



THE REPUBLIC OF UGANDA

OFFICE OF THE AUDITOR GENERAL

**ANNUAL REPORT OF THE AUDITOR GENERAL
FOR THE YEAR ENDED 30TH JUNE 2008**

VOLUME 3

LOCAL AUTHORITIES

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AUDITOR GENERAL'S ANNUAL REPORT ON LOCAL AUTHORITIES

1. INTRODUCTION

The office of the Auditor General is established by Article 163 of the Constitution of Uganda (1995) as amended. Article 163 (3) of the Constitution as amplified by the National Audit Act 2008 and also Section 88 of the Local Government Act (2007) and other various Acts of Parliament that establish Commissions and State Corporations, give the Auditor General the mandate to audit all the public accounts of Uganda and make an annual report on them to Parliament.

Article 163(3), (4) and (7) as further amplified by Section 13 of the National Audit Act 2008 specifically provide respectively that, "the Auditor General shall audit and report on the public accounts of Uganda and of all Public offices including the Courts, the Central and Local Government Administrations, Universities and Public Institutions of like nature and any public corporation or other bodies or organizations established by an Act of Parliament; the Auditor General shall conduct financial and Value for Money audits in respect of any project involving public funds; and the president shall require the Auditor General to audit the accounts of any body or organization envisaged; and the Auditor General shall submit to Parliament annually a report of the accounts audited for the financial year immediately preceding. My responsibility in case of audits of Local Authorities is further amplified in Sections 16 and 19 of the National Audit Act 2008.

2. Scope of Auditor General's Financial Audits and Special Investigations with Reference to Local Authorities:

2.1 Number of Entities to be Audited 2007/2008

The Directorate of Audit of Local Authorities of the Office of the Auditor General (DA LA) is responsible for conducting financial audits into all the Local Authorities. For the Financial year 2007/2008 the Local Authorities to be audited were:-

A. Current year audits

- | | |
|----------------------|----|
| • District Councils | 80 |
| • Municipal Councils | 13 |
| • Town Councils | 91 |

• Sub-counties and Divisions of Urban Councils	
○ Financial Year 2007/2008	898
• Referral Hospitals	<u>11</u>
Total current year audits	1,093

B. Arrears of Audit

• Sub-counties and Divisions of Urban Councils	
○ Financial Year 2006/2007	898
○ Financial Year 2005/2006	897
○ Financial Year 2004/2005	<u>497</u>
Total arrears of audits	<u>2,292</u>

Total audits	<u>3,385</u>
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2.2 Scope of Financial Audits

The scope of the Auditor General's work in conducting financial audits is to (i) audit and report to Parliament by expressing an independent opinion as to whether or not the financial statements of the audited entities fairly present in all material respects the financial position as at the financial year end and (ii) the results of the operations and cash flows for the year then ended comply in all material respects with generally accepted Accounting Practice as well as comply with the relevant laws and regulations applicable to those entities.

An opinion will be expressed on the financial statements certifying whether:-

- The financial statements contained no material misstatements or errors and therefore an unqualified opinion was issued or
- The financial statements contained material misstatements or errors and therefore a qualified opinion was issued in the following form:-
 - (i) Qualified except for; where the material misstatements or errors are not pervasive and "except for" those misstatements or errors being adjusted for, the rest of the financial statements fairly present in all material respects the financial position of the entity.
 - (ii) Disclaimer; where the financial statements contain material misstatements based on limitations on the scope of the audit work to the extent that there is uncertainty on the fairness and truthfulness of the financial statements and therefore an audit opinion cannot be given because of the gravity of the uncertainty.

- (iii) Adverse; where the financial statements contain material misstatements or errors and there is disagreement with management to the extent that it is concluded that the financial statements do not represent a fair presentation of the financial position of the entity as at the financial year end.

The reasons (basis of opinion) are given as a guide to explain the issues behind a particular opinion issued. These issues should be discussed by the oversight committees of Parliament so as to enable improvement of the accountability issues in those institutions.

2.3 Responsibilities for the Financial Statements

In conducting the audits on Local Authorities, the Chief Administrative Officers, Town Clerks, Assistant Town Clerks of Divisions and Sub-county Chiefs (called Accounting Officers) and the Auditor General's responsibilities are clearly set out in the Local Governments' Act 1997 as amended, and the regulations thereof.

2.3.1 Accounting Officers' Responsibilities for the Financial Statements

The Accounting Officers of the various Local Authorities are responsible for the preparation of the financial statements which fairly present in all material respect the financial position of the Local Authorities at the financial year end and the results of the operations and cash flows for the year then ended and comply in all material respect with Generally Accepted Accounting Practice and the various Acts and Regulations which govern them. The Accounting Officer's responsibility also includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of those financial statements and ensuring that they are free from material misstatement whether caused by fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

2.3.2 Auditor General's Responsibilities when Conducting an Audit on the Financial Statements

The responsibility of the Auditor General is to express an independent opinion on the financial statements based on the audit. The audit is conducted in accordance with International Standards on Auditing (ISAs), INTOSAI standards and the Laws of Uganda. These Standards and laws require that ethical requirements are complied with and the audit is planned and performed to obtain reasonable assurance as to whether the financial statements are free from material misstatements.

The audit includes obtaining on a test basis sufficient and appropriate evidence supporting the amounts and disclosures in the financial statements, to provide a basis for making an opinion. It also includes an assessment of the accounting policies used and significant estimates made by management as well as an evaluation of the overall presentation of the financial statements.

The audit procedures selected depend on the Auditor's judgment, including the assessment of risks of material misstatements of the financial statements caused by fraud or error. In making risk assessments, the Auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances.

After conducting audits based on the scope of the Auditor's responsibility as stated in the immediately preceding paragraphs, the Auditor reports to management in writing any significant findings of weaknesses or matters based on his observations on the Internal controls structure and on other areas that come to his notice which he considers should be brought to management's attention. This is embodied in a management letter issued to management and also forms part and parcel of the individual reports on local governments submitted to Parliament.

2.4 Representation by Management/Accounting Officers

As part of the audit, the Auditors request management of the audited Local Authorities to provide written confirmations of their oral representations or assertions that they received from the management during the audit about the accounts and financial statements of the local authorities. The management representations are addressed to the Auditor.

3. Status of Completion of Audits of Local Authorities

As set out in paragraph 2.1, in the financial year ended 30th June 2008, I was required to audit and report on a total of 1,082 accounts of Local Authorities. I am pleased to report that for the very first time my office was able to audit and complete all the 184 Higher Local Governments (HLG) and Town Councils, and 5 Divisions of Kampala City Council within the statutory reporting timeframe which is 31 March 2009. This is a historical achievement.

The office has also during the year embarked on a concerted effort to clear the backlogs of the Lower Local Government (sub counties and Municipality divisions) audits for prior years I have completed audits of 497 entities being the balance previously reported on as audits in progress; 1,395 audits are under progress, while 893 are still outstanding (refer to table 3.1). The entire backlog of 2004/05 was cleared, leaving no backlog. The entire 2005/06 and 2006/07 are currently work in progress.

Table 3.1

Councils	Year	Total Number of Accounts	Accounts Audited	Audits under Progress	Outstanding
Districts and Urban Authorities	2007/08	184	184	-	-
Sub-counties and Divisions	2007/08	898	5	-	893
Sub-counties and Divisions	2006/07	898	-	898	-
	2005/06	897	400	497	-
	2004/05	497	497	-	-
Total		3,374	1086	1395	893

4.0 SUMMARY OF AUDIT OPINIONS ISSUED

For the reports I issued on Local Authorities accounts for the financial year 2007/08, a summary of the opinions is as in table 4.1 below:

Table 4.1

Type of Council	Total Audit Units	Unqualified opinion	Qualified Opinion	Adverse	Disclaimer
Districts and Town Councils, and KCC Divisions	189	18	146	0	20
Percentage	100	9.5%	79.9%	0	10.6%

See appendix I for details of types of opinions issued for each Local Authority.

5.0 STATUS OF AUDIT REPORTS CONSIDERED BY OVERSIGHT COMMITTEES

The audit reports of local authorities are considered by two oversight bodies i.e. the District Public Accounts committees (In accordance with section 88(7) of the Local Governments' Act) and Parliamentary Local Government Public Accounts Committee (In Accordance with Article 164(3) of the Constitution).

A number of District Public Accounts Committees (DPACs) reports were received during the year, indicating that DPACs have now started acting on my reports.

As reported last year, the update on the status of consideration of Auditor General's reports by the DPACs is still a major challenge. The difficulty to have this information available is due to the fact that the Districts PACs rarely, if at all, call the staff of the Auditor General's Office to guide them in their discussions whereas the Parliamentary Local Government (LG) PAC consults extensively. Plans are under way to sensitize the DPACs under the Millennium Challenge Corporation Account Project funded by USAID. A consultant has been procured to develop training materials and the sensitization exercise will be carried out during the financial year 2008/09.

6.0 CROSS CUTTING ISSUES IN LOCAL AUTHORITIES

The issues under this sub-heading reflect common findings across local governments. These may require a generalized nationwide approach to handle them including designing appropriate policy or reforms targeting the cause of the problems. Below are the key findings:

6.1 Under Collection of Local Revenues

According to section 32 of Local Governments' Financial and Accounting Regulations, 2007, a Council should ensure, through the Head of Finance, that all revenue budgeted by council is promptly collected in the approved manner and banked intact.

However, during the year under review a number of councils under collected local revenue, some of the Councils which under collected revenue (amounting to Shs 8,056,055,036) are shown in Appendix II.

This is mainly due to inadequate revenue mobilization by both technocrats and council leaders arising from over dependency on central government grants and donors (representing 91.7% of total Local Government revenue), unrealistic revenue estimates and a limited Local revenue base.

The under collection of revenue impairs the implementation of the planned service delivery activities and non attainment of agreed council objectives and targets as approved in the budget which has a linkage to national priorities.

Accounting officers should put in more effort in revenue mobilization and collection; revenue collection mechanisms should be revisited to strengthen controls and avoid losses.

Revenue collectors at Sub County or Division level and all revenue collection centres should be adequately supervised, and accountable stationery like receipts checked regularly.

6.2 Arrears of Local revenue

Section 4.8 of Local Governments' Financial and Accounting Manual 2007, requires that the head of Finance should consolidate a final list of arrears of revenue returns and submit to the executive committee for action.

In the financial year 2007/08, a number of Local councils did not prepare and submit to the executive committee arrears of revenue returns amounting to Shs. 77,701,280,651 (Details are as in Appendix III). This implies no corrective follow up action may be taken to collect council debts.

This may be due to laxity by head of departments to provide arrears of revenue information to the head of finance and council. It may also be due to lack of awareness of financial regulations by the relevant authorities

Inadequate revenue information by the enforcing department may lead to potential loss of such revenues.

Money owed to council represents an asset that is idle as it denies the council the opportunity of using the money to provide the services promptly. Any debt not collected is a serious matter and may represent a loss to council.

Accounting officers should vigorously monitor/follow up debtors/arrears of revenue on a regular basis. Legal redress should be sought in cases of long outstanding debts.

6.3 Excess expenditure without authority

It is a requirement under Section 44(1) of the Local Government Finance and Accounting Regulations that expenditure is not incurred in excess of approved estimates or as may be amended by properly authorized virement, reallocation and supplementary estimates. During the financial year however a number of councils incurred excess expenditures without authority amounting to Shs. 5,729,777,418 (Details are as in Appendix IV).

This could be the result of laxity of enforcing surcharge against officers responsible for excess expenditures, lack of awareness, or it may be deliberate intention to defeat council controls over the budget management as well as inability to provide oversight scrutiny by council leaders. This anomaly may also imply that funds are used for activities which were not for Councils intension and hence Council fails to achieve their intended objectives and the national priority programmes.

Accounting officers should always spend within approved budgets to ensure expenditure control.

Virements or reallocations within votes and programmes should be carried out where approved expenditure amounts have been exceeded. In situations where the required amounts cannot be addressed through virements or reallocations, a supplementary budget should be drawn and presented to Council for authorization.

A commitment control system should be complied with.

6.4 Administrative advances unaccounted for by the end of the Financial Year.

Section 43(2) of Local Government Financial and Accounting Regulations 2007 requires that administrative advances shall be authorized by the chief executive and shall be accounted for within a month.

During the financial year 2007/2008 funds advanced to the officials of council that remained unaccounted for amounted to Shs 8,331,041,624 (Details are as in Appendix V).

This could be the result of the chief executive authorizing advances to those who have not yet accounted for previous advances, lack of monitoring and enforcement of accountability. It may be deliberate intention to defraud council funds or laxity in enforcing punitive measures against responsible officers.

This could result into potential loss of funds and misappropriation of council funds. In addition council funds are held up in advances and not used in appropriate priority areas in service delivery. The unaccounted for advances present a risk of loss of funds and may result into misappropriation or diversion of council funds.

Advance accounts should be properly managed and closed off at the end of each financial year. Management should ensure that the recording of advance accounts is done in a systematic and timely manner. Accurate records can aid management in production of timely financial statements, which can be relied upon by all stakeholders.

Accounting officers should ensure that records are posted immediately as and when transactions occur to avoid errors of omission. Updated ledgers should be maintained for both official and personal advances. Management of official advances should be done in accordance with section 43 of the LGFR (2007).

6.5 Un-vouched Expenditure

Local Government Financial and Accounting Regulations 2007 section 42 requires that all disbursement of public monies shall be properly vouched on payment vouchers prescribed in the accounting manual.

However, it was noted that expenditure totaling to Shs. 9,310,872,073 was not supported by payment vouchers, details in Appendix VI. The genuineness and purpose of such expenditure could not be established or verified. This could be as a result of poor filing system or deliberate misuse of funds.

Funds may be spent on unknown activities. As a result budgetary performance cannot be evaluated to enable corrective measures to be taken in addressing service delivery challenges of the citizens. Such expenditures are doubtful and prone to fraud.

Proper filing and safe custody of vouchers should be strictly adhered to as required by financial regulations. The missing payment vouchers should be traced, availed for verification, and filed for future reference.

6.6 Irregular Procurement of Goods and Services

According to the Public Procurement and Disposal of Public Assets Act 2003 (PPDA Act), and the Local Government PPDA regulations 2006, all public procurement of goods, services and works should comply with PPDA Regulations. However, a number of Local Authorities procured items and services worth Shs 3,768,469,417 without complying with Public Procurement Regulations (Details are as in Appendix VII).

Cases of this nature are due to a number of reasons which include inter alia, lack of technical capacity, delays by the District Procurement and Disposal Units/Contracts Committees to handle procurements and deliberate action by the responsible officers to circumvent procurement procedures.

Councils may not get quality goods, services and works, loss of public funds and beneficial communities may not receive desired services.

All procurement of goods and/or services should be made in time, according to work plans and should comply with Procurement Regulations to avoid unauthorized expenditure. Proper controls regarding procurement of goods and/or services should be adhered to if the existing systems are to be relied upon.

6.7 Non-remittance and purported remittance of taxes to Uganda Revenue Authority (URA)

According to Section 124(1) of Income Tax Act 1997, a withholding agent shall pay to the commissioner any tax that has been with held within 15 days after the end of the month.

During the financial year, some councils deducted Shs. 761,295,779 as withholding tax but the amount was not remitted as required by the Act. Similarly Shs. 1,492,151,829 in respect of Pay As You Earn

(PAYE) remitted to Uganda Revenue Authority did not have acknowledgement receipts (details are as in Appendix VIII & IX).

Failure by management to remit the Taxes and obtain acknowledgment receipts from Uganda Revenue Authority (URA) may attract fines and penalties from Uganda Revenue Authority (URA).

Taxes should be deducted and remitted to URA and all receipts for payments made should be collected and attached to the relevant payment documents or filed to confirm payments. Tax laws should be complied with and monies remitted by due dates to avoid evasion, diversion and the subsequent tax penalties and surcharges.

6.8 Non-remittance of unspent conditional grants to the consolidated fund.

Section 19(1) of the Public Finance and Accountability Act 2003 (PFAA) requires that all un-spent balances of monies withdrawn from the consolidated fund shall be repaid back to the same account at the closure of the financial year. Similarly, the Local Governments' Financial and Accounting Manual, 2007 section 6.6.5.3 requires all account balances in respect of conditional or other grants from central government to be returned immediately after the year end and in any case not later than 25th September following the end of the financial year.

It was, however, noted that most of the Local Councils were not remitting the unspent balances of the conditional grant funds to the consolidated fund. A sum of Shs. 4,190,800,677 in respect of unspent conditional grant at the end of year by various Councils was not returned as required. There was also no authority from the Secretary to the Treasury to retain the funds as required (details are as in Appendix X).

This may be deliberate intention to retain the funds for subsequent expenditure without authority.

The risk of the retained money being spent on unauthorized activities is high.

- Accounting officers should ensure that activities are promptly implemented as planned to avoid the reoccurrence of such phenomenon.
- Unused balances of funds should always be returned to the Treasury or authority sought to have them spent in the preceding year.

- Payments should be made in time as and when services have been rendered and claims or invoices have been received for a given quantity of services rendered to the Council, after confirmation from the technical staff that the quality of the services is according to specifications or orders made.

6.9 Diversion of Funds

According to the Local Government Financial and Accounting Regulations Section 37(2), conditional grants from central government shall be planned for, recorded and accounted for according to the grant conditions and guidelines.

During the financial year under review it was observed that a sum of Shs.896, 155,951 was diverted by some councils for activities other than those intended. (Details are as in Appendix XI).

These in most cases are council actions arising from disregard to grant guidelines and conditions.

This may result in penalties with the effect of denying council further funding; the intended service is finally not received by the beneficiary community thus hampering government in the attainment of national goals.

Accounting officers should always ensure that funds are applied to planned and budgeted for activities in accordance with grant guidelines. The diverted funds should be refunded to facilitate intended programmes as provided for or be refunded to the Centre.

6.10 Lack of Board of Survey Reports to verify Amounts Reported

The Local Governments' Financial and Accounting regulations, section 102 requires that the chief executive shall appoint a Board of Survey to verify and inspect cash balances, security arrangements at the main cash office and goods on charge and belonging to the council on the last day of the financial year.

In a number of Local Authorities, the Boards of Survey were not constituted as required. It was difficult to confirm or verify the accuracy of the cash balances at the end of the year amounting to Shs.

2,512,420,458, stock of stores items as well as the other physical assets in the final accounts (details are as in Appendix XII).

This was due to failure by the chief executives to constitute Boards of Survey in time.

The effects are that the closing cash balances, goods on charge and the assets balances in the accounts could not be confirmed and therefore their accuracy is doubtful.

Boards of Survey should be constituted by Accounting Officers at the end of each financial year to take stock of Council assets, and ascertain; condition, location and whether still usable in the subsequent year, in accordance with the Financial and Accounting Regulations.

6.11 Depreciation of Fixed Assets in Urban Authorities

Section 2.3.1.6 of the Local Governments Financial and Accounting Manual provides that Local Councils using accrual basis of accounting shall depreciate their fixed assets according to the policy guidelines issued by the minister.

A number of the Urban Authorities did not depreciate their fixed assets. Therefore Shs. 10,412,006,325 shown as fixed assets in various balance sheets of various Urban Councils was an overstatement. In the case of assets depreciated the rates were inconsistent with the Local Government and Accounting Manual (Details are as in Appendix XIII).

The likely causes of failure to comply with the laid down procedures are; lack of capacity of the Accounts staff, insufficient supervision of finance staff and lack of awareness on the requirements of the new financial and accounting regulations.

Without true value of assets, taking appropriate decision on assets replacement, maintenance and disposal becomes difficult.

- The policy adopted on capitalization, valuation and depreciation or expensing of fixed assets should be clearly spelt out.

- Depreciation rates may be agreed upon and presented to Council for approval, which should be used annually.
- Where reported asset values no longer represent the true or realizable values of the assets because of continued use without depreciation, the assets should be revalued before depreciation rates are applied to them.

6.12 Inadequate supporting documentation to expenditures

Section 5.4.6 and 5.4.8 of the Local Governments' Financial and Accounting Manual, 2007 requires that relevant supporting documents must be attached to payment vouchers.

It was noted that a number of Local Authorities did not provide adequate supporting documentation for payments totaling to Shs.19, 374,735,313. In the absence of supporting documentation the funds remain unaccounted for. Details are as in Appendix XIV.

This could be as a result of poor filing system, lack of capacity, staff incompetence or deliberate intention to misuse funds.

Funds may be spent on unplanned activities. As a result budgetary performance cannot be evaluated to enable corrective measures to be taken in addressing service delivery challenges. Such expenditures are doubtful and prone to fraud. There is a risk of double payment through presenting the same supporting documents more than once.

- Accounting officers should ensure that before any payment is made, relevant supporting documents are attached and are duly checked for rates, quantities and authorization.
- All supporting documents should be properly kept and availed whenever required for reference.

6.13 Wasteful expenditure

Section 9(b) of the Local Governments Financial and Accounting Regulations, 2007 requires the chief executive to ensure that the public moneys, property and resources for which he/she is responsible as Accounting Officer are properly managed and safe guarded.

However, in a number of Councils, it was noted that expenditure amounting to Shs 345,079,203 was utilized for activities that were neither budgeted for nor beneficial to the Council and was therefore wasteful (details are as in Appendix XV).

This was as a result of, lack of feasibility studies before commencement of projects, inappropriate decision making in the management of funds, management failure to observe best practice in the management of funds, deliberate and pressures from council leaders.

The funds were not used in the productive manner in delivering services. Council agreed objectives and targets may not have been achieved.

Accounting officers should always ensure that proper assessment of the needs of the Council in relation to its available resources is carried out. Expenditure should be incurred in an economical, efficient and effective manner. Responsible officers should be made accountable for the wasteful expenditure.

6.14 Over Commitment of Councils

Section 11 of the Local Government Financial and Accounting Regulations, 2007 requires the Head of Finance to ensure that commitments are not approved unless there is sufficient and committed balance available in the quarter's commitments item.

A number of Accounting Officers in the year failed to adhere to the commitment control system which has resulted in committing councils beyond their financial resources leading to creating liabilities reflected in outstanding creditors and domestic arrears amounting to Shs. 5,040,915,590 as per Details in Appendix XVI.

Ministry of Finance allowing Accounting Officers to commit councils based on release on papers other than actual cash release, under collection of local revenue, lack of finance discipline on part of Head of finance, pressure from the council leaders on Accounting Officers, insufficient funds to pay statutory obligations such as salaries and pensions are some of the causes that lead to over commitment of Councils and hence creation of outstanding creditors and domestic arrears.

This denies council of working capital and negatively affects development of private sector business which in turn hinders poverty eradication efforts. It also exposes council to litigation costs from legal suits by creditors.

