REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE
DIRECTORATE OF PUBLIC PROSECUTIONS
FOR THE YEAR ENDED 30TH JUNE 2015

OFFICE OF THE AUDITOR GENERAL
UGANDA
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<th>Meaning</th>
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</thead>
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<tr>
<td>DPP</td>
<td>Directorate of Public Prosecutions</td>
</tr>
<tr>
<td>EFT</td>
<td>Electronic Funds Transfer</td>
</tr>
<tr>
<td>FY</td>
<td>Financial Year</td>
</tr>
<tr>
<td>GOU</td>
<td>Government of Uganda</td>
</tr>
<tr>
<td>JLOS</td>
<td>Justice, Law and Order Sector</td>
</tr>
<tr>
<td>MDA</td>
<td>Ministries, Departments and Agencies</td>
</tr>
<tr>
<td>NSSF</td>
<td>National Social Security Fund</td>
</tr>
<tr>
<td>PFMA</td>
<td>Public Finance Management Act, 2015</td>
</tr>
<tr>
<td>PPDA</td>
<td>Public Procurement and Disposal of Public Assets Authority</td>
</tr>
<tr>
<td>PROCAMIS</td>
<td></td>
</tr>
<tr>
<td>RSA</td>
<td>Regional State Attorneys</td>
</tr>
<tr>
<td>TAIs</td>
<td>Treasury Accounting Instructions</td>
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<tr>
<td>UGX</td>
<td>Uganda Shillings</td>
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<tr>
<td>URA</td>
<td>Uganda Revenue Authority</td>
</tr>
<tr>
<td>MoFPED</td>
<td>Ministry of Finance, Planning and Economic Development</td>
</tr>
<tr>
<td>MoPS</td>
<td>Ministry of Public Service</td>
</tr>
</tbody>
</table>
REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS
OF THE DIRECTORATE OF PUBLIC PROSECUTIONS
FOR THE YEAR ENDED 30TH JUNE, 2015

THE RT. HON. SPEAKER OF PARLIAMENT

I have audited the financial statements of Directorate of Public Prosecutions for the year ended 30th June 2015. These financial statements comprise of the statement of financial position, the statement of financial performance, and cash flow statement together with other accompanying statements, notes and accounting policies.

Management Responsibility

Under Article 164 of the Constitution of the Republic of Uganda, 1995 (as amended) and Section 45 of the Public Finance Management Act, 2015, the Accounting Officer is accountable to Parliament for the funds and resources of the Directorate. The Accounting Officer is also responsible for the preparation of financial statements in accordance with the requirements of the Public Finance Management Act 2015, and the Financial Reporting Guide, 2008, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor’s Responsibility

My responsibility as required by Article 163 of the Constitution of the Republic of Uganda, 1995 (as amended) and Sections 13 and 19 of the National Audit Act, 2008 is to audit and express an opinion on these statements based on my audit. I conducted the audit in accordance with International Standards on Auditing. Those standards require that I comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain evidence about the amounts and disclosures in the financial statements as well as evidence supporting compliance with relevant laws and regulations. The procedures selected depend on the Auditor’s judgment including the assessment of risks of material misstatement of financial statements whether due to fraud or error. In making those risk assessments, the Auditor considers internal control relevant to the entity’s preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances but not for purposes of expressing an opinion on the effectiveness of the entity’s internal control. An
audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Part “A” of this report sets out my opinion on the financial statements. Part “B” which forms an integral part of this report presents in detail all the significant audit findings made during the audit which have been brought to the attention of management and form part of my Annual Report to Parliament.

PART “A”

Opinion
In my opinion, the financial statements of Directorate of Public Prosecutions for the year ended 30th June 2015 are prepared, in all material respects, in accordance with Section 51 of the Public Finance Management Act, 2015, and the Financial Reporting Guide, 2008.

