



THE REPUBLIC OF UGANDA

**REPORT OF THE AUDITOR GENERAL
ON THE FINANCIAL STATEMENTS OF
LAW DEVELOPMENT CENTRE
FOR THE YEAR ENDED 30TH JUNE 2022**

**OFFICE OF THE AUDITOR GENERAL
UGANDA**

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List of Acronyms

Acronym	Meaning
Bn	Billion
FY	Financial Year
ICT	Information Communication Technology
IESBA	International Ethics Standards Board for Accountants
IFMS	Integrated Financial Management System
INTOSAI	International Organization of Supreme Audit Institutions
ISSAIs	International Standards of Supreme Audit Institutions
LDC	Law Development Centre
LGs	Local Governments
MDAs	Ministries, Departments and Agencies
Mn	Million
MoFPED	Ministry of Finance, Planning and Economic Development
NTR	Non-Tax Revenue
PFMA	Public Financial Management Act, 2015
PPDA	Public Procurement and Disposal of Assets
PS/ST	Permanent Secretary/Secretary to Treasury
TI	Treasury Instruction, 2017
UGX	Uganda Shillings

REPORT OF THE AUDITOR GENERAL
ON THE AUDIT OF FINANCIAL STATEMENTS OF
LAW DEVELOPMENT CENTRE FOR THE YEAR ENDED 30TH JUNE 2022

THE RT. HON. SPEAKER OF PARLIAMENT

Opinion

I have audited the accompanying financial statements of the Law Development Centre (LDC) for the financial year ended 30th June 2022, which comprise the statement of Financial Position as at 30th June 2022, the Statement of Financial Performance, Statement of Changes in Equity and Statement of Cash Flows together with other accompanying statements for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements of the Law Development Centre for the financial year ended 30th June 2022 are prepared, in all material respects, in accordance with Section 51 of the Public Finance Management Act, 2015 and the Financial Reporting Guide, 2018.

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of LDC in accordance with the Constitution of the Republic of Uganda, 1995 (as amended), the National Audit Act, 2008, the International Organization of Supreme Audit Institutions (INTOSAI) Code of Ethics, the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants (Parts A and B), 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 Matter

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined the matters described below to be key audit matters communicated in my report.

1.0 Implementation of the approved budget

Paragraph 2 of schedule 5 of the PFMA requires Accounting Officers to prepare an appropriation account showing the services for which the money expended were voted, the sums actually expended on each service and the state of each vote compared with the amount appropriated for that vote by parliament.

Over the years, I have observed improvements in the performance regarding implementing the budget. However, entities still face a number of challenges, including the effects of COVID-19, which continue to affect the implementation of

activities, service delivery and credibility of the budget. Against this background, budget performance was considered a key audit area during the office-wide planning. I reviewed documents such as work plans, performance reports, conducted interviews and physical inspections to arrive at my findings.

The Law Development Centre (LDC) was established under the LDC Act of 1970 to provide legal education and training to Lawyers and non-lawyers, undertake research in topical legal issues and contribute to law reform, produce legal publications (including publication of teaching materials) and law reporting and provide community legal aid services.

The entity had an approved budget of UGX.35,643,783,987, out of which UGX.28,662,704,330 was warranted. The table below shows some of the key deliverables of the entity.

Table showing key deliverables for LDC for the financial year 2021/2022

No	Code	Output	Amount (UGX)	% Age
1.	125401	Legal Training	10,825,816,314	30.4%
2.	125419	Human Resource Management Services	10,776,994,640	60.6%
3.	125472	Government Buildings and Administrative Infrastructure	5,843,304,000	77.0%
4.	125477	Purchase of Specialized Machinery & Equipment	2,200,000,000	83.2%
5.	125499	Arrears	1,760,231,873	88.1%
6.	125404	Community Legal Services	1,719,524,300	92.9%
7.	125402	Law Reporting	1,293,356,000	96.5%
8.	125475	Purchase of Motor Vehicles and Other Transport Equipment	450,000,000	97.8%
9.	125403	Research	304,556,860	98.7%
10.	125478	Purchase of Office and Residential Furniture and Fittings	300,000,000	99.5%
11.	125476	Purchase of Office and ICT Equipment, including Software	100,000,000	99.8%
12.	125420	Records Management Services	50,000,000	99.9%
13.	125406	HIV/AIDS Mainstreaming	20,000,000	100%
	Total		35,643,783,987	

