



**THE REPUBLIC OF UGANDA**

**REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS**  
**OF NATIONAL INFORMATION TECHNOLOGY AUTHORITY UGANDA**  
**FOR THE FINANCIAL YEAR ENDED 30<sup>TH</sup> JUNE, 2016**

**OFFICE OF THE AUDITOR GENERAL**  
**UGANDA**

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## LIST OF ACRONYMS

<b>AIA</b>	<b>Appropriation-in-Aid</b>
<b>DBIC</b>	District Business Information Centre
<b>UGX</b>	Uganda Shillings
<b>NITA-U</b>	National Information Technology Authority Uganda
<b>IAS</b>	International Accounting Standards
<b>IT</b>	Information Technology
<b>ICT</b>	Information and Communications Technology
<b>NBI</b>	National Backbone Infrastructure
<b>EGI</b>	E-Government Infrastructure
<b>MoU</b>	Memorandum of Understanding
<b>MDA</b>	Ministries, Departments and Agencies
<b>MOICT</b>	Ministry of Information and Communication Technology
<b>MOPS</b>	Ministry of Public Service
<b>MOFPED</b>	Ministry of Finance, Planning and Economic Development
<b>MTEF</b>	Medium Term Expenditure Framework
<b>NISF</b>	National Information Security Framework
<b>NTR</b>	Non-tax Revenue
<b>UCC</b>	Uganda Communications Commission

**REPORT AND OPINION OF THE AUDITOR GENERAL ON THE FINANCIAL  
STATEMENTS OF NATIONAL INFORMATION TECHNOLOGY AUTHORITY  
UGANDA (NITA-U)  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2016**

**THE RT. HON. SPEAKER OF PARLIAMENT**

I have audited the accompanying financial statements of National Information Technology Authority Uganda for the year ended 30<sup>th</sup> June 2016. These financial statements comprise of the statement of financial position, statement of financial Performance, 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 National Information Technology Authority Uganda (NITA-U). 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 (as amended) and Sections 13 and 19 of the National Audit Act, 2008 is to 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 about whether the financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit 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 the financial statements whether due to fraud or error. In making those risk assessments, the Auditor considers internal controls relevant to the entity's preparation 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 will form part of my Annual Report to Parliament.

## **PART "A"**

### **Opinion**

In my opinion, the financial statements of National Information Technology Authority-Uganda for the year ended 30<sup>th</sup> June 2016, are prepared, in all material respects, in accordance with Section 51 of the Public Finance Management Act, 2015, and the Financial Reporting Guide, 2008.

### **Other Matter**

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

#### **Lack of operating licence**

The Authority operates telecommunication services without an operating license from the Uganda Communications Commission.

The Authority is at a risk of being discontinued from operating which may result into litigation from its clients.

A handwritten signature in black ink, appearing to read 'J. Muwanga', with a large, sweeping flourish extending to the right.

John F.S. Muwanga

**AUDITOR GENERAL**

KAMPALA

16<sup>th</sup> December, 2016

**REPORT OF THE AUDITOR GENERAL AND  
SUPPLEMENTARY INFORMATION**

## **PART "B"**

### **DETAILED REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF NATIONAL INFORMATION TECHNOLOGY AUTHORITY-UGANDA FOR THE FINANCIAL YEAR ENDED 30<sup>TH</sup> JUNE 2016**

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 Authority to enable me report to Parliament.

#### **2.0 BACKGROUND INFORMATION**

The National Information Technology Authority – Uganda (NITA-U) is a semi-autonomous corporate body established under the NITA-U Act 2009, to coordinate, promote and monitor Information Technology (IT) developments within the context of National social and economic development.

NITA-U is located at the Palm Courts on Plot 7A Rotary Avenue formerly Lugogo by-pass in Kampala.

The Vision of the entity is “to be a facilitator of a knowledge-based, globally competitive Uganda where social transformation and economic development is supported through IT enabled service”.

The mission is “to integrate information technology into National programs by focusing on establishment of coordinated and harmonized National IT systems”.

#### **3.0 ENTITY FINANCING**

The Authority was mainly financed by grants from Central Government. Grants totaling to UGX.23,126,631,056 from central government and UGX.306,521,720 from other government units (Parliament of Uganda) were received. The

Authority also received UGX. 9,140,004,358 in non-tax revenue. Out of the total revenue of UGX.32,573,157,134, the Authority spent UGX.23,126,698,341. The total expenditure during the year constituted 58% of the approved budget estimates of UGX. 39,700,997,516. The balance of UGX.9,446,458,793 which remained at the end of the year under review was transferred to the Consolidated Fund.

