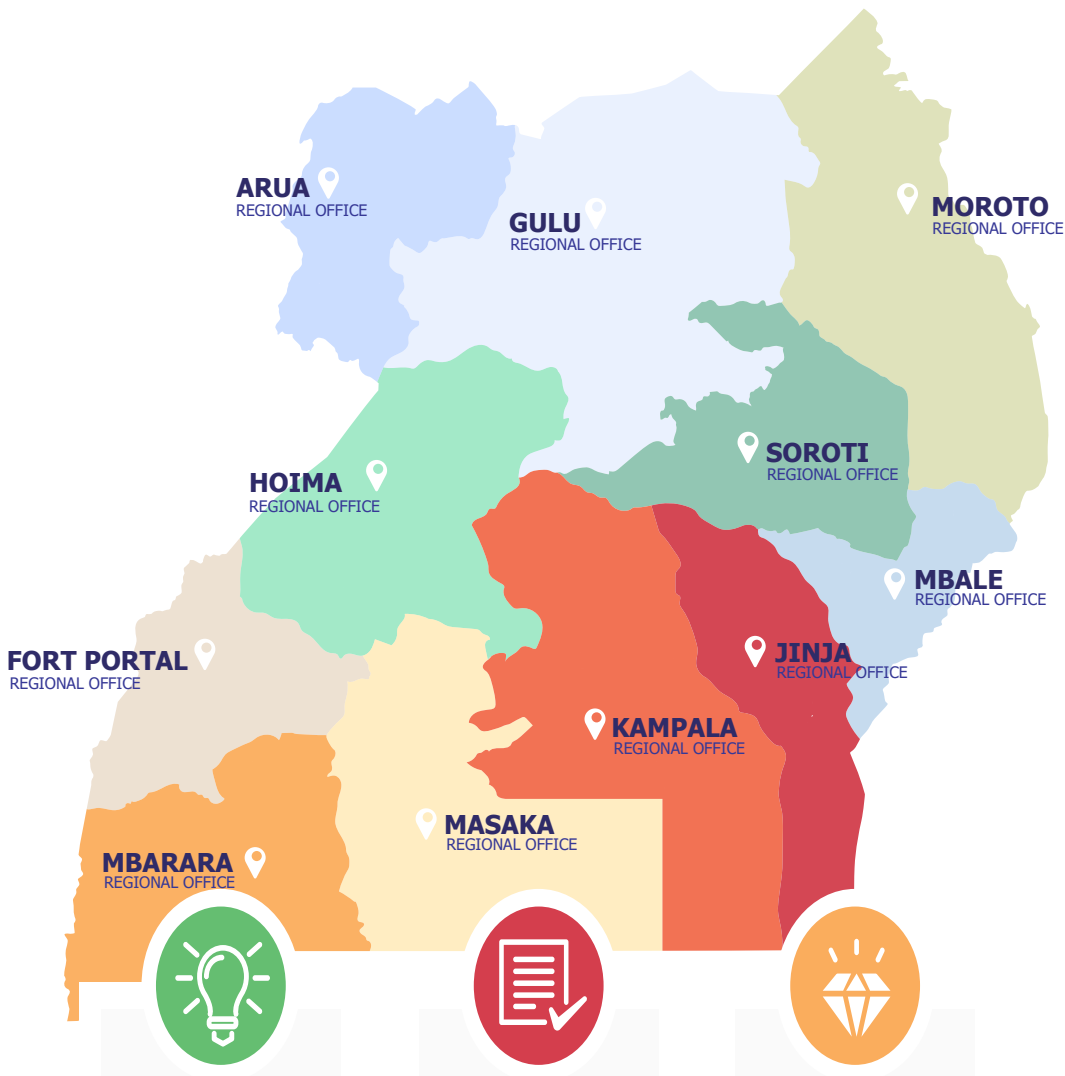




ANNUAL REPORT OF THE AUDITOR GENERAL TO PARLIAMENT FOR THE AUDIT YEAR ENDED 31ST DECEMBER 2024

KEY HIGHLIGHTS



VISION

A model Supreme Audit Institution that adds value to society

MISSION

To provide our stakeholders with independent audit results that promote good governance for better service delivery

CORE VALUES

- Integrity and Ethical Conduct
- Professional Competence
- Objectivity
- Service delivery – oriented

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FOREWORD BY THE AUDITOR GENERAL



In accordance with my audit mandate, as stipulated under Article 163 of the 1995 Constitution of the Republic of Uganda as amended, and further amplified in the National Audit Act Cap. 170, I hereby present key highlights of the Annual Audit Report on the Government of Uganda Consolidated Financial Statements, Ministries, Departments and Agencies (MDAs), Public Corporations and State Enterprises as well as Local Governments.

As part of my Office's strategic objective to enhance the relevance of audits for improved transparency, accountability, and service delivery, I undertook three (3) thematic audits focused on:

the Implementation of the Approved Budget, the Parish Development Model, and the Management of the Pension Payroll. The latter was a follow-up to the Salary Payroll Report issued the previous year. Additionally, I undertook audits in response to stakeholder needs and emerging issues, including special audits and investigations, Value for Money audits, and engineering audits. Individual reports were issued in this regard.

I express my special appreciation to Rt. Hon. Speaker of Parliament, the Finance, Planning and Economic Development Committee, the Accountability Committees and all stakeholders for the invaluable support rendered to my office during the audit year.

Finally, I thank my dedicated staff for their hard work, unwavering commitment, and endurance throughout the audit year.

A handwritten signature in blue ink, appearing to read 'E. Akol', with a stylized flourish at the end.

Edward Akol
AUDITOR GENERAL

KEY ISSUES FOR THE FINANCIAL YEAR 2023/2024



1.0 PERFORMANCE OF THE APPROVED BUDGET

1.1 PERFORMANCE OF REVENUE AND EXPENDITURE

During the Financial Year under review, the Government initially planned to spend a total of UGX.52.7Tn, which was later revised to UGX.61.7Tn. This indicated that the total expenditure supplementary budgets passed amounted to UGX.8.9Tn while the revenue budget was revised by UGX. 3.5Tn making it UGX. 56.2Tn. The following observations were noted from my review of the budget performance;

- i) The expenditure side of the budget was in excess of the revenue side by UGX. 5.5Tn.
- ii) Out of the total revised budget of UGX.56.247Tn, onlyUGX.47.110Tn (84%) was realized resulting in a revenue shortfall of UGX.9.137Tn.
- iii) It was noted that MDAs accounted for UGX. 55.2Tn (89.2%) of the revised expenditure budget, while LGs accounted for UGX.6.5Tn (10.5%).
- iv) Government had a total revised expenditure budget of UGX.61.669Tn out of which UGX.50.172Tn was warranted resulting into an unfunded budget of UGX.11.498Tn representing 18.64% underperformance.
- v) Out of the total availed warrants of UGX.50.172Tn, Government only spent UGX.48.68Tn leaving a balance of UGX.1.492Tn as unutilized warrants representing 3% underperformance. This further casts doubt on the rationale of revising the budget upwards.

Underutilization of warrants was attributed to shortfalls in actual revenue performance, delays in procurement processes and project implementation challenges.

1.1 PERFORMANCE OF REVENUE AND EXPENDITURE

Failure to fully utilize availed warrants points to unimplemented activities and therefore negatively impacts service delivery across the Government.

I advised the Government to address all implementation bottlenecks that continue to impede Accounting Officers from utilizing availed warrants, to enhance activity implementation and therefore service delivery. In addition, the PS/ST is advised to ensure that warrants issued are supported by prudent cash flow projections.

1.2 IMPLEMENTATION OF PLANNED ACTIVITIES AND SERVICE DELIVERY BY MDAS AND LGS

- a) I sampled 1,028 outputs with a total expenditure of UGX.6.832Tn from a sample 98 MDAs to assess the extent of implementation of planned activities. Out of the 1,028 outputs, 485 (47%) outputs worth UGX.2.658Tn were fully implemented, 520 outputs (51%) worth UGX.4.076Tn were partially implemented, while 23 (2%) outputs worth UGX.97Bn were not implemented at all.
- b) Similarly, I assessed the extent of implementation of a sample of 1,433 outputs worth UGX.1.602Tn in 133 LGs, and noted that 991 (69%) outputs worth UGX.729.30Bn were fully implemented, 400 (28%) outputs worth UGX.873.18Bn were partially implemented while 42 (3%) outputs were not implemented.
- c) I analysed a sample of 183 activities worth UGX.1.337Tn in 31 MDAs to assess if there was adequate service delivery to the citizens from the activities that were implemented and noted that; 138 activities worth UGX.1.290Tn had delayed and were therefore behind schedule, 17 activities worth UGX.25.205Bn had quality deficiencies while 25 activities worth UGX.21.439Bn were completed but were not functional.

1.2

- d) Similarly, 45 projects worth UGX.52.39Bn in 32 LGs were not completed within the expected contract duration and were behind schedule by between two (2) and 32 months which resulted in delayed service delivery. Construction projects worth in four (4) LGs worth UGX.3.96Bn were completed but not in use.
- e) Twenty (20) LGs had a total supplementary funding of UGX.164.5Bn however, out of this, only UGX.119.17Bn was approved by the respective District/City/Municipal Councils as required by the regulations, implying that the balance of UGX.45.33Bn was not approved.
- f) Thirty eight (38) LGs received total supplementary funding of UGX.233.94Bn out of which UGX.131.08Bn (56%) was not requested for by the respective Accounting Officers.
- g) Twenty six (26) LGs did not utilize all the supplementary funds received. Out of the supplementary funds of UGX.243.94Bn received, only UGX.191.10Bn (78%) was utilized leaving UGX.52.83Bn un-utilized as at the end of the financial year.

The failure to fully implement planned activities was due to; repurposing of funds, delayed procurements, weaknesses in contract management, delayed funding among others.

This affected achievement of government budget priorities and service delivery to the citizens. In addition, anomalies in the management of the supplementary budgets distorts budget execution and affects credibility of the budget.

I advised the Accounting Officers to enhance contract supervision, and ensure that procurements are undertaken in a timely manner. Further, the Accounting Officers were advised to adhere to the regulations regarding management of supplementary funds.

