Contents

04  Message of the Auditor General

05  Introduction

05  Highlights of the Auditor General’s Report
The Auditor General’s mandate under Article 163 (3) of the Constitution of the Republic of Uganda and as amplified by Sections 13 (1) and 19 of the National Audit Act, 2008, is to audit and report to Parliament on the public accounts of Uganda and of all public offices including the courts, the central and local government administrations, Universities and public institutions of like nature, and any public operations or other bodies established by an Act of Parliament.

In accordance with the above provisions, the report was submitted to Parliament on the 31st December, 2019.

The report focuses on the audit matters and emerging trends that may need urgent attention by those charged with Management and Governance of the audited organizations to improve public accountability in the processes of delivering public service.

The key highlights include audit findings from Government Ministries, Departments and Agencies, Commissions, Statutory Authorities and State Enterprises, Local Governments and Value for Money Audits.

I take the pleasure to thank all stakeholders for the continued support in delivering our mandate. Thank you.

John F.S. Muwanga
Auditor General

31st December 2019
During the year ended 31st December 2019, I concluded a total of 4,496 audits, which included 4,211 financial audits, comprising of 108 MDAs, 114 Commissions, Statutory Authorities and State Enterprises, 97 projects, 4 Production Sharing Agreements and 3,888 Local Governments and Tertiary Institutions. I have also included 11 Value for Money reports, 36 Forensic Investigations and Special Audits, 5 IT audits, 228 and Specialized/Engineering audits. The Forensic/special audit reports have been issued to the respective stakeholders who requested for them.

Introduction

Below are the brief highlights of my findings, the details of which are in my report to Parliament for the financial year ended 30th June 2019.

1.0 Implementation of the 2018/19 budget
Government approved a budget of UGX.32 trillion for the financial year 2018/2019, this was later revised to UGX.35.03 trillion through supplementary allocations.
The theme for the budget was “Industrialization for job creation and shared prosperity”. The focus was productivity improvement, infrastructure development, improvement in the delivery of services, investment promotion and private sector growth, harnessing tourism potential, improving governance and pay reform and public debt management.

I undertook a review of the performance/implementation of the 2018/19 approved budget and observed the following:

1.1 Performance at National level and selected MDAs
1.1.1 Government revenue and expenditure
Government planned to collect revenue of UGX.17.62tn from taxes, NTR and grants and UGX.17.86tn was realised which represents 101% revenue performance. In addition Government expected to fund the balance of UGX.17.41tn through domestic borrowing, budget support, external financing (both concessional and non-concessional loans), Appropriation on Aid collected by government departments as well as domestic debt refinancing.
Out of a total budget of UGX.35.03tn, UGX.31.19tn was released leaving a balance of UGX.3.84tn. This translated in a performance of 89.03%.

Out of the total releases of UGX.31.194tn, UGX.30.646tn was spent leaving unspent balance of UGX.548bn representing absorption of 98.2%.

I sampled 78 entities with a total approved budget of UGX.14.2tn (40.5% of the national budget) and 6,262 activities for further analysis of the extent of implementation of planned activities. Based on the work I performed I noted the following:

a) **Failure to budget for Non-Tax Revenue (NTR) by the selected entities**

Twelve (12) entities representing (15%) of the sample did not budget for NTR contrary to PFMR. Despite the non-budgeting the entities collected NTR of UGX.8.3bn as NTR Failure to budget for NTR was mainly due to non-registration of entities on the URA web portal to enable MoFPED generate estimates. In addition the PBS module could not allow the inputting of NTR budget estimates. Failure to budget for NTR makes it impossible to assess the performance of the of the entities in achieving their NTR targets.

b) **Off budget financing**

Twenty one (21) of the 78 sampled entities received off budget financing amounting to UGX.320bn representing 10% of the total approved budgets of these (21) entities. These funds were never transferred to the UCF contrary to the PFMA. Non remittance of off budget funds is contrary to the law and may also result in duplication of activities.

c) **Unquantified outputs/activities**

Out of a total of 6,262 activities planned for implementation in the 78 sampled entities, I assessed the implementation of 4,248 activities representing 68% of the total planned activities in the sampled entities.

Out of the 4,248 activities assessed, 1,056 (25%) activities were not quantified to enable measurement of performance. The failure to quantify out-puts was a result of absence of M&E functions to review work plans and the information entered in the PBS by the planners. In some cases planners were not conversant with the PBS system and needed training while some entities lacked planners. Non quantification of outputs/activities makes it difficult to assess the extent to which the entities have undertaken the implementation of the planned activities.
d) Implementation of Quantified outputs/activities
Out of a total of 3,192 quantified activities assessed, 1,883 (44%) activities were fully implemented, 829 (20%) were partially implemented, while 480 (11%) activities were not implemented at all. The partial and non-implementation of activities/outputs was attributed to unrealistic targets that are not based on past experience, inadequate funding, poor contract management practices, burden of settling domestic arrears, change of priorities without corresponding availability of resources and Ganesh Orders on Government accounts. Partial and non-implementation of activities denies the beneficiaries services.

Figure 1: Extent of implementation of planned activities

![Figure 1: Extent of implementation of planned activities]

Government is advised to address the challenges in budgeting such as limitations of the PBS tool, lack of M & E officers and provision of resources and implementation of the planned activities to enable the achievement of the objectives of the NDP II.

1.2 Unapproved supplementary expenditure - UGX.1,156,476,963,925
Section 25(1) of the PFMA 2015, provides that the Minister may approve a supplementary budget up to 3% of appropriated budget but is required to seek retrospective approval from Parliament within 4 months.

During the year under review, the Minister approved a supplementary budget of UGX.1,772,222,007,231. However, upon tabling the expenditure to Parliament, only UGX.615,745,043,306 was approved leaving UGX.1,156,476,963,925 unapproved.

Government is advised to streamline the process of approval of supplementary funding to avoid a re-occurrence of such instances.

1 Total Sampled Outputs (4,248) minus what was not quantified (1,056)
1.3 Implementation of Government projects
I observed that 43 Government Projects had funds available of UGX.2.31tn to implement project activities. However, only UGX.1.58tn was spent resulting into unutilised balance of UGX.736bn which represents a low absorption capacity of 68%. This was majorly attributed to delays in approving work plans, long procurement processes, delays in signing of contracts and slow execution of works among others.

As a result, there were partial or non-implemented planned activities, interest charges on unwithdrawn funds of UGX.90.6bn, extension of projects increased project administration costs as a result of project extensions and delayed service delivery to the beneficiary communities.

I advised the Government to work closely with the relevant stakeholders to fast track implementation of project activities and ensure project milestones are achieved.

1.4 Garnishee of Government funds
In the FY 2018/19, a total of UGX.66,550,119,068 and USD.528,000, on 17 bank accounts, was attached by way of Garnishee orders against Government. I observed that judgment debtors are increasingly resorting to the use of Garnishee orders against Government accounts as a means of enforcement. This was partly due to absence of a clear and proper procedure and policy for the effective settlement of court decisions and orders entered against the GOU. The effect is that planned Government programmes are not implemented.

Government should devise a strategy of managing the payment of debts arising out of court awards as a means of limiting recourse to garnishee of Government accounts

1.5 Domestic Public Debt Portfolio
The country’s domestic debt stock, which is mainly on Treasury Bonds and Treasury Bills, and un securitized debt increased to UGX.15,221 billion as of 30th June 2019 from UGX.13,059 billion in 2018. This is an increase of UGX.2,162 billion equivalent to 16% of domestic debt stock.
I observed that, during the year, Government borrowed a sum of UGX.7,399 billion from the domestic market which comprised of UGX.2,162 billion for budget support and UGX.5,237 billion for refinancing maturing obligations.

However, servicing of the principal and interest for the domestic debt stock accounted for UGX.7,241 billion. This implies that servicing maturing obligations and interest accounts for 97% of the new money borrowed. In essence, we borrow to pay debts; this is likely to raise the dependence of Government on the domestic market which may lead to an increase in interest rates.

Government should set aside more funds for redemption of domestic debt securities.

1.6 Performance in the Local Governments
I reviewed the performance in a sample of 101 (60%) out of 168 Districts and Municipalities and made the following observations:

a) Revenue Performance
I compared the approved Budget against the warrants (releases) and noted that Transfers received from the consolidated fund performed at 99%, while Local revenue performed at 76% of budget contributing only 3% towards the total warrants/releases. Transfers received from other Government units performed at 81% and Grants (donors funding) performed at 65% as shown in the table below:

Table 1: Showing Revenue Performance

<table>
<thead>
<tr>
<th>No</th>
<th>Revenue Source</th>
<th>Approved Budget</th>
<th>Warrants/Releases</th>
<th>%age Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Transfers received from the consolidated fund</td>
<td>2,163,167,916,562</td>
<td>2,137,213,915,252</td>
<td>99%</td>
</tr>
<tr>
<td>2</td>
<td>Local revenue</td>
<td>112,458,420,725</td>
<td>85,219,652,840</td>
<td>76%</td>
</tr>
<tr>
<td>3</td>
<td>Transfers received from other Government units</td>
<td>374,774,295,347</td>
<td>304,433,083,584</td>
<td>81%</td>
</tr>
<tr>
<td>4</td>
<td>Grants (Donors funding) received</td>
<td>131,084,401,244</td>
<td>84,666,243,311</td>
<td>65%</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>2,781,485,033,878</strong></td>
<td><strong>2,611,532,894,987</strong></td>
<td><strong>94%</strong></td>
</tr>
</tbody>
</table>
The analysis showing the contribution of each revenue source towards the total warrants/releases is shown below:

Figure 2: Showing revenue performance

The Accounting Officers attributed the underperformance to low revenue base, the splitting and creation of new Local Governments, budget cuts and unrealistic budgeting.