Accounting officers should increase their controls on creditors to minimize accumulation of debt. Commitments should be entered into basing on funds available to minimize the creditors' position.

A commitment control system should be complied with and officers who commit Council beyond, available resources be held personally liable.

6.15 Fraudulent Transactions

Section 9(b) of the Local Governments Financial and Accounting Regulations, 2007 requires the chief executive to ensure that the public moneys, property and resources for which he/she is responsible as accounting officer are properly managed and safe guarded.

It was noted that a number of Local councils had transactions predisposed to fraud amounting to Shs. 920,540,381. Details are as in Appendix XVII.

This may be a deliberate action by some council employees, to deprive councils of public funds.

As a result, public funds were lost and planned activities were not implemented. The accounting officers should investigate and take action on the culprits.

6.16 Late Submission of Accounts

Section 68 of the Local Government Financial and Accounting Regulations, 2007 requires that every local government council and administrative unit shall keep proper books of accounts and other records. And shall balance its accounts for that year, as well as produce statements of final accounts, within 3 months from the end of each financial year.

However, during the financial year 2007/2008, 74 out of 189 (i.e. 39.7%) of the Higher Local Authorities, Town Councils and KCC Divisions, failed to submit their accounts for audit to the Auditor General within the statutory time, details are as in Appendix XVIII.

Lack of capacity, negligence, and lack of IFMS skills, all contributed to the late submission of accounts.

Late submission of accounts by the auditee within the statutory time makes it difficult for the Office of the Auditor-General to audit and report to Parliament within the statutory time. It further causes the risk of council funds being withheld by financiers as penalties.

In future, accounting entities should endeavor to comply with the legal requirement of submitting accounts within statutory time to enable timely execution of audits, and timely reporting to Parliament and other stakeholders.

Where delays are caused by lack of knowledge by the accounting entity staff, capacity building/training of the staff should be carried out.

7.0 SPECIFIC OPINION SECTIONS ON HIGHER LOCAL GOVERNMENTS

7.1 FORT PORTAL BRANCH

7.1.1 Kabarole District

Basis of Opinion

- There was no evidence to confirm whether advances amounting to Shs.64,690,285 written off followed proper procedures.
- A sum of Shs. 91,655,055 remained unaccounted for. Vouchers for funds totaling to Shs.66,983,232 were not availed for audit.
- Conditional grant of Shs. 47,893,503 that remained on the Education account in the previous year was not remitted back to the centre and authority to retain the funds was not seen.

Opinion: Qualified-Except for

7.1.2 Kasese District

Basis of Opinion

- The Council incurred unauthorized expenditure on various expenditure programmes of Shs.755,170,759 during the financial year.
- Administrative advances amounting to Shs 197,187,791 were outstanding at the year end contrary to regulations that require accountability within a month.

- Shs. 21,284,300 spent on purchase of drugs was not supported by adequate documentation; I was unable to confirm whether the drugs were received.

Opinion:-Qualified-Except for

7.1.3 Hoima District

Basis of Opinion

- Shs. 25,213,494 in respect of both administration and personal advances appearing in the balance sheet was from previous years. It was not explained why they could not be recovered or accounted for.
- The District incurred a shortfall on local revenue amounting to Shs. 179,685,939 during the year, impacting negatively on service delivery.
- Management of the general fund account and internal controls over use of receipt books for revenue collection remained poor during the financial year.

Opinion:-Qualified-Except for

7.1.4 Masindi District

Basis of Opinion

- The District incurred unauthorized expenditure of Shs.794,227,068 on various expenditure items during the year.
- Shs. 37,500,000 was spent on purchase of 37,500 citizens identity cards, however the cards are lying in stores unsold, rendering the expenditure wasteful.
- Vouchers for a total of Shs.73,275,400 were not availed for audit rendering them doubtful.
- Shs. 27,520,226 in advances from the Health Sector Account remained unaccounted for.

Opinion:-Qualified-Except for

7.1.5 Bundibugyo District

Basis of Opinion

- Shs 164,494,239 appearing in the balance sheet as advances could not be confirmed because of lack of updated advances ledgers while Shs. 243,969,437 was unaccounted for.
- An amount of Shs. 435,544,386 reflected in the balance sheet as direct debits was comprised of fraudulent transactions that were made from District bank accounts which is not yet recovered.
- The District incurred unauthorized expenditure of Shs. 1,055,203,450 on the Health and Environment Programmes during the financial year.
- Funds amounting to Shs. 303,801,950 were diverted from LGDP accounts to cater for activities that were not related to the programme.
- The management of financial resources at the District was inadequate, characterized by poor record keeping, lack of accountability, diversion of funds, misappropriation of funds and incomplete records.

Opinion:-Disclaimer

7.1.6 Kibaale District

Basis of Opinion

- Included in the cash and cash equivalents of Shs. 347,318,905, is Shs. 37,495,087 in respect of salaries that were not returned to the Consolidated Fund contrary to regulations.
- Shs. 37,883,641 remained outstanding in official advances contrary to regulations that require accountability to be rendered within a month.

Opinion:-Qualified-Except for

7.1.7 Kamwenge District

Basis of Opinion

- Advance ledgers for advances of Shs. 114,401,749 appearing in the balance sheet were poorly kept and as such the advance amount could not be verified
- The District incurred unauthorized expenditure of Shs.1,238,717,076 on various expenditure programmes.
- A sum of Shs. 226,727,658 advanced to staff remained unaccounted for at the end of the year.
- Payment vouchers for a sum of Shs. 70,419,902 were missing rendering the expenditure incurred suspicious.

Opinion:-Qualified-Except for

7.1.8 Kyenjojo District

Basis of Opinion

- Administrative advances of Shs. 38,125,399 were not accounted for contrary to regulations that require advances to be accounted for within a month.
- A payment voucher for an amount of Shs. 19,250,000 was not presented for audit verification and therefore expenditure incurred could not be authenticated.

Opinion:-Qualified-Except for

7.1.9 Buliisa District

Basis of Opinion

- Payment vouchers for a sum of Shs. 97,014,329 were not availed for audit verification rendering the expenditure incurred, doubtful.

- Payments of salary increment to the District Executive Committee members amounting to Shs. 16,450,000 were made without proper authority from the Minister responsible for Local Government as required by regulations and are recoverable.

Opinion:-Qualified-Except for

7.1. 10. Fort Portal Municipal

Basis of Opinion

- A total of Shs. 29,054,832 remained unaccounted for by the end of the financial year contrary to regulations that require funds to be accounted for within a month.
- Shs. 20,000,000 was paid for purchase of land for Kataraka Health Unit. However, there was no title secured to guarantee ownership of the land by the Municipal Council.

Opinion:-Qualified-Except for

7. 1. 11. Kasese Town Council

Basis of Opinion

- A total of Shs 28,543,481 in Value Added Tax and Pay As You Earn was not remitted to Uganda Revenue Authority, contrary to regulation and this may attract penalties.
- A sum of Shs. 21,326,000 in official advances remained unaccounted for, contrary to regulation that requires accountability to be rendered within a month.

Opinion:-Qualified-Except for

7.1. 12 Katwe-Kabatoro Town Council

Basis of Opinion

- Shs 47,892,905 remained outstanding in official advances, contrary to regulations.
- Debtors amounting to Shs.157,160,245 were uncollected at the end of the year; locking up funds for service delivery.

- Shs. 8,187,736 reflected as cash at hand in the schedule of cash and bank balances was unaccounted for.
- There was a revenue shortfall of Shs. 199,349,226 (26%) which could have affected service delivery negatively.
- There was an overall excess expenditure of Shs. 40,026,932 It was not explained in the accounts whether there was supplementary budget sought.

Opinion:-Qualified-Except for

7.1.13 Hoima Town Council

Basis of Opinion

- Shs 891,512,732 was disclosed in the balance sheet as the value of the Town Council's fixed assets. Included are assets that were not depreciated thereby overstating their values.
- The Town Council during the financial year lost a Conditional Grant of Shs. 49,522,792 meant for Urban Roads to Uganda Revenue Authority because of failure to remit taxes in time
- The Town Council's revenue receivable (debtors position) increased from Shs. 681,084,664 at the close of the previous year to Shs. 770,153,772 at the close of the current financial year, indicating laxity in recovery.

Opinion:-Qualified-Except for

7.1. 14 Kigorobya Town Council

Basis of Opinion

- Shs. 207,233,878 was shown in the balance sheet as the value of the Town Council's fixed assets; however, the fixed assets were not depreciated. Some of the assets that are carried forward at acquisition values are now old, and can no longer be represented by the amounts indicated against them and therefore the position of the fixed assets is overstated.
- Official advances of Shs. 10,036,000 were not accounted for with a month as required by the regulations.
- Out of budgeted revenue of Shs. 265,176,284, Shs. 228,680,490 was realized occasioning a budget short fall of Shs. 36,495,794 that could have negatively affected service delivery.

Opinion:-Qualified-Except for

7.1. 15 Masindi Town Council

Basis of Opinion

- Shs. 2,029,435,242 was shown in the balance sheet as the value of the Town Council's fixed assets; however, the fixed assets were not depreciated thereby overstating them.
- Council debtors amounted to Shs.66,030,218 of which Shs. 46,553,863 relate to previous years. There is a risk that Council may lose revenue in uncollected debtors.
- Shs. 7,918,857 was disclosed in the balance sheet as cash at hand at the end of the financial year. However, there was no cash certificate or board of survey report to confirm the existence of the amount at the end of the year.

Opinion:-Qualified-Except for

7.1.16 Bundibugyo Town Council

Basis of Opinion

- There was a revenue shortfall of Shs. 289,121,482 (44%) which affected service delivery negatively.
- Fixed assets of Shs. 558,218,741 shown in the balance sheet, were not depreciated thereby overstating them.
- A sum of Shs.27,279,536 remained outstanding in debtors locking up funds that would finance service delivery.

Opinion:-Qualified-Except for

7.1.17 Kibaale Town Council

Basis of Opinion

- Included in a total of Shs 48,676,223 of bank balances is Shs. 47,590,324 being balance on the Urban Roads Account for activities which were not implemented as planned.
- Town Council Management failed to collect a sum of Shs. 22,099,300 in local revenue.

Opinion:-Qualified-Except for

7.1.18 Kamwengye Town Council

Basis of Opinion

- Fixed assets of Shs. 366,843,047 shown in the balance sheet were not depreciated thereby overstating them.
- Payments vouchers for a total of Shs. 116,961,160 were not authorized by both the vote controller and the Accounting Officer contrary to regulations.
- Advances amounting to Shs. 63,113,119 were not accounted for contrary to regulations that require them to be accounted for within a month.
- Examination of documents revealed that for the entire financial year, abstracts and ledgers for all revenue, expenditure, assets, liabilities and other accounts of Council were not maintained. The financial statements presented therefore, were not supported by underlying accounting records.

Opinion:-Qualified-Except for

7.1.19 Kyenjojo Town Council

Basis of Opinion

- Fixed assets of Shs. 558,218,741 shown in the balance sheet were not depreciated thereby overstating them.
- An amount of Shs. 25,875,920 was diverted from PAF urban roads account to cater for operational activities defeating the purpose for which the PAF funds were budgeted for.

Opinion:-Qualified-Except for

7.1.20 Hima Town Council

Basis of Opinion

- Payment vouchers for a sum of Shs. 22,460,139 were not presented for audit.
- Shs 161,902,048 remained outstanding as sundry creditors at the close of the financial year. The creditors amount increased from Shs. 57,015,626 at the end of the previous year to Shs. 168,825,492 (184%) risking litigation and attachment of Council assets by creditors for non payment.
- Official advances of Shs. 11,841,464 remained outstanding contrary to regulations

Opinion:-Qualified-Except for

7.1.21 Kagadi Town Council

Basis of Opinion

- The Town Council was unable to collect revenue to a tune of Shs. 27,122,900 out of the budgeted amount of Shs. 86,800,000 representing a 31% shortfall affecting negatively planned activities.

Opinion:-Qualified-Except for

7.1.22 Buliisa Town Council

Basis of Opinion

- The fixed assets amounting to Shs. 227,583,896 appearing in the balance sheet were not depreciated as required by Local Government Financial and Accounting Regulation 1998.
- The Town Council incurred excess expenditure of Shs. 22,972,630 on various items during the financial year without authority.
- Shs. 17,613,500 was paid for construction of a market shade and stalls however, the work was abandoned before completion.

Opinion:-Qualified-Except for

7.2 MASAKA BRANCH

7.2.1 Masaka District

Basis of Opinion

- Shs. 2,314,831,879 was not collected as planned by the District affecting negatively the provision of services.
- Test checks revealed unauthorized expenditure of Shs. 130,763,924 which was spent over the budgeted provisions on various expenditure programmes contrary to regulations.
- The administration advanced Shs. 33,464,000 out of a contract sum of Shs. 178,328,085 to a local firm, for construction of Mpugwe Rural Growth Water Centre Supply Phase I as per the signed contract (digging and installation of pipes) which expired in June 2008. Inspection carried out in November 2008, revealed that the pipes were not installed and the trench was filled with sand.

Opinion:-Qualified-Except for

7.2.2 Rakai District

Basis of Opinion

- The Council incurred Shs. 18,900,000 as legal fees with private legal practitioners without the authority of the Attorney General as is required by regulations.

- The Council budgeted to collect Shs. 20,128,336,000 from various sources but collected Shs. 18,322,383,000 resulting into a shortfall of Shs. 1,805,953,000 which could have impacted negatively on service delivery.

Opinion:-Qualified-Except for

7.2.3 Mubende District

Basis of Opinion

- A scrutiny of stores records revealed that, the administration incurred outstanding bills totaling to Shs. 253,408,948 during the financial year under review in respect of various goods and services in violation of the commitment control system.
- Contrary to financial regulations, advances totaling to Shs. 45,064,000 were not accounted for within a month and remained un-retired at the end of the financial year.
- Unspent salaries of Shs. 16,020,345 at the end of the year were not returned to the Consolidated Fund as required by regulations.
- Contrary to financial regulations expenditure totalling to Shs. 13,984,416 was paid out to a contracted local company without certificates of works, rendering expenditure uncertified.
- A sum of Shs. 8,066,500 was paid twice by the Administration to one of its employees to carry out certain activities causing a double payment that is recoverable.

Opinion:-Qualified-Except for

7.2.4 Kiboga District

Basis of Opinion

- Domestic bills worth Shs. 531,997,331 were incurred during the year under review defeating the purpose for which the Commitment Control System was instituted.
- Shs. 47,035,505 was paid to various persons/firms without supporting documentation casting doubt as to their genuineness.

Opinion:-Qualified-Except for

7.2.5 Kalangala District

Basis of Opinion

- The District Council budgeted to collect Shs. 5,792,628,248 of which Shs. 648,374,518 remained uncollected. Despite a revision of the budget, the Council realized a shortfall.
- The Council had unutilized funds totaling Shs. 49,459,515 at the end of the financial year in respect of salaries (Shs. 22,610,379) and PHC Conditional Grant of Shs. 26,849,139 that were not returned to the Consolidated Funds as required by Law.
- A sum of Shs. 15,812,231 in respect of staff loan has been outstanding for two consecutive years. I have informed the Accounting Officer that this practice ties up funds that would be used for provision of services.
- Out of a total of Shs.13,867,700 paid to the executive members, district Councilors and works officials towards the supervision and monitoring of programmes under works Department, Shs. 3,227,700 remained unaccounted for contrary to regulation that required funds to be accounted for within a month.

Opinion:-Qualified-Except for

7.2.6 Sembabule District

Basis of Opinion

- The District did not collect Shs. 2,210,934,917 that it had planned to collect representing 17.5% shortfalls that affected negatively service delivery.
- Shs. 128,973,815 was withdrawn from the district account without the Auditor General's warrant which is illegal.

Opinion:-Qualified-Except for

7.2.7 Mityana District

Basis of Opinion

- Internal control procedures relating to payment of Primary Teachers Salaries were noted to be weak. For instance personal files lacked original appointment and posting letters while payments

were based on photocopies. I have drawn the attention of the Accounting Officer to these anomalies which render the settling of teachers salaries involving Shs. 3,592,981,098 highly irregular.

- An audit investigation in salary payment revealed that Shs. 72,368,581 paid out as salary arrears, was not backed by individual claims or any evidence to indicate that the recipients of the arrears were not paid for the period in question.
- Contrary to regulations, unspent salaries at the end of the year totalling to Shs. 17,646,295 were not returned to the Consolidated fund.

Opinion:-Qualified-Except for

7.2.8 Lyantonde District

Basis of Opinion

- Revenue budget registered a shortfall of Shs. 217,018,000 and no explanation was given for the shortfall. This shortfall may have negatively affected service delivery.
- Procurement of drugs worth Shs. 47,175,003 from the Joint Medical Stores and a local firm was carried out without certificates of non availability from National Medical Stores as required by Primary Health Care guidelines. Besides, drugs from Joint Medical Stores worth Shs. 20,250,400 were not supported with goods received and delivery notes and were not taken on charge contrary to stores regulations.

Opinion:-Qualified-Except for

7.2.9 Masaka Municipal Council

Basis of Opinion

- The receivables of Shs. 212,422,109 appearing in the balance sheet relate to the previous financial year whose recovery appear to be remote and no legal action has been taken.
- Contrary to the financial and accounting regulations, advance totaling Shs. 39,645,271 including advances for paving a road (Shs 16,427,771) remained outstanding at the end of the financial year and the paving of the road had not been done.

- Outstanding liabilities amounted to Shs. 248,792,237. The delay to settle domestic arrears may lead to Court fines that will cause financial loss to the Municipality.
- A sum of Shs. 235,179,800 incurred on road works for periodic maintenance (Shs. 52,405,012) and completion and rehabilitation of two roads (Shs. 182,774,788) were not satisfactorily executed.

Opinion:-Qualified-Except for

7.2.10 Kalisizo Town council

Basis of Opinion

- The Council owns land and an office block worth Shs. 12,850,000 at cost. However, the valuation report and the title deeds were not availed for verification and therefore valuation and ownership could not be certain.
- The administration budgeted to collect Shs. 263,439,031 from its revenue items. However, only Shs. 219,961,412 was collected resulting into a shortfall of Shs. 43,471,619 that could have adversely affected service delivery.
- A review of internal control system with respect to purchase revealed that the Council does not maintain suppliers master file and commitment registers and therefore monitoring of payments could not be rendered.
- Unauthorized excess expenditure of Shs. 6,409,295 was incurred contrary to regulations.

Opinion:-Qualified-Except for

7.2.11 Lukaya Town Council

Basis of Opinion

- A total of Shs. 5,306,000 remained unaccounted for contrary to regulations that require accountability to be rendered within a month.
- Shs. 8,000,000 was paid to a claimant as compensation for a toilet that was partly destroyed by the Council grader. Neither Council nor Attorney General's authority was sought.
- A contract for tarmacking 0.5 km road was revised to Shs. 58,565,000 by a contractor in April, 2005. It was again revised to almost double at Shs. 110,462,109 during financial year

2006/07. Despite upward revision of the contract, the road works has a very rough finish while the drainage was not worked on. I was not availed with a copy of the revised contract to enable me confirm the genuineness of the revision carried out.

Opinion:-Qualified-Except for

7.2.12 Rakai Town Council

Basis of Opinion

- The Council owns land and a motor vehicle. However, the land, motor vehicle and motor cycles were not disclosed in the balance sheet.
- Analysis of the statement of details of revenue reflected in final accounts revealed that the Council budgeted to collect Shs. 191,508,854 from its revenue sources. However, only Shs. 39,376,992 (2%) was collected resulting into a shortfall of Shs. 129,970,040 yet the budget was not accordingly revised.

Opinion:-Qualified-Except for

7.2.13 Kyotera Town Council

Basis of Opinion

- The Council owns land and office buildings worth Shs. 87,522,830. However, the valuation report and the title deeds were not availed for verification and therefore their valuation and ownership could not be certain.
- A Board of Survey report was not availed for audit and therefore the cash and cash equivalent of Shs. 105,826,343 could not be independently confirmed.
- Payments to Uganda Revenue Authority in settlement of outstanding bills totaling Shs. 23,289,734 were not supported with acknowledgement receipts.
- The council budgeted to collect Shs.601,500,200 from various revenue items. However, only Shs.379,089,214 was collected resulting into a shortfall of Shs. 222,433,486 for which no budget revision was made during the year anticipating for the shortfall.

- Analytical review of the statement of expenditure revealed that the Council incurred unauthorized excess expenditure on individual items of Shs. 6,525,650 without appropriate authority.

Opinion:-Qualified-Except for

7.2.14 Lyantonde Town Council

Basis of Opinion

- The Town Council did not collect revenue totaling to Shs. 118,187,505 that it had planned to collect in the year under review thereby impacting negatively on service delivery.
- Shs. 14,476,132 paid to various firms and officers in respect of procurement of various items was not supported with the necessary documentation rendering expenditure incurred doubtful.
- Debtors amounting to Shs. 57,720,494 most of which related to previous years were not recovered locking up financial resources that would have been used for service delivery.

Opinion:-Qualified-Except for

7.2.15 Mubende Town Council

Basis of Opinion

- Included in the sum of Shs. 1,704,197,071 in respect of capital outlay is Shs. 184,452,540 which was the depreciation for the year under review causing an over statement.
- The Board of survey report and cash flow statement was not availed for audit contrary to financial and accounting regulations rendering it difficult to confirm cash at bank of Shs. 130,985,538
- Sundry debtors stood at Shs. 18,219,017 at the year end. These debtors have been appearing in the accounts over several previous years locking up cash that would have been available for service delivery.
- Contrary to conditional grant guidelines and the Public Finance Act 2003, Conditional Grants totaling to Shs. 93,041,687 utilized at the closure of the financial year under review was not returned to the Consolidated Fund and by January 2009, Shs. 48,919,706 had been spent without Authority.

Opinion:-Qualified-Except for

7.2.16 Mityana Town Council

Opinion:-Unqualified

7.2.17 Kiboga TC

Basis of Opinion

- Expenditure of Shs. 19,890,502 incurred by the Council on different activities lacked proper supporting documentation out of which Shs. 15,487,142 related to a direct debt in favour of URA to clear Tax arrears.
- Goods worth Shs. 3,757,360 purchased during the period were not taken on charge as required by the financial regulations.
- Included in debtors of Shs. 47,850,846 at the end of year is Shs. 36,483,846 related to previous years that were not recovered locking up funds required for service delivery.