1.3 TREND OF THE FISCAL DEFICIT

The trend of the fiscal deficit reflects the widening gap between government expenditure and revenue generated internally. I undertook an analysis to obtain the trend of the fiscal deficit over three years as shown in the table below;

FINANCIAL YEAR	DOMESTIC REVENUE, INCLUDING GRANTS (UGX TN)	TOTAL EXPENDITURE (UGX TN)	FISCAL DEFICIT (UGX TN) PROGRESS
2022/2021	23.378	44.435	(21.058)
2023/2022	28.289	45.645	(17.356)
2024/2023	30.885	46.966	(16.081)

From the table above, while domestic revenue including grants has shown consistent growth, increasing from UGX.23.378Tn in FY 2021/22 to UGX.30.885Tn in the year under review, total expenditure also increased from UGX.44.435Tn to UGX.46.966Tn over the same period. As a result, the fiscal deficit remains high, leading to high dependence on debt.

The PS/ST explained that due to the COVID-19 pandemic, the Government's revenues were drastically affected by the lockdown, while there was an increase in expenditure needs. In addition, Government will continue to pursue its fiscal consolidation strategy by increasing Domestic Revenue Mobilization, and Expenditure Rationalization.

I advised the PS/ST to enhance measures in enforcing the fiscal consolidation strategy to reduce reliance on borrowing in funding the budget.

1.4 REVIEW OF GRANTS

A review of files and agreements shared revealed that for FY 23/24, the Government entered into 9 grant agreements with a receivable amount of USD.127.905Mn from 6 development partners. The following observations were noted;

2 grant projects relating to USMID-AF and UglIFT with a combined amount of USD.87.171Mn (UGX.0.325Tn) which were to close by end of FY 2023/2024 had only USD.46.949Mn (54%) absorbed by the different projects leaving USD.40.223Mn (46%) an equivalent of UGX.0.150Tn unabsorbed.

Under absorption implies that some activities or outputs were not implemented denying the intended beneficiaries the services. This further creates doubts about the preparedness of the Government to utilise external funds at the time of signing agreements.

I advised the PS/ST to institute measures to ensure that Accounting Officers absorb the availed funds by implementing the activities for which grants were received.

1.4.1 USMID IMPLEMENTATION

I reviewed the budget performance of LGs and noted that out of the availed amount of UGX.1,219.676Bn for USMID-AF activities in 24 implementing LGs, UGX.745.200Bn was spent by the entities during the period under review leading to an under absorption of UGX.474.477Bn.

Assessment of the implementation of the projects over the period from 2018/2019 to 2023/2024 revealed that;

- i) 12 LGs planned to implement 119 projects in the period.
- ii) Of the planned projects, 59 (50%) with a total contract sum of UGX.148.751Bn had been completed.

1.4.1

USMID IMPLEMENTATION

- iii) 28 (23%) with a total contract sum of UGX.23.636Bn projects had not been commenced
- iv) while 32 (27%) with a total contract sum of UGX.367.559Bn had been partially implemented.

An assessment of the sustainability of the USMID-AF projects noted the following:

- 82 out of the 84 projects implemented in the 27 LGS did not have sustainability plans.
- 14 LGs did not allocate any resources availed towards ensuring program sustainability.
- 8 sub-projects completed in the 27 LGs had defects such as clogged drainages, non-functional solar lights, planted grass alongside road not well maintained and damaged road furniture.

The Accounting Officers attributed under absorption to slow progress of works by contractors, delay in award of contracts and delayed in release of funds to contractors.

The Accounting Officers should implement stricter monitoring and evaluation mechanisms to ensure contractors adhere to agreed timelines and milestones, expedite procurement procedures and liaise with the Ministry of Finance to ensure timely release of funds.

The Accounting Officers should also mainstream the LG budget to incorporate sustainability activities as guided by the Program.

1.4.2 UGIFT IMPLEMENTATION

I evaluated the funding and absorption levels in 101 LGs and noted that a total of UGX.186.151Bn (103%) was received in 101 LGs, out of the budgeted UGX.180.228Bn.

Out of the funds received, the LGs spent UGX.121.423Bn (65%) by the end of the financial year, resulting in an under absorption of UGX.64.727Bn. 59 LGs failed to spend UGX.62.249Bn of the released funds on Education projects while 2 LGs did not spend UGX.2.478Bn on health projects.

As a result, this delayed the provision of the planned education and health services to the intended beneficiaries.

The Accounting Officers explained that under absorption was mainly due to delayed release of funds by MoFPED, slow works by the contractors who have many sites, delayed initiation and conclusion of the procurement process and works that did not start in some Districts due to land issues.

I advised the Accounting Officers to liaise with MoFPED and have the funds released timely, ensure that the procurement processes are streamlined for timely implementation and robust due diligence undertaken to attract competent contractors.

1.4.3 CAPITATION GRANTS

A review of the enrolment numbers in the Education Management Information Systems (EMIS) and actual enrolment as per school records in the 1,111 sampled schools in 95 LGs revealed inconsistencies in enrolment figures whereby 85,785 pupils were on the head teachers' enrolment but not on EMIS while, 73,971 pupils were on the EMIS enrolment but not on head teachers' enrolment.

1.4.3

I carried out a pupils' head count during a physical inspection of 684 sampled primary schools in 66 LGs and noted inconsistencies between enrolment figures ascertained during my head count and those on EMIS and the head teachers' records as summarized in the table below;

NUMBER OF PRIMARY SCHOOLS	AUDIT HEAD COUNT BETWEEN OCTOBER TO NOVEMBER	ENROLMENT BY HEAD TEACHERS AS AT END OF TERM 1 2024	EMIS ENROLMENT AS AT MAY 2024 PROGRESS
684	664,103	681,464	811,993

I further noted that, basing on EMIS enrolment of 5,944,226 pupils in 8,492 funded primary schools in 114 LGs and the Indicative Planning Figures for enrolment used by MoFPED to release funds, my re-computations revealed that the expected UPE Capitation Grant was UGX.131.867Bn out of which only UGX.125.115Bn was received, leading to an under receipt of UGX.7.018Bn in 91 schools and over receipt of UGX.1.019Bn in 19 schools.

Inconsistencies affect planning and budgeting for capitation grants which eventually affect service delivery.

The Accounting Officers attributed the inconsistencies in the enrolments to: Network and system challenges that delay update on the system, duplicate entries that distort the integrity of the data on EMIS; Lack of tool like smart phones, computers to facilitate the input and update of data on the EMIS; Capacity gaps among the head teachers of primary schools who are responsible for updating information in the EMIS system; and Frequent movements in pupils' numbers that are not updated on EMIS.

The Accounting Officer of MoES should identify solutions for the system bottlenecks and increase monitoring and supervision to ensure that the EMIS is promptly updated.

1.5

MANAGEMENT OF PUBLIC DEBT BY MOFPED

Uganda's external debt portfolio increased from UGX.53.191Tn in FY 2022/23 to UGX.54.365Tn in FY 2023/24, representing a 2.2% growth. This growth is attributed to a rise in debt from Multilateral Creditors, which increased from UGX.33.063Tn to UGX.35.152Tn.

It can also be noted that, debt from Commercial Banks reduced by 9.9%, dropping from UGX.7.145Tn to UGX.6.438Tn. Similarly, debt from Bilateral Creditors reduced from UGX.12.982Tn to UGX.12.774Tn in the FY 2023/24.

Continued increase in external debt could in the long run, strain Uganda's fiscal sustainability and limit resources available for domestic spending.

I advised Government to review and enhance its medium-term debt management strategy to reduce reliance on debt and ensure sustainability as it embarks on implementation of the NDP IV.

1.6

CONTINUED PAYMENT OF HIGH COMMITMENT FEES

A commitment fee is a fee charged by a lender and is associated with unused credit lines or undisbursed loans.

I noted an increase in un-disbursed loans amounting to UGX.1.890Tn, representing a 12.95% increase from the closing balance of UGX.14.6Tn in the FY 22/23 resulting in payment of commitment fees totaling to UGX.73.9Bn. This is a cost of Government inefficiency as funds remain un utilised leading to increased the cost of servicing debt.

The MoFPED explained that Government is implementing a Project Implementation Management System (PIMS) to ensure project readiness and improve absorption of funds.

Government should identify and resolve all bottlenecks hindering the smooth implementation of projects/programs and activities to increase its loan/debt absorption rates.

1.7 ROLLOUT OF ASSET MANAGEMENT AND REPORTING

I noted that during the Financial Year, the Government reported consolidated non-current assets amounting to UGX.107.154Tn, comprised of non-produced assets (UGX.60.950Tn) and produced assets (UGX.46.204Tn), excluding capital investments. The assets increased by UGX.82.524Tn (335%) from the previous year balance of UGX.24.631Tn.

The Accounting General explained that the initial recognition phase shall be followed by asset validation and revaluation to arrive at fair values for all tangible assets recognized in the financial statements of the individual Ministries, Departments, Agencies and Local Governments, as well as the Consolidated Financial Statements of Government, during the 2024/2025 FY, after which revaluation process for different asset classes would be initiated and subsequently tested for impairment.

I advised the Accountant General to follow through with the valuation processes to enhance the integrity of the financial statements.

1.8 CONTINUED INCREASE IN PAYABLES

I noted a big increase in payables from UGX.10.502Tn in the year 2022/2023 to UGX.13.462Tn by the end of 2023/2024 financial year. Further analysis revealed that new payables accrued stood at UGX.6.639Tn compared to only UGX.3.679Tn paid during the year.

This indicates that the rate at which Government contracts domestic arrears is much higher than the rate of payment leading to continued accumulation of domestic arrears.

I advised the PS/ST to ensure adequate budgeting for domestic arrears and enhance enforcement of commitment control to ensure sustainability.