I advised the Local Governments to engage the relevant authorities to honour their obligations and develop strategies to enhance local revenue collections.

b) Local Revenue Performance

As stated in the preceding paragraph, I reviewed the Tax and NTR estimates which constitute Local revenue and noted that out of the budgeted local revenue of UGX.112,458,420,725 for the financial year 2018/19, only UGX.85,219,652,840 was collected, representing a performance of 76% of the target.

It was observed that out of the sample of 101 entities, 51 (50%) districts and Municipalities registered local revenue performance of 75% and above, 27 (27 %) registered a moderate performance of 50% to 74% while, 23 (23%) performed below 50%.

The districts of Kaabong, Kween and Bulambuli registered the highest performance of 211%, 200% and 154% respectively while Tororo, Bundibugyo and Kibaale registered the lowest performance of 18%, 14% and 11% respectively.
The Accounting Officers attributed the performance to low tax base, creation of new entities which reduced local revenue collections changes in tax policy, natural calamities, animal quarantine and negative attitude towards paying taxes.

I advised the Local Governments to initiate measures to ensure that all budgeted local revenue is realised.

c) Unrealised Donor Funding (Grants received)
I noted that 101 (60%) entities budgeted to receive UGX.131,084,401,244 from development partners to fund health and education related activities. However, only UGX.84,666,243,311 (65%) was realized leading to unrealised funds of UGX.46,418,157,933 (35%).

The Accounting Officers attributed the shortfall to the budget estimates that are prepared on the assumption that the local governments would receive the same donor funding of the prior years.

Consequently, planned activities funded by development partners such as immunisation, HIV, malaria treatment and construction of primary schools were not implemented.

I advised the Local Governments to engage the relevant agencies to honour their obligations.

d) Absorption of funds
I noted that out of the total warrants (releases) of UGX.2,611,532,894,987 the Local Governments actually spent UGX.2,498,855,842,038 (96%) representing an under-absorption of UGX.112,677,052,949 (4%) as shown in the table below;

<table>
<thead>
<tr>
<th>Warrants (Released Funds) [A] (UGX)</th>
<th>Expenditure [B] (UGX)</th>
<th>Unspent [A-B] (UGX)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,611,532,894,987</td>
<td>2,498,855,842,038</td>
<td>112,677,052,949</td>
</tr>
</tbody>
</table>
The analysis shows that the LGs failed to utilize UGX.112,677,052,949 which was swept back to the Consolidated Fund. Consequently, the intended outputs were not fully achieved. Under absorption was attributed to mainly unpaid salaries due to delayed recruitment of staff and hybrid procurement procedures under the UgIFT programme.

I advised the Local Governments to liaise with the District Service Commissions, Ministry of Public Service, Ministry of Health and Ministry of Education and Sports to address bottlenecks in staff recruitments and UgIFT programs.

e) Implementation of Key Outputs

During the year under review, Districts and Municipal Councils planned to implement and achieve both recurrent and development activities under various programmes. The key deliverables for the financial year were highlighted in the memorandum Statement of Performance of the entities’ financial statements.

I inspected a sample of 358 projects and sub projects under UgIFT, NUSAF3, URF, Water, YLP and UWEP programmes in 43 entities representing (26%) to establish the status of implementation. The results of inspections revealed that 210 (59%) projects/subprojects were fully achieved, 112(39%) partially implemented while the balance of 36(10%) were not implemented at all.

As a result, the community was denied the opportunity to access all services required to improve their standard of living. I also noted that the presentation of key outputs in the statement of performance differed across entities. Out of 43 entities, 22 (51%) Districts and Municipal Councils did not quantify their outputs/activities to enable ascertain the level of implementation.

The Accounting Officers attributed the partially and non-implemented projects and sub-projects mainly budget cuts and the hybrid procurement procedures. The differing presentation of key outputs in the statement of performance was attributed to inadequate guidance on the preparation of the statement from the Accountant General.

I advised the Local Governments to engage relevant Ministries to address the hybrid procurement challenges and also, to engage the Accountant General for the required guidance on the preparation of the statement of performance.
2.0 Management of Uganda Petroleum Fund

The Petroleum Fund was established by Section 56 of the Public Finance and Management Act, 2015 (as amended). The Fund serves as a depository for all revenues accruing to Government from petroleum operations and other related activities. Withdrawals from the Fund are made by appropriation to either the Uganda Consolidated Fund (UCF) or to the Petroleum Revenue Investment Reserve (PRIR). The transfers to the Consolidated Fund are supposed to support the national budget on infrastructure development while those to the PRIR are for future investment.

At the beginning of the year, the Fund had an opening balance of UGX.457.5 billion and it received revenue totaling to UGX.56.7 billion during the year. A sum of UGX.200 billion was transferred to the Consolidated Fund for budget support. I reviewed the operations of the Fund and noted the following:

2.1 Absence of a Fiscal Rule in the Management of the Petroleum Fund

The withdrawal of funds from the UPF is guided under Section 58 (a & b) of the PFMA, 2015 whereby the funds following Parliamentary Appropriation and issuance of a grant of Credit by the Auditor General are credited to the Uganda Consolidated Fund (UCF) for budget support or to the Petroleum Revenue Investment Reserve (PRIR) for investment.

A fiscal rule is a framework which guides Government fiscal policy. In the natural resources sub-sector, a fiscal rule is a multiyear constraint on Government spending, deficit or public debt accumulation. It helps to commit Government to stable macroeconomic policy, which is necessary for growing and diversifying an economy dependent on large, finite and volatile natural resource revenues. A fiscal rule improves Government performance, public financial management and is used to objectively determine how much a country should be spending and investing from its natural resources revenue.

I noted that the process of appropriation and eventual transfer of Petroleum funds to either the UCF or PRIR is not guided by any fiscal rule, but left to the discretion of the Ministry of Finance, Planning and Economic Development during the budget formulation process, and Parliament, which lacks guidance in assessing and approving Government proposed spending and investment of oil revenues during appropriation.
The lack of a fiscal rule can lead to undesirable spending and investment decisions by Government that may not be economical, especially in times of economic instability.

Government explained that draft fiscal rule options had been developed and were awaiting Cabinet approval. I advised Government to expedite the process of approval of the fiscal rule.

2.2 Lack of an approved Petroleum Investment Framework
I noted that although Government appointed the Investment Advisory Committee (IAC), there was no approved Petroleum Revenue Investment Policy (PRIP) and Investment Framework developed to guide on the operations of the Petroleum Revenue Investment Reserve by BoU.

Lack of an approved PRIP delays appropriation of petroleum funds for investment and their subsequent investments to grow the Fund, and without an operational management agreement, the funds will continue to remain unutilized on the Petroleum Fund account without maximizing any returns that could have been obtained if funds were invested without causing undue risk to the PRIR.

Management explained that the appointed Investment Advisory Committee (IAC) reviewed both the Petroleum Revenue Investment Policy and the Operational Agreement between Bank of Uganda and MoFPED and forwarded for approval and signature.

I advised Government to expedite the approval of the Petroleum Investment Policy and the operational agreement between BoU and Government.

2.3 Draw down of funds from the Petroleum Fund
A sum of UGX.200 billion was transferred from the Petroleum Fund to the Consolidated Fund as part of domestic financing for the financial year budget 2018/19. However, there was no explicit disclosure of the infrastructure and development projects that would be funded from the petroleum revenues and I therefore could not confirm whether the amount was used to finance infrastructure development of Government.
Management explained that internal discussions on formulating procedures and specific guidance for operations under the UPF are still ongoing, that will enable detailing the information needed.

I advised Government to expedite the process of formulating sufficient procedures to ensure clarity in the appropriation of funds from the UPF to the Uganda Consolidated Fund and the Petroleum Revenue Investment Reserve.

3.0 Road map to 2021 General Election
The Electoral Commission requires UGX.796.88 bn for the organization of presidential and general parliamentary & local council elections 2020/2021. This amount is supposed to be released in 3 phases starting from the 2018/2019 to 2020/2021 to enable proper and timely implementation of the general elections. However, as at 30th June 2019, a total of UGX. 141 bn (18%) had been released to implement the activities of 2018/2019 and 2019/2020 instead of UGX. 439.067 bn with 1 year to the elections.

Activities critical to the roadmap that should have been implemented include; demarcation of electoral areas, re-organization of polling stations, specialised training (ICT, biometrics and due diligences of ICT procurement), voter education, acquisition of biometric voter verification system, developing election document management system, digitizing election documents and setting up an election digital archive among others.

The MTEF provision of only UGX. 141 bn in the year did not finance the above activities. This therefore prompted the Commission to reschedule the activities to the last year of the election. I observed that the financing of the road map to 2021 General Elections is behind schedule.

Government should consider prioritizing the financing of the roadmap given its gravity in having smooth and peaceful electoral process.
4.0 Implementation of Staff Performance Management Initiatives

Staff performance initiatives in the standing orders are supposed to guide in the management and evaluation of human resources in the public sector. Such instructions provide guidance in development of performance agreements and plans, completion of performance appraisals and monitoring of attendance among others.

Shortcomings were noted in the implementation of the provisions in the Circular Standing Instructions and Public Service Standing Orders on staff performance management initiatives in the sampled entities.

