed the following delays;

- i) The program financing agreement was signed in November 2023, and the loan became effective on 28th December 2023, resulting in a delay of one year and seven months from the initial program's planned start date of 31st May 2022.
- ii) During the FY 2023/2024, the program only carried out preparatory activities such as recruiting program staff, completing design studies, retooling and capacity building, among others. Actual program operations commenced in December 2023, and the first disbursement of funds was received in March 2024 from the World Bank. This further compounded the program delays.
- iii) The program further experienced more delays due to the delayed and lengthy procurement processes of supervision consultants for road works. As a result, no road civil works had commenced by 30th June 2024.

The Data Sheet (Basic Information) of the Program Appraisal Document, dated May 2022, required program approval to be done by 31st May 2022 and the Program to close by 31st December 2027. The additional conditions for the effectiveness of the loan were the preparation and adoption of the program operational manual in form and substance satisfactory to the Bank and the recruitment or designation of the Program Support Team.

The Accounting Officer acknowledged the delays and noted that they had made progress in the implementation of the program, starting with civil works in 2024/25. The Accounting Officer intimated that they would carry out a mid-term review in September of 2025 to assess program implementation modalities and make changes where necessary to achieve program development objectives.

Observation

The Committee observed that inadequate planning on the part of the Accounting Officer and other stakeholders was a major drawback in the implementation of the program. For example, the additional conditions for the effectiveness of the loan that included the preparation and adoption of the program operational manual caused major delays, as there were no tools to guide the implementation.

Recommendation
The Committee recommended that the Accounting Officer sufficiently plans for project implementation by ensuring that every project component is aligned with the timelines.
Action Status
The Ministry and the nine (9) implementing entities have accelerated the implementation of activities with major civil works starting in the 2024/25 fiscal year. By September 2025, 127.8 km of roads (Batch 1A & 1B) have been contracted, and 71.9 km are under procurement. An additional 125.7 km of roads and five junctions (6 km) are under design, bringing the total designed to 331.4 km. For drainage, 23.9 km of stormwater drains have been designed and are expected to be contracted by December 2025. Market designs have advanced, with three markets completed (Wakiso and Mpigi) and six more under preparation, all expected to be completed by December 2025. Progress towards the Program Development Objective is assessed as satisfactory by the World Bank supervisory missions in September 2025 based on the key outcomes summarised below; Outcome 1 – Improved institutional capacity for metropolitan coordination and management, the MoKCC&MA demonstrated strengthened capacity, with performance rated at 77.99% against the target of 70% based on the ability to implement its annual work plan. Institutional strengthening is evident in policy development, coordination and oversight, physical planning, environment and social safeguards, procurement, accounting and financial management, and monitoring and evaluation. Under Outcome 2 – Increased access to infrastructure and services, progress was rated moderately satisfactory. Implementation of climate-resilient annual infrastructure investment plans reached 87.02%, surpassing the interim target of 70%. Road construction achieved 5.3 km, slightly above the 5 km target, with 42% of beneficiaries along the completed corridors reporting improved mobility. However, delays in the early stages of program effectiveness caused lags in measuring direct beneficiaries (including women). Beneficiary-level results are expected from Year 3 onward. Overall: Progress toward the PDO remains on track, with capacity and infrastructure outcomes showing satisfactory progress. Accelerated implementation of local economic development (LED) and drainage investments, alongside continued focus on roads and strengthened coordination, supervision, and program management, will be critical for achieving the PDO.

Query			Forex Loss		
Audit Findings					
The Audit reported that the program had suffered a total loss of USD 22.75Mn due to the currency depreciation of the USD against the SDR, as shown in the table below;					
Table 4: Forex losses					
S/N	Fund type	Loan amount as at loan approval date 31.03.2022 (SDR Mn)	Loan amount at the approval date (USD Mn)	Loan amount as at 30.06.2024 (USD Mn)	Forex Loss as at 30.06.2024 (USD Mn)
1.	Credit	374.8	518	497.1	20.9
2.	Grant	34.8	48	46.15	1.85
	Total	409.6	566	543.25	22.75
	Exchange rate effective 31 st May 2022		1USD= 0.72 SDR		
	Exchange rate as at 30 th June, 2022		1USD= 0.75 SDR		
Source: OAG review of program financing agreement and disbursement records					
The Accounting Officer explained that the currency movement is outside the Ministry’s control. However, management is actively monitoring the impact of the forex movement on the available budget to ensure such losses are factored into the resource planning.					
Observation					
The Committee noted the fluctuations are market-driven and it's clearly out of the control of the entity. There is a risk, however, that the continued depreciation of the dollar (USD) against the Special Drawing Rights (SDR) affects the actual available funds for implementing program activities.					
Recommendation					
The Committee recommended that the Accounting Officer should inform the PS/ST and the funders to come up with mitigation measures, given that forex loss may continue to occur during the entire life of the project.					
Action Status					
The Ministry continues to monitor movements in foreign exchange rates and their impact on the program budget, and ensures realignment of available resources with the planned outputs. Overall program resource envelopes and allocations are updated annually as part of the Annual Assessment Appraisal (APA), and available resources will be mapped against program commitments. Given the fluctuating nature of the exchange rate and the likelihood of both positive and negative movements in the currencies involved, the reported loss of US\$ should be classified as an unrealised loss. The valuation of June 2025					

indicates that a cumulative loss of approximately US\$ 1.22 million due to the SDR exchange rate, down from USD22.75m in June 2024.

Table 2: Key Program Data World Bank Board Approval	May 31, 2022	Closing Date	December 31, 2027
Financing Agreement Signed		November 17, 2023,	
Effectiveness Date	December 28, 2023,	Total Cumulative Disbursement Percentage	XDR159.03 million US\$219.27 million 38.46%
IDA Credit Signed Amount IDA Credit Actual Amount	XDR374.8 million US\$518.00 million US\$516.80 million	Cumulative disbursement – IDA Credit	XDR142.024 million US\$195.82 million
IDA Grant Signed Amount IDA Grant Actual Amount	XDR34.8 million US\$48.00 million US\$47.98 million	Cum disbursement – IDA Grant	XDR17.006 million US\$23.45 million
Source: Aide Mémoires for Greater Kampala Metropolitan Area Urban Development Program (P175660) Implementation Technical Support Mission, June 12-18, 2025.			

Query	Failure to Sign the AFD Co-financing Agreement
Audit Findings At the plenary sitting held on 24th May 2023, Parliament approved the request to borrow up to Euro 40Mn (equivalent to USD.42.66Mn) from the Agence Française de Development (AFD) to finance the GKMA-UDP. At the time of the audit in August 2024, which was almost two (2) years after the Parliamentary approval to borrow, the co-financing agreement was yet to be signed, and as such, the AFD financing had not been secured. Additionally, there was a need for an additional separate Program Appraisal Document for the AFD funding, considering that the only Program/Project Appraisal Document (PAD) that was signed only catered for the World Bank component. The Accounting Officer explained that the delay in negotiation was due to AFD's proposal to use French law, which the Attorney General objected to. There was also a change in the interest rate, which required Cabinet and	

Parliamentary approval. The Accounting Officer noted that Parliament had since approved the loan, and the Solicitor General was considering the Financing Agreement before signature.

Observation

The Committee noted that failure to secure the AFD financing promptly could lead to significant delays in program implementation and results into costly program extensions, and failure to achieve program objectives by the program completion date (30th June 2028).

Recommendation

The Accounting Officer was advised to liaise with the Office of the Solicitor General with the aim of fast-tracking the consideration of the Financing Agreement to avoid further delays.

Action Status

The Program has successfully attracted parallel co-financing from the AFD, amounting to €40 million, to complement World Bank financing for metropolitan infrastructure investments. A Financing Agreement between the Government of Uganda and AFD was signed on 12th March 2025.

As part of the Mid-Term Review, the two Development Partners agreed to finalise the legal requirements through a Co-financing agreement, which aligns disbursement schedules and harmonises technical and fiduciary requirements to facilitate AFD fund withdrawal as soon as possible within this calendar year 2025.

The resultant program restructuring to reflect AFD's contribution in the updated Expenditure Framework and Disbursement-Linked Results (DLRs), ensuring harmonised verification mechanisms and consolidated supervision. This also ensures that the previously concluded Program appraisal documents and assessment protocols will apply.

Query

Unspent Funds

Audit Findings

The Audit reported that, out of the total available funds of UGX 18.98Bn, only UGX 13.298Bn was spent, resulting in an unspent balance of UGX 5.751Bn, representing an absorption level of 69.7%. The unspent funds were still held in the program bank account number 014170088000001 in the Bank of Uganda. Below is a sample of 15 activities worth UGX 3.66Bn representing 63% of the unutilised funds.

Table 5: Sample of activities affected by under absorption

S/N	Activity	Amount unspent (UGX Bn)	Management response
1.	Procurement of 16 pickups, one(1) station wagon and two minibuses	0.322	The Accounting Officer explained that the unspent funds were meant for the purchase of the station wagon; however, by the close of the financial year, this had not yet been delivered due to delays in procurement, and the supplier could not be paid.
2.	Hire of office space for Program Support Team	0.375	The Accounting Officer explained that the procurement was initiated; however, the contract was not signed until 14th June 2024 because of PPDA administrative reviews. Currently, the payment is pending approval of the deemed VAT exemption submitted to URA. The office space partitioning process is ongoing to allow full occupancy in Q1 of FY 2024/2025.
3.	Procurement of furniture and fittings for PST	0.129	The Accounting Officer explained that the procured office furniture awaits completion of the office space partitioning.
4.	ICT equipment (25 Computers, two (2) high capacity, printers, photocopiers, projectors	0.112	The Accounting Officer explained that the contract for the procurement of office photocopying machines was signed towards the close of the financial year, and delivery was anticipated by November 2024.
5.	Car maintenance and repairs	0.011	The Accounting Officer explained that there were no maintenance costs for the newly procured vehicles in the financial year under review. The activity had been rolled over to the subsequent financial year.
6.	Payment of utility bills for the Program Support Team (PST).	0.015	The budget was not utilised since the GoU hosted the GKMA-UDP operations office through the MKCC&MA and KCCA's Employment Services Bureau (ESB). There is no need to roll over this activity to the subsequent financial year.

7.	Procurement of ICT accessories, i.e. cameras (2), iPad (11), digital recorders (2) and accessories	0.265	The Accounting Officer explained that the procurement was initiated and was at 50% as of 30 th June 2024
8.	Program launch organised	0.225	The Accounting Officer explained that the National Organising Committee (NOC) had made progress towards launching the program in July 2024 in Kira MC. Financial resources were rolled over to the FY2024/25.
9.	Engagements for launch and closure, Radio talk shows, TV Shows, Sponsored Campaigns, Social Media Handles, Progress adverts and communication briefs, corporate wear, caps	0.205	The Accounting Officer explained that the launching activity depended on the president's availability, and it was postponed to September 2024.
10.	Annual Performance Assessment (APA)- IVA	0.067	The Accounting Officer explained that the requirement of the contract was that the consultant was given partial payment. These funds will be paid in the subsequent financial year.
11.	Procurement Audits by PPDA and procurement-related activities	0.088	The Accounting Officer explained that four entities (MKCC&MA, MpigThe Audit DLG, Entebbe, and Nansana MC) were assessed by PPDA. A draft MoU for conducting a procurement audit for all GKMA-UDP implementing entities was drafted, awaiting sign-off in July 2024.
12.	Program Baseline Survey Report	0.197	The procurement process for baseline survey consultants started late in May 2024, and the process will end by October 2024.
13.	Feasibility studies and detailed engineering designs, RAPs and ESIAAs conducted	0.219	The Accounting Officer explained that by 30 th June 2024, the design reviews would be completed for the flagship projects in Kira MC and Mukono MC. The reviews are still ongoing for the remaining seven entities and are

			expected to be completed by September 2024.
14.	Automation of the Environment Licensing and Management System.	1.400	The Accounting Officer explained that the component to be funded by the project depended on the completion of the preliminary design works on other system modules, which were being done by NEMA.
15.	Update and popularisation of regulations, guidelines, standards and policies affecting the National Environment.	0.030	The Accounting Officer explained that the implementation of the activity was affected by the delays in approval of the project implementation by the World Bank.
	Total	3.66	

Source: OAG review of budget performance reports and work plans

The Accounting Officer noted the delays and undertook to roll over the activities to the subsequent year.

Observation

The Committee observed that the major cause of the unspent balances was inefficient planning and administrative bureaucracies. As a result of the failure to absorb the available funds, program activities were not implemented.

Recommendation

The Committee recommended that the Accounting Officer strengthens internal controls, including monitoring and supervision of processes to ensure they fall within the prescribed program timelines.

Action Status

The specific activities were rolled over to FY2024/25 and fully implemented as part of the Annual work plan.

VOTE 101 - THE JUDICIARY

Query Failure to Provide Funds for Planned Activities

Audit Findings

The Audit reported that out of the approved budget of UGX 392.78Bn, the entity had total warrants amounting to UGX 362.64Bn for the year. The Audit further noted that, of the approved budget of UGX 392.78Bn for the Judiciary, UGX 362.64Bn was warranted, resulting in a shortfall of UGX 30.14Bn, representing 92% performance.

The non-released funds comprised UGX 5Bn that was meant for payments of contractual obligations incurred on projects constructed under the JLOS SWAP that were unfunded, funding to facilitate the disposal of court cases, and funding for various procurements, including motor vehicles, furniture, ICT equipment and motorcycles.

Observation

The Committee noted that failure to provide funds for activities that were budgeted negatively affected their implementation and achievement of the expected services. For instance, funding to facilitate the disposal of court cases is very significant in reducing the Judiciary's case backlog.

Recommendation

- i) Government, through the MoFPED, should warrant all the budget due to the entity to enable them to carry out activities.
- ii) The Accounting Officer should ensure that all affected activities are included in the work plan and budget for the subsequent financial year.

Action Status

- i) Quarterly Expenditure Limits for all categories of funds are approved once every quarter, depending on the revenue position of Government, approved work plans, and the prevailing macroeconomic conditions.
- ii) The activities that were affected due to the shortfall in funding were rolled over to the Financial Year 2024/25.

Query Accumulation of Domestic Arrears

Audit Findings

The Audit reported that the entity had accrued domestic arrears totalling UGX 3.862Bn in the Financial Year 2023/2024 (Rent-2.829Bn and Goods & Services-1.033Bn). Further analysis of the arrears revealed that 73% of the debts were accrued for rent, which is contractual and therefore unavoidable, and for the repair of motor vehicles, which Judicial Officers need to deliver on their mandate.

Further, the Audit reported that the Judiciary settled domestic arrears totalling UGX 0.79Bn, with no budget provision to pay them.

Section 20 (2) of the Public Finance Management Act, Cap 171, provides that a vote shall not take any credit from any local company or body unless it has no unpaid domestic arrears from a debt in the previous financial year and it has the capacity to pay the expenditure from the approved estimates as appropriated by Parliament for that financial year.

The Accounting Officer attributed the accumulation of arrears to the high costs of motor vehicle repairs and maintenance, and rent expenses for court premises across the country. The Accounting Officer further explained that despite the high operational costs, the projected funding of UGX 800Bn by the financial year 2025/26 had not yet been met, resulting in the continued accumulation of arrears.

Observation

The Committee observed that continued accrual of domestic arrears contravenes Section 20(2) of the Public Finance Management Act, Cap 171, which prohibits incurring new credit obligations in the presence of unpaid arrears from the previous financial year. This is therefore an offence as defined by the PFMA.

The Committee further noted that the Accounting Officer had paid UGX 0.790Bn in domestic arrears without a dedicated budget line. This shows the lack of commitment to control measures in place. Ideally, all domestic arrears must be verified and budgeted and the first call on the budget. Notably, 73% of the new arrears were attributed to rent (UGX 2.83Bn), a contractual obligation, and motor vehicle repairs (UGX 1.03Bn), both of which are essential for judicial service delivery.

Recommendation

The Committee strongly recommended that the Accounting Officer be held liable for the accumulation of domestic arrears and committing Government beyond appropriation.

Action Status

In the Budget Execution Circular FY 2024/25 (Ref: BPD 86/179/01), the PS/ST communicated that payment of the existing stock of arrears will be made only upon verification by an independent audit firm appointed by this Ministry. To curb further accumulation of domestic arrears, this Ministry has instituted the following measures.

- i) Sanctioning Accounting Officers for the creation of new domestic arrears by not renewing their contracts as Accounting Officers; and
- ii) Accounting Officers should not sign any new contracts without confirmation of the availability of resources. Multi-year contracts should take a first call on available resources. Accounting Officers who sign contracts without funds available will be held personally liable. Please note that the Expenditure Limits issued by this Ministry are based on available funds, not on the appropriated budget.

All Accounting Officers were reminded to submit their draft final accounts by 31st August of every year to the Accountant General's Office with duly signed certificates of outstanding commitments, with copies to the Internal Auditor General. Draft final accounts submitted without certificates of outstanding commitments will be rejected.