John F.S. Muwanga
AUDITOR GENERAL

KAMPALA

18th December, 2015
REPORT OF THE AUDITOR GENERAL AND SUPPLEMENTARY INFORMATION
PART "B"

DETAILED REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS
OF THE DIRECTORATE OF PUBLIC PROSECUTIONS FOR THE YEAR ENDED 30TH
JUNE, 2015

This Section outlines the detailed audit findings, management responses, and my
recommendations in respect thereof.

1.0 INTRODUCTION
Article 163 (3) of the Constitution of the Republic of Uganda, 1995 (as amended)
requires me to audit and report on the public accounts of Uganda and all public
offices including the courts, the central and local government administrations,
universities, and public institutions of the like nature and any public corporation or
other bodies or organizations established by an Act of Parliament. Accordingly, I
carried out the audit of the Directorate of Public Prosecutions (DPP) to enable me
report to Parliament.

2.0 BACKGROUND INFORMATION
The Directorate of Public Prosecutions is established by Article 120 (1) of the 1995
Constitution. The Directorate is headed by the Director of Public Prosecutions, whose
main role is to provide effective leadership and guidance in policy and prosecution
matters as well as strategic issues regarding the management, monitoring,
coordination and mobilization of resources for the operation of the directorate. In
the exercise of the functions conferred on him by the Constitution, the Director is not
subject to the direction or control of anybody.

State Attorneys and State Prosecutors are empowered to exercise the powers of the
DPP, except those powers specifically to be exercised by the DPP personally by law.
These include withdrawal of cases, entering Nolle prosqui and consent to specific
offences.

The Directorate is located on 11th floor southern wing and 12th Floor, Workers
House, Plot 1, Pilkington Road Kampala, Uganda. The Directorate’s vision is “a crime
free society, and mission is to handle and prosecute criminal cases in order to reduce
crime in the country in a just effective and efficient manner”, and its mission is “To
handle and persecute criminal cases in the country, having regard to public interest,
fair administration of justice and the need to prevent abuse of the legal process”.

1
3.0 **ENTITY FINANCING**

The Directorate of Public Prosecutions was financed by Grants from Central Government. Grants of UGX.22,515,226,113 from Central Government were received. Non-tax revenue of UGX.64,200,000 was also received, bringing total revenue to UGX.22,579,426,113. The total grants revenue of UGX.22,515,226,113 constituted 97% of its approved budget estimates of UGX.23,151,496,616.

4.0 **OBJECTIVES OF THE DIRECTORATE**

- To improve the handling and management of prosecution of criminal cases in the country;
- To ensure quality prosecution services to the public;
- To advise the relevant stakeholders on law reform;
- To provide support services for efficient and effective operations of the Directorate;
- To handle international corporation and coordinate extraterritorial matters;
- To coordinate the operations of the field offices;
- To improve Management Information Systems in the Directorate.

5.0 **AUDIT OBJECTIVES**

The audit was carried out in accordance with International Standards on Auditing and accordingly included a review of the accounting records and agreed procedures as was considered necessary. In conducting my reviews, special attention was paid to establish:

a. Whether the financial statements have been prepared in accordance with consistently applied accounting Policies and fairly present the revenues and expenditures for the period and of the financial position as at the end of the period.

b. Whether all funds were utilized with due attention to economy and efficiency and only for the purposes for which the funds were provided.

c. Whether goods and services financed have been procured in accordance with the Government of Uganda Procurement regulations.

d. To evaluate and obtain a sufficient understanding of the internal control structure of the organization, assess control risk and identify reportable conditions, including material internal control weaknesses.

e. Whether the management was in compliance with the Government of Uganda financial regulations.
f. Whether all necessary supporting documents, records and accounts have been kept in respect of all activities, and are in agreement with the financial statements presented.

6.0 PROCEDURES PERFORMED

The following audit procedures were undertaken:-

(a) Revenue

Obtained schedules of all revenues collected and reconciled the amounts to the cashbooks and bank statements.