I reviewed the implementation of the approved 2021/2022 budget and noted the following;

No	Observation	Recommendation
1.1	<u>Revenue Performance</u> <u>Performance of Non-Tax Revenue (NTR)</u> I reviewed the non-tax revenue (NTR) estimates, revenue sources and rates charged at vote level for the financial year 2021/2022 and noted that the entity budgeted to collect NTR of UGX.14.73Bn during the year under review. Out of this, only UGX.12.51Bn was collected, representing a performance of 85% of the target. The Accounting Officer explained that LDC failed to collect the budgeted amount of Ugx.14Bn because the number of students admitted on the Post Graduate Bar Course (1480) was far lower than the budgeted figure of 1800 students. In addition, due to the lockdown, Short Courses-Administrative Officers' Law Course could not be conducted in Mbale and Gulu from July to December 2021. <u>Performance of GoU receipts</u> According to the approved budget, the LDC planned to receive	I advised the Accounting Officer to put in place mechanisms for improving performance and ensuring that revenue budgets are achieved.

UGX.35.64Bn, out of which UGX.28.66Bn was warranted, resulting in a shortfall of UGX.6.98Bn. The shortfall represents 19.6% of the approved budget. The funds that were not warranted were meant to implement the following activities.					I advised the Accounting Officer to liaise with MoFPED to ensure that GoU funds are released as planned.
No	Output	Activity	Amount not released (UGX.) Bn	Purpose	
1	125404 Community Legal Services	Extend legal services to communities	0.35	Legal services to impoverished clients and children in 6 districts.	
2	125419 Human Resource Management Services	Procurement of an integrated HR Management Information System	0.71	Management Information System to improve HR operations	
3	125472 Government Buildings and Administrative Infrastructure	Construction of the multi-storeyed building at LDC Kampala.	4.42	The building was for office accommodation and lecturer rooms for students	
4	125475 Purchase of Motor Vehicles and Other Transport Equipment	Procurement of transport equipment	0.45	For transport services for staff.	
5	125477 Purchase of 2 generators for Mbarara and Lira Campus.	Procurement of generators for Mbarara and Lira Campus.	0.51	The generators were expected to be lighting Mbarara and Lira Campus.	
			6.44		
The Accounting Officer explained that management has always appealed to MoFPED to release all funds allocated to LDC in vain. However, LDC will continue to engage MoFPED on such matters.					
1.2	Absorption of funds Out of the total available funds of UGX.28.663Bn received during the financial year, UGX.28.640Bn was spent, resulting in an unspent balance of UGX.0.023Bn, representing an absorption level of 99.9%. The unspent funds were returned to the consolidated fund as required by the PFMA. There were no unimplemented activities as a result of the under absorption. The Accounting Officer explained that the unspent balance of UGX.0.023Bn was for KCCA, which had changed the payment method from using the IFMS number to URA payment method. LDC had used the old method to pay them, so the payment bounced on the last day of payment.				I advised the Accounting Officer to ensure that adequate planning id undertaken prior to effecting payments.

