



THE REPUBLIC OF UGANDA

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF
MINISTRY OF WORKS AND TRANSPORT
FOR THE YEAR ENDED 30TH JUNE 2017

OFFICE OF THE AUDITOR GENERAL
UGANDA

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF
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FOR THE YEAR ENDED 30TH JUNE, 2017

THE RT. HON. SPEAKER OF PARLIAMENT

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the financial statements of the Ministry of Works and Transport for the year ended 30th June 2017. 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.

In my opinion, the financial statements of the Ministry of Works and Transport for the year ended 30th June 2017 are prepared, in all material respects, in accordance with Section 51 of the Public Finance Management Act, 2015, and the Financial Reporting Guide, 2008.

Basis of Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement's section of my report. I am independent of the Ministry in accordance with the Constitution of the Republic of Uganda (1995) as amended, the National Audit Act, 2008, the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code), the International Organization of Supreme Audit Institutions (INTOSAI) Code of Ethics and other independence requirements applicable to performing audits of Financial Statements in Uganda. I have fulfilled my other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing audits in Uganda. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have

determined the matter described below to be the key audit matters communicated in my report.

- **Inadequate Controls Surrounding Management of Domestic Arrears**

Domestic arrears refer to the total value of unpaid bills for goods and services rendered to a government entity, including wages and pension that remain outstanding at the closure of a financial year. There has been persistent accumulation of domestic arrears to unmanageable levels which has led to settlement of arrears that are not authorized, unbudgeted for, inadequately supported and in some instances there has been inadequate recognition and disclosure of the domestic arrears. The variances between the reported figures in the financial statements and the amounts verified by Internal Auditor General formed a basis of my qualification of consolidated GOU financial statements for the year ended 30th June 2016.

Consequently, domestic arrears were considered a key audit matter which needed to be examined to assess: the appropriateness of recording, recognition and disclosure of domestic arrears; the trend and the underlying factors; and the adequacy of the internal controls surrounding management of domestic arrears.

During audit planning, I focused on examination of domestic arrears in regard to goods and services, salaries and wages, and pension and gratuity. I undertook the following procedures in relation to domestic arrears: a trend analysis over a period of three years to ascertain the underlying causes of accumulation; reviewed budget and commitment control procedures to assess their effectiveness; ascertained the authenticity of the supporting documentation and assessed the appropriateness of the accounting treatment. I also engaged the Accounting Officer to enable me arrive at the audit conclusions.

Based on the procedure performed, I noted that there was no domestic arrears disclosed in the financial year 2015/16. During the year, I observed that an amount of UGX.63,806,298,032 had been irregularly incurred over years as domestic arrears outside the approved estimates appropriated by Parliament. I further observed that there was no budget provision for settlement of domestic arrears totaling to UGX.10,679,392,650 posing a risk of diversion of funds for settling the obligations. The amount of UGX 63,806,298,032 remained outstanding in domestic arrears at the end of the financial year.

According to the Accounting Officer the majority of the domestic arrears stock arose due to several factors including Projects which exited the Project Investment Plan (PIP) when

there were ongoing civil works and Projects which are donor funded and where donors exited the funding, without corresponding and adequate Government of Uganda counterpart funding e.g. the One Stop Boarder Posts and the construction of 14 Small bridges project.

I advised the Accounting Officer to ensure adherence to the commitment control system to limit incurring of domestic arrears. Further, effort should be made to obtain supplementary funding.

Other Matters

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

- **Standard Gauge Railway-Land acquisition**

- **Slow progress on Land acquisition under the standard gauge**

Projects are undertaken in a predetermined manner with clear timelines and set budget provisions for implementation in order to achieve objectives. A review of the SGR project revealed slow progress under land acquisition since the project inception as outlined below;

- ❖ **Low compensation rate:**

It was noted that the Districts of Tororo, Namutumba, Butaleja, Iganga, Luuka and Nagongera station had total approved Project Affected Persons (PAPs) of 3,481 for compensation. However, only 2,053 PAPs had been compensated at the time of audit constituting 59% with 41% outstanding.

- ❖ **Delayed Valuation of PAP's:**

Further, valuation reports for districts of Mayuge, Jinja, Mukono and Kampala had not been completed therefore the process of compensating the PAPs could not start. It was not clear how many PAPs would result from the valuation reports when approved. This uncertainty makes it difficult to plan and budget for compensation.