Opinion:-Qualified-Except for

7. 2.18 Kalangala Town Council

Opinion: Unqualified

7.2.19 Sembabule Town Council

Basis of Opinion

- Out of Shs. 50,646,813 budgeted local revenue, Shs. 18,406,000 was actually collected leaving a shortfall of Shs. 32,240,813 (67%) impacting negatively on the Councils ability to provide services.
- A sum of Shs.50,583,680 advanced to local firm from Urban Water Account (Shs. 37,406,650) and individual (Shs. 13,177,080) to carry out various activities had not been accounted for contrary to regulations.
- A sum of Shs. 5,000,000 paid in respect of office accommodation was not supported by evaluation report of the premises to guide on the fairness of the rent being incurred.
- Statutory deductions in respect of withholding Tax and Pay As you Earn (PAYE) amounting to Shs. 6,611,632 were not remitted to Uganda Revenue Authority as required by the regulations.

Opinion:-Qualified-Except for

7.3 MBARARA BRANCH

7.3.1 Mbarara District

Basis of Opinion

Opinion: Unqualified

7.3.2 Bushenyi District

Basis of Opinion

- Contrary to regulations, the Income and Expenditure statement presented did not show the budget provision rendering budget analysis difficult. The actual expenditure of Shs. 30,823,750,700 incurred could not be compared with budgetary provisions.
- Included in the cash and cash equivalents of Shs. 315,354,307 is Shs. 79,601,306 in respect of unspent salaries which were not returned to the Consolidated Funds as required by regulations.

Opinion:-Qualified-Except for

7.3.3 Kabale District

Basis of Opinion

- Misappropriation of Shs.9,719,200 reported by the internal auditor were not recovered during the year under review as recommended.
- Advances totaling to Shs.16,807,784 have remained outstanding contrary to regulations that require accountability to be rendered within a month.
- The Board of Survey report was not presented for verification, hence the cash and cash equivalent of Shs.29,358,739 reflected on the balance sheet could not be independently verified.
- Total receipts reflected in the cash flow statements were misstated by Shs.272,479,870. No explanation was given for this anomaly. Besides a review of the cash flow statement reveals an overdrawn bank balance of Shs.272,962,067.

Opinion:-Qualified-Except for

7.3.4 Rukungiri District

Basis of Opinion

- Management spent 21% (58,000,000) of Local Government Development Programme Funds received, on the construction of the Administration block without authority contrary to the grant guidelines.
- Included in the bank balances of Shs. 291,608,238, is Shs. 13,150,476 in respect of salaries that were not returned to the Consolidated Fund contrary to regulations.
- Primary Health Care funds of Shs. 35,606,937 were diverted and drugs not procured contrary to regulations.

Opinion:-Qualified Except for

7.3.5 Ntungamo District

Basis of Opinion

- Administrative advances of Shs. 117,303,961 remained unaccounted for contrary to regulations that require accountability to be rendered within a month.
- A review of the cash flow statement revealed an understatement of cash and cash equivalents of Shs. 487,840,461 as a result of not taking into account balances brought forward from the previous year.
- A comparison between the revenue receipts reflected in the cash flow statement and in the income and expenditure statement revealed a difference of Shs. 620,179,242 which was not reconciled.

Opinion:-Qualified Except for

7.3.6 Kanungu District

Basis of Opinion

- Pay As You Earn (PAYE) on Councilors sitting allowance of Shs. 4,500,000 was not deducted on the Councilors allowances contrary to the Income Tax Act.
- Contrary to Primary Health Care (PHC) guidelines which require 50% of the funds (Shs.94,415,879) released to be spent on procurement of drugs only Shs. 27,151,521 (14%)

was spent. The balance of Shs. 67,264,358 (36%) was diverted elsewhere without reverting to the centre that provides the funds.

Opinion: Qualified-Except for

7.3.7 Kisoro District

Basis of Opinion

- Goods and Services worth Shs. 15,055,230 were procured without Local Purchase Orders contrary to regulations.
- The District administration spent Shs. 39,299,423 on arrears (creditors) for supply of goods and services and allowances, however, no creditors ledgers were kept contrary to the Local Government Financial Regulations.
- Contrary to the Drugs Procurement Policy that require drugs to be procured from the National Medical Stores, drugs worth Shs. 14,529,500 were procured from other sources without obtaining certificates of non availability from National Medical Stores.
- Contrary to regulations that require administrative advances to be accounted for within a month, Shs. 40,290,668 in this respect were not accounted for by the year end.

Opinion: Qualified-Except for

7.3.8 Kiruhura District

Basis of Opinion

- A total sum of Shs.248,986,007 was paid to Uganda Revenue Authority (URA). However no acknowledgement receipts were provided for audit rendering the expenditure doubtful.
- Un spent balances of Shs.73,968,807 were purportedly returned to the Ministry of Finance Planning and Economic Development. However, acknowledgement receipts were not availed for verification and therefore repayments could not be confirmed.
- Shs.34,376,800 advanced to planning sector from the Education account (Shs.7,180,000), and other two individuals of Shs.27,197,800) were not accounted for contrary to regulations that require accountability to be rendered within a month.

- Test checks on payment of primary teachers salaries revealed irregular payment of Shs.1,246,775 incurred on salaries for teachers that absconded and is recoverable.

Opinion: Qualified-Except for

7.3.9 Isingiro District

Basis of Opinion

- Administrative advances of Shs. 19,163,400 paid out to various officers during the financial year under review were not accounted for at the year end contrary to the Financial Regulations.

Opinion: Qualified-Except for

7.3.10 Ibanda District

Basis of Opinion

- The District has a balance of Shs.99,326,206 on salary bank account that was not returned to the Treasury at the time of audit contrary to Financial Regulations.

Opinion: Qualified-Except for

7.3.11 Mbarara Municipal Council

Basis of Opinion

- A sum of Shs. 97,365,500 incurred on fuel, lacked adequate supporting documentation and therefore its consumption could not be confirmed.
- Verification of assets register revealed that Council land, valued at Shs. 1,686,000,000 had no land titles and unscrupulous persons could take advantage and encroach on the land.
- Management did not prepare supporting statements, schedules and notes to the annual financial statements as required by regulations.
- A bank transfer of Shs. 50,000,000 from the General Fund Account to the forestry account could not be confirmed for lack of bank statements.

- An Advance of Shs. 190,400,000 received by Council from an individual was not captured in financial statements nor was the purpose of the advance disclosed.
- The Council bought land for Shs. 230,000,000 for exchange with National Forestry Authority land which was partly financed by a Bank loan (Shs. 152,000,000) which has now attracted accumulated interest of Shs. 32,707,214. The land has not been exchanged and the memorandum of understanding was not availed for audit.
- Creditors totaling to Shs. 107,747,702 who were not reflected in the financial statements of 2006/07 financial year, were settled and prior year adjustments were not made in the accounts.
- A revaluation surplus of Shs. 1,995,247,568 realized on valuations of fixed assets was not properly supported by asset register and revaluation ledger accounts.

Opinion: Disclaimer

7.3.12 Ibanda Town Council

Basis of Opinion

- A number of vital financial statements namely, the detailed revenue and expenditure statement, cash flow statement and other schedules and notes were not prepared and presented for audit.
- Included in the cash and cash equivalents were refunds of Shs.19,948,624 whose source was not known.
- The Town Council did not deduct PAYE of Shs.6,001,500 on Councillors' sitting allowances as required by the Income Tax Act.
- The Town Council collects tendered revenue. However contrary to regulations the council does not maintain a debtors ledger to control and monitor the performance of the debtors.

Opinion: Qualified-Except for

7.3.13 Bushenyi-Ishaka TC

Basis of Opinion

- Cash and cash equivalent were understated by Shs. 27,797,535 as a result of carrying wrong opening balances for the year and the error was not adjusted.

Opinion: Qualified-Except for

7.3.14 Kabwohe-Itendero TC

Basis of Opinion

- Administrative advances totaling Shs.14,962,307 were not accounted for contrary to regulations that require accountability to be rendered within a month .
- Shs.87,283,854 being the opening balance of the financial year was omitted in the cash flow statement while reconciling the cash and cash equivalents thereby understating them.
- Council Bank accounts were overdrawn to the tune of Shs.18,121,658 without Council authority as required by regulations.

Opinion: Qualified-Except for

7.3.15 Kabale Municipal Council

Basis of Opinion

- Creditors brought forward from the previous year were understated by Shs. 8,753,873 and no adjustments were made to the balance sheet.
- Excess expenditure of Shs. 46,063,893 was incurred on various expenditure items contrary to regulation that require appropriate authority to be obtained before incurring the expenditure on items where there are insufficient budget allocations.
- Included in the bank and cash balances of Shs. 220,908,291 were unspent conditional grants on works account (Shs. 186,657,090), Health Account (Shs. 16,426,560) education (Shs. 7,637,821) that were not returned to Treasury and Authority for their retention was not seen.
- Debtors of Shs. 26,680,135 were outstanding at the year end locking up funds that would be used for service delivery.

- Shs. 12,721,675 was not remitted from Lower Units (Divisions) to Council as required by Law while Shs. 61,697,866 was similarly not remitted by the Municipal Council to the Divisions.

Opinion: Qualified-Except for

7.3.16 Kisoro Town Council

Basis of Opinion

- The Town Council did not prepare and present a number of financial statement schedules and notes as required under the accounting Manual.
- Assets of Shs. 1,117,504,061 were not depreciated as required by the Local Government Financial and Accounting Regulations thereby overstating them.
- Shs. 18,554,668 was collected in excess of the budget estimated revenue. However, the Accounting Officer did not present the excess collection to the Council for the necessary budget revision.
- A sum of Shs. 11,820,000 was incurred on cleaners and road worker's annual wages, however, their recruitment did not have the District Service Commission clearance and their appointment letters were lacking.
- Pay As You Earn deduction amounts to Shs.2,400,000 were not made on the Councilors sitting allowance contrary to the Income Tax Law.

Opinion: Qualified-Except for

7.3.17 Rukungiri Town Council

Basis of Opinion

- There was a revenue shortfall of Shs. 202,230,978 (22%) which could have negatively affected the delivery of services.
- A motor vehicle loan scheme of Shs. 13,891,422 was not approved by the Ministry of Local Government.
- Sundry debtors of Shs.14,009,600 were not recovered locking up funds that would be used to provide services.
- Creditors increased substantially to 95,686,000(113%) indicating that there is no strict control policy on creditors.

Opinion: Qualified-Except for

7.3.18 Ntungamo Town Council

Basis of Opinion

- Contrary to regulation that require administrative advances to be accounted for within a month, Shs. 20,835,395 were not accounted for at the year end.
- Land reflected in the financial statements as Shs. 73,097,309 was not yet surveyed, there were no land titles to confirm ownership and there was no land register kept as required by the Local Government and financial Regulations.
- Creditors of Shs. 27,092,997 had no creditor's ledgers and could not be verified.
- The revenue account balances in the ledgers for Taxi Park Fees , Bus Park, Slaughter, Boda boda and Markets differed from final accounts by either being understated (Shs. 33,959,641) or overstated (Shs. 1,661,400).
- A number of financial statements and schedules were not prepared and presented for audit contrary to regulations governing Local Government Administration.

Opinion: Qualified-Except for

7.3.19 Kanungu Town Council

Basis of Opinion

- A total of Shs.15,469,340 was paid in cash to suppliers and contractors for goods and services contrary to the Financial Regulations which require that all suppliers of good and services be paid by crossed cheques.
- Shs.21,350,000 was advanced to suppliers and contractors for goods and services with neither bank guarantees nor performance bonds contrary to the Local Government Financial Regulations and procurement guidelines.
- Council paid allowances to Councilors without deducting PAYE of Shs.2,829,000 as required by the Income tax Act.
- A sum of Shs.20,437,600 was incurred on drainage works of a road but the same road had earlier on been tarmacked under the JICA II project. Bills of quantities of the tarmacked road were not availed for audit hence I could not establish whether or not the side drainage was not part of the tarmacking contract.

Opinion: Qualified-Except for

7.3.20 Isingiro Town Council

Basis of Opinion

- A contract for construction of an office block for which Shs. 62,435,288 (65%) had been paid was behind schedule for 13 months and the work done appeared unsatisfactory.
- A sum of Shs. 1,300,000 paid to the district Internal Auditor in respect of Kilometrage did not specify the distances covered nor the rate of pay.
- Management did not maintain contract ledgers or registers as required by the Local Government Financial and Accounting Regulations.
- The Council remitted a total sum of Shs. 15,480,421 to its Lower Councils as 5% and 10% as required by Local Government Act 1997 however, there was no evidence of acknowledgement of receipt nor accountability from them.

Opinion: Qualified-Except for

7.3.21 Kiruhura Town Council

Basis of Opinion

- Shs.224,394,444 incurred on acquisition of assets was erroneously recognized as operating expenditure in the Income and Expenditure statement thereby understating the surplus. At the same time the expenditure was capitalized creating double counting that was not adjusted. Besides the assets were not depreciated because there was no depreciation policy approved by Council.
- Council remitted Shs. 4,041,512 in respect of 20% and 25% remittance to the villages and wards as required by Law; however, the funds were not accounted for by the time of the audit.
- PAYE of Shs. 1,288,800 was not deducted from Councilors sitting allowances and remitted to Uganda Revenue Authority contrary to the Income Tax Act.

Opinion: Qualified-Except for

7.3.22 Kihihi Town Council

Basis of Opinion

- Shs. 5,236,416 was irregularly paid to a local company in respect of power connection at a water pump house without contract committee authority and therefore the fairness of contract price could not be confirmed.
- Contrary to the Law, an over expenditure on Council operations of Shs. 1,370,647 was incurred as a result of exceeding the 20% of the previous financial years local revenue provision.
- Contrary to regulations a sum of Shs. 5,000,000 was paid as salary advance to an LC III Chairperson whose monthly salary was Shs. 300,000. The advance was to be recovered at the rate of Shs. 250,000 per month (20 equal installments) which is contrary to regulations.
- Expenditure incurred on the urban water account was not posted in the abstracts and creditors ledgers and the revenue register was not maintained.

Opinion: Qualified-Except for

7.4 ARUA BRANCH

7.4.1 Nebbi District

Basis of Opinion

- Contrary to regulations that require advances to be accounted for within a month, advances of Shs.34,584,293 remained outstanding at the year end.
- There was a short fall on Local Revenue of Shs.31,099,483 which could have affected the delivery of services negatively.
- Deposits of Shs.35,615,224 were not paid to various beneficiaries as required.

Opinion: Qualified-Except for

7.4.2 Arua District

Basis of Opinion

- Administrative advances amounting to Shs.141,546,900 remained unaccounted for at the close of the year contrary to regulations that require accountability to be rendered within a month.
- Included in the cash and cash equivalent of Shs.351,638,000 at the year end were unspent balances on Conditional Grants, Salaries (1,602,486), Works (Shs.32,718,772) and Education Shs.60,864,853 that were not returned to the Treasury as required by regulations and no authority of retention was seen. This matter was also a subject of my report during the previous year audit.
- Expenditure of Shs.277,414,273 incurred on contracts (Shs.268,847,473) and other activities (Shs. 8,566,800) were irregular.

Opinion: Qualified-Except for

7.4.3 Koboko District

Basis of Opinion

- Included in the cash and cash equivalents of Shs.585,717,362 at the year end were salaries Shs. 37,128,432, Works Shs 229,647,411, Local Government Development Programme Shs. 56,268,765 and Capacity building Shs. 4,514,894 balances that were not returned to the Treasury as required by Law and authority for their retention was not availed for audit. Besides there was no board of survey to independently confirm the entire cash and cash equivalents contrary to regulations.
- Contrary to regulations Shs. 121,496,462 paid to various officers of the District lacked supporting documents for complete accountability for the various activities executed by the officers and therefore the genuineness of the expenditure incurred could not be confirmed.
- Contrary to the regulations District spent Shs. 472,302,833 above its approved budget estimates on individual items without seeking appropriate authority which is irregular.

Opinion: Qualified-Except for

7.4.4 Yumbe District

Basis of Opinion

- Contrary to regulation funds totaling to Shs. 922,746,062 advanced for purchase of fuel Shs. 136,821,000 and other goods and services (Shs. 745,865,462) were not accounted for and therefore it could not be confirmed whether they were spent on the intended purposes.
- Contrary to regulations a sum of Shs. 190,127,414 incurred in various expenditure items had missing vouchers rendering it suspicious.
- There was a shortfall on local revenue of Shs. 64,582,810 realized by the district causing inadequate financing of programmed activities which are funded by Local revenues.
- Tax of Shs. 66,894,718 deducted by the district from various suppliers which was due to URA was not remitted and deposit account was not opened up to recognize the liability.
- Contrary to regulations a sum of Shs. 331,635,910 incurred on purchase of stores Shs. 213,608,187 were not taken charge and Shs.118,027,723 incurred on repairs and other engineering works lacked certificates of work done rendering expenditure incurred doubtful.

Opinion: Qualified-Except for

7.4.5 Moyo District

Basis of Opinion

- Revenue of Shs.772,134,932 was not reflected in the financial statements thereby understating the actual revenue realized.
- A sum of Shs.134,005,940 was not accounted for by the year end contrary to regulations that require accountability to be rendered within a month.
- A sum of Shs 134,867,000 released in respect of equalization grant and drilling of bore holes, has not been used for the third year running.

Opinion: Qualified-Except for

7.4.6 Adjumani District

Basis of Opinion

- Un accounted for funds amounted to Shs.159,732,164 contrary to regulations that require accountability to be rendered within a month.

- There was a revenue shortfall of Shs. 4,538,206,036 (32%) which may have affected negatively funding of service delivery.

Opinion: Qualified-Except for

7.4.7 Maracha- Terego District

Basis of Opinion

- Contrary to the Local Government Regulations, the district didn't have an established Council of its own but depended on the mother district (Arua) Council and hence the financial management lacked appropriate political authority and guidance.
- Expenditure of Shs.85,687,655 lacked supporting documents rendering it incompletely vouched and doubtful.
- Funds amounting to Shs.88,600,228 were not accounted for contrary to regulations.
- Included in the cash and cash equivalents of Shs.1,707,287,884 which remained at the year end were conditional grants in respect of Local Government Development Programme II funds Shs.178,668,428 and Works account Shs.162,940,696 which were not returned to the treasury as required by law nor was authority for retention availed for audit.
- Shortfall in local revenue collection amounted to Shs.65,431,500(80%) which impacted negatively on service delivery.
- The subsidiary ledgers, journals and general ledger were not maintained while abstracts of revenue and expenditure were improperly and incompletely done rendering the audit of the financial statement difficult.

Opinion: Disclaimer

7.4.8 Nebbi Town Council

Basis of Opinion

- There was a Local revenue performance shortfall of Shs. 134,495,700 by the closure of the financial year which affected service delivery. There is need to vigorously follow up recovery of revenues in a timely manner as required by regulations.

- A contract of Shs. 275,877,500 was awarded in June 2008 to a local firm to tarmac 0.6 km road within six weeks and accordingly a down payment of Shs 87,767,250 (32%) made. However, by January 2009 no work had started constituting a breach of contract.
- Included in the deposits of Shs. 43,463,176 were in respect of statutory deductions of Shs. 35,451,896 in VAT (Shs. 18,152,663) 6% Withholding Tax (Shs 14,734,930) and PAYE (Shs. 2,564,303) that was not remitted to Uganda Revenue Authority contrary to regulation and may attract penalties in future.
- Shs. 13,490,000 advanced to officials to undertake various activities remained unaccounted for by the closure of the financial year and therefore could not be confirmed whether they were put to the right use as intended.

Opinion: Qualified-Except for

7.4.9 Pakwach TC

Basis of Opinion

- Included in the bank balance of Shs.101,394,667 were un-spent balances on LGDP (Shs.26,310,676), salaries (Shs.2,515,691) and urban roads Shs.18,955.675 that were not returned to the Treasury as required and no authority was sought for their retention.

Opinion: Qualified-Except for

7.4.10 . Paidha Town Council

Basis of Opinion

- Improper payment of lunch of Shs.18,260,000 and air time allowances of Shs.1,420,000 was incurred contrary to the law.
- Receivables of Shs.33,168,436 were out standing at the close of year tying up funds that, would have been used for provision of services.

Opinion: Qualified-Except for

7.4.11. Arua MC

Basis of Opinion

- There was a local revenue shortfall of Shs.160,663,772(27%) probably due to lack of adequate internal controls which would have ensured proper revenue collection.
- Shs.31,944,631 received from the Central Government to cater for Primary Health Care(PHC) wages(Shs.24,078,198), Teachers salary(Shs.7,192,000), and Public Libraries (Shs.674,433) were not accounted for.
- Included in the cash and cash equivalents of Shs.223,657,752 were conditional grants of Shs.173,143,510 in respect of Works(Shs.48,765,622), Local Government Development Programme(Shs.69,395,431), Health(Shs.19,341,221), Education (Shs. 21,555,948)and others(Shs.14,085,288) which were not returned to treasury nor was authority for their retention availed for audit.
- Administrative advances of Shs.8,050,000 were not accounted for contrary to regulations that require accountability to be rendered within a month.

Opinion: Qualified-Except for

7.4.12 Koboko Town Council

Basis of Opinion

- The Council had cash and cash equivalent of Shs. 171,928,878 at year end. However, there was no Board of Survey report to independently confirm the balances.
- Land and Building structures worth Shs. 1,224,421,173 owned by the Council did not have a register against which to verify the values shown in the balance sheet.
- The Council realized a revenue shortfall of Shs. 84,767,865 and there was no indication that the revenue budget was revised during the implementation as required by the regulations.
- The Council did not recover receivables worth Shs. 26,053,000 during the financial year and this affected negatively service delivery to the people.

Opinion: Qualified-Except for

7.4.13 Yumbe Town Council

Basis of Opinion

- Included in cash and bank balances of Shs.94,323,144 was Shs.53,050,387 and Shs.24,823,050 in respect of Works and LGDP II accounts respectively which was not returned to the Treasury as required and was not explained whether authority was obtained for their retention.

- A sum of Shs.35,963,676 incurred on expenditure lacked supporting expenditure vouchers contrary to regulations and therefore their genuineness could not be confirmed.
- Personal advances of Shs.33,929,215 remained outstanding for more than two financial years contrary to regulations denying the council funds to provide the services.
- Funds totaling to Shs.15,272,706 were not accounted for contrary to regulations and therefore it could not be confirmed whether they were put to the right use.

Opinion: Qualified-Except for

7.4.15 Moyo Town Council

Basis of Opinion

- There was a local revenue shortfall of Shs.94,100,086 (39%) which could have affected service delivery negatively.
- Debtors of 63,399,556 have remained unrecovered to date locking up funds that would have been used to provide services.
- Creditors amounting to Shs.98,437,469 which have taken long without being settled may attract litigations in future for non settlement.
- Road works for which an advance of Shs.34,367,800 was made and expected to be executed in six months has never taken off and the execution period has expired.