(b) Expenditure

The payment vouchers were examined for proper authorization, eligibility and budgetary provision, accountability and support documentation.

(c) Internal Control system

Reviewed the internal control system and its operations to establish whether sound controls were applied throughout the period audited.

(d) Procurement

Reviewed the procurement of goods and services by the Directorate during the period under review and reconciled with the approved procurement plan.

(e) Fixed Asset Management

Reviewed the use and management of the assets of the Directorate during the period under audit.

(f) Financial Statements

Examined on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessed the accounting principles used and significant estimates made by management; as well as evaluating the overall financial statement presentation.

7.0 CATEGORIZATION AND SUMMARY OF FINDINGS

7.1 Categorization of findings

The following system of profiling of the audit findings has been used to better prioritize the implementation of audit recommendations:

<table>
<thead>
<tr>
<th>No</th>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>High significance</td>
<td>Has a significant/material impact, has a high likelihood of reoccurrence, and in the opinion of the Auditor General, it requires urgent remedial action. It is a matter of high risk or high stakeholder interest.</td>
</tr>
<tr>
<td>2</td>
<td>Moderate significance</td>
<td>Has a moderate impact, has a likelihood of reoccurrence, and in the opinion of the Auditor</td>
</tr>
</tbody>
</table>
General, it requires remedial action. It is a matter of medium risk or moderate stakeholder interest.

| 3          | Low significance | Has a low impact, has a remote likelihood of reoccurrence, and in the opinion of the Auditor General, may not require much attention, though its remediation may add value to the entity. It is a matter of low risk or low stakeholder interest. |

7.2 Summary of Findings

<table>
<thead>
<tr>
<th>No</th>
<th>Finding</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.1</td>
<td>Budget Performance – unimplemented activities</td>
<td>High</td>
</tr>
<tr>
<td>8.2</td>
<td>Non-deduction of WHT from rental payments to NSSF</td>
<td>High</td>
</tr>
<tr>
<td>8.3</td>
<td>Mischarge of Expenditure</td>
<td>Moderate</td>
</tr>
<tr>
<td>8.4</td>
<td>Advances to Individual Personal Accounts</td>
<td>Moderate</td>
</tr>
<tr>
<td>8.5</td>
<td>Staffing gaps</td>
<td>Moderate</td>
</tr>
<tr>
<td>8.6</td>
<td>Field inspections</td>
<td>Moderate</td>
</tr>
<tr>
<td>9.0</td>
<td>Status of prior year audit recommendations</td>
<td>Low</td>
</tr>
</tbody>
</table>

8.0 DETAILED FINDINGS

8.1 Budget Performance – unimplemented activities

A review of the entity’s budget showed that UGX. 22,515,226,113 was released against an approved budget of UGX.23,151,496,616, representing 97% of the approved budget. A further review of the physical performance for the year 2014/2015 revealed that some planned activities were not implemented as shown in the table below:

<table>
<thead>
<tr>
<th>Budgeted output / Planned activity</th>
<th>Approved Budget</th>
<th>Actual release</th>
<th>Short fall</th>
<th>Actual output/activity</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>• WAN covering 30 offices and HQs established</td>
<td>4,975,351,000</td>
<td>4,971,751,000</td>
<td>3,600,000</td>
<td>Some items have been delivered but others have not. Installations have not been made yet.</td>
<td>•Procurement process done and contracts signed. The items have however not been delivered and installed. Contract performance has delayed. •Payments for PROCAMIS amounted to UGX 3,959,697,902 during the year but the system has not been installed. There is need to acquire an optimum database engine such as Oracle to support PROCAMIS</td>
</tr>
<tr>
<td>• Unified communication established in 31 offices</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Network management software and hardware acquired.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Un-implemented activities could hinder achievement of the workplan, hamper service delivery, and the appropriating authority’s objectives.

Management explained that delivery of the IT communication equipment was delayed because of security concerns by the countries of origin but these concerns have now been addressed and the contract will be completed as soon as possible. Further it was indicated that Oracle software for PROCAMIS had been delivered and system development is on-going.