- ❖ **Slow demarcation of right of way:**

Demarcation of the acquired Right of Way (ROW) was ongoing at a slow pace in areas where PAPs had been fully paid up. At the time of audit only 60km in Tororo and Butaleja districts had been demarcated considering that 59% PAPs in the above Districts had been compensated already.

Slow progress of the project increases costs as PAP's valuations tend to increase with each passing year. Further, harmonization of implementation with partner regional states may not be achieved as it was noted that the partners were ahead of schedule, which may affect service delivery.

Management explained the project had finished setting out right of way from Malaba to Kampala plus carrying out all the land acquisition related activities. What was remaining was carrying out disclosure after securing approvals of the remaining land assessment reports from CGV and effecting payments. Inadequate funding from government is greatly hampering the progress on land acquisition and has affected the rate at which compensations is being made.

I advised the Accounting Officer to ensure the land acquisition process is expedited so as to enhance progress of the project in line with the regional partners. Further, MoFPED should be engaged to prioritize the funding.

➤ **Land encroachment along the SGR line**

The project costs in the initial stages are mainly covered under compensation to Project Affected Persons (PAPs) and by nature of this component several court cases arise both with and without merit.

Inspection and interview with the SGR Management revealed that one of the challenges faced is the rampant illegal occupants or encroachers along the proposed railway line as a whole. I noted that there were illegal settlements in wetlands and forest reserves which were hampering the Land acquisition process. Namanve forest reserve (Wakiso district) was cited as one of the areas where there were several illegal developments. These encroachers are hostile to the project and have subsequently run to court and obtained several interim orders which have put a halt on the land acquisition process in the area. This was partly attributed to Government failure to secure the Forest reserves, wetlands and weaknesses in the land laws which have encouraged perpetual land grabbing by illegal occupants.

The interim orders not only set a bad precedent for future infrastructure projects but will significantly delay implementation of the SGR Project, Bukasa Port Project and the Kampala Jinja Express Way.

Management explained that the project is working hand in hand with NEMA and NFA on the issues of illegal occupants in the wetlands and forest reserves, especially, Namanve area.

I advised the Accounting Officer to liaise with other responsible authorities to resolve this challenge of illegal encroachers to allow continuation of the project.

- **Failure to Implement Budget as approved by Parliament**

I noted that out of UGX.638,446,545,805 that was budgeted for, UGX.583,829,004,793 was released creating a budget shortfall of UGX.54,617,541,012 representing 8.5% underperformance. Out of the GoU released amount of UGX.304.486 billion, only UGX.304.124 billion was spent leaving unspent balances of UGX.362 million.

As a result of the above some planned outputs could not be achieved as per details in **Appendix I**. I also noted that due to the above inadequate releases to Gulu Regional Mechanical Workshop and East African Civil Aviation Academy (EACAA) planned activities could not be fully met and a shortfall of UGX.3,247,262,104 was incurred as indicated in table below.

S/N	Entity	Budget (UGX)	Releases (UGX)	Shortfall (UGX)	% shortfall
1	Gulu Regional mechanical workshop	3,238,078,356	1,670,816,252	1,567,262,104	49%
2	East African Civil Aviation Academy (EACAA)	8,000,000,000	6,320,000,000	1,680,000,000	21%
	TOTAL			3,247,262,104	

Service delivery is hampered and the appropriating authority's objectives are not met as a result of not undertaking the activities planned.

Management explained that Low budget turnout was partly attributed to inadequate funding by MoFPED due to general budget cuts experienced across all sectors. The unspent balances were due to delayed activation of supplier sites for pensioners, officials not turning up for training and balances on items that could not be consumed because expenditure was customer driven i.e. advertising, allowances etc.

I advised the Accounting Officer to ensure timely follow up of releases from Ministry of Finance, Planning and Economic Development. Further, Management should ensure

prioritization of force account road works by ensuring timely release to the regional workshops in the 2017/2018 financial year.

- **Nugatory Expenditure on Interest Payment**

The Ministry paid a total of UGX.1,911,807,862.69 during the year in interest charges on an outstanding obligation arising out of contracted works to a construction company in the year 2009 at a total contract price of UGX.1,435,178,850 for construction of Enyau Bridge in Arua District. During the contract execution, two interim payment certificates (IPCs) remained outstanding with a combined amount of UGX.972,178,625 in 2011, leading to accumulation of interest amounting to UGX.1,911,807,862. Subsequently, a total of UGX.2,883,986,488.09 was paid for the outstanding amount. Nugatory expenditure affects implementation of budgeted activities as funds are utilised on unplanned activities thus affecting entity cash flows and service delivery.