Out of the 1,337 senior managers (U2 and above/Heads of departments) in the 45 entities sampled only 278 (21%) had developed performance agreements. The absence of Performance Agreements limits effective accountability and demonstration of commitment to the government’s strategic goals as specified in the National Development Plan.

Further, out of the 16,104 staff in 46 sampled entities, only 1,711 (11%) had developed performance plans. As such, the basis against which individual performance achievements can be measured at the end of the assessment period is not provided.

With regard to performance appraisals, out of the 13,298 staff in 45 sampled entities, only 4,684 (35%) had carried out performance appraisals as at 31st July 2019. In the circumstances, management is unable to determine the extent to which set performance targets are achieved in order to enforce the rewards and sanctions guidelines as they largely depend on the performance appraisal process.

Further, as a consequence, a limited number of staff had their performance improvement plans developed implying that management was unable to identify the capacity needs and analyse the underlying reasons for inadequate performance.

Similarly, a number of rewards and sanction committees were non-existent. Out of the 21 entities reviewed, 16 entities (76%) had functional rewards and sanction committees. Besides, out of the existing committees, only 3 committees carried out the reward function as required. This implies that the performance of staff is not rewarded or adequately sanctioned.

In regard to monitoring of staff attendance, I observed that out of the 23 entities reviewed, 21 entities (91%) had mechanism for monitoring staff attendance. In entities where manual registers were used, the system was not effective in monitoring staff log out time because of absence of departure registers.
On the requirement of submission of reports to Ministry of Public Service, none of the entities submitted reports on performance agreements, performance appraisals, performance improvement plans and reports on absenteeism to MoPS. The non-submission of reports made it difficult for the Ministry of Public Service to undertake monitoring.

The above shortcomings were attributed to inadequate awareness of the requirements in the policies issued, inadequate follow up by the HR managers and Accounting Officers to ensure compliance, the peculiarity of some entities like Judiciary, Police, Defence and Prisons whose staff activities require a different tool that motivates staff and address challenges of frequent rotation.

I also reviewed 11 entities that do not entirely follow standing instructions issued by the Ministry of Public service but have Human Resource Manuals and report to the Boards and noted that out of the 1,719 staff reviewed, 1,202 had carried out performance appraisals representing 70%.
I also noted that only 6 out of the 11 entities had a mechanism of monitoring staff attendance in place.

I advised the Ministry of Public Service to sensitize staff on the importance of the staff performance initiatives and also design appropriate appraisal tool to meet the challenges of the different organizations.

5.0 Management of Domestic Arrears

5.1 Outstanding domestic arrears
According to the commitment control system procedures, a permanent Secretary is supposed to commit Government only to the extent of available funds. In addition in November 2016 the PS/ST issued a circular which prescribed the criteria to be met for arrears that can be recognised in the financial statements.

However, the trend of the domestic arrears for the past three years has continued to escalate despite several interventions by the Treasury as shown in the table and figure below.
Continued incurrence of domestic arrears adversely hampers budget performance in the subsequent year as outputs anticipated in the appropriated budget cannot be attained due to settlement of the arrears.

I advised Government to strictly adhere to the government commitment control system to minimise incurring new arrears.

5.2 Inadequate budget for domestic arrears

Section 13(10) (a) (iv) of the Public Finance Management Act, 2015 defines an annual budget as the financing estimates for the financial year to which the budget relates, including a plan for Government debt and any other financial liabilities for the financial year to which the annual budget relates.

Review of the approved budget estimates for the Government for the past two financial years indicated that the Accounting Officers did not make sufficient budget provisions towards the settlement of domestic arrears despite the accumulation of a total of UGX.2,567,489,551,939 in un-paid obligations. The amount provided in the budget for 2018/19 was only UGX.380,502,000,000 which is 15% of the reported arrears for the previous financial year.
I advised the Permanent Secretary/Secretary to Treasury to devise means of obtaining funding to settle all the arrears and also instill measures to stop the accumulation of arrears by the respective MDALGs.

### 6.0 Compensations/acquisition of right of way - Uganda Electricity Transmission Company Ltd


Government spent USD.330,690,000 (approximately UGX.1.25 trillion) in 3 financial years (2016/17, 2017/18 and 2018/19) on 18 projects over 50 districts in counterpart funding towards payment of compensation of Project Affected Persons (PAPS). I selected 4 projects with a compensation value of UGX.96.785 billion and observed the following key matters:

i. There were significant delays in undertaking Resettlement Action Plan (RAP) Studies and Social Impact Assessment with a time lag of 3 to 5 years which led to delayed commencement of projects after the loan effective dates, and as a result Government paid a sum UGX.37.37 billion and UGX.0.815 billion in commitment fees on loans acquired for the industrial park and Mbarara-Nkenda projects.

ii. The project cut-off dates were not communicated to the communities and as a result PAPs continued to develop their land and transacting other businesses after completion of the developments inventory. This resulted in increased compensation on Mbarara-Nkenda and Kawanda-Masaka by UGX.1.153 billion.

iii. Several valuation disputes which ended up raising the cost of the projects as a result of revaluation. For example, Mbarara-Nkenda and Kawanda-Masaka project cost increased by UGX.13.36 billion and 28.76 billion, respectively.

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2 Taking an average exchange rate of UGX.3800:1USD
There was low absorption rate of compensation funds released by Government on two projects of industrial park and Mbarara-Nkenda projects, where out of the released UGX.200.6 billion, only 110.5 billion had been paid out indicating an absorption rate of only 55%.

Despite the availability of funds for compensation by Government, PAPs delayed to be paid. 30% of paid PAPs took between 1 and 2 years to be paid contrary to the required six months. As a result of the delay, 37 legal suits were made against UETCL amounting to UGX.42.9 billion.

I also undertook a Value for Money audit on the compensation of Project Affected Persons under the Karuma and Isimba Hydro power projects and observed the following challenges affecting the PAPs.

Six years after construction works were launched, MEMD has not built resettlement houses for the 119 vulnerable PAPs displaced by Karuma dam while UETCL had, on the other hand, constructed and handed over 34 out of 50 planned resettlement houses to vulnerable PAPs affected by the transmission lines under their charge.

I noted that the initial CGV-approved compensation amounts increased for all projects by a range of 6.81% to 160.98% due to non-standardised application of property values/ rates. For instance, 191 sampled PAPs had their property valuation increase by UGX.12 billion due to increment in average price per acre (from UGX.15.04 m to UGX.56.65 m). Amounts payable to individual PAPs also increased between 0.71 and 4,000 times of the original assessed value.

Weaknesses in existing gazettement procedures allowed some PAPs to undertake developments, sell their land or process titles on the project land after it was gazetted. This led to six claims for additional payments amounting to UGX.763.18 million following titling after the cut-off date. 95 other land transactions/ transfers were observed along the Karuma – Kawanda transmission line after the cut-off date.

During surveying for compensation and erection of the towers of the Karuma-Lira transmission line, the RAP implementation consultant and the contractor hired by UETCL used different control points. However, the Secondary control points used were later found to be inaccurate and this resulted in the line constructed being misaligned to the land acquired. This exposes UETCL to potential extra payment of at least UGX 1.43 billion.
vi. Titling of project land was still incomplete, largely due to on-going land acquisition, reluctance by land owners to hand over titles, and delays in the land registration process largely at the ULC and the Land Registry in the Ministry of Lands.

vii. All project sites were handed over to contractors before land acquisition was completed contrary to the requirements in the Land Acquisition Act, the highest delays being approximately 72 months after project commencement. This resulted in increase in disturbance allowance for Karuma from 15% to 30% resulting in extra payment of about UGX.555.7 million that could otherwise have been avoided.

viii. Fifty three (53) suits had been filed by 137 PAPs unsatisfied with the grievance management results exposing Government to demands amounting to at least UGX.440.96 billion. If these claims are granted, they will more than double the compensation costs under Karuma dam, and increase compensation under Isimba dam and reservoir by at least 12 times the current expected cost.

I advised Government to take a holistic review of the compensation processes to iron out deficiencies which lead to unnecessary leakage of funds.

7.0 Unfunded Town Councils

Over the last five years, Government has created a number of Town Councils which should be financially independent from the Districts from which they were created in line with Section 79 of the Local Governments Act. I noted that out of 583 Town Councils created only 228 have been approved by MoFPED for access of resources from the national budget. The balance of 355 Town councils that require UGX.622 bn for start-up and operational costs remain unfunded and rely on internally generated funds which are very meagre to sustain their operations. This significantly affects the ability of these Town Councils to operate and later deliver services to the people. Government appears to be unable to fund the newly created Town Councils.

I have advised that for any additional administrative institutions created, should be matched with the available resources.
8.0 Management of Government Land

8.1 Absence of a Government Land Inventory
The Uganda Land Commission (ULC), charged with the acquisition and management of all Government land, did not have an inventory for all Government land and properties that are either occupied by tenants, vacant, acquired under compensation (but not yet re-distributed to the bona fide occupants), or acquired and owned by other Government institutions and missions abroad. This inadequacy has contributed to Government losing land to land grabbers, squatters and also loss of revenue collections from property premiums and leases.

I observed that land totalling 395,167 acres in 5 Government entities was encroached (National Animal Genetic Resource Centre & Data Bank, National Agricultural Research Organisation, National Forestry Authority, Ministry of Defence and Dairy Development Authority).
I also noted unquantified land has been encroached on in 4 other Government entities (Uganda Police, Directorate of Citizenship and Immigration Control, Dairy Development Authority and Ministry of Agriculture, Animal Industry and Fisheries).

