



THE REPUBLIC OF UGANDA

REPORT OF THE AUDITOR GENERAL
ON THE UGANDA COMMUNICATIONS COMMISSION FOR THE AUDIT YEAR 2025

OFFICE OF THE AUDITOR GENERAL
UGANDA

DECEMBER 2025

PREAMBLE

This report presents the findings, conclusions and recommendations on the audit of Uganda Communications Commission for the audit year ended 30th June 2025.

The report is based on audit observations made on all types of audits undertaken on the Uganda Communications Commission during the audit year. This is intended to provide stakeholders with a clear understanding of my key findings and conclusions. The recommendations outlined in this report aim to support the Commission in achieving its goals and objectives and to promote better service delivery.

This report has five (05) sections:

Section 1: Financial audit report for the year ended 30th June 2025;

Section 2: Key findings on compliance with the specified regulatory framework;

Section 3: Highlights on evaluation of Commission's performance;

Section 4: Summaries of key findings arising from other audit engagements and

Section 5: Projects under the Commission

Section 6: Financial statements

Where only summaries of other audit engagements have been included in this report, detailed reports were issued separately.

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LIST OF ACRONYMS

SN	ACRONYM	MEANING
1.	AG	Auditor General
2.	Bn	Billion
3.	BEB	Best Evaluated Bidder
4.	Cap	Chapter
5.	FY	Financial Year
6.	GoU	Government of Uganda
7.	GAR	Gross Annual Revenue
8.	ICT	Information and Communications Technology
9.	IESBA	International Ethics Standards Board for Accountants
10.	IPFs	Indicative Planning Figures
11.	IPSAS	International Public Sector Accounting Standards
12.	INTOSAI	The International Organization of Supreme Audit Institutions
13.	ISSAIs	International Standards of Supreme Audit Institutions
14.	Mn	Million
15.	MoICT	Ministry of Information Computer Technology
16.	M&E	Monitoring and Evaluation
17.	MoES	Ministry of Education and Sports
18.	MoU	Memorandum of Understanding
19.	NAA	National Audit Act
20.	NUDIPU	National Union of Disabled Persons of Uganda
21.	PAC	Public Access Centres
22.	PIAPs	Programme Implementation Action Plans
23.	PDE	Procurement and Disposal Entity
24.	PDU	Procurement and Disposal Unity
25.	PPDA	Public Procurement and Disposal of Public Assets Authority
26.	PS/ST	Permanent Secretary and Secretary Treasury
27.	PWDs	People with Disabilities
28.	UCC	Uganda Communications Commission
29.	UCUSAF	Uganda Communications Universal Service And Access Fund
30.	UGX	Uganda Shillings

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**SECTION 1: REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS
OF THE UGANDA COMMUNICATIONS COMMISSION FOR THE FINANCIAL
YEAR ENDED 30TH JUNE, 2025**

THE RT. HON. SPEAKER OF PARLIAMENT

Opinion

I have audited the financial statements of the Uganda Communications Commission, for the financial year ended 30th June 2025, which comprise the Statement of Financial Position as at 30th June 2025, the Statement of Financial Performance, the Statement of Changes in Equity, and the Statement of Cash Flows, together with other accompanying statements for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Uganda Communications Commission for the financial year ended 30th June 2025, in accordance with the International Public Sector Accounting Standards (IPSAS) as issued by the International Public Sector Accounting Standards Board (IPSASB), Section 49 of the Public Finance Management Act, Cap 171 and the Uganda Communications Act, Cap 103.

Basis of Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Commission in accordance with the 1995 Constitution of the Republic of Uganda, the National Audit Act (NAA), Cap 170, the International Organization of Supreme Audit Institutions (INTOSAI) Code of Ethics, the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code), and other independence requirements applicable to performing audits of Financial Statements in Uganda. I have fulfilled my other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Uganda. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in my audit of the financial statements of the current period. I have determined that there are no key audit matters to communicate in my report.