#### **4.0 MANDATE AND OBJECTIVES OF NITA-U**

The mandate of NITA-U is to coordinate, promote and monitor IT development within the context of national social and economic development.

The objectives of NITA-U;

- To provide high quality information technology services to Government;
- To promote standardization in the planning, acquisition, implementation, delivery, support and maintenance of information technology equipment and services, to ensure uniformity in quality, adequacy and reliability of information technology usage throughout Uganda;
- To provide guidance and other assistance as may be required to other users and providers of information technology;
- To promote cooperation, coordination and rationalization among users and providers of information technology at national and local level so as to avoid duplication of efforts and ensure optimal utilization of scarce resources;
- To promote and be the focal point of co-operation for information technology users and providers at regional and international levels; and
- To promote access to and utilization of information technology by the special interest groups.

#### **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; and
- 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 Authority during the period under review and reconciled with the approved procurement plan.
- e. Fixed Asset Management  
Reviewed the use and management of the Authority assets 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 is used to better prioritize the implementation of audit recommendations:

<b>No</b>	<b>Category</b>	<b>Description</b>
1	<i>High significance</i>	<i>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.</i>
2	<i>Moderate significance</i>	<i>Has a moderate impact, has a likelihood of reoccurrence, and in the opinion of the Auditor General, it requires remedial action. It is a matter of medium risk or moderate stakeholder interest.</i>
3	<i>Low significance</i>	<i>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.</i>

**7.2 Summary of Findings**

<b>No</b>	<b>Finding</b>	<b>Significance</b>
8.1	Lack of an Operating Licence	High
8.2	Delay in expansion of the NBI	High
8.3	Delay signing a revised contract between NITAU and M/s Soliton Telmec	High
8.4	Under collection of Appropriations-in-aid	High
8.5	Vacant posts in the establishment	Moderate
8.6	Budget performance	Moderate

## **8.0 DETAILED FINDINGS**

### **8.1 Lack of an Operating Licence**

The Uganda Communications Act, 2013 under Section 22 provides that a person shall not, establish a telecommunications station, provide telecommunications services or construct, maintain or operate telecommunications apparatus without a licence issued by the Commission. However it was noted that the Authority operates telecommunication services without an operating license from the Uganda Communications Commission.

Although management stated that the biggest chunk of money had been paid towards the acquisition of the license, the Authority is at risk of being discontinued from operating which may result into litigation from its clients.

Management explained that NITA-U is committed to clearing the outstanding US\$.47,000 within FY 2016/17 and secure an operating license.

I advised the Accounting Officer to expedite the process and complete the licensing procedures to avoid possible disruptions in providing service.

### **8.2 Delayed Expansion of the National Backbone Infrastructure (NBI) to support the provision of internet services to MDA**

The Cabinet of the Republic of Uganda approved the strategy of Rationalization and Harmonization of ICT services across Government in July 2012. The strategy required Ministries, Departments, Agencies, and Local Government to use the National Data Transmission Backbone (NBI) as a primary vehicle for data transmission and advocated for the bulk procurement of internet bandwidth among others.

The Ministry of Finance ,Economic , Planning and Development on 28<sup>th</sup> October 2013 , communicated to all accounting officers of MDAs confirming the approval of funding for the purchase of bulk internet for MDAs and also provided guidance to MDAs on the provision of Internet bandwidth which included;

- All MDA's not to renew their contracts for internet bandwidth by the end of December 2013 except one Ministry which had a contract running up to June 2014
- Bulk purchase of internet was to be effected by 1<sup>st</sup> January 2014
- NITAU should enter in to MoUs with MDAs for purpose of payments.
- From the financial year 2014/15, all funds appropriated for internet bandwidth were to be transferred to NITAU.

During the year under review, it was noted that NITAU had signed a Memorandum of Understanding with 74 MDAs for the provision of bandwidth services. The Authority billed revenue totaling UGX.6,611,038,220 for the provision of the internet services and UGX.4,946,067,169 was collected.

However it was noted that despite the revenue generated by NITAU, the Authority has delayed to expand coverage of its wide internet services to include upcountry stations. As a result a number of MDAs had to incur extra costs to acquire internet bandwidth from private operators which would have been avoided if the Authority had fulfilled its mandate. Some of the affected MDAs include; Auditor General, Directorate of Public Prosecution (DPP), Judiciary, Uganda Revenue Authority and Human Rights Commission. As at the close of the financial year, a sum of UGX.9.053 bn had been paid by three (3) of these institutions alone.