Query	Inadequate Disposal of Civil and Criminal Cases

Audit Findings

The Judiciary Staff Handbook 2011 provides standard times within which civil and criminal matters should be concluded. It also requires that civil suits filed in the court shall be completed and Judgments rendered no later than 24 months from the date of filing, save for suits filed under a summary procedure, which shall be concluded no later than 24 months from the date of filing. In addition, the entire criminal proceedings of a non-capital offence should take less than three (3) months. The maximum target time for the completion of capital cases should be 12 months after committal.

However, the Audit noted that not all cases were completed within the stipulated time as detailed below:

i) Civil Cases

A review of 878 case files of civil suits completed in the year 2024 revealed that 781 (89%) had been completed within the stipulated 24 months, while 97 case files (11%) took between two (2) years and 14 years to be completed.

ii) Criminal Cases

A review of a sample of 889 case files of criminal cases completed in the year 2024 revealed that 706 cases (79%) were concluded within the stipulated 12 months, while 183 cases (21%) took anywhere from one (1) year to as long as 22 years to conclude.

From an analysis of the files, it was noted that the delays in disposal of criminal cases exist at various stages in the criminal justice system, including from investigation to the delivery of justice. For instance, in several cases, the delays were due to incomplete or delayed investigations requiring the delivery of additional information even as cases proceeded to trial. Low ratio of prosecutors to magistrates necessitating case adjournments due to the absence of prosecutors and failure by key witnesses to show up on appointed dates, citing various reasons, including lack of facilitation to attend.

The Accounting Officer attributed the delays to several factors, including;

- i) The Supreme Court, not being fully constituted for the first half of FY 2023/24,
- ii) The Court of Appeal was not fully constituted for the second half of FY 2023/24 after Justices were promoted to the Supreme Court.
- iii) Increased caseload vis-à-vis the available Justices, Judges and Magistrates amidst the highly increased levels of filing,
- iv) Mismatch in the operationalisation of Magistrates' Courts vis-a-vis the other key actors in the justice chain, such as the Office of the Director of Public Prosecutions and Uganda Prisons Services.

Observation

The Committee observed that the delay in the dispensation of justice violated the constitutional rights of the accused. Article 28(1) of the 1995 Constitution guarantees a fair, speedy, and public hearing for all individuals in both civil and criminal matters.

The Committee observed that while the Constitution provides this fundamental right, its actual implementation and protection face significant challenges in practice, particularly regarding pre-trial detention and prolonged legal processes. These delays lead to denial of justice, potential remedies, including bail and dismissal of charges.

The Committee further observed that the delay in completing cases within the stipulated time was the main reason for the ever-increasing number of prisoners held on remand. For context, according to Uganda Prisons statistics, there are over 38,222 prisoners on remand throughout the country as of 30th June 2024.

Recommendation

The Accounting Officer should institute measures to expedite the disposal of cases and address the increasing number of case backlogs.

Action Status

The biggest challenge for case disposal remains the ratio of cases to judicial officers, which would require filling the structure. This requires increases in the wage, non-wage, and development budgets. The required funding, which Government had promised to meet by FY 2024/25, is UGX 800Bn but has not been achieved. The Judiciary budget for the FY 2025/26 is UGX 435Bn.

Query **Poor Performance of Plea Bargains**

Audit Findings

The Audit reviewed a limited sample of performance statistics on plea bargains in the Judiciary and observed that the overall uptake and success of the mechanism require further improvement. For instance, within the selected

court, performance ranged from 0% to 100% over the year. The table below refers.

Table 3: Performance of Plea Bargains in Selected Courts

SN	Court Name	Number of cases referred for plea bargain	Number of cases disposed of	Clearance rate (%age)
	High Court			
1	Luzira Prison	78	57	73%
2	Gulu High Court	90	0	0%
3	Lira High Court	164	30	18%
4	Mbale High Court	80	45	56%
5	Mukono High Court	320	165	52%
6	Mubende High Court	100	0	0%
7	Fort Portal HCT	150	123	82%
8	Mbarara HCT	110	80	73%
9	Kigo	50	36	72%
		1142	536	47%
	Chief Magistrate's Court/venue			
1	Luzira Prison	921	347	38%
2	Lira CM	173	173	100%
3	Mubende CM	200	151	76%
4	Fort Portal CM	162	87	54%

Source: Annual performance statistics from the Judiciary

The audit noted poor performance of the plea bargaining mechanisms that was attributed to several hindrances, including limited interpreters for suspects with language barriers, insufficient financial resources to conduct the sessions for plea bargains, limited accessibility due to lack of permanent representation from the Office of the Directorate of Public Prosecutions, resistance to adoption of plea bargains by legal officers and low awareness among inmates of the availability of, and benefits of plea bargains.

The Accounting Officer attributed the performance to insufficient budget allocation, with few plea-bargaining camps planned in the lower courts, and explained that training of judicial officers and other stakeholders is continuously carried out to ensure efficiency and effectiveness during plea-bargaining exercises. The Accounting Officer added that management would liaise with the ODPP to jointly plan plea sessions.

Observation

The Committee observed that the uptake of the Alternative Dispute Resolution (ADR) mechanism was uneven and under-optimised across court levels. Disparities in clearance rates—from 0% in Gulu and Mubende High Courts to

100% in Lira Chief Magistrate's Court—indicate the tasks at hand for the Accounting Officer.

The contributing factors, such as inadequate interpretation services for suspects with language barriers, insufficient funding for plea-bargaining sessions, and limited ODPP representation at court venues, are all administrative challenges that the Accounting Officer must address to realise the full benefit of ADR.

Recommendation

To enhance the uptake of ADR, the Accounting Officer should consider integrating ADR more formally by developing a legal framework that makes mediation a prerequisite for litigation in certain civil cases.

Action Status

The Judiciary has made significant strides in increasing the uptake of ADR as the preferred mode of dispute resolution. Plea bargaining, an ADR mechanism, allows the accused person to negotiate a charge or sentence with the prosecution in criminal matters. Since its inception in 2016, the program has made progress, but the Judiciary recognises that more efforts are needed to increase its uptake. To address this, the Judiciary has taken the following steps;

- i) Establishment of the Office of the Focal Judge: A Judge has been appointed to oversee the ADR mechanism, including the Plea Bargaining program, providing leadership, guidance, and support to the Registry.
- ii) Creation of the Alternative Dispute Resolution Registry: The Registry, established in June 2024, is responsible for coordinating the different ADR mechanisms, including Plea bargaining. Key initiatives include;
 - a) Improved reporting mechanism: A new reporting tool has been designed to track the Program's performance, including data on cases held and disposed of. This will enable better management and evaluation of the Program.
 - b) Sensitisation Drive: The Registry has embarked on a massive sensitisation campaign through Radio, Television, and Community engagements to educate the public about the benefits of Plea bargaining. This aims to increase uptake and create ambassadors for the Program.

The Registry, in partnership with the Judicial Training Institute (JTI), also conducts regular Prison visits to sensitise inmates

about the Program, address information gaps, and encourage participation.

With these initiatives, the performance of the Plea Bargaining Program has improved and will continue to do so, not only in terms of statistics but also in delivering its advantages to the justice system.

Performance extract for the Plea-Bargaining Program for the FY 2024/25

B/F	Registered	Completed			Pending	Completion Rate
	No. of Inmates enrolled	Sentenced	Opted out	Concluded	Total Pending	
0	3,157	2,163	550	2,712	511	85.90%

This report presents the plea-bargaining activities for the Financial Year 2024/25. The data encompasses cases handled by the High Court and various Chief Magistrate Courts. The data is aggregated from the High Court and Magisterial areas, including Buganda Road, Kajjansi, Gulu, Jinja, Mbale, Mbarara, Arua, Mubende, Mityana, Mukono, Nsangi, and Iganga.

Query Implementation of Projects under GoU funding

Audit Findings

To assess the performance of key construction projects, the Audit reviewed project documents for a sample of six (6) ongoing construction projects with a combined contract value of UGX 1.38Bn. The review covered contracts, progress reports, and records of site meetings as applicable.

The assessment focused on project performance in terms of project cost and timelines, and observed that all six (6) projects were behind schedule. However, none had exceeded their initial project cost. The details are summarised below;

Table 4: Construction projects that are behind schedule

S/N	Construction project	Amount paid during the year (UGX Bn)	Audit Comment
1.	Alebtong Chief Magistrate Court Contractor: Delaru Construction Limited Contract Amount: UGX 1.085Bn Amount paid to date: UGX 0.578Bn	0.121	- At the time of the audit, December 2024, the project was at the finishing stage, with approximately 80% of the work completed. - Although the construction was initially expected to be completed within one (1) year (June 2023), the project remains behind

	Contract date: 3 rd May 2022 Start date: 21 st June 2022 Original completion date: 20 th June 2023 1 st revision of completion date: 7 th November 2023 2 nd revision of completion date: 30 th November 2024		schedule despite two (2) extensions of the completion period. Progress reports highlighted financial challenges faced by the contractor, an indication of poor planning by the contractor.
2.	Abim Grade 1 Court Contractor: 3Ms Investments Limited Contract Amount: UGX 0.997Bn Amount paid to date: UGX 0.491Bn Start date: 3 rd May 2022 Expected completion date: 3 rd May 2023	0.022	- At the time of the audit, December 2024, 2.5 years after the project began, only 30% of the construction had been completed. This progress is significantly behind schedule, as the project was initially expected to be completed within one (1) year. - Although the completion date has been exceeded by more than 17 months, there is no record of a contract extension on file. - A review of the project status reports revealed that the contractor had deployed limited resources, resulting in a low level of output.
3.	Soroti High Court Contractor: Santana Construction Limited Contract Amount: UGX 1.458Bn Amount paid to date: UGX 0.797Bn Start date: 15 th May 2022 Expected Completion date: 14 th May 2023 1 st extension: 14 th July 2024	0.053	- As of December 2024, the project was still unfinished, with construction at the plastering stage. - The construction was ongoing five months after the revised completion date, indicating a delay in the project.
4.	Tororo High Court Contractor: Eleven-Steps Company Limited	0.837	By the time of the audit (December 2024), with 60% of the allotted project time elapsed, the works were at the first-floor slab

	Contract Amount: UGX 2.792Bn Amount paid to date: UGX 0.838Bn Date of contract signing: 15 th September 2023 Start date: 1 st October 2023 Expected Completion date: 30 th September 2025		shuttering stage, with only 20% of physical progress completed. This implies that the project is behind schedule and is unlikely to be completed within the allocated time frame.
5.	Lyantonde Chief Magistrate's Court Contractor: Spider Contractors Ltd Contract Amount: UGX 1.054Bn Amount paid to date: UGX 0.760Bn Start date: 3 rd May 2022 Expected Completion date: 3 rd May 2023 First extension: 2 nd December 2024	0	- By the time of the audit (December 2024), the works were at the finishing stage, with 80% of the project completed. - The construction was initially expected to be completed within one (1) year. However, the contractor was given an extension of six (6) months to 2nd December 2024. - However, despite the extension, the project is delayed.
6.	Karenga Grade 1 Court Contractor: Afro Builders & Carpentry Uganda Limited Contract Amount: UGX 1,049,230,992 Amount paid to date: UGX 717,591,290 Start date: 3 rd May 2022 Expected completion date: 3 rd May 2023 First extension: 24 th February 2024	0.349	- At the time of the audit in December 2024, the works were at the finishing stage, with 95% of the project completed. - The construction was expected to be completed within one (1) year. However, the contractor was given a 10-month extension until 24th February 2024. - The project was still ongoing, and thus, it was delayed.
	Total	1.382	

Source: Contract management records

The Accounting Officer attributed the delays to the intermittent release of funds by the Government.

Observation

The Committee observed that delays in the implementation of projects always lead to an increase in overall costs due to inflation, and sometimes to fines and penalties for breach of contractual obligations.

The Committee further noted that, due to delays in the construction of these infrastructures, the timely dispensation of justice is affected.

Recommendation

Accounting Officer should;

- i) Liaises with the Ministry of Finance to ensure the timely release of all the requisite funding.
- ii) Strengthen contract management and ensure the timely payment of interim certification for works executed by contractors.

Action Status

The current status of the Projects is as in the table below;

No.	PROJECT	CURRENT STATUS
1	Construction of Alebton g Chief Magistrate's Court.	Due to changes in prices of materials, there were delays, and the Contractor was unable to finish on time. A new contract with the Contractor is being processed for the remaining works, with completion targeted for April, 2026.
2	Construction of Abim Magistrate's Court.	- The Contract was extended to 6th January 2026. - The Contractor has registered progress on the works.
3	Construction of the Soroti High Court.	The Contract was extended to 3 rd December 2025. The progress of work is on course.
4	Construction of Tororo High Court	The Contract commenced in February, 2024. Therefore, the completion date is February, 2026. Works are at 70% and are expected to be completed by the completion date.
5	Construction of Lyantonde Chief Magistrate's Court.	Due to changes in prices of materials, there were delays, and the Contractor was unable to finish on time. A new contract to the Contractor is being processed for the remaining works for completion by April, 2026.
6	Construction of Karenga Magistrate's Court.	This was completed.

Management has put in place the following measures to strengthen contract management;

- i) The infrastructure management sub-committee was put in place and meets on a quarterly basis to review ongoing projects, assess performance, and resolve any challenges affecting the progress of work. The sub-committee also reviews proposed designs for construction projects to improve them and, in that way, minimise delays arising from variations in works.
- ii) Contract managers have been encouraged to train in the area of project management to improve their skills and knowledge.
- iii) Regular site meetings have been held with the involvement of relevant stakeholders like the Local Government officials and judicial officers to ensure effective contract management.
- iv) Monthly reporting on projects is carried out to maintain up-to-date records.
- v) Requests to the Ministry of Finance, Planning & Economic Development to avail funds to settle outstanding payments when funds are not released.

Query	Delay in Implementation of Projects under JLOS SWAP

Audit Findings

The Audit reported that the Judiciary had been carrying out construction at 14 sites comprising 11 Justice Centres and three (3) Chief Magistrate's courts using funding from the JLOS SWAP program. However, due to several challenges, including slow and unpredictable funding from the JLOS project, management had opted to fund their completion using GoU funding. Accordingly, this was included in the GoU work plan and budget.

A review of the project documents, including engineers' certificates, site reports, and correspondence on the assessment of both the physical and financial progress, revealed that all but two (2) of these projects had been completed. The remaining two delayed projects were.

- i) Kibaale Justice Centre, the contractor was terminated due to failure to perform.
- ii) Sheema Justice Centre, contracted to 3MS Investments Ltd at UGX 1.83Bn and so far UGX 1.15Bn had been paid—the start date: 28th June, 2019. At the time of the audit in December 2024, the works were at the finishing stage, with 80% of the project completed.

The construction was expected to be completed by June 2019. However, 3.5 years later, the contractor had yet to complete the structure, indicating

significant delays. Besides, there was no evidence that the contract period was formally extended.

The Accounting Officer explained that the judiciary had to continue with the construction projects initiated during the sector-wide approach budgeting period, which was replaced with program-based budgeting.

- i) Kibaale Justice Centre: management had to undertake a design review of the Court building for a Chief Magistrate's court as opposed to a Magistrate Grade 1 Court. Procurement is scheduled to commence in February 2025.
- ii) Sheema Justice Centre: The Court Building was completed and occupied. Painting works are currently ongoing at the Office of the Director of Public Prosecutions and Police Buildings.

Observation

The Committee observed that these delays reflect gaps in contract management and project oversight. The lack of formal contract extension for delayed contracts exposes the entity to financial loss due to an undue increase in overhead costs.

Recommendation

The Committee recommended that the Accounting Officer should strengthen project management and supervision to minimise delays.

Action Status

- i) Management has put in place the measures to strengthen project management. Currently, the status of projects is as follows: Kibaale Justice Centre: The Contract was signed, and the new contractor is waiting for payment of the advance to commence work. Sheema Justice Centre: The Court and the Office of the Director of Public Prosecution building were completed and occupied. The Police building is not yet complete due to the need to approve additional works, which are currently under review as they attract additional funding. External works for the site were more extensive than provided for in the original contract, hence the need for additional funds.
- ii) The PS/ST in the Budget Execution Circular FY 25/26 dated 10th July 2025 stated that the Government adopted a Framework for Tracking the Implementation and Performance of Public Investments to strengthen oversight of public investments and ensure their timely implementation. This framework requires all MDAs to adopt standardised tools and practices, such as Earned Value Management (EVM), a Quality

Performance Index (QPI), Performance-Based Contracts, Project Implementation Units (PIUs), integration with the Integrated Bank of Projects (IBP), and project certification. Managers are to ensure they possess the technical expertise necessary to manage complex projects effectively. Accounting Officers should therefore ensure full compliance with the framework, given that it is a prerequisite for continued project financing, as well as consideration of new project proposals, and to avoid the termination of underperforming projects.

Query Accumulation of Bail Funds

Audit Findings

An analysis of the refunds revealed that the percentage of bail refunds relative to the bail balance remains below 30%, with only 10% refunded in the financial year 2023/24 under review.

