



THE REPUBLIC OF UGANDA

KAMPALA CAPITAL CITY AUTHORITY

FK NORWAY PROJECT ID: 125002A ROUND 1

**REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS PROJECT
OF KAMPALA –KIGALI CAPITAL CITIES HEALTH PROJECT (KCCHP) FK NORWAY
FOR THE ELEVEN (11) MONTHS PERIOD ENDED 31ST AUGUST 2017**

OFFICE OF THE AUDITOR GENERAL

UGANDA

LIST ACRONYMS

Acronym	Meaning
KCCHP	Kampala –Kigali Capital Health Project
KCCA	Kampala Capital City Authority
UGX.	Uganda Shillings
USD	United States Dollar
HIV	Human Immune Virus
AIDS	Acquired Immune Deficiency Syndrome
QAS	Quality Audit System

**THE REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF
THE PROJECT FOR KAMPALA-KIGALI CAPITAL HEALTH PROJECT (KCCHP) FK
NORWAY FOR THE ELEVEN (11) MONTHS PERIOD ENDED 31ST AUGUST 2017**

THE RT. HON. SPEAKER OF PARLIAMENT

Opinion

I have audited the accompanying financial statements of the Project for the Kampala-Kigali Capital Health Project (KCCHP) FK Norway for the eleven (11) months period ended 31st August 2017. The financial statements comprise of the statement of consolidated financial report, the statement of financial report from Coordinating partner (Kampala) and the statement of financial report from the partner (Kigali).

In my opinion, the Project financial statements present fairly in all material respects the fund balances of the Kampala-Kigali Capital Health Project (KCCHP) FK Norway for the 11 months period, ended 31st August 2017 and the receipts and payments for the year then ended in accordance with the accounting policies stated in Note 5 on pages 25 to 27 of the financial statements.

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 statements section of my report. I am independent of Project Management 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 (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in Uganda, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. 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, are of most significance in my audit of the financial statements of the current period. I have determined that there are no Key Audit Matters to communicate in my report.

Other Matters

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

- **Project performance against the Logical framework**

The Project was expected to commence in June 2016 with the support of FK Norway Grant and was to be implemented in 3 rounds and concluded by 31st December 2017.

A review of the overall project implementation plan and project progress reports revealed delays in the implementation of activities as Round 2 and Round 3 activities had not yet commenced. In addition, the delays were mainly observed in the implementation of activities in Kampala as compared to those in Kigali. **Refer to appendix I.**

There is a risk that the project may not achieve its objectives within the stipulated timeframe.

Management explained that the delays were caused due to late approval of Round 1 contract which started in October 2016. Management further explained that some activities such as management of the Tuberculosis cases were partially implemented due to lack of MDR TB protective wears/gears.

I advised Management to consider requesting for a project extension and intensify on supervision and monitoring of project implementation to ensure that set project goals are achieved within extended project period.

Management Responsibility

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with the provisions of FK Norway Funding Guidelines and the Public Finance Management Act, 2015. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

In preparing the financial statements, management is responsible for assessing the Project's ability to achieve its core objectives, disclosing, as applicable, matters related to the

achievement of its objectives, unless management either intends to close the project or to cease operations, or have no realistic alternative but to do so.

Management is responsible for overseeing the Project'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 International Standards of Supreme Audit Institutions (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 Project'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 Project's ability to continue as a going concern. 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 Project to fail to deliver on 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 Management 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 Management 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 Management, 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

28th August, 2018

**REPORT OF THE AUDITOR GENERAL ON THE COORDINATING PARTNER OF
KAMPALA-KIGALI CAPITAL HEALTH PROJECT (KCCHP) FK NORWAY FOR THE
ELEVEN (11) MONTHS PERIOD ENDED 31ST AUGUST 2017**

Opinion

I have audited the project accounts for Project ID: 125002A in accordance with ISSAI 1805 – Special Considerations - Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement.

I confirm hereby that USD.95,626 was transferred from FK Norway to Kampala Capital City Authority (KCCA) and was used in accordance with the budget and round agreement dated 22nd June 2016 between FK Norway and Kampala Capital City Authority (KCCA). I also confirm that the total costs are USD.70,504 and USD.25,122 are unused (including Coordinating partner and Partner). The opening and closing balance, exchange rate and currency gain or loss have been shown in the report.