2.0 SPECIAL AUDIT ON THE PENSION AND GRATUITY PAYROLL

- a) I noted that out of 72,206 pensioners/beneficiaries validated on the Public Service payroll, 61,199 (84.8%) were fully verified, 756 (1%) not verified, while, 10,251 (14.2%) did not show up. In addition, 4,538 individuals had not accessed the pension payroll by the end of June 2024 and these were captured as new records. Of these new records, 4,057 were verified and included in my determination of the entities' pension and gratuity estimates, while 481 were not verified and therefore not included in my determination of the pension and gratuity estimates.
-
- b) I noted that 1,502 pensioners/beneficiaries were overpaid gratuity benefits of UGX.11.393Bn. These overpayments were in 19 MDAs and 115 LGs. This amount is recoverable.
-
- c) I noted that 2,193 pensioners/beneficiaries were overpaid pension benefits of UGX.8.98Bn in 23 MDAs and 104 LGs. This amount is also recoverable.
-
- d) I re-computed the expected pension and gratuity estimate for the year 2024/25 as UGX.974.664Bn, to cater for 80,963 confirmed pensioners/beneficiaries including pension and gratuity arrears of UGX.74.245Bn and non-traditional pensioners of UGX.33.732Bn and expected retirees for the FY 2024/2025. The Government will require an additional source of UGX.42.894Bn to cater for all pension, gratuity and arrears in the FY 2024/2025 compared to the total revised budget for FY 2023/2024 of UGX.931.77Bn.
-
- e) A total of 62 MDAs and 176 LGs had an initial approved pension, gratuity and arrears budget of UGX.3Tn for the period under review, and also obtained supplementary funds of UGX.0.17Tn (MDAs) and UGX.0.600Tn (LGs) resulting in a revised budget of UGX.3.773Tn, out of which UGX.3.685Tn (98%) was released resulting in a funding shortfall of UGX.0.088Tn (2%).

2.0 SPECIAL AUDIT ON THE PENSION AND GRATUITY PAYROLL

- f) Out of the funds released of UGX.3.685Tn, UGX.1.405Tn in 62 MDAs and UGX.1.903Tn in 176 LGs were utilized, resulting in un-utilized funds of UGX.0.38Tn (10%).
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- g) Funds amounting to UGX.14.630Bn in 19 MDAs and 36 LGs, were diverted to other activities, while UGX.66.902Bn in 29 MDAs and 126 LGs was charged on wrong account codes.
-
- h) I noted provisions in the Pension Act (Cap 89) that discriminate based on gender. Specifically, Section 16(b) excludes husbands from benefiting from pension assignments, while Section 20 of the Act only mentions widows and not widowers. Additionally, marriage gratuity provisions in Sections 10 and 17 exclude men. These discriminatory practices violate the constitutional principle of gender equality and fairness under the Constitution of Uganda.
-
- i) There is a contradiction between the Pension Act and the Succession Act (Cap 268) regarding the definition and scope of beneficiaries. While the Pension Act focuses on widows and children, the Succession Act expands the category to include other dependents.
-
- j) I noted discrepancies in pension payments, particularly for retirees over 75 years old. Some pensioners continued to receive reduced pensions beyond the prescribed 15-year period, leading to an increased financial burden on the government in terms of arrears.
-
- k) There was a gap in the Pension Act regarding retirees' ability to elect between a full annuity or a commuted pension gratuity. The PSF 18 form did not provide retirees with this option, inadvertently making the commuted pension gratuity mandatory.

2.0 SPECIAL AUDIT ON THE PENSION AND GRATUITY PAYROLL

- l) Pension indexation remained a complex issue, with varying interpretations of regulatory provisions and inconsistent implementation. Indexation of pension based on inflation which should be annually was last done in 2021/2022 due to insufficient funding.
-
- m) The court ruling on employees who transferred from Uganda Posts and Telecommunications Corporation (UPTC) to Uganda Telecom Limited (UTL) had significant implications for pension computations on employees on the transfer of service scheme. The ruling may affect the computation length of service where there is a continuation of service and subsequently impact the calculation of gratuity and pension.
-
- n) Circumstances and reforms that impact the sustainability of the pension system were identified and they include;
- **Early Retirement:** The policy on early retirement, especially for employees retiring at 45 years or younger, leads to long-term pension commitments that could strain public resources.
 - **Enhanced Pay for Science Employees:** The recent salary increases for science professionals resulted in an unintended incentive for early retirement and an astronomical increase in pension and gratuity liabilities.
-
- o) The Administration of the Judiciary Act significantly enhanced pensionable emoluments for judicial staff, leading to an exponential increase in pension liabilities without a comprehensive impact assessment.

2.0 SPECIAL AUDIT ON THE PENSION AND GRATUITY PAYROLL

RECOMMENDATIONS

I advised;

- a) The Ministry of Public Service to liaise with responsible stakeholders, with a view of ensuring that the Laws and policies are harmonized to enhance efficiency and effectiveness in pension management.
- b) The Ministry of Public Service to streamline pension indexation by expediting action to operationalize the Cabinet decision to fast-track repeal of Regulation 5. Also, annually compute the impact of Price indexation and engage the Ministry of Finance, Planning and Economic Development to provide a budget to cater for that increase.
- c) Government to undertake a comprehensive study on the sustainability pension and gratuity reforms and take appropriate action. In addition, I advised the Ministry of Public Service to engage all relevant stakeholders to fast-track the pension reforms to ensure sustainability.
- d) The Ministry of Public Service to enforce strict timelines to ensure the migration of all entities to a unified payroll management system, and expedite the full implementation of HCMS, while simultaneously strengthening monitoring and enforcement of compliance with HCMS controls. In addition, ensure completion of the integration of HCM, PBS and the IFMS to automate reconciliation and feedback.
- e) The Ministry of Public Service and the Ministry of Finance to enhance internal controls system to address disparities in computation of pension and gratuity and to ensure the accuracy of payments of individual pensioners. Automation processes and integration of the system are highly recommended.

3.0 IMPLEMENTATION OF THE PARISH DEVELOPMENT MODEL (PDM)

In the FY 2023/2024, Parliament appropriated UGX.1,097.633Bn for the PDM Programme, of which UGX.1,059.4Bn was for the Parish Revolving Fund (PRF) to finance 10,594 PDM SACCOs in 176 LGs and Kampala Capital City Authority (KCCA). Each SACCO is supposed to receive UGX.100Mn in a financial year to develop and implement viable community led income generating enterprises. In addition, a sum of UGX.38.233Bn was appropriated to specific entities to support implementation of the programme.

With the exception of Pillar 3, which is funded separately under MoFPED for direct disbursement of Parish Revolving Fund (PRF) to PDM SACCOs, the other pillars are funded under existing government institutional arrangements where MDAs and LGs must align their plans, interventions and budgets for implementation of the PDM.

In the FYs 2021/2022 and 2022/23, I carried out an assessment on government's preparedness and implementation of PDM Strategy, respectively.

In the period under review, I designed audit procedures to;

- Establish whether MDA&LGs' planning and budgeting processes are aligned to the implementation of the PDM strategy,
- Assess whether the Pillar 3 – Financial Inclusion Pillar has been implemented in accordance with the PDM policy and guidelines,
- Assess whether all the 7 modules of the PDMIS have been implemented in accordance with the requirements of the PDM policy and guidelines,
- Assess the monitoring and evaluation framework of the PDM, and
- Follow-up on Government's institutional arrangements necessary for implementation of the PDM and their functionality.

3.0 IMPLEMENTATION OF THE PARISH DEVELOPMENT MODEL (PDM)

I noted the following positive observations;

- All the approved budget of UGX.1,059.40Bn for PRF for disbursement to the planned 10,594 PDM SACCOs was realized and UGX.1,058.37Bn (99.9%) was transferred to PDM SACCOs.
- Enterprise specific trainings by local Subject Matter Specialists/ experts were carried out for most of the SACCOs.

I also noted the following key observations as areas for improvement;

- Six (6) out of the seven (7) Pillar Working Groups did not have approved pillar implementation action plans, only Infrastructure and economic services Pillar had an action plan. In addition, twenty-five (25) participating MDAs did not align their work plans to the pillar action plans. This made it difficult for the 25 participating MDAs to align their budgets and work plans to the PDM.
- Pillar 2 Working Group implementation action plan existed but not all the targets were quantified and costed. This made it difficult for the ten (10) participating MDAs to align their budgets and work plans to the Working Group action plan for effective implementation of the PDM.
- Out of 5,865 parishes/wards, 5,099 did not provide evidence for the identification of priorities and only 169 provided evidence.
- Out of an approved budget of UGX.38.233Bn (excluding Parish Revolving Fund) for PDM administrative and support activities in five (5) MDAs and KCCA that received direct funding, UGX.38.144Bn (99.8%) was released, resulting in a deficit of UGX.0.089Bn (0.2%). As a result, consultancy services under Parish Development Model Equipment was not fully implemented.

3.0 IMPLEMENTATION OF THE PARISH DEVELOPMENT MODEL (PDM)

- No funds were disbursed to any of the 10,594 SACCOs in quarter 3 yet UGX.529.250Bn was expected.

- Only 10,582 out of the 10,594 SACCOs received UGX.529.100Bn in quarter 4 instead of UGX.529.250Bn expected disbursements in quarter 3.

- 10,579 SACCOs received their second disbursement of PRF in the first week of July of FY 2024/25 instead of quarter 4 of FY 2023/2024. This was late given that it was outside the financial year.

- Seven (07) SACCOs did not receive any PRF in FY 2023/24 but received all the PRF of UGX.0.700Bn in quarter 1 of the subsequent FY 2024/2025. This showed inconsistencies in release of funds contrary to the guidance.

- A total of 342 beneficiaries in 253 PDM SACCOs in 50 LGs had implemented ineligible projects.

- A total of 170 beneficiaries in 124 PDM SACCOs in 37 LGs had non-existent projects.

- A total of 1,004 beneficiaries who received PRF of UGX.1Bn did not account for funds received of UGX.0.286Bn in terms of support documentation.

- I noted that 26,525 PRF beneficiaries inspected in 69 LGs who were engaged in various crop production projects received funds out of the planting seasons.