Due to the absence of a land inventory, Uganda Land Commission has in some instances made wrong allocations where Government institutions have lost prime land, and where allocation decisions have been cancelled, Government has lost significant amount in court damages and awards. In the current year alone Uganda Land Commission incurred a total of UGX.19.496 bn in court damages due to wrong award in a single case.

Management at Uganda Land Commission attributed the challenge to lack of funds and information pertaining to land ownership/usage from the various MDAs.

I advised Uganda Land Commission management to liaise with the concerned Government institutions to provide the requisite data, and MOFPED to provide additional funding for the creation of the Government Land Inventory.
8.2 Increasing land compensation claims
The current land compensation claims at the Uganda Land Commission stand at UGX.194 bn. This increased by UGX.7.162 bn during the current year. However, this amount is not supported by complete and appropriate documentation. The claims have been outstanding for a while due to the limited budget allocation to the Commission. The delayed settlement of the claimants has led to litigation challenges and up-ward revision of claims. For example, at the beginning of the year, the Lands Ministry had outstanding claims of UGX.30.885 bn in respect of 85 persons.
During the year, there was a revaluation of some of the debt; this led to an increase of the debt to up to UGX.53.447 bn. Out of the revised claims, only 7 persons were compensated at UGX.22.437 bn leaving an outstanding debt of UGX.31.010 bn.

I advised Government to operationalize the Land Fund in accordance to the law. Further gradual compensation strategy should be developed to ensure compensation liabilities are brought down to a manageable level.

9.0 The National Backbone Infrastructure/Electronic Government Infrastructure (NBI/EGI) operated by NITA-U
Section 4 (a) of the NITA Act provides that NITA-U shall provide internet services to the Government. In addition, regulation 10 of the NITA-U (E-Government) regulations provides that all public bodies shall use the NBI and electronic Government infrastructure as the primary vehicle for all Government data, internet and voice services.

The NBI/EGI project is an important intervention by GOU to address the challenge of internet connectivity and ICT infrastructure to enhance e-Government services across Government entities in the whole country; which is in line with the NDP priorities and Vision 2040. To date, the GOU has invested a total of USD.191 million in the NBI/EGI project. A review of the operations of the NBI/EGI revealed the following:

9.1 Limited use of the NBI/EG infrastructure
I noted that a total of 445 sites out of the envisaged 20,000 are connected to the NBI and of these 369 are using the related services. 76 sites though connected to the NBI, are not utilising the available services.
Under the circumstances, Government is still a long way from realising its target of having all Government sites connected to the NBI. Since the law requires all Government data to be transmitted via the NBI there is need to enforce this by making sure that all connected sites use this service.

The UGX.1.047bn spent on last-mile connection infrastructure to the 76 sites which are not using the NBI services may be wasted if the investment is not put to proper use and the equipment may become obsolete before usage. Relatedly a total of UGX.25 bn was in the FYs 17/18 and 18/19 used by MDAs, which are connected to the NBI, to pay for alternative internet bandwidth service providers. This is against the law and because their budgets had already been included in the NITA-U budget, it points to wastage.

### 9.2 Limited use of the National data centre services

Government has so far invested USD.1,241,079 on setting up a national data centre. Currently, 82 out of 342 Government online applications are using the data centre services. It should be noted that running parallel data centres is costly for the Government due to the duplication of costs. Currently, 40% of the available data centre capacity is being utilized.

I advised Government to ensure that all new data centre implementations and upgrades are approved by NITA-U before budget allocation, this way NITA-U will ensure that all applications that can be accommodated come on board.

### 9.3 Coverage of the NBI

NITA-U has so far laid 2324Km of optic fibre cable under phase I-III. Currently, Phase IV expected to extend the network to West-Nile and three border towns is underway. However, a number of last-mile connections have not been done hence the low numbers in connectivity. Most parts of the North and North East have not been covered due to lack of financing and will be covered under phase V.

I advised NITA-U to expedite the last mile connections in the pipeline as well as developing a plan to finance phase V.
9.4 **Underutilisation of the internet bandwidth**
NITA-U procured 10Gbps upstream internet bandwidth under an indefeasible right to use arrangement. Currently, 50% of this capacity is commercially utilised with the rest offered as free WiFi. This has contributed to the high cost of the internet bandwidth as the sites which use the 50% subsidise the WiFi offered for free.

Government is urged to expedite the last mile connections in the pipeline and also involve the private sector in the uptake of this bandwidth.

9.5 **Cost of the internet bandwidth**
NITA-U buys upstream internet bandwidth at a cost of USD.2.6 Mbps per month and sells to users at a cost of USD.70 Mbps per month.

The selling price is driven by maintenance costs, cost of upstream bandwidth and the non-tax revenue transferred to Treasury.

The cost is still high partly due to the underutilisation referred to above, maintenance costs and the high cost for the upstream bandwidth. However, it should also be noted that 50% of this cost is transferred to the UCF as Non-Tax Revenue.

This cost can be driven downwards if Government makes a deliberate effort to increase uptake by users and also implement a policy for shared infrastructure services to lower maintenance costs. In addition, if the Government revenue portion of USD.35 Mbps is waived the cost can come down by 50%.

10.0 **Energy Losses**
The power purchase agreement between Uganda Electricity Transmission Company Limited (UETCL) and the Generation Company (GENCO) requires that energy sold and purchased shall be delivered by to UETCL at a delivery point. The Power sale Agreement states that UETCL shall own, operate and maintain the transmission system used for transmitting electricity above 33kv and which may be connected to UEDCL distribution system.

In the approved budget for the service territories in the financial year 2018/19, the Regulator (ERA) assumed a loss factor of 25.68% which comprise UEDCL’s application of 20% normal loss and the associated wheeling loss factor of 5.68%.
During my audit of the electricity sub-sector, I noted the following in regard to the Energy losses:

i. In the FY 2018/19, UEDCL disclosed payables of UGX 9.5 billion towards bulk power purchase, of this amount UGX 5billion was due to power evacuation losses from Nkusi hydro power plants (HPP) in Hoima district. In addition, Kilembe Investment Limited and Pader-Abim Co-operative Multipurpose Society lost revenue amounting to 377.3 million, 141.7 million and UGX 32.7million, respectively resulting from power losses.

ii. Significant increases in energy losses was noted in the Mid-West, North East and North West service territories with losses of 31%, 37% and 47%, respectively which were over and above the allowable losses (25.68%) by the Regulator.

iii. The major cause of the energy losses was due to the evacuation of high voltage power onto low and medium voltage distribution lines which resulted into significant energy losses where the company did not generate economic value. This was attributed to delayed construction of power evacuation lines and substations.

iv. Analysis of outage schedules of 4 out of 6 distribution companies (mini grids) revealed that a number of outages and the associated energy and revenue lost stemmed from the unreliability of the network infrastructures of Umeme and UETCL as per the 2018 and part of 2019 reporting schedules by the distribution companies.

A number of distributing companies are faced with the challenge of Energy losses. The energy loss translates into revenue losses which negatively impact on the reliability of electricity supply in the different service territories operated by the companies. In addition, excessive power losses lead to increased power tariffs paid by consumers.

Government should devise measures of improving the efficient evacuation, transmission and distribution of electricity. In addition, strategies of resolving challenges leading to energy losses in the electricity sub-sector should be developed.
11.0 Payment of Royalties in the Mining Sub-Sector

During the year the Ministry collected UGX.10,503,398,902 in respect of mining royalties, however, a review of reports from the Customs and Excise Department of Uganda Revenue Authority (URA) indicated that Government should have collected UGX.70,193,258,898, in royalties, using the applicable rate of 5% from gold, tantalum and tungsten.

The following weaknesses in the assessment of royalties need to be addressed:

i. The Ministry relies on declarations from the mining companies in form of monthly production returns, which are not independently verified.

ii. There is no permanent presence of inspectors of mines from the ministry to confirm production figures declared which creates a potential risk of under declaration of production.

iii. The MEMD has not set up weighbridges on the major routes where bulky and expensive minerals such as pozzolona, limestone and base metals are transported.

iv. There is lack of coordination between the various Government institutions, and the failure to share the collected data, causes the ministry’s inability to institute proper verification mechanisms.

The Ministry attributed the above weaknesses to inadequate human resource in the inspection and monitoring division in addition to the limited budget.

The failure to close gaps in the royalty assessment and collection processes may lead to loss of Government revenue through under declaration of quantities and smuggling of minerals.

I advised Government to address all the weaknesses in the assessment and collection of royalties.
12.0 Reception Centre for workers in distress in the Uganda Mission Abu Dhabi

In the recent times, there has been a surge of Ugandans seeking employment in the Middle East. There have been a number of instances of run-aways of Ugandan workers from their respective employers due to various reasons. As such, the Mission in Abu Dhabi operates a reception centre which is meant to provide temporary accommodation.

During the year under review, the Embassy rescued 200 Ugandans (female) in distress. It was noted that the majority of the females did not seek to get employment through the registered agencies in the Ministry of Gender. Further, the reception centre is inadequately financed to cover the requirements of approximately UGX.0.520bn annually as opposed to the provided amount of UGX.0.251bn. Consequently, the Embassy has had to solicit for help from UAE church, and Uganda community in Abu Dhabi.

There is need for Government and parliament to address the matter at a national level. Further, Government should resource the Abu Dhabi Mission to enable it handle the requirements of the reception centre.

