



THE REPUBLIC OF UGANDA

REPORT OF THE AUDITOR GENERAL
ON THE FINANCIAL STATEMENTS OF UGANDA HIGH COMMISSION IN
PRETORIA FOR THE YEAR ENDED 30TH JUNE 2018

OFFICE OF THE AUDITOR GENERAL
UGANDA

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List of Acronyms

IESBA	International Ethics Standards Board for Accountants
INTOSAI	International Organization of Supreme Audit Institutions
ISSAIs	International Standards of Supreme Audit Institutions
UGX	Uganda Shillings

REPORT OF THE AUDITOR GENERAL ON THE AUDIT OF FINANCIAL STATEMENTS
OF UGANDA HIGH COMMISSION, PRETORIA FOR THE
YEAR ENDED 30TH JUNE 2018

THE RT. HON. SPEAKER OF PARLIAMENT

Report on the Audit of the Financial Statements

Opinion

I have audited the accompanying financial statements of Uganda High Commission, Pretoria for the year ended 30th June 2018. These financial statements comprise the Statement of Financial Position as at 30th June 2018, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash flow for the period then ended, accompanying schedules and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 38.

In my opinion, the financial statements of Uganda High Commission, Pretoria for the year ended 30th June 2018 are prepared, in all material respects in accordance with Section 51 of the Public Finance Management Act, 2015, and the Financial Reporting Guide, 2018.

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 the High Commission in accordance with the Constitution of the Republic of Uganda (1995) as amended, the National Audit Act, 2008, the International Organization of Supreme Audit Institutions (INTOSAI) Code of Ethics, the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code), 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.

I have determined that there are no key audit matters to communicate in my report.

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 Uganda High Commission, Pretoria.

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, 2018, 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 High Commission's ability to continue delivering its mandate, disclosing, as applicable, matters affecting the delivery of the mandate of the Uganda High Commission, Pretoria, and using the Financial Reporting Guide, 2018 unless the Accounting Officer has a realistic alternative to the contrary. The Accounting Officer is responsible for overseeing the High Commission's financial reporting process.

Auditor General'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 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 judgement and maintain professional scepticism 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 my 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 High Commission'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 High Commission'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 High Commission 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.

Other Reporting Responsibilities

In accordance with sections 19(1) of the National Audit Act, 2008, I report to you, based on my work described on the audit of Financial Statements that:

- Except for the matters raised in the compliance with legislation section below, and whose effect has been considered in forming my opinion on the financial statements, the activities, financial transactions and information reflected in the financial statements that have come to my notice during the audit, are in all material respects, in compliance with the authorities which govern them.

Report on the Audit of Compliance with Legislation

The material findings in respect of the compliance criteria for the applicable subject matters are as follows;

- **Unauthorized Over Expenditure**

Regulation 16 (1&2) of the Public Finance Management Regulations, 2016, requires Accounting Officers to request the Minister of Finance for approval to vary, within a vote, the amount of money by (a) identifying the items on which the virement is to be charged (b) showing the amount of the funds to be varied and (c) identifying the items for which the varied funds are to be used.

Analysis of the Mission's expenditure in Navision (budget by dimensions – summary Report) revealed that there was over expenditures on various budget line items amounting to ZAR 490,232.13 (equivalent¹ to UGX.139,382,799) without seeking appropriate authority in form of virement warrants. This contravened the regulations and the intentions of budgeting. **Table refers.**

¹ 1 ZAR = UGX.284.32

Budget Line Item	Purpose	MTEF	Released	Actual	Over Expenditure
			ZAR	ZAR	ZAR
211103	Allowances	165201	3,608,766.46	3,693,892.83	85,126.37
221001	Advertising & Public relations	165201	18,335.79	27,985.24	9,649.45
221001	Advertising & Public relations	165204	339,978.83	386,060.27	46,081.44
221014	Bank charges & other Bank related costs	165201	5,402.96	268,993.69	263,590.73
222002	Postage Courier	165201	17,896.85	29,447.35	11,550.50
223006	Water	165201	61,722.29	71,821.72	10,099.43
227001	Travel inland	165201	50,987.32	73,702.93	22,715.61
227002	Travel Abroad	165202	196,507.38	197,516.49	1,009.11
227003	Carriage, Haulage, Freight &	165201	179,851.52	215,785.23	35,933.71
228001	Maintenance - civil	165202	98,432.66	100,891.24	2,458.58
228002	Maintenance - vehicles	165201	59,059.59	61,076.79	2,017.20
Total					490,232.13

Management acknowledges that there was over expenditure on some budget line items, however it committed, going forward, to operate within the budget and to always seek permission for any virements.

I advised the Accounting Officer to ensure that it operates within the accounting warrant or else seek for authority to spend over and above the budget line items



John F.S. Muwanga
AUDITOR GENERAL

12th December 2018