Management explained that they paid the interest to avoid litigation and legal costs since the contractor had threatened to sue because of delayed payment.

I advised the Accounting Officer to always plan adequately to minimize avoidable expenditure.

- **Irregular collection and expenditure of revenue at source-UGX.3,2 Billion**

East African Civil Aviation Academy (EACAA) did not budget but collected non tax revenue (NTR) of UGX.3,252,895,038 and utilized it at source contrary to section 29(1) of the PFMA, 2015 which requires that no revenue shall be collected or received by a vote, state enterprise or public corporation, except when authorised by an Act of Parliament to collect or receive revenue. This was irregular since the Ministry did not have any appropriation in aid (AIA). Expenditure at source leads to unauthorised expenditures by the Academy and an indication of flouting of budgetary procedures.

Management explained that this has been the status quo for the past years since disbandment of the East African Community and a cabinet paper has been drafted to have the Academy designated by an Act of Parliament though it has taken sometime due to the need to consult with the various stakeholders.

I advised the Accounting Officer to follow up the formalisation of the school status and request for authority through appropriation by Parliament to retain the revenue.

- **Construction of 14 bridges in Northern Uganda - delayed works and low projects funds absorption**

Government of Uganda received a loan from the Islamic Development bank (IDB) towards the construction of fourteen (14) small Bridges in the Northern and North Eastern of Uganda.

Review of the contractual agreements and physical progress of the four lots under the project revealed that all lots with the exception of lot 1 had failed to perform works in line with the contract dates despite having extensions. This led to delayed completion of works and termination of the contracts in certain instances.

Further, funds to the tune of UGX.6,285,177,677 were not released for the project and remained unutilized. IDB had not paid for certified works to the tune of UGX.624,627,677 at the closure of the project while UGX.5,660,550,000 were re-banked on the Islamic development bank account after termination of Lot 4 contract. Delayed works led to cancellation of one contract thus impacting negatively on the loan absorption capacity by the Ministry which denies the public service delivery.

Management explained that, save for the terminated contract, completion dates were extended and deadlines were met by all the contractors. Lots 1, 2, and 3 were all 100% completed therefore structures were functioning. The Accounting Officer further explained that the Ministry shall ensure that due diligence is done to avoid future occurrence/procurement of low capacity contractors.

I advised the Accounting Officer to adequately plan for projects and always undertake due diligence to ensure selection of competent and reliable contractors.

- **High Rental charges on the Computerized Driving Permits (CDP) Project**

The government of Uganda (represented by MOWT) signed a contract on 9th September 2003 with M/s Face Technologies (PTY) where the latter was to design, print and supply computerized driving permits (CPD) on a self-financing build, operate and transfer (BOT) basis. The contract price as per Contractors quotation was US\$.6,809,956 which was to be recouped from revenues earned after netting off expenditures incurred. The contract duration was initially anticipated to be two years from effective date or earlier depending on when the contractor would have recovered his price which was based on the estimate of 500,000 driving permits. The above contract agreement has been extended via two addenda with the last one being signed on 19th December 2015.

A review of the quarterly rental expenditure from February 2011 to November 2016 revealed that Face Technology had spent USD.1,423,021.20 as rental expense on the warehouse facility. This expenditure alone translates to 21% of the total contract amount (USD.6,809,956) as at November 2016 and is bound to significantly increase given that the contract has been extended to 2020. I noted that several alternatives would have been sourced from within Government i.e. former AGOA facilities in Bugolobi and former works offices in Entebbe. High rental expenses have significantly delayed the recovery of the outstanding amount of the contractor leading to the contract extensions.

Management explained that rent was the biggest overhead cost of the project, citing the tenancy agreement for housing the CDP project which provides that the rental costs will increase biannually by 5%. In 2015 the Ministry embarked on exploring alternative options for housing the project. A cost benefit analysis was done and a decision to construct new premises at TLB to accommodate the CDP facility and also to become a "One stop Centre Office" for the issuance of licenses for PSVs and Driver Badges, motor vehicle registration is yet to be implemented. The Ministry envisages that by the time the contract for FACE Technologies expires in May 2020 the facility will be ready to shift.