A review of the project accounts was carried out by comparing the project accounts with the budget and round agreement with FK Norway funding, together with the budgets, project accounts and accountabilities of the Partner (Kigali).

The projects financial statement, in my opinion, expresses responsibly the project's results for Project ID: 125002A and therefore for the use of funds granted by the project agreement.

Management Responsibility

Programme management is responsible for preparation of the Project account statement and its fair presentation in accordance with the requirements of the Government of Uganda regulations and FK Norway guidelines. Management is also responsible for designing and implementing internal controls relevant to the preparation of the Project account statement that is free from material misrepresentation, whether due to fraud or error and selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the Project account statement based on my audit. I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs) and the loan guidelines on auditing. Those standards and guidelines require that I plan and perform the audit to obtain reasonable assurance about whether the special account statements are free from material misstatement.

I believe that the audit evidence I have obtained provides a reasonable basis for my opinion.



John F.S. Muwanga

AUDITOR GENERAL

KAMPALA

28th August, 2018

**REPORT OF THE AUDITOR GENERAL ON THE PROJECT PARTNER
OF KAMPALA-KIGALI CAPITAL HEALTH PROJECT (KCCHP) FK NORWAY
FOR THE ELEVEN (11) MONTHS PERIOD ENDED 31ST AUGUST 2017**

Opinion

I have audited the financial statements of the Kampala-Kigali Capital Health Project (KCCHP) FK Norway for the eleven (11) months period ended 31st August 2017 (Project ID: 125002A) in accordance with the ISSAI 805.

I hereby confirm that USD.34,941 received from Kampala Capital City Authority (KCCA) was used according to the budget and agreement in the contract dated 22nd June 2016 between Kampala Capital Authority (KCCA) and Kigali Capital. I also confirm that the total costs are USD.21,621 and that necessary vouchers have been produced and checked. Of the entire grant, USD.13,320 represents unused funds. The opening and closing balance, exchange and currency gain or loss are shown in the report.

A review of the project accounts was carried out by comparing the project's accounts to the budget and to the grant provided by Kampala Capital Authority (KCCA).

In my opinion, the accounts presented express the justifiable results of the project as at 31st August 2018, and thereby for Kigali Capital's use of the funds granted according to the budget and project agreement ID: 125002A.

Management Responsibility

Programme management is responsible for preparation of the Project account statement and its fair presentation in accordance with the requirements of the Government of Uganda regulations and FK Norway guidelines. Management is also responsible for designing and implementing internal controls relevant to the preparation of the Project account statement that is free from material misrepresentation, whether due to fraud or error and selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the Project account statement based on my audit. I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs) and the loan guidelines on auditing. Those standards and guidelines

require that I plan and perform the audit to obtain reasonable assurance about whether the special account statements are free from material misstatement.

I believe that the audit evidence I have obtained provides a reasonable basis for my opinion.