Other Information

The Executive Director is responsible for the other information. The other information comprises the statement of responsibilities of the Executive Director and the commentaries by the Head of Accounts and the Executive Director, and other supplementary information.

The other information does not include the financial statements and my auditors' report thereon. My opinion on the financial statements does not cover the other information, and I do not express an audit opinion or any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially consistent with

the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Management's Responsibility for the Financial Statements

Under Article 164 of the 1995 Constitution of the Republic of Uganda and Section 43 of the Public Finance Management Act, Cap 171, the Accounting Officer is accountable to Parliament for the funds and resources of the Commission.

The Executive Director is also responsible for the preparation of financial statements in accordance with the requirements of the Public Finance Management Act, Cap 171, and for such internal controls as the Executive Director determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Director is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Executive Director has a realistic alternative to the contrary.

The Executive Director is responsible for overseeing the Commission's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users, taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also;

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Director.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal controls.
- Conclude on the appropriateness of the Executive Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to deliver its mandate. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Commission to fail to deliver its mandate.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that complies with the Government of Uganda Public Financial Management laws and regulations.

I communicate with the Executive Director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that I identify during my audit.

I also provide the Executive Director with a statement that I have complied with relevant ethical requirements regarding independence and communicate to the Executive Director all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Executive Director, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Responsibilities

In accordance with Section 18 (1) of the National Audit Act (NAA), Cap 170, I report to you, based on my work described on the audit of Financial Statements that, except for the matters in Section 2 of this report and those raised below, whose effect has been considered in forming my opinion on the financial statements, the activities, financial transactions and information reflected in the financial statements that have come to my notice during the audit, are in all material respects, in compliance with the authorities which govern them.

1.1 Under-remittance of Statutory Levy to the Consolidated Fund

Section 69 (4) of the Uganda Communications Act, Cap 103 requires the Commission to remit 50% (a half) of the levy charged under this section to the Consolidated Fund (UCF). Section 69 (5) states that the balance is shared between ICT development and rural communication (UCUSAF) in a 1:1 ratio.

During the year under review, the Commission collected a total chargeable levy of UGX.118.5Bn. Based on the statutory requirement, 50% of the total amount due to the Consolidated Fund was UGX.59.25Bn. However, only UGX.55.9Bn was transferred to the Consolidated Fund (UCF) as of April 14, 2025. This resulted in an under-remittance to the Consolidated Fund of UGX.3.35Bn, which was due by June 30th, 2025.

The Executive Director explained that transfers to the Consolidated Fund are based on actual 2% levy collections and accordingly, UGX.55.90Bn had been remitted to date, and the balance is in the process of being transferred.

Recommendation

I advised the Executive Director to make remittances in compliance with the provisions of the law, and where delays are encountered during the year, Treasury must be notified in time.

1.2 Non-Compliance by Courier Operators with Licensing Requirements

Section 33(1) of the Communications Act, Cap 103, and Regulation 5(d) of the UCC Postal and Courier Licensing Regulations strictly prohibit any person or company from operating postal or courier services without a valid license issued by the Commission.

A review of the Commission's official list of Operators revealed several active courier companies that are currently operating but do not appear on the UCC's register of duly licensed providers.

Failure to enforce mandatory licensing signals a breakdown in regulatory oversight, exposing consumers to service risks and a lack of redress, and may result in quantifiable revenue loss.

The Executive Director explained that the UCC Act only covers items up to 30kg, with heavier cargo falling under the Ministry of Works and Transport jurisdiction. He added that to address the licensing gap, the Commission was undertaking joint initiatives with the Ministry to ensure dual-license compliance for bus and logistics operators.

Recommendation

I advised the Executive Director to enhance regulatory enforcement by barring all identified unlicensed providers from operating until they obtain the requisite valid UCC license.