1.3	<u>Implementation of outputs and activities</u> I assessed the implementation of a sample of five (5) outputs that had been fully quantified with a total of forty-eight (48) activities worth UGX.28.64Bn and noted that; • Five (5) outputs with forty-eight (48) activities worth UGX.24.25Bn were partially implemented. Out of the forty-eight (48) activities, the entity fully implemented twenty-five (25) activities; fourteen (14) activities were partially implemented, and nine (9) activities were not implemented. Non-implementation of planned activities implies that the expected services to the beneficiary communities were not attained. For example, • 259 instead of 630 students on the Administrative Law Course were graduated • 1388 instead of 1400 students on the Bar Course were graduated • 226 instead 519 students on the Diploma in Law were graduated • 555 instead of 1000 indigent clients and children were provided with legal aid services by students at Court, Police and the Legal Aid Clinic. • 2516 instead of 5000 indigent persons in the communities in 6 districts of Kampala, Mbarara, Lira and Adjumani provided with legal services. • The second phase of the multi-storied building at LDC Kampala was not constructed and supervised to increase the space for lecture rooms and offices. • 2 generators for lighting up Mbarara and Lira Campus were not purchased. Details are in Appendix I. The Accounting Officer explained that the partial implementation was caused by the lower number of enrolled students as compared to the number admitted for the bar course, Diploma in Law, Administrative Officers' Law Course and the indigent persons provided with legal aid services. While the second phase of the construction of the multi-storeyed building and the procurement of generators for Lira and Mbarara could not take off due to failure of MoFPED to release funds that were approved for this activity.	I advised the Accounting Officer to roll over the unimplemented activities to the subsequent year for implementation.

2.0 **Delivery of services from implemented activities**

I undertook physical inspections to establish whether works/services were delivered in a timely manner, were of satisfactory quality and quantity, and if citizens were getting the anticipated service (functionality) benefits. In addition, I assessed if the works and services were delivered at reasonable costs. The table below shows a summary of my observations:

Table showing delivery of services from implemented activities

No	Activity details	Total expenditure (UGX)	Summary of findings	Conclusion regarding service delivery
1.	Construction and supervision of the multi-storied administration building at	655,596,849	• I noted that the funds were spent on arrears for supervising the construction of a multi-storied administration building at LDC Kampala. • At the time of inspection in	• The anticipated increase in office and lecture room space shall not be achieved due to the delays in completing the construction.

	LDC Kampala.		November 2022, the construction works had stalled due to inadequate funding.	
2.	Modification of the LDC printery building to accommodate printer and stores units	1,688,012,873	At the time of audit (Nov 2022), the construction of the LDC printer building was ongoing.	The anticipated increase in the equipment operating space shall not be achieved due to the delays in completing the construction.
3.	Procure of the production Machines, tools and equipment (LOT4-sheetfed/Digital Offset Printing Machine)	1,411,714,094	- At the time of inspection in November 2022, lot 1, lot 2 and lot 3 of the equipment had been delivered. However, lot 4 of the equipment had not been delivered to operationalise the printer fully. - Lot 4 had not been delivered due to lack of operating space for the equipment. While other equipment delivered were operating from a temporary structure.	The delay in delivering the procured items implies that the installed system is not being utilised to its full potential, affecting the quality of service extended to the members of the public and Government Institutions seeking printing and binding documents.
4.	Procure 50 desktops for Lira	80,237,227	At the time of field inspection (Nov 2022), the 50 desktop computers delivered at Computer Lab were not in use due to delayed installation.	The failure to use the computers implies that students at Lira Campus still rely on manual research systems, which are both slow and inefficient and prone to higher risks of losing files and records. This affects the quality of Government services extended to the students.

The delays were due to the late commencement of the procurement process and inadequate funding, which negatively affected the timely implementation of the activities.

The Accounting Officer explained that the 2nd phase of the construction of the multi-storeyed building stalled due to the failure of the Ministry of Finance to release funds allocated for that purpose.

Management has also submitted to the Development Committee of MoFPED a project profile for funding Construction of the printer house delayed due to shifting the old machines from the sight. While Lot 4 for the production machines have not yet been delivered because the machine has to be manufactured and will be delivered by the end of this month. Further, Lira Campus had just occupied the new building, and the ICT unit was still installing the computers.

I advised the Accounting Officer to liaise with the relevant stakeholders for funding to ensure continued progress of implementation of the above activities.

3.0 Management of Law Development Centre

3.1 Delays in marking exams

Section 12 (3) of the Rules governing Law Development Centre bar course, 2020 states that second and third-term examination results shall be released separately at the conclusion of each term to enable tracking of a student's academic performance and progress.