I advised the Accounting Officer to ensure that the contractor fulfils the contractual obligations and have the activity finalised.

### 8.2 Non-deduction of WHT from rental payments to NSSF

The Directorate paid a total of UGX.1,731,746,849 to NSSF for rent during the financial year. However, 6% WHT amounting to UGX.103,910,811 was not deducted and therefore not remitted to URA contrary to provisions of the income tax Act. Details are as shown in table below:

<table>
<thead>
<tr>
<th>Pay’t Date</th>
<th>Inv. No</th>
<th>EFT. No.</th>
<th>Purpose</th>
<th>Amount</th>
<th>6% WHT</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/17/2014</td>
<td>GO/JUL-15/6</td>
<td>1412793</td>
<td>Deposit for Rent - Qtr 1 Jul-Sep 14: Head office</td>
<td>240,776,640</td>
<td>14,446,598</td>
</tr>
<tr>
<td>9/2/2014</td>
<td>GO/AUG-15/994</td>
<td>2144036</td>
<td>Part settlement for Head office at workers house</td>
<td>215,231,941</td>
<td>12,913,916</td>
</tr>
<tr>
<td>11/20/2014</td>
<td>GO/NOV-15/25</td>
<td>2879240</td>
<td>Part Settlement of invoice 16730 for Qtr 2 Rent Head office</td>
<td>189,533,000</td>
<td>11,371,980</td>
</tr>
<tr>
<td>12/9/2014</td>
<td>GO/DEC-15/522</td>
<td>3203486</td>
<td>Part settlement of Rent Arrears</td>
<td>614,051,019</td>
<td>36,843,061</td>
</tr>
<tr>
<td>1/30/2015</td>
<td>GO/JAN-15/242</td>
<td>3875589</td>
<td>Part Settlement of invoice17703 UGX 240,776,640 - rent for the period January - March 2015</td>
<td>231,477,609</td>
<td>13,888,657</td>
</tr>
<tr>
<td>4/22/2015</td>
<td>GO/APR-15/72</td>
<td>4637465</td>
<td>Settlement of Q4 Rent charges for head office per invoice70916</td>
<td>240,776,640</td>
<td>14,446,598</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>1,731,846,849</strong></td>
<td><strong>103,910,811</strong></td>
</tr>
</tbody>
</table>

Non-deduction of withholding tax could attract penalties and surcharges from the tax authority.
Management explained that NSSF had been exempted from WHT in the FY 2013/14 which was however not renewed in FY 2014/15. The Directorate continued paying rent without deducting WHT with the belief that NSSF was still WHT exempt. The omission was regretted and management was in talks with NSSF to recover the tax from the subsequent rent payments.

I await the outcome of the Accounting Officer’s interaction with NSSF.

8.3 **Mischarge of Expenditure**

The Parliament of Uganda appropriates funds in accordance with the needs of the country and this appropriation is implemented through the budget in which funds are tagged to particular activities and outputs using account codes and MTEF codes. A review of the Directorate’s expenditure of UGX.21,685,943,153 incurred during the year revealed that the entity charged wrong expenditure codes to a tune of UGX.235,645,707. Mischarges undermine the importance of the budgeting process as well as the intentions of the appropriating authority and lead to misreporting.

Management explained that the mischarge of expenditure was a result of insufficient budgetary allocations and severe cuts in respect of items referred to as consumptive items by the MOFPEd.

I advised the Accounting Officer to streamline the budgeting process to ensure that sufficient funds are allocated to each account. I also advised that authority should be sought for any reallocations.

8.4 **Advances to Individual Personal Accounts**

Sections 227, 228 and 229 of the Treasury Accounting Instructions (TAIs), provides that all payments should be made by the Accounting Officer directly to the beneficiaries. Where this is not convenient, an imprest holder should be appointed by the Accounting Officer with the approval of the Accountant General.