I advised the Accounting Officer to continue seeking for an alternative housing facility before the expiry of the contract in May 2020. Furthermore, the Accounting Officer should liaise with MoFPED with a view of funding the construction of the Ministry's own facilities. This is aimed at reducing costs and bring forward the recovery period.

- **Execution of Contract for Mandatory Motor Vehicle Inspection**

The Government of Uganda and Societe Generale de Surveillance (SGS) signed a contract for mandatory motor vehicle inspection. Part 4 Section 7 paragraph 7.1 of the contract states that the provider shall commence the provision of the motor vehicle inspection services not later than 18 month from the date of contract signature. The contract for the procurement of the mandatory motor vehicle inspection was signed on the 17th March 2015. This implies that motor vehicle inspection should commence not later than 17th September, 2016.

Whereas the contract provided for a commencement period of not later than 18 months from the date of contract signature, a review of the minutes and correspondences in the contract management file revealed the following;

➤ **Delayed contract execution:**

It was noted that SGS had not fully commenced vehicle inspection, as per the timeline provided in the contract. While the contract provided for seven integrated sites and mobile sites, at the commencement on 17th September, 2016, the Contractor had only set up one fixed site at Kawanda and one mobile site at Namboole.

➤ **Invalid Performance security:**

Section 12(1) of the PPDA Regulations (Contracts), 2014 states that a performance security shall be required to protect the procuring and disposing entity against non-performance of a contract. It was noted that clause 11.4 of the contract provided for discharge of the performance security on the date of commencement of motor vehicle inspection services. However, this was an irregularity as the five year period of contract performance is not secured with any security and the contractor could easily abandon the contract without any recourse. Delays in contract implementation could lead to delay in achieving the project objectives of minimizing road accidents through having sound vehicles on the road.

Management explained that the Ministry envisaged commencement of motor vehicle inspection to be 17th September, 2016. However due to delays in land acquisition and constructions, commencement date was delayed to 28th November 2016.

On the issue of Invalid Performance security, the Ministry will consult PPDA, PPP unit under MoFPED and Solicitor General on how to treat performance security requirement in the five year period; the Ministry also intended to renegotiate and introduce penalty clauses over the five year period of the contract to address any breaches.

I advised the Accounting Officer to redraft the contract implementation plan to ensure timely execution and the performance security should be renegotiated to cover the whole contract period.

• **Mischarge of Expenditure**

A review of the Ministry of Works and Transport expenditures revealed that the entity charged wrong expenditure codes to a tune of UGX.825,990,506. According to Management, this practice was caused by insufficient budget allocations to some expenditure lines and expenditure on non-budgeted items. Mischarges undermine the

importance of the budgeting process as well as the intentions of the appropriating authority and lead to misleading reporting.

Management response

Management explained there exist challenges in matching GOU Budgeting Principles and the Financial Management Practices with the Chart of Accounts. Secondly the GOU Budget is driven by output based objectives; in which output report requirements suppress accounting principles, thus creating challenges in budget implementation resulting in audit Interpretation and classification of some accounting transactions as mischarge.

I advised the Accounting Officer to streamline the budget process to ensure that sufficient funds are allocated to each account and budget controls are fully adhered to such as seeking authority for any reallocations.

- **Road Crash Database system**

The Government signed a credit Agreement with World Bank in November 2009 to support the implementation of the Transport Sector Development Project. The overall objective of the project was to enable the establishment of a well-functioning reliable road crash data system (RCDS) that contributes to improved road crash data collection, analysis and utilization.

The project budget and expenditure revealed that the total Contract sum for the Consultancy Services was at USD.1,829,236 and government was to contribute UGX.685,285,000. At the time of audit, USD.1,454,161.20 and UGX.483,911,200 had been paid out to the consultant however, the following were noted;

- **Lack of funds to complete and operationalize the RCDS:**

The Road Crash Data System (RCDS) had not been completed and therefore was not functional by the time of audit, following cancellation of funding by the World Bank. In essence, it will require MoFPED to finance the project to completion.

- **Likelihood of loss of funds:**

I noted that the project is not progressing as envisaged. The initial investment is likely to go to waste.

Non-completion of the project has deprived the Ministry from establishing an effective and well-functioning Road Crash Data System (RCDS) in Uganda that would serve all

the different stakeholders in road safety like NRSC, UNRA, KCCA, MoWT, and Local Governments among others in providing a reliable database for future evidence-based road safety interventions and enhancement in Road safety research.