Edward Akol
AUDITOR GENERAL

Kampala

22nd December, 2025

SECTION 2: REPORT ON THE AUDIT OF COMPLIANCE WITH THE RELEVANT REGULATORY FRAMEWORK

I conducted compliance audits on selected key subject matters in line with Section 18 of the National Audit Act (NAA), Cap 170 and in accordance with the International Standards of Supreme Audit Institutions (ISSAI 4000)¹ on compliance auditing.

The primary objective of the audits was to obtain sufficient and appropriate audit evidence to form a conclusion on whether the Commission complied with the relevant identified criteria.

The area of focus for the compliance review was;

- Procurement management for the financial year 2024/25.

Audit Criteria

The criteria for the audits were based on Acts of Parliament, regulations, and manuals/guidelines that are intended to be followed during implementation of the stated interventions. I therefore designed audit procedures to assess the extent of compliance.

Audit Methodology

My audit was conducted based on the information and records provided by the Commission. In executing the audits, various approaches were exercised which included;

- Document reviews;
- Physical inspections;
- Interviewing relevant officials of the Commission; and
- Analysing data provided.

Audit Findings

The material findings with respect to the compliance criteria for the applicable subject matters are as follows;

2.1 Procurement, Disposal and Contract Management

I reviewed a sample of procurements worth UGX.55.718Bn to assess whether they were conducted in accordance with the Public Procurement and Disposal of Public Assets (PPDA) Act, Cap 205, PPDA regulations and guidelines in a manner that promotes transparency, fairness and competition to achieve value for money. I made the following observations;

2.1.1 Failure to Reserve Procurements for Special Interest Groups

Paragraph 2 of the PPDA Guideline Number 11 of 2024 requires an entity to reserve at least 15% of its annual procurement plan budget for awards to registered associations of women, youth, and persons with disabilities (PWDs).

¹ ISSAI 4000 - Compliance Audit Standard

I reviewed the Commission's published procurement plan for the financial year and noted that the plan did not indicate any procurements reserved for registered associations of women, youth, or PWDs as required by the guidelines.

Consequently, no contract awards were made to these registered associations during the period under review.

Failure to reserve the mandated 15% budget violates PPDA guidelines and undermines the economic empowerment of women, youth, and PWDs.

The Executive Director committed to strengthening the procurement process by integrating deliberate reservation schemes into future bidding documents to ensure compliance and inclusivity.

Recommendation

I advised the Executive Director to ensure that the annual procurement plan complies with PPDA Guideline No. 11 of 2024, and to identify procurements reserved for registered associations of women, youth, and PWDs to fulfill the Commission's social and statutory obligations under the reservation scheme.

2.1.2 Failure to execute planned procurements

Section 60(2) of the PPDA Act, Cap. 205, requires a Procuring and Disposing Entity (PDE) to plan its procurement in a rational manner. Additionally, PPDA Regulations hold the Accounting Officer responsible for the successful execution and contract management of all procurements.

The Commission planned to execute procurements totalling UGX.93Bn during FY 2024/25. However, I noted that fifteen (15) planned procurements, with a combined value of UGX.4.14Bn, had no contracts awarded by the close of the Financial Year.

This significant failure to award contracts indicates that the Commission is experiencing challenges in its procurement cycle execution (e.g., delays in specification finalisation, bidding process, or contract committee approval).

Delays in project execution postpone essential service delivery and risk cost overruns due to inflation when activities are deferred to the next financial year.

Management explained that while several FY 2024/25 procurements were initiated on schedule, implementation extended into the following year, and many had since been completed and promised to ensure future timeliness. Management added that they had categorised procurement execution as a key leadership deliverable and established a Top Management Team subcommittee to rigorously monitor the procurement plan.

Recommendation

I advised the Executive Director to review and address the bottlenecks causing the systemic failure to award contracts promptly, ensuring strict timelines and monitoring checkpoints to ensure that all planned procurements are executed in a timely manner.

2.1.3 Contracting without the Requirement for Performance Security

Regulation 12 (1) of 2014: Requires a contract to include a performance security to protect the Procuring and Disposing Entity (PDE) against non-performance.