3.0 IMPLEMENTATION OF THE PARISH DEVELOPMENT MODEL (PDM)

- From my physical inspection of 7,114 sampled PDM SACCOs in 116 LGs, I noted that since the inception of the PDM in FY 2021/22, UGX.0.708Bn (79%) out of the PRF received of UGX.0.902Bn had been disbursed leaving UGX.0.192Bn (21%) not disbursed by end of the financial year 2023/2024.
- I further noted that 212 inspected PDM SACCOs in 14 LGs could not account for PRF of UGX.1.544Bn received and withdrawn from their bank accounts. The amount had not been disbursed to households by the time of my audit.
- Pillar 4 - Social Services, and Pillar 6 - Parish Based Management Information System (PDMIS) did not have approved pillar manuals.
- I noted that all the seven (7) pillar working groups did not have evidence to indicate that they held regular meetings.
- Pillar 1 - Agriculture value chain development, did not undertake a review of the operational guidelines due to failure to convene pillar meetings.
- All the 7 Pillar working groups did not submit the required number of quarterly performance reports to the PDM Secretariat as required but provided bi-annual reports.
- I noted that a total of 2,190 PDM SACCOs in 96 LGs either did not constitute the supervisory, executive committees as well as the Loan, Production, Marketing, Business Development services, or the Finance and investment sub Committees.

3.0 IMPLEMENTATION OF THE PARISH DEVELOPMENT MODEL (PDM)

- Out of the required extension staff positions in 135 LGs of 5,874 only 2,561 (44%) had been filled leading to a shortfall of 3,324 (57%) while the staff structure in the MCs did not provide for positions of Agriculture extension officers at the LLG (Division) level.

- I noted that 1,035 out of the 2,561 existing extension workers in 135 LGs did not have motor cycles.

- The 2,561 extension staff in 135 LGs did not have professional certificates to provide extension services.

- Out of a sample of 6,679 Emyooga beneficiaries' data from 13 HLGs availed for review, 608 beneficiaries of PRF amounting to UGX.0.603Bn had also obtained UGX.1.025Bn from the Emyooga Program.

- A total of 2,985 PDM SACCOs in 127 LGs did not have registered offices on their documents.

- A total of 567 PDM SACCOs in 41 LGs' registered offices did not exist.

- A total of 2,898 PDM SACCOs in 121 LGs did not have evidence of a signboard showing their names and address.

3.0 IMPLEMENTATION OF THE PARISH DEVELOPMENT MODEL (PDM)

- Out of seven (07) modules; two (02) modules were fully implemented, two (02) - modules were partially implemented, and 3 modules were not implemented as summarized in the table below.

Table showing Modules Implemented

SN	PDMIS MODULES	EXPECTED YEAR OF COMPLETION	STATUS OF IMPLEMENTATION	FUNCTIONALITY
1.	Data Collection and Registration	2022	Rolled out	Partial data collection
2.	Financial Inclusion	2023	Rolled out	Functional
3.	Monitoring and Evaluation	2023	Not rolled out	Not functional
4.	Citizen Participation Information System	2023	Not rolled out	Not functional
5.	Product, processing and Marketing	2023	Not developed	Not functional
6.	Infrastructure	2023	Not developed	Not functional
7.	Social Services	2023	Not developed	Not functional

Source: Pillar-No. 6- The Parish Development Management Information System (PDMIS) Operation Manual and OAG Analysis

- Out of the 176 HLGs and KCCA expected to utilize the Wendi mobile application platform, 66 HLGs had all their PDM SACCOs paying through the Wendi, 78 HLGs had some of the PDM SACCOs paying through wendi, while 32 HLGs and KCCA did not pay through Wendi.

3.0 IMPLEMENTATION OF THE PARISH DEVELOPMENT MODEL (PDM)

- Out of the 13 supervised financial institutions participating in the financial inclusion pillar, only 3 financial institutions had connected (integrated) to the Wendi mobile application platform, while 10 had not connected (integrated) to the platform.

-
- Only four (04) banks out of the 13 supervised participating banks had completed the two-way integration with the PDMIS financial inclusion module, while the integration with one Bank was still in progress, with user acceptance tests not yet conducted. Integrations with the other 9 supervised participating banks had not been effected.

-
- Integrations with IFMS and Ministry of Trade Industry and Cooperatives had also not been implemented.

-
- I noted multiple loan approvals and payments to 902 individuals who received loans amounting to UGX.0.896Bn. The individuals had duplicate NIN, same names or same phone number.

I advised the Accounting Officers and relevant stakeholders to address the funding, logistical, technological, administrative and staffing challenges in order to enable the program attain its intended objectives.

4.0 MANAGEMENT OF THE PROCUREMENT FUNCTION IN GOVERNMENT

Public procurement is governed by the PPDA Act Cap 205. During the audit year 2024, I undertook a review of the procurement of goods and services in a sample of 78 entities, 36 of which are implementing the e-GP system, while the other 42 are still on the legacy system. The budget for procurement in the sampled entities on the e-GP system was UGX.10.58Tn while that for the entities on the legacy system was UGX.1.92Tn

I included my detailed findings, within the statutory audit reports I issued for each of the entities covered.

Some of the key findings and recommendations are as summarized below;

- i. Out of 78 entities assessed, 11 (14%) made sixty-three (63) procurements worth UGX.59.02Bn which were not in the procurement plans.
- ii. Out of 78 entities assessed, 5 (6%) entities split nineteen (19) procurements worth UGX.2.40Bn, without adhering to the criteria for splitting of requirements.
- iii. Of the 78 entities assessed, 8 (10%) irregularly initiated twenty-one (21) procurements worth UGX.42.79Bn.
- iv. Of the 78 entities assessed, 13 (16%) undertook seventy-nine (79) procurements worth UGX.25.45Bn without obtaining market prices of the requirements to support estimated values of the procurements.
- v. Forty-four (44) contracts worth UGX.47.13Bn, in 10 (13%) entities out of the 78 assessed, signed the contracts with bidders without requiring them to avail performance security.

4.0 MANAGEMENT OF THE PROCUREMENT FUNCTION IN GOVERNMENT

viii. **Review of the e-GP System revealed the following matters;**

- a. Intermittent downtimes and insufficient user sensitization, affecting its implementation.

- b. Inadequate access rights to view procurement communications, and incomplete procurement processes on the oversight portal were found completed when reviewed through the PDE portal

- c. The e-Procurement plans were missing key details like timelines, recommended methods, and contract management.

- d. The system could not return essential procurement reports, including provider information, award dates, and contract details.

- e. Inability for Solicitor General to approve Contracts online hence resorting to manual submissions.

- f. Lack of visibility of vote controllers for common-use items across departments.

KEY RECOMMENDATIONS

I advised the Accounting Officers to;

- i) Ensure that procurement and disposal plans are regularly reviewed and updated whenever necessary in accordance with Section 60 (7) of the PPDA Act, Cap. 205.

4.0 MANAGEMENT OF THE PROCUREMENT FUNCTION IN GOVERNMENT

- ii) Ensure that procurements are consolidated and procured under a single contract where applicable, unless justifiable criteria for splitting are explicitly documented and approved
-
- iii) Always carry out market assessments before initiation of procurements.
-
- iv) Confirm that all procurements for supplies and works requiring bidders to present the performance securities comply.
-
- v) Enforce strict adherence to the evaluation criteria outlined in the bidding documents for all future procurement processes.
-
- vi) Always appoint contract managers for every procurement contract and ensure that contract management plans are prepared and submitted to the PDU for effective monitoring.
-
- vii) Follow up with the developer of the e-GP system for expeditious implementation of the business process re-engineering of the system to address all the identified gaps.
-
- viii) Ensure that after acquiring the clearance from the Solicitor General, which is done off the system, procurements should then be completed on the system as required.

4.0 MANAGEMENT OF THE PROCUREMENT FUNCTION IN GOVERNMENT

OVERALL CONCLUSION

Government has made notable progress towards improvement of the procurement function. However, there are still bottlenecks in the e-GP system design, training of users and enforcement of the procurement regulations.

5.0 REVENUE COLLECTION BY UGANDA REVENUE AUTHORITY

I undertook a trend analysis of revenue collected in the last two financial years and noted that collections increased by 16.5% and 8.5% in the financial years 2022-2023 and 2023-2024 respectively.

The Authority's actual gross revenue collection was UGX.27,938.694Bn in FY 2023/24 compared to UGX.25,751.729Bn for the 2022/2023 Financial Year. The performance represents an average revenue growth of 8.5%. However, the above performance resulted in a revenue shortfall of UGX.1,917.470Bn (93.5%) against the year's set target.

The upward trend in revenue collections is partly attributed to improved tax administration by the tax body, which has in turn increased compliance levels among the taxpayers.

The failure to attain the set revenue target affects the overall revenue performance and cash flow performance of Government.

I advised Management to enhance its initiatives to grow revenue collections and meet the set revenue targets sustainably.

6.0 EXPIRED DRUGS

During the financial year under review, Covid-19 vaccines, ARVs, test kits and related supplies amounting to UGX.316.65Bn were declared expired and non-viable. This is in addition to the expiries worth UGX.33Bn for the previous financial year, implying an increase of almost 860% in one year. This is wastage of government resources which would otherwise have been utilised for other pressing needs.

I advised the Accounting Officer of National Medical Stores (NMS) to appropriately budget for the EMHS in line with the demand to avoid over stocking of drugs and ensure adequate and timely distribution and delivery of drugs and health supplies to the respective health facilities.

7.0 UNDERUTILIZATION AND NON-FUNCTIONAL MEDICAL EQUIPMENT IN HOSPITALS

I noted under utilisation of medical equipments in various hospitals as indicated below;

- i) Mulago National referral Hospital has an Intensive Care Unit with a bed Capacity of 27 Beds but currently only 15 beds are occupied which is 56% occupancy due to lack of professional health care staff.
-
- ii) In other 5 hospitals of Butabika, Kiruddu, Kawempe, China Naguru, and Women Specialised Hospitals, various critical equipment are non functional. In Entebbe, Kisenyi HCIV, MUK Hospital Kasangati HCIV there were instances where ICU beds, patient monitors and oxygen concentrators are not being utilised yet functional due to absence of medical personnel.

7.0 UNDERUTILIZATION AND NON-FUNCTIONAL MEDICAL EQUIPMENT IN HOSPITALS

The under-utilisation and non-functionality of medical equipment was attributed to lack of enough trained personnel to run the complex equipment as well as inadequate space to fix these equipment.

Inadequate use of medical equipment impairs service delivery due to limited diagnosis.