➤ **Unutilised equipment in store – USD.298,072.13**

Equipment for the Road Crash Database were procured under two supplies contract lots, servers and workstation computers at USD.147,080.48 and GPS devices at USD.150,991.65. I noted that the Ministry is stranded with a large number of the procured equipment in the main store that were bought in 2015 and have been lying idle ever since. There is a possibility of the equipment becoming obsolete or damaged in the deplorable store due to dust and limited space. It is also possible for the equipment to be vandalized and or misused.

The Accounting Officer explained that the Ministry budgeted for UGX.1 billion in year 2017/2018 to initiate the roll out of the Road Crash Database system and put the equipment to use. Most of the equipment will be deployed when the procurement of the consultant is completed.

I advised the Accounting Officer to fast track the process in order to complete the project. The Management is further advised to verify the existence of the equipment and other assets belonging to the RCDS and relocate them to a safe place as the follow up of the matter continues.

Responsibilities of the Accounting Officer for the Financial Statements

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 Ministry.

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.

In preparing the financial statements, the Accounting Officer is responsible for assessing the Ministry's ability to continue delivering its mandate, disclosing, as applicable, matters related

to affecting the delivery of the mandate of the Ministry, and using the Financial Reporting Guide 2008 unless the Accounting Officer has a realistic alternative to the contrary.

The Accounting Officer is responsible for overseeing the Ministry's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Ministry's ability to deliver its mandate. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Ministry to fail to deliver its mandate.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Accounting Officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with him/her all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the Accounting Officer, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



John F.S. Muwanga

AUDITOR GENERAL

KAMPALA

15th December, 2017

Appendix 1

Unimplemented activities

Vote output	Function	Item Description	Planned Output/Qty	Amount Budgeted (UGX) (000')	Amount Released (UGX) (000')	Variance (UGX)	Unachieved outputs
040101-Transport regulation		Policies, laws, guidelines, plans and strategies developed	<ul style="list-style-type: none"> • Several Drafts of amendments to transport laws undertaken and submitted to cabinet. • Road Safety Regulations gazetted • IWT Bill developed • National Ports safety Policy developed • Boat Building Standards developed • Railways Legal framework developed 	580,000	580,000	0	<ul style="list-style-type: none"> • National Ports safety Policy not developed • Boat Building Standards not developed • The Railway legal framework not completed
040102-Transport regulation		Road Safety Programmes Coordinated and Monitored	<ul style="list-style-type: none"> • 200,000 vehicles inspected • Police Accident Reports Submitted to Council • Fatal Accidents Investigated • Annual Road Safety Week Conducted • Implementation of RCDS monitored and quarterly report produced • Consultations with stakeholders on Road Safety conducted • Preliminary identification of 	1,020,000	452,638	567,362	<ul style="list-style-type: none"> • 168,336 Vehicles not inspected by SGS for road worthiness • Monitoring activities for RCDS not conducted due to limited funds
040103-Transport regulation		Public Service Vehicles & Inland water Transport vessels Inspected	<ul style="list-style-type: none"> • 12,000 PSVs inspected • 1000 bus operator licenses processed • 80 Driving Schools inspected • All bus routes monitored 	900,000	292,888	607,112	<ul style="list-style-type: none"> • 125 bus operator licences not processed • 25% bus routes not monitored • 1 driving school not