13.0 Government project to raise on-farm productivity, production, and marketable volumes of selected agricultural commodities

The project contracted United Bank of Africa (UBA) as the Electronic Voucher Management Agency (EVMA) at a contract price of UGX.5,999,911,250. The EVMA developed a system meant to facilitate or enable farmer’s access grants worth UGX.39.9bn and provide matching grants worth UGX.20.3bn from the project for the year. However I noted challenges in the use of this system (EVMS) to facilitate farmers’ access project grant. The challenges included:

i. Delays in the procurement of the EVMS.
ii. Delays in the procurement of the consultant who was supposed to guide the implementing team in the critical activity of planning and actions needed to ensure successful launch of the E-Voucher in the pilot districts. Eventually this phase was undertaken without a consultant despite the limited experience by the implementing team as pointed out by the World Bank team.

Delays in the implementation of activities have resulted into low number of farmer’s enrolled, inadequate use of system and failure by the Agro input dealers to redeem.
As a consequence of the above, the project implementation has lagged behind schedule. As at 30th June 2019 the anticipated farmers to have accessed the grant were supposed to be 240,500 instead only 10,650 farmers managed to access the inputs through the system. The General overall performance of the project is at 4% as opposed to 50% of the rollout of the E-Voucher program Annex 2(3) of the Project Appraisal Document.

There is need for Government to review the structure and operations of this project with a view to expediting its implementation and effectiveness.

14.0 Government Investments

14.1 Performance of Uganda Air Cargo

Uganda Air Cargo Corporation (UACC) is 100% owned by the Government of Uganda and under the supervision of the Ministry of Defence and Veteran Affairs. It was established to offer Air Cargo Transport services and Air Passenger Charter services. The Corporation has continued to operate amidst a wide array of challenges. Between 2009 and 2013, the Corporation recorded outstanding performance in which period it expanded the fleet from one aircraft to four, two C130 and two Y12.

This performance was disrupted in June 2014, after the revocation of the Corporation’s Air Operator Certificate (AOC) by the Uganda CAA. The effects of the loss of the license were adversely strategic. The Corporation suffered huge losses during the period 2014 to 2015 resulting into; erosion of operating funds, accumulation of fixed costs and loss of customer confidence by clients. The Air Operator Certificate was later restored. However, the Corporation is faced with a number of challenges noted below:

i. Three aircrafts i.e. 5X-UDF, 5X-UYX and C130 have remained grounded requiring major overhaul. The cost for restoration of the three grounded aircrafts has been escalating over time. The longer the aircrafts remain grounded, the more costly it is to restore. At the time of grounding the aircraft, the costs were US$8m compared to US$11m now. The challenge is caused by lack of capitalization and operating funds, therefore inadequate capacity due to limited aircraft carriage.
ii. The opportunities for these aircrafts have not been utilised. Consequently, the Corporation lost contracts with the United States Government and UNDP worth over US$11m a year in gross revenue. The Corporation is capable of providing the following services: air cargo freight, air passenger charters, medical evacuations, VIP charters, fun flights, aerial surveys, leisure/tourist charters, business charters, humanitarian/relief flights and international conference charters if funded adequately.

The apparent failure by the shareholders to appreciate the potential of UACC and the benefits of airline operations to the national economy could lead to the collapse of the company. Government should consider recapitalisation of the corporation to avoid further escalation of the costs of restoration of the aircrafts.

14.2 Funding for Uganda Development Corporation (UDC) projects
At the close of FY 2018/2019, Uganda Development Corporation (UDC) had UGX.12,178,595,290 as unspent funds. Under the current funding arrangement, such funds have to be returned to Treasury despite ongoing works and studies.

In addition, I noted that funding for some projects was not consistent. This has led to idle capital as funds are tied up for long periods before completion of projects to commercial production. A case in point was Luweero Fruit Industries which was last funded in 2010 and the next release was in 2018. There is a need to capitalise UDC with funds to allow them to select viable projects and prioritise projects to completion.

Further, despite Government investing UGX. 131.28bn since 2010, in value addition projects, through UDC, only two out of the thirteen projects are operational. Challenges encountered include; land ownership, lack of feasibility and environmental studies, unutilised funds, delays in installation of machinery. There is a risk of Government failing to realise the objectives of the investments. Government should come up with a strategy to the overcome these challenges.
15.0 Youth Livelihood Programme

During the financial year 2018/19, the Youth Livelihood program only received UGX.48.4 billion (73.9%) out of its annual approved budget of UGX 65.6 billion. The districts have continued not to remit recovered programme funds back to the national recovery account on a timely manner. This year, UGX 2.9 billion remained on various district recovery accounts.

In addition, up to UGX.5.6 billion of the recovered funds could not be tagged to any district or youth group. There has been limited progress in revolving the fund, as districts have been delaying the processing and submission of the youth group applications to the ministry. Out of UGX.26.5bn of the recovered funds, only UGX.9.4bn was revolved to other youth groups leaving a balance of UGX.17.1bn unutilised on the national recovery account.

I advised Government to consider automating the operations of the Program which will ensure linking of the group disbursements, repayments, district submissions, district recovery accounts, and the National recovery account with an objective of ensuring timely access to all data related to the Program for proper decision making.

16.0 Uganda Women Entrepreneurship Programme

During the year, out of UGX.38.7bn budgeted for Uganda Women Enterprise Program (UWEP) activities; UGX.33.22bn (85.8%) was released indicating a shortfall of 14.2%. Like the YELP, the UWEP recovered funds form the women’s groups at the district level, was not remitted to the national programme recovery account in a timely manner.

I noted that UGX 1.15bn remained unremitted by the districts. In addition, up to UGX. 0.595bn on the recovery account, could not be tagged to any women group or district as recovered.

I advised Government to consider automating the operations of the Program which will ensure linking of the group disbursements, repayments, district submissions, district recovery accounts, and the National recovery account with an objective of ensuring timely access to all data related to the Program for proper decision making.
17.0 Operationalization of the Pensions Fund
The cabinet under Minute 71 (CT 2017) 3 (1) acknowledged the need to reform the current Public Service Pensions Scheme. One of the critical changes approved as part of the conversion process was to convert the current public service pension scheme from defined contribution to a defined benefits pension plan.

Under the new arrangement, the current non-contributory pension scheme would be converted to a new contributory defined benefit pension plan based on payroll contributions covering the teaching, traditional, police, prisons, local Government service employees and employees on contract. To operationalize this, the Government set out to establish a Public Service Pensions Fund that would be separate from the Ministry of public service and regulated by the Uganda retirement benefits regulatory Authority (UBRA).

However, I noted that at the time of the audit, the above reforms were on course of being actualized but no budget provision had been made for these activities even after the cabinet recommended of a provision of UGX.15 billion as start-up costs and UGX.13 billion as recurrent costs for the fund.

Failure to operationalize the Public Service Pension Funds implies that Government will continue to meet pension costs for all public servants which is a huge cost for the Government and against the spirit of the reforms where public servants contribute to their pensions.

I advised the Ministry of Public Service to engage the other concerned stakeholders to ensure that the fund is operationalized.

18.0 Scholarships to Ugandans
Section 19 and 20 of the Higher Education Students Financing Act 2014 provides that bilateral scholarships may be awarded subject to conditions agreed upon by the donor country and the Government of Uganda. Sections 18 provides for eligibility of Ugandan students whose selection is determined by the Higher Education Students Financing Board.

I observed that the mandate of managing Government scholarships has not been handed over to the Board. The procedure of accessing information on scholarships is not properly streamlined resulting into low utilisation of the scholarships availed.
The beneficiaries processed the scholarship application at either the Embassy, the Ministry of Foreign Affairs or Ministry of Education and Sports and this came with a number of challenges. It was observed that out of 339 scholarships secured from 4 embassies, only 91 scholarships were utilised while 248 scholarships were not taken up representing 73% underutilisation.

Underutilisation of scholarships offered implies that Government is not playing its role of ensuring that Ugandans are able to access these opportunities.

I advised Government to ensure that the Board is fully operationalised to enable interested Ugandans to obtain information regarding the scholarship opportunities available and also ensure the process of informing and selecting beneficiaries is streamlined/centralised to enable maximum benefit from these opportunities.

19.0 Case backlogs in JLOS sector
JLOS sector has had challenges of handling cases of various categories within the expected time frames. This has had effects in Uganda Police Service, Uganda Prison Service and the Judiciary. Below are the highlights of the effects at the various institutions.

19.1 Performance in the investigation of crime
Statistics for the last six years (2013 – 2018), relating to detection, prevention, and investigations of crime by police show improvement in performance in the investigation of crimes at 1:45 against the recommended caseload per CID officer of 1:12 cases per year. Actual performance indicated that for the last five years, the total reported cases were 1,251,344 out of which, 302,745 (24.2%) were successfully investigated leaving a balance of 948,599 cases (75.8%).

The Directorate of Government Analytical Laboratory (DGAL) exists to provide forensic examination of cases to guide investigations and prosecutions to the Justice Law and Order Sector (JLOS), majorly the UPS. However DGAL has also had challenges in analyzing received case requests. Although the backlog cases yet to be investigated have reduced by 37% over the past 4 years, during the year, only 2247 (87.3%) out of 2573 applications received were analyzed.

The failure to handle all the reported cases was attributed to inadequate skilled manpower and resources within the Directorate of Criminal Investigations and DGAL.
19.2  Failure to clear case backlog at Judiciary
Emanating from the above, I noted a rising trend of case backlogs under the Judiciary, which had increased by 10.7% overall, with the Magistrate Grade I and Chief Magistrates Court registering the highest growth rate of over 16%.

The rising trend of case backlogs was attributed to the delayed implementation of the approved Organisation structure and inadequate wage budget to recruit Judicial Officers.

