



# Information Flyer

## January 2010

### 1st Ever Parliamentary Discussion of VFM Audit Reports

On 8th January 2010, the office reached yet another milestone when it had its first ever Parliamentary discussion of a Performance / Value For Money (VFM) audit report of the Auditor General.

The VFM audit report on "Distribution of water to urban areas by National Water and Sewerage Corporation (NWSC)" was discussed by the parliamentary Committee, COSASE.

The discussion went well, with the water body's management agreeing entirely with the findings within the report.

During the discussions, NWSC Management informed Parliament that from the time between conclusion of the audit and its discussion in parliament, the management of NWSC was already implementing the recommendations embodied within the report.

The discussion was attended by senior management within the VFM audit department and the audit team that participated in the audit.

### Visiting Delegation from SAI India

The Office of the Auditor General received a visiting delegation from SAI India between the 25th and 29th January 2010.

This was a follow-up on an earlier visit by the VFM Audit Department top management to the SAI India last year.

The purpose of their visit was to seek and identify training needs for VFM staff in preparation for a tailor-made training course planned for the month of March 2010 for all the VFM audit staff

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# OAG Budget Conference

This conference took place on 15th January 2010 at Lake Victoria Serena Hotel. It was opened by the Auditor General Mr. John F.S. Muwanga. In attendance were Directors of Audit; Mr. Aloysius Mayanja (Local Gov't), Mr. Joseph L. Ewama (Finance & Administration), Mr. Francis Masuba (Statutory Corporations/ Value For Money), Mr. Stephen Kateregga (Central Gov't) and other members of Top & Senior Management of OAG.

In his opening remarks, the AG stated that the importance of planning and budgeting in any organization cannot be overemphasized. And that with the enactment of the National Audit Act 2008 and the subsequent increment in the office budget ceil-

ings, stakeholder expectations are very high.

The AG cautioned staff on professional conduct to ensure that resources are efficiently utilized to ensure value for money.

The Conference was organized by Directorate of Finance and Administration to discuss and review proposals for allocation of funds for the audit activities of 2010/11.

It was indicated that the Medium Term Expenditure Framework (MTEF) allocation for 2010/11 had remained the same as for the current year 2009/10. A summary of the budget allocation per department for 2010/11 is given below;

<b>OAG SUMMARY OF MTEF 2010/11</b>	<b>WAGE/SALARY</b>	<b>NON-WAGE</b>	<b>TOTAL</b>
<b>Policy, Planning and Strategic Management</b>			
OAG Project Funding			660,000,000
Prog 01 HeadQuarters	2,483,000,000	3,993,000,000	6,476,000,000
<b>Sub-Total</b>	<b>2,483,000,000</b>	<b>3,993,000,000</b>	<b>7,136,000,000</b>
<b>FINANCIAL AUDITS</b>			
Prog 02 Central Government	2,897,000,000	1,555,000,000	4,452,000,000
Prog 03 Statutory Corporations	1,994,000,000	820,000,000	2,814,000,000
Prog 04 Local Authorities	4,437,000,000	3,028,000,000	7,465,000,000
<b>Sub-Total</b>	<b>9,328,000,000</b>	<b>5,403,000,000</b>	<b>14,731,000,000</b>
<b>VALUE FOR MONEY AUDITS</b>			
Prog 05 Value for Money	1,180,000,000	1,446,000,000	2,626,000,000
<b>Sub-Total</b>	<b>1,180,000,000</b>	<b>1,446,000,000</b>	<b>2,626,000,000</b>
<b>Grand Total</b>	<b>12,991,000,000</b>	<b>10,842,000,000</b>	<b>24,493,000,000</b>
<b>UNFUNDED GAP</b>			
ICT (Supplies and Systems)	2,300,000,000		
Forensic and IT Audits	2,000,000,000		
LLG Backlog Audits	2,000,000,000		
VFM Audits	1,100,000,000		
<b>TOTAL FUNDING GAP</b>	<b>7,400,000,000</b>		

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- **Objectivity:** display impartiality & professional judgment
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# OAG Budget Conference...contd



**The Auditor General Mr. John F.S. Muwanga (2nd Row 4th from Left) poses for a group photo with the participants at the end of the Budget Conference**

The planned activities for utilization of the above funds includes the following;

- Ø Completion of the OAG Restructuring exercise.
- Ø Financial and Special Audits of MALGs.
- Ø 11 Value for Money Audits
- Ø Purchase of 5 vehicles and assorted furniture Items.
- Ø Other routine activities shall include staff appraisals, annual conferences and seminars, induction of new officers and general Office administration.