On the contrary, UGX.403,708,657 was advanced to Directorate staff through their personal bank accounts to undertake various activities of the Directorate. Such a practice of depositing funds on personal accounts exposes Government funds to risk of loss, since the Directorate does not have any control over such funds deposited on personal accounts.
Management explained that such advances should have been paid to imprest holders but the Secretary to the Treasury declined to appoint imprest holders in the financial year 2012/13. Management further explained that due to closure of commercial bank accounts arising from the Accountant General’s directive, the Directorate was left with no option but to deposit operational funds on personal accounts of responsible officers.

I advised the Accounting Officer to dialogue further with the MoFPED on the matter. In the meantime there should be strict adherence to the requirements of the Treasury Accounting Instructions.

8.5 **Staffing gaps**

I noted that the Directorate had 31 vacant posts which were not filled. These include key post of the Assistant Director of Public Prosecutions, and Secretaries. The same position was reported on in my previous year’s report but no improvement has been registered yet. The Table below refers:

<table>
<thead>
<tr>
<th>Post Title</th>
<th>Scale</th>
<th>No. of Vacancies</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ass. Director of Public Prosecutions</td>
<td>UISE</td>
<td>1</td>
<td>Vacant</td>
</tr>
<tr>
<td>Secretaries</td>
<td>U5-U7</td>
<td>30</td>
<td>Vacant</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>31</strong></td>
<td></td>
</tr>
</tbody>
</table>

Staffing gaps affect the performance and overall achievement of organizational goals and objectives.

Management explained that interviews were conducted in November 2015 to fill the vacancy for Assistant DPP, and two secretaries have so far been posted by Ministry of Public Service. It was further explained that management was still engaging the Ministry of Public Service for recruitment of more staff.

I advised the Accounting Officer to continue liaising with Ministry of Public Service with the view of filling the remaining vacant positions.
8.6 **Field inspections**
8.6.1 **General observations**

(a) **Inadequate funding of up country offices.**

DPP upcountry offices are provided with imprest of between UGX.1,000,000 and UGX.3,000,000 per month to run the offices. The funds are meant to cover witness facilitation, office maintenance, security, newspapers, office tea and postage. Office maintenance and witness preparations are in the range of UGX.400,000 and UGX.300,000 respectively. According to the Resident State Attorneys, the funds are not enough to run the office, transport and feed witnesses who attend court sessions. Lack of such facilitation has resulted in low turn up or absence of witnesses needed to testify in courts and has ultimately led to loss of cases by the state. Below is a structure of funding in one of the upcountry DPP offices:

<table>
<thead>
<tr>
<th></th>
<th>Witness preparation</th>
<th>Tea/N-Papers, detergents</th>
<th>Property expenses-cleaning, security, repairs</th>
<th>Administration, transport, allowances</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kasese DPP Office</td>
<td>300,000</td>
<td>300,000</td>
<td>430,000</td>
<td>410,000</td>
<td>1,440,000</td>
</tr>
</tbody>
</table>

Management attributed the low funding to budget ceiling dictated by the MoFPED but were engaging the ministry for an increase in budget allocation to enable them increase monthly operational funds to regional offices to UGX.5,000,000

I urged the Accounting Officer to continue pursuing the matter with the MoFPED to provide additional financial resources to the Directorate.

(b) **Shortage of stationery**

Stationery is procured centrally by DPP headquarters and has to be picked and taken to the upcountry offices. The offices carry out a lot of photocopying which consumes a lot of stationery. All the ten DPP up country offices visited were experiencing shortage of stationery (including toner) due to intermittent supply by the head office. The RSA explained that most of the time head office experiences stock out and as such, suggested that funds for stationery be included in the monthly imprest provided which would also reduce on costs of travelling to headquarters to pick stationery.
Management attributed the shortage and stock out of stationery to budget constraints. They further explained that with the establishment of Regional Offices, consideration of stocking such items at the Regional Offices is being looked into.