Opinion: Qualified-Except for

7.4.15 Adjumani Town Council

Basis of Opinion

- Revenue due to Lower Local Councils of Shs. 43,275,200 was not remitted to them contrary to the law.
- Included in the cash and cash equivalents of Shs.138,918,000 was Shs.47,130,803 and Shs.92,166,393 in respect of LGDP II Grant and road maintenance accounts respectively was not returned to the Treasury as required and was not explained whether authority was obtained for their retention.

Opinion: Qualified-Except for

7.5 GULU BRANCH

7.5.1 Gulu District

Basis of Opinion

- No contract register was maintained in respect of contract payments worth Shs. 103,210,660. I could not verify completion, retention and penalties status of these contracts as required by Section 5.4.7 of Local Government Financial and Accounting Manual 2007.
- Payment vouchers for total expenditures amounting to Shs. 37,622,500 were not availed for audit; I was unable to ascertain whether the funds were appropriately spent.
- Shs 15,387,800 advanced to various Council officers remained unaccounted for to date as such I could not establish the genuineness of those expenditures.
- Expenditures amounting to Shs.13, 922,067 were not adequately supported by appropriate documents and remained unaccounted for to date. I could not establish the genuineness of those expenditures.
- Management of personal advances remained poor as reflected in non recovery of shs.6,904,864 contrary to Section 43 of Local Government Financial and Accounting Regulation 2007 which prohibits stretching recovery beyond one financial year. The practice exposes Council to possibility of losses arising from bad debts.

Opinion: Qualified-Except for

7.5.2 Lira District

Basis of Opinion

- Management failed to present arrears of Revenue return arising from uncollected Local Revenue of Shs. 224,091,205 to the Executive Committee for appropriate action as required by section 4.8 of Local Government Financial and Accounting Manual 2007.
- Management of personal advances remained poor as reflected in non recovery of Shs.55,311,842 contrary to Section 43 of Local Government Financial and Accounting Regulation 2007 which prohibits stretching recovery beyond one financial year. The practice exposes Council to possibility of losses arising from bad debts.
- Shs 36,916,300 advanced to various Council Officers remained unaccounted for to date as such I could not establish the genuineness of those expenditures.

Opinion: Qualified-Except for

7.5.3 Kitgum District

Basis of Opinion

- Management failed to present arrears of revenue return arising from uncollected Local Revenue of Shs. 64,310,000 to the Executive Committee for appropriate action as required by Section 4.8 of Local Government Financial and Accounting Manual 2007.
- Administrative and personal advances amounting to Shs. 510,255,146 were written off without complying with the procedures required under paragraph 2.3.4.13 of Local Government Financial and Accounting Manual 2007.
- Shs. 43,236,335 advanced to various Council officers remained unaccounted for to date. I could not establish the genuineness of those expenditures.

Opinion: Qualified Except for

7.5.4 Apac District

Basis of Opinion

- Management did not submit for audit books of accounts for National Agricultural Advisory Services (NAADS). I could not, therefore, verify the genuineness of the expenditures of Shs. 487,982,800 received under the project.
- Shs. 241,554,319 advanced to various Council Officers remained unaccounted for to date. I could not establish the genuineness of those expenditures.
- Procurement of vehicle worth Shs.66,104,500 was done without subjecting it to transparent procurement process as required under Public Procurement and Disposal of Public Assets Act, 2003.

Opinion: Qualified-Except for

7.5.5 Pader District

Basis of Opinion

- I could not confirm the bank balance amounting Shs.329,385,115 (UNICEF Shs. 96,681,080 and Education Shs. 232,704,035) reported in the financial statement because they were not supported by certificate of bank balance.
- Shs.136,945,840 advanced to various Council Officers remained unaccounted for to date contrary to section 43(2) and 69(d) of Local Government Financial and Accounting Regulation 2007. I could not establish the genuineness of those expenditures.
- Management failed to present arrears of revenue return arising from uncollected local revenue of Shs.57,453,478 to the Executive Committee for appropriate action as required by section 4.8 of Local Government Financial and Accounting Manual 2007.
- Expenditures amounting to Shs.56,602,388 were not adequately supported by appropriate documents and remained unaccounted for to date. I could not establish the genuineness of those expenditures.
- Total expenditures amounting to Shs. 42,531,595 were not supported by payment vouchers; I was unable to ascertain whether the funds were appropriately spent.
- Withholding Tax deductions amounting to Shs.30,693,369 was purportedly remitted to Uganda Revenue Authority (URA) but was not supported by acknowledgement receipt from URA. I could not establish the genuineness of this remittance.

Opinion: Qualified-Except for

7.5.6 Oyam District

Opinion: Un-qualified

7.5.7 Amolatar District

Basis of Opinion

- Shs 18,518,938 advanced to various council officers remained unaccounted for to date contrary to Section 43(2) and 69(d) of Local Government Financial and Accounting Regulation 2007. I could not establish the genuineness of those expenditures.

- Withholding tax deductions amounting to Shs. 17,941,055 was purportedly remitted to Uganda Revenue Authority (URA) but was not supported by acknowledgement receipt from URA. I could not establish the genuineness of this remittance.
- Procurement of drugs worth Shs.12,582,100 were not taken on charge in stores contrary to requirements of Section 5.4.4.1 of Local Government Financial and Manual 2007. I could not establish the genuineness of the delivery of the drugs.

Opinion: Qualified-Except for

7.5.8 Dokolo District

Basis of Opinion

- Expenditures amounting to Shs 72,934,560 were not adequately supported by appropriate documents and remained unaccounted for. I could not establish the genuineness of these expenditures.
- Included in the cash and bank balances of Shs.24,936,000 were unspent balances of Conditional Grants in respect of salaries to NAADS Coordinator which were not returned to the Treasury contrary to the Laws.

Opinion: Qualified-Except for

7.5.9 Amuru District

Basis of Opinion

- Procurement of goods and services worth Shs. 452,724,352 were done without documentary evidence of following appropriate procedures contrary to the requirements of Public Procurement and Disposal of Public Assets Act, 2003.
- There was no Board of Survey report to enable me verify the cash balance of Shs. 331,980,359 reported contrary to Section 102 of Local Government Financial and Accounting Regulations 2007.
- Shs 149,059,297 advanced to various council officers remained unaccounted for to date contrary to Section 43(2) and 69(d) of Local Government Financial and Accounting Regulation 2007. I could not establish the genuineness of those expenditures.
- Total expenditures amounting to Shs. 89,776,858 were not supported by payment vouchers; I was unable to ascertain whether the funds were appropriately spent.

- Management failed to present arrears of revenue return arising from uncollected local revenue of Shs. 45,986,753 to the Executive Committee for appropriate action as required by Section 4.8 of Local Government Financial and Accounting Manual 2007.

Opinion: Qualified-Except for

7.5.10.Gulu Municipal Council

Basis of Opinion

- Procurement of goods and services worth Shs.255,107,702 were done without documentary evidence of following appropriate procedures contrary to the requirements of Public Procurement and Disposal of Public Assets Act, 2003.
- Excess expenditures amounting to Shs. 319,382,102 were incurred on a number of items in violation of budgetary provisions and without the relevant authority as required by Section 25 of Local Government Financial and Accounting regulations 2007.
- There was no Board of Survey report to enable me verify the cash balance of Shs. 544,932,779 reported contrary to Section 102 of Local Government Financial and Accounting Regulations 2007.
- Management of debtors was poor reflected in non collection of Shs.185,264,458 contrary to Section 32 of Local Government Financial and Accounting Regulation 2007. The practice exposes Council to possibility of losses arising from bad debts.

Opinion: Qualified-Except for

7.5.11. Lira Municipal Council

Basis of Opinion

- Shs. 61,134,000 advanced to various Council officers remained unaccounted for to date as such I could not establish the genuineness of those expenditures.
- Excess expenditures amounting to Shs. 203,301,167 were incurred on a number of items in violation of budgetary provisions and without the relevant authority as required by Section 25 of Local Government Financial and Accounting Regulations 2007.

- Management failed to present arrears of revenue return arising from uncollected Local Revenue of Shs.168,643,043 to the Executive Committee for appropriate action as required by Section 4.8 of Local Government Financial and Accounting Manual 2007.
- Management of personal advances remained poor as reflected in non recovery of Shs. 78,442,852 contrary to Section 43 of Local Government Financial and Accounting Regulation 2007 which prohibits stretching recovery beyond one financial year. The practice exposes Council to possibility of losses arising from bad debts.
- A Payment voucher for a direct bank debit amounting to Shs. 35,433,059 was not availed for audit. No clear explanation or authority was given to justify this payment. I was unable to ascertain whether the funds were appropriately spent.

Opinion: Qualified-Except for

7.5.12 Kitgum Town Council

Basis of Opinion

- There was no Board of Survey report to enable me verify the cash balance of Shs. 421,305,148 reported contrary to section 102 of Local Government Financial and Accounting Regulations 2007.
- Management failed to present arrears of revenue return arising from uncollected local revenue of Shs.122,697,589 to the Executive Committee for appropriate action as required by Section 4.8 of Local Government Financial and Accounting Manual 2007.
- Management of administrative advances remained poor as reflected in non recovery of Shs.81,449,831 contrary to Section 43 of Local Government Financial and Accounting Regulation 2007 which prohibits stretching recovery beyond one financial year. The practice exposes Council to possibility of losses arising from bad debts.
- Excess expenditures amounting to Shs. 70,508,191 were incurred on a number of items in violation of budgetary provisions and without the relevant authority as required by Section 25 of Local Government Financial and Accounting regulations 2007.
- Procurement of goods and services worth Shs. 15,334,800 were done without documentary evidence of following appropriate procedures contrary to the requirements of Public Procurement and Disposal of Public Assets Act, 2003.

- Shs.12,895,700 was diverted from Local Government Development Programme (LGDP) fund (Shs.9, 674,500) and Urban Roads (Shs. 3,221,200) to finance other council activities contrary to grant guidelines and Section 37(2) of Local Government Financial and Accounting Regulation 2007.
- Shs 7,358,645 advanced to various council officers remained unaccounted for to date contrary to section 43(2) and 69(d) of Local Government Financial and Accounting Regulation 2007. I could not establish the genuineness of those expenditures.

Opinion: Disclaimer

7.5.13 Apac Town Council

Basis of Opinion

- There was no board of survey report to confirm the correctness of the cash component of cash and bank balance of Shs. 57,391,137.
- Conditional Funds for roads amounting to Shs. 43,042,625 remained unspent but not returned to the consolidated fund in violation of Section 19(1) of Public Finance and Accountability Act, 2003. There was also no written permission from Ministry of Finance, Planning and Economic Development to retain the funds.
- Excess expenditures amounting to Shs. 28,772,702 were incurred on a number of items in violation of budgetary provisions and without the relevant authority as required by Section 25 of Local Government Financial and Accounting Regulations 2007.
- Shs. 4,864,340 advanced to various Council officers remained unaccounted for to date as such I could not establish the genuineness of those expenditures.
- The value of assets in the financial statement is overstated by Shs. 27,809,252 thereby distorting the accounts to that extent.
- Management failed to present arrears of revenue return arising from uncollected local revenue of Shs. 52,412,360 to the Executive Committee for appropriate action as required by Section 4.8 of Local Government Financial and Accounting Manual 2007.

Opinion: Disclaimer

7.5.14 Pader Town Council

Basis of Opinion

- Management failed to present arrears of revenue return arising from uncollected local revenue of Shs. 46,613,370 to the Executive Committee for appropriate action as required by Section 4.8 of Local Government Financial and Accounting Manual 2007.
- Local revenue is understated in the final financial statement by Shs. 30,317,970.
- There were weak controls on revenue collections reflected in management spending Shs. 8,614,000 at source contrary to Section 32 of Local Government Financial and Accounting Regulations 2007.
- Shs. 5,079,430 advanced to various Council officers remained unaccounted for to date as such I could not establish the genuineness of those expenditures.

Opinion: Qualified-Except for

7.5.15 Amolatar Town Council

Basis of Opinion

- Management failed to present arrears of revenue return arising from uncollected local revenue of Shs. 18,677,550 to the Executive Committee for appropriate action as required by Section 4.8 of Local Government Financial and Accounting Manual 2007.
- Expenditures amounting to Shs 11,570,890 on physical planning were not adequately supported by appropriate documents and remained unaccounted for to date. I could not establish the genuineness of the expenditures.

Opinion: Qualified-Except for

7.5.16 Amuru Town Council

Basis of Opinion

- Shs. 12,085,100 advanced to various Council Officers remained unaccounted for to date as such I could not establish the genuineness of those expenditures.
- Shs. 6,939,341 was spent on road works but there is no adequate evidence to support the activity. I could not verify the genuineness of those expenditures.

Opinion: Qualified-Except for

7.5.17 Dokolo Town Council

Basis of Opinion

- Excess expenditures amounting to Shs. 75,868,854 were incurred on a number of items in violation of budgetary provisions and without the relevant authority as required by Section 25 of Local Government Financial and Accounting Regulations 2007.
- Cash and Bank balance is understated in the final financial statement by Shs. 31,035,000 arising from omission of works department bank balance.
- Management failed to present arrears of revenue return arising from uncollected local revenue of Shs. 13,700,000 to the Executive Committee for appropriate action as required by Section 4.8 of Local Government and Accounting Manual 2007.

Opinion: Disclaimer

7.5.18 Kalongo Town Council

Basis of Opinion

- Management failed to present arrears of revenue return arising from uncollected Local Revenue of Shs. 60,159,254 to the Executive Committee for appropriate action as required by Section 4.8 of Local Government Financial and Accounting Manual 2007.
- Management of administrative and personal advances remained poor as reflected in non recovery of Shs.5,801,158 contrary to Section 43 of Local Government Financial and Accounting Regulation 2007 which prohibits stretching recovery beyond one financial year. The practice exposes Council to possibility of losses arising from bad debts.
- Shs. 3,510,000 advanced to various council officers remained unaccounted for to date. I could not establish the genuineness of those expenditures.
- Management of creditors has been poor as reflected in non-servicing of Shs. 17,020,867. The practice exposes Council to possibility of losses arising from legal suites.
- Management of debtors has remained poor as reflected in non recovery of Shs. 3,361,000 contrary to Section 43 of Local Government Financial and Accounting Regulations 2007 which prohibits stretching recovery beyond one financial year. The practice exposes Council to possibility of losses arising from bad debts.

Opinion: Qualified-Except for

7.5.19 Oyam Town Council

Basis of Opinion

- Expenditures on Local Government Development Programme and Roads totaling to Shs. 39,167,090 reported in the final financial statements could not be relied on since no proper cashbook record were maintained in support of the transactions.
- Procurement worth Shs. 7,070,000 was done without subjecting it to transparent procurement process as required under Public Procurement and Disposal of Public Assets Act, 2003.
- The assets were understated by Shs. 6,803,600 arising from omission of the value of office equipment from the assets register.
- Shs. 2,285,000 was spent on purchase of a safe which was already not useable by the time of audit. This amounts to wastage of council funds.
- Shs. 1,236,200 advanced to various Council Officers remained unaccounted for to date as such I could not establish the genuineness of those expenditures.

Opinion: Disclaimer

7.6 KAMPALA CITY COUNCIL BRANCH

7.6 1. Kampala City Council Headquarters

Basis of Opinion

- Shs. 13,590,000,000 released for upgrading of roads was not properly spent as physical inspection of these roads revealed visible poor workmanship where potholes had already redeveloped on most of the roads just within one year of upgrading.
- Debtors amounted to Shs. 6,468,613, 742 during the year under review, indicating an increase of 38% from the previous year. It appears the follow up of collection of debts is not vigorous thereby denying headquarters an opportunity of using the money to provide support services.
- KCC used depreciations rates to depreciate their fixed assets that are not in conformity with the accounting regulations. Therefore a total of 3,489,657,538 applied on the fixed asset for depreciation was wrong and adjustments were not made.

- Expenditure incurred on training of Shs. 1,450,427,899 funded under projects was erroneously capitalized and adjustments were not made.
- KCC was penalized Shs. 102,258,809 by Uganda Revenue Authority for the period 2001-2005 non payment of Taxes (PAYE, Withholding Tax and VAT) on time. This expenditure would have been avoided if there was proper Tax Planning and Compliance.
- The final accounts for the financial year were submitted two month late on account of IFMS failure to produce accounts automatically as the software did not provide for the accrual basis of accounting which are applicable to Urban Councils.

Opinion: Qualified-Except for

7.6.2 Kampala City Council Rubaga Division

Basis of Opinion

- The system of follow up of debtors which amounted to Shs. 5,841,751,850 is not vigorous to ensure that debtors are recovered promptly and minimized as required by the Local Government Accounting Financial and Accounting Instructions. From a sample demand notes of Shs. 1,778,268,395 issued at the beginning of the financial year in respect of property rates only Shs. 205,409,707 (12%) was collected leaving a balance of uncollected revenue of Shs. 1,572,858,688 and no reminder demand notices were issued contrary to the Local Governments Rating Act.
- The Division did not remit a total of Shs. 173,214,616 to the Lower Councils contrary to the Local Government Act. Non remittance may cause disharmony with Lower Councils and retard development in these areas.
- Payment vouchers totaling to Shs. 159,398,412 paid out of the General operation account (Shs. 138,358,412) and Local Government Development Programme (Shs. 21,040,000) were not produced for audit and therefore the genuineness of these payments could not be confirmed.
- The Division withdrew its operation accounts by Shs. 176,081,465 without the Council authority, contrary to Financial Regulations.
- Contrary to the Local Government Development Programme guidelines the Division transferred Local Government Development Programme funds totaling to Shs. 90,193,000 to finance operations that were not Local Government Development Programme related activities.
- The origin of the loan of Shs. 50,000,000 shown in the balance sheet since last financial year has not been explained to-date.

- Total deposits of Shs. 40,110,123 have remained unremitted to various beneficiaries for too long and may attract penalties.

Opinion: Qualified-Except for

7.6.3 Kampala City Council Nakawa Division

Basis of Opinion

- The outstanding Debtors before provision for bad debts at the end of the year had increased by 30% to Shs. 16,021,530,622 from 12,355,240,423 for the previous year. The bulk of this figure is constituted of property rates (Shs. 15,469,596,199). Non-recovery of these debts is contrary to the Local Government Accounting Financial Accounting Instruction that require prompt recovery and minimization of debtors and is likely to have an adverse effect on the liquidity of the Division and timely provision of services.
- The Division did not remit a total of Shs. 630,150,437 to the Lower Councils as required by the Local Government Act and this undermines the principles of decentralization which emphasise Local participation, planning and decision making and this irregularity can create disharmony between the division and its Lower Councils.
- Trade Creditors had increased by 31% from Shs. 473,405,540 last financial year to Shs. 620,841,997. There is need to have a strict control on accumulation of creditors and their prompt settlement to avoid legal suits that may arise from non settlement.
- Allowances totaling to Shs. 220,047,000 were paid to Councilors as consolidated monthly payment without specifying the type of allowances, rates and number of days involved contrary to the Local Government Act which requires sitting allowances for example to be paid based on actual days of sitting and the rates applicable.
- Administrative advances totaling to Shs 37,777,620 identified during the audit had not been accounted for by the time of writing the report. Besides they were expensed directly to expenditure which is irregular.
- The Division submitted its final accounts late by two months contrary to regulations attributing the delay to ill trained staff in the use of IFMS software which generates the accounting information.
- 50 Trading licenses used books totaling issued to collect an unknown amount of revenue remained unaccounted for by the time of writing this report.

Opinion: Qualified-Except for

7.6.4 Kampala City Council Kawempe Division

Basis of Opinion

- The outstanding Debtors before provision for bad debts at the end of the year totaled to Shs.6,929,554,189 most of which constituted of property rates of Shs 6,588,056,106. Contrary to the Local Government Financial and Accounting Instructions which require timely and vigorous collection of debtors the recovery of debtors was very low (6.5%) denying the division the opportunity of using the money to provide prompt services.
- Creditors increased by 60% from Shs 470,644,920 reported in the previous year, to Shs.753,588,734 in the year under review, there is need to have a strict control on accumulation of Creditors as they may attract litigation costs a rising from suits for non-settlement.
- The Division did not remit a total of Shs. 186,619,902 to the Lower Councils contrary to the Local Government Act. Non remittance may cause disharmony with Lower Councils and retard development in these areas.
- Contrary to the Local Government Act Councilors sitting allowances of Shs. 58,735,600 were paid as a monthly consolidated allowance when such allowance should be paid based on the number of sittings held.

Opinion: Qualified-Except for

7.6.5 Kampala City Council Makindye Division

Basis of Opinion

- The outstanding debtors before provision for bad debts increased from Shs. 12,532,855,357 during the year 2006/07 to Shs. 12,894,128,488 at the close of the financial year constituting of mainly property rates (Shs. 10,143,122,213) Car Parks (Shs. 108,582,621), markets (Shs. 56,152,100). The trend of debt recovery has not improved from that of last year and chances of recovery of the above debts are too remote. Non-recovery of these debts is contrary to the Local Government Financial Accounting Instruction that require prompt recovery and minimization of debtors and is likely to have an adverse effect on the liquidity of the Division and delivery of public services.

- Trade Creditors have reduced from Shs. 394,087,605 to Shs. 331,522,692, however, most of the Creditors from previous years have remained un-paid and this may attract legal suits.
- A local firm contracted to construct an office block of the Division at cost of Shs. 1,119,646,049 was instead paid Shs. 1,342,133,946 causing an overpayment of Shs. 222,487,897 that is recoverable.
- A review of the bills of quantities (BOQs) and inspection of work done on the Divisions Office Block, revealed payments of Shs. 206,517,000 for no work done.
- Potentially fraudulent payments of Shs. 187,239,502 were made from LGDP fund to a local company purportedly for construction of storm water channels in the Parishes for no work done and funds were misappropriated.
- The Division procured various items of Shs. 170,654,973 namely; fuel and lubricants worth (Shs. 105,000,000) LGDP items (Shs. 58,886,773) and stationery (Shs. 6,768,200) without LPOs, contrary to the Procurement regulations.

Opinion: Qualified-Except for

7.6.6 Kampala City Council Central Division

Basis of Opinion

- Debtors before provision for doubtful debts amounted to Shs.24,536,943,532 by year end. Contrary to the financial and accounting regulations, follow up of these debtors was not done timely and vigorously thereby locking up funds that would be used for provision of services.
- A total of Shs. 233,732,450 spent on procurement of goods lacked supporting delivery notes and the items were not taken on charge in the stores records contrary to regulations.
- Funds totaling to Shs. 189,582,159 that had been advanced to Division Officials for various activities had not been accounted for contrary to the Local Government Regulation that requires accountability within a month of the advance. Besides the funds were expensed directly to expenditure account before accountabilities were rendered which is irregular.
- A local company contracted to install street lights at a Contract price of Shs. 104,294,064 lacked a contract agreement contrary to the regulations and therefore the scope of the work done and other obligations could not be verified.

