



THE REPUBLIC OF UGANDA

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF
UGANDA NATIONAL METEOROLOGICAL AUTHORITY (UNMA)
FOR THE YEAR ENDED 30TH JUNE 2018

OFFICE OF THE AUDITOR GENERAL
UGANDA

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LIST OF ACRONYMS

GOU	Government of Uganda
IEC	Information, Education and Communication
INTOSAI	International Organization of Supreme Audit Institutions
ISA	International Standards on Auditing
EGI	Electronic Government Information
PFMA	Public Finance Management Act, 2015
TAI	Treasury Accounting Instructions
UGX	Uganda Shillings
UNMA	Uganda National Meteorological Authority
F/Y	Financial Year
MDA	Ministry, Department, and other Agencies

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF
UGANDA NATIONAL METEOROLOGICAL AUTHORITY
FOR THE YEAR ENDED 30TH JUNE, 2018

THE RT. HON. SPEAKER OF PARLIAMENT

Opinion

I have audited the accompanying financial statements of Uganda National Meteorological Authority for the year ended 30th June 2018. These financial statements comprise of the Statement of Affairs, the Statement of Cash Receipts and Payments, and Statements of Comparison of Budget and Actual Amounts, notes and accounting policies.

In my opinion, the financial statements of Uganda National Meteorological Authority 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, ADB Financial guidelines 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 Statement's section of my report. I am independent of the Authority 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. I have determined that there are no key audit matters to communicate in my report.

Emphasis of matter

Without qualifying my opinion, I draw attention to the following matters disclosed in the financial statements that, in my judgement, are of such importance and fundamental to users' understanding of the financial statements.

- **Budget Shortfall**

Out of the revenue budget of UGX.27,354,600,361, only UGX.24,487,519,189 (89.5%) was realized leading to a shortfall of UGX.2,867,081,172 (10.5%). In addition, whereas Uganda National Meteorological Authority (UNMA) projected to collect Non Tax Revenue (NTR) of UGX.2,200,000,000, it only realised UGX.1,647,938,310 (75%), leading to a short fall of UGX.552,061,690 (25%). Consequently, key activities in the work plan such as the procurement of the Radar worth UGX.3,745,763,339 were not undertaken thus affecting the recording and transmission of the meteorological observations. I explained to the Accounting Officer that failure to collect budgeted revenue affects the Authority's liquidity and therefore ability to fund its budgeted activities.

Management attributed the shortfall to budget cuts by MOFPED and low uptake of services by walk-in customers like students buying historical data to facilitate their research.

I advised management to continue seeking government support while at the same time endeavouring to carry out realistic assessments and projections which may enhance the revenue performance.

Other Matters

In addition to the matters raised above, I consider it necessary to communicate the following matters other than those presented or disclosed in the financial statements:

- **Lack of notice for occupation of land**

Section 16 (2) of the UNMA Act 2012 provides that the Authority shall not install, construct or maintain any equipment, apparatus or other instruments in, on, over or under any property unless it has given reasonable notice of its intentions to exercise its powers to the owner or occupier of the property or to the local Agency having control or management of the property. It was however noted that the Authority has established various stations without evidence of land ownership or notice to the owners. These include Kakooge hydro meteorological station (Luwero), Kibanda station (Rakai), Wadelai station (Nebbi), Kotido station (Kotido), Soroti station (Soroti), Ntusi Hydromet stations (Ssembabule), plot 16 and plot 17(Gulu) and a plot of 10 acres in Kabale.

Without formalisation of land ownership, there is a risk of loss of weather equipment in the event of eviction or disagreement.

Management explained that the Authority was following up the matter and is only constrained by lack of funds for expediting the survey processes.

I advised management to prioritise acquisition of ownership documents and/ or memoranda of understanding with the owners so as to safeguard the authority equipment.

- **Non-functional stations**

Section 4(b) of the UNMA, Act specifies the functions of UNMA being to establish a network of stations for taking, recording and transmitting meteorological observations as well as hydrological and other geophysical observations related to meteorology. However, a review of status reports revealed that 9 out of the 17 Hydromet manual weather stations were non-functional. In addition, 14 out of 23 Agromet Stations were not functioning.

Inadequate staffing structure coupled with the lack of Board to fill posts, which have fallen vacant due to various reasons still pose a challenge. In the circumstances, the stations are not able to provide the essential and accurate meteorology data. Management explained that 40 Automatic Weather Stations are functional now however, the inadequate staffing structure coupled with the lack of Board to fill vacant posts which have fallen vacant due to various reasons still pose a challenge

I advised management to liaise with the MOFPED and other relevant stakeholders to set aside funds to put in place infrastructure, recruit staff and secure land to enable the Authority achieve its mandate.

Other Information

The Accounting Officer is responsible for the other information. The other information comprises the statement of responsibilities of the Accounting Officer and the commentaries by the Head of Accounts and the Accounting Officer, and other supplementary information. The other information does not include the financial statements and my auditors' report thereon. My opinion on the financial statements does not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially consistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.

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 Uganda National Meteorological Authority.

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 Authority's ability to continue delivering its mandate, disclosing, as applicable, matters related to affecting the delivery of the mandate of Uganda National Meteorological Authority, 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 Authority'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 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 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 authority'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 authority'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 Uganda National Meteorological Authority 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;

- **Lack of a Board of Directors**

It was observed that the Authority lacks a board of Directors owing to the expiry of the previous Board in February 2017 contrary to Section 5(1) & (2) of UNMA Act, 2012 which provides that the governing body of the Authority shall be a board that shall consist of a chairperson and six other members appointed by the Minister with the approval of the cabinet.

I explained to the Accounting Officer that lack of the Board deprives management benefits of an oversight authority regarding the strategic direction of the authority. In addition, activities such as the appointment of the staff, establishment of the audit committee and the approval of the financial guidelines for the Meteorological school have been halted as they are within the Board's mandate.

In response, management explained that it is closely following up with the line Minister to have the UNMA Board expedited as soon as possible.

Meanwhile, I await the outcome of the deliberations.



John F.S. Muwanga
AUDITOR GENERAL

17th December 2018