Cash bail is money paid to the court by accused individuals charged with criminal offences to secure their temporary release. This amount serves as security to ensure that the accused appear for all required court proceedings. The table below refers.

Table 5: Bail outstanding balance versus refund

Financial Year	Refunds (UGX Bn)	Outstanding Balance (UGX Bn)	Percentage of refund
2021/22	4.731	16.179	29%
2022/23	6.189	20.823	30%
2023/24	2.568	24.291	10%

Source: Judiciary bail Cashbooks & bank statements for FY 2023/2024

The Accounting Officer explained that the procedure for refund of bail deposits is clearly laid out in the bail guidelines mentioned in the audit observation to ensure that the owners of the money are made aware of this right and how to access their money.

The Accounting Officer added that the Judiciary had continued to sensitize the public on this right through radio and TV shows, posters at Courts, during court open days and reminding judicial officers to make these pronouncements at conclusion of cases applicants, however, some claimants lose the required documents like evidence of deposits and bond forms and are unable to claim the money while others do not want to return to court once their case is disposed of.

Observations

The Committee observed that at 10%, the refund rate was very low despite clear constitutional and procedural guidelines requiring courts to inform

accused persons of their right to a bail refund upon case disposal. The accumulation of unclaimed bail funds undermines public trust, judicial transparency, and the principle of timely restitution. The ongoing public sensitisation and awareness were not enough, as evidenced by the low refund filing rates.

Recommendation

The Accounting Officer should consider restructuring the bail refund process through digitalisation. This would reduce the long bureaucracy and other administrative delays, improve accessibility, and ensure timely restitution to litigants.

Action Status

Management has undertaken a study to determine how the digitisation of the bail refund process can be implemented, given the need for hard-copy verification to ascertain that the deposit was made, that the refund order is authentic, and that the Claimant and all submitted information are genuine. This is the first phase of the reform program, and the result of the study will inform the next cause of action.

VOTE 120 - DIRECTORATE OF CITIZENSHIP AND IMMIGRATION CONTROL

Query

Failure to Fully Implement Activities

Audit Findings

The Audit assessed the extent of implementation of activities for which funds were availed and utilised. A total of 23 outputs with 118 activities worth UGX 125.615Bn were assessed, and the following was observed.

- i) Sixteen (16) outputs with 57 activities and expenditures worth UGX 57.160Bn were fully implemented.
- ii) Seven (7) outputs with 61 activities worth UGX 68.455Bn were partially implemented. Out of 61 activities, the DCIC fully implemented 53 activities worth UGX 67.853Bn, three (3) activities worth UGX 0.225Bn were partially implemented, while two (3) activities worth UGX 0.377Bn remained unimplemented.

The activities were partially implemented despite the entity receiving and spending the funds. The partially implemented activities included construction projects and procurement of goods.

The Accounting Officer attributed the failure to procure network access drives, simple storage media for the passport office and orthopaedic wheelchairs for PWD applicants to non release of funds. On the maintenance and servicing of the Namanve DCIC Archive Centre's fire detection and suppression system, the Accounting Officer explained that the funds were redirected and used to fix staff accommodation and offices in Birinjako and Busunga border posts.

Observation

The Committee observed that the Accounting Officer diverted funds from planned activities to other activities, without the necessary authorisation. This is an offence as defined under section 77 of the PFMA. Partially implemented activities hinder the achievement of set goals/objectives within the planned timelines.

Recommendations

The Committee recommended that the Accounting Officer be held liable for partial implementation of the approved work plan and diversion of funds in accordance with Section 77 of the PFMA.

Action Status

In the Budget Execution Circulars, the PS/ST has continuously guided Accounting Officers to adhere to approved work plans and budgets to minimise distortions during budget execution and uphold budget credibility.

The un-implemented activities were carried out in the subsequent Financial Years.

Query

Activities that were Not Implemented

Audit Findings

In addition, the Audit noted that the Directorate did not implement three (3) activities within the financial year. These activities included the renovation of Nakabat border offices, the procurement of uniforms for Drivers, and the renovation of Lia staff quarters.

The Accounting Officer explained that the renovations were not carried out because the required funds had not been released.

Observation

The Committee noted that the Accounting Officer abandoned the planned activity of renovation and instead initiated the process of titling the land without revising his work plan as required. Non-implementation of the work plan, as approved, distorts planning and curtails the achievement of planned outputs, thereby impacting service delivery.

Recommendation	
i) The Accounting Officer should be held liable for the non-implementation of activities as approved in the work plan. ii) The Ministry of Finance should always ensure adequate release of funds as per the approved budget.	
Action Status	
Quarterly Expenditure Limits for all categories of funds are approved once every quarter, depending on the revenue position of Government, approved work plans, and the prevailing macroeconomic conditions. The renovations were carried out in FY 2024/25.	
Query	Ineffective Management of Short-term Stay – Visitor’s Pass
Audit Findings The Audit reported that, whereas visitors’ pass extensions are routinely granted, the process remains largely manual. Immigration officers stamp the extension directly into the traveller’s passport. The Audit noted particularly that; i) At the headquarters, records of extensions are maintained, and applications for extensions are later uploaded onto the e-immigration system where feasible. However, this manual process creates discrepancies, as the upload date on the system may differ from the actual date the extension was granted. ii) On the PISCES system used at border posts, the process is also manual, and the Audit could not confirm whether records of extensions are consistently maintained at all border points. The manual process for extending visitors’ passes and discrepancies between the system upload date and the actual extension date heighten the risk of inaccurate record-keeping, complicating the effective tracking of extensions to enforce immigration laws. The Accounting Officer explained that they had developed an online visa extension portal, www.extendvisa.immigration.go.ug, to address the manual handling of visa extensions.	

Observation

The Committee noted that the online visa extension portal, www.extendvisa.immigration.go.ug, was indeed working. However, many visitors, including Ugandans, were not aware of the online services, and therefore, there is a need for sensitisation. The Committee noted that many visitors had overstayed their visas, and some have engaged in unauthorised small businesses, including asylum seekers/refugees, to the disadvantage of Ugandans.

Recommendation

The Accounting Officer was advised to;

- i) Sensitise the public/visitors on the visa extension website.
- ii) Ensure that the law is enforced to eliminate illegal entry and stay in the country.

Action Status

All visitors are being sensitised on the validity of their stay and the need to extend where needed.

The e-immigration system has been enhanced and automated the re-entry passes, thus enabling better tracking of holders of these passes.

Query**Ineffective Management of Long-Term****Audit Findings**

The immigration laws provide for multiple-entry visas and other entry permits with durations ranging from six (6) to 36 months. The Audit reported that the internal audit had, however, noted that there was no policy in place to specify the following:

i) Multiple entry Visas

It was noted that there was no specification of a traveller's duration in Uganda for each visit under a multiple-entry visa. This oversight had led to cases in which individuals on multiple-entry visas remained in the country for up to 24 months without leaving.

ii) Other Entry Permits / Certificates of Residence

The Audit noted that the DCIC was not issuing re-entry passes, which presents a risk. Holders of permits and residence certificates may leave the country for extended periods and return only to renew their permits or acquire citizenship, circumventing the intended residency requirements.

According to Immigration Regulation 11, a re-entry pass should be issued with an explicit limitation on the duration for which the pass holder can re-enter Uganda. Additionally, one of the requirements for acquiring Ugandan citizenship by registration is that the individual must have legally and voluntarily migrated to Uganda and resided there for at least 10 years.

The Accounting Officer noted that the visa policy was being reviewed to improve the management of these entry facilities. The policy would also include the issuance of a visitor's pass and how it can be incorporated into the existing system.

Observation

The Committee noted a delay in the review of Uganda's visa policy. As a result, Uganda has continued to grapple with refugee influx from neighbouring countries and the resultant challenge of managing their integration into Ugandan communities.

Without clear limitations, there is a risk that individuals could stay in the country longer than intended, undermining the integrity of visa and residency regulations. It could also result in acquiring citizenship without meeting all requirements.

Recommendation

The Committee recommended that the Accounting Officer expedites the development and implementation of a comprehensive policy for issuing entry passes and visas to address the identified risks.

Action Status

Management is reviewing the draft visa policy to improve the management of these entry facilities. The draft policy includes the issuance of re-entry passes and their incorporation into the existing system.

The e-immigration system has been enhanced to automate re-entry passes, enabling better tracking of pass holders.

Query

Lack of structured IT Policies and Framework

Audit Findings

The Audit reviewed the policies in place by the Directorate to manage data and information systems and observed that the institution lacked the following guidelines;

- i) An IT risk management policy: it was observed that DCIC had yet to finalise the development of an IT risk management policy as the draft was yet to be approved by management. Without a risk management

policy, DCIC may not effectively identify, assess and mitigate risks associated with information systems.	
ii)	An IT change management/incident response policy: This is key for managing changes to IT systems to minimise disruptions and risks. As a result, documentation of IT issues and changes made to address IT disruptions was not consistently maintained.
iii)	An IT data governance policy framework: This ensures that the data collected by DCIC is consistent, of high quality, secure, is used responsibly, and complies with all applicable regulations. Data collected on multiple IT systems is at risk of being inconsistent, incomplete, and, in some cases, accessed by unauthorised individuals without proper guidelines.
iv)	Backup and disaster recovery/business continuity policy: This is essential in ensuring the availability and integrity of data and systems in case of system failures, cyberattacks, or natural disasters. Whereas DCIC implements data backups, the lack of system backups and automated recovery mechanisms exposes the institution to frequent system disruptions and delays in restoring operations.
Observation	
The Committee observed that the Directorate had delayed the effective development and deployment of a robust IT system for managing immigration controls, exposing the Directorate to cyber insecurities, including hacking. IT services can significantly enhance the efficiency and security of Ugandan immigration processes.	
By implementing online application portals, digitising records, and automating tasks, IT can streamline visa and passport processing, improve border control, and enhance data management.	
Recommendation	
The Accounting Officer was advised, as a matter of priority, to expedite the implementation of all essential IT policies and guidelines within 12 months of the adoption of this report by Parliament.	
Action Status	
NCIC has developed and approved an ICT policy. The Policy addresses all the highlighted issues in the report.	
Query	Absence of key roles in the Staffing Structures
Audit Findings	
The Audit reported that the approved structure for the DCIC by the Ministry of Public Service did not include key positions, such as Principal Accountant,	

Head of Internal Audit, and Human Resources. However, DCIC had maintained dedicated staff in these roles to maintain financial accountability and support human resource functions and governance through internal auditing processes.

The Accounting Officer explained that although DCIC had requested the Ministry of Public Service (MoPS) to include, in the structure, the positions for heads of units for accounts, procurement, Internal Audit, and planning, MoPS had not included these units in the approved structure of DCIC.

Observation

The Committee noted that these positions were crucial to eliminating operational disruptions and delays. It could help streamline transparency in financial operations and detect and address internal control weaknesses in a timely manner. The failure to provide for these units may stifle the implementation of the requirements under section 48 of the PFMA, sections 24 and 25 of the PPDA Act, and Paragraph 7.3.1 of Treasury Instructions 2017.

Recommendation

The Committee recommended that the Accounting Officer liaise with the Ministry of Public Service to review the DCIC's approved structure to include all key missing positions to address the likely risks of their exclusion.

Action Status

DCIC is engaging the Ministry of Public Service to provide for the staff and support units of Accounts, Procurement, Internal Audit and planning as provided in the following laws.

Section 43 (2) of the PFMA states that an Accounting Officer shall, in respect of all resources and transactions of a vote, put in place effective systems of risk management, internal control, and internal audit. Section 46 of the PFMA, Cap. 171 requires every vote to have an internal auditor. Instruction 7.3.1 of the Treasury Instructions 2017 requires that every vote shall have a Head of Finance and Accounts. Section 26 of the PPDA Act, Cap. 205 requires every Procurement and Disposal Entity to have a procurement and disposal unit.

VOTE 133 - OFFICE OF THE DIRECTOR PUBLIC PROSECUTIONS

Query Failure to Fully Implement Activities

Audit Findings

The Audit reported that the entity had an approved budget of UGX 92.47Bn, out of which total warrants for the year amounted to UGX 83.83Bn.

The Audit further noted that of the approved budget of UGX 92.47Bn, out of which UGX 83.83Bn was warranted, the entity had a shortfall of UGX 8.64Bn, representing a 91% performance. As a result, 13 activities were partially funded or not funded at all.

This included employee gratuity, classified activities (0.336), Procurement of fuel/lubricants for motor-vehicles (0.457), Procurement of ICT hardware (nine CCTV cameras, one Biometric Attendance System, among others).

The Accounting Officer explained that, because of the non-release of funds, activities such as the purchase of furniture and the construction of field offices in Patongo and Oyam were rolled over to the next budget.

Observation

The Committee noted that failure to provide funds for budgeted activities negatively affected the implementation and achievement of the outputs.

For instance, the non-construction of field offices in Patongo and Oyam and residential accommodation in Ntungamo hinders grassroots access to justice in these areas, failure to settle membership dues to various professional bodies led to non-renewal of registration of the ODPP with the National Data Protection Office, while failure to procure ICT licenses and upgrade of the server exposes the ODPP to data corruption.

Recommendation

- i) The Ministry of Finance should warrant all the approved budgets to the entity to enable implementation of the services.
- ii) The Accounting Officer should ensure that all affected activities are budgeted for in the subsequent financial year.

Action Status

- i) In the Budget Execution Circular FY 2023/24 Ref: BPD 86/179/01, the PS/ST guided that the Ministry of Finance, Planning and Economic Development issues Quarterly Expenditure Limits for all categories of funds once every quarter, depending on the revenue position of Government, approved work plans, and the prevailing macroeconomic conditions.
- ii) Update on affected Activities

Activities/ Purpose	Amount not warranted (UGX Bn)	Audit Comment	Response/Action taken
Employee gratuity	0.120	The need to pay employee gratuity did not arise as the ODPP did not have contract staff entitled to gratuity during the year. Therefore, the non-release did not have an impact.	The Funds were returned to the Consolidated Fund following the non-renewal of the contract for the two staff who were being employed on contract terms. In the FY 2024/25, the budget item had only UGX 627,577 meant for one driver who was on a local service contract; however, his contract was not renewed either.
Classified activities	0.336	The non-release of funds for classified activities impacted their implementation.	The non-implementation of some activities was largely due to the non-release of funds as per the appropriated budget. The prosecutorial activities are recurrent in nature, and

			these were rolled over and implemented in the subsequent financial year.
Procurement of fuel/lubricants for motor vehicles	0.457	The non-release of funds for fuel impacted the extent of implementation of field activities that require fuel, including investigations and prosecutions.	The budget for fuel and the purchase of Lubricants for motor vehicles was rolled over to the subsequent financial year.
Procurement of ICT hardware and software. The ICT hardware included: nine CCTV cameras, one Biometric Attendance System, and one FHD video camera. The ICT software included: 20 ICT Infrastructure licenses and an upgrade of the Server Operating System from Windows Data Centre 2012 to Windows Server 2022 Data Centre Edition (Training inclusive)	0.772	- The monitoring of attendance of ODPP staff in the field offices was impacted, while the risks of security to the offices were not addressed. - Failure to procure ICT licenses and upgrade the server exposes the ODPP to data corruption.	The activities relating to procurement, maintenance of ICT equipment, the Biometric Attendance System, and software needs were rolled over and implemented in the subsequent financial year. The MoFPED in the second budget call circular provided additional funding, and the budget for security was increased to cater for security needs for all our field offices.
Purchase of motor-vehicles	1.507	As a result of the non-release, seven (7) motor vehicles were not procured.	The purchase of vehicles was rolled over, and consequently, the vehicles were procured in FY 2024/2025.
Procurement of office equipment, furniture and fittings	1.197	As a result, items of office furniture and equipment were not procured	The activities relating to the procurement of furniture and fittings were rolled over and procured in the subsequent Financial Year 2024/ 2025.
Procurement of guard and security services	0.490	This limited the number of guards that could be hired and deployed at the various regional offices of the ODPP.	The non-implementation of some activities was largely due to the non-release of funds as per the appropriated budget. However, these were rolled over to the current FY.
Maintenance of motor vehicles	1.000	The non-release of funds affected the planned maintenance of the	The activities relating to maintenance of ICT equipment, purchase of vehicles and furniture were

			motor vehicles of the entity during the year.	rolled over and procurements done in FY 2024/2025.
	Membership dues and subscription fees	0.116	- The funds were intended to settle membership dues to various professional bodies. - As a result of the non-release, the renewal of registration of the ODPP with the National Data Protection Office was not done.	The non-implementation was largely due to the non-release of funds as per the appropriated budget. The affected activities were rolled over.
	Payment of rent expenses	0.641	The non-release of funds had no impact, as no rent arrears were accumulated.	
	Construction of field offices in Patongo and Oyam and residential accommodation in Ntungamo.	0.800	- As a result of the non-release of funds, ODPP did not construct the planned field offices. - Non-construction hinders grassroots access to justice in these areas.	The construction of field offices in Patongo and Oyam was rolled over to the subsequent Financial Year. Currently, construction of the offices is ongoing. The land given to ODPP by Ntungamo District Council for the construction of a residence was contested. The construction of the RSA Residence was therefore called off.
	Maintenance of machinery & equipment	0.313	These were funds meant for the maintenance of computers and computer accessories. The non-release resulted in non-adherence to the maintenance schedules for the entity's computers.	The failure to implement the activity fully was due to the non-release of funds as per the appropriated budget. Maintenance of Machinery and equipment was rolled over to the subsequent financial year.
	Others	0.888	These funds were meant for medical expenses, small office equipment, and systems' recurrent costs, among others.	The non-implementation of some activities was largely due to the non-release of funds as per the appropriated budget. The activities were rolled over to the current FY.