Regulation 11 (1) & (2) of 2023: Stipulates that the bidding document shall state the requirement for a performance security (or securing declaration) and that its value be specified by the Authority's guidelines.

The Commission entered into/signed contracts totalling UGX.2.7Bn without securing the required performance security. This failure constitutes a material breach of the PPDA Regulations, exposing the Commission to undue risk of unprecedented losses of public funds in the event that providers default.

The Executive Director acknowledged the observation and promised to enforce strict compliance by ensuring performance securities are obtained where applicable, and to provide routine sensitisation to contract managers on monitoring and verifying the submissions to safeguard public funds.

Recommendation

I advised the Executive Director to enforce compliance with PPDA Regulations, and ensure performance securities are obtained for all applicable contracts, to protect the Commission from financial loss due to contractor due to non-performance.

2.1.4 Premature Contract Signing

Section 3(1) of the PPDA Contracts Regulations, 2023, Requires the display of the Notice of Best Evaluated Bidder (BEB) on the entity's notice Board for ten working days following the award decision.

Section 4(1): Prohibits a Procuring and Disposing Entity from taking any action on the award decision (including contract signing) before the lapse of this ten working-day period.

The Commission signed a contract worth UGX.0.198Bn with a vendor before the mandatory 10 working days of BEB display period had elapsed.

Failure to observe the mandatory 10-day standstill period denies unsuccessful bidders their right to an administrative review, undermining fairness and transparency, and increasing the legal risk of contracts being nullified.

The Executive Director acknowledged the importance of transparency and promised to ensure that contracts are signed only after the mandatory ten-working-day standstill period has elapsed for all applicable procurement methods.

Recommendation

I advised the Executive Director to enforce adherence to the mandatory ten-day standstill period as required by PPDA Regulations to uphold transparency and protect the Commission from the legal risks of procedural litigation.

Conclusion

The evidence obtained is sufficient and appropriate to provide a basis for my conclusion.

Based on the work performed and described in this report, except for the findings stated above, nothing has come to my attention that causes me to believe that the Procurement, Disposal and Contract Management in the Commission is not in compliance, in all material respects, with the relevant criteria.



Edward Akol
AUDITOR GENERAL

Kampala

22nd December, 2025

SECTION 3: REPORT ON PERFORMANCE EVALUATION

In accordance with Schedule 2 of the Public Finance Management Act Cap. 171 on the presentation of financial statements, and Section 18 of the NAA, Cap 170, I undertook an evaluation of the entity's performance in comparison with planned activities and outputs for the year, as well as its mandate. This section presents the findings from the evaluation of the performance.

3.1 Review of the overall performance of the entity's Strategic plan

3.1.1 Funding the strategic plan

Strategic plan funding estimates form a basis for allocation of Indicative Planning Figures (IPFs) by the Commission. Accordingly, the strategic plan's annual funding forecasts are meant to inform the annual budget estimates for the entity.

Comparative analysis of the Strategic Plan Cost Estimate and the Strategic Plan actual funding over the implementation period indicated underfunding with a 14.4% variance in the funding requirements to implement activities to deliver on the strategic plan objectives. Details are shown in Table 1 below;

Table 1: Showing Inconsistencies between the Annual Work Plan and the Forecasted Strategic Plan Funding Requirements for FY 2024/2025

Classification	Strategic Plan Cost Estimate for the period (20/21-24/25) (UGX Bn)	Actual funding (20/21-24/25) (UGX Bn)	Variance (UGX Bn)	% Variance
Wage	206.9	190.2	16.8	8.1%
Non-wage	204.5	192.2	12.3	6.0%
Development Expenditure	268.6	147.1	121.5	45.2%
Transfer to MOICT	33.2	37.1	-3.9	-11.7%
Transfer to UICT	12.2	12.2	0.005	100%
UCF	222.5	233.1	-10.6	-4.7%
TOTAL	947.9	811.8	136.2	14.4%

Source: OAG Analysis

This affected the implementation of activities and denied the entity from fully meeting its strategic objectives.