Low coverage of internet services hampers communication and service delivery in the affected entities and results into extra expenditure by MDA on the internet services for upcountry offices.

Management explained that in the financial year 2015/2016, UGX.2,200,000,000 was budgeted for the extension of the data transmission on the Backbone Infrastructure (NBI) to the MDA sites. However, considering the limited resources resulting from the non-realization of NTR, the releases from MoFPED had to be allocated to all priority activities hence the Authority was only able to the extent of NBI/EGI services to provide to 57 Government MDA sites in Kampala metropolitan area. The entity has secured funds for the implementation of the

last mile connectivity to MDAs, Local Governments and Target User Groups under the Regional Communications Infrastructure Project (RCIP) and that the implementation of the last mile connectivity to the remaining MDAs and their branch offices will commence in the financial year 2017/18.

I advised the Accounting Officer to expedite the process of providing internet services countrywide in order to achieve its objectives of providing e-government services and to help reduce nugatory expenditure arising from dual subscription for internet services by other government units.

### **8.3 Delayed signing of a revised contract between NITAU and M/s Soliton Telmec**

NITA-U entered into an agreement with M/s Soliton Telmec Limited for the commercialization of National data Transmission Backbone Infrastructure (NBI) and the E-Government Infrastructure (EGI). The provider under section 3.2 of the contract agreed to generate minimum revenue which was to be shared on a 50% basis with the client as per details in table below;

<b>Period</b>	<b>Year 1</b>	<b>Years 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Years 5</b>
Total annual revenue (USD)	8,184,603	27,282,011	40,923,016	49,107,619	54,564,021
Percentage share for NITA	50%	50%	50%	50%	50%
NITA Revenue (USD)	4,092,302	13,641,005	20,461,508	24,553,810	27,282,011

Further, Section 3.9 of the contract required the client (NITA-U) to notify the service provider of its failure to meet the minimum revenue collection, discuss the service providers report on the performance gaps and institute measures to improve the service provider's performance. The client (NITA-U) should then give the provider 12 months to improve on agreed measures and later terminate the contract at no cost upon failure to achieve the agreed measures.

A review of the revenue collections revealed that the Authority received approximately USD.173,453.44 in the year 2013/2014 representing only 1% of the revenue expected to be generated. In the year 2014/15 (third year of the

contract) the Authority received UGX.5,151,134,951 (approximately USD.1,717,045) representing 8% of the expected/projected revenue. In the year under review (fourth year of the contract) the Authority received UGX.8,635,521,672 (approximately USD.2,465,883) representing 10% of the expected/projected revenue.

The above analysis indicates that the cumulative collections are increasing but are still too low (below the first year projections) yet this is the fourth year of operation. Delay in signing a revised contract with the service provider affects the Authority's budget performance and renders achievement of the strategic objectives of the entity difficult.

Management explained that the contract has been submitted to the Solicitor General and clearance was expected in December 2016.

I await the outcome of management's effort to have the contract cleared by the Solicitor General.

#### **8.4 Under collection of Appropriations-in-Aid**

The Authority budgeted for appropriations-in aid of UGX.25,825,730,615 in the financial year 2015/16 from the commercialization of NBI/EGI, sale of internet bandwidth to MDA and private firms, Logistical fees, sale of bid documents, revenue from co-location and UCC 1% levy. However, I noted that only UGX.9,446,458,793 was collected representing 37% of the appropriation budgeted as shown below;

	<b>Budget (UGX)</b>	<b>Accrued (UGX)</b>	<b>Actual (UGX)</b>
MDAs	12,463,488,000	6,611,038,220	4,946,067,169
Private Clients	7,112,353,364	3,963,664,211	3,555,289,303
Co-location fees		1,183,590,835	0
Logistical fees		470,675,804	134,165,200
UCC 1% levy	5,800,000,000	5,800,000,000	500,000,000
Others (Miscroft license, Tender fees etc.	449,888,800	0	310,937,121
<b>Total</b>	<b>25,825,730,164</b>	<b>18,028,969,070</b>	<b>9,446,458,793</b>

Failure to collect the budgeted revenue affect performance of budgeted activities resulting into failure to achieve the Authority's short and long term objectives.