Query	Failure to Carry out a Mid-term Review of the Strategic Plan
Audit Findings The Audit reviewed the ODPP's activities during the year and found that the mid-term review of the Strategic Plan was not conducted. In addition, this activity was not prioritised in the 2023/24 budget under review or in the subsequent 2024/25 financial year. Paragraph 8.1.2 of the third Strategic Plan of the ODPP provides that the ODPP shall carry out a mid-term review in the FY 2023/24. The mid-term review aimed to provide an opportunity for the ODPP to review performance halfway through implementation and suggest necessary adjustments to keep the institution on course in meeting the overall targets of the Strategic Plan. The Accounting Officer explained that the external mid-term review by independent evaluators was not conducted due to a lack of funds to hire consultants. However, in-house strategic plan progress implementation evaluation was done on a quarterly and annual basis. Further, the procurement of an independent evaluator to undertake the end-of-term evaluation of the strategic plan was at contract signing, and the findings from this evaluation would guide the development of Strategic Plan IV. Observation The Committee observed that the failure to budget for the mid-term review was not only contrary to Paragraph 8.1.2 of the third strategic plan but also negligent on the part of the Accounting Officer. The Committee therefore finds the Accounting Officer's explanation for the non-release of funds misleading, as no funds can be released without a budget provision. The Committee further noted that failure to conduct the mid-term review of the Strategic Plan implies that any issues or gaps in performance by the ODPP may go unnoticed, potentially hindering the overall achievement of the Strategic Plan's overall goals.	
Recommendation	
The Committee recommended that the Accounting Officer prioritise the mid-term review of the Strategic plan and budget for the subsequent financial year.	
Action Status	
The independent mid-term review by independent evaluators was not done due to a lack of funds to secure consultancy services to undertake that activity. However, in-house Strategic Plan progress and implementation evaluation were conducted on a quarterly and annual basis.	

Procurement of an independent evaluator to undertake the end-of-term evaluation of the Strategic Plan was completed, and a report is in place. The findings from this evaluation informed the development of Strategic Plan IV, which was launched on 16th October 2025.

Query	Audit of the Prosecution Case Management Information Systems
Audit Findings Under the Assistance to Prosecution project, the ODPP acquired and launched an electronic prosecution case management information system (PROCAMIS) in October 2016 to monitor and track the performance of the ODPP in executing its core mandate of prosecution of criminal matters. At the closure of the Fourth Strategic Plan, it had been rolled out to 30 out of the 148 offices. The Fifth Strategic Plan underscored the need to extend PROCAMIS to all offices to realise this intervention's full impact. The Audit reviewed the system's implementation and revealed a delayed rollout. The Second Strategic Plan showed that by the end of the previous strategic plan, 30 ODPP offices were connected to PROCAMIS, representing 21% of all sites. It was also noted that, under Paragraph 1.7(1) of the Retooling of the Office of the Director of Public Prosecutions Project Profile, the ODPP intends to roll out PROCAMIS to all 148 operational offices. Under the Third Strategic Plan, the ODPP is expected to roll out PROCAMIS from the existing 30 stations to an additional 69 stations. Consequently, by the end of 2023/24, 39 of these stations should have been enrolled on PROCAMIS, that is, 2021/22 (12), 2022/23 (12) and 2023/24 (15). However, the Audit reported that as of 30th June 2024, only 45 stations (including the headquarters) were rolled on PROCAMIS, meaning that PROCAMIS had been rolled out to only 14 of the planned 39 additional stations/offices during the three (3) financial years. The Accounting Officer explained that only 49 of the 148 stations are connected to the Internet and thus, eligible for PROCAMIS connectivity, implying that only 33% of the ODPP offices can use PROCAMIS. The Accounting Officer noted ODPP doesn't have funding for private Internet Service Providers (ISPs) and that they had submitted the list of all offices without Internet services to NITA-U for consideration.	

Observation

The committee observed that while the ODPP had made incremental progress in rolling out PROCAMIS, a 35% performance was below the average of the desired target. The Committee also noted a lack of a plan by the Accounting Officer to address the challenge of limited internet connectivity, which was available in only 33% of offices at the time of reporting.

The Committee further noted that ODDP had delayed seeking NITA-U's support to address the internet connectivity challenge. Additionally, the expansion of ODPP offices beyond initial projections has compounded implementation difficulties. Without adequate funding and coordinated support from NITA-U, the full realisation of PROCAMIS remains at risk.

Recommendation

- i) The Accounting Officer should budget for funds to acquire the necessary support infrastructure so as to accelerate and expand the rollout of PROCAMIS.
- ii) ODPP should liaise with NITA-U to expedite Internet connectivity in unserved offices to enable more connectivity to PROCAMIS.

Action Status

ODPP is in the process of recruiting nine (9) Information and Technology Officers to support the rollout and implementation of the PROCAMIS. The interviews are ongoing in the Public Service Commission.

ODPP does not have funding for private Internet Service Providers (ISPs) but has budgeted for procurement of software, WAN switches Routers, cabling and Computers to ensure that more stations can use PROCAMIS, and continue to engage NITA-U to extend the National Backbone Infrastructure.

The non-release of funds continues to affect the roll-out of PROCAMIS, staff training in its use, and the purchase of ICT equipment necessary for PROCAMIS implementation.

Query Lack of a Disaster Recovery Strategy And Plan**Audit Findings**

The Audit reviewed the ODPP's 10-month PROCAMIS maintenance and support performance and reported that the ODPP lacked a disaster recovery strategy and plan. The Integrated Software Specialists (the company charged with maintaining PROCAMIS) presented a cloud backup solution to the ODPP management to mitigate disaster recovery concerns. However, no progress had been made in implementing the recommendation.

The Accounting Officer agreed with the Audit finding and submitted that the hosting requirements for PROCAMIS had been updated and re-submitted to

NITA-U, which is currently upgrading its cloud data centre and would provide both hosting services and disaster recovery services for PROCAMIS.

Observation

The committee observed that the failure to implement the recommendation from the integrated software specialist was negligent on the part of the Accounting Officer. This omission exposed the system to significant operational risks. Equally, the lack of a disaster recovery strategy for PROCAMIS leaves the system vulnerable to potential disruptions.

Recommendations

The Committee recommended that the Accounting Officer implement the integrated software specialist's recommendations to safeguard the system against potential risks and disruptions.

Action Status

The hosting requirements for PROCAMIS were updated and resubmitted to NITA-U. NITA-U is currently upgrading its cloud data centre and will provide both hosting services and disaster recovery services for PROCAMIS. A draft disaster recovery plan is in place, pending approvals.

Query **Delayed Data Mapping with other key JLOS Institutions**

Audit Findings

ODPP outlined in its fifth (5) Strategic Plan, plans to use the PROCAMIS to capture, store, and update records about suspects and details of case proceedings online. However, a review of the PROCAMIS maintenance and support performance report revealed data mapping challenges between the key JLOS institutions, including the Police, Judiciary and Prisons.

For instance, PROCAMIS cannot seamlessly interface with the ECCMIS system of the Judiciary, the Crime Management Systems of the Uganda Police and the Prisons Management System. In the case of the ECCMIS system, the interface created by the consultant to enable this integration was incompatible with PROCAMIS.

The Accounting Officer explained that the integration of PROCAMIS and other systems, such as ECCMIS, encountered challenges due to incompatibility. However, the JLOS Secretariat is developing the data exchange protocols for all Access to Justice Institutions' Information Systems before the actual integration is done.

Observation

The Committee observed that the delayed integration of PROCAMIS and other systems, such as ECCMIS, hinders essential case management functions, including court scheduling and ODPP reporting.

The ability to collect real-time data from all these institutions is essential for accurate reporting on both suspects and case proceedings, as planned.	
Recommendation	
The Committee recommends that the Accounting Officer liaises with the JLOS Secretariat to ensure the integration of PROCAMIS to all stakeholders.	
Action Status	
The JLOS Secretariat and the Uganda Bureau of Statistics (UBOS) are developing data exchange protocols for all Access to Justice Institutions' Information systems to enable the integration of PROCAMIS and other systems in the criminal justice sector.	
The process is at the level of mapping the penal code to the International Classification of Crime for Statistics Purposes (ICCS) standards.	
Query	Failure to Migrate Staff onto the Human Capital Management System
Audit Findings	
The Audit reviewed the payroll in the ODPP and revealed that in June 2024, the processing of general staff salaries was migrated from the IPPS to the HCM. However, as of June 2024, 118 staff with a total base salary of UGX 878.33Mn had not been migrated to the HCM. Consequently, salaries for 188 staff were processed in the IPPS rather than the HCM.	
The Accounting Officer acknowledged there were delays in migrating staff to HCM. She noted that by September 2024, all ODPP active staff information details had been effectively migrated to HCM.	
Observation	
The Committee observed that continued reliance on the outdated IPPS system for 188 staff posed a risk to data integrity, which can undermine accuracy in the payroll. While the Accounting Officer confirmed full migration by September 2024 and committed to ongoing monitoring, the initial delay highlights weak adherence to policy requirements.	
Recommendation	
The Committee recommended that the Accounting Officer ensure full migration of staff onto the HCM by strengthening internal controls and monitoring mechanisms.	
Action Status	
The Office of the Director of Public Prosecutions was migrated to the Human Capital Management System in May 2024.	
Following the migration, a total of twenty-six (26) pensioners were not migrated, and they were being paid off the system.	

However, twelve (12) have since been migrated to the HCM System, and fourteen (14) files are still pending with the Ministry of Public Service. The entity continues to seek assistance in resolving the issues affecting their migration by engaging MoPS, as per the letter dated 26th August, 2025, from the Director of Public Prosecutions to the Permanent Secretary, Ministry of Public Service.

Query	Variances between the Approved Establishment and the Filled Positions

Audit Findings

The Accounting Officer reported that the ODPP had various directorates and departments with a total approved establishment of 1,482 staff. Of these, 577 positions were filled, and 905 were vacant. Key among the vacant positions was the Deputy Director of Public Prosecutions in charge of Prosecutions.

Section A-c (3) of the Uganda Public Standing Orders, 2021 provides that appointment in the public service shall be subject to the availability of a vacancy in the approved staff establishment and funds in the approved estimates.

The Accounting Officer acknowledged the concerns and explained that management has continued to engage the Public Service Commission and the Ministry of Public Service to fill the vacant positions within the available funds. The Accounting Officer undertook to continue engaging the Ministry of Finance and Parliament to provide additional wage funds to enable ODPP fill the critical vacant positions.

Observation

The Committee observed that inadequate staffing in the ODDP undermines the dispensation of justice to Ugandans. As noted earlier, the inefficiency in the ODPP ends up affecting the delivery of services in the wider JLOS sector, as their services are interdependent. This significant staffing gap undermines operational efficiency and service delivery. While management has engaged relevant authorities to address the issue, the continued shortfall highlights the need for more proactive and coordinated efforts.

Recommendation

The Committee recommended that, to enhance access to justice, Government, through the Ministry of Finance, should provide the wage budget to ensure the recruitment of critical staff by the Public Service Commission.

Action Status

Management continues to engage the Public Service Commission and the Ministry of Public Service for support to fill the vacant positions within the available funds.

Management has continued to engage the MoFPED and MoPS to provide additional funding to enable the ODPP to fill critical vacant positions.

The current staff establishment is 40.3%. All Deputy Director of Public Prosecutions positions have since been filled.

The ODPP has continued to engage the Ministry of Public Service and the Public Service Commission to have the vacant positions filled, and has written to the Ministry of Finance, Planning and Economic Development requesting additional wages to facilitate the filling of vacant positions. Vacant positions were forwarded to the Public Service Commission for appropriate action.

**VOTE 135 - DIRECTORATE OF GOVERNMENT ANALYTICAL
LABORATORY**
Query**Budget Shortfall****Audit Findings**

The entity had an approved budget of UGX 42.82Bn, out of which UGX 30.49Bn was warranted, resulting in a shortfall of UGX 12.33Bn, representing a 71.2% performance.

The UGX 12.33Bn that was not warranted affected unfunded and partially funded activities, including the acquisition of modern scientific analytical laboratory equipment, the construction of the DNA database building, and the procurement of a firewall, software, desktops, printers, and biometric systems. Failure to provide funds for activities that were budgeted for negatively affected their implementation and achievement of the expected services.

The Accounting Officer explained that he had reprioritised the budget for some activities in the FY 2024/25 budget, and that their implementation was currently underway. Other activities would be prioritised in the subsequent planning and budgeting cycle of FY 2025/26.

Recommendation	
The Accounting Officer was advised to reprioritise the budgeting and implementation of the above activities in the subsequent planning and budgeting cycle, if they remain relevant to achieving the institution's overall objectives.	
Action Status	
The activities remain highly relevant to the institution's overall objectives. In the subsequent planning and budgeting cycle for FY 2024/25, priority was given to activities that were unfunded or partially funded in FY 2023/24. The construction of the National DNA Databank is progressing, with the first phase successfully completed.	
Query	Unutilised Warrants
Audit Findings DGAL had total warrants of UGX 30.49Bn, out of which warrants worth UGX 28.12Bn had been utilised by the close of the financial year. The balance of UGX 2.37Bn was meant to pay gratuity, staff salaries, and pension. Unutilised funds relating to property rates may lead to the accumulation of domestic arrears of the Government. The unutilised funds relating to salary and pension denied other entities funds. The Accounting Officer is committed to utilising all warranted funds promptly to achieve the intended service objectives. The recruitment of Senior Laboratory Technicians and Laboratory Technicians was planned for FY 2024/25, and the Ministry of Internal Affairs submitted a request to the Ministry of Public Service for clearance to recruit additional staff for DGAL. With the recruitment of additional staff at the entity, there will be increased absorption of warranted funds for wages. The Accounting Officer further explained that there was an overestimation of the Gratuity and Pension figures for the FY 2023/24 budget, which has since been rectified. In addition, the Accounting Officer submitted that management would continue to prioritise the payment of property rates in the FY 2024/25 to avoid any accumulation of domestic arrears.	
Recommendation	
The Accounting Officer was advised to ensure that all funds warranted in the future are promptly utilised to achieve the intended service.	

Action Status	
i) In FY 2024/25, the Government Analytical Laboratory successfully recruited seven (7) Laboratory Technicians and six (6) Senior Laboratory Technicians, resulting in an improved wage budget absorption of 80.1%. In line with the Recruitment Plan for FY 2025/26, additional recruitments are planned to optimise further the utilisation of funds earmarked for wages. DGAL reaffirms its commitment to ensuring that all warranted funds are promptly and effectively utilised to achieve the intended service objectives in subsequent financial years. ii) The overestimation of gratuity and pension figures in the FY 2023/24 budget was an anomaly and has since been corrected in the planning and budgeting for FY 2024/2025. Furthermore, payments for property rates have been prioritised, and no arrears have accumulated in FY 2024/25, reflecting enhanced financial discipline and effective budget execution.	
Query	Failure to Fully Implement Funds
Audit Findings Five (5) activities were partially implemented, even though the funds required to implement them were released. I noted that; i) Whereas funds were released for phase one of the construction of the National DNA databank infrastructure building, only excavation works were ongoing at the time of the audit (in October 2024). ii) The release funds were sufficient for analysing 160 new cases, but only 116 new cases were analysed. iii) Similarly, funds were released to maintain, service, and calibrate 20 laboratory instruments. However, only 11 were maintained or serviced. The partial implementation of planned activities may indicate inefficiency on the part of management. The partial implementation of the construction may result in delays in completing the project and cost overruns. The partial analysis and disposal of received cases may result in the accumulation of backlogs and the delay in delivering justice.	
Recommendation	
The Accounting Officer was advised to always ensure that planned activities are implemented within the allocated time frames.	
Action Status	
The construction of the National DNA Databank is progressing well, with the first phase completed. Additionally, the estimation of new cases received at the laboratory has been refined based on a medium-term trend analysis, enabling	

the Directorate to fully implement case analyses in line with established targets.

Query	Delayed Implementation of the Contract for the Construction of the DNA Data Bank

Audit Findings

DGAL entered into a contract with M/S SMS Contractors for the multi-year construction of a DNA Data Bank Building at the DGAL premises at a contract price of UGX 103Bn. The construction is to be implemented in phases over 5 years. The project design and supervision contract was signed in 2020, while the construction works contract was signed on 11th November 2022.