The Executive Director acknowledged the observation and committed to implementing the recommendation.

Recommendation

Management should prioritise the implementation of high-impact development projects and explore alternative funding mechanisms to bridge the 45.2% development funding gap, ensuring that the Strategic Plan objectives are fully realized.

3.1.2 Review of the Implementation of the Strategic Plan

An entity's Strategic Plan forms a basis for the preparation and implementation of the annual work plans so as to deliver on the entity's strategic and overall NDP objectives.

The strategic plan also underpins the entity's mandate, upon which the strategic plan is developed.

A comparison of the entity's strategic plan, mandate and objectives therein revealed that the Commission uses a Performance-Based Strategic Plan (PBSP). Nineteen (19) interventions, including revenue growth and expansion of communication coverage, were not fully achieved.

The partial execution of 16 out of 24 planned strategic interventions represents a critical weakness in the Commission's monitoring and implementation framework, and hampers the entity's capacity to fully deliver on its mandate.

The Executive Director explained that eight of the 24 strategic intervention targets were fully achieved or exceeded, while the remaining interventions showed substantial progress, with most reaching between 70% and 90% of their intended targets.

Recommendation

I advised the Executive Director to identify the bottlenecks that hinder full attainment of the strategic objectives and come up with timely solutions to improve subsequent performance.

3.1.3 Low Compliance Score on Planning and Budgeting Alignment to NDP III

Section 12(6) of the PFMA, Cap 171, requires that the entity's budget be consistent with the National Development Plan (NDP) and the Budget Framework Paper (BFP). Additionally, Section 12(7) requires the annual budget to be accompanied by the Certificate of Compliance report of the prior year issued by the National Planning Authority (NPA).

This alignment ensures accurate reporting of the outputs and outcomes planned in the NDP III, Program, and MDA plans. It also ensures the development of realistic financial and Business plans that facilitate effective allocation of resources according to the entity's activity priorities. The review of the NPA's Certificate of Compliance assessment report for the Commission's Annual Budget (FY 2024/2025) indicated a major shortfall: the Commission achieved an overall compliance performance of only 40.6% in relation to delivering NDP III outputs.

This low performance is attributed to a significant discrepancy between the indicators and targets used in the Commission's planning and budgeting instruments compared to those prescribed in the NDP III.

The 40.6% compliance score indicates a significant misalignment between the Commission's budget and national priorities, and this breach of the PFMA hinders the accurate tracking of results and leads to inefficient resource allocation, ultimately slowing progress toward the National Development Plan (NDP III) objectives.

The Executive Director acknowledged the audit finding and stated that the 40.6% compliance score stems from reporting discrepancies between the PBS and PIAP systems, and to resolve this, the Commission was working with MoFPED to align its work plans and reporting frameworks with the PBS system for seamless future integration.

Recommendation

I advised the Executive Director to fast-track the alignment of the Commission's performance indicators with the Program Implementation Action Plans (PIAPs), and continue engaging the Ministry of Finance and the National Planning Authority to ensure that the Program Budgeting System (PBS) accurately captures the Commission's contribution to the NDP.

3.2 Budget performance

3.2.1 Performance of Revenue

I reviewed the approved revenue estimates for the FY 2024/2025 and noted that the Commission budgeted to collect UGX.244.4Bn during the year. I noted that the Commission managed to collect UGX.239.2Bn, representing a 97.9% performance as shown in the table below;

Table 2: Showing the Performance of revenue

Revenue source	Budgeted revenue (UGX Bn)	Actual revenue earned (UGX Bn)	Variances (UGX Bn)	%
Spectrum Fees + Application Fees	83	73.5	-9.5	88.6
Broadcasting Services	7.758	9.4	1.6	121.5
Infrastructure and Service License	13.872	13.7	-0.163	98.8
Courier License	0.264	0.218	-0.045	82.7
Authorization (Short Codes)	4.1	3.6	-0.495	88.0
2% Levy on GAR	124.2	125.8	1.638	101.3
Rental Income	3.3	3.0	-0.256	92.3
Surplus B/F, Bid Documents, interest income	7.792	9.7	1.9	124.8
TOTAL REVENUE	244.4	239.2	-5.175	97.9

Source: OAG analysis

While the overall revenue performance reached 97.9%, the significant UGX.9.5Bn shortfall in Spectrum Fees and the 82.7% collection rate for Courier Licenses indicate weaknesses in key revenue streams.