I advised management of respective hospitals to consider training staff in the operation of the various complex equipment and follow-up with the Ministry of Finance to provide funding to expand space to install the various equipment to enhance operational efficiency.

8.0 INADEQUATE FUNDING FOR MAINTENANCE OF MEDICAL EQUIPMENT

I reviewed the approved budget and equipment maintenance plans and noted that the Health Infrastructure Department (HID) of the Ministry of Health requires approximately UGX.20Bn for the maintenance of all medical equipment. However, only UGX.1.8Bn was allocated in the budget. Consequently, the department lacks the capacity to maintain all medical equipment, except for specialized equipment whose maintenance is embedded in the framework contracts with the respective service providers who originally supplied the machines.

The inability to maintain equipment reduces the availability and reliability of medical services, potentially compromising patient care and safety.

The Accounting Officer explained that the Ministry of Health has always presented this budget requirement to Ministry of Finance, Planning and Economic Development as an Unfunded priority. The same has been presented to the Health committee of Parliament. However, the funding has never been increased.

8.0 INADEQUATE FUNDING FOR MAINTENANCE OF MEDICAL EQUIPMENT

Management was advised to follow-up on securing increased funding for the maintenance of medical equipment through engagement with the Ministry of Finance and Parliament to address the critical funding gap.

9.0 MANAGEMENT OF HEALTH CENTRE IVs

9.1 ADMINISTRATIVE MATTERS

- I noted that 13 health facilities in 4 HLGs that received PHC amounting to UGX.0.302Bn were not included on the National Health Facility Master List. A total of 66 staff paid wage of UGX.0.867Bn had been deployed in these non-accredited health facilities.

- I noted that 93 HCIVs in 93 HLGs had not implemented the new structure as approved by MoPS. Out of the approved old structure of 7,966 positions in 93 HCIVs in 93 HLGs, only 3,796 (47.7%) positions were filled leaving a gap of 4,170 (52.3%).

- 7 HCIVs in did not have a record of the daily staff attendance. I further noted that 204 staff in 16 HCIVs were absent from duty for an average of 88 days in the year under review. These staff were paid UGX.0.610Bn for the period they were absent.

- 59 staff in 17 HCIVs who were on long-term study leave earning a salary of UGX.1.499Bn per annum had not been bonded by the facilities/HLGs.

- I noted that 4 HCIVs in 4 HLGs either had an expired or did not have a health unit management committee during the year under review.

9.2 HEALTH INFRASTRUCTURE AND MEDICAL EQUIPMENT

- I noted that out of the 355 counties in the country, only 211 (59%) had established HCIVs leaving 144 counties without HCIVs.

- 50 HCIVs in 50 HLGs did not have land titles for 275 acres of land on which health infrastructure such as OPD, theatre, Male ward among others were installed.

- 81 HCIVs in 81 HLGs lacked 2,037 key medical equipment such as X-Ray machine, Oxygen plant, Autoclave, blood bank, Operating theatre among others that are required as a minimum to offer health services. I further noted that 54 HCIVs in 54 HLGs had not repaired 382 equipment that are key in the provision of health services.

- This was attributed to underfunding, for instance; UGX.0.131Bn was budgeted for maintenance and repairs but only UGX.0.058Bn (4%) was received. In addition, 62 HCIVs in 62 HLGs had 895 obsolete/non-repairable and hazardous equipment that were due for disposal but had not been included in the disposal plan.

- I noted that 57 HCIVs in 54 HLGs had no designated person to manage the storage, distribution, and control of medical equipment. I further noted that 25 HCIVs in 25 HLGs did not have appropriate safety gear for staff working in areas such as the X-ray room, theatre and laboratory that are prone to safety hazards.

9.2**HEALTH INFRASTRUCTURE AND MEDICAL EQUIPMENT**

The failure to adequately staff, fund, and equip health facilities leads to a decline in healthcare quality, increased morbidity and mortality, and exacerbates healthcare inequality, particularly for vulnerable populations. Overburdened healthcare workers experience burnout, and emergency services become strained, while economic burdens rise due to lost productivity and higher long-term healthcare costs.

Government should prioritize operational funding, invest in modern infrastructure and essential equipment, and address staffing shortages in the health centres.

**10.0 PREPAREDNESS FOR ADOPTION OF HIGHER
SECONDARY CURRICULUM**

The National Curriculum Development Centre (NCDC) is mandated by NCDC Act, Cap 135, to ensure that educational content is relevant, effective, and aligned with contemporary educational needs.

In 2020, the Ministry of Education and Sports implemented the Competency-Based Curriculum (CBC) for the New Lower Secondary Curriculum, which necessitated a revision of the Higher Secondary Curriculum. In addition, the revision necessitated teachers to be equipped to teach a complete learning area because outcomes-based curriculum also requires a revised, skill-oriented approach to assessment to support learning and reward achievement at all levels.

I reviewed the extent to which the two had been implemented and noted that;

10.0 PREPAREDNESS FOR ADOPTION OF HIGHER SECONDARY CURRICULUM

- i) The development of the Higher Secondary Curriculum by NCD C was incomplete. Out of the requisite 19 processes outlined for curriculum reform, only 6 were complete, 3 were in progress, while 10 had not been undertaken.

The pending processes included; Fine tuning the adapted syllabuses with input from the Quality Assurance and Publishing Department; Language editing; Laying out and type setting the materials; Developing assessment modalities for the adapted curriculum; Printing the approved curriculum for the 29 subjects and distribution; Fine tuning the teacher training strategy; and Interpreting the developed curriculum for the teachers and other selected stakeholders.

- ii) Despite the plan to train 130,055 secondary school teachers, only 81,495 (63%) were trained over a five-year span, implying a shortfall of 48,560 (37%) teachers.

With only two months to the commencement of the school term, the above challenges, pose significant implications for the 2024 senior four candidates, particularly those who were instructed and assessed using the Competency-Based Curriculum.

I advised NCD C to expedite the pending processes and ensure that the revised Higher Secondary Curriculum is completed, approved and implemented to meet the educational needs of students.

11.0 MINERALS MANAGEMENT

The National Development Plan (NDP) III emphasizes the importance of sustainable mineral development for economic growth and revenue generation. However, a review of the subsector revealed institutional inadequacies which threaten to undermine the NDP objectives. I noted the following;

- i) Gold exports valued at USD 3.014 billion (approximately UGX.11Tn) were made without obtaining the necessary export permits from the Minister of Energy as required by Section 149 of the Mining and Minerals Act Cap. 159. The practice undermines the regulatory framework and leads to revenue loss to government. For example, the unpaid export levies have accumulated to UGX.68.842Bn.
- ii) The mineral rent fees of UGX.439Bn, which was due from exploration and mining companies, remained outstanding as of 30th June 2024, contrary to Section 50(1.b) of the Mining and Minerals Act Cap.159.

Section 180(4) of the Mining and Minerals Act Cap. 159, requires royalties to be distributed among the Central Government (70%), Local Governments (15%), Sub-County or Town Councils (10%), and owners or lawful occupiers of land subject to mineral rights (5%). I noted that the Mineral Royalties' sharing fund account in MEMD received UGX.5.69Bn, in addition to the closing amount from the previous period of UGX.1.36Bn, adding up to UGX.7.05Bn. I noted that only UGX.3.14Bn (45%) was distributed to the beneficiaries, leaving an outstanding balance of UGX.3.91Bn.

The above weaknesses were attributed to inadequate enforcement of laws and weak collaboration, among key players.

I advised the Accounting Officer to;

- Strengthen collaboration with the Uganda Revenue Authority to enhance the monitoring and enforcement of the export permit requirements.

11.0 MINERALS MANAGEMENT

- Institute follow-up mechanism to monitor outstanding payments of mineral rent fees and strengthen enforcement for non-compliant license holders. Consider imposing penalties on culpable mineral exporters, in line with section 149(5) of the Mining and Mineral Act.
-
- Ensure that the bottlenecks leading to non-remittance of royalties are resolved so that the intended beneficiaries of the mineral royalties receive their due share.

12.0 STATUS OF PETROLEUM DEVELOPMENT

The Government set November 2025 as the date for first oil export via the Tanga Port. The declaration is aligned with Uganda's Vision 2040, which aims to leverage the natural resources to accelerate socio-economic development. I reviewed the progress of the development operations and noted the following;

- Whereas the Uganda Commercial Oil Production Plans had set a target of drilling 451 wells, the Field Development Plan (FDP) designated only 177 (approximately 39%) as necessary for the initial phase of oil production targeted for November 2025. By the time of this report (November 2024), only 94 (53%) wells out of the designated number had been drilled.
-
- In terms of the construction of the enabling facilities, the Tilenga and King Fisher Development Area (KFDA) projects had not achieved the planned targets. By November 2024, Tilenga's actual progress was 42% compared to the planned 51%, while for KFDA, the actual progress was 88% compared to the planned 91%. The analysis of the components contributing to overall progress revealed that most of the progress was in the procurement of materials, engineering and site logistics, while actual construction works were at 8.5%.

12.0 STATUS OF PETROLEUM DEVELOPMENT

iii) The compensation of Project Affected Persons (PAPs) for the East African Crude Oil Pipeline (EACOP) was substantially complete and construction works had commenced. However, implementation progress by September 2024 was at 40% compared to the target of 42%, with delays noted in pipeline and marine terminal construction.

iv) The Kabalega Industrial Park electricity substation is scheduled for completion on December 15, 2025. I, however, noted that the original design lacked a 132 kV line bay, required by EACOP to provide electricity for heating the oil during transportation.

v) The completion of the airport runway by November 2024 was a major milestone. However, critical infrastructure like the cargo terminal and 240 MW power substation were still incomplete.

vi) The establishment of a National Petroleum Data Repository Infrastructure (NPDR) is essential for efficient and effective management of petroleum data relating to exploration, development, production, and utilization of oil and gas resources in the country. The total funding required for NPDR is UGX.133.5Bn, but to date, the government has only allocated UGX.7.5Bn.

The underfunding has stalled the project progress, currently at 37%. Only the seismic data tape storage and transcription system are complete.

The various responsible Accounting Officers indicated that good progress was being made albeit with logistical challenges as well as complexities in design works, procurements and funding constraints.