It was also noted that donor funding with FINMAP project had been confirmed to construct 3 office branches in Mbarara,

Jinja and Mbale during 2010/11 financial year ending 30th June 2011. The same funding is also available to construct the Audit House at Headquarters by 2013.

The conference concluded by identifying priority activities for funding within available MTEF and forward to the Ministry of Finance, Planning and Economic Development the balance of unfunded activities for possible additional funds in the MTEF.

Unfunded activities were estimated at about UGX 7.4bn.

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# OAG Restructuring Project

The 1995 Constitution delinked the Office of the Auditor General (OAG) from the mainstream Public Service. This position was amplified by Section 3 (2) of the National Audit Act 2008 (NAA).

In line with the OAG Corporate Plan 2006-2011 Objective No.3, the restructuring consultancy is to review the organisation structure & determine the most optimal one for the office.

This is being done with support from the Department For International Development (DFID) which contracted the National Audit Office (NAO) to conduct a consultancy between January 20 2010 & November 17, 2010.

## Specific Objectives

- analyse and assess the current structure, functions and processes of the OAG in relation to its mandate and capacity to deliver;
- review the current and short term future needs of the OAG in terms of structure and staffing in relation to the corporate plan;
- provide options in terms of a revised organisation structure so that the OAG would maximise its capacity to deliver in relation to its vision, mission and strategic plan.
- present the proposed structure to the Auditor General, Senior Management and the Public Service Commission; and
- provide support to the OAG in implementing the new structure.

The NAO team (Ray Watkins & David Goldsworthy) began their work on 25th January 2010. They held consultations with the Auditor General, Assistant Auditor General, Directors of Audit and also held discussions with select groups comprising of Officers from ADAs to Examiners.

They also visited Masaka & Jinja Branch Offices and interacted with the staff there.

## Key Outputs

- Inception report setting out initial findings and defining methodology and programme for producing a revised structure within one month of commencement of project;
- Report setting out the strengths and weaknesses of the current organisation design within three months of commencement of project;
- Report setting out the recommendations and options for change as well as the supporting change management and communications strategies within four months of commencement of project; and
- Final report on progress with restructuring and any outstanding issues twelve months after commencement of project.

The OAG co-ordination team includes; Mr. John H. Muyimbwa ADA, James Bantu SPA, Beatrice Wambete PPO & Mathias Balaba Ag. SPO. OAG staff are encouraged to contact the co-ordination team with their views on the Restructuring Project which will be forwarded to the NAO team.

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# Japan Study Tour

A team of three (3) Senior Staff from OAG led by the Auditor General, Mr. John F.S. Muwanga, went on a study tour to Japan from 24-29th January 2009.

The tour was sponsored by Japan International Cooperation Agency (JICA).

The team included Mr. Masuba Francis Director Statutory Corporations/Value For Money and Mr. Kimuli Anthony Senior Principal Auditor (Energy Sector Audit).

It visited and held talks with the Vice President JICA, the President Board of Audit Japan, the Mayor Ibaraki City Osaka and officials from the Japanese Board of Audit Training Centre in Anaka.

The AG appreciated the role of JICA in the continued financing of OAG training and capacity building and explored ways of increased financial and technical assistance in VFM, Energy Audits and the Works Sector Audits.

At the Board of Audit, the team was briefed on the organizational structure and audit processes of the Board of Audit and their efficient work methods/ culture.

The team was also briefed on the audit processes of the Municipal/ cities in Japan.