This underperformance constrains the Commission's ability to fund planned activities, potentially jeopardising the delivery of essential regulatory services.

The Executive Director attributed the revenue shortfall to unrealised spectrum assignments totalling UGX.13.2Bn and the unexpected market exit of several courier companies during the financial year.

Recommendation

I advised the Executive Director to enhance the Commission's revenue strategy.

3.2.2 Utilization of Budgeted funds

Out of the total Budget of UGX.244.3Bn during the financial year, UGX.222.7Bn was spent by the Commission, representing an absorption level of 91.1% as detailed in Table 3 below;

Table 3: Showing utilisation of the budget

Classification	Budgeted Revenue (2024/2025) (UGX Bn)	Amount Spent (2024/2025) (UGX Bn)	% Amount spent
Wage	45.2	46.6	103%
Non-wage	58.3	56.0	95%
Development expenditure	71.64	52.5	73%
Transfer to MOICT	8.1	8.5	105%
Transfer to UICT	3.1	3.1	100%
UCF	58.0	55.9	96%
TOTAL	244.4	222.7	91.1%

Source: UCC Budget analysis

I assessed the extent of implementation of outputs, with expenditure worth UGX.222.7Bn for which funds were warranted and utilised, and noted the following;

- 1 output with expenditure worth UGX.66.8Bn was fully implemented.
- 3 outputs with expenditure worth UGX.89.8Bn were partially implemented.

The summary is shown in Table 4 below;

Table 4: Showing the status of implementation of activities

Category output	Count	Amount Budgeted in (UGX Bn)	Amount spent in (UGX Bn)	Audit remarks
Fully implemented	1	63.5	66.8	Two activities under one output were fully implemented
Partially implemented	3	130.5	89.8	Twenty-seven activities, 11 were completed, and 16 were partially implemented
Remittances to GOU	-	-	67.6	Funds remitted to GOU
Total	4		224.2	

Source: OAG Analysis

While the Commission achieved a high overall budget absorption rate of 92%, this figure masks significant underperformance in critical areas, specifically Capital Expenditure (42%) and Finance and Taxes (43%).

The shortfall in implementing activities associated with UGX.89.8Bn directly delays service delivery and results in a low conversion of financial resources into tangible outcomes for the intended beneficiaries.

The Executive Director acknowledged the delays, noting that several capital projects were at varying implementation stages by year-end. He added that key infrastructure projects, including 64 broadband towers, the ACETEL laboratory, and 60 school computer labs, remained ongoing but are scheduled for completion within FY 2025/26,

and that these large-scale projects represent the bulk of the uncompleted activities and the associated budget variance.

Recommendation

I advised the Executive Director to streamline the Commission's project implementation and procurement schedules to ensure they align with the annual budget cycle and monitor the completion of the "broadband towers" and "ACETEL laboratory" projects, to ensure that the outstanding development outputs are delivered sooner than later.

3.3 Delivery of Services from implemented activities

I undertook procedures on a sample of 9 activities worth UGX.33.6Bn to confirm if these activities were implemented by the Commission in a timely manner, were of acceptable quality, quantity, and functionality. A number of shortcomings were noted as discussed below;

3.3.1 Project Delays Exceeding Three Months

Nine (9) strategic projects, with a combined total value of UGX.33.6Bn, experienced implementation delays exceeding the three (3) month expected completion deadline.