(c) **Lack of internet services**

Some offices like Kasese, Arua, Gulu, Lira lack internet services to do research on cases but instead use internet cafes which are expensive given the meager funds provided. Besides, the offices are not provided with the new set of laws of Uganda to keep up-to-date.

Management explained that the provision of internet services for all the field stations will be provided for when PROCAMIS is rolled out.

I advised the Accounting Officer to expedite the roll out of the PROCAMIS to enable RSA access unlimited internet services.

(d) **Lack of well-stocked Libraries:**

The libraries in the ten regional offices visited were not well stocked with enough law reference books for research. Lack of adequate reference books in the libraries may lead to government losing cases in courts of law due to insufficient research material.

Management explained that due to the difficulty of updating hard copy reference material the directorate subscribed to several on-line law libraries. I find the online libraries unbefitting to regional staff as they do not have internet services.

I advised the Accounting Officer to expedite the process of connecting the regional office to internet.

(e) **Maintenance of the motor vehicle**

All vehicles for the upcountry DPP offices are maintained by the DPP headquarters. Sometimes vehicles over delay in garages in Kampala thereby impacting on the smooth movement of state attorneys to attend court sessions. For example, the vehicles for Lira, and Arua offices had stayed in the garage in Kampala for more than two months while the one for Mbarara had been in Kampala for more than a year. I also noted the risk of driving a vehicle that needs repair for a long distance to Kampala.
Management explained that the decision to carry out service and repairs of vehicles in Kampala was based on the past experience where most upcountry garages lack the spares, the skill to carry out the repairs and the officers have no capacity to confirm the quality of work done.

I advised the Accounting Officer to ensure that vehicles are promptly repaired and are returned to regional offices for continuity of office operations.

(f) Inadequate office accommodation
Most of the offices visited lacked adequate office accommodation and at least three state attorneys were sharing offices. This was the case for Fort Portal, Gulu, Arua, Lira, Busia, and Tororo. Lack of adequate office accommodation denies state attorneys’ privacy and concentration due to internal movements which impacts on their performance.

Management explained that office accommodation is adequate in DPP owner-occupied buildings or JLOS shared buildings. The challenge is in stations where accommodation is either rented, in old DPP buildings, or is housed by other JLOS partners. Management further explained that the Directorate intends to design and construct new office premises with adequate office space.

I advised the Accounting Officer to liaise with the Ministry of Finance, Planning and Economic Development and the JLOS Secretariat for possible funding to adequately accommodate the state attorneys.

(g) Inadequate fuel allocation
All the DPP offices visited were allocated with fuel of UGX.600,000 per month. The fuel is not enough as Resident State Attorneys have to drive quite often to attend court sessions in different places.

Management attributed the inadequacy of fuel to budget ceilings dictated by ministry of finance.

I advised the Accounting Officer to liaise with relevant authorities for adequate funding to increase on fuel allocation to the upcountry offices to enable them attend court sessions among others.
8.6.2 Mbale Regional Office

Physical observation
The following were noted on physical inspection of the office:

- Furniture was not engraved
- Most of the door locks were not functioning and need replacement
- There were no office cabins to properly keep office documents
- The water tank is leaking and needs replacement
- The roof needs renovation

Lack of functional door locks and proper identification of the assets is against financial regulations and exposes assets to the risk of theft without trace. The dilapidated roof and lack of office shelves pose a risk of documents getting destroyed by water leakages and, or theft, while the leaking water tank exposes the staff to poor hygiene that could lead to diseases.

Management explained that the Directorate has a schedule of maintaining its offices but is restrained by limited funds. However the archive building in Jinja is almost complete and old records shall be transferred there to create storage space for new records. It was further explained that a firm was engaged to engrave all assets across the country, because it is a policy to engrave all new furniture before it is dispatched to the stations.

I advised the Accounting Officer to replace the doors affected by the termites, expedite the completion of the archive in Jinja, renovate the leaking roof and replace the leaking water tank to provide a conducive working environment to the staff.