Management explained that by the end of the financial year 2015/16, 137 MDA sites were connected to the NBI/EGI and 94 of these were receiving internet. The total generated revenue during the period was UGX.18 billion (70% of the total NTR budget) although only UGX.9.4 billion was collected. This was attributed to delays in delivery of internet bandwidth to the targeted number of 130 MDAs partly because of delays in the implementation of Phase III and other technical challenges.

During the budgeting for the financial year 2016/17, revised revenue projections was based on the 5 year financial projections model, and the Ministry of Finance has consolidated and transferred to the NITA-U vote UGX. 14.29 billion from the budget for Internet Bandwidth of all MDAs that are connected to the NBI/EGI and as a result, revenue collection is anticipated to match the budget projections.

I advised the Accounting Officer to ensure that provision of internet to MDAs is enhanced so that revenue collection is short-comings are addressed.

## **8.5 Vacant posts in the establishment**

A review of the staffing levels of NITA-U in comparison with the establishment structure approved by the Authority board revealed that there are 103 posts which are not yet filled out of 157 in the organization structure. These vacant posts constitute 65% of the entire total approved staff structure of the Authority.

Service delivery is highly hampered due to staffing gaps especially at senior management level.

Management explained that following the discussions and requests to the MoPS and MoFPED in financial year 2014/15 and financial year 2015/16, the NITA-U wage ceiling was lifted from UGX.5.9bn in FY 2014/15 to UGX.6.3bn in FY

2015/16. Management further explained that NITA-U was committed to continue engaging both Ministries to ensure closure of the NITA-U wage funding gap, which is now at UGX. 1bn.

I advised the Accounting Officer to expedite the process of filling the staffing gaps.

#### **8.6 Budget performance**

A review of the budget performance for the year under review revealed that some targets were partially or not achieved despite release of funds to the vote functions. Table below refers;

Vote function output	Item description	Planned outputs/Quantity	Amount (UGX) budgeted	Amount released (UGX)	Actual output/ Quantity	Remarks
Programme 02 Technical Services	055101A Rationalized and Integrated national IT infrastructure and Systems	<ul style="list-style-type: none"> <li>• Preparatory works for building of the National data centre commenced.</li> <li>• Key services hosted in the transit National Government data centre NGDC ( e.g. MDA websites, One stop centre, GCIC, e-Procurement and Disaster Recovery provided for 10 MDAs</li> <li>• National Transit Government data centre upgraded.</li> <li>• VoIP infrastructure upgraded.</li> <li>• VoIP services provided to 50 MDA</li> </ul>	17,253,108,000	5,896,733,767	<ul style="list-style-type: none"> <li>• National Transit Government data centre upgraded.</li> <li>• VoIP infrastructure upgraded.</li> <li>• VoIP services provided to 50 MDA</li> </ul>	Building of the national data center was not completed
Programme 03 Information Security	055102: Information Security Championed and Promoted in Uganda	<ul style="list-style-type: none"> <li>• Public Key Infrastructure (PKI) provider procured</li> <li>• National Information Security Framework (NISF) implemented in at least 4 MDAs</li> <li>• National Information Security Advisory Group (NISAG) operationalized</li> <li>• Incident Response capabilities of the CERT established.</li> <li>• Information Security Sensitization undertaken in at least 20 MDAs</li> </ul>	688,981,000	313,261,176	<p>The evaluation for the Expression of Interest for the Technical Advisor to implement PKI through PPPs was completed and evaluation report prepared</p> <p>-Readiness assessment for implementation of NISF conducted for two MDAs i.e. Kampala City Council Authority (KCCA) and Chief Military Intelligence (CMI)</p> <ul style="list-style-type: none"> <li>• engagements undertaken with Office of AG and IGG</li> <li>• Requests for NISF implementation initiation submitted to ERA and MoFA</li> </ul>	Information security awareness was carried out in only 6 out of 20 institutions

					<p>-Two (2) NISAG quarterly meetings were held. The National Information Risk Register (NIRR) was discussed by the NISAG and recommendations made.</p> <p>-CERT.UG daily advisories issued out to constituents Preparatory works to establish a honey network as part of the CERT have commenced by engaging with the EG CERT.</p> <p>-Information security awareness carried in six (6) institutions, they include; UMI international conference, Bankers' Association Conference; Gulu University, MUNI University and Mbarara University of Science and Technology, UPDF top management</p>	
Programme 04 E- Government Services	055103 A desired level of e-government services in MDAs & LGs attained	<ul style="list-style-type: none"> <li>• At least 30 MDAs enrolled on to the Master Business Services Agreement (MBSA) with Microsoft.</li> <li>• At least 5 MDAs enrolled with Oracle completed.</li> <li>• Feasibility study for integration of National Databases completed</li> <li>• Design consultancy for the integrated national databases project procured.</li> <li>• Integration of at least 5 key national databases including</li> </ul>	2,998,318,000	1,964,816,560	<p>Twenty (20) MDAs were enrolled onto the Master Business Service Agreement (MBSA) Feasibility study done</p>	<ul style="list-style-type: none"> <li>• Ten MDA were not enrolled into Master Service Agreement (MBSA)</li> <li>• Enrolment of MDA into oracle not yet done</li> </ul>