19.3  Overcrowding in prisons stations
In the Uganda Prisons Service (UPS) Strategic Investment Plan 2016/17 -2019/2020, UPS made a commitment to build more prisons to decongest the existing ones and reduce occupancy capacity from the baseline of 293% to 286%. At the time of writing this report, UPS was in the last year of implementation of the Strategic Investment Plan IV.

I undertook an assessment of the current population and occupancy at 12 prisons and noted that occupancy percentages were over 2,000% which is 10 times the holding capacity and 9 times above the baseline capacity. This is majorly due to high prisoner population growth without a corresponding increase in prisons holding capacity.

There is a risk of case backlogs escalating to unmanageable levels, which negatively impacts on the objective of reducing case backlogs in the JLOS sector.

Government needs to address the staffing and infrastructure challenges faced in the JLOS sector.

20.0  Failure to share information among Government institutions
URA does not seek information from a number of Government agencies yet it would be vital for tax assessment and collection. On the other hand, some Government agencies are also not cooperating with URA to foster the collection of revenue. Cases in point include;

i. Work permit data from Immigration would enable URA to assess PAYE for foreigners more accurately.
ii. Driving permits issued by Face Technologies can enable URA to reconcile with what was paid in the E-tax system.
iii. Land transactions undertaken could enable URA to assess whether stamp duty has duly been paid.
iv. Registered schools from the Ministry of Education.
v. Registered Clinics and Pharmacies from Ministry of Health.
vi. Licensed law firms form the Uganda Law Council.

The continued operation in silos is costing the nation a lot in form of taxes lost.

Government should develop a strategy that will ensure coordination among all Government bodies to ensure improvement in the tax to GDP ratios.

21.0 Technical/ Engineering Audit of the two projects implemented by Uganda Civil Aviation Authority (UCAA)

In the financial year 2018/19, UCAA implemented the 2 infrastructure projects namely; Modification of the Passenger Terminal Building at Entebbe International Airport project worth UGX.42,695,026,700 and the Design and Build of Entebbe International Airport upgrading and expansion project worth USD.200,000,000. These projects were selected for a technical /engineering audit. Key audit findings resulting from the engineering audit performed are presented below.

21.1 Design and build of Entebbe International Airport upgrading and expansion project
a) Lack of project cost estimate and scope schedule

It is expected that for projects conceived to be implemented through a design and build method, a comprehensive project criteria is developed by the owner before any design and build contractor is selected. The project criteria should include amongst other requirements the project scope, budget, and schedule.

However, I observed that there was no comprehensive project criteria developed by CAA before selecting a design and build contractor. This denied the project owner/client information on the final total project cost after design which may result in further variations, extensions of time and delays to the projects.
b) **Lack of review of feasibility study report from CCCC during procurement of works**

I noted that the EPC Contractor CCCC pre-financed the feasibility study for the Design and Build of the project. The feasibility study report submitted to CAA in December 2013 costed Phase 1 of the project at USD 200,000,000 which later culminated in a contract between CAA and CCCC on October 2014 for USD.200,000,000. There was however no independent review of the feasibility estimates by CAA during procurement stage which would have informed Government on the reasonableness and accuracy of the cost estimates prior to agreeing to CCCC securing the funds from Exim bank of China.

Additionally, the CAA contracts committee approved the project cost in the feasibility study on 23rd September, 2014 without undertaking an independent evaluation of these costs.

c) **Lack of scheme/concept designs**

The review of project documentation established that scheme/concept designs which are a basis for initial cost estimation and alignment of the project cost and budget available, were not availed for audit. It is therefore not clear how CAA arrived at the estimated cost of USD.270,041,000 for the upgrade and expansion of EIA project under the externally funded category. This stage was very important for this type of design- build method of project delivery adopted for the expansion project.

d) **Unexplained varying of employers requirement for construction of ground car park**

The feasibility study report (Technical proposal) submitted to CAA in December 2013 by CCCC which was costed at USD.200,000,000 included construction of a Ground car park, however the signed contract agreement excluded the construction of the Ground car park. Instead the car park was replaced by two new items i.e. on-site water supply system, fire water system and associated facilities; and Exploration and design amounting to USD 14,616,776. The amendments were not captured in the contract documents and negotiation minutes.
e) **Delayed implementation of works**

Review of the works contract and progress reports showed that the works which commenced on 8th October 2016 are expected to achieve 100% completion on 9th May 2021. However by June 2019 works were at 43.01% physical progress against an elapsed project time of 60.14% which translates into 10 months of delay.

It was also noted that 100% completion of the New Cargo complex was to be achieved by 2nd Dec 2018 (according baseline program - which has never been updated). However by June 2019 progress of works achieved was only 80.45%. This is however is on the critical path of commencement of construction of the Passenger Terminal Building (PTB) which was expected to start on 3rd Dec 2018 with the demolition of existing cargo building. This activity had not started at the time of audit and may affect the completion time of the project.

f) **Expired Professional Indemnity Insurance**

A review of the monthly progress report for June 2019 revealed that the Professional Indemnity Insurance filed by the contractor had expired on 31st March 2019 and at the time of audit in September 2019 had not yet been renewed. Lack of a Valid Professional Indemnity insurance cover puts the works of the contractor at risk should any injuries; accidents and death occur during execution of the works. CAA may also not qualify for compensation arising from omissions made by the contractor such as wrong designs or poor workmanship.

g) **Delayed payment of Interim payment certificates (IPCs)**

A review of payments to the contractor revealed delayed payment of 22 IPCs with an invoice value of USD.23,130,646. The payment delays for the IPCs ranged from 94 days to 461 days after submission by the consultant contrary to the maximum requirement of 56 days. Delayed payment of IPCs causes delays in the progress of works and may result in the contractor charging interest.
h) **Delayed Procurement of Supervision Consultants**

It is good practice for the consultant to be procured earlier and be in place prior to procurement of the contractor. Should the need arise to have design reviews undertaken, sufficient time should be allowed for the Consultants to finalize the design review and prepare tender documents based on the revised design.

It was noted that due to the hurdles that were faced during procurement, the consultant commenced services 10 months after the works commenced. This introduced the need for the employer to institute a supervision team who supervised the contractor in the initial stages of execution.

I advised the Accounting Officer to address the challenges above and ensure that the project is implemented as planned.

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21.2 **Modification of the Passenger Terminal Building at Entebbe International Airport**

a) **Inadequate user needs assessment**

A design consultant was engaged to carry out the design for the project at a cost of UGX.613,526,250. However I established that the entire project has been redesigned owing to new demands by the client. This implies that there were shortcomings in the needs assessment phase of the project.

b) **Project Implementation without known Scope**

From the review of addendum No.1, 2, and site inspection of implemented works, it was noted that the consultant failed to fully quantify the project after redesign. Failure to quantify the project after redesign denies the client knowledge of total project cost which could result in cost variations and completion delays.

c) **Slow progress of works**

A commencement order for works was issued on 1st June 2016 but the works commenced 9 months later. This delay in commencement as well as other contract management issues like design update, change of scope, resulted in several extensions of time totalling to 24.5 months.

I noted that even with the extension of 24.5 months, by the end of June 2019, the physical progress of works was only 42.193%, against an elapsed project time of 85.7%.
d) Payment for unjustified Preliminaries
UGX.494,909,091 was paid as running expenses to the contractor for the period July 2016 to February 2017 yet no works were executed in this period. Physical works commenced on 1st March 2017.
Furthermore, a total of UGX.295,583,826 has been paid as per IPC 22, as costs due to extension of time in contravention of the decision by the CAA Board as contained in the letter dated 8th November and 497th contracts committee meeting which rejected any costs due to the third extension of time.

e) Unjustified Claim
The review of contract documents indicated that the contractor claimed for UGX.11,473,452,129 as price adjustment. However in the original signed contract, it was clearly stated under clause SCC 47.1, that “This contract is not subject to price adjustment”. Nevertheless, the CAA Contracts Committee approved a request to amend the contract.

f) Delivery of only one floor at contract expiry
CAA signed a contract for the modification of the terminal to be delivered fully functional within 17 months. After project extension of 24.5 months, I noted that the project will not be fully functional and at expiry, only the first floor (the departures level), will be operational with all other components not functional. It should be noted that the public will not receive the facility as expected, and the unfinished works may be a safety hazard to the users of Entebbe Airport. It is also not clear whether the terminal building will meet the requirements for the occupational permit if it’s not fully completed.

g) Quantity verification
Sample items of executed works were measured in the presence of the supervising consultant and contractor’s representatives and compared with certified quantities in interim payment certificates. It was noted that the contractor had been overpaid by UGX.2,156,511,614.
h) Supervision of Works
Through audit inspection of works, it was noted that inspite of the magnitude of the project, only a clerk of works is present on site to supervise all the works. This results in ineffective supervision of works by the consultant.

i) Execution of Steel works without Bar Bending Schedules
It is required that after structural design, construction drawings are detailed, and a bar bending schedule that details reinforcement cutting and bending length is generated, and issued to the contractor to help in bending, and placement of bars. However, it was noted that Steel works for the project were executed without Bar Bending Schedules from the Structural Engineer. Absence of the BBS means there was a challenge in quality checks and quantification of steel during implementation.

In addition, my review of the structural drawings issued to the contractor revealed errors in the detailing of the reinforcement, and the bar bending schedules for the project which might have resulted in an increase in the contractors claim for steel. Poor detailing of structural drawings also leads to errors during placement of reinforcement and could result in an over or under designed project.