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

28th August, 2018

Performance as per the Logical Framework

S/n	Planned output	Actual out put	Remarks
	Kampala		
1	Analysis of weekly epidemiological data to aid active surveillance in the city	Data was analyzed on surveillance cases for 16 weeks on a weekly basis and the following cases were identified <ul style="list-style-type: none"> - Malaria Cases - Typhoid Fever Cases - Animal Bites (Suspected Rabies) Cases - Acute Flaccid Paralysis Cases - WEP - Measles Cases - - Perinatal Deaths - Maternal Deaths - Dysentery Cases 	There is need for Management to improve in the following areas namely; <ul style="list-style-type: none"> • Ensure that all health facilities are registered in Mtrack in order to improve reporting rates • Train of private Health workers in reporting of surveillance cases. • Improving on data quality • Follow up of reporting failures by private health facilities • Active search of surveillance cases.
2	Participate in follow up and investigation of disease alert cases in the city	Eight Diseases investigations were conducted namely; Animal Bites (Suspected Rabies), Dysentery, Malaria, Measles Cases, Perinatal Deaths, SARI, Typhoid Fever and Maternal Deaths. It was noted that most of the alerts received were for Malaria and typhoid diseases.	There is need for Management to increase more disease investigations in order to boost disease awareness and dissemination of disease prevention information to communities in the city.
3	Participate in MDR Tuberculosis case follow up	Follow up on MDR was conducted as part of gaining skills in MDR. The following activities were performed as planned. Visit to MDR Treatment center and Orientation of Record keeping and Contact followup. <ul style="list-style-type: none"> • Participate in MDR Case follow up. However, Quarterly TB data analysis and Participation in TB performance review Meeting was not done 	<ul style="list-style-type: none"> • Two activities namely Participate in Tuberculosis performance review meetings and Participate in Data Quality analysis for Tuberculosis were not done. <p>This was due to time constraints and management concern about the risk involved in TB investigation activities since the participants were not purely medical personnel.</p>
4	Take part in community communicable disease sensitization meetings	Nine community sensations were conducted, these included Eight Meningitis A immunization campaign meetings and one HIV awareness campaign meeting.	All activities were performed as planned. However there is need to increase HIV awareness campaigns in the city in order reduce the spread of HIV.
	Kigali		

1	Introduction to Health Management Information Systems (HMIS)	<ul style="list-style-type: none"> • There were 2 participants from Uganda who were taken to Kigali. Participants were exposed to the HMIS system of Rwanda • On return to Kampala, they sensitized staff of Public Health in KCCA and private facilities' owners about the Kigali system which they appreciated. The same knowledge helped them to improve their understanding of the HMIS in Uganda <p>The sensitizations also helped the Public Health staff in KCCA and private facilities' owners to improve their attitude towards HMIS.</p>	All activities implemented.
2	Revision of health facilities reporting tools	<ul style="list-style-type: none"> • The participants were able to revise the tools for • Out Patient Report, HIV/ AIDS reports, Tuberculosis quarterly and • Monthly reports, community health workers' reports. • The participants learnt that all health facilities in Kigali submit their on time. • The participants also passed on this to the staff and private owners' through the sensitizations. Currently over 40 private facilities that were not sending their monthly and weekly health facility reports are now compiling to this requirement. 	Implemented
3	Introduction of standards operating procedures for data management at dispensaries and clinics(Private health facilities)	<p>The activity was fully implemented;</p> <ul style="list-style-type: none"> • During the first week, the participants were given the booklet containing the standard operating procedures for data management at dispensaries and clinics. • Participants carried out Desk reviews with the guidance of the Director of Public Health in the City of Kigali who helped them to learn the standards operating procedures in Kigali. • The participants also carried out sensitization of other staff and private owners' on data management. 	Implemented
4	Implementation of a routine data quality audit system(QDA)	A total number of 35 audits were done by tracing disease cases recorded in field reports to disease case registers maintained by the health centers.	Implemented
5	Revision of data	<ul style="list-style-type: none"> • The data collection tools were 	Implemented

	collection tools including patient forms and registers	<p>revised. These included; outpatient registers, maternal child health registers, HIV/AIDS registers, and Tuberculosis registers, plus HIV patient files.</p> <ul style="list-style-type: none"> • The participants were tasked with checking the completeness of the patients' information in the above registers. <p>As a result, the participants learnt about the importance of completeness of the patients' information in the registers and have been able to sensitize other staff and private owners'.</p>	
6	Participate in workshops on data collection and analysis	<p>The participants were assigned to participate in one workshop. The subject of the workshop was "<i>The use Mobile Phones in Sending Health Facility Reports- (Rapid SMS Community System)</i>"</p> <p>The participants learnt how to send timely reports using their phones. The same information was passed on during the sensitizations.</p>	Implemented
7	Field visits in different private health facilities to assess data managers work	<p>43 Field visits were carried out to assess data managers work and lessons learnt</p>	Implemented
8	Visit the e-health unit	<ul style="list-style-type: none"> • The participants visited the ministry of health e-health unit. • Participants were able to learn the use of ICT in health care. Some of the systems learnt were HMIS, the District Health Information Software (DHIS 2) and Rapid SMS. • However, all the above system are already in existence in Kampala 	Implemented

FINANCIAL STATEMENTS