		<ul style="list-style-type: none"> <li>National ID</li> <li>• Hosting space for website hosting leased</li> <li>• Interactive web portal/solutions to support citizens developed.</li> <li>• At least 3 Sensitization sessions on government helpdesk conducted.</li> <li>• At least 5 e-government services added onto the Government e-services web portal</li> <li>• Open source solutions identified and piloted at NITAU (HR)</li> <li>• In partnership with other agencies such as the civil service college - training of at least 50 civil servants undertaken</li> </ul>				
Project 1014 National Transmission Backbone project	055101 A Rationalized and integrated national IT infrastructure and Systems	<ul style="list-style-type: none"> <li>• Phase III of the NBI completed.</li> <li>• NBI commercialization contractor is supervised.</li> <li>• Upgrading the capacity of NBI eastern ring from 2.5gb to 40gb completed</li> <li>• Re-design of the NBI undertaken</li> <li>• 50 MDAs connected to the NBI</li> <li>• 5 Municipal Councils</li> <li>• 4 Public universities connected to the NBI</li> <li>• Bulk internet bandwidth delivered to 130 MDAs</li> <li>• Information Access Centre Maintained</li> </ul>	1,765,45,000	1,137,402,228	<p>IOi) b. tained approval from URA and Uganda police for the locations of Transmission sites. IiSi) u.b -contractors were approved.</p> <p>Div e. veloped the stakeholder engagement plan for Phase III Surveys for Phase 3 Completed Detailed Designs prepared pending review and approval vF) a u Its on the NBI Network resolved and reports produced -Extension of NBI to 50 MDAs which spilled over from FY2014/15</p> <p>Five (5) additional sites connected; National Drug Authority (NDA),</p>	<ul style="list-style-type: none"> <li>• The capacity of NBI eastern ring was Upgraded from 2.5gb to 20gb instead of 40gb</li> <li>• 30% advance payment was made to the contractor (Huawei)</li> </ul>

		<ul style="list-style-type: none"> <li>• Analysis of enterprise resource systems in Government</li> </ul>			<p>This brings the total number of sites connected to 103</p> <p>vi) Eight (8) additional MDAs are receiving bulk internet over the NBI. This brings the total to 67MDAs</p>	
Programme 07 Finance and Administration	055301- Strengthened and aligned NITA-U to deliver its mandate	<ul style="list-style-type: none"> <li>• Preparatory activities of the Namanve ICT Hub ( land acquisition, surveys and architectural design) completed</li> <li>• Internal operation procedures and processes documented, integrated and automated.</li> <li>• Procurement process managed Staff salaries and other remunerations timely processed to ensure retention of skilled, healthy and productive workforce</li> <li>• Facilities and administrative support services for NITA-U operations provided. Financial and Human resources management systems established.</li> </ul>	11,321,623,000	10,940,659,800	<ul style="list-style-type: none"> <li>• Internal operation procedures and processes documented, integrated and automated.</li> <li>• Procurement process managed Staff salaries and other remunerations timely processed to ensure retention of skilled, healthy and productive workforce</li> <li>• Facilities and administrative support services for NITA-U operations provided. Financial and Human resources management systems established.</li> </ul>	<ul style="list-style-type: none"> <li>• Preparatory activities of the Namanve ICT Hub ( land acquisition, surveys and architectural design) were not yet done.</li> </ul>

Management explained that the budget released of (USD 879,284.85) was used to upgrade the data centre with memory, new high end servers, fibre connections, server processors, virtualization platform, licenses, storage appliances, a generator, UPS, air conditioner and re-cabling of the power components under Procurement Ref No: NITA-U/SUPLS/14-15/00039 for which a 50% payment (UGX 1,408,416,996) has been made after the completion of these works as was required in the contract.

I await management efforts in achieving its targets.

**FINANCIAL STATEMENTS**