The review of the status of the construction revealed the following;

- i) According to the special conditions of the contract, the construction works period was agreed at 156 weeks from the contract date until 2026. However, at the time of inspection on 20th September, i.e., 97 weeks (62%) into the contract period, the audit noted that no significant work had been carried out on-site except for the excavation of the basement, which was still ongoing.
- ii) Special condition of the contract GCC 18.1 provided that insurance cover shall be catered for by the contractor, and it should be in the names of the entity/client and the contractor. The insurance cover shall be 110% of the contract value. Contrary to the above, the audit was not provided with evidence of the insurance coverage.
- iii) According to the Bills of Quantities (BoQs), preliminary activities included the purchase of two brand new double-cabin pickups at UGX 450Mn to ease site supervision and management. None of these was at the site, nor was the audit provided with evidence that these were bought, despite UGX 11.3Bn having been paid to the contractor.

The partial implementation of construction may result in further delays in completing the project and cost overruns.

The Accounting Officer explained that, despite the release of UGX 11.3Bn during the FY 2023/24, the non-release of UGX 4.37Bn for the construction significantly impacted the progress of planned construction activities, including several critical tasks that remain incomplete. However, the construction has been prioritised in the budgeting and implementation plan for the FY 2024/25; the budgeted funds were fully released by the second quarter of the financial year.

Recommendation

The Accounting Officer was advised to implement corrective measures to ensure the project is back on track.

Action Status	
The construction of the National DNA Databank is progressing steadily, with the first phase completed. The Government Analytical Laboratory has also intensified efforts to advocate for the timely release of funds for activities outlined in the approved work plans and budgets, in collaboration with the Ministry of Finance, Planning and Economic Development, to ensure smooth implementation and attainment of institutional objectives. To keep the project on track, corrective measures have been implemented to address earlier challenges, ensuring it continues to advance as planned. Some of these measures include liaising with MoFPED to ensure the timely release of funds, strengthening project contracting and management, project supervision, and contractor performance through regular meetings and reviews, optimising resources, conducting risk assessments with contingency plans, enhancing stakeholder coordination, and implementing robust monitoring and evaluation.	
Query	Expiration of Case Backlog Reduction Strategy
Audit Findings The Directorate of Government Analytical Laboratories is mandated to provide a wide range of general scientific-analytical, forensic, and advisory services that facilitate effective legal proceedings, ensuring fair justice and safeguarding people's and environmental health and safety. To effectively perform this mandate, the entity developed a five-year Case Backlog Reduction Strategy (CBRS) running from July 2018 to June 2023 to guide the prioritisation of case backlog and the management of new cases. The strategy focused on stabilising and sustaining a culture of timely case management practice, with a commitment to having new cases analysed and reported within three months (90 days) of receipt. The audit noted that this strategy expired on 30th June 2023, and the entity currently has no approved CBRS in place. The expiration of the CBRS poses several risks to effective case management and organisational efficiency, including increased case backlogs, unclear priorities, targets, and timelines, leading to misallocated resources and increased legal and compliance risks due to delays in case management. The Accounting Officer explained that the expired Case Backlog Reduction Strategy was reviewed, which identified several important lessons. As a result, the development of a new and updated Case Backlog Reduction Strategy has been prioritised and budgeted for in the financial year 2024/25.	

Recommendation	
The Accounting Officer was advised to initiate a new, updated strategy focused on case backlog management, incorporating lessons learned from the previous CBRS.	
Action Status	
DGAL developed the Case Backlog Reduction Strategy (CBRS) for July 2018 – June 2023, themed “Clearance of Forensic Case Backlog to Enhance DGAL’s Efficiency and Effectiveness, which was formally approved by the Ministry of Internal Affairs Senior Management and endorsed by the wider Justice, Law and Order Sector (JLOS) stakeholders. The case backlog strategy, which commenced in FY 2018/19, targeted 75% cumulative backlog clearance as of June 2020 and 100% as of June 2021. It was built for DGAL to provide timely, high-quality services that meet the needs of our diverse clientele across the justice system and public health and safety domains. A comprehensive review of the Case Backlog Reduction Strategy (CBRS) was conducted in FY 2023/24, during which key lessons and recommendations were documented. The review revealed a significant cumulative reduction in the case backlog of 70.5%. Building on this progress, a new Case Backlog Reduction Strategy (FY 2024/25–2029/30) was developed in FY 2024/25 in alignment with the National Development Plan IV and the GAL Strategic Plan (FY 2024/25–2029/30), with the overarching goal of eliminating forensic case backlog at the Government Analytical Laboratory by 2030.	
Query	Delayed Processing of Cases
Audit Findings	
The analysis of the case distribution load by laboratory category revealed that the most affected laboratories with pending investigations of cases received during the year were forensic biology, toxicology and questioned documents. Data analysis indicates a mixed performance across various Laboratories. For example, questioned laboratory documents had an average case performance of 34%, forensic biology had an average performance of 47%, and pesticide residue and firearms had 71% and 78%, respectively. All of the above laboratories experienced increased backlogs, with performance percentages below 80%. This implies that DGAL is not meeting the set target of completing analysis and reporting on received cases within a turnaround time of 90 days for some cases.	

Overall, the total performance stands at 68%, which implies that, whereas some Laboratories/divisions are performing well, the overall backlog situation still requires attention.

The Accounting Officer explained that steps will be taken by management to address the issue as follows;

- i) Prioritisation on increasing and lobbying for additional resources from the Government of Uganda for laboratories with significant backlogs, particularly Forensic Biology and Chemical and Microbiology, to help manage case volume more effectively.
- ii) Review of workflow processes in Laboratories/Divisions experiencing increased backlogs. This will be conducted to identify bottlenecks and enable the implementation of strategies for streamlining operations.
- iii) Targeted training programs will be provided for staff in Laboratories with lower performance percentages to enhance efficiency and case-handling skills.
- iv) A regular performance review system will be established across all divisions to monitor case handling and backlogs and ensure that they are kept at a manageable level.

Recommendation

The accounting officer was advised to formally document these initiatives, set measurable targets, and integrate them into staff performance appraisal processes to ensure effective implementation and accountability.

Action Status

Management has documented these initiatives and established measurable targets in the new Case Backlog Reduction Strategy (FY 2024/25–2029/30) and the GAL Strategic Plan (FY 2024/25–2029/30). A comprehensive review of the previous CBRS (July 2018 – June 2023), conducted in FY 2023/24, captured key lessons and recommendations, revealing a significant cumulative reduction in the case backlog of 70.5%.

Building on this progress, the new CBRS, developed in alignment with the National Development Plan IV and DGAL's Strategic Plan, aims to eliminate forensic case backlog by 2030. These targets will be incorporated into individual staff annual performance plans and reflected in the FY 2024/25 performance appraisal processes, ensuring effective implementation, accountability, and sustained progress toward achieving the Directorate's strategic objectives.

Query	Failure to Undertake a Client Satisfaction Survey
Audit Findings DGAL planned to assess clients' confidence level and support of DGAL services through a client satisfaction survey. However, the activity was not undertaken by the end of the strategic reporting period. The failure to satisfy the client denies the entity the opportunity to know the level of confidence and acceptability of the services the Directorate offers. More still, areas of improvement may have been missed due to failure to undertake the activity. The Accounting Officer pledged to prioritise the client satisfaction survey in the planning and budgeting cycle for the financial year 2025/26.	
Recommendation	
The Accounting Officer was advised to ensure that the survey is carried out as planned and that the collected data is used to inform the Directorate's plans and actions to better meet the needs of their clients.	
Action Status	
In FY 2024/25, a client satisfaction survey was conducted to assess the confidence and acceptability of the Directorate's services, based on feedback from clients and stakeholders. The Government Analytical Laboratory (DGAL) attained accreditation status on 8th February 2024, requiring strict adherence to established guidelines and international standards under ISO 17025:2025. These client satisfaction surveys are a critical component of maintaining accreditation, and management has prioritised their regular implementation to ensure continued compliance, service excellence, and stakeholder confidence.	
Query	Inconsistencies Annual Statistics Performance Report
Audit Findings The Audit reviewed the annual statistics report prepared by management, which covered all forensic investigation cases handled and reported throughout the year and observed several inconsistencies between reported cases in the statistics report and the source documents. From the analysis, the audit noted that out of the eight (8) divisions, seven (7) had inconsistencies in their records as shown in the table below;	

Table 4: Inconsistencies in statistics of cases handled

S/N	Divisions	Concluded cases (statistics report)	Concluded cases (source records)	Inconsistence
1	Toxicology	1,531	1,507	24
2	Forensic Biology	817	811	6
3	Firearms	67	67	0
4	Questioned Documents	82	77	5
5	Food and Drugs	301	273	28
6	Chemical and Microbiology	462	428	34
7	Pesticide Residue	101	97	4
8	Water and Environment	180	149	31
	Total	3,541	3,409	132

Source: OAG review of annual report

Failure to accurately report on the cases handled undermines the report's credibility and may mislead the intended users.

The Accounting Officer is committed to establishing a robust data quality control and assurance system to ensure the compilation and reporting of complete and accurate statistics. The Accounting Officer further explained that a DGAL Case Statistics Dashboard (CSD) system has been developed to enhance the accuracy of statistics compilation and reporting. The continued use and optimisation of this system will be encouraged as a key step toward improving quality control.

Recommendation

The Accounting Officer was advised to implement a robust data quality control and assurance system to ensure that complete and accurate statistics are compiled and reported.

Action Status

The DGAL Case Statistics Dashboard (CSD) system has been developed to enhance the accuracy and reliability of statistics compilation and reporting, and its continued use and optimisation will be promoted as a key measure to strengthen quality control. The Laboratory Information Management System (LIMS) has been upgraded to enable seamless data input, processing, and analysis across the respective laboratories.

Additionally, network connectivity has been successfully established in the regional laboratories of Gulu, Mbale, and Mbarara, integrating them with the

main laboratory in Wandegaya. This connectivity has significantly improved regional access to critical digital platforms, including the Electronic Document Management System (EDMS), LIMS, and the CSD, thereby enhancing data management, operational efficiency, and evidence-based decision-making across the Directorate.

Query	Understaffing

Audit Findings

Section A-c (3) of the Uganda Public Standing Orders, 2021, provides that appointment in the public service shall be subject to the availability of a vacancy in the approved staff establishment and funds in the approved estimates.

A review of the Directorate's staffing structure identified staffing gaps. Whereas the approved staff structure has 124 staff positions, the audit noted that only 75 positions have been filled, resulting in a staffing shortage of 49.

As a result, the regional laboratories are understaffed, affecting laboratory analysis and exhibit collection. Furthermore, understaffing affects the Directorate's ability to efficiently fulfil its mandate of providing scientific and analytical services to citizens.

The Accounting Officer explained that there is planned recruitment of Senior Laboratory Technicians and Laboratory Technicians for FY 2024/25. The Ministry of Internal Affairs submitted a request to the Ministry of Public Service for clearance to recruit additional staff for DGAL.

Recommendation

The Accounting Officer was advised to work closely with the Ministries of Internal Affairs, Finance, Planning and Economic Development, and Public Service to expedite the approval and clearance processes for the recruitment of the additional staff needed to fill the vacant positions in the approved structure.

Until the staffing gaps are addressed, the Accounting Officer was advised to reallocate available resources to the Directorate's critical operations to avoid operational disruptions.

Action Status

In FY 2024/25, the Government Analytical Laboratory recruited seven Laboratory Technicians and six Senior Laboratory Technicians, resulting in an improved wage budget absorption of 80.1%.

In line with the Recruitment Plan for FY 2025/26, additional recruitments are planned. DGAL reaffirms its commitment to ensuring that all warranted funds

are promptly and effectively utilised to achieve the intended service objectives in subsequent financial years.

Query	Issues in the Pension Payroll

Audit Findings

A special audit of the Pension payroll was undertaken for the period from FY 2019/20 to 2023/24, and below is a summary of the major findings and recommendations;

- i) The entity had an approved pension and gratuity budget of UGX 2Bn and a supplementary budget of UGX 8Mn for the period under review, resulting in a revised budget of UGX 2Bn. Out of this, UGX 1.87Bn was released, resulting in a shortfall of UGX 0.13Bn.
- ii) Out of total releases of UGX 1.87Bn, the entity utilised UGX 0.07Bn (41%), resulting in underutilisation of UGX 1.1Bn. Despite the underabsorption of released funds, all pensioners were paid in full. The excess release of funds exposes them to the risk of diversion and misappropriation.
- iii) Six (6) pensioners were paid UGX 67.38Mn off the IPPS/HCM. This negates the purpose for which Government invested in these systems.
- iv) One (1) estate accessed the payroll and was paid UGX 0.12Bn without key documents. This increases the risk of ineligible payments.
- v) Four (4) Pensioners delayed to access the payroll. The delays ranged from 12 to 96 months (8 years).
- vi) One supplier had two (2) active pensioner accounts on the system, which increases the risk of double payments.
- vii) Two (2) pensioners had different supplier numbers on the Payroll which affected the integrity of the payroll information maintained by the entity.
- viii) All nine (9) 100% pensioners of the entity appeared and were fully verified.
- ix) The entity's expected pension and gratuity estimate for the year 2024/25 is UGX 0.79Bn to cater for all nine (9) confirmed/verified pensioners and beneficiaries.

Recommendation

The Accounting Officer was advised to;

- i) Always prepare budgets that match the pension and gratuity needs of the entity.
- ii) Develop realistic budgets and ensure that budgeted funds are spent as per the approved work plan.
- iii) Engage with the Ministry of Public Service and ensure that the migration process of Pensioner records is expedited.

- iv) Obtain the missing key documents and file them in the pensioner's personal file to support the inclusion of the pensioner on the payroll.
- v) Ensure that all the required records are secured from staff due for retirement six (6) months before the time of retirement, so that at the time of their retirement, the processing of their pension is not delayed.
- vi) Rectify the anomaly of duplicate active pensioner accounts on the system so that every pensioner has one active account.
- vii) Liaise with the Ministries of Public Service and that of Finance, Planning and Economic Development to immediately resolve the inconsistencies in supplier numbers.
- viii) Consider the verified payroll as a basis to update the monthly payroll to pay pensioners/ beneficiaries.
- ix) Engage the Ministries of Public Service and that of Finance, Planning and Economic Development to review the approved pension and gratuity estimates of the entity for the FY 2024/25 in line with the results of the validation exercise.

Action Status

In the Budget Execution Circular Ref BPD 86/179/01 FY 2025/26, the PS/ST guided on Pension and Gratuity Processing as follows:

- i) With the full decentralisation of pension and gratuity processing to the Vote level, Accounting Officers are now fully responsible for managing their respective pension payrolls. However, delays persist, often due to incomplete or mismatched information on the IPPS/HCM system. There have also been cases where new pensioners are not promptly added to the payroll, or pensioners are removed without justification, causing unnecessary distress to retired public servants.
- ii) Accounting Officers must ensure the timely processing and approval of pension files, and that new pensioners are added to the payroll immediately upon final approval. A stable pension payroll must be maintained, and monthly pension payments must be made by the 28th of each month. Pensioners aged 75 and above should be promptly informed, using the most efficient communication channels, to submit their life certificates for verification.
- iii) All verification and approval steps related to pension processing should be completed within one week per stage, and under no circumstances should the entire process exceed 30 days from the date of retirement. Disciplinary action will be taken against any officers responsible for undue delays.

VOTE 144 - UGANDA POLICE FORCE	
Query	Failure to Fully Implement Activities
Audit Findings The auditor reported that out of the approved budget of UGX 905.72Bn, the total warrants for the year for UPF amounted to UGX 905.6Bn. Out of the total warrants of UGX 905.6Bn, classified expenditure accounted for UGX 158.36Bn. The Audit further noted that, out of the UGX 35.85Bn budget, UGX 120Mn was not released. The non-released funds were meant for the completion of staff accommodation. Observation The Committee noted that failure to provide funds for budgeted activities negatively affected the implementation and delivery of the expected services. For instance, the completion of staff accommodation would have reduced accommodation challenges and enhanced officers' motivation. Recommendation i) The Ministry of Finance should warrant all the budget due to the entity to enable adequate execution of planned activities. ii) The Accounting Officer should ensure that all affected activities are included in the workplan and budget for the subsequent financial year. Action Status The partially or non-implemented activities were rolled over to the subsequent financial years, and a supplementary release was made. In the FY 2025/26, these activities were fully implemented.	
Query	Accumulation of Domestic Arrears
Audit Findings The Audit reported that domestic arrears increased by UGX 14.14Bn from UGX 98.81Bn in 22/23 to UGX 112.95Bn in the financial year under audit. The increase in arrears indicates that the entity is experiencing difficulties in settling its outstanding debts. Section 20 (2) of the Public Finance Management Act, Cap 171 states that a vote shall not take any credit from any local company or body unless it has no unpaid domestic arrears from debts in the previous financial year and it has the capacity to pay the expenditure from the approved estimates as appropriated by Parliament for that financial year.	