Many critical projects remained stuck in early phases (procurement/bidding) or are substantially incomplete, severely lagging their timelines, as shown below;

- Establishment of Type Approval Lab (UGX.5Bn), Acquisition of 2 Spectrum Field Monitoring stations (UGX.5.472Bn), and Quality of Service Probes (UGX.1.7Bn).
- Only 19 out of 64 planned towers for the Broadband Roll-Out had been completed, leaving 45 towers incomplete (UGX.9.8Bn).
- None of the 60 Computer Laboratories in Secondary Schools (UGX.5.6Bn) had been completed, as shown in Table 5 below;

Table 5: Showing delayed projects

SN	Project description and value	Audit comment	Management response
1	Establishment of Type Approval Lab Contract Amount: UGX. 5Bn	This activity is still in the procurement phase	At the negotiation stage. Procurement process in the final stages. Contract expected January 2026.
2	Land and lease for Spectrum 4 Field Monitoring (Soroti, Fort Portal, Entebbe and Arua) Contract Amount: UGX.0.600Bn	This activity is still in the initial stages	Entebbe completed; Arua is in the final stage of procurement. The Soroti and Fort Portal procurement process are ongoing.
3	Central Equipment Identification Register Contract Amount: UGX.1.1Bn	Development has been estimated at 80% and is not yet complete	80% complete. Completion expected January 2026
4	Acquisition of equipment for 2 Spectrum Field Monitoring stations (Soroti & Fort Portal)	This activity is at the bidding level	Evaluation stage completed.

SN	Project description and value	Audit comment	Management response
	Contract Amount: UGX.5.472Bn (2.736 each)		
5	Assistive technologies (specialised equipment and solutions) for 4 PWD institutions in 4 Regional centres Contract Amount: UGX.1.0	This activity has not been completed	Completed
6	4500 Devices for underserved households Contract Amount: UGX.3.375Bn	This activity has not been completed	Completed
7	Establishment of 60 Computer Laboratories in Secondary Schools Contract Amount: UGX. 5.6	None of the labs has been completed	Implementation ongoing. Completion December 2025
8	Broadband Roll-Out with 64 towers to be established in unserved areas and 60 public access centres in the underserved areas Contract Amount: UGX.9.8Bn.	Out of the expected 64 towers, only 19 towers have been completed, resulting in a total of 45 towers that have not been completed.	Implementation ongoing
9	3 Quality of Service (FM and TV) probes for Arua, Kabale, Masaka Contract Amount: UGX.1.7Bn	This activity is undergoing procurement and is at bidding level	Implementation ongoing

Source: OAG Analysis

The systemic delay in nine high-value projects totalling UGX 33.6Bn suggests a need to strengthen the Commission's project planning and execution capacity, as these lags postpone the delivery of essential services such as broadband access and computer labs and slow progress toward the National Development Agenda.

The Executive Director acknowledged that several activities were ongoing at year-end and stated that significant progress had since been made.

Recommendation

I advised the Executive Director to institutionalise a rigorous project tracking mechanism that links procurement milestones directly to the annual work plan, and as well address the bottlenecks in the nine high-value projects to ensure that outstanding outputs are delivered and that future capital investments are executed within their designated financial years.

3.4 Management of rental income at the Communications House

3.4.1 Accumulation of Rent Arrears and unsecured tenancy

Best practices in financial management and property letting require a valid, current contract to secure tenancy and demand timely payment, and strict adherence to established invoicing procedures to ensure revenue recognition.

A tenant, occupying 57 square meters in Communications House, had accumulated rent arrears totalling UGX.81.2Mn from December 2021 to September 2024. The rental contract between UCC and the Media Council expired on January 31st, 2022, and has not been renewed to date, leaving the tenancy unsecured.

The Commission stopped invoicing the Media Council in October 2024. By the time, the Media Council had accumulated unpaid invoices of rent of UGX.81.2Mn.

The UGX. 81.2 Mn in arrears, combined with the continuous operation under an expired contract (since January 2022), exposes the Commission to significant financial and legal liability risks.

The lack of valid agreements and the halt in invoicing may have weakened the Commission's legal position. This, combined with the long-standing non-payment, creates a significant risk that the entire receivable will be declared a bad debt.