	& licensed	<ul style="list-style-type: none"> • 200 Inland Water Transport licensed 				<ul style="list-style-type: none"> • inspected • 200 Inland Water Transport not licensed
040105-transport regulation	Water and Rail Transport Programmes Coordinated and Monitored.	<ul style="list-style-type: none"> • 04 No. of public sensitization campaigns on water transport safety conducted • 04No. of public sensitization campaigns on railway transport safety carried out • 100 non-conventional IWT vessels inspected 	100,000	52,500	47,500	<ul style="list-style-type: none"> • 98 non-conventional IWT vessels not inspected for safety and issued inspection certificates for • 2 public sensitization campaigns on water transport not conducted
040201-Transport infrastructure services	Policies, laws, guidelines, plans and strategies	<ul style="list-style-type: none"> • Regional Transport Sector Projects and Programmes Coordinated. • Transport impact study and survey undertaken. • Appraisal guidelines for transport projects developed (WebTAG) 	2,050,000	1,629,050	420,950	<ul style="list-style-type: none"> • Transport impact study and survey not undertaken. • Appraisal guidelines for transport projects not developed (WebTAG)
040251-Transport infrastructure services	Maintenance of Aircrafts and Buildings (EACAA)	<ul style="list-style-type: none"> • Training for 15 cadet pilots Completed. • Training for 7 Course 26 Students in aircraft engineering 	8,000,000	5,120,000	2,880,000	<ul style="list-style-type: none"> • Training for 6 cadet pilots incomplete
040252 -Transport infrastructure services	Rehabilitation of Upcountry Aerodromes (CAA)	<ul style="list-style-type: none"> • Maintenance and operations of runways, apron and taxiways at 13 Aerodromes carried out. • 7.2 km of Perimeter fence at Arua Aerodrome constructed 	3,600,000	1,334,533	2,265,467	<ul style="list-style-type: none"> • 7.2 km of Perimeter fence at Arua Aerodrome not constructed • Construction of car park and access roads at Arua Aerodrome not commenced
040283-Project 0951	Border Post Rehabilitation/Construction	<ul style="list-style-type: none"> • Construction of OSBP facilities at Busia, Katuna and Elegu completed • Construction of exit/access roads at Malaba and Busia OSBPs completed 	8,500,000	6,454,498	2,045,502	<ul style="list-style-type: none"> • 30% of Katuna OSBP incomplete • 20% of Elegu OSBP incomplete • 70% of works for exit roads at Malaba OSBP

		<ul style="list-style-type: none"> • Construction of exit/access road and parking yard for Katuna OSBP completed. 				incomplete
040254-Project 1097	Development of Standard Gauge Railway Infrastructure	<ul style="list-style-type: none"> • Feasibility, Preliminary Detailed Engineering designs for GKMA Light Rail System completed. • Preliminary Engineering designs for Kampala - Kigali SGR, Tororo - Pakwach/ Gulu - Nimule developed. • Land survey and property valuation for land acquisition conducted • Survey, engineering equipment and software procured • Policies that promote and support Railway transport at the National and Regional Level developed 	111,674,461	72,728,523	38,945,938	<ul style="list-style-type: none"> • Draft final reports on the feasibility study and Engineering designs for the GKMA Light Rail System reviewed and comments submitted to the contractor but not completed • Survey, engineering equipment and software not delivered • Preparation of National Railway Policy Ongoing but incomplete • RAP incomplete for 17.6% of entire route (including spurs)
040271-Project 1284	Acquisition of Land by Government	<ul style="list-style-type: none"> • Land survey of Bukasa port area completed • Final Report for Social Environmental impact Assessment (SEIA) prepared and approved by NEMA • Draft Resettlement Action Plan (RAP) for Bukasa port prepared 	1,500,000	1,133,999	366,001	<ul style="list-style-type: none"> • Land survey at Bukasa incomplete due to insecurity that has delayed access by contractor • RAP incomplete • Social and Environment Impact Assessment (SEIA) report not yet approved by NEMA
040280-Project 1284	Construction/ Rehabilitation of Inland Water Transport Infrastructure	<ul style="list-style-type: none"> • Master Plan for the development of Bukasa Port prepared • Draft Preliminary Engineering Designs for Bukasa Port produced 	25,508,744	25,508,744	0	<ul style="list-style-type: none"> • Master plan incomplete • Draft Preliminary Engineering Designs for Bukasa Port not produced. This is due to insecurity to enable consultant access to site