I advised the responsible Accounting Officers to enhance regularity oversight, obtain necessary funding and fast-track critical infrastructure to ensure readiness for oil production.

13.0 ACCESS TO ELECTRICITY

In FY 2023/24, the electricity generation capacity of the country increased to 2,005 MW due to the synchronization of the 600 MW Karuma Hydro Power Plant (HPP) onto the national grid. This is 67% of the NDP III capacity target of 2996.8 MW.

I also noted that the completion of the Gulu-Agago and Kole-Gulu-Nebbi-Arua transmission lines had increased the transmission grid coverage by 18% from 4,218 circuit-km to 4,962 circuit-km.

Despite the progress realised, the following observations were noted;

- i) Out of the total generation capacity of 2,005 MW, the peak demand is only 1,025.69 MW (as of August 2024), implying a surplus of 979.31 MW. The unused capacity suggests demand-side dynamics and/or infrastructure limitations.
-
- ii) Whereas Uganda Vision 2040, set targets of 60% electricity access by 2027 and 80% by 2030, by June 2024, only 57% of the population had access to electricity (19% of grid and 38% off grid), with 36% in the rural areas. The current statistics raise concerns about the low grid access and the likelihood of achieving the targets outlined in Vision 2040.
-

I advised the Accounting Officer of MEMD to enhance the electricity scale up projects, connect the industrial hubs, expand and modernize distribution networks including mini-grids and solar home systems.

14.0 ENERGY TRANSITION

To support the objectives of Energy Transition by 2030, the NDP III stipulated a review of three key laws, namely the Electricity Act, the Atomic Energy Act, and legislation for geothermal development and the establishment of three regulatory frameworks, in addition to addressing the human resource gap.

The MEMD has made progress in establishing the Minimum Energy Performance Standards (MEPS) and developing a framework for net metering by the end of December 2024, which is commendable. I, however, noted the following;

- i) The amendments to the Electricity Act, the Atomic Energy Act, and the legislation for geothermal development were incomplete. There is risk of not achieving a cohesive and comprehensive legal framework for energy sector transformation, which may hinder the development and utilization of Uganda's geothermal resources.
-
- ii) The country had a total human resource gap of 6,118 Scientists spread over 17 professions. Of these, only 5 (29%) professions with a staffing requirement of 2,295 (37%) professionals could be trained by the universities in Uganda.
-

The above raise concerns about the country's capacity to achieve Energy Transition objectives effectively.

Management indicated that consultation with key stakeholders to complete the necessary legislation and to recruit the required staff were underway.

I advised the Accounting Officer to prioritize the completion of review and amendment of the key laws and to expedite the enactment of the geothermal legislation. In addition, training initiatives should be undertaken to ensure provision of the human capital required to meet the energy transition objectives.

15.0 PERFORMANCE OF THE NATIONAL OIL SEED PROJECT UNDER MAAIF

The National Oil seed Project is supporting farmers in 81 districts to increase production and productivity in soya bean, ground nuts, sunflower, sesame. The project is in its fourth year of implementation. During the year, the project embarked on the procurement of private service providers to provide extension services alongside NARO and MUK at a cost of UGX.47.5Bn for a period up to 2025/2026 an activity that should have been done in the second year.

At the time of writing this report, the procurement process had been cancelled by PPDA citing irregularities. This has affected the execution of project activities as indicated below;

- a) Farmers have not accessed certified seed varieties for sunflower, groundnuts and sesame except for Soya bean.

- b) Funds meant for research related activities were disbursed late to NARO and MUK for the two seasons. This affected the development of certified seed varieties.

- c) The delivery of inputs to the final beneficiary took 30 to 60 days, which was longer than the expected 30 days before the planting date or date of application. Late delivery of inputs to the farmers heavily affected planting timelines.

- d) There were few Local Seed Businesses (LSB) to provide certified seeds to the farmers. Failure to access good quality agricultural inputs affects the quality of the yield harvested.

- e) Farmers were not sensitized on climate smart agriculture technologies such as the use of tolerant and resistant varieties, timely planting, use of clean planting materials, Irrigation systems by NARO. This limits awareness and uptake of the new technologies.

15.0 PERFORMANCE OF THE NATIONAL OIL SEED PROJECT UNDER MAAIF

- f) After the delivery, the Soya bean plants seasons 2023B & 2024A, the plants were attacked by the webworm, which affected productivity. However, there was no follow-up by MUK to support the farmers.

- g) Ten (10) procurements for key project activities worth UGX.11.3Bn were not undertaken despite release and availability of funds. Key among these were weather stations, consultancies and vehicles for monitoring and supervision of project activities.

The above challenges will affect the performance of the project and result in time extensions and increment in project costs.

I advised the Accounting Officer to address the above challenges to improve the performance of the project.

16.0 PERFORMANCE OF THE NATIONAL OIL SEED PROJECT UNDER MOLG

The National Oil seed Project is supporting farmers in 81 districts through providing support to market linkage infrastructure in the oil seed sector. The project is funded by IFAD and GOU through MOLG at a cost of USD.67.5Mn. The Project became effective on 17th December 2019 and is expected to end on 31st March 2029. To date a sum of UGX.18.32Bn has been disbursed out of the expected UGX.111.98Bn.

I reviewed the implementation of the project and noted that the critical project activities had not been implemented four (4) years into the project lifetime.

- a) Feasibility studies and engineering designs for 1,495 Km of roads worth UGX.5.5Bn under the second batch was not yet undertaken, awaiting clearance of the procurement from IFAD.

16.0 PERFORMANCE OF THE NATIONAL OIL SEED PROJECT UNDER MOLG

- b) Environmental and Social Impact Assessments for 1,495Km worth UGX.3.2Bn was not yet undertaken due to delays to design the second batch of roads.
- c) Community awareness and social mobilization in all the 81 districts worth UGX.0.89Bn had not commenced which may result in conflicts with PAPs and further delays.
- d) Construction and supervision of 1,000Km of road works worth UGX.56.56Bn under the first batch had not commenced due to inadequate preparedness for project implementation.

The above challenges will affect the performance of the project and result in time extensions and increment in project costs.

I advised the Accounting Officer to address the above challenges to improve the performance of the project.

17.0 CASE MANAGEMENT AND DISPOSAL

Judiciary is an arm of the Government mandated to administer justice.

I assessed Judiciary's performance on cases disposal and made the following observations;

- i) A review of 878 case files of civil suits completed in the year 2024 revealed that 781 (89%) had been completed within the stipulated 24 months, while 97 case files (11%) took between two (2) years to 14 years to be completed.
In addition, a review of a sample of 889 case files of criminal cases completed in the year 2024 revealed that 706 cases (79%) were concluded within the stipulated 12 months, while 183 cases (21%) took a period ranging between 1 year to 22 years to conclude.

17.0 CASE MANAGEMENT AND DISPOSAL

ii) I reviewed the statistics on mediations to assess their performance and observed a similar pattern of low performance. Overall, the clearance rates for cases referred to mediation were 21%, while significantly low performance was observed at higher courts.

iii) Whereas the recommended durations on remand for petty offences and capital offences are two (2) months, and six (6) months respectively, a review of the average time spent on remand shows that over 1,722 petty offenders spent 2.7 months on remand, while over 1,313 capital offenders not yet committed to the High Court spent an average of seven (7) to 12 months on remand, all partly attributed to slow judicial processes to conclude cases.

I advised MoFPED to increase financial resource allocations, ensure coordinated efforts within and across institutions, build capacity for staff and leverage technology to support data management to improve public confidence in the management of justice.

18.0 CHALLENGES IN MISSIONS ABROAD

Uganda's missions and Embassies are mandated to promote and strengthen Uganda's interests and image abroad. I inspected 37 missions and noted the following cross cutting challenges in their operations.

a) Twenty-three (23) Missions received UGX.12.81Bn from programmes for which they have no contribution as per the NDP-III programme allocation.

b) Twelve (12) missions recruited 144 local staff who earned a total of UGX.14.07Bn during the year without approval by the Permanent Secretary of MoFA.

18.0 CHALLENGES IN MISSIONS ABROAD

- c) Seven (7) Missions paid out UGX.1.30Bn to Mission officials travelling from their duty stations to undertake mission activities within the host country using rates for travel abroad to cater for their allowances.

- d) Twenty-eight (28) Missions were not provided with capital development funds despite the urgent need for infrastructure enhancement.

- e) On-going construction projects in 12 Missions were behind schedule.

- f) Uganda is currently under cautionary sanctions of the African Union due to its outstanding contribution to the African Union amounting to UGX.13.5Bn.

I advised the respective Accounting Officers to liaise with the Ministry of Foreign Affairs as well as Ministry of Finance Planning and Economic Development to ensure that missions management is streamlined and adequately funded.

19.0 PROGRESS OF IMPLEMENTATION OF THE RATIONALISATION OF GOVERNMENT AGENCIES AND PUBLIC EXPENDITURE

Government of Uganda embarked on the Rationalisation of Government Agencies and Public Expenditure (RAPEX) to eliminate structural and functional duplications and overlaps, reduce wasteful expenditure and realise short- and long-term savings. I reviewed the rationalisation process and observed the following;

19.0 PROGRESS OF IMPLEMENTATION OF THE RATIONALISATION OF GOVERNMENT AGENCIES AND PUBLIC EXPENDITURE

- a) Out of the 41 Bills that give effect to RAPEX, 36 Bills affecting 43 institutions, had been passed by Parliament, while four (4) affecting 7 institutions were pending legislation in Parliament.

- b) 43 entities have either been merged, mainstreamed, or transferred to their parent Ministries

Engagement with various Accounting Officers of the affected entities revealed the following challenges;

- a) There was no clear strategy on how the staff from the rationalised entities will be absorbed within the Parent Ministries and this has affected staff low morale.
- b) Although the Accountant General had issued guidance on transfer of assets and liabilities by the rationalized entities, some entities were having challenges in transferring cash and inventory.
- c) Whereas there was a general roadmap by the Ministry of Public Service, I found that the Parent Ministries had not developed re-organisation strategies to realise the mergers. The legal instruments (and laws) to realise mergers were yet to be approved by Parliament. Similarly, the financial implications of the mergers were yet to be presented by the Ministry of Finance to Parliament for approval.
- d) I observed that, although staff have been given short-term contracts until December, the criteria for the roles, or staff who will be retained, and those that will be retired had not been decided and communicated. The lack of clarity had created uncertainty and affected staff morale.