Opinion: Qualified-Except for

7.6.7 Kampala City Council Consolidated

Basis of Opinion

- City Council budgeted to collect a total of Shs 65,036,813,355 in Local revenue, this year. However, Shs 38,098,881,882 was collected leading to a net shortfall of Shs 26,937,931,473. The overall performance for the period was 59% of the projected local revenue collections affecting adversely service delivery.
- Council had overdrawn its accounts by Shs.275,626,628, (Shs 176,081,465 and Shs 99,545,163 for Lubaga Division and Headquarters respectively) at the end of the financial year without council authority contrary to regulations.
- The outstanding debtors before provisions for bad debts at the end of the 2007/2008 financial year totaled to Shs. 72,261,292,963. The realization of the bulk of this figure is doubtful as it is mainly unpaid property rates dating back to a number of years. Debt collection needs to be improved.

Opinion: Qualified-Except for

7.7 KAMPALA BRANCH

7.7.1 Mpigi District

Opinion: Unqualified

7.7. 2 Luwero District

Basis of Opinion

- Budget alterations amounting to Shs. 171,172,940 were made in violation of budgetary controls and no relevant authority obtained as required by section 25 of Local Government Financial and Accounting Regulations 2007.
- Excess expenditures amounting to Shs. 53,215,107 were incurred on a number of items in violation of budgetary controls and no relevant authority was obtained as required by section 25 of Local Government Financial and Accounting Regulations 2007.
- The financial statements presented by management were not supported by other statements, schedules and notes as required by Section 7.4 of Local Government Financial and Accounting

Regulations 2007. The absence of these statements limits the understandability of the financial statements by the users.

- There was no board of survey report to verify the cash component of the cash and bank balance of Shs. 19, 962,950.
- Management of debtors was poor reflected in non recovery of Shs. 8,963,450 outstanding, some from previous years contrary to section 32 of Local Government Financial and Accounting regulation 2007. The practice exposes Council to possibility of losses arising from bad debts and holds up funds meant for service delivery in other sectors.

Opinion: Qualified-Except for

7.7.3 Mukono District

Basis of Opinion

- Capacity Building Programme Funds amounting to Shs 181,461,490 advanced to various council officers remained unaccounted for to date contrary to section 43(2) and 69(d) of Local Government Financial and Accounting Regulation 2007. I could not establish the genuineness of those expenditures.
- Universal Primary Education (UPE) funds amounting to Shs. 131,286,332 advanced to Primary school head teachers remained unaccounted for to date. I was not able to verify whether the expenditures were genuine.
- Shs. 131,428,037 was paid for construction of 12 boreholes. However, no certificates were issued by technical officers to show the level of completion to pay for contrary to Section 5.4.7(1) of Local Government Financial and Accounting Regulations 2007. I could not establish whether payments were made for genuine completed works.
- Expenditures amounting to Shs. 108,397,680 lacked adequate, appropriate supporting documents contrary to Section 5.4.8(1) of Local Government Financial and Accounting Manual 2007, as a result were not audited. I could not establish the genuineness of those expenditures.
- Management of personal advances was poor as reflected in non recovery of Shs.21, 484,771 outstanding from previous years contrary to section 32 of Local Government Financial and Accounting regulation 2007. The practice exposes Council to possibility of losses arising from bad debts and holds up funds meant for service delivery in other sectors.

Opinion: Qualified Except for

7.7.4 Nakasongola District

Basis of Opinion

- There is lack of evidence to show that statutory deduction amounting to Shs. 252,500,000 in Pay as you earn (PAYE) for remittance to Uganda Revenue Authority (URA) was made by Council. This contravenes section 123 of Income tax chapter 340 of Laws of Uganda and may attract penalties resulting in loss to the Council.
- Shs. 53,017,818 was wasteful expenditure incurred on drilling four boreholes which failed to yield water and are classified as dry. The community has been denied access to clean water as a result.
- Shs 28,082,020 advanced to various Council Officers remained unaccounted for to date contrary to section 43(2) and 69(d) of Local Government Financial and Accounting Regulation 2007. I could not establish the genuineness of those expenditures.
- Budget alterations amounting to Shs. 12,542,800 were made in violation of budgetary controls and no relevant authority obtained as required by section 25 of Local Government Financial and Accounting Regulations 2007.
- Asset management was inadequate reflected in grounding 13 motor vehicles, 27 motorcycles and three stolen contrary to section 2.3.1 of Local Government Financial and Accounting manual 2007. The practice hinders efficient and effective service delivery to the community.

Opinion: Qualified-Except for

7.7.5 Wakiso District

Opinion: Unqualified

7.7.6 Nakaseke District

Opinion: Unqualified

7.7.7 Mpigi Town Council

Opinion: Unqualified

7.7.8 Entebbe Municipal Council

Basis of Opinion

- Management of debtors was poor reflected in non collection of Shs.452, 719,186 contrary to Section 32 of Local Government Financial and Accounting Regulation 2007. The practice exposes Council to possibility of losses arising from bad debts.
- Shs 92,774,500 advanced to various Council officers remained unaccounted for to date contrary to section 43(2) and 69(d) of Local Government Financial and Accounting Regulation 2007. I could not establish the genuineness of those expenditures.
- Council measures for creditors management was poor reflected in non settlement of over due creditors to the tune of Shs. 46, 888,533. This potentially exposes council to litigation costs from legal suits and the practice negatively affects the social harmony of council with the community.
- Procurement of civil works worth Shs. 12,947,000 were done without following appropriate procedures contrary to the requirements of Public Procurement and Disposal of Public Assets Act, 2003.

Opinion: Qualified-Except for

7.7.9 Luwero Town Council

Opinion: Unqualified

7.7 .10 Bombo Town Council

Basis of Opinion

- Management failed to present arrears of revenue return on uncollected Local Revenue of Shs. 23,578,975 to the Executive Committee for appropriate action as required by Section 101 of Local Government Financial and Accounting Regulations 2007.
- Creditors management was poor as reflected in non settlement of over due creditors to the tune of Shs. 13,278,431. This potentially exposes council to litigation costs from legal suits.

The practice also negatively affects the development of private sector business which in turn hinders poverty eradication efforts.

- Management of advances was poor reflected in non recovery of Shs.12, 094,800 outstanding from previous years contrary to Section 32 of Local Government Financial and Accounting regulation 2007. The practice exposes Council to possibility of losses arising from bad debts and holds up funds meant for service delivery in other sectors.
- Debtors' value is understated by Shs. 4,061,500 thus distorting the balance to that extent.
- Fixed asset value is understated to the extent of depreciation not removed thus distorting the balance sheet in this respect.

Opinion: Qualified-Except for

7.7.11 Wobulenzi Town Council

Basis of Opinion

- Fixed asset value is overstated to the extent of depreciation not removed thus distorting the balance sheet in this respect.
- Management of debtors was poor reflected in non recovery of Shs. 49, 952,109 outstanding, some from previous years contrary to section 32 of Local Government Financial and Accounting regulation 2007. The practice exposes Council to possibility of losses arising from bad debts and holds up funds meant for service delivery in other sectors.
- Creditors management was poor as reflected in non settlement of over due creditors to the tune of Shs. 30,736,983. This potentially exposes council to litigation costs from legal suits. The practice also negatively affects development of private sector business which in turn hinders poverty eradication efforts.
- Management failed to present arrears of revenue return on uncollected local revenue of Shs. 46,952,109 to the Executive Committee for appropriate action as required by section 101 of Local Government Financial and Accounting Regulations 2007
- Shs. 24,803,295 was diverted from Local Government Development Programme (LGDP) fund to finance other council activities contrary to grant guidelines and section 37(2) of Local Government Financial and Accounting Regulation 2007.
- There are weak controls on market revenue collections. This is reflected in not having contract arrangement with revenue collectors and unclear collection monitoring arrangement on Town

agents contrary to Section 32 of Local Government Financial and Accounting Regulations 2007. I could not confirm the correctness of shs.17, 591,900 reported under market/gate charges revenue.

Opinion: Qualified-Except for

7.7. 12 Mukono Town Council

Basis of Opinion

- The capital reserve value of Shs. 1,064,618,664 reported in the balance sheet is not supported by explanatory notes to accounts and lacks source documents. I could not confirm correctness of the reported value.
- Conditional funds amounting to Shs.182,293,937 were un-utilized but not returned to the consolidated fund contrary to section 19(1) of Public Finance and Accountability Act, 2003. There was also no written permission from Ministry of Finance, Planning and Economic Development to utilize the funds.
- I could not verify the correctness of cash and cash equivalence of Shs. 188,050,505 in the financial statement because of the inconsistencies in amounts and date of verification between Board of survey and reconciled bank balances.
- The financial statements presented by management were not adequately supported by other statements, schedules and notes as required by section 7.4 of Local Government Financial and Accounting Manual 2007. The absence of these statements limits the understandability of the financial statements by the users.
- Procurements worth Shs.75,575,182 were done without evidence of following appropriate procedures contrary to the requirements of Public Procurement and Disposal of Public Assets Act, 2003.
- Outstanding commitments worth Shs. 28,754,498 reported in the schedule of creditors in the notes to accounts is not backed by detailed source documents. I could not confirm correctness of the value reported.
- Fixed asset value is overstated to the extent of depreciation not removed thus distorting the balance sheet in this respect.

Opinion: Disclaimer

7.7.13 Nakasongola Town Council

Basis of Opinion

- Creditors Management of was poor as reflected in non settlement of over due creditors to the tune of Shs. 27,527,809. This potentially exposes Council to litigation costs from legal suits. The practice also negatively affects development of private sector business which in turn hinders poverty eradication efforts.
- Fixed asset value is overstated by Shs. 15,354,926 arising from depreciation not removed thus distorting the balance sheet to this extent.
- The expenditure value reported in the financial statement is not reconciling with the underlying records by Shs. 15,460,310 thereby distorting the financial statement to this extent.
- Shs. 4,371,438 advanced to various Council Officers remained unaccounted for to date, contrary to Section 43(2) and 69(d) of Local Government Financial and Accounting Regulation 2007. I could not establish the genuineness of those expenditures.
- Statutory deductions totaling Shs. 4,230,615 (PAYE Shs 1,408,437, Withholding Tax Shs. 1,871,413 and NSSF 950,765) were not remitted to relevant Authorities contrary to Section 123 of Income Tax Chapter 340 of Laws of Uganda and NSSF Act. This may attract penalties resulting in to loss to the Council.

Opinion: Qualified-Except for

7.7.14 Kira Town Council

Opinion: Unqualified

7.7.15 Nkokonjeru Town Council

Basis of Opinion

- Fixed asset value is overstated to the extent of depreciation not removed thus distorting the balance sheet in this respect.

- Shs. 42,164,360 were written off as bad debts, however, there is no evidence of compliance with the procedures required under Section 2.3.4.13 of Local Government Financial and Accounting Manual 2007.
- Creditors management was poor as reflected in non settlement of over due creditors to the tune of Shs. 28,600,841. This potentially exposes Council to litigation costs from legal suits. The practice also negatively affects development of private sector business which in turn hinders poverty eradication efforts.
- Conditional funds amounting to Shs. 11,997,414 were unutilized but not returned to the consolidated fund contrary to Section 19(1) of Public Finance and Accountability Act, 2003. There was also no written permission from Ministry of Finance, Planning and Economic Development to utilize the funds.

Opinion: Qualified-Except for

7.7.16 Wakiso Town Council

Basis of Opinion

- Creditors management was poor as reflected in non settlement of over due creditors to the tune of Shs. 180,862,534. This potentially exposes Council to litigation costs from legal suits. The practice also negatively affects development of private sector business which in turn hinders poverty eradication efforts.
- Management of debtors was poor reflected in non recovery of Shs. 46,426,707 outstanding, some from previous years contrary to Section 32 of Local Government Financial and Accounting Regulation 2007. The practice exposes Council to possibility of losses arising from bad debts as it holds up funds meant for service delivery in other Sectors.
- Management failed to present arrears of revenue return on uncollected Local Revenue of Shs. 28,315,288 to the Executive Committee for appropriate action as required by Section 101 of Local Government Financial and Accounting Regulations 2007.
- Value Added Tax (VAT) amounting to SHs. 6,467,422 was not remitted to Uganda Revenue Authority (URA) contrary to Section 123 of income Tax chapter 340 of Laws of Uganda. This may attract penalties resulting in loss to the Council

Opinion: Qualified-Except for

7.7.17 Nansana Town Council

Opinion: Unqualified

7.7.18 Nakaseke-Butalangu Town Council

Opinion: Unqualified

7.7.19 Kakiri Town Council

Opinion: Unqualified

7.8. JINJA BRANCH

7.8.1 Jinja District

Basis of Opinion

- Shs 131,654,731 transferred to various health units remained unaccounted for to date contrary to section 43(2) and 69(d) of Local Government Financial and Accounting Regulation 2007. I could not establish the genuineness of those expenditures.
- Excess expenditures amounting to Shs. 33,754,111 were incurred on road works in violation of budgetary controls and no relevant authority obtained as required by section 25 of Local Government Financial and Accounting regulations 2007.
- Unclaimed salaries amounting to Shs. 37,925,842 was purportedly remitted to Ministry of Finance Planning and Economic Development (MOFPED) but not supported by acknowledgement receipt from MOFPED. I could not establish the genuineness of this remittance.
- Management of ground rent was poor reflected in non collection of ground rent debtors amounting to shs.210, 820,753 contrary to section 32 of Local Government Financial and Accounting regulation 2007. The practice exposes Council to possibility of losses arising from bad debts.

Opinion: Qualified-Except for

7.8.2 Iganga District

Opinion: Unqualified

7.8.3 Kamuli District

Basis of Opinion

- Shs. 69,605,507 reflected as contingency expenditure were not supported by adequate appropriate documents as evidence of how the funds were absorbed making it remain unaccounted for. I could not establish the genuineness of the expenditures.
- Shs. 39,000,000 was transferred from General account to water account without budgetary provision for the said activity contrary to Local Government Financial and Accounting Regulations (LGFAR) 2007.
- Management exhibited laxity in enforcing accountability to date for Shs. 13,289,600 advanced to various District officers including Shs. 7,280,000 relating to financial year 2003/2004. I could not establish the genuineness of the respective expenditures.
- Management prepared cheques amounting Shs. 8,933,695 to pay various suppliers but they were not presented to the suppliers making the cheques become stale. The cheques persistently remained un-presented in the bank reconciliation statement. This laxity casts doubt on the genuineness of the reasons to withhold cheques and failure to correct the error.
- Shs. 7,420,000 was deposited with a petrol station for supply of fuel but no accountability was availed for it nor records linking fuel consumption to activities carried out.

Opinion: Qualified-Except for

7.8.4 Bugiri District

Opinion: Unqualified

7.8.5 Kayunga District

Basis of Opinion

- The revenue has been misstated in the final financial statement by Shs. 185,510,080 thereby distorting the accounts to the extent.
- Conditional funds amounting to Shs. 35,323,063 were un-utilized but not returned to the Consolidated Fund contrary to Section 19(1) of Public Finance and Accountability Act, 2003. There was also no written permission from Ministry of Finance, Planning and Economic Development to utilize the funds.
- Shs.3,171,403 disbursed to Seven Primary Schools but was not supported by acknowledgement receipts. I could not establish the genuineness of this remittance.
- Withholding Tax amounting to Shs. 923,342 was purportedly remitted to Uganda Revenue Authority (URA) but was not supported by acknowledgement receipt from URA. I could not establish the genuineness of this remittance.

Opinion: Qualified-Except for

7.8.6 Mayuge District

Basis of Opinion

- Pay as You Earn (PAYE) deductions amounting to Shs. 302,589,573 was remitted to Uganda Revenue Authority (URA) but was not supported by acknowledgement receipt from URA. I could not establish the genuineness of this remittance.
- Shs. 225,857 was requisitioned from Ministry of Public Service as arrears claims and paid to employees of the District. However, the relevant documents supporting the pay change claim was not availed for audit verification. I could not verify the genuineness of the paid claims.
- Shs. 44,375,351 was deducted from staff salaries as loan recovery and statutory deductions and remitted to respective institutions. The remittance was not supported by acknowledgement receipt from the institutions. I could not establish the genuineness of this remittance.
- Payment vouchers for expenditures amounting to Shs. 12,107,654 were not availed for audit; I was unable to ascertain whether the funds were appropriately spent.

Opinion: Qualified-Except for

7.8.7 Kaliro District

Basis of Opinion

- Shs 83,304,680 advanced to various Council departments remained unaccounted for to date contrary to section 43(2) and 69(d) of Local Government Financial and Accounting Regulation 2007. I could not establish the genuineness of those expenditures.
- Shs.36, 955,829 was diverted from feeder roads account to purchase a double cabin. There was no provision in the budget for the vehicle purchased while the budget alteration procedures were not complied with contrary Section 25 of Local Government Financial and Accounting Regulation 2007.

Opinion: Qualified-Except for

7.8.8 Namutumba District

Opinion: Unqualified

7.8.9 Jinja Municipal Council

Basis of Opinion

- Pay as You Earn (PAYE) amounting to Shs. 221,456,076 was purportedly remitted to Uganda Revenue Authority (URA) but was not supported by acknowledgement receipt from URA. I could not establish the genuineness of this remittance.
- Conditional funds amounting to Shs.316,042,032 were un-utilized but not returned to the Consolidated Fund contrary to Section 19(1) of Public Finance and Accountability Act, 2003. There was also no written permission from Ministry of Finance, Planning and Economic Development to utilize the funds.
- The procurement documents for the construction of Engineer Zikusooka Road worth Shs. 158,377,250 were not availed for audit. Best value for money may not have been obtained as the transaction was not subjected to transparent procurement process as required under Public Procurement and Disposal of Public Assets Act, 2003.

- Payment vouchers for total expenditures under Mayor's charity fund amounting total Shs. 21,884,000 were not availed for audit; I was unable to ascertain whether the funds were appropriately spent.
- Shs. 16,904,300 was spent on tender for supply and installation of accounting software which was not being utilized. This amounts to a waste on Council funds since it was incurred without appropriate feasibility studies as required under Section 22 of Local Government Financial and Accounting Regulations 2007.
- Management exhibited high degree of laxity in recovery of salary advances leading to non recovery of Shs. 10,300,000. This stretches recovery beyond one financial year contrary to Local Government Financial and Accounting Regulations 2007. The practice exposes Council to possibility to losses arising from bad debts.

Opinion: Qualified-Except for

7.8.10 Buwenge Town Council

Basis of Opinion

- Expenditures amounting to Shs. 8,640,000 on garbage collection were not adequately supported by appropriate documents and remained unaccounted for to date. I could not establish the genuineness of the expenditures.
- Revenue budget was adjusted downwards by Shs. 6,500,000 without evidence of following budget alterations as required by Section 25 of Local Government Financial and Accounting Regulations 2007.

Opinion: Qualified-Except for

7.8. 11 Iganga Town Council

Basis of Opinion

- Management exhibited high degree of laxity in recovery of advances amounting to Shs. 64,849,868 (Salary Shs. 40,611,993 and Administrative Shs. 24,237,875). The stretching of

recovery beyond one financial year is contrary to Local Government Financial and Accounting Regulations 2007. The practice exposes Council to possibility of losses arising from bad debts.

- Tax amounting to Shs. 24,927,500 (Withholding Tax Shs. 8,218,735 and PAYE Shs. 16,708,765) remained as deposits but not remitted to URA contrary to Income Tax Act. This may attract penalties resulting into loss to council.

Opinion: Qualified-Except for

7.8.12 Kamuli Town Council

Basis of Opinion

- A schedule of capital discharge amounting to Shs. 841,016,095 was not availed for audit. This casts doubt on the correctness of the figure reported in the accounts. The capital discharge was further understated by Shs. 44,012,592.
- Capital receipt of Shs. 41,864,000 was diverted by management from planned activity to non-capital expenditures contrary to Council resolutions.

Opinion: Qualified-Except for

7.8.13 Bugiri Town Council

Basis of Opinion

- Shs. 58,441,218 (debtors Shs. 51,882,000 and personal advances Shs. 6,559,218) were not recovered due to management's laxity in recovery. Stretching of debt recovery beyond one financial year is contrary to Local Government Financial and Accounting Regulations 2007. The practice exposes Council to possibility of losses arising from bad debts.

Opinion: Qualified-Except for

7.8.14 Busembatya Town Council

Basis of Opinion

- Shs. 20,383,794 was paid to a company as a grant for maintenance of a water treatment plant. However, no income was received from water sales to justify this expenditure. This could mean a wasted expenditure by Council.
- Shs. 13,000,000 was included in Council's assets as debtors but is not backed up by schedules. This casts doubt on the correctness of the debtors figure reported in the accounts.

Opinion: Qualified-Except for

7.8.15 Kaliro Town Council

Opinion: Unqualified

7.8.16 Kayunga Town Council

Basis of Opinion

- Management exhibited high degree of laxity in recovery of debtors amounting to Shs. 20,387,885. Stretching debt recovery beyond one financial year is contrary to Local Government Financial and Accounting Regulations 2007. The practice exposes Council to possibility of losses arising from bad debts.
- The assets were understated by Shs. 1,470,000 arising from omission of the value of a projector from the assets register.

Opinion: Qualified-Except for

7.8.17 Njeru Town Council

Basis of Opinion

- The procurement documents worth Shs. 75,497,536 were not availed for audit. Best value for money may not have been obtained as the transaction was not subjected to transparent procurement process as required under Public Procurement and Disposal of Public Assets Act, 2003.
- Management exhibited high degree of laxity in recovery of debtors amounting to Shs. 510,484,958. Stretching debt recovery beyond one financial year is contrary to Local

Government Financial and Accounting Regulations 2007. The practice exposes Council to possibility of losses arising from bad debts.

- Shs. 48,634,350 advanced to an officer of the Council but remained unaccounted for to date; I could not establish the genuineness of those expenditures.
- Payments vouchers for total expenditures amounting to Shs. 5,250,000 were not availed for audit; I was unable to ascertain whether the funds were appropriately spent.
- Tax amounting to Shs. 10,722,445 (Withholding Tax 5,061,233 and PAYE Shs. 5,661,212) was remitted to Uganda Revenue Authority (URA) but was not supported by acknowledgement receipt from URA. I could not establish the genuineness of this remittance.