040304-Construction standards	Monitoring and Capacity Building Support	Establishment of UCICO	142,517	89,574	52,943	UCICO not Established
040301-Public structures	Policies, laws, guidelines, plans and strategies	<ul style="list-style-type: none"> National Building Regulations, Codes and Guidelines Approved and Disseminated National Building Review Board (NBRB) inaugurated and Secretariat established 	600,000	228,113	371,887	<ul style="list-style-type: none"> National Building Review Board (NBRB) not inaugurated and Secretariat not established due to limited funding
040303-public structures	Monitoring Compliance of Construction Standards and undertaking Research	<ul style="list-style-type: none"> 4 Materials and Building tests carried out. 40 Construction sites inspected for compliance with standards. 	115,000	93,124	21,876	29 Construction sites not inspected for compliance with standards
040372-General construction and rehabilitation works	Government Buildings and Administrative Infrastructure	<ul style="list-style-type: none"> Phase 1 and 2 works at Lukaya market executed to completion. Additional Works to CMW for extra MoWT offices executed Kireka Laboratory rehabilitated 	1,322,573	876,711	445,862	<ul style="list-style-type: none"> Phase 1 and 2 works at lukaya market incomplete. (52%) works not executed. Additional Works to CMW for extra MoWT offices not executed Kireka Laboratory not rehabilitated
040304-interconnectivity project	Monitoring and Capacity Building Support	<ul style="list-style-type: none"> Rehabilitation works of 139 Km of roads in various districts supervised and monitored, 75km of District roads surveyed 20 Road Camps surveyed 10 Land Titles processed 	759,000	759,000	0	<ul style="list-style-type: none"> 4 contracts in the Districts of Ibanda, Ntungamo, Luwero and Moroto cleared by Solicitor General were not signed due to insufficient funds 75km of District roads not surveyed 20 Road Camps not surveyed 10 Land Titles processed
040373-interconnectivity	Roads, Streets and Highways	<ul style="list-style-type: none"> Rehabilitation works of 139 Km of roads in various 	26,181,000	25,895,480	285,520	<ul style="list-style-type: none"> 4 contracts in the Districts of Ibanda, Ntungamo,

project		districts	<ul style="list-style-type: none"> • Akright Roads and Accesses to Mwiri supervised and monitored, • Engineering Design of Akright Roads and access to Mwiri Prepared • 2km of Akright Roads and access to Mwiri constructed 				<p>Luwero and Moroto cleared by Solicitor General were not signed due to insufficient funds-shortage of 44.2 kms</p> <ul style="list-style-type: none"> • Construction of Access road to Mwiri was not undertaken but contractor identified
040377-interconnectivity project	Machinery & Equipment		1 Total station purchased	60,000	60,000	0	1 Total station not purchased
040301-Project 1421	Policies, laws, guidelines, plans and strategies		<ul style="list-style-type: none"> • Construction Levy managed by UCICO • Established Government Policies and Strategies reviewed • UCICO established 	250,000	177,000		<ul style="list-style-type: none"> • Management the construction levy awaits the establishment of UCICO which was not done
040377-Project 1421	Purchase of Specialized Machinery & Equipment		Drilling rig procured	500,000	40,000	460,000	<ul style="list-style-type: none"> • Lack of adequate funding to proceed with the procurement
040474-Project 269	Construction of Selected Bridges		<ul style="list-style-type: none"> • Ongoing Construction projects: Saaka Phase II, Okokor (Kumi), Kabuhuna (Kibaale), Kabuceera (Mitooma), Rushaaya (Mitooma), Mahoma (Kabarole), Orom (Kitgum),Rwamabaale (Kyankwanzi); • 14 Bridges in North and NE 	4,600,000	3,847,998	752,002	<ul style="list-style-type: none"> • Saaka swamp Phase II - 91% complete; • Okokor bridge (Kumi) 60% complete; • Agwa bridge (Lira) 90% complete • Under performance by some contractors and Suspension of works due to lack of funds
040402-Project 0306	Monitoring and capacity building support for district road works		<ul style="list-style-type: none"> • 4 Quarterly progress reports • 3 heavy plants repaired. • 4 light trucks repaired. • 4 Pick-ups and 2 station wagon repaired. 	1,217,000	1,051,916	165,084	<ul style="list-style-type: none"> • 2 heavy plants not repaired. • 3 light trucks not repaired. • 2 Pick-ups and 2 station