The Executive Director explained that the Media Council owes UGX 81.2Mn in rent for its office space, and despite recovery efforts like access restrictions, the debt remains unpaid due to the Council's financial constraints, prompting ongoing mediation led by the Minister of ICT and National Guidance.

Recommendation

I advised the Executive Director to take decisive action to recover the outstanding arrears and initiate urgent negotiations to either renew the rental contract on binding terms or implement enforcement measures to secure the Commission's property and financial interests.

3.4.2 Significant unoccupied Rentable Space

The contract with the property manager contracted for the provision of services, including letting, marketing, and management of Communications House. The Commission paid a fee of 3.3% of Net Rent for these services, for Communications House, Plot 1, Colville Street, Kampala, for the twelve months ending 6th February 2025.

A review of property management reports revealed a significant portion of the rentable space remains vacant.

- Total Rentable Space: 7,231 square meters.
- Vacant Space: 2,383 square meters (33% of total).
- Occupancy Rate: 4848 Sq. metres (67%).

The unoccupied space results in a quantifiable loss of potential revenue, estimated at USD.42,894 per month (calculated as 2,383 Sqm times USD 18 per sq. meter).

The high vacancy rate indicates that the property manager has failed to meet the performance target of attracting sufficient tenants through effective advertising and marketing of the vacant space, and signifies that the Commission is not maximising the return on its property investment.

Paying the property manager without achieving high occupancy suggests a poor return on the contract price (3.3% of Net Rent) due to ineffective performance management.

Management acknowledged the observation and explained that the occupancy rate at Communications House dropped significantly to 67% during the period under review, primarily due to tenant exits. They added that the Commission had a new property manager with strict Key Performance Indicators (KPIs) on tenant occupancy and rent collection.

Recommendation

I advised the Executive Director to set more rigorous, quantifiable performance targets for the property manager regarding occupancy levels and marketing efforts to maximise occupancy and rent collections.

SECTION 4: SUMMARY OF AUDIT FINDINGS FROM OTHER AUDIT ENGAGEMENTS

In accordance with the requirements of the National Audit Act, Cap 170, I carried out one other audit in the Commission as highlighted below;

a) Audit of the Treasury Memoranda

I issued a separate report detailing the methodologies utilised and the audit results for the audit. The section below provides a summary of the key findings from the audit;

4.1 Audit of the Treasury Memorandum

In accordance with Section 12(f) of the National Audit Act (NAA), Cap 170, I conducted an audit of the Treasury Memorandum on the report of Parliament on the Report of the Auditor General for the financial year ended 30th June 2021. I issued a separate report as a result of this audit. The summary of the extent of implementation of the Parliamentary recommendations by the Commission is summarised in Table 6 below;

Table 6: Showing the Implementation of Parliamentary Recommendations

Detail of the Treasury Memoranda	Number of Parliamentary Recommendations in the Treasury Memorandum (A)	Number of recommendations			Percentage not implemented (E=100%*D/A)
		Fully Implemented (B)	Partially Implemented (C)	Not implemented (D)	
FY 2020/21	5	2	1	2	40%

Source: OAG Analysis

SECTION 5: PROJECTS / FUNDS AUDITED UNDER THE COMMISSION

The Communications Commission is implementing the **Uganda Communications Universal Services Access Fund (UCUSAF)**, and in the year under review, the Fund was audited by my office. A separate report was issued for the Fund.

While UCUSAF supports inclusive ICT access and skilling, the audit revealed a few gaps undermining its effectiveness. Key challenges included the absence of trained support personnel at the remote sites, limited coverage compared to the need, and limited capacity to maintain infrastructure. Furthermore, inadequate software support and a lack of local ownership, hinder meaningful digital skills delivery and the long-term sustainability of the ICT centres.



Edward Akol
AUDITOR GENERAL

Kampala

22nd December, 2025

SECTION 6: FINANCIAL STATEMENTS