The entity was only allocated UGX 16.9Bn to pay for domestic arrears, but ended up spending UGX 40.3Bn to pay outstanding arrears. This implies that funds were diverted from planned activities to settle the domestic arrears.

The Accounting Officer attributed the anomaly to an insufficient budget, stating that in 2024/25, only UGX 3.88Bn was provided to cover domestic arrears of UGX 112.95Bn (position as at 30th June 2024). However, following continued engagement with MoFPED, a supplementary amount of UGX 17.55Bn was provided for domestic arrears in January 2025. He further submitted that Management would continue engaging MoFPED and Parliament to consider increasing the resource envelope.

Observation

The Committee observed that the diversion of funds is an offence as defined under section 77(q) of the PFMA, and no explanation can justify flouting the law.

The Committee further observed that despite a general downward trend in domestic arrears over the past five years, the Uganda Police Force continued to accrue arrears. This is against section 20(2) of the PFMA.

Recommendation

The Committee recommended that the Accounting Officer be held liable for the diversion of funds and the continued accrual of domestic arrears, as per section 77(2) of the PFMA.

Action Status

In the Budget Execution Circular FY 2024/25 (Ref: BPD 86/179/01), the PS/ST communicated that payment of the existing stock of arrears will be made only upon verification by an independent audit firm appointed by this Ministry. To curb further accumulation of domestic arrears, this Ministry has instituted the following measures.

- i) Sanctioning Accounting Officers for the creation of new domestic arrears by not renewing their contracts as Accounting Officers; and
- ii) Accounting Officers should not sign any new contracts without confirmation of the availability of resources. Multi-year contracts should take first call on available resources. Accounting Officers who sign contracts without funds will be held personally liable.

In addition, Accounting Officers were reminded to submit their draft final accounts by 31st August of every year to the Accountant General's Office with duly signed certificates of outstanding commitments, with copies to the

Internal Auditor General. Draft final accounts submitted without certificates of outstanding commitments will be rejected.

Query	Expenditure on the UPF Fleet outside the designated Mechanical Workshops

Audit Findings

The Audit reported that, despite having regional mechanical workshops, the UPF had paid UGX 3.963Bn to various garages and service providers to repair, service, and maintain the UPF Fleet outside the designated UPF mechanical workshops.

These workshops were intended to reduce costs, time, and distance required to bring vehicles for repair to the central mechanical workshop in Kampala. This was to be achieved by constructing regional mechanical workshops in four (4) regions of Arua, Soroti, Mbarara and Gulu at a cost of UGX 6Bn.

The Accounting Officer explained that the regional motor vehicle workshops in Mbarara, Arua, Soroti, and Gulu had not received funds for the necessary equipment to begin operations. The Accounting Officer further explained that with the limited resources, 1,716 motor vehicles and 4,605 motorcycles had been repaired from July 2023 to date, and all uneconomical fleet had been earmarked for boarding off.

Observation

The Committee noted that the delayed construction and equipping of the regional workshops had led to a nugatory expenditure of UGX 3.963Bn on various garages and service providers to repair, service, and maintain the UPF Fleet outside the designated UPF mechanical workshops. This implies that these workshops are not serving the intended purpose.

Recommendation

- i) The Accounting Officer expeditiously liaise with MoFPED for funding to equip and operationalise all regional mechanical workshops.
- ii) The Government, through the Ministry of Finance, provide adequate budget for domestic arrears to avoid the temptation of diverting funds to settle them.

Action Status

The regional motor vehicle workshops have been constructed at Mbarara, Arua, Soroti and Gulu, and they are awaiting funding for equipment. With the limited resources, UPF has repaired 1,716 Motor Vehicles and 4,605 Motorcycles. However, the uneconomic fleet has been earmarked for being boarding off.

Query	Mischarge of Expenditure
Audit Findings The Audit reported that funds totalling UGX 1.170Bn were irregularly charged to the wrong codes. Funds meant for acquiring non-residential buildings were irregularly diverted to carry out vehicle maintenance, repairs, and feeding, among other activities, without seeking and obtaining the necessary approvals. Section 7.10.3 of the Treasury Instructions, 2017 requires the charter of accounts to provide a basis for a uniform budget classification and execution. Additionally, it is mandatory for all votes to use the chart of accounts coding structure to budget and execute the budget. The Accounting Officer attributed the mischarges to an inadequate budget for domestic arrears, yet the same contracted suppliers could not deliver on the current budget without clearing their previous supplies. Observation The Committee observed that the diversion of funds is an offence as defined under the PFMA, and no explanation can justify flouting the law. The Committee further observed that the circular by the PS/ST did not expressly give permission to the Accounting Officer. In any case, it is not within the mandate of the PS/ST to authorise virement, but rather the Minister of Finance, Planning and Economic Development, as stipulated under section 21 of the PFMA.	
Recommendation	
The Committee recommended that the Accounting Officer be held liable for the diversion of funds and for continued accruals in respect of domestic arrears, as per section 77(2) of the PFMA.	
Action Status	
In the Budget Execution Circular FY 2024/25 (Ref: BPD 86/179/01), the PS/ST communicated that payment of the existing stock of arrears will be made only upon verification by an independent audit firm appointed by this Ministry. To curb further accumulation of domestic arrears, this Ministry has instituted the following measures. i) Sanctioning Accounting Officers for the creation of new domestic arrears by not renewing their contracts as Accounting Officers; and ii) Accounting Officers should not sign any new contracts without confirmation of the availability of resources. Multi-year contracts should take a first call on available resources. Accounting Officers who sign contracts without the availability of funds will be held personally liable.	

Please note that the Expenditure Limits issued by this Ministry are based on available funds, not on the appropriated budget. In addition, Accounting Officers were reminded to submit their draft final accounts by 31st August of every year to the Accountant General's Office with duly signed certificates of outstanding commitments, with copies to the Internal Auditor General. Draft final accounts submitted without certificates of outstanding commitments will be rejected.

Query	Assessment of Implementation of the Sub-County Policing Model
Audit Findings The sub-county policing model is a plan to establish a police station with 18 officers and two motorcycles in each sub-county. The model was introduced in 2020 to help fight crime in rural areas. The UPF has been piloting the model in the Masaka Region since 2023. The Audit assessed the implementation of the sub-county policing model and revealed the following; a) Staffing requirements for implementing the model Uganda has about 2,184 sub-counties, towns and municipal divisions that would require a force of 39,312 police officers to enforce the proposed policing model of 18 police officers per sub-county. The Uganda Police Force has about 49,526 police personnel, with 30,967 operational staff, implying that if these were fully deployed in all sub-counties across the country, the force would be left with about 10,214 officers to man the remaining levels, such as Districts and Regions, which is impractical. b) Inadequate transport requirements to implement the model The sub-county policing model is premised on the proposition that 18 policemen would manage a sub-county with two motorcycles required per sub-county. This would require a total of 4,368 motorcycles to manage the 2,184 sub-counties. Currently, UPF has 952 functioning motorcycles. This creates a deficit of 3,416 motorcycles to cover all the sub-counties. The absence of the required motorcycles strains the existing motorcycle fleet and may derail the implementation of the sub-county policing model. c) Structures required to Implement the Model To successfully implement the sub-county policing model, UPF would require office space at the sub-county level and staff accommodation to house the 18 police staff per sub-county. However, UPF still faces accommodation challenges, with over 39,000 entitled staff currently not accommodated and the force having to rent 437 premises as office space to house police officers.	

The absence of adequate office and staff accommodation structures may delay the implementation of the sub-county policing model.

d) Planned addition of more sub-counties onto the sub-county policing model

During the year under review, UPF planned to add 20 additional sub-counties in other areas, in addition to the initial 102 sub-counties in the greater Masaka region. However, none of the planned sub-counties, including Karwenyi, Kiganda, Butagaya, Rwashamire, Oraba, Kilak, Bulange, Diima, Ngogwe, Ongongoja, Kirewa, Namasagali, Kamwezi, Achinga, Sipi, Cheptui, Kitagata, Katunguru, Makondo and Mamba, were added.

Instead, a total of 11 sub-counties, which were outside the planned ones, were implemented, including Lwemiyaga, Kawanda, Lwebitakuli, Bulongo, Mpumude, Kitanda, Bukango, Bigasa, Lwabenge, Mutukula and Kibanda.

The Accounting Officer explained that UPF lacked sufficient resources to fully implement the sub-county model. The Accounting Officer noted that following the directive of H.E the President of Uganda to the Police Council, directed the UPF to “work within the available resources”.

UPF had so far deployed 16,823 personnel in 14 regions comprising 85 divisions/town councils/municipalities and 892 sub-counties. The process is still ongoing, with a reorganisation of KMP that provides a more detailed structure to cover divisions, major stations, other stations, and police posts.

Observations

The Committee observed that, although ambitious in nature, the subcounty model of policing was necessary as a countermeasure to the rampant surge in crime.

The Committee further noted that the Police had received UGX 158.36Bn from the classified budget, out of a total warrant of UGX 905.72Bn, which could be used to address some of the identified challenges.

Recommendations

- i) The Uganda Police Force should implement the sub-county policing model in a phased manner using the available resources.
- ii) Government should provide the requisite funding for the implementation of the same.

Action Status

i) Lack of Staff

The subcounty policing model arose from a Presidential directive aimed at strengthening security and preserving law & order at the subcounty level. The model requires the deployment of 18 personnel per Subcounty, translating into

39,420 personnel to cover all 2,190 Subcounties/Town Councils/Municipal Divisions in the country.

Whereas the Police strength stands at 50,027 personnel, only 24,736 of them are deployable for sub-county policing, while the rest serve at Districts, Regions and in other Directorates and Specialised Units. This implies a gap of 14,684 personnel to fully implement the model (assuming no attrition).

Thus, to ensure that the challenge of shortage of manpower does not curtail the implementation of the sub-county policing model, the UPF has;

- a) Mobilised and deployed a total of 25,263 police personnel in 1,231 Subcounties at a rate of 12 personnel per sub-county.
- b) Recruited and is training 10,000 additional personnel to cover the remaining 958 sub-counties and also raise the number to the required 18 personnel per sub-county across the country.
- c) Continued to lobby Government for a leeway to recruit additional personnel into the Force.

ii) Inadequate Transport

The subcounty policing model transport component requires the deployment of two (02) motorcycles per subcounty, implying that, in total, 4,380 motorcycles are required to cover all 2,190 subcounties.

An assessment of the fleet's functional status in the sub-counties conducted in August 2025 revealed that only 1,215 motorcycles are available, leaving a gap of 3,165 motorcycles.

The Force has procured 2,311 additional motorcycles over the last two FYs (FY 2024/25 and FY 2025/26), which, when fully deployed, will reduce the fleet gap to 854 motorcycles which need to be acquired.

iii) Inadequate Structures required to implement the model.

Successful implementation of the Subcounty policing model requires the acquisition of standard office and residential accommodation. However, the shortage of both residential and office accommodation remains a big challenge to the Force.

For instance, of the 2,420 police stations and posts assessed in 2023, the Police owned only 455 (19%), distributed across 397 Sub-counties. The rest of the establishments were in the categories as shown in the table below;

Table 4: Tenure status of police stations/posts, 2023

S/N	Tenure status	No. of Police Stations/Posts	Percentage
1.	Institutionally Owned	455	19%
2.	Rented	438	18%
3.	Community owned	553	23%
4.	Local Gov't	728	30%
5.	Others	246	10%
Total		2,420	100%

An assessment of the 1,231 sub-counties in which the model has been implemented revealed that 57 sub-counties had no police infrastructure in which to host the police stations while most (80%) of the police stations were housed in substandard structures such as uniports and semi-permanent houses without attendant facilities.

Equally, the acute shortage of residential accommodation in the Force (73% unaccommodated) has forced the majority of Police Officers deployed at the sub-counties to resort to renting places of aboard in order to serve the communities.

The UPF has embarked-on construction of police stations using its capital development budget. So far, 11 Subcounty Police Stations in Greater Masaka have been completed, while another 200 Subcounty Police Stations will be constructed by the end of the FY 2025/26 using the UGX 50Bn supplementary funding provided to UPF in the FY 2025/26.

It is worth noting that the inadequacy of office and residential accommodation facilities will delay full implementation of the model, and, besides, the UPF budget for the acquisition of buildings cannot sustain this undertaking. There is a need to avail the resources approved by Cabinet as presented in the Cabinet Memorandum CT (2025 07) to enable full implementation of the model.

iv) Slow Implementation of the Sub-County Policing Model

The implementation has so far been undertaken in 1,231 (56%) of the 2,190 sub-counties, while operating within available means. This coverage has only been realised by scaling down on the personnel deployment from 18 to 12 and operating in the available (mostly unsuitable) structures as an immediate backstop measure.

However, the inadequacy of infrastructure and personnel for deployment will continue to slow down the progress. Full implementation of this model requires resources amounting to UGX 2,726 Bn, phased over the next five (05) years, which the Government needs to provide.

Query	Underutilisation of Uganda Police Aircraft P180 Avanti 11 EVO
Audit Findings The Audit reported that UPF had procured a fixed-wing aircraft, the Piaggio P180 Avanti 11 EVO, for USD 7.84million. The aircraft was intended to bolster the force's capacity for high-priority tasks, thereby enhancing public safety, law enforcement, and emergency response. However, a review of performance reports shows that the aircraft had not met its intended objectives. For example, since its acquisition, the Piaggio P180 had only flown 117 kilometres, falling significantly short of its operational goals. The Audit further noted that the aircraft's design was unsuitable for non-tarmacked runways, severely limiting its functionality in Uganda's rural and remote areas. Despite this underperformance, UPF had continued to incur significant on-going costs, including maintenance, servicing, and insurance. The Accounting Officer acknowledged that the plane had not served its intended purpose due to infrastructural and mechanical challenges. The Accounting Officer informed the committee that management had begun repairs to the aircraft to make it operational.	
Observation	
The Committee observed laxity and negligence, as evidenced by the poor decision to secure this aircraft. The UPF's insufficient due diligence has caused the entity to continue incurring financial losses in servicing and repairing a largely non-functional aircraft. While the Accounting Officer reported ongoing repairs and technical support from the manufacturer, the Committee noted that the Accounting Officer and the procurement team failed to conduct a proper assessment and analysis before the aircraft's acquisition.	
Recommendation	
The Committee recommended that the Accounting Officer and the entire procurement team should be held liable for the procurement of unsuitable aircraft, thereby incurring nugatory expenditure on repairs and services.	
Action Status	
UPF decided not to dispose of the aircraft but rather service it and put it into airworthy condition. Currently, the process of procuring a company that will service it is ongoing.	

Query	Review of Operations of the Inspectorate of Vehicles
Audit Findings	
The Inspectorate of Vehicles (IOV) is a department of UPF mandated by the Police Act to inspect vehicles and conduct driving tests for drivers before issuing driving permits. The Audit assessed the operations of the Inspectorate of Motor Vehicles and observed the following;	
i) Failure to realise value for money from the IOV equipment	
The Audit noted that in the financial year 2021/22, UPF procured equipment to enhance the performance of the Inspectorate of Vehicles department worth UGX 1.06Bn, including equipment for piloting the automation of vehicle inspections at the Naguru IOV station. The equipment was delivered in January 2022 and has been stored in a container, not installed or used. This advanced equipment is necessary for smooth operation and improved service delivery to the public.	
The Accounting Officer explained that the installation was delayed because the land on which the equipment was to be installed became a subject of dispute. However, land ownership has reverted to UPF, and the machines are being installed.	
Observation	
The Committee observed that the delayed installation and underutilisation of equipment was against Paragraph 10.11.1 of the Treasury Instructions, 2017, which requires that an Accounting Officer shall exercise all reasonable care to prevent and detect unauthorised, irregular, fruitless and wasteful expenditure and must, for this purpose, implement effective, efficient, and transparent processes of financial and risk management.	
Recommendation	
The Committee recommended that the Accounting Officer should expedite the installation of the machine to enhance service delivery.	
Action Status	
The UPF embarked on constructing the inspection shed and installing the equipment. The progress is estimated at 80% level of completion. It is expected that the facility will be fully operational to serve the public.	
Query	Inadequate and Poor Driver Testing Grounds, as well as waiting shades
Audit Findings	
The Audit noted that two (2) testing grounds had been designated for driver testing; however, the available space was still limited, allowing for testing only one trainee driver at a time, ultimately leading to congestion of trainee drivers	

at the testing grounds. The available space is unsuitable and inadequate for testing drivers with large trucks.

The Audit also reported that the vehicle inspection lanes were not tarmacked, preventing the driver from utilising the road signs, which is essential in testing whether the candidate had mastered the road signs to qualify for a driving licence. Additionally, the facility was still using rudimentary tools to mark/identify the end of the testing lanes instead of Traffic Cones. This may not provide better-simulated scenarios for drivers on the road.