Opinion: Disclaimer

7.8.18 Lugazi Town Council

Basis of Opinion

- I could not verify the purpose for the release of Shs. 214,934,139 by Ministry of Finance Planning and Economic Development because cash release documents were not availed for audit.
- The procurement documents worth Shs. 178,604,110 were not availed for audit. Best value for money may not have been obtained as the transaction was not subjected to transparent procurement process as required under Public Procurement and Disposal of Public Assets Act, 2003.
- I could not verify the end of year bank balance of Shs. 92,568,032 because I was not availed the list of bank account opened, operated and closed during the financial year as per Section 71(7) of the Local Government Financial and Accounting Regulations, 2007.

Opinion: Disclaimer

7.8.19 Mayuge Town Council

Basis of Opinion

- Value Added Tax (VAT) amounting to Shs. 3,146,080 was not remitted to URA contrary to Income Tax Act. This may attract penalties resulting into loss to Council.

- Shs. 2,681,600 was reflected in the financial statements as council debtors but lacks supporting documents to qualify it as a genuine asset of Council. I cannot get the assurance on the genuineness as such it could amount to an overstatement of Council assets.
- Shs. 1,400,000 was reflected in the final financial statements as council creditors but lacks supporting documents to qualify it as a genuine liability of Council. I cannot get the assurance on the genuineness as such it could amounts to an overstatement of council liabilities.
- Management exhibited high degree of laxity in recovery of salary advances leading to non recovery of Shs. 949,500. This stretches recovery beyond one financial year contrary to Local Government Financial and Accounting Regulations 2007. The practice exposes Council to possibility of losses arising from bad debts.

Opinion: Qualified-Except for

7.8.20 Namutumba Town Council

Basis of Opinion

- Management diverted Shs. 10,334,295 meant for rehabilitation and developmental programs without Council's approval.
- The procurement worth Shs. 18,495,600 was done without subjecting it to transparent procurement process as required under Public Procurement and Disposal of Public Assets Act, 2003.

Opinion: Qualified-Except for

7.9 MBALE BRANCH

7.9.1 Busia District

Basis of Opinion

- Revenue collection exceeded the budgeted value by Shs. 105,169,746. However, the use of the extra revenue was not sanctioned through a supplementary budget as required by Section 25(1) (c) of Local Government Financial and Accounting Regulations 2007.
- Expenditures amounting to Shs. 47,972,556 lacked adequate and appropriate supporting documents contrary to section 5.4.8(1) of Local Government Financial and Accounting Manual 2007. I could not establish the genuineness of those expenditures.

- Unclaimed salary arrears amounting to Shs 4,994,563 were not returned to the Consolidated Fund contrary to Section 19(1) of Public Finance and Accountability Act, 2003. There was also no written permission from Ministry of Finance, Planning and Economic Development to utilize the funds.

Opinion: Qualified-Except for

7.9.2. Kapchorwa District

Basis of Opinion

- Management failed to present arrears of revenue returns arising from uncollected Local Revenue of Shs. 17,862,960 to the Executive Committee for appropriate action as required by Section 4.8 of Local Government Financial and Accounting Manual 2007.
- Retention fee of Shs. 2,194,476 was paid to contractors despite defects on their construction work instead of using the funds to correct the defects. This amounts to wasteful expenditure of Council funds.
- The financial statement prepared lacked a cash flow statement contrary to Section 7.1.4 of Local Government Financial and Accounting Manual 2007.
- Shs. 15,570,000 was spent on valuation of Council property. The valuation report was not availed for audit verification to confirm the proper use of the funds. In the absence of the report, the funds remain unaccounted for.

Opinion: Qualified-Except for

7.9.3 Mbale District

Basis of Opinion

- Shs. 92,411,935 was remitted to sub-counties for PMA activities. However, the remittance remained doubtful as there were no acknowledgement receipts or accountabilities from the beneficiaries.
- Personal advances to the tune of Shs. 49,114,687 were reported in the accounts but have remote possibility of recovery due to transfers, retirement and death of staff. This figure could be

unfairly appearing in the final accounts given the remoteness of recovery thus an overstatement of council assets.

- Shs. 29,879,054 was remitted to URA in respect of 6% withholding tax. However, acknowledgement receipts from URA for the payments, were not availed during the audit.
- Shs. 13,941,500 was reported as unrecovered education loan scheme due to difficulties in tracing the beneficiaries and their guarantors. This figure could be unfairly appearing in the final accounts given the remoteness of recovery thus an overstatement of council assets.

Opinion: Qualified-Except for

7.9.4 Pallisa District

Basis of Opinion

- Shs.308, 421,548 reflected in the accounts as outstanding commitments is not supported by cash flow statement information. This inconsistency puts to doubt the genuineness of this transaction.
- Management of advances was poor as reflected in non recovery of Shs.241, 246,242 outstanding from previous years contrary to section 32 of Local Government Financial and Accounting regulation 2007. The practice exposes the Council to the possibility of losses arising from bad debts and holds up funds meant for service delivery in other sectors.
- Shs. 88,204,426 reported as local revenue collected was not adequately supported by underlying documents. I can not verify the correctness of the value reported.

Opinion: Qualified-Except for

7.9.5 Tororo District

Basis of Opinion

- Creditors amounting to Shs. 1,677,863,954 reported in the schedule of creditors in the notes to accounts was not backed by detailed creditors ledgers. I could not confirm correctness of the value reported.
- Management of advances was poor reflected in non recovery of Shs.774, 096,213 outstanding from previous years contrary to section 32 of Local Government Financial and Accounting

regulation 2007. The practice exposes the Council to the possibility of losses arising from bad debts.

- Management did not maintain revenue registers as required by section 33 of Local Government Financial and Accounting Regulations 2007. I could not therefore verify the correctness of local revenue of Shs. 240,097,580 reported in the financial statement.
- Excess expenditures amounting to Shs. 707,015,047 were incurred on a number of items in violation of budgetary controls and no relevant authority obtained as required by Section 25 of Local Government Financial and Accounting regulations 2007.
- Transfer payments amounting to Shs 392,039,027 was purportedly remitted to various beneficiaries but were not supported by acknowledgement receipts from the beneficiaries. I could not establish the genuineness of this remittance.
- The reserve is understated by Shs. 243,063,459 thus distorting the balance to that extent.

Opinion: Disclaimer

7.9.6 Sironko District

Basis of Opinion

- Conditional grant funds amounting to Shs.326,449,872 were un-utilized (Works Shs.62,324,370 and Education Shs. 264,125,502) but not returned to the Consolidated Fund contrary to section 19(1) of Public Finance and Accountability Act, 2003. There was also no written permission from Ministry of Finance, Planning and Economic Development to utilize the funds.
- Transfer payments amounting to Shs 92,038,859 were remitted to various sub-counties but were not supported by acknowledgement receipt from the sub-counties. I could not establish the genuineness of this remittance.
- Payment vouchers for total expenditures amounting to Shs. 18,114,000 were not availed for audit; I was unable to ascertain whether the funds were appropriately spent
- Expenditures amounting to Shs. 14,454,775 lacked adequate, appropriate supporting documents contrary to section 5.4.8(1) of Local Government Financial and Accounting Manual 2007, and as a result were not audited. I could not establish the genuineness of those expenditures.

- Shs 11,254,000 advanced to various council officers remained unaccounted for to date contrary to section 43(2) and 69(d) of Local Government Financial and Accounting Regulation 2007. I could not establish the genuineness of those expenditures.

Opinion: Qualified-Except for

7.9.7 Manafwa District

Basis of Opinion

- Payment vouchers for expenditures totaling Shs. 1,080,974,442 were not availed for audit; I was unable to ascertain whether the funds were appropriately spent.
- Shs. 537,263,992 was purportedly remitted to URA in respect of PAYE. However, acknowledgement receipts for the payments from URA were not availed during the audit. I could not establish the genuineness of this remittance.
- Shs. 189,038,823 advanced to various Council Officers remained unaccounted for to date. I could not establish the genuineness of those expenditures.

Opinion: Disclaimer

7.9.8 Butaleja District

Opinion: Unqualified

7.9.9 Bukwo District

Basis of Opinion

- The source of fund which financed cash payments totaling Shs. 373,841,995 was not disclosed in the accounts. This contravenes Section 4.1.2 of Local Government Financial and Accounting Manual 2007
- Management failed to present arrears of revenue returns on uncollected local revenue of Shs. 7,740,000 to the Executive Committee for appropriate action as required by section 101 of Local Government Financial and Accounting Regulations 2007.

- Universal Primary Education (UPE) funds amounting to Shs. 7,574,778 advanced to three Primary School Head Teachers remained unaccounted for to date. I could not establish the genuineness those expenditures.

Opinion: Qualified-Except for

7.9.10 Budaka District

Basis of Opinion

- Local revenue amounting to Shs.27, 870,700 meant for lower councils was not remitted to the lower councils. There is no evidence of their consent in compliance with section 85(4) of Local Government Act, chapter 243 of laws of Uganda.
- Procurement of various education materials worth Shs. 8,685,000 were done without following appropriate procedures contrary to the requirements of Public Procurement and Disposal of Public Assets Act, 2003.
- The financial statements presented by management were not supported by other statements, schedules and notes as required by section 7.4 of Local Government Financial and Accounting Regulations 2007. The absence of these statements limits the understandability of the financial statements by the users.
- The source of fund which financed cash payments totaling Shs. 320,026,543 was not disclosed in the accounts. This contravenes Section 4.1.2 of Local Government Financial and Accounting Manual 2007.

Opinion: Qualified-Except for

7.9.11. Bududa District

Basis of Opinion

- The records to support the financial statements as required by Section 59 of Local Government Financial and Accounting Regulations 2007 were not presented for audit. I could not verify the genuineness of the reported transactions.
- Expenditures amounting to Shs. 5,529,200,187 were not adequately supported by appropriate documents and as such were not audited. I could not establish the genuineness of those expenditures.

- Contracts worth Shs. 357,413,841 were varied without following appropriate procedures contrary to the requirements of the Public Procurement and Disposal of Public Assets Act, 2003.
- Shs. 35,063,600 advanced to various Council officers remained unaccounted for to date. I could not establish the genuineness of those expenditures.

Opinion: Disclaimer

7.9.12. Busia Town Council

Basis of Opinion

- The opening balance in the balance sheet was under stated by omission of Shs. 224,963,378 reflected in the schedule of deposits.
- Fixed asset amounting to Shs.42,963,297 reported in the financial statements was not supported by the schedule in the notes to accounts as required by Section 7.1.4 of Local Government Financial and Accounting Manual 2007. I could not confirm correctness of the value reported.
- Management failed to present arrears of revenue returns arising from uncollected local revenue of Shs.117,316,611 to the Executive Committee for appropriate action as required by Section 4.8 of Local Government Financial and Accounting Manual 2007
- Shs 8,582,000= advanced to various Council officers remained unaccounted for to date contrary to section 43(2) and 69(d) of Local Government Financial and Accounting Regulation 2007. I could not establish the genuineness of those expenditures.
- Expenditures amounting to Shs.41,835,216 lacked adequate, appropriate supporting documents contrary to section 5.4.8(1) of Local Government Financial and Accounting Manual 2007 and, as a result were not audited. I could not establish the genuineness of those expenditures.
- Management of debtors was poor as reflected in non collection of Shs.43, 165,872 from various revenue contractors contrary to section 32 of Local Government Financial and Accounting regulation 2007. The practice exposes the Council to the possibility of losses arising from bad debts.

Opinion: Qualified-Except for

7.9.13. Kapchorwa Town Council

Basis of Opinion

- Shs 24,864,022 was paid in cash to third parties contrary to section 48(1) and 79 of Local Government Financial and Accounting Regulations 2007. This exposes the cash to risk of loss in the hands of Council Officials withdrawing it while putting to doubt the purpose of such bulk cash withdrawal
- Shs 15,000,000 was additionally advanced for valuation of Council property yet this activity was fully paid for earlier and valuation report produced. I could not establish the genuineness of the expenditure.
- Management failed to present arrears of revenue return arising from uncollected local revenue of Shs. 17,862,960 to the Executive Committee for appropriate action as required by Section 4.8 of Local Government Financial and Accounting Manual 2007.

Opinion: Qualified-Except for

7.9.14 Mbale Municipal Council

Basis of Opinion

- The balance sheet presented had numerous errors reflected in inconsistencies between the values reported and those in the supporting underlying records.
- Shs. 615,000,000 was a special release for payment of domestic arrears, but, lacked adequate, appropriate supporting documents contrary to section 5.4.8(1) of Local Government Financial and Accounting Manual 2007, as a result were not audited. I could not establish the genuineness of those expenditures.
- Primary Health Care (PHC) funds amounting Shs. 579,572,418 were not accounted for to date contrary to Section 43(2) and 69(d) of Local Government Financial and Accounting Regulation 2007. I could not establish the genuineness of those expenditures.
- Excess expenditures amounting to Shs. 137,250,767 were incurred on a number of items in violation of budgetary controls and no relevant authority obtained as required by section 25 of Local Government Financial and Accounting regulations 2007.
- Primary Health Care (PHC) Drugs worth Shs. 27,400,308 were purportedly purchased however, no stores ledger records were presented for audit as proof of delivery of the drugs. The above omissions render the transactions doubtful.

- Transfer payments amounting to Shs 19,588,000 was purportedly remitted to Lower Health Units but were not supported by acknowledgement receipt from the units. I could not establish the genuineness of this remittance.
- The financial statements presented by management were not supported by other statements, schedules and notes as required by section 7.4 of Local Government Financial and Accounting Regulations 2007. The absence of these statements limits the understandability of the financial statements by the users.

Opinion: Disclaimer

7.9.15.Paliisa Town Council

Basis of Opinion

- The final financial statements presented were not supported by underlying records such as General and Subsidiary Ledgers, abstracts, vote books and assets register as required by section 59 of Local Government Financial and Accounting Regulations 2007. The genuineness of the use to which funds received in the financial year amounting to Shs. 506,577,763 was put could not be ascertained.

Opinion: Disclaimer

7.9.16.Tororo Municipal Council

Basis of Opinion

- Pay as You Earn (PAYE) deductions amounting to Shs.34, 211,861 were not remitted to Uganda Revenue Authority (URA) contrary to Section 123 of Income Tax Act Chapter 340 of Laws of Uganda. This may attract penalties resulting in loss to the council
- Expenditures amounting to Shs. 32,261,812 were not adequately supported by appropriate documents and as such were not audited. I could not establish the genuineness of those expenditures.
- Local Government Development Program (LGDP) funds amounting to Shs. 24,036,775 were unutilized but not returned to the Consolidated Fund contrary to Section 19(1) of Public Finance

and Accountability Act, 2003. There was also no written permission from Ministry of Finance, Planning and Economic Development to utilize the funds.

- Domestic arrears amounting to Shs. 17,999,096 reported in the financial statements were not supported by a schedule of creditors in the notes to accounts as required by Section 7.1.4 of Local Government Financial and Accounting Manual 2007. I could not confirm the correctness of the value reported.

Opinion: Qualified-Except for

7.9.17.Sironko Town Council

Basis of Opinion

- The financial statements were overstated by Shs. 21,011,781 as a result of reporting misstated revenue reserve value thus causing distortion to the financial report.
- The financial statement were further misstated by overstating cash and cash equivalent value by Shs.19,894,059 as a result, varying the financial statement to that extent.
- Management of debtors was poor as reflected in non collection of Shs.20, 054,235 from various revenue contractors contrary to section 32 of Local Government Financial and Accounting regulation 2007. The practice exposes Council to possibility of losses arising from bad debts.
- Shs.4,695,000 advanced to various Council officers remained unaccounted for to date contrary to Section 43(2) and 69(d) of Local Government Financial and Accounting Regulation 2007. I could not establish the genuineness of those expenditures.

Opinion: Qualified-Except for

7.9.18.Manafwa Town Council

Basis of Opinion

- Management did not maintain properly key books of accounts such as general ledger, subsidiary ledgers, journals, abstracts of revenue and expenditure as required by the by Section 59 LGFAR and LGFAM 2007, during the financial year.
- The financial statements presented by management were not supported by other statements, schedules and notes as required by section 7.4 of Local Government Financial and Accounting

Manual 2007. The absence of these statements limits the understandability of the financial statements by the users.

- Contracts worth Shs. 147,000,000 were varied without following appropriate procedures contrary to the requirements of Public Procurement and Disposal of Public Assets Act, 2003.
- Expenditures amounting to Shs. 42,691,023 were not adequately supported by appropriate documents and as such were not audited. I could not establish the genuineness of those expenditures.
- Shs 13,330,200 advanced to various council officers from urban road account remained unaccounted for to date. I could not establish the genuineness of those expenditures.
- Shs. 8,403,500 was diverted from Conditional Grants to fund other Council activities contrary to Grant guidelines and section 37(2) of Local Government Financial and Accounting regulation 2007.

Opinion: Disclaimer

7.9.19. Butaleja Town Council

Basis of Opinion

- Unspent balances on Conditional funds under works amounting to Shs.39,435,618 were not returned to the Consolidated Fund contrary to section 19(1) of Public Finance and Accountability Act, 2003. There was also no written permission from Ministry of Finance, Planning and Economic Development to utilize the funds.
- The financial statements presented by management were not supported by other statements, schedules and notes as required by Section 7.4 of Local Government Financial and Accounting Manual 2007. The absence of these statements limits the understandability of the financial statements by the users

Opinion: Qualified-Except for

7.9.20 Bukwo Town Council

Basis of Opinion

- Excess expenditure amounting to Shs. 48,478,634 were incurred on an item in violation of budgetary controls and no relevant authority obtained as required by section 25 of Local Government Financial and Accounting Regulations 2007.
- The financial statements presented by management were not supported by other statements, schedules and notes as required by section 7.4 of Local Government Financial and Accounting Manual 2007. The absence of these statements limits the understandability of the financial statements by the users.
- Revenue Debtors amounting to Shs. 81,056,366 were not reported in the financial statements thus understating the assets in the balance sheet.

Opinion: Disclaimer

7.9.21 Budaka Town Council

Basis of Opinion

- There was no board of survey report to verify the cash component of the cash and bank balance of Shs. 56,120,597.
- The source of fund which financed cash payments totaling Shs. 13,202,896 was not disclosed in the accounts. This contravenes Section 4.1.2 of Local Government Financial and Accounting Manual 2007
- Shs. 2,500,000 was diverted from Urban Road account to finance other Council activities contrary to Grant guidelines and Section 37(2) of Local Government Financial and Accounting Regulation 2007.

Opinion: Qualified-Except for

7.9.22 Malaba Town Council

Basis of Opinion

- Shs 13,885,300 advanced to various council officers remained unaccounted for to date contrary to section 43(2) and 69(d) of Local Government Financial and Accounting Regulation 2007. I could not establish the genuineness of those expenditures.

- The financial statements presented by management were not supported by other statements, schedules and notes as required by section 7.4 of Local Government Financial and Accounting Regulations 2007. The absence of these statements limits the understandability of the financial statements by the users.

Opinion: Qualified-Except for

7.9.23 Bududa Town Council

Basis of Opinion

- Management did not maintain properly key books of accounts during the financial year such as general ledger, subsidiary ledgers, journals, revenue register, abstracts of revenue and expenditure as required by Section 59 of Local Government Financial and Accounting Regulations and Local Government Financial and Accounting Manual 2007. I could not verify the genuineness of the use to which funds received in the financial year amounting to Shs. 254,629,026 was put.
- Shs. 37,819,640 was paid as salaries to council employees during the year I was however not availed personal files of the staff to enable me verify the correctness of emoluments against their employment status as required by Section 5.6.3 of Local Government Financial and Accounting manual 2007.
- Contract payments amounting Shs. 47,062,456 were not supported by appropriate documentation as required by section 5.4.7 of Local Government Financial and Accounting manual 2007.

Opinion: Disclaimer

7.9.24 Nagongera Town Council

Basis of Opinion

- Management did not maintain revenue registers as required by section 33 of Local Government Financial and Accounting Regulations 2007. I could not therefore verify the correctness of local revenue of Shs. 30,972,060 reported in the financial statement.
- Creditors amounting to Shs.23, 320,373 were not reported in the financial statements thus understating the liabilities in the balance sheet. The financial statements were therefore distorted to that extent.

- Management failed to present arrears of revenue return arising from uncollected local revenue of Shs. 10,436,996 to the Executive Committee for appropriate action as required by section 4.8 of Local Government Financial and Accounting Manual 2007.

Opinion: Qualified-Except for

7.9.25 Busolwe Town Council

Basis of Opinion

- Excess expenditure amounting to Shs. 29,059,788 were incurred on an item in violation of budgetary controls and no relevant authority obtained as required by Section 25 of Local Government Financial and Accounting Regulations 2007.
- The asset value reported in the financial statements could not be confirmed because of Shs.23,418,477 difference between what was reported in the cash flow statement and balance sheet.
- Grants amounting to Shs.3, 219,017 meant for lower councils were not remitted to them. There is no evidence of their consent in compliance with Section 85(4) of Local Government Act, chapter 243 of laws of Uganda.
- The financial statements presented by management were not supported by other statements, schedules and notes as required by Section 7.4 of Local Government Financial and Accounting Manual 2007. The absence of these statements limits the understandability of the financial statements by the users.

Opinion: Qualified-Except for

7.10. SOROTI BRANCH

7.10.1 Kumi District

Basis of Opinion

- Expenditures amounting to Shs.71, 692,900 were not adequately supported by appropriate documents and remained unaccounted for to date. I could not establish the genuineness of those expenditures.
- Shs 60,886,747 advanced to various council officers remained unaccounted for to date. I could not establish the genuineness of those expenditures.
- Management of personal advances remained poor as reflected in non recovery of Shs.37,364,932 contrary to section 43 of Local Government Financial and Accounting regulation 2007 which prohibits stretching recovery beyond one financial year. The practice exposes Council to possibility of losses arising from bad debts.

Opinion: Qualified-Except for

7.10. 2. Soroti District

Basis of Opinion

- Shs. 4,650,254,371 reported as closing balance of cash and cash equivalent lacks supporting documents such as Bank statements, certificate of bank balance and reconciled cashbook for audit verification. I could not confirm the correctness of the amount reported.
- The balances from previous year reflected in the comparables cannot be relied on because they were not presented for audit.
- Remittance to Health Sub-Districts and Lower NGO Health Units amounting to Shs.319,720,600 were not supported by acknowledgement receipt from the beneficiaries. I could not establish the genuineness of these remittances.
- Shs 108,065,972 advanced to various council officers remained unaccounted for to date contrary to Section 43(2) and 69(d) of Local Government Financial and Accounting Regulation 2007. I could not establish the genuineness of those expenditures.
- Shs. 42,000,000 was reported as received from Dakabela for lease of land. However, the documents in support of the transaction such as lease agreement, bank deposit slips and land

ownership documents were not availed for audit verification. I could establish whether the transactions were genuine.