		<ul style="list-style-type: none"> Assorted fast moving spare parts procured. 5 Digital cameras with GPS, 5 laptops procured 				<ul style="list-style-type: none"> wagon not repaired. Assorted fast moving spare parts not procured. 5 Digital cameras with GPS not procured, 5 laptops not procured
040475-Project 0306	Purchase of Motor Vehicles and Other Transport Equipment	2 No. Double Cabin Pick-ups procured	300,000	0	300,000	2 No. Double Cabin Pick-ups not procured
040481-Project 0306	Urban roads construction and rehabilitation (Bitumen standard)	<ul style="list-style-type: none"> 1 km of roads in Bwanda Convent tarmacked. 1 km of road in Kapchorwa TC tarmacked 0.8km of road at NALI Tarmacked. 6200 m2 of stone pitched drainage channels along Bwanda Covent roads 2400 m2 of stone pitched drainage channels along NALI Estate roads 	2,583,000	2,001,540	581,460	<ul style="list-style-type: none"> -1 km of roads in Bwanda Convent not tarmacked. 0.2 km in Kapchorwa not tarmacked 6200 m2 of drainage channel in Bwanda not constructed
040473-Project 0307	Roads, Streets and Highways	<ul style="list-style-type: none"> 90 km of District Roads under Force Account cleared, shaped and compacted 50 km of District Roads under Force Account fully graveled. 50 km of District Roads Rehabilitated. Emergency road rehabilitation 	3,800,000	2,837,222	962,778	<ul style="list-style-type: none"> Out of planned 190kms only 170kms were worked on due to limited funding
040402-Project 1171	Monitoring and capacity building support for district road works	<ul style="list-style-type: none"> Training of 55 Contractor firms' Managing Directors in LBT & LCS Training of 140 Technical Supervisors in LBT & LCS 	1,904,000	1,500,981	403,019	<ul style="list-style-type: none"> Training of 55 contracting firms staff could not be conducted due to inadequate funds available to support the

						selection process and also cover the costs of training staff for a continuous 3 months
040473-Project 1171	Roads, Streets and Highways	<ul style="list-style-type: none"> 25km of LCS Trial contracts implemented by 25 trained LCS firms. Construct 2kms of LCS Model road along the Busamaga – Magada – Bumuluya road, Construct 2kms of gravel Model road along the Kiruku – Bunabuka – Bukiyi road 	2,096,000	1,379,720	716,280	<ul style="list-style-type: none"> Inadequate funds could not permit the 25Kms trial contracts to be arranged and implemented Model roads were short by 1.82km and 1.8km for Busamaga-Magada and Kiruku-Bunabuka road respectively
040475-Project 1172	Purchase of Motor Vehicles and Other Transport Equipment	2 Motor vehicles procured	300,000	0	300,000	2 motor vehicles not procured
040502-Mechanical engineering services	Maintenance Services for Central and District Road Equipment.	Average availability of Ministry vehicles and equipment kept at 70%	1,200,000	978,154	221,846	<ul style="list-style-type: none"> Average availability of Ministry vehicles and equipment kept below requirement at 49.38%.
040405-Mechanical engineering services	Operation and Maintenance of MV Kalangala Ship and other	<ul style="list-style-type: none"> Average availability of MV Kalangala kept at 95% Annual Class survey for MV Kalangala done. MV Kalangala insured. 	3,600,000	3,228,670	371,330	<ul style="list-style-type: none"> Annual Class survey for MV Kalangala not done. MV Kalangala not insured.
040504-Project 1405	Maintenance of district Vehicles and Road equipment and regional workshops	Average availability of district and zonal road equipment kept at 70%.	1,950,618	1,336,558	614,060	Inadequate funds released to effect the necessary repairs on the equipment thus average availability below requirement at 50%.
040572-Project 1405	Government Buildings and Administrative Infrastructure	<ul style="list-style-type: none"> Workshop yards at Mbarara and Gulu Regional Mechanical Workshops paved. Perimeter wall fence at 	1,200,000	362,026	837,974	<ul style="list-style-type: none"> Not implemented due to Delayed completion of designs and BOQs for the works affected progress

		Bugembe Regional Mechanical W/shop refurbished				
044906-Headquarters	Monitoring and Capacity Building Support	<ul style="list-style-type: none"> • 3 Staff sponsored on long term training • 8 staff trained in short term courses • 65 Recruited and deployed. • Staff inducted • 4 Workshops, seminars and refresher courses conducted 	1,100,000	581,140	518,860	<ul style="list-style-type: none"> • Inadequate funds to undertake long term training courses • only 52 staff recruited instead of 65
044904-Project 1105	Transport Data Collection Analysis and Storage	<ul style="list-style-type: none"> • Transport Sector Data Management System operational • 8 Transport Surveys conducted • Data on Transport Sector Indicators collected, analysed and TSDMS Updated • Annual Transport Sector Performance Report prepared 	922,000	808,092	113,908	<ul style="list-style-type: none"> • 7 Transport Surveys not conducted • Data on Transport Sector Indicators not collected due to insufficient funds

FINANCIAL STATEMENTS