The Accounting Officer acknowledged the challenges and noted that they identified the requirements in the IOV strategic plan. In addition, with funding, this intervention would not only make M/Vehicle inspection and testing services accessible to all but also relieve traffic congestion at Naguru Testing Centre.

The Accounting Officer further note that Q3 of FY 2024/25 funds had been earmarked to cater for the construction of a modern M/Vehicle inspection centre with tarmacked lanes, an administrative facility (block), toilets and installation of modern M/Vehicle testing equipment, which had already been procured.

Observation

The Committee observed a need to enhance IOV's capacity to carry out its mandate, given the high number of drivers in Uganda and the need for continuous testing and assessments of both vehicles and drivers to curb the surge in road accidents. Underperformance in these critical areas has a significant impact on road safety, given the increasing rate of recklessness on Uganda's roads.

Recommendations

- i) The Committee recommended that the Accounting Officer should prioritise this item in the subsequent budget.
- ii) Government should provide the necessary funding to fully implement the IOV strategic plan.

Action Status

A new driver testing facility with a 200-seater client waiting shed has been constructed and completed at Naguru. The new facility is now operational and has reduced congestion at the earlier testing centre. In the medium-term, the Force plans to establish driver centres and vehicle inspection facilities in each of the 10 cities.

The newly constructed IOV testing centre at Naguru is open to the public.

Query	Review of the Performance of the Police Canine Unit
	Audit Findings The Audit noted that UPF had 280 dogs in the police canine unit. In 2023/2024, track dogs were used to track 20,841 cases, in which 16,382 suspects were arrested, and 5,761 cases were further processed and presented in courts of law. However, a review of the management of the dogs in crime detection, prevention and management by the Uganda Police Force showed the following; i) Geographical spread of the Dogs The Audit reported that Police dogs were deployed in 88 policing districts out of 145, representing coverage of 61% of policing districts. The audit analysis showed that more than 55% of the dogs were in cities (Kampala and other cities), compared with the rest of the country. However, a review of the annual crime rate revealed that only 42% of the total cases reported during the year were committed in urban centres. Rural areas accounted for most of the reported cases. Furthermore, in areas with few dogs, available dogs had to be transported long distances to crime scenes. The Accounting Officer explained that there are 155 districts and 29 police divisions, totalling 184 policing districts and divisions. The Police canine unit has been deployed to 90 districts, covering 57% of the country. However, out of 29 policing divisions, only 11 had been covered by canine services, representing 38% coverage. Further, the Police Canine Unit would have been able to deploy to 16 additional districts under the K-9 work plan for the financial year 2023/2024, but lacked infrastructure/kennels in those districts due to underfunding. The Accounting Officer attributed the high concentration of sniffer dogs in Kampala Metropolitan Police (KMP) to: i) The K-9 unit supports the Counter Terrorism Directorate with 65 explosive detection sniffer dogs, many of which are in the KMP area. ii) The Aviation police is supported with 26 explosives and Narcotic detection sniffer dogs at the airport. iii) The K-9 unit deploys more than 11 explosive detection dogs at vital installations in Kampala, for example: URA headquarters at Nakawa to check cargo, UEC, Courts of record (supreme court, court of appeal and high court all divisions), Sheraton hotel and other areas. iv) The trained dogs that are not yet deployed are also kept at the Police K-9 headquarters in Nsambya, contributing to the higher concentration of dogs in the KMP area.

Observation

The Committee observed that the K-9 unit is a comparatively cheaper alternative for resolving complex crime scenarios. However, the Accounting Officer had failed to harness the unit's full potential.

The fact that over 55% of the 280 dogs are concentrated in Kampala and major cities, yet only 42% of reported crimes occurred in urban centres, shows that the potential of the unit in resolving crime is not being optimally used.

Recommendation

The Committee recommended that the Accounting Officer should prioritise equipping the K-9 Unit and deploying their services across the country to enhance the fight against crime.

Action Status

The UPF has 298 working dogs stationed at 115 locations across the country, as indicated in the table below. The locations include district police stations and vital installations.

In addition, the Force has a dog breeding centre at Naggalama with a capacity to produce 100 dogs per annum, which has enabled the Force to produce dogs in-house, thus eliminating the high cost of importation.

The number of dogs has continued to grow, resulting in an increase in the number of canine units established. The table below shows the canine unit's performance over the last 5 years.

Table 5: Performance of the UPF Canine 2020 – 2024

S/N	Description	2020	2021	2022	2023	2024	Total
1	Tracking Cases performed	9,185	10,935	14,815	20,897	19,899	75,731
2	Persons Arrested	5,662	8,154	10,474	16,331	15,579	56,200
3	a) Males	4,407	6,714	8,649	13,700	13,409	46,879
4	b) Females	858	913	1,229	1,682	1,354	6,036
5	c) Juveniles	397	527	596	949	816	3,285
6	Persons taken to Court	2,035	2,931	3,992	5,738	5,520	20,216
7	Exhibits recovered	2,239	3,750	4,689	6,554	6,920	24,152
8	No. of Canine Units	67	72	75	90	103	103
9	%age coverage (out of 186)	36%	39%	40%	48%	55%	55%

The coverage of Canine services is currently at 108 (58%) out of 186 police districts/divisions and at 07 vital installations. The units are evenly and strategically distributed across the country to enable a quick response to crime scenes and reduce the span of control for a given unit. The number and type of dogs deployed at a given unit are informed by the need and volume of work that the unit handles. For the current FY2025/26, the UPF plans to establish 36 additional canine units and procure 12 additional crime-response custom vehicles to enhance the Unit's mobility.

According to the UPF Strategic Policing Plan 2025/26 - 2029/30, the target is to extend canine services to all 186 District/Divisional Police Stations by the end of the NDP IV period in order to promote the application of science and technology in crime management.

Table 6: Location of Canine Units as at 30.09.2025

S/N	Police Region	Stations/ Locations	Type of Dogs	Remarks
1	KMP South	07	Tracking & Explosive Dogs	Active
2	KMP North	04	Tracking Dogs	Active
3	KMP East	03	Tracking Dogs	Active
4	Masaka East	05	Tracking & Explosive Dogs	Active
5	Masaka West	04	Tracking Dogs	Active
6	Katonga	03	Tracking Dogs	Active
7	Savanah	03	Tracking Dogs	Active
8	Wamala	04	Tracking Dogs	Active
9	Sezibwa	02	Tracking Dogs	Active
10	Busoga East	03	Tracking Dogs	Active
11	Busoga North	02	Tracking Dogs	Active
12	Kiira	02	Tracking & Explosive Dogs	Active
13	Elgon	02	Tracking Dogs	Active
14	Bukedi North	02	Tracking Dogs	Active
15	Bukedi South	05	Tracking & Explosive Dogs	Active
16	East Kyoga	04	Tracking Dogs	Active
17	South Kyoga	03	Tracking Dogs	Active
18	North Kyoga	04	Tracking Dogs	Active
19	Albertine South	04	Tracking Dogs	Active
20	Albertine North	03	Tracking Dogs	Active
21	Rwenzori West	06	Tracking Dogs	Active
22	Rwenzori East	02	Tracking Dogs	Active
23	Rwizi	08	Tracking Dogs	Active
24	Greater Bushenyi	06	Tracking Dogs	Active
25	Kigezi	05	Tracking Dogs	Active
26	Sipi	02	Tracking Dogs	Active
27	Mt. Moroto	04	Tracking & Explosive Dogs	Active
28	Kidepo	04	Tracking Dogs	Active
29	West Nile	02	Tracking Dogs	Active
30	North-West Nile	01	Tracking Dogs	Active
31	West Aswa	02	Tracking & Explosive Dogs	Active
32	East Aswa	04	Tracking Dogs	Active
	Total	115		

Query Medical Treatment for the Dogs

Audit Findings

Whereas the canine unit requires three (3) Veterinary Doctors and 22 Veterinary Assistants to handle medical requirements for the dogs, the unit has only two (2) Veterinary Doctors and twenty-six (26) Assistants, all based at the canine headquarters in Kampala and a few other regions.

The Accounting Officer explained that the unit currently has clinics at the Nagalama breeding Centre, the AVPOL Canine unit, and the Canine unit headquarters. It was also noted that the facilities would be opened up in the Southern, Northern, Eastern and Western Nile Regions in the forthcoming National Development Plan IV (NDP IV).

Observation

The Committee observed that with only two doctors, the unit would not realise its potential. The lack of veterinary doctors exposes the dogs to diseases which can sometimes be fatal, hence affecting the services they could have rendered.

Recommendations

The Accounting Officer was advised to;

- i) Prioritise recruitment of extra veterinary doctors.
- ii) Consider entering an MoU with the district veterinary officers and regional laboratories under MAAIF to offer treatment to the district K-9 units.

Action Status

The total strength of the canine unit is 407 personnel, including 02 veterinary doctors and 12 para-veterinary professionals. To mitigate the shortage of veterinary practitioners in the Unit, the Force collaborates with the District Veterinary Officers and the regional laboratories under MAAIF to provide treatment and veterinary services for police dogs upcountry.

The UPF plans to recruit 150 additional personnel into the Unit (including the veterinary professionals) by the FY 2029/30.

Query Assessment of Marine Operations and Maritime Policing

Audit Findings

Maritime Police is a section of the Uganda Police that specialises in auditing police operations on water bodies, including water patrols, incident response, and the investigation of crimes committed on water bodies. The audit reviewed the marine police's operations and observed several incidents and responses to assess the unit's efficiency.

Out of 745 incidents reported on water bodies in Uganda, the Police Marine unit responded to 210 (28%) of the reported incidents, with 323 people rescued and 243 dead bodies retrieved. In addition, 1,273 suspects were arrested, 872 were cautioned, 401 were taken to the territorial police for further investigation, and 107 (27%) were taken to court and convicted for robbery, overloading of vessels, and illegal fishing.

The Accounting Officer explained that the unit's operations had been hampered by an inadequate budget, but it is being addressed in a phased manner. Currently, the unit has been allocated a supplementary budget of UGX 6Bn for operations and the procurement of new vessels. This will go a long way in revamping the Units' operations.

Observation

The Committee observed that the unit's response rate remained limited relative to the number of incidents. This means that, in most cases, people cannot access rescue services in the event of incidents on water bodies. The limited capacity to respond by UPF undermines public safety and enforcement endeavours by the force.

Recommendation

The Committee recommended that the Government, through the MoFPED, provide the requisite budget to support the force's maritime unit.

Action Status

The issue is mainly due to limited water mobility, which is constrained by the aged fleet. The Uganda Police Force is procuring 9 speedboats. Management also initiated the procurement process for repair services for 6 speed boats. Additionally, training and rehearsal sessions for 20 divers are ongoing.

Query Maintenance of Marine Vessels

Audit Findings

The Audit reported that, whereas the unit had a total of 60 vessels, a review of the board of survey reports of the force for the last three (3) years revealed that 18 vessels were non-functional, with over 30% in poor working condition.

Table 7: Status of Marine Vessels

Boats	Operational boats	Under/pending repairs	Total
Speed Boats	9	4	13
Fibreglass canoe boats	30	12	42
Inflatable Boats	3	2	5
Total	42	18	60

Source: UPF marine performance reports

Management attributed the poor condition of the marine vessels to limited maintenance funding. For instance, in the year under review, the unit received only UGX 0.412Bn out of a budget of UGX 1.123Bn for vessel maintenance. Further, maintenance schedules for the vessels were not maintained, and thus, the unit was unable to determine the length of time since the last scheduled maintenance.

As a result, the budgeted maintenance claims could not be justified. In addition, the maintenance workshops owned by UPF specialised mainly in the repair and service of parts for motor vehicles without any support/ limited support extended to boats.

The Accounting Officer explained that the unit's operations had been hampered by an inadequate budget, which is being addressed in a phased manner. The unit has been allocated a supplementary budget of UGX 6Bn for operations and the procurement of new vessels. This will go a long way in revamping the Units' operations.

Observation

The Committee observes that the efficiency of the marine unit is highly dependent on the functionality of the vessels. If over 30% of the vessels are non-functional, then the unit is crippled in fulfilling its mandate on Uganda's waters. This exposes Ugandans to crime and the inability to get help from the police. The UGX 0.412Bn released to the unit, against a required budget of UGX 1.123Bn, is a drop in the ocean, given the glaring need to maintain the vessels.

Recommendations

- i) The Government, through the MoFPED, provide the requisite funds needed to fully service and maintain the vessels for the marine unit to operate optimally.
- ii) The Accounting Officer was advised to assess the mechanical conditions of the vehicles with a view to disposing of the old ones.

Action Status

As pointed out in (a) above, the Uganda Police Force is currently in the final stages of procuring nine(9) speed boats and repairing six(6) speed boats. This is all meant to address the issue of poor mechanical condition of Marine Vessels.

Query	Lack of a Marina for the Boats

Audit Findings

The Audit reported that the force lacks a marina at Kigo Marine headquarters for safe docking and parking of major boats. As a result, some big boats are docked at Lake Victoria Serena Hotel for safety purposes, while others are dry-docked at Kigo headquarters. The Marines also lack a maintenance yard where the Marine unit would perform repairs and maintenance.

The Accounting Officer explained that the Marina requires a budget of UGX 60Bn, and this has remained an unfunded priority despite being captured in the Ministerial policy statement over the past 6 years.

Observation

The Committee observed that the lack of Marina severely compromises the safe docking, storage, and servicing of vessels. The current reliance on external facilities, including Lake Victoria Serena Hotel and dry-docking at Kigo, is unsustainable and exposes public assets to risk. The fact that Government has not provided the UGX 60Bn required for the construction of the marina means that its priority has not been appreciated.

Recommendations

The Committee recommended that the Accounting Officer should budget and prioritise the construction of a dedicated marina and marine maintenance yard at Kigo headquarters. Government should ensure the requisite funds are provided for the activity.

Action Status

UPF received funds from MoFPED in quarter two (2) of FY2025/26 to repair the docking facility. This exercise is already ongoing and expected to be completed within the current financial year.

VOTE 145 - UGANDA PRISONS SERVICE**Query Under collection of Non-Tax Revenue****Audit Findings**

The Audit reported that Uganda Prisons Service (UPS) had planned to collect UGX 36.42Bn but ended up collecting UGX 33.80Bn as shown below.

Table 1: Performance of NTR by category

S/N	Category of NTR	Budget	Actual	Variance
1	Cash NTR	12.46	5.08	7.38
2	Non-Cash NTR	23.96	28.72	-4.76
	Total	36.42	33.8	2.62

Source: UPS Financial Statements and NTR reports

The under-collections were mainly from cotton and food production sources. The Accounting officer attributed the shortfall to erratic weather conditions and post-harvest losses. The Accounting officer undertook to continue engaging the MoFPED to provide funds for the establishment of prison production systems, which include both automation and irrigation systems.

Observation

The Committee observed UPS has many NTR sources that the Accounting Officer must harness to ensure a predictable collection. Relying on crop production alone is not enough to guarantee a steady generation of NTR, as it can be affected by supply and demand forces.

Recommendation	
The Accounting Officer was advised to; i) Deploy modern farming methods, including irrigation, to enhance production and post-harvest production. ii) Identify other sources of NTR to ensure a steadier and more predictable collection.	
Action Status	
The Service installed two (2) silo storage facilities at Lugore and Ruimi prison farms to mitigate the post-harvest challenge. This is to be commissioned within the current financial year. The Service is currently implementing the Enhancement of Prisons Production Systems and Value Addition project, whose main objective is to achieve commercialised, mechanised maize seed, maize grain, and cotton production and processing to generate budget savings. Additionally, the proposed Development of Irrigation Schemes at Rwimi, Ibuga and Mubuku Prisons Farms Project is still under development. Inception Report of the feasibility study was submitted to the MoFPED. Engagements with the Finance Ministry are still ongoing. A fully Integrated Prisons Industries Project is under development and currently at the proposal stage, awaiting a project code from the MoFPED. The main objective of the project is to manufacture footwear, garments for all forces, furniture for MDAs, contributing to prisoners' rehabilitation and the generation of non-tax revenue.	
Query	Assessment of Service Delivery
Audit Findings Strategic Objective 3 of the Uganda Prisons' Strategic Development 2020-2025 aims to promote access to justice by reducing the length of stay on remand and reducing the proportion of the remand prisoner population, and acquiring transport equipment for the delivery of prisoners to courts. The Audit noted, however, that the Uganda Prisons Service still faces the following challenges in the attainment of its strategic objectives: Congestion in Prisons The Audit reported that the current prisons' holding capacity was 21,126 prisoners, while the prisoner population as of June 2024 stood at 79,757, exceeding the holding capacity by 58,631 inmates. This resulted in an occupancy rate of 377.5%. Despite UPS constructing additional prison wards, UPS continues to grapple with prison overcrowding, with the highest congestion noted at Aswa I, Kicheche, Bubulo, Kakumiro, and Kigandalo prisons.	

The graph and table below show the most congested prison stations.