8.6.3 Gulu Regional Office

DPP Gulu office is in a good condition with good sanitation and well maintained. Refer to the photo below;
The following were however noted:

- The office block does not have a library and registry. Lack of a library inhibits proper research and eventually impacts on the capacity of attorneys to successfully prosecute the clients.
- Lack of gate house for the gate keeper.
- There are frequent power outages. The office should consider installing the solar system.
- The office lacks a pit latrine for the clients who visit the DPP office and for use in case of water shortage.
- There is a damage on the fence that could compromise security around the building.

Management explained that Gulu is one of the newly renovated office buildings and intend to demarcate the office to create space for registry and Library and to complete the fence around the office building. It was further explained that the gate House and pit Latrine would be included in the budget for the financial year 2016/17.

I await the outcome of the intended developments.

**8.6.4 Lira Regional Office**

DPP Lira office is in a good condition with a good sanitation and well maintained. Refer to the photo below:

The following were however noted:

- There was no provision for a registry in office block. The RSA improvised by using the library for storage of office files and other documents and shifting books to her office.
- Two state Attorneys did not have computers
- The office has no gate house for the gate keeper.
• There are frequent power outages. The office should consider installing the solar system.

Management explained that they intend to make demarcations within the office to create space for registry and Library. It was further explained that the Gate house and desktop computers would be included in the budget for the financial year 2016/17.

I advised the Accounting Officer to expedite the processes and have the library and a registry demarcated, and to devise means of getting funds to install a solar system to guard against power outages, build a gate house for the gate man, construct a pit latrine for visitors and as an alternative in case of water shortages, and mend the fence to provide proper physical security around the office.

9.0 STATUS OF PRIOR YEAR AUDIT RECOMMENDATIONS
A review of the previous year audit recommendations was done, and the status is shown below:

<table>
<thead>
<tr>
<th>No</th>
<th>Audit Issue 2013/2014</th>
<th>Recommendation</th>
<th>Current Status</th>
<th>Remarks</th>
<th>Management Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mischarged Expenditure UGX.454,431,122</td>
<td>Management to streamline the budget process to ensure that adequate funds are allocated to each account code and utilize the budget as appropriate. Authority should be sought before any reallocations are made.</td>
<td>Expenditure misharged by UGX.235,645,313</td>
<td>Repeated</td>
<td>The budgeting process has been deepened within the organisation. Mischarged expenditure shall be eliminated.</td>
</tr>
<tr>
<td>2</td>
<td>Advances Personal Accounts - 68,730,000</td>
<td>Accounting Officer to avoid the practice and ensure strict adherence with the requirements under the Treasury Accounting Instructions.</td>
<td>Advances of UGX.403,708,657 observed</td>
<td>Repeated.</td>
<td>The provisions of TAI for the appointment of imprest holders should be reviewed and re-instated.</td>
</tr>
<tr>
<td>3</td>
<td>Staff shortages – 31 Vacancies</td>
<td>Awaiting the results of management efforts in having the posts filled.</td>
<td>The vacancies have been declared to the Line Ministry to have them filled</td>
<td>Some improvement</td>
<td>Secretarial staff have been seconded by MoPS however the Public Service Commission should consider delegating the District Service</td>
</tr>
<tr>
<td></td>
<td>Budget Performance; UGX.16,276,902,823 was released against an approved budget of UGX.17,252,411,052, representing 94% of the budget performance.</td>
<td>Accounting Officer to continue liaising with MoFEP for adequate funding and effective implementation of the planned activities and service delivery.</td>
<td>UGX.22,515,226,113bn was released against an approved budget of UGX23,151,496,616, representing 97%</td>
<td>Improvemen t by 3%. Some activities still remained unimplemented</td>
<td>The improvement is a noted but the target should be 100%</td>
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</tbody>
</table>
APPENDIX 1

FINANCIAL STATEMENTS