I advised the Accounting Officer to follow up the matters above and ensure that the project is completed as planned.
22.0 Engineering Audit of a selected sample of road development, bridge, rehabilitation and maintenance projects implemented by Uganda National Roads Authority (UNRA) during the year

In the FY 2018/19, 74 projects were being implemented by UNRA at a total contract sum of UGX.24.611tn.

I selected 13 Projects worth UGX. 1,358,928,735,218.8 and Euro. 106,480,753.07 for review and observed the following:

a) Inadequate designs and planning
It was observed that the majority of projects audited were initiated without sufficient planning. The designs of the sampled projects were inadequate and resulted in multiple variations in time and cost for all projects and escalation of quantities on others. Design reviews also took longer time to compensate for the inadequacies.

In addition, several omissions in completed designs were noted on the sampled projects which, if not addressed, will compromise the safety during use and reduce the design life of the facilities.  
For Bumbobi-Lwakhakha project, the design left out checks on serviceability requirements of the box culverts; while Waiga and Waaki Bridges along Hoima-Butiaba-wanseko, the design initially had inadequate openings for the design flow rates.  
For Ishaka-Katunguru and Kyenjojo-Fort Portal rehabilitation projects, pavement evaluations and feasibility studies were done after the Contractor had commenced. The design and build bridges were also initiated without concept designs.

b) Under-estimation of quantities
It was noted that for various sampled projects, the quantities for execution were underestimated both during initial design and even after design review in some instances. This was more pronounced on all sampled development projects and rehabilitation projects where design reviews were undertaken.  
A case in point is on Hoima-Butiaba-Wanseko contract where amounts rose by USD. 12,095,257.87 for increase in quantities (over 800% for excavating in soft material, 138% for rock excavation, 338% for excavation in swamps and 1300% for top soilings among others).
c) **Inclusion of unnecessary items in contracts leading to increase in contract amounts**

The contracts assessed had inclusions of unnecessary items which raised their subsequent contract amounts. This was mostly encountered on design and build bridge projects where items that could not possibly be needed were used to contribute to the contract sums. These additions increased the contract prices by over UGX. 6,710,431,291 (VAT exclusive) on three projects. This was attributed to failure to undertake due diligence on the procurement (bid preparation) and contracting process.

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d) **Delayed handover of the sites to the contractor**

Several sites were not handed over to the Contractor in time which led to failure to deliver on project milestones as contractually agreed at contract signing. Generally, the Contractors failed to handover 30% of completed continuous project lengths at the agreed time (60% of project time).

Delayed hand over of sites resulted into extension of time leading to additional time-related costs for example Bumbobi-Lwakhakha where the time related costs have exceeded the initial budget by over UGX.500 million.

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e) **Avoidable interest on advance payment**

Several project contracts had provisions for advance payments to Contractors which were also categorized as (“interest free loans”) to assist them with cash flow support and mobilization. The same contracts allow the contractor to charge interest for delayed payment of the advance payment by the client (UNRA).

In my opinion, this contractual requirement is unfair to the client given that it is meant to support the Contractor. This was observed in Bumbobi-Lwakhakha and Kyenjojo-FortPortal projects with avoidable interest cost of UGX.424,035,008 and USD. 188,969.9.

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f) **Delayed payments to the contractors**

It was observed that the contractors’ payments were delayed in all cases resulting in interest claims on the delayed payments. For Soroti-Katakwi-Akisim and Musiita-Lumino-Majanji projects, a total of UGX.2,157,730,017.39 and USD 691,479.07 had been claimed and will be paid as interest on delayed payments.
g) **Increase in project costs due to payments in foreign currencies**

It was observed that the fluctuation of the Ugandan shilling against the foreign currencies resulted in an increase of the project cost by over UGX. 10.077 billion on Bumbobi-Lwakhakha road, Kyenjojo-FortPortal, Lopei Bridge and Kaabong bridge. Such increase in project costs impact on overall project implementation as it is sometimes not budgeted for.

h) **Over-payments on excess quantities**

Several overpayments were noted on 4 projects resulting from certification of more quantities than had been executed by the Contractors. This led to an overpayment of UGX. 144,809,402.26 as summarized in Table below:

<table>
<thead>
<tr>
<th>SN</th>
<th>Project Name</th>
<th>Over-payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Musiita-Lumino-Majanji</td>
<td>44,353,281</td>
</tr>
<tr>
<td>2</td>
<td>Bumbobi - Lwakhakha road</td>
<td>3,072,021.26</td>
</tr>
<tr>
<td>3</td>
<td>Kaabong bridge</td>
<td>8,521,500</td>
</tr>
<tr>
<td>4</td>
<td>Waiga bridge, Ruzairwe bridge, Nsongi bridge, Mpondwe bridge</td>
<td>88,862,600</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>144,809,402.26</strong></td>
</tr>
</tbody>
</table>

The Accounting Officer should address the issues noted above through my recommendations in the detailed reports.
23.0 Value for Money Audit on production and productivity of the coffee sub-sector

The Government has focused on coffee as one of the priority agricultural enterprises because of its potential for the high contribution to export earnings and percentage contribution to the country’s GDP. To harness the potential, Government intervened by providing UGX.231bn through UCDA towards the provision and distribution of production inputs over the past five years.

This intervention has resulted into provision of over one (1) billion free coffee seedlings to farmers which has led to an increment in the total coffee tree population by 141%. The intervention has also stimulated the increase in coffee production and export volumes by 68% and 29% respectively. Increase in export volumes have led to increased export earnings by 3.48% from US$ 402 million in FY 2014/15 to US$ 416 million in FY 2018/19.

Despite the interventions made by Government, the estimated coffee yield of 0.6T/Ha (0.44kg/tree) has not increased to meet the expected yield of 1.5T/Ha (1.05kg/tree). Further, the rate of survival of the coffee seedlings distributed to the farmers was below 55% during the year under review.

The low yields and low survival rates were attributed to late delivery of coffee seedlings, inadequate preparation of gardens by the farmers, limited support to farmers with other inputs such as fertilizers and pesticides and inadequate extension services.

Further, I noted that there was distribution of low yielding coffee varieties. NaCORI phased out the Robusta elite variety in 2009 and developed improved new coffee varieties (Kituza Robusta 1-10). However, the 3,104 nursery operators certified by UCDA have not adopted the new coffee varieties and have continued to supply the phased out variety (elite seed).

These weaknesses can be addressed by registering and organizing farmers into groups to efficiently facilitate extension support, improve accessibility to agro-inputs such as fertilizers and pesticides, promote the use of appropriate planting materials as guided by the coffee research and develop a joint operational framework to harmonize coordination among key stakeholders.
24.0 Value for Money Audit on the effectiveness of import inspections by UNBS in the regulation and enforcement of product standards

Government has made a number of interventions in a bid to curb the proliferation of substandard products on the Ugandan Market. The funding for UNBS for instance has increased by more than 65% from 3.7bn to 6.3bn in the last three years which has increased regulatory activity in the form of inspections, sample testing and market surveillance. Despite this, there is a lot of public outcry about the existence of substandard products on the Uganda market.

UNBS still has challenges of coverage of all the entry points through which imports access the market. As a result, 22% of the imports which should have been inspected in the last three years were never examined. There were also several challenges in the Pre-Verification of Conformity (PVoC) inspection system, and the long turnaround times that resulted in additional costs of doing business for the traders.

I also noted that the testing methods were not comprehensive in some aspects and as a result, some hazardous ingredients were not tested even where samples were taken to the laboratories.

I also noted weaknesses in the enforcement and market surveillance functions such as failure to recommend corrective actions in 74% of the cases where noncompliance with standards was found, while in 64% of the cases where corrective actions were recommended there was no follow up of implementation of the recommendations.

The effects of the gaps noted can be minimised by developing strategies which involve increasing presence at all entry points, strengthening the supervision of PVoC agents, sensitizing and engaging traders about PVOC requirements, reducing on the turnaround times for testing processes, and strengthening the market surveillance function by marking it more effective.
25.0 Value for Money Audit on implementation of Uganda Skills Development Facility (SDF) by the Private Sector Foundation Uganda

The Uganda Skills Development Project (USDP) is part of Government of Uganda’s strategic effort to promote skills development so as to spur productivity, economic development and increase employment. The project received USD 100 million (UGX.370.8 billion) funded by a loan acquired from the World Bank. The project commenced in April 2015 and is scheduled to close on 31st August 2020. The Skills Development Facility (SDF) is one of the 4 Components of USDP charged with implementing skilling initiatives under the Private Sector Foundation Uganda (PSFU) with a budget of USD 21.8 million (UGX.80.8 billion).

The overall objective of this audit was to assess the extent to which the PSFU had implemented the Skills Development Facility (SDF) in regard to timeliness and effectiveness of selected outputs, from inception up to 30th June 2019. The following key observations were noted:

Significant delay of up to one year after approval in the commencement of the project and as a result, Government incurred interest, fees and other charges on the loan to the tune of USD.193,052.67 (UGX.715,823,856) as at 30th September 2019.

Two hundred ninety nine (299) grants had been awarded out of the planned 474 projects (63%). In regard to the training, 46,000 employees were trained compared to 25,000 envisaged by the Project.

Delayed release of funds, whereby SDF had only received 43.3% (USD.9,428,842) of its five year budget and had utilized 84.3% of this amount as at 30th June 2019. This resulted into slow disbursements and delayed award of grants whereby it took between 5 and 12 months to complete an award process.

Although trainings were conducted by grantees, there were inadequacies in the development, assessment and review of the skills needs gaps by the grantees and the due diligence consultants. There were no assessments of the individual trainers and training material by a relevant body. In the circumstances there is a risk that these inadequacies affected the conduct of the skills initiatives.