**The OAG team poses for a photo with officials of the Board of Audit Training Department at their training center in Anaka, Japan.**

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# AFROSAI-E Training in Swaziland

A pre-study Module course was concluded in Mbabane – Swaziland. This is the 2nd of the 3 module course and our own AFROSAI- E trained staff ,Liz Nambuya and Paul Rwabutara were among the pool of facilitators during this period that ran from 12th to 30th January,2010.

This is a good thing for the OAG as we yet again make the grade by providing quality in the training needs of the larger AFROSAI – E.



**A group photo of some of the participants and facilitators; L-R: Jostein F. Tellness (Facilitator from SAI Norway), Liz Nambuya (Facilitator from SAI Uganda), Marie Mjøsund (Facilitator from SAI Norway), Mamoena Hlapisi (Participant from SAI Lesotho), Paul Rwabutara (Facilitator from SAI Uganda), Timothy Matsebula (Participant from SAI Lesotho)**

## Move To New Offices

The VFM audit department has acquired a new home. The department now occupies the whole 3rd floor of CRUSADER HOUSE. This acquisition brings with it much needed extra space for the OAG.

Many thanks go to the management of OAG & JICA. JICA helped to furnish the premises for the VFM staff that hitherto operated without adequate sitting facilities.

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## Exit Meetings - Central Gov't

DATE	MINISTRY/DEPARTMENT	TIME	AM/PM	CHAIR
08/01/10	PUBLIC SERVICE	9.30	AM	AAG✓
11/01/10	LANDS, HOUSING	9.30	AM	AG✓
12/01/10	ETHICS	9.30	AM	AG✓
"	UMI	3.00	PM	AG✓
13/01/10	MULAGO HOSPITAL	9.30	AM	AG✓
"	ICT	3.00	PM	AG✓
14/01/10	MUBS	9.30	AM	AG✓
"	BUTABIKA HOSPITAL	3.00	PM	AG✓
18/01/10				
"	MBARARA UNIVERSITY	3.00	PM	AG✓
20/01/10	OFFICE OF THE PRIME MINISTER	9.30	AM	AG✓
21/01/10	JUDICIARY (R)	9.30	AM	AG✓
22/01/10	FOREIGN AFFAIRS	9.30	AM	AAG✓
25/01/10	PRISONS	9.30	AM	AAG✓
27/01/10	LOCAL GOVT (R)	10.00	AM	AAG✓
"	EAST AFRICA AFFAIRS	3.00	PM	AAG✓
28/01/10	PRESIDENTS OFFICE (R)	9.30	AM	AAG✓
"	IGG	3.00	PM	AAG✓
29/01/10	POLICE	9.30	AM	AAG✓
02/02/10	WORKS-MINISTRY	9.30	AM	AG/AAG
04/02/10	HEALTH	9.30	AM	AAG
08/02/10	AGRICULTURE	9.30	AM	AG
09/02/10	INTERNAL AFFAIRS	9.30	AM	AG
10/02/10	EDUCATION	9.30	AM	AG
11/02/10	WATER AND ENV.	9.30	AM	AG
12/02/10	PARLIAMENT (R)	9.30	AM	AG
15/02/10	DEFENCE (R)	9.30	AM	AAG
16/02/10	FINANCE (R)	9.30	AM	AAG
17/02/10	MAKERERE UNIVERSITY	9.30	AM	AAG
23/02/10	TREASURY	9.30	AM	AAG
25/02/10	UNRA	9.30	AM	AAG
26/02/10	UNRA	9.30	AM	AAG

Exit meetings for Central Government Ministries & Agencies are still on-going. Please contact Teddy Ajok for details.

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# Exit Meetings - Local Gov't

## Fort Portal Branch

The Assistant Auditor General Mrs. Keto Nyapendi Kayemba chaired Exit Meetings in Fort Portal Branch on 11th & 12th January 2009.

These included; Kasese & Masindi Districts, Fort Portal & Hoima Referral Hospitals.

The AAG was also hosted to a party at Mountains of the Moon Hotel by the Principal Auditor Mrs. Florence Baleke and staff of Fort Portal Branch Office.



These Exit Meetings enable Accounting Officers to respond to issues in the Management Letters.