Table 2: Most Congested Prison Stations as at 30th June 2024

S/N	District/Prison Station	Holding Capacity	Population of prisoners	Occupancy rate %age	Excess capacity above 100%
1	Pader-Aswa I	19	495	2,605	2,505
2	Kitagwenda-Kicheche	8	84	1,050	950
3	Manafwa-Bubulo	19	192	1,011	911
4	Kakumiro-Kakumiro	18	179	994	894
5	Mayuge-Kigandalo	8	78	975	875
6	Nakaseke-Kapeeka	10	93	930	830
7	Kampala-Kampala (R)	289	2,569	889	789
8	Kyegegwa-Kyegegwa	18	158	879	770
9	Kanungu-Kanungu	34	292	859	759
10	Jinja-Kagoma	8	67	838	738
11	Isingiro-Isingiro	47	383	815	715
12	Mayuge-Imanyiro	8	64	800	700
13	Rukungiri-Nyarushanje	14	110	786	686
14	Kyotera-Kasaali	10	78	780	680
15	Yumbe-Yumbe	25	194	776	676
16	Wakiso-Sentema	31	237	765	665

Source: UPS annual statistical abstract report FY 2023/2024, UPS annual performance reports FY 2023/2024.

The Audit noted a significant disparity between the growth rate of the prisoner population and the expansion of prisoners' accommodation. The prisoner population is growing at an average annual rate of 8%, while prisoner accommodation is expanding at only 3.5% annually. Other contributing factors include the increasing length of sentences imposed on convicts and overstaying on remand.

The Accounting Officer acknowledged the challenge and noted that they had instituted many corrective measures, including the construction of 23 prisoners' wards, which were ongoing at various levels in Isingiro, Mukungwe, and Yumbe, among others. The Accounting Officer further noted that they continued with the internal transfer of prisoners from highly congested prisons to low-congested prisons to help balance the large numbers of inmates.

Observation

The Committee observed that, much as prison sentences are supposed to serve as a corrective measure in the fight against crime, the overcrowding and other inefficiencies have made it only a punitive mechanism against lawbreakers. Section 3(1) of the Prisons Act Cap 325 mandates UPS to contribute to the protection of all members of society by providing reasonable, safe, secure and humane custody and rehabilitation of offenders in accordance with universally accepted international standards.

The Committee further noted that despite ongoing construction of 23 prisoner wards and planned expansion, the pace of infrastructure growth (3.5% annually) remains far below the prisoner population growth rate (8%).

Recommendation

- i) The Government provides more funding to support UPS efforts in constructing more accommodation
- ii) As a sector, JLOS must enhance the efficiency of the system to hasten the administration of justice. This would free up space in prisons.

Action Status

- i) The Service has increased its holding capacity from 22,419 prisoners to the current 23,184 prisoners, resulting from completion and renovation of prisoner wards at Nakasongola, Yumbe, Kigandalo, Awei, Kapeeka, Lukaya, Isimba, Jinja (M), Aswa II, among others.
- ii) Completed construction of a storied ward at Luzira women's prison, with a holding capacity of 122 prisoners (440 sq metres). Remaining with the installation of electricity and water.
- iii) Construction at Murchison Bay, Kisoro, Kitgum, Lukaya, Butuntumula, Mutukula, and Rakai is ongoing.
- iv) These, when completed, will increase the holding capacity from the current 23,184 to 24,131 prisoners.
- v) Parole regulations are being developed and these are before the First Parliamentary Counsel.

Query**Overstay on Remand****Audit Findings**

Analysis of prisoners' statistics revealed that prisoners on remand make up 48% of the total prisoner population. Remand prisoners comprise both capital offenders and petty offenders.

The Audit observed that the average length on remand for petty offences was 2.7 months against a recommended duration of two (2) months and six (6) months for capital offences against a recommended duration of 6 months, respectively. A detailed composition of prisoners is in the table below;

Table 3: The composition of prisoners as at June 2024

S/N	Category	Number	(%age)
1	Convicts	40,920	51
2	Remands	38,222	48
3	Debtors	615	1
	Total	79,757	100
	Approved Capacity	21,126	
	Occupancy Rate (%)	377.5	

Source: Monthly statistical abstract report June 2024

A review of the average time spent on remand shows that over 1,722 petty offenders spent between seven to twelve months on remand while over 1,313

capital offenders not yet committed to the High Court spent an average of seven to twelve months on remand as shown below;

Table 4: Time spent on remand

Time/Nature of Offence		Capital Offences		Other Offences		
Period Spent on Remand (months)	Total	Committed to High Court	Not committed to the high Court	Petty offences	Pending Minister's Order	Military Court
0-2	16,843	990	2,433	13,316	-	104
3-6	6,778	1,086	1,902	3,756	-	34
7-12	5,124	2,016	1,313	1,722	5	68
13-23	4,126	2,740	750	594	-	42
24-36	2,575	2,149	176	152	-	98
37-48	1,298	1,227	-	13	-	58
49-60	792	771	-	-	-	21
More than 60	686	661	-	-	9	16
Total	38,222	11,640	6,574	19,553	14	441

Source: UPS annual statistical abstract report FY 2023/ 2024

Audit further noted that although the recommended duration for offenders not yet committed to the High Court was six (6) months, 2,239 prisoners under this category had surpassed this mandatory period. Similarly, 6,237 offenders had spent more than the 2.7 months recommended for stay on remand, for those offenders meant for hearing in the lower courts.

The Accounting Officer acknowledged the challenges and explained that they had undertaken steps to address the overstay, such as partnering with the administration of justice program to establish virtual courts/ video conferencing facilities to enhance access to justice. So far, 19 prisons have video conferencing facilities, and the plan is to establish these facilities in three (3) prisons per year, among other initiatives.

Observation

The Committee observed that the long pre-trial detention of suspects was inconsistent with their inherent right to a quick trial and access to justice.

The Committee further noted that the fact that remand prisoners constituted 48% of the total prison population is symptomatic of the inefficiencies in the judicial justice system in Uganda. This prolonged detention not only exacerbates prison congestion (occupancy rate at 377.5%) but also undermines access to justice and the right to a fair and speedy trial.

Recommendation

The Committee recommended that the JLOS should develop a multi-pronged strategy, including hiring more judicial officers, promoting and funding Alternative Dispute Resolution (ADR) mechanisms like mediation, investing in ICT and electronic systems for case management, and improving records.

Action Status

With measures undertaken with other actors in the CJS, the remand population has decreased from 47.3% in FY2024/25 to 45.2% as of 31st October 2025.

The average length of stay on remand for capital and non-capital offenders in custody is 17.3 months and 2.5 months, down from 17.5 months and 2.7 months, respectively, in FY2023/24.

Query High ratio of Custodial Staff to Prisoners**Audit Findings**

The Audit noted that as of 30th June 2024, UPS had 14,145 staff, against the approved structure of 42,724, leaving 28,579 positions vacant. The number of custodial staff was 11,576, serving a population of 79,757 prisoners, resulting in a high average custodial staff-to-prisoner ratio of 1:7 instead of the recommended ratio of 1:3. Details in the table below;

Table 5: Prisons with the highest custodial staff to prisoners' ratio

S/N	Stations	Prisoners' population	No. Custodial Staff	Staff - Prisoners Ratio
1	Soroti (M)	1,283	125	1:10
2	Ruimi	1,559	158	1:10
3	Ndorwa (M)	782	80	1:10
4	Murchison Bay	2,951	286	1:10
5	Arua (M)	1,162	105	1:11
6	Gulu (M)	1,666	145	1:11
7	Jinja (M)	1,829	169	1:11
8	Jinja (R)	1,311	124	1:11
9	Mbale (M)	1,651	149	1:11
10	Nakasongola (M)	1,501	137	1:11
11	Rukungiri	810	71	1:11
12	Ntungamo	637	52	1:12
13	Masaka (M)	1,301	109	1:12
14	Upper	3,310	277	1:12
15	Kitalya	1,614	126	1:13
16	Kitalya Mini Max	2,720	212	1:13
17	Bushenyi (M)	1,244	99	1:13
18	Fort Portal (M)	1,656	112	1:15
19	Mbarara (M)	2,026	139	1:15
20	Masindi (M)	1,742	106	1:16
21	Kampala (R)	2,569	154	1:17

Source: UPS annual statistical abstract report FY 2023/2024, UPS annual performance report FY 2023/2024

Analysis of the table above shows that, on average, each custodial staff member is responsible for 10 prisoners, rather than the recommended three (3) prisoners per custodial staff member. Audit further observed that in prison stations such as Kampala Remand, Masindi (M), Fort Portal (M), and Mbarara (M), custodial staff are responsible for 15 inmates, significantly exceeding the recommended ratio of three (3) inmates per staff member.

The Accounting Officer acknowledged the challenges and noted that they did not have a wage bill to fill the vacant position. The Accounting Officer further noted that the staff-to-prisoner ratio was directly affected by the high prisoner population growth rate, and that the service had last recruited staff in FY 2022/23 when the prisoner population was at 73,722. It has since increased to 79,257 prisoners.

The Accounting Officer noted that the Government had since provided funds for recruitment and training in FY 2025/26, and had requested the Ministry of Public Service to clear the recruitment of 2,000 staff in FY 2024/25.

Observation

The Committee observed that with a custodial staff-to-prisoner ratio of 1:7, against the recommended standard of 1:3, the imbalance poses serious risks to prison security, staff welfare, and the effective delivery of custodial and rehabilitative services.

Recommendations

The Committee recommended that the Accounting Officer follow up with the Ministry of Public Service to expedite the recruitment of staff, including custodial officers.

Action Status

The Service has recruited 1,156 new staff who are undergoing the basic prison training course at PATS. Plans are underway to recruit an additional 1,000 new staff in the FY2026/27. Procurement for CCTV cameras is ongoing for 10 stations.

Query	Long Distances between Prisons And Courts

Audit Findings

The Audit noted the long distance between prisons and court locations, with some prisons located more than 20 km from the nearest courts that prisoners need to attend. The table below refers;

Table 6: Distances between selected prisons and courts

S/N	Prison	Court	Distance (Km)	Type of vehicle to transport prisoners to Court
1	Butuntumura	Matugga Court	35	Lorry
2	Kabasanda	Nsangi	35	Prisoners use a bus owned by Mpigi prison
3	Buwunga	Bukakata court	35	No vehicle.
4	Ragem	Pakwach District Court	35	Lorry
5	Butoolo	Nsangi Court	33	Prisoners use a bus owned by Mpigi prison
6	Ntwetwe	Ntwetwe, Kyankwanzi Court	31	Lorry
7	Isingiro	Isingiro District Court	30	Lorry
8	Mukungwe	Bukakata Court	25	No vehicle
9	Ndagawe	Lwengo/Mbirizi Court	25	No vehicle
10	Makulubita	Matugga Court	24	Prisoners use a bus owned by Kapeeka Prison

Source: UPS annual statistical abstract report FY 2023/24

The Accounting Officer explained that the situation posed a challenge but that UPS would continue with the strategy of acquiring Vehicles for transporting prisoners to court, with 4 buses expected to be procured this year and 6 thirty-seater vans lined up for procurement in the next FY 2025/26.

The Accounting Officer noted that, in the meantime, they would continue to establish virtual courts and video-conferencing facilities to enhance access to justice.

Observation

The Committee observed that the long distance between courts and prisons had literally made access to justice a far-fetched dream. The Committee noted that, because of the long distances, the prison authorities had sometimes transported Prisoners in lorries, while in some instances prisoners walked to court. This is very unsafe and undermines timely court attendance, increases operational cost, and risks prisoners' lives.

Recommendation	
The Accounting Officer should prioritise, and the Government, through the MoFPED, should provide the funds for the acquisition of buses for all prisons located more than 20 km from the court. Accelerates the rollout of virtual court infrastructure, ensuring that all remote prisons are equipped with functional video conferencing facilities by the end of FY 2025/26, in collaboration with the Judiciary and Ministry of ICT.	
Action Status	
The Service has a total of 86 vehicles, specifically designed to deliver prisoners to court. Procurement of 06 30-seater buses, and 02 Omnibuses(drones) is ongoing (04 vehicles awaiting delivery).	
Query	Failure to Operationalise the Prisoners Management Information System (PMIS)
Audit Findings The Strategic Development Plan (2021-2025) of UPS set a target to operationalise PMIS in 100 prisons by FY 2024/25 to capture information on all prisoners from entry, throughout their rehabilitation period, and up to exit. This is envisaged to enhance management of prisoners' information for better planning, decision-making and administration. During FY 2023/24, the Automated Biometrics Identification System (ABIS) was acquired for UGX 1.3Bn and integrated into PMIS as an enhancement to the biometrics module, enabling smooth biometric enrolment and verification of prisoners. The Audit reported that the PMIS was operational at only three (3) prisons, i.e., Murchison Bay, Luzira Women, and Luzira Upper Prison. As at 30th June 2024, the total prisoner population across the three prisons was 6,945, yet only 6,153 prisoner records have been captured on PMIS since inception, indicating a performance gap in the system's utilisation. This was attributed to inadequate staff dedicated to capturing prisoners' records on the system. The Accounting Officer explained that the prison Management Information System (PMIS) requires an established Internet connectivity infrastructure at all regions, districts and prison units. It was noted that connectivity was being done in a phased manner, and so far it had been extended to Kitalya farm, Kitalya minmax, Jinja main, Jinja remand, Jinja women, Moroto main, Moroto women, and Masindi main prisons. UPS had also engaged NITA-U to collect all their units on the National Grid Backbone Infrastructure, with NITA-U conducting a survey in various prison units nationwide to this effect. Observation The Committee observed that the failure to roll out the PMIS across all prisons undermines the objective of enhancing information management for better decision-making. 6,153 records captured as of the end of FY 2024 were low, given the UGX 1.3Bn investment in the Automated Biometrics Identification System (ABIS) to kick-start PMIS.	

Recommendation	
The Committee recommended that the Accounting Officer prioritise hiring the requisite staff for the program rollout and invest in internet connectivity. The government provides the necessary funds needed for the rollout of PMIS.	
Action Status	
Procurement of assorted ICT equipment for the rollout of PMIS to 10 Prison stations, 5 Prison districts and 5 Prison regions is ongoing.	
Query	Under Budgeting for Domestic Arrears
Audit Findings The Audit reviewed the approved budget estimates for the year and noted that UGX 9.72Bn was provided and released to settle domestic arrears. However, the domestic arrears carried forward from the prior year were UGX 182.35Bn, implying a shortfall of UGX 172.63Bn. Further, the entity spent UGX 117.77Bn to settle domestic arrears for the year under audit, yet the released amounts were UGX 9.72Bn, implying that the entity diverted UGX 108.05Bn to pay domestic arrears. The Audit also noted that the trend of domestic arrears has generally been increasing over the years. For example, total arrears increased from UGX 92.30Bn in FY 2021/22 to UGX 182.356Bn in FY 2022/23, and to UGX 164.20Bn in the current year of audit. The Accounting Officer attributed the accumulation of domestic arrears mainly to an increase in the prisoner population without a corresponding increase in the prison budget, and to most of the arrears being related to food, utilities, and uniforms, whose consumption cannot be postponed despite insufficient budget allocations. The Accounting Officer added that all arrears had been verified and submitted to the MoFPED, which is responsible for allocating arrears budgets. Observation The Committee observed that the Uganda Prisons Service (UPS) continued to under-budget for domestic arrears, in contravention of Section 12(10)(a)(iv) of the Public Finance Management Act, Cap 171, which requires annual budgets to incorporate all financial liabilities. During the year under review, only UGX 9.72Bn was budgeted and released against UGX 182.35Bn in outstanding arrears, resulting in a shortfall of UGX 172.63Bn. Despite this, UPS spent UGX 117.77Bn on arrears, diverting UGX 108.05Bn from other budget lines, an indicator of structural budget misalignment and fiscal strain. Diversion of funds is an offence as defined under section 77(q) of the PFMA	

The Committee further noted that the upward trend in arrears accumulation, from UGX 92.30Bn in FY 2021/22 to UGX 182.35Bn in FY 2022/23, with UGX 164.20Bn carried into the current audit year, was indicative of a lack of commitment to control measures put in place by the Accounting Officer.

Section 20(2) of the PFMA states that a vote shall not take any credit from any local company or body unless it has no unpaid domestic arrears from debts in the previous financial year and it has the capacity to pay the expenditure from the approved estimates as appropriated by Parliament for that financial year.

Recommendation

The Committee recommended that the Accounting Officer should be held liable for the continued accrual of domestic arrears and diversion of funds, and as per section 77(2) of the PFMA.

Action Status

UPS has continued to engage the other actors in the CJS on measures to address the issue of the increasing prison population.



A Competitive Economy for National Development.



To formulate sound economic policies, maximise revenue mobilisation, ensure efficient allocation and accountability for public resources so as to foster sustainable economic growth and development.



MANDATE

**Formulate policies that enhance economic stability and development,
Mobilise local and external financial resources for public expenditure,
Regulate financial management and ensure efficiency in public
expenditure, and Oversee national planning and strategic development
initiatives for economic growth.**

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