19.0 PROGRESS OF IMPLEMENTATION OF THE RATIONALISATION OF GOVERNMENT AGENCIES AND PUBLIC EXPENDITURE

e) I noted that some of the rationalised entities had board members with running contracts far beyond the transition period. However, no clear arrangements exist on how the boards will be dissolved.

f) There were notable delays in the validation, recruitment and placement of staff for institutions whose boards had not been fully constituted or were not fully prepared for the activity such as NPA, UWA and UFZEPA.

g) Some of the Institutions which had finalized validation had not paid salaries to the employees who were absorbed in the Parent entities such as; URSB.

My engagement with the Accounting Officer of MoPS revealed that clear guidance had been developed and disseminated to the affected entities. This indicates a lack of awareness by the affected Accounting Officers regarding the MoPS guidance.

I advised MoPS to undertake sensitization and awareness engagements with the affected Accounting Officers to support smooth transition and implementation of the RAPEX processes.

20.0 MANAGEMENT OF WOMEN AND YOUTH PROJECT FUNDS

The Generating Growth Opportunities and Productivity for Women Enterprises (GROW) project implemented by the MoGLSD, aims at providing entrepreneurial services to enable female entrepreneurs to grow their enterprises in targeted locations, including host and refugee districts.

20.0 MANAGEMENT OF WOMEN AND YOUTH PROJECT FUNDS

The project worth USD 217Mn is funded by the World Bank and became effective on 20th January 2023. It targets to benefit over 60,000 female owned enterprises including 3,000 refugee-owned business, 280,000 women entrepreneurs and employees including 42,000 refugees, 14,000 host community members and 1.6 million indirect beneficiaries.

Out of the total disbursement of UGX.52.18Bn, only UGX.10.96Bn (21%) was expended, resulting in an unspent balance of UGX.41.22Bn. The unspent funds were still held on the Project bank accounts by the time of this report.

The low absorption was attributed to the delays to develop manuals and recruit staff. In addition, MoGLSD had not yet trained and sensitised beneficiaries. In addition assessment of the Uganda Women Empowerment and Uganda Youth Livelihood programs in 127 Local Governments level revealed that out of UGX 131Bn that was due for recovery and subsequent disbursement to new groups, only UGX.8Bn (6%) was realized during the year under review, indicating low recovery, thus undermining the objectives of the programmes.

I advised the Accounting Officer of the Ministry of Gender, Labour and Social Development (MoGLSD) to finalize the development of the manuals, training of beneficiaries and recruitment of relevant staff to rollout of the GROW project.

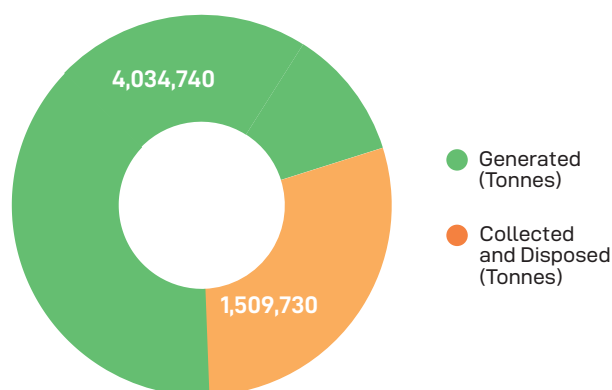
In addition, the Local Government Accounting Officers should devise strategies that will enable timely recovery of the amounts due from the groups so that other beneficiary groups may be funded.

21.0 SOLID WASTE MANAGEMENT

During the implementation of the USMID-AF project, significant interventions in solid waste management were undertaken, resulting in improvements in disposal across participating Cities and Municipalities.

I noted that solid waste management is still a challenge in the Cities and Municipalities. The quantities disposed-off remain low compared to the volumes generated. In the 3-year period (2021/22 - 2023/24), only 37% of the total 4,034,740 tonnes of the generated solid waste was collected and disposed off, as illustrated in Figure below;

Garbage collected in Cities and Municipalities



Specifically, the Cities collected and disposed off 1,109,833 tonnes (34.4%) of the planned 3,222,277 tonnes of waste generated, while the Municipalities collected and disposed off 399,897 tonnes (50%) of the generated 812,462 tonnes.

The best performing were Fort-Portal City and Soroti City which collected and disposed off 86% of the garbage collected in their respective jurisdictions, followed by Kamuli MC, with a performance of 79%. The worst performing administrative units were Lira City, Tororo MC and Kitgum MC, whose performance was 10%, 28% and 30% respectively.

21.0 SOLID WASTE MANAGEMENT

I noted a gap in policy and infrastructure development. The MoLHUD had not developed a national solid waste management policy and had not implemented plans for resilient infrastructure and waste recycling. This hampers Solid Waste Management efforts in the Cities and Municipalities.

I advised the Accounting Officer of MoLHUD to expedite the development of the policy to ensure a comprehensive approach to solid waste management in the Cities and Municipalities to improve and secure environmental resilience and public health.

22.0 DELAYED SETTLEMENT OF WATER BILLS BY GOVERNMENT ENTITIES

It was observed that National Water and Sewerage Corporation (NWSC) had receivables of UGX.355Bn. Out of the figure, UGX.72.5Bn (20%) relates to unpaid bills by government Ministries, Departments and Agencies (MDAs). Some unpaid bills have been outstanding for more than two (2) years.

The above was brought to attention of government in which the PS/ST (referenced ISS 58/255/01 dated 21st February 2023) committed to settle verified water bills totalling to UGX.43.1Bn, starting with UGX.12.8Bn in FY 2023/24 and the balance in the next 4 years. I however noted that the PS/ST failed to fulfill the commitment to settle the outstanding water bills.

The above creates financial strain on NWSC, limiting its ability to invest in infrastructure, maintenance, and service expansion, which adversely affect the quality and reliability of water supply services.

I advised the management of the Corporation to continue engaging the PS/ST to honour the commitment made and settle the debts owed by MDAs.

23.0 INSPECTION FOR SERVICE DELIVERY UNDER THE ROAD MAINTENANCE GRANT IN LOCAL GOVERNMENTS

I carried out physical inspections between October and December 2024 on a sample of 425 implemented road projects in the 140 LGs in the FY 2023/24. I further made an analysis on 303 road projects implemented in 75 LGs and observed the following;

- Out of the sample of 303 roads worth UGX.35.820Bn inspected, 159 had anomalies for instance; uninstalled culverts, unconstructed headwalls, silted culverts, bushes on road sides among others.
- Out of the sampled 303 projects, 165 were Completed roads and 138 were Incomplete works/Ongoing road works.
- In 3 LGs that is Kyenjojo, Bundibugyo and Mitooma DLGs, works worth UGX.0.873Bn were executed outside the work plans.

The Accounting Officers attributed this to delayed release of funds from MoFPED, lack of road equipment and frequent breakdown of road equipment.

I advised the Accounting Officers to liaise with MoFPED and ensure timely release of funds, liaise with the MoWT, URF and Parliament to provide for monitoring and supervision under the grant and recruit competent technical staff to undertake the works under the Grant.

24.0 VALUE FOR MONEY AUDITS AND CONCLUSIONS

Value For Money (VFM) audits assess the economy, efficiency and effectiveness with which entities utilize resources accorded to them. I conducted 29 VFM audits and herewith, are the various topics and highlights of the respective conclusions.

Detailed individual reports have been issued separately.

SN	VFM TOPIC	CONCLUSION
1	Implementation of the National ICT Initiatives Support Program by the Ministry of Information & Communications Technology and National Guidance	The Program's success was undermined by the non-prioritization of supporting legal and governance structures, non-implementation of some key planned Program activities, failure to provide customised non-financial support to innovators plus selective follow up and reporting of the Program M&E function.
2	The Regulation of the Dairy Industry in Uganda by Dairy Development Authority	Whereas the Authority has made significant efforts in regulating the industry, there are gaps in the existing legal framework, non-registration of all dairy handlers, limited enforcements and surveillance, and inadequate follow-up on implementation of inspection recommendations among others.
3	Effectiveness of the Implementation of the Investing IN Forests and Protected Areas for Climate-Smart Development Project by the Ministry of Water and Environment, National Forestry Authority and Uganda Wildlife Authority	Significant challenges remain especially in the form of procurement delays; low community needs assessment and feedback, coordination and routine monitoring of the project. Addressing these issues through adaptive management strategies will be crucial for achieving the project's long-term objectives.

24.0 VALUE FOR MONEY AUDITS AND CONCLUSIONS

SN	VFM TOPIC	CONCLUSION
4	Management of Work Permit Processes by the Directorate of Citizenship and Immigration Control	Directorate of Citizenship and Immigration Control needs to improve its automation of both regional offices and the gazetted border points, monitor the transfer of skills, enforce exit upon expiry of work permits, reduce revenue leakages, enforce compliance of permit class and minimize entry of illegal migrants into the country.
5	Supervision of Districts by the Ministry of Local Government	The Ministry of Local Government should ensure detailed training needs assessments at District level, induction of newly elected political leaders, performance assessment process, regular and comprehensive inspections to enhance performance of districts.
6	Evaluation of Implementation of the Health Facilities Programme under the Uganda Intergovernmental Fiscal Transfer Programme in the Health Sector, implemented by Ministry of Health	The UglIFT program in the Health Sector has made notable progress in improving access to healthcare services in underserved and refugee-hosting districts through maternal and child health services, as evidenced by increased deliveries, antenatal visits, and immunization rates. However, the quality of health care is compromised by non-availability of medical equipment, unreliable utilities and the staffing gaps at these health facilities.