- Shs. 10,940,752 was purportedly remitted to URA in respect of Withholding Tax. However, acknowledgement receipts for the payments from URA were not availed during the audit. I could not establish the genuineness of this remittance.

Opinion: Disclaimer

7.10. 3 Moroto District

Basis of Opinion

- Shs 200,983,423 advanced to various council officers remained unaccounted for to date contrary to section 43(2) and 69(d) of Local Government Financial and Accounting Regulation 2007. I could not establish the genuineness of those expenditures.
- Asset management was inadequate reflected in grounding 12 motor vehicles contrary to section 2.3.1 of Local Government Financial and Accounting Manual 2007. The practice hinders efficient and effective service delivery to the community.
- Procurement of fuel worth Shs. 33,213,450 lacked adequate, appropriate supporting documents contrary to Section 5.4.8(1) of Local Government Financial and Accounting Manual 2007 as a result were not audited. I could not establish whether the fuel was genuinely used for council activities.
- A total of Shs. 1,263,000 was irregularly spent to facilitate officers for fully or partially funded workshops. This amounts to double payment contrary to Uganda Government Standing Orders and a wasteful use of Council resources.

Opinion: Qualified-Except for

7.10 .4. Kotido District

Basis of Opinion

- Shs. 613,213,154 was paid out in salaries but the evidence of this transaction is not supported by bank records in the bank statement. In the absence of this evidence, the correctness of this transaction remains doubtful.

- UNICEF expenditures worth Shs.283,742,975 lacked adequate, appropriate supporting documents contrary to Section 5.4.8(1) of Local Government Financial and Accounting Manual 2007 as a result were not audited. I could not establish whether they were genuinely used for Council activities.
- Pay as you earn (PAYE) and Withholding taxes amounting to Shs.59, 222,599 were purportedly remitted to Uganda Revenue Authority (URA). However, acknowledgement receipts for the payments from URA were not availed during the audit. I could not establish the genuineness of this remittance.
- Shs 57,599,000 advanced to various Council Officers remained unaccounted for to date contrary to Section 43(2) and 69(d) of Local Government Financial and Accounting Regulation 2007. I could not establish the genuineness of those expenditures.
- Payment vouchers for expenditures amounting to Shs. 42,727,500 were not availed for audit; I was unable to ascertain whether the funds were appropriately spent.
- Management of personal advances remained poor as reflected in non recovery of Shs.34,875,781 contrary to Section 43 of Local Government Financial and Accounting Regulation 2007 which prohibits stretching recovery beyond one financial year. The practice exposes Council to possibility of losses arising from bad debts.

Opinion: Qualified-Except for

7.10.5 Katakwi District

Basis of Opinion

- Shs 25,054,441 advanced to various council officers remained unaccounted for to date contrary to Section 43(2) and 69(d) of Local Government Financial and Accounting Regulation 2007. I could not establish the genuineness of those expenditures.
- Procurement of fuel worth Shs. 16,324,600 lacked adequate, appropriate supporting documents contrary to Section 5.4.8(1) of Local Government Financial and Accounting Manual 2007 as a result were not audited. I could not establish whether the fuel was genuinely used for Council activities.
- A total of Shs. 1,924,000 was irregularly spent to facilitate officers for fully or partially funded workshops. This amounts to double payment contrary to Uganda Government Standing Orders and a wasteful use of Council resources.

Opinion: Qualified-Except for

7.10.6. Kaberamaido District

Basis of Opinion

- Shs 130,761,755 advanced to various council officers remained unaccounted for to date contrary to section 43(2) and 69(d) of Local Government Financial and Accounting Regulation 2007. I could not establish the genuineness of those expenditures.
- Procurement of construction and supply of services worth Shs. 103,329,961 were done without documentary evidence of following appropriate procedures contrary to the requirements of Public Procurement and Disposal of Public Assets Act, 2003.
- Shs. 11,649,192 was remitted to URA in respect of tax arrears. However, acknowledgement receipts for the payments from URA were not availed during the audit. I could not establish the genuineness of this remittance.
- Drugs worth Shs. 5,893,790 was purportedly purchased for Lwala Hospital. However, there are no stores receipt and issues records presented for audit as proof of delivery of the drugs. The above omissions render the transactions doubtful.

Opinion: Qualified-Except for

7.10.7 Nakapiripirit District

Basis of Opinion

- Transfer payments amounting to Shs.161, 297,746 purportedly remitted to head teachers in respect of Universal Primary Education were not supported by acknowledgement receipts from the beneficiaries. I could not establish the genuineness of this remittance.
- Shs 133,134,585 advanced to various Council officers remained unaccounted for to date contrary to section 43(2) and 69(d) of Local Government Financial and Accounting Regulation 2007. I could not establish the genuineness of those expenditures.

Opinion: Qualified Except for

7.10.8 Amuria District

Basis of Opinion

- Shs 29,314,907 advanced to various Council Officers remained unaccounted for to date. I could not establish the genuineness of those expenditures.
- A total of Shs. 10,284,000 was irregularly spent (Shs.5, 728,000 spent to facilitate officers for fully funded workshops while shs.4, 520,000 paid as sitting allowance to a member of District Service Commission who already earns salary). This amounts to double payment contrary Uganda Government Standing Orders and a wasteful use of Council resources.
- Excess expenditures amounting to Shs. 6,491,200 were incurred on a number of items in violation of budgetary controls and no relevant authority obtained as required by Section 25 of Local Government Financial and Accounting Regulations 2007.
- Expenditures amounting to Shs. 3,722,000 were not adequately supported by appropriate documents and remained unaccounted for to date. I could not establish the genuineness of those expenditures.
- Shs. 2,597,547 was purportedly remitted to URA in respect of withholding tax. However, acknowledgement receipts for the payments from URA were not availed during the audit. I could not establish the genuineness of this remittance.

Opinion: Qualified-Except for

7.10.9. Kaabong District

Basis of Opinion

- Shs 262,699,197 advanced to various council officers remained unaccounted for to date contrary to section 43(2) and 69(d) of Local Government Financial and Accounting Regulation 2007. I could not establish the genuineness of those expenditures.
- Payment vouchers for total expenditures amounting to Shs. 156,870,423 were not availed for audit; I was unable to ascertain whether the funds were appropriately spent
- Procurement of goods and services worth Shs. 149,837,680 were done without documentary evidence of following appropriate procedures contrary to the requirements of Public Procurement and Disposal of Public Assets Act, 2003.

- Excess expenditures amounting to Shs. 87,000,000 were incurred on boreholes in violation of budgetary controls and no relevant authority obtained as required by section 25 of Local Government Financial and Accounting regulations 2007.
- Expenditures worth Shs. 76,487,400 lacked adequate, appropriate supporting documents contrary to Section 5.4.8(1) of Local Government Financial and Accounting Manual 2007 as a result were not audited. I could not establish whether the funds were genuinely used for council activities.
- Shs. 75,824,241 was purportedly remitted to URA in respect of Withholding Tax. However, acknowledgement receipts for the payments from URA were not availed during the audit. I could not establish the genuineness of this remittance.

Opinion: Qualified-Except for

7.10.10 Bukedea District

Basis of Opinion

- The Cash and Bank balance reported in the financial statement could not be confirmed because of Shs.539,156,729 difference between what is reported in the cash flow statement.
- Shs 113,662,441 advanced to various council officers remained unaccounted for to date contrary to section 43(2) and 69(d) of Local Government Financial and Accounting Regulation 2007. I could not establish the genuineness of those expenditures.

Opinion: Qualified-Except for

7.10.11 Abim District

Basis of Opinion

- Shs.320,897,000 advanced to various Council officers remained unaccounted for to date contrary to section 43(2) and 69(d) of Local Government Financial and Accounting Regulation 2007. I could not establish the genuineness of those expenditures.
- Procurement of construction and supply of goods and services worth Shs.275,263,590 were done without documentary evidence of following appropriate procedures contrary to the requirements of Public Procurement and Disposal of Public Assets Act, 2003.

- Payment vouchers for expenditures amounting to Shs.17,705,000 were not availed for audit; I was unable to ascertain whether the funds were appropriately spent
- Management of personal advances remained poor as reflected in non recovery of Shs.14,067,490 contrary to Section 43 of Local Government Financial and Accounting Regulation 2007 which prohibits stretching recovery beyond one financial year. The practice exposes Council to possibility of losses arising from bad debts.
- Pay As You Earn (PAYE) and Withholding Taxes amounting to Shs.2, 884,991 were remitted to Uganda Revenue Authority (URA). However, acknowledgement receipts for the payments from URA were not availed during the audit. I could not establish the genuineness of this remittance.

Opinion: Qualified-Except for

7.10.12 Kumi Town Council

Basis of Opinion

- Procurement of goods and services worth Shs. 46,822,324 were done without documentary evidence of following appropriate procedures contrary to the requirements of Public Procurement and Disposal of Public Assets Act, 2003.
- Management failed to present arrears of revenue return on uncollected local revenue of Shs. 33,317,487 to the Executive Committee for appropriate action as required by Section 101 of Local Government Financial and Accounting Regulations 2007.
- Shs 22,592,829 advanced to various council officers remained unaccounted for to date contrary to Section 43(2) and 69(d) of Local Government Financial and Accounting Regulation 2007. I could not establish the genuineness of those expenditures.
- Expenditures worth Shs.14,819,261 lacked adequate, appropriate supporting documents contrary to Section 5.4.8(1) of Local Government Financial and Accounting Manual 2007 as a result were not audited. I could not establish whether they were genuinely used for council activities.

Opinion: Qualified-Except for

7.10.13 Soroti Municipal Council

Basis of Opinion

- Management of debtors was poor reflected in non collection of Shs. 147,264,568 (Shs 20,720,000) outstanding from sold estates, Shs.12,000,000 from Warid Telecom, Shs. 32,749,000 from various revenue contractors and Shs. 81,795,568 from recipients of Council services) contrary to Section 32 of Local Government Financial and Accounting Regulations 2007. The practice exposes Council to possibility of losses arising from bad debts.
- Shs. 9,200,000 was diverted from Conditional Grants to fund other Council activities contrary to Grant guidelines and Section 37(2) of Local Government Financial and Accounting Regulations 2007.
- Shs. 4,780,000 advanced to various Council officers remained unaccounted for to date. I could not establish the genuineness of those expenditures.

Opinion: Qualified-Except for

7.10.14 Moroto Municipal Council

Basis of Opinion

- There was no Board of Survey report to enable me verify the cash component of the cash and bank balance of Shs. 148,102,794 reported contrary to Section 102 of Local Government Financial and Accounting Regulations 2007.
- Management of personal advances remained poor as reflected in non recovery of Shs.109,750,757 contrary to Section 43 of Local Government Financial and Accounting regulation 2007 which prohibits stretching recovery beyond one financial year. The practice exposes Council to possibility of losses arising from bad debts.
- Shs 14,202,000 advanced to various council officers remained unaccounted for to date contrary to Section 43(2) and 69(d) of Local Government Financial and Accounting Regulation 2007. I could not establish the genuineness of those expenditures.
- Budget alterations amounting to Shs. 70,747,098 were made in violation of budgetary controls and no relevant authority obtained as required by Section 25 of Local Government Financial and Accounting Regulations 2007.
- Fund transfers between Council accounts amounting to Shs. 11,264,000 lacked sufficient supporting document. The above omissions render the transactions doubtful.

Opinion: Qualified Except for

7.10.15 Kotido Town Council

Basis of Opinion

- Shs 21,664,350 advanced to various Council officers remained unaccounted for to date contrary to Section 43(2) and 69(d) of Local Government Financial and Accounting Regulation 2007. I could not establish the genuineness of those expenditures.
- Withholding Taxes amounting to Shs.986,660 were purportedly remitted to Uganda Revenue Authority (URA). However, acknowledgement receipts for the payments from URA were not availed during the audit. I could not establish the genuineness of this remittance.

Opinion: Qualified-Except for

7.10.16 Katakwi Town Council

Basis of Opinion

- There was no Board of Survey report to enable me verify the cash balance of Shs. 16,403,173 reported contrary to Section 102 of Local Government Financial and Accounting Regulations 2007.
- Excess expenditures amounting to Shs.10,781,238 were incurred on an items in violation of budgetary controls and no relevant authority obtained as required by Section 25 of Local Government Financial and Accounting Regulations 2007.
- Management failed to present arrears of revenue return on uncollected local revenue of Shs.7,357,100 to the Executive Committee for appropriate action as required by section 101 of Local Government Financial and Accounting Regulations 2007.
- Pay as you Earn (PAYE) and Withholding taxes amounting to shs.287,677 was not remitted to Uganda Revenue Authority (URA) contrary to Section 123 of Income Tax chapter 340 of laws of Uganda. This may attract penalties resulting in loss to the Council.

Opinion: Qualified-Except for

7.10.17 Kaberamaido Town Council

Basis of Opinion

- Conditional funds in respect of Urban roads amounting to Shs.105,728,371 were un-utilized but not returned to the consolidated fund contrary to Section 19(1) of Public Finance and Accountability Act, 2003. There was also no written permission from Ministry of Finance, Planning and Economic Development to utilize the funds.
- Management of debtors was poor reflected in non collection of Shs.6, 175,500 contrary to Section 32 of Local Government Financial and Accounting Regulation 2007. The practice exposes Council to possibility of losses arising from bad debts.
- There were weak controls on revenue collections reflected in failure to bank cash collection of Shs. 5,754,644 contrary to Section 4.5.4 of Local Government Financial and Accounting Manual 2007.

Opinion: Qualified-Except for

7.10. 18 Nakapiripirit Town Council

Basis of Opinion

- Management maintained incomplete record in the revenue register and cash book contrary to what is required by Section 33 of Local Government Financial and Accounting Regulations 2007. I could not therefore verify the correctness of local revenue of Shs. 15,522,900 reported in the financial statement.
- There were weak controls on payment documentation reflected in a number payment vouchers missing contrary to requirements of Section 5.4.6 of Local Government Financial and Accounting Manual 2007. I cannot confirm the correctness of expenditures reported in the financial statement.
- There is lack of evidence to show that estimated statutory deduction amounting to Shs. 2,865,549 in Pay as you earn (PAYE) for remittance to Uganda Revenue Authority (URA) was made by Council. This contravenes Section 123 of Income Tax Chapter 340 of laws of Uganda and may attract penalties resulting in loss to the Council.
- Shs. 5,966,500 reported under community based services could not be verified because no books of accounts of the sector were availed for audit.

Opinion: Disclaimer

7.10.19 Kaabong Town Council

Basis of Opinion

- A total of Shs.5,834,000 was irregularly spent to facilitate officers for fully or partially funded workshops. This amounts to double payment contrary to Uganda Government Standing Orders and a wasteful use of Council resources.
- Procurement of goods and services worth Shs. 5,588,700 were done without documentary evidence of following appropriate procedures contrary to the requirements of Public Procurement and Disposal of Public Assets Act, 2003.

Opinion: Qualified-Except for

7.10. 20. Amuria Town Council

Basis of Opinion

- Excess expenditures amounting to Shs. 6,831,000 were incurred on a number of items in violation of budgetary controls and no relevant authority obtained as required by Section 25 of Local Government Financial and Accounting Regulations 2007.
- Shs. 4,306,760 was purportedly remitted to URA in respect of Withholding Tax. However, acknowledgement receipts for the payments from URA were not availed during the audit. I could not establish the genuineness of this remittance.
- Expenditures amounting to Shs.3,836,500 were not adequately supported by appropriate documents and remained unaccounted for to date. I could not establish the genuineness of those expenditures.
- Shs. 2,226,000 were spent on purchase of cocks (Shs. 1,284,000) and seedlings (942,000). However, there were no stores records and distribution list presented for audit as proof of delivery of purchased items. The above omissions render the transactions doubtful.

Opinion: Qualified-Except for

7.10.21 Bukedea Town Council

Basis of Opinion

- Shs. 56,924,000 were transferred between accounts but the evidence of the funds having reached the receiving accounts are missing. The above omissions render the transactions doubtful.
- Shs. 5,911,950 advanced to various Council officers remained unaccounted for to date. I could not establish the genuineness of those expenditures.
- Pay as You Earn (PAYE) amounting to Shs. 2,951,273 lacks evidence of remittance to Uganda Revenue Authority (URA) contrary to the Law. This may attract penalties resulting in loss to the Council

Opinion: Qualified-Except for

7.10.22 Abim Town Council

Basis of Opinion

- Shs 19,080,000 advanced to various council officers remained unaccounted for to date contrary to section 43(2) and 69(d) of Local Government Financial and Accounting Regulation 2007. I could not establish the genuineness of those expenditures.
- Stores items worth Shs.5,325,300 were purchased but there are no stores receipt and issues records presented for audit as proof of delivery of the items. The above omissions render the transactions doubtful.
- Management failed to present arrears of revenue return on uncollected local revenue of Shs.22,697,000 to the Executive Committee for appropriate action as required by section 101 of Local Government Financial and Accounting Regulations 2007.

Opinion: Qualified-Except for

APPENDIX I

TYPES OF OPINIONS ISSUED FOR EACH LOCAL AUTHORITY FOR FINANCIAL YEAR 2007/2008

A) COUNCILS ISSUED WITH UNQUALIFIED OPINION DURING FY 2007/8

Name of Council

1. Mityana TC
2. Kalangala Town Council
3. Mbarara District
4. Oyam District
5. Mpigi District
6. Wakiso District
7. Nakaseke District
8. Mpigi Town Council
9. Luwero TC
10. Kira Town Council
11. Nansana TC
12. Nakaseke-Butalngu TC
13. Kakiri TC
14. Iganga District
15. Bugiri District
16. Namutumba District
17. Kaliro TC
18. Butaleja District

B) COUNCILS ISSUED WITH QUALIFIED OPINION –EXCEPT FOR DURING FY 2007/8

Name of Council

1. Kabarole District
2. Kasese District
3. Hoima District
4. Masindi District
5. Kibaale District
6. Kamwenge District

7. Kyenjojo District
8. Buliisa District
9. Fort Portal Municipal
10. Kasese TC
11. Katwe-Kabatoro TC
12. Hoima TC
13. Kigorobyia Town Council
14. Masindi Town Council
15. Bundibugyo Town Council
16. Kibaale Town Council
17. Kamwengye Town Council
18. Kyenjojo Town Council
19. Hima Town Council
20. Kagadi Town Council
21. Buliisa TC
22. Masaka District
23. Rakai District
24. Mubende District
25. Kiboga District
26. Kalangala District
27. Sembabule District
28. Mityana District
29. Lyantonde District
30. Masaka Municipal Council
31. Kalisizo Town council
32. Lukaya Town Council
33. Rakai TC
34. Kyotera TC
35. Lyantonde TC
36. Mubende TC
37. Kiboga TC
38. Sembabule Town Council
39. Bushenyi District

40. Kabale District
41. Rukungiri District
42. Ntungamo District
43. Kanungu District
44. Kisoro District
45. Kiruhura District
46. Isingiro District
47. Ibanda District
48. Ibanda TC
49. Bushenyi-Ishaka TC
50. Kabwohe-Intendero TC
51. Kabale Municipal Council
52. Kisoro TC
53. Rukungiri TC
54. Ntungamo TC
55. Kanungu TC
56. Isingiro TC
57. Kiruhura TC
58. Kihhi TC
59. Nebbi District
60. Arua District
61. Moyo District
62. Adjumani District
63. Pakwach TC
64. Paidha TC
65. Arua MC
66. Koboko TC
67. Moyo TC
68. Adjumani TC
69. Yumbe TC
70. Gulu District
71. Lira District
72. Kitgum District

73. Apac District
74. Pader District
75. Amolatar District
76. Dokolo District
77. Amuru District
78. Gulu Municipal Council
79. Lira Municipal Council
80. Pader Town Council
81. Amolatar Town Council
82. Amuru Town Council
83. Kalongo Town Council
84. Kampala City Council
85. Central Division
86. Makindye Division
87. Rubaga Division
88. Kawempe Division
89. Nakawa Division
90. Luwero District
91. Mukono District
92. Nakasongola District
93. Entebbe Municipal Council
94. Bombo Town Council
95. Wobulenzi Town Council
96. Nakasongola TC
97. Nkokonjeru Town Council
98. Wakiso Town Council
99. Jinja District
100. Kamuli District
101. Kayunga District
102. Mayuge District
103. Kaliro District
104. Jinja MC
105. Buwenge TC

106. Iganga TC
107. Kamuli TC
108. Bugiri TC
109. Busembatya TC
110. Kayunga TC
111. Mayuge Town Council
112. Namutumba TC
113. Busia District
114. Kapchorwa District
115. Mbale District
116. Pallisa District
117. Sironko District
118. Bukwo District
119. Budaka District
120. Busia TC
121. Kapchorwa TC
122. Tororo MC
123. Sironko Town Council
124. Butaleja TC
125. Budaka TC
126. Malaba TC
127. Nagongera TC
128. Busolwe TC
129. Kumi District
130. Moroto District
131. Kotido District
132. Katakwi District
133. Kaberamaido District
134. Nakapiripirit District
135. Amuria District
136. Kaabong District
137. Bukedea District
138. Abim District

139. Kumi Town Council
140. Soroti Municipal Council
141. Moroto Municipal Council
142. Kotido Town Council
143. Katakwi Town Council
144. Kaberamaido Town Council
145. Kaabong Town Council
146. Amuria TC
147. Bukedea TC
148. Abim TC
149. Nebbi TC
150. Yumbe DA
151. Koboko DA

C) COUNCILS ISSUED WITH DISCLAIMER OPINION DURING FY 2007/8

Name of Council

1. Bundibugyo District
2. Maracha/Terego District
3. Mbarara MC
4. Kitgum Town Council
5. Apac Town Council
6. Dokolo Town Council
7. Oyam Town Council
8. Mukono Town Council
9. Njeru TC
10. Lugazi TC
11. Tororo District
12. Manafwa District
13. Bududa District
14. Mbale MC
15. Paliisa TC
16. Manafwa TC

17. Bukwo TC
18. Bududa TC
19. Soroti District
20. Nakapiripirit Town Council

D) COUNCILS ISSUED WITH ADVERSE OPINION DURING FY 2007/8

1. NIL

APPENDIX II

Under collection of Local Revenue

Councils	Amount Shs
Masaka District	2,314,831,879
Rakai District	1,805,953,000
Kalangala District	648,374,518
Sembabule District	2,210,934,917
Lyantonde/Kabula District	217,018,000
Kalisizo Town council	43,471,619
Rakai TC	129,970,040
Kyotera TC	222,433,486
Sembabule Town Council	32,240,813
Moyo TC	94,100,086
Rukungiri TC	202,230,978
Nebbi Town Council	134,495,700
Total	8,056,055,036