I advised Government to ensure proper project preparations to ensure projects commence as planned with limited bottlenecks. In addition, the project management should consider reviewing the grant award processes and cut out inefficiencies identified during initial project implementation.
26.0 Value for Money Audit on licensing and enforcement of standards in downstream petroleum operations by Ministry of Energy and Mineral Development

The Department of Petroleum Supply (DPS) together with the Technical Petroleum Committee (TPC), under the Ministry of Energy and Mineral Development supervises and monitors the importation, exportation, transportation, processing, supply, storage, distribution and marketing of petroleum products. There has been an increase in the volume of trade of petroleum products with Import expenditure on petroleum products rising from US$775 million (UGX.2.87 Trillion) in 2016 to US$ 1,017.1 million (UGX.3.77 Trillion) in 2017.

There has been a public outcry on adulteration of fuel, mislabeling of products, and short weighting of petroleum products at some fuel stations, as well as the escalating number of fuel stations in un-gazetted places.

I carried out a VFM audit to assess licensing and enforcement of standards in downstream petroleum operations by Ministry of Energy and Mineral Development, and noted the following key matters:

Out of a total of 1695 fuel stations inspected over a period of 3 years 1503 (89%) had fuel pumps properly located, 1095 (65%) had the right plot size, 1088 (54%) had appropriate fire emergency preparedness mechanism, 850 (50%) had well maintained office blocks and canopies. However, out of a total of 1695 fuel stations inspected over a period of 3 years only 10 (1%) carried out environmental audit reports, 211 (12%) possessed EIA certificates, 201 (12%) had well maintained forecourts, 225 (13%) had oil interceptors. Similarly, 236 (14%) fuel stations carried out training of staff on health and safety, 252 (15%) had proper drainage, and only 548 (32%) possessed valid operating license.

I noted low quality of fuel sold at outlets with average failure rate over the three years of 6%, (5% in 2016/17, 9% in 2017/18, and 5% in 2018/19). There were repeat offenders on the name and shame list used by the MEMD to curb adulteration of fuel.

A number of outlets were found operating without the prerequisites for possession of a license, contrary to the operational guidelines. Of the 984 fuel stations in the MEMD database, 363 fuel stations did not possess EIAs, 205 fuel stations did not possess construction permits and 698 fuel stations did not possess construction completion certificates, yet they were licensed.
Although the Department of Petroleum Supply carried out inspections, its work plans were inadequate as they did not specify the number of inspections to be carried out per quarter. In addition, the monitoring checklist used by MEMD lacked some parameters specified in the Standards (US-947-1) set by UNBS. The Monitoring and Enforcement division was not adequately staffed to efficiently cover the volume of work, and the Feedback provided by MEMD to the fuel stations was not always adequate, specific, measurable, and time bound.

MEMD did not adequately compel fuel stations to adhere to the requirements of the US 947-1 Standards, Petroleum Laws and Regulations since fuel stations with inadequacies were found dispensing fuel to consumers. There were no guidelines in regard to the timing of enforcement upon conclusion of inspection and monitoring visits, as enforcement was only done when funds were available. In addition, the follow up mechanism on previous actions on enforcement was weak without specific actions being taken and reported on.

I advised Government to strengthen its licencing, inspection, and enforcement processes by ensuring that critical stakeholders (MEMD, NEMA, UIA, URA, UNBS, District local councils, and Police) collaborate and share information to ensure effective enforcement of compliance.

27.0 Regulation and promotion of safe and reliable maritime services in the Water Transport Sub-Sector

The maritime administration department has made several strides in the last two years of its operation namely; acceded to selected International regional Maritime Organisation Conventions, prepared the Inland Water Transport Bill, completed the National Transport and Logistics Policy and Strategy (under which the Inland Water Transport Policy is embedded), drafted the Seafarers Identification and Records Books (SIRBs) Statutory Instrument, drafted the MoU between the Ministry and Busitema University to establish a Maritime training institute, inspected and licensed 425 non-conventional vessels and 2 foreign vessels, installed 12 Aids to Navigation (AToNs), trained 6 officers in Maritime safety related fields, identified 12 Maritime Rescue and Communication Centres, and conducted 2 accident investigations and prepared draft reports.
However, accidents on the water bodies are still of concern as they have resulted in documented fatalities (deaths) of over 1,100 people in the last 9 years with over 50% of the casualties registered in the last 4 years.

Performance gaps relating to surveying, registration, licensing, inspection, advocacy, and the existing maritime legal framework posed operational challenges to the maritime administration department which impeded effective execution of the department’s mandate.

To enhance safe and reliable transport in the water subsector, it is important that the enactment of the Inland Water Transport Bill into law is fast tracked, and an enabling working/operational environment is put in place.

28.0 Implementation of Kalangala Infrastructure Services (KIS) Project

The infrastructure put in place by KIS has greatly facilitated the implementation of the Oil Palm Project, improved the connectivity between Kalangala District and mainland via Bukakata, led to significant developments and generally improved the quality of life in the District.

However, omissions made such as during planning and procurement and existing gaps in the Implementation Agreement (IA), 2009, and the Implementation Agreement as Amended (IAA), 2011, posed implementation challenges to KIS. The KIS services are being offered at unrealistic costs to GoU.

To ensure proper implementation of the project, it is important that the Government through the MoFPED invokes the re-negotiation clause such that KIS services are offered at reasonable costs.
29.0 Baseline Value For Money audit of the Uganda Inter-governmental Fiscal Transfer Programme

The Government is implementing the Inter-Governmental Fiscal Transfer Programme whose objective is to restore the adequacy and enhance equity of the fiscal transfers to local governments relating to health and education services.

The main objective of the audit was to assess the economy, efficiency and effectiveness with which Local Governments have utilized their investments in the delivery of infrastructure and services in the education and health sectors during the Financial Year (FY) 2017/18. 30 Local Governments (LGs) comprising 22 districts and 8 Municipalities were selected for the assessment and assessed along three thematic areas namely; Utilisation of funds, Delivery of Infrastructure and Delivery of services. For a Local Government to be assessed as satisfactory, it had to have scored at least 90% of the marks allocated to the sub-objective across the 3 themes being assessed. The lower threshold for fairly satisfactory performance is 60%. Scores below 60% were assessed as not satisfactory.

The scores in the education sector ranged from 37.6% (not satisfactory) to 71.9% (fairly satisfactory). The majority of Higher LGs (53%), were assessed as not satisfactory and 47% being assessed as fairly satisfactory. None of the Higher Local Governments (HLGs) was assessed as satisfactory.

The scores in the Health Sector ranged from 46% (not satisfactory) to 73.6% (fairly satisfactory). The majority of HLGs (53.9%) were assessed as fairly satisfactory, with 46.2% being assessed as not satisfactory. None of the HLGs was assessed as Satisfactory.

Of the total funds received by the sampled schools, 93.6% was utilised and absorbed as intended. Time overruns and non-adherence to procurement procedures were observed in the implementation of activities in some projects. It was also noted that though the standard allocation of UPE funds per pupil per annum is UGX 10,000, the minimum allocated amount per pupil for all LGs in this assessment was UGX.3,770 while the maximum amount allocated was UGX.36,222 and the average across all the LGs sampled was UGX.10,132 per pupil per year.

There was a wide disparity in the engineers’ estimates, contractors’ rates and unit cost per square metre of building works for the assessed projects across the LGs. Cases were noted where detailed engineer’s estimates were not prepared for the assessed construction projects.
All payments were within the certified amounts and payments were made on time; however, certified works in most LGs were not supported with measurement sheets.

Although construction works generally conformed to design drawings and physical specifications in most LGs, quality control was not being emphasized in various projects implemented which resulted in minor defects.

Most of the facilities constructed were being utilised for the intended purposes in most of the LGs. Generally maintenance and repair of facilities was not being prioritized as there were no provisions for budget allocations.

There was low P7 completion rate with majority of schools achieving below the average completion rate for FY 2016/2017 of 61.5%. 64.5% of the sampled schools achieved the desired target pass rate of 89%.

The pupil attendance rate of majority of schools, and the teacher attendance in some of the schools was less than 50%. 51% of the schools were inspected 3 times in the academic year as recommended by the Ministry; on the other hand, 21% of the schools were not inspected at all in the year under review.

The national standard of classroom per students is 1:55; however it was noted that for the schools sampled, the average number of classrooms to the given number of students across all schools was 1:88. 70% of the schools sampled were below the national standard.

The availability of other vital infrastructure such as toilet stances, pupils per desk ratio, text book per pupil ratio and permanent accommodation for at least four teachers was also found to be far below the national standards.

Various health facilities visited experienced stock out of medical supplies ranging from 18% to 100%. The majority of the health facilities visited did not have the required number of staff with some having less than 50% of the recommended number of staff. On average, HCs were utilizing over 90% of the available equipment but there were instances where equipment was not in use at all, which compromised the level of service delivery at those health centres.

Delivery of services in the health sector was hampered by the absence of essential equipment.

In some HCs there was absence of support structures and facilities that complement the use of the existing structures, such as general wards, delivery rooms, placenta pits, mortuaries, toilets, small waste pits, and adequate sources of water.
Our Vision

To be an effective and efficient Supreme Audit Institution in promoting effective public accountability.

Our Mission

To audit and report to Parliament and thereby make an effective contribution to improving public accountability and value for money spent.

Our Values

**Integrity:** Being upright and honest;

**Objectivity:** Displaying impartiality and professional judgment;

**Professional Competence:** Acting with diligence, proficiency and team spirit.