24.0 VALUE FOR MONEY AUDITS AND CONCLUSIONS

SN	VFM TOPIC	CONCLUSION
7	Evaluation of the Seed School Programme under the Uganda Intergovernmental Fiscal Transfer Program in the Education Sector, implemented by Ministry of Education and Sports	Despite notable achievements, such as increased enrolment and improvements in gender equity, the program faces persistent challenges, including delays in school construction, staffing shortages, inadequate infrastructure and utilities, and limited adoption of critical monitoring systems like TELA and E-Inspection.
8	Impact Evaluation of the Micro-Scale Irrigation Programme under the Uganda Intergovernmental Fiscal Transfer Program (Ugift) program in the Agriculture Sector, implemented by Ministry of Agriculture Animal Industry and Fisheries	While achieving commendable progress in installations and benefits to participating farmers, the program faced notable challenges in equitable beneficiary targeting, cost variations, and inadequate training. The impact assessment revealed positive gains for beneficiaries in income per acre, but disparities in regional impact and farmer participation hindered uniform success.
9	Government of Uganda's efforts, through Ministry of Education and Sports to support the management of Menstrual Health and Hygiene in Primary and Secondary Schools	There are still gaps in resource mobilization and planning for Menstrual Health and Hygiene in Primary and Secondary Schools with no or poor sanitation facilities, lack of capacity building of senior women teachers and senior men teachers on MHHM; limited awareness creation and; inadequate monitoring and inspections of schools that is focused on MHHM. This has resulted in absenteeism amongst girls and reduced their learning time.

24.0 VALUE FOR MONEY AUDITS AND CONCLUSIONS

SN	VFM TOPIC	CONCLUSION
10	Monitoring and Enforcement of air Quality Standards in selected cities in Uganda by the National Environment Management Authority	Compliance with air quality standards remains inadequate due to limited monitoring infrastructure. Public awareness initiatives have been limited in coverage, heavily reliant on digital platforms, and dependent on development partners, limiting their impact. As a result, major pollution sources, including transportation, industrial emissions, and waste burning, operate with minimal regulation.
11	Monitoring and Assessment of Available Ground and Surface Water Resources by the Ministry of Water and Environment	Gaps in monitoring coverage, data quality, and resource allocation hinder the Ministry's ability to produce reliable data for effective climate change adaptation and disaster risk response. Strengthening institutional capacity, aligning processes with international standards, ensuring timely data dissemination, and raising public awareness of water resource monitoring are crucial for the sustainable management of water resources.
12	Regulation of Secondary Education in Uganda by the Ministry of Education and Sports	By focusing on improving the implementation and enforcement of the policies, guidelines and the laws, data collection and management, stakeholder engagement, infrastructure development and support supervision, the Ministry can create a more supportive and effective secondary education system that aligns with the outcomes envisaged in the Constitution and Vision 2040.

24.0 VALUE FOR MONEY AUDITS AND CONCLUSIONS

SN	VFM TOPIC	CONCLUSION
13	Effectiveness of Provision of Railway Services by Uganda Railways Corporation	To address the challenges and improve the performance of URC, a holistic approach encompassing enhanced resource allocation, robust training and capacity-building programs, improved asset management and maintenance and strengthened stakeholder coordination is essential.
14	The Local Economic Growth Support Project Implemented by the Ministry of Local Government and beneficiary District Local Governments	For the five years of the project from 20/2019 to 24/2023, intended beneficiaries continued to experience key bottlenecks such as limited availability of water for consumption and production, challenges in post-harvest handling, access to markets and accessibility to affordable financing. The project management needs to institute measures to address the bottlenecks.
15	Scaling and Commercialization of Research Outputs in Makerere, MUST and Busitema Public Universities	Weaknesses in research commercialization practices, such as poor coordination, limited institutional involvement in dissemination, and restrictive Intellectual Property policies, prevent public universities from exploiting the full potential of research outputs. The current researcher-led model of scaling innovations, coupled with limited financial and structural capacity, hinders the universities' ability to drive scalable solutions and contribute to national development goals.

24.0 VALUE FOR MONEY AUDITS AND CONCLUSIONS

SN	VFM TOPIC	CONCLUSION
16	Follow up Report on the Value for Money Audit on Enforcement of Occupational Safety and Health Activities by the Department of Occupational Safety and Health under the Ministry of Gender, Labour and Social Development	Although MoGLSD has made progress by upgrading its information systems, recruiting additional inspectors, and developing policies and guidelines, the absence of finalized OSH legislation limits its capacity to enforce compliance effectively.
17	Follow up Report on the Value for Money Audit on the Implementation of Fuel Marking Programmed by the Ministry of Energy and Mineral Development	The report reveals that out of twelve recommendations, seven (%58.3) were fully implemented, four (%33.3) partially implemented, and %8) 1) was overtaken by events. Overall, MEMD's actions reflect a strong dedication to improving fuel quality and regulatory practices. However, continued efforts are necessary to fully implement all recommendations and address any remaining gaps to ensure the Programme's sustained success and effectiveness.
18	Follow up Report on the Value for Money audit on the Management of Accommodation by Uganda Police Force	The report reveals that all the 12 key recommendations (%100) were partially implemented. Addressing the funding challenges and enhancing management practices are crucial in ensuring all entitled officers access safe and adequate housing.

24.0 VALUE FOR MONEY AUDITS AND CONCLUSIONS

SN	VFM TOPIC	CONCLUSION
19	Follow up Report on the Status of Implementation of Audit Recommendations for the Value for Money audit on the Management of the Loan Portfolio by the Microfinance Support Centre	Out of the 18 key audit recommendations made in my 2014 report, 3) were fully implemented; 7) were partially implemented; 4) were not implemented and, 4) were overtaken by events. Although there was improvement in several areas including a reduction in the number of written off loans, enhanced record keeping by the SACCOs, development of field visit guides, improved cost benefit analysis and increased capacity building for SACCOs, I noted performance gaps and weaknesses in the management of the loan portfolio.
20	Follow up Report on the Status of Implementation of Audit Recommendations on the Value for Money audit on the Management of Sewerage in Urban Areas by National Water and Sewerage Corporation	The report reveals that out of the 6 key recommendations, 3 were partially implemented and 3 not implemented. Overall, NWSC's actions reflect a strong effort towards addressing the need to efficiently and effectively manage provision of sewerage services in urban areas in Uganda, however, continued efforts are still necessary to fully implement all recommendations.

24.0 VALUE FOR MONEY AUDITS AND CONCLUSIONS

SN	VFM TOPIC	CONCLUSION
21	Follow up Report on the Implementation of Audit Recommendations on the Value for Money audit on the Facilitation and Promotion of Export Trade by Uganda Export Promotion Board	The report reveals that out of the 5 key recommendations, %20 were fully implemented, %40 were partially implemented, and %40 were not implemented. Overall, UEPB's actions reflect a strong effort towards increasing Uganda's export trade. However, continued efforts are necessary to fully implement all recommendations and address any remaining gaps to ensure the export promotion drive and expansion of trade opportunities are achieved.
22	Follow up Report on the Status of Implementation of Audit Recommendations on the Value for Money audit on Management of Blood Transfusion Services by the Uganda Blood Transfusion Services	Out of the twenty-eight (28) audit recommendations in the AG's report of 2013; %82) 23) were partially implemented, while %18) 5) of the recommendations were not implemented at all. I noted some improvements in documentation through the Blood Safety Information System and enhancements in blood component to whole blood ratio. However, major challenges remain, notably in obtaining accreditation for most of the Regional Blood Banks.

24.0 VALUE FOR MONEY AUDITS AND CONCLUSIONS

SN	VFM TOPIC	CONCLUSION
23	Follow up Report on the Value for Money Audit on the Implementation of the Vegetable Oil Development Project by the Ministry of Agriculture, Animal Industry and Fisheries	MAAIF through VODP and its successor projects had managed to fully implement only four (4) of the seventeen audit recommendations. Major challenges remain in the timely implementation of project activities, disbursement and utilization of project funds, and provision of farm inputs to farmers.
24	Assessment of the effectiveness of Legal, Regulatory and Institutional Frameworks in Uganda to curb Illicit Financial Flows in the Management of Revenue from the Extractive Industry in Uganda	Uganda should continue to refine and strengthen its legal framework and ensure strict implementation of the laws to strengthen the fight against IFFs and promote sustainable revenue mobilization from the extractive industry for National development.
25	Promotion and uptake of Improved Agricultural Varieties by the Ministry of Agriculture, Animal Industry and Fisheries	Despite the approval and release of improved varieties, the audit established that largely the measures put in place to promote the uptake of these crop varieties have not achieved the desired outcome due to ineffective monitoring and evaluation of performance and inadequate coordination between the key players responsible for promoting the uptake of improved crop varieties.

24.0 VALUE FOR MONEY AUDITS AND CONCLUSIONS

SN	VFM TOPIC	CONCLUSION
26	Supervision of District Service Commissions by the Public Service Commission	In order for the DSCs' performance to be enhanced, the PSC support supervision needs to focus on areas such as; needs assessments, refresher trainings and mentorships, e-recruitment IT system and appeals handling process.
27	The Management of Public Debt by the Ministry of Finance Planning and Economic Development	Uganda's overall risk of debt distress remains medium hence, public debt may be sustainable in the medium term as evidenced by the liquidity indicators set by the World Bank and IMF. As such, the Government is encouraged to be more cautious in contracting new debt in the future, increase its revenue mobilization and continue to rationalize its expenditure to maintain sustainable debt levels.
28	The Management of Revenue Collections from the Telecommunications Sector by Uganda Revenue Authority and Uganda Communications Commission	There is adequate technology to ensure reliable assessment and assurance of revenue from the telecom sector. However, some of the major bottlenecks include delayed provision of business rules by telecom operators, non-provision of ERP files by Telecom Operators, and insufficient training and knowledge transfer to URA staff among others. The Government is advised to address the above bottlenecks and heighten its efforts in monitoring the revenue of the telecom operators and the reconciliation of the taxes due to the Government.

24.0 VALUE FOR MONEY AUDITS AND CONCLUSIONS

SN	VFM TOPIC	CONCLUSION
29	The effectiveness of local revenue mobilization and collection in selected Municipalities in Central region.	The local revenue mobilization faces a number of challenges in enumeration, assessment, sensitization, enforcement and collection in the selected Municipalities, which have negatively affected the achievement of planned revenue targets. Implementation of recommendations such as funding enforcement budgets, equipping Town Agents on the basic principles of tax administration and retooling of the revenue departments shall improve revenue collection.



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