APPENDIX III

Arrears of Local Revenue

Councils	Amount Shs
Paidha TC	33,168,436
Lira District	224,091,205
Kitgum District	64,310,000
Pader District	57,453,478
Amuru District	45,986,753
Gulu MC	185,264,458
Lira MC	168,643,043
Kitgum TC	122,697,589
Apac TC	52,412,360
Pader TC	46,613,370
Amolatar TC	18,677,550
Dokolo TC	13,700,000
Kalongo TC	60,159,254
Abim DA	22,697,000
Kaberamaido DA	6,175,500
Katakwi DA	7,357,100
Katakwi TC	34,875,781
Kotido TC	37,364,932
Kumi DA	33,317,487
Moroto DA	109,750,757
Soroti DA	147,264,568
Kapchorwa DA	17,862,960
Bukwo DA	7,740,000
Busia TC	117,316,611
Kapchorwa TC	17,862,960
Nagongera TC	10,436,996
Jinja District	210,820,753
Iganga TC	64,849,868

Bugiri TC	58,441,218
Busembatya TC	13,000,000
Kayunga TC	20,387,885
Njeru TC	510,484,958
Mayuge TC	2,681,600
Luwero District	8,963,450
Mukono District	21,484,771
Entebbe MC	452,719,186
Bombo TC	23,578,975
Wobulenzi TC	49,952,109
Wakiso TC	74,744,995
Kampala City Council HQ	6,468,613,742
Rubanga Division	5,841,751,850
Nakawa Division	16,021,530,622
Kawempe Division	6,929,554,189
Mankindye Division	12,532,855,357
Central Division	24,536,943,532
Masaka Municipal Council	212,422,109
Mubende TC	57,720,494
Kiboga TC	47,850,846
Hoima District	79,685,939
Katwe-Kabatoro TC	199,349,226
Kigorobya Town Council	36,495,794
Masindi Town Council	66,030,218
Bundibugyo Town Council	289,121,482
Kibaale Town Council	22,099,300
Kagadi Town Council	27,122,900
Koboko TC	26,053,000
Kabale Municipal Council	26,680,135
Rukungiri TC	14,009,600
Hoima TC	770,153,772
Katwe-Kabatooro TC	158,160,245
Bundibugyo TC	27,279,536

Luwero TC

34,486,847

Total

77,701,280,651

APPENDIX IV

Excess expenditure without authority

Councils	Amount Shs
Gulu MC	319,382,102
Lira MC	203,301,167
KitgumTC	70,508,191
Apac TC	8,772,702
Dokolo TC	75,868,854
Amuria DA	6,491,200
Amuria TC	6,831,000
Kaabong DA	87,000,000
Katakwi TC	10,781,238
Mbale MC	1 37,250,767
Bukwo TC	48,478,634
Busolwe TC	29,059,788
Jinja District	33,754,111
Kamuli DA	39,000,000
Luwero District	53,215,107
Nakaseske District	10,328,400
Kabale MC	46,063,893
Kihihi TC	1,370,647
Masaka District	130,763,924
Kalisizo Town council	6,409,295
Lyantonde TC	6,525,650
Kabarole District	755,170,759
Hoima District	794,227,068
Masindi District	1,055,203,450
Kibaale District	1,238,717,076
Kasese TC	40,026,932
Kagadi Town Council	22,972,630
Koboko District	472,302,833
Total	5,729,777,418

APPENDIX VI

Administrative Advance Unaccounted for by end of the financial Year

Councils	Amount Shs
Nebbi District	34,584,294
Arua District	141,546,900
Moyo District	134,005,940
Adjumani District	159,732,164
Gulu District	22,292,664
Lira District	92,228,142
Kitgum District	553,491,481
Apac District	241,554,319
Pader District	136,945,840
Amolatar District	18,518,938
Dokolo District	72,934,560
Amuru District	149,059,297
Lira MC	139,576,852
Kitgum TC	88,808,476
Apac TC	4,864,340
Pader TC	5,079,430
Amuru TC	12,085,100
Kalongo TC	9,311,158
Oyam TC	1,236,200
Abim DA	320,897,000
Abim TC	19,080,000
Amuria DA	29,314,907
Bukedea DA	113,662,441
Bukedea TC	5,911,950
Kaabong DA	262,699,197
Kaberamaido DA	130,761,755
Katakwi DA	25,054,441
Kotido DA	57,599,000
Kotido TC	21,664,350

Kumi DA	60,886,747
Kumi TC	22,592,829
Moroto DA	200,098,343
Moroto MC	14,202,000
Nakapiripirit DA	294,432,331
Soroti DA	108,065,972
Soroti MC	4,780,000
Mbale DA	49,114,687
Pallisa DA	241,246,242
Tororo DA	774,096,213
Sironko DA	11,254,000
Manafwa DA	189,038,823
Bukwo DA	7,574,778
Bududa DA	35,063,600
Busia TC	8,582,000
Kapchorwa TC	15,000,000
Pallisa TC	506,577,763
Sironko TC	4,695,000
Manafwa TC	13,330,200
Malaba TC	13,885,300
Jinja District	131,654,731
Kamuli DA	13,289,600
Kaliro DA	83,304,680
Jinja MC	10,300,000
Njeru TC	48,634,350
Mayuge TC	949,500
Mukono District	181,461,490
Nakasongola District	12,542,800
Wakiso District	21,546,000
Nakaseske District	2,500,000
Entebbe MC	92,774,500
Bombo TC	12,094,800
Nakasongola TC	4,371,438

Nakawa Division	37,777,620
Central Division	189,582,159
Kabale District	16,807,784
Ntungamo District	117,303,961
Kiruhura District	34,376,800
Isingiro District	19,163,400
Kisoro District	40,290,668
Rukungiri TC	13,891,422
Ntungamo TC	20,835,395
Kiruhura TC	4,041,512
Kihihi TC	5,000,000
Isingiro TC	15,480,421
Kabwohe-Itendero TC	14,962,307
Mubende District	45,064,000
Kalangala District	32,907,631
Lukaya Town Council	5,306,000
Sembabule Town Council	50,646,813
Kabarole District	64,690,285
Kasese District	197,187,791
Hoima District	25,213,494
Masindi District	27,520,226
Bundibugyo District	408,463,676
Kibaale District	37,883,641
Kamwenge District	341,129,407
Kyenjojo District	38,125,399
Fort Portal Municipal	29,054,832
Kasese TC	1,326,000
Katwe-Kabatoro TC	47,892,905
Kigorobya Town Council	10,360,000
Kyenjojo Town Council	63,113,119
Hima Town Council	11,841,464
Maracha_Terego District	88,600,228
Abim District	4,067,490

Yumbe TC	49,201,921
Nebbi TC	13,490,000
Total	8,331,041,624

APPENDIX VI

Un vouched Expenditure and expenditures without Accountability documents

Councils	Amount Shs
Maracha_Terego District	85,687,655
Gulu District	37,622,500
Apac District	487,982,800
Pader District	42,531,595
Amuru District	89,776,858
Lira MC	35,433,059
Oyam TC	39,167,090
Abim DA	17,705,000
Kaabong DA	156,870,423
Kotido DA	42,727,500
Soroti DA	319,720,600
Sironko DA	18,114,000
Manafwa DA	1,080,974,442
Bukwo DA	373,841,995
Budaka DA	320,026,543
Bududa DA	5,529,200,187
Manafwa TC	42,691,023
Budaka TC	13,202,896
Jinja District	37,925,842
Kamuli DA	7,420,000
Kayunga DA	3,171,403
Mayuge DA	12,107,654
Jinja MC	21,884,000
Buwenge TC	8,640,000
Njeru TC	5,250,000
Lugazi TC	214,934,139
Nakawa Division	159,398,412
Mubende District	13,984,416
Hima Town Council	22,460,139

Kamwenge District

70,419,902

Total

9,310,872,073

APPENDIX VII

Irregular Procurements of goods and services

Councils	Amount Shs
Gulu District	103,210,660
Apac District	66,104,500
Amolatar District	12,582,100
Amuru District	452,724,352
Gulu MC	255,107,702
KitgumTC	15,334,800
Oyam TC	7,070,000
Abim DA	275,263,590
Abim TC	5,325,300
Kaabong DA	149,837,680
Kaabong TC	5,588,700
Kaberamaido DA	103,329,961
Katakwi DA	16,324,600
Kumi TC	46,822,324
Budaka DA	8,685,000
Bududa DA	357,413,841
Manafwa TC	147,000,000
Bududa TC	47,062,456
Jinja MC	158,377,250
Njeru TC	75,497,536
Lugazi TC	178,604,110
Namutumba TC	18,495,600
Entebbe MC	12,947,000
Mukono TC	75,575,182
Mankindy Division	393,142,870
Central Division	338,026,514
Kisoro District	29,584,730
Kanungu TC	36,819,340
Kihhi TC	5,236,416

Rakai District	18,900,000
Lyantonde/Kabula District	20,250,400
Masaka Municipal Council	39,645,271
Lyantonde TC	14,476,132
Amuria TC	2,226,000
Nebbi TC	275,877,500
Total	3,768,469,417

APPENDIX VIII

None Remittances of taxes to Uganda Revenue Authority (URA)

Councils	Amount Shs
Pallisa DA,	29,879,054
Tororo DA,	537,263,992
Sironko TC,	34,211,861
Iganga TC,	24,927,500
Mayuge TC,	3,146,080
Kira TC,	4,230,615
Nansana TC,	6,467,422
Kawempe Division,	40,110,123
Kiruhura District,	4,500,000
Kiruhura TC,	2,829,000
Kihihi TC,	1,288,800
Ibanda TC,	2,400,000
Kabwohe-Itendero TC,	6,001,500
Kiboga District,	44,455
Kasese TC,	28,543,481
Nebbi TC	35,451,896
Total	761,295,779

APPENDIX IX

Purported Remittances of taxes to Uganda Revenue Authority (URA)

Councils	Amount Shs
Oyam District	30,693,369
Dokolo District	17,941,055
Abim DA	2,884,991
Amuria TC	4,306,760
Bukedea TC	2,951,273
Kaabong DA	75,824,241
Kaberamaido DA	11,649,192
Katakwi TC	287,677
Kotido DA	59,222,599
Kotido TC	986,660
Nakapiripirit TC	2,865,549
Soroti DA	10,940,752
Pallisa DA	92,411,935
Manafwa DA	92,038,859
Bududa DA	27,870,700
Kayunga DA	923,342
Mayuge DA	302,589,573
Jinja MC	221,456,076
Njeru TC	10,722,445
Wakiso District	252,500,000
Isingiro District	248,986,007
Kalangala T C	15,487,142
Nakapiripirit District	6,611,632
TOTAL	1,492,151,829

APPENDIX X

Non Remittances of Unspent Conditional grants to Consolidated fund

Councils	Amount Shs
Kayunga DA	35,323,063
Jinja MC	316,042,032
MukonoTC	182,293,937
Nkokonjeru TC	11,997,414
Bushenyi District	79,601,306
Rukungiri District	13,150,476
Kiruhura District	73,968,807
Ibanda Districat	99,326,206
Kabale MC	220,908,291
Mubende District	16,020,345
Kalangala District	26,849,136
Mityana District	17,646,295
Kabarole District	47,893,503
Kibaale District	37,495,087
Kibaale Town Council	48,676,223
Arua District	95,186,111
Maracha_Terego District	1,707,287,884
Pakwach TC	47,782,042
Adjumain TC	139,297,196
Dokolo District	24,934,560
Apac TC	43,042,625
Kaberamaido TC	105,728,371
Busia DA	4,994,563
Sironko DA	326,449,872
Tororo MC	24,036,775
Butaleja TC	39,435,618
Koboko District	327,559,502
Yumbe TC	77,873,437
Total	4,190,800,677

APPENDIX XI

Diversion of Funds

Councils	Amount Shs
KitgumTC	12,895,700
Soroti MC	9,200,000
Kaliro DA	36,955,820
Kamuli TC	41,864,000
Namutumba TC	10,334,295
Luwero District	171,172,940
Wobulenzi TC	24,803,295
Rubanga Division	90,193,000
Rukungiri District	35,606,937
Kanungu District	67,264,358
Bundibugyo District	303,801,950
Katwe-Kabatoro TC	8,187,736
Kyenjojo Town Council	25,875,920
Rukugiri DA	58,000,000
Total	896,155,951

APPENDIX XII

No Board of Survey Report to verify amounts reported

Councils	Amount Shs
Amuru District	331,980,359
Gulu MC	544,932,779
KitgumTC	421,305,148
Apac TC	57,391,137
Katakwi TC	16,403,173
Moroto MC	148,102,794
Arua MC	171,928,878
Tororo DA	707,015,047
Budaka TC	56,120,597
Luwero District	19,962,950
Kabale District	29,358,739
Masindi Town Council	7,918,857
Total	2,512,420,458

APPENDIX XIII

Non Depreciation of Fixed Assets in Urban Authorities

Councils	Amount Shs
Mukono TC	950,443,523
Nakasongola TC	15,354,926
Rubanga Division	3,489,657,538
Ibanda TC	1,117,504,061
Hoima TC	891,512,732
Kigorobya Town Council	207,233,878
Masindi Town Council	2,029,435,242
Bundibugyo Town Council	558,218,741
Kamwengye Town Council	366,843,047
Kyenjojo Town Council	558,218,741
Buliisa TC	227,583,896
Total	10,412,006,325

APPENDIX XIV

Inadequate supporting documentation to expenditures

Councils	Amount Shs
Koboko TC	1,224,421,173
Gulu District	13,922,067
Pader District	56,602,388
Amolatar TC	11,570,890
Amuru TC	6,939,341
Amuria DA	3,722,000
Amuria TC	3,836,500
Bukedea DA	539,156,729
Kaabong DA	76,487,400
Kaberamaido DA	5,893,790
Kotido DA	283,742,975
Kumi DA	71,692,900
Moroto DA	33,213,450
Moroto MC	11,264,000
Nakapiripirit DA	161,297,746
Nakapiripirit TC	5,966,500
Soroti DA	42,000,000
Busia DA	47,972,556
Kapchorwa DA	15,570,000
Pallisa DA	396,625,974
Tororo DA	2,310,000,561
Sironko DA	14,454,775
Busia TC	41,835,216
Mbale MC	626,560,726
Tororo MC	50,260,908
Bududa TC	292,448,666
Nagongera TC	30,972,060
Busolwe TC	3,219,017
Kamuli DA	69,605,507

Mayuge DA	44,375,351
Mayuge TC	1,400,000
Mukono District	108,397,680
Nakaseske District	5,408,720
Bombo TC	4,061,500
MukonoTC	1,064,618,664
Kisoro District	39,299,423
Mbarara MC	2,250,360,770
Kanungu TC	20,437,600
Isingiro TC	62,435,288
Kisoro TC	11,820,000
Ibanda TC	19,948,624
Kiboga District	47,035,505
Mityana District	3,592,981,098
Lyantonde District	47,175,003
Kalisizo Town council	12,850,000
Lukaya Town Council	110,462,109
Kyotera TC	193,349,173
Kiboga TC	4,403,360
Sembabule Town Council	5,000,000
Kabarole District	1,655,055
Kasese District	21,284,300
Masindi District	73,275,400
Kyenjojo District	19,250,000
Buliisa District	113,464,329
Mbale MC	19,588,000
Mukono District	131,428,037
Yumbe TC	35,963,676
Koboko District	121,496,462
Soroti District	4,650,254,371
Kumi T.C	14,819,017
Total	19,374,735,313

APPENDIX XV

Wasteful Expenditure

NAME OF DA/TC	Amount Shs
Oyam TC	2,285,000
Amuria DA	10,284,000
Kaabong TC	5,834,000
Katakwi DA	1,924,000
Moroto DA	1,263,000
Kapchorwa DA	2,194,476
Bugiri DA	9,000,000
Jinja MC	16,904,300
Busembatya TC	20,383,794
Nakasongola DA	53,017,818
Kampala City Council HQ	102,258,809
Mbarara MC	32,707,214
Masindi DA	7,500,000
Hoima TC	49,522,792
TOTALS	345,079,203

APPENDIX XVI

Over Committing of Council leading to Credits and Domestic Arrears

NAME OF DA/TC	Amount Shs
Moyo TC	98,437,469
Wobulenzi TC	30,736,983
Nakasongola TC	27,527,809
Nkokonjeru TC	28,600,841
Wakiso TC	180,862,534
Nakawa Division	620,841,997
Kawempe Division	753,588,734
Mankindye Division	331,522,692
Kabale MC	8,753,873
Rukungiri TC	95,686,000
Mubende DA	253,408,948
Kiboga DA	531,997,331
Sembabule DA	128,973,815
Masaka MC	248,792,237
Tororo DA	1,677,863,954
Nagongera TC	23,320,373
	4,882,594
TOTALS	5,040,915,590

APPENDIX XVII

Fraudulent transactions

Name of DA/TC	Amount Shs
Amolatar TC	8,614,000
Kapchorwa TC	24,864,022
Mbale TC	19,588,000
Mukono DA	131,428,037
Wakiso DA	5,264,996
Mankindye Division	393,756,502
Kabale DA	9,719,200
Kiruhura DA	1,246,775
Masaka DA	33,464,000
Mubende DA	8,066,500
Bundibugyo DA	435,544,386
TOTALS	1,071,556,418

APPENDIX XVIII

STATUS OF FINAL ACCOUNT SUBMISSION BY ACCOUNTING OFFICERS FOR FINANCIAL YEAR 2007/2008.

A. COUNCILS THAT COMPLIED WITH STATUTORY DATE OF SUBMISSION OF ACCOUNTS IN FY 2007/08-SUBMITTED NOT LATER THAN 30TH SEPTEMBER 2008

Name of Council

1. Kabarole District
2. Kasese District
3. Hoima District
4. Masindi District
5. Kamwenge District
6. Kyenjojo District
7. Buliisa District
8. Fort Portal Municipal
9. Kasese TC
10. Katwe-Kabatoro TC
11. Hoima TC
12. Kigorobya Town Council
13. Masindi Town Council
14. Kamwengye Town Council
15. Kyenjojo Town Council
16. Hima Town Council
17. Kagadi Town Council
18. Buliisa TC
19. Masaka District
20. Rakai District
21. Kalangala District
22. Lyantonde District
23. Masaka Municipal Council
24. Lukaya Town Council
25. Rakai TC

26. Kyotera TC
27. Lyantonde TC
28. Kalangala Town Council
29. Mbarara District
30. Bushenyi District
31. Ntungamo District
32. Kiruhura District
33. Isingiro District
34. Ibanda District
35. Ibanda TC
36. Bushenyi-Ishaka TC
37. Rukungiri TC
38. Ntungamo TC
39. Isingiro TC
40. Kiruhura TC
41. Nebbi District
42. Arua District
43. Koboko District
44. Yumbe District
45. Moyo District
46. Adjumani District
47. Nyadri District
48. Nebbi TC
49. Pakwach TC
50. Paidha TC
51. Arua MC
52. Koboko TC
53. Yumbe TC
54. Adjumani TC
55. Lira District
56. Kitgum District
57. Apac District
58. Mpigi District

59. Nakasongola District
60. Wakiso District
61. Nakaseke District
62. Mpigi Town Council
63. Entebbe Municipal Council
64. Luwero TC
65. Bombo Town Council
66. Kira Town Council
67. Wakiso Town Council
68. Nansana TC
69. Nakaseke-Butalngu TC
70. Kakiri TC
71. Jinja District
72. Iganga District
73. Kamuli District
74. Bugiri District
75. Kayunga District
76. Mayuge District
77. Kaliro District
78. Jinja MC
79. Namutumba District
80. Buwenge TC
81. Iganga TC
82. Kamuli TC
83. Bugiri TC
84. Busembatya TC
85. Kaliro TC
86. Kayunga TC
87. Njeru TC
88. Lugazi TC
89. Mayuge Town Council
90. Namutumba TC
91. Busia District

92. Kapchorwa District
93. Mbale District
94. Sironko district
95. Budaka District
96. Busia TC
97. Mbale MC
98. Budaka TC
99. Kumi District
100. Moroto District
101. Kotido District
102. Katakwi District
103. Kaberamaido District
104. Nakapiripirit District
105. Amuria District
106. Bukedea District
107. Abim District
108. Kumi Town Council
109. Soroti Municipal Council
110. Moroto Municipal Council
111. Kotido Town Council
112. Katakwi Town Council
113. Kaberamaido Town Council
114. Abim TC

B. COUNCILS THAT FAILED TO COMPLIED WITH STATUTORY DATE OF SUBMISSION OF ACCOUNTS IN FY 2007/8-SUBMITTED AFTER 30TH SEPTEMBER 2008

Name of Council

1. Bundibugyo District
2. Kibaale District
3. Bundibugyo Town Council
4. Kibaale Town Council
5. Mubende District
6. Kiboga District
7. Sembabule District
8. Mityana District
9. Kalisizo Town council
10. Mubende TC
11. Mityana TC
12. Kiboga TC
13. Sembabule Town Council
14. Kabale District
15. Rukungiri District
16. Kanungu District
17. Kisoro District
18. Mbarara MC
19. Kabwohe-Intendero TC
20. Kabale Municipal Council
21. Kisoro TC
22. Kanungu TC
23. Kihhi TC
24. Moyo TC
25. Gulu District
26. Pader District
27. Oyam District
28. Amolatar District
29. Dokolo District
30. Amuru District

31. Gulu Municipal Council
32. Lira Municipal Council
33. Kitgum Town Council
34. Apac Town Council
35. Pader Town Council
36. Amolatar Town Council
37. Amuru Town Council
38. Dokolo Town Council
39. Kalongo Town Council
40. Oyam Town Council
41. Kampala City Council
42. Central Division
43. Makindye Division
44. Rubaga Division
45. Kawempe Division
46. Nakawa Division
47. Luwero District
48. Mukono District
49. Wobulenzi Town Council
50. Mukono Town Council
51. Nakasongola TC
52. Nkokonjeru Town Council
53. Pallisa District
54. Tororo District
55. Manafwa District
56. Butaleja District
57. Bukwo District
58. Bududa District
59. Kapchorwa TC
60. Paliisa TC
61. Tororo MC
62. Sironko Town Council
63. Manafwa TC

64. Butaleja TC
65. Bukwo TC
66. Malaba TC
67. Bududa TC
68. Nagongera TC
69. Busolwe TC
70. Soroti District
71. Kaabong District
72. Nakapiripirit Town Council
73. Kaabong Town Council
74. Amuria TC
75. Bukedea TC