By taking these meetings to the Regional Branch Offices, costs are saved as this is closer to the audited entities.

It helps to improve team-spirit in OAG & also improve the quality of Audit Reports.

**The AAG Mrs. Keto N. Kayemba chairing the discussion of the Management Letter for Kasese District at the F.Portal Branch boardroom. On her Right is the Principal Auditor Mrs. Florence Baleke & on her Left is the Senior Principal Auditor LG Mr. Joseph Hirya**

## Mbarara Branch

The Assistant Auditor General Mrs. Keto Nyapendi Kayemba did visit Mbarara Branch on Wednesday 13th January 2010.

She also chaired the discussion of management letters for the financial ended 30th June 2009, for Bushenyi and Mbarara districts.

## Masaka Branch

The Director of Audit Local Gov't Mr. Aloysius Mayanja did visit Masaka Branch on Wednesday 4th February 2010.

He also chaired the discussion of management letters for Rakai district.

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# Taskforce for Audit of LLGs

## Background

Efforts were instituted by Top Management to clear backlogs for audit of Lower Local Governments (LLGs) during the financial year 2008/2009. Audit of backlogs for the 2005/2006 and 2006/2007 was conducted during the 2008/2009 financial year, with support from staff of the Directorate of Central Government under the taskforce arrangement.

The Directorate of Local Government has again received support from the Directorate of Central Government and is now constituting teams to carry out audits for the financial years 2007/2008 and 2008/2009 under the same arrangement.

There are 904 sub counties scheduled for audit for the two financial years, giving a total of 1808 audits.

## Coordination:

The Director and Assistant Director of Audit (Local Governments) will oversee the audit exercise. The Senior Principal Auditors (SPAs) will supervise the deployment of staff in the branches.

In consultation with (SPAs), Principal Auditors (PAs) at the branches will receive the staff lists from the Head Office as deployed

and will merge any of their staff that will be available with the taskforce to cover all the sub counties in the branch that may be found incomplete after the Head Office allocation of LLGs disclosed by branches as unaudited.

Branch PAs will supervise the teams assisted by other senior staff (Senior Auditors) as may be deployed.

## Review

Branch PAs, assisted by Senior Auditors (SAs) will carry out reviews of draft audit reports for entities for which they are responsible, compile responses from Management and submit the draft reports for further review at the Head Office.

## Period of Audit

Two financial years will be covered for each sub county; audit of the financial year 2008/2009 will done concurrently with audit of the financial year 2007/2008. The audit will be carried out chronologically to enable the verification of account balances of previous year(s).

The audits will be carried out from 1st of March to 2nd of April 2010.

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# Milestones

## Wedding

Babra Kibuuka (Statutory Corporations) wedded on 2nd January 2010. The Communication Committee on behalf of the entire OAG would like to congratulate Babra on this achievement.

## Introduction

Phionah Nabawanda (Central Gov't) held her Introduction Ceremony (*kwanjula*) on Saturday 6th February 2009.

## Professional Qualifications

### ***Certified Public Accountant Uganda CPA (U)***

Pheobe Letaru (Central Gov't)  
Lubulwa Mohammed (Local Gov't - KCC)  
Sam Ssemugoma (Local Gov't - Fort Portal)

### ***Certified Information Systems Auditor (CISA)***

Andrew Nsamba (Central Gov't) - was confirmed as a CISA  
David Ddamulira (Local Gov't - Masaka) - passed the December 2009 CISA Exams

## Bachelors Degree

Faridah Walugembe (Statutory Corporations) got a Bachelor of Commerce (Hons) Accounting of Makerere University.

## Masters Degree

Joshua Asimwe (Value For Money) got a Masters of Science in Accounting & Finance of Makerere University.

The Communication Committee on behalf of the entire OAG would like to congratulate our colleagues on their academic achievements, and encourage them to use their newly acquired skills to enable the Office achieve its mission & vision.

## Quote

The difference between a successful person and others is not a lack of strength, not a lack of knowledge, but rather a lack in will.

### **Vince Lombardi**

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