I reviewed the time taken to mark exams and release student results in 2020/21 and 2021/2022 to assess whether results were being submitted on or before time and before the set deadline and noted significant delays. Details are in the table below;

Academic Year	Audit Comment
2020/2021	The second and third-term exams were all marked at the same time and released in February 2022. This was ten months after the second term exams and six months after the 3rd term exams.
2021/2022	- The results for the second term had not yet been released by the time of audit (November 2022) - Students at LDC continued to 3rd term without results, but the marking commenced approximately 7 and 2 months later for both terms.

Exams help students and teachers assess the extent to which academic objectives are achieved. Therefore, delays in marking and releasing results imply that students cannot monitor their respective performance and progress and, ultimately, their pass rate. I further noted that the centre does not make use of the recess period between the terms.

The Accounting Officer explained that delays resulted from varying commencement dates of terms for the different campuses and examiners doubling as teaching staff, making it hard to set marking dates during the semester.

I advised the Accounting Officer to put measures in place to ensure that marking students' exams is done on time and results are released in a timely manner.

3.2 Completion rate of students at LDC

I reviewed the Bar Course completion rate for students at LDC and observed that, on average, 92% of students admitted for the Bar Course enrolled for studying. I also noted that, on average, 48% of students enrolled for the Bar Course completed the course within the year of study, while 52% completed within the subsequent attempts. The table below refers;

No	Year	No of students admitted	No of students enrolled/reported	No of students graduating within 1 year	Completion rate
1	2017/2018	891	795	586	74%
2	2018/2019	658	643	476	74%
3	2019/2020	1772	1610	165	10%
4	2020/2021	2248	2071	708	34%
	Average	1392	1280	484	48%
5	2021/2022	1522	1389	In progress	
6	2022/2023	2195	1968	In progress	

For the last four academic years, 2017/2018 – 2020/2021, the completion rate had decreased from 74% to 10%; various factors have continued to affect the ability of students to complete their courses on time. These include;

- Lack of materials for reference while studying
- Student's laxity with the course taking up a lot of demand.

The most significant cause of the low completion rate at LDC is the acute shortage of lecturers, exacerbated by the limited teaching times and use of the relatively new online teaching and training methods. In addition, there are more students than before who joined the school because of the disruptions of the Covid-19 lockdowns in 2020.

The Accounting Officer explained that, overall, there is still a general problem of admission of students that lack the basic knowledge of the law. The admission at the centre is based on the grading by the universities, and therefore, LDC does not determine the quality of students to admit. The LDC curriculum emphasises imparting skills, which is very difficult for students who lack basic knowledge. Solving this problem requires a concerted effort by the universities to ensure that only deserving students are recommended for admission to the centre.

In addition, the completion rate for Mbarara Campus was 52%, Lira Campus 38% and Kampala Campus, the pass rate was at 31%. A number of factors accounted for this. The students were not at their campus and therefore did not have sufficient time to concentrate. There were a lot of distractions in Kampala that hindered proper preparation by the students. Further, the physical facilities at the campus are insufficient to permit individual and group preparations during the students' self-study time. During self-study times, the students either go back to their hostels or loiter around town. The library is too small and can accommodate only a maximum of 100 students for a population of over 1500.

I advised the Accounting Officer to devise mechanisms to address the relatively low pass rates.

4.0 Management of Public Land

Section 45 of the Public Finance and Management Act (PFMA), 2015 (as amended) requires the Accounting Officers to be responsible for the management of the land under their custody. Public land management is the process by which public land resources are put to proper utilisation. Paragraph 16.13.11 of the Treasury Instructions, 2017 requires that for a government entity to be considered to have control over land only when it has the title.

The current financial reporting framework requires land to be recognised as Non-produced assets in the statement of financial position (effective 2014) for all reporting entities on both Modified accrual and accrual basis of Accounting. The framework further requires land procured prior to 2014, and where the value cannot be ascertained to be recorded in the memorandum statement to the financial statements.

I observed that Ministries, Departments and Agencies (MDAs), and Local Governments (LGs) have challenges with regard to planning and budgeting, protecting, reporting, utilisation and disposal of Public Land. These challenges

include; inadequate record keeping, non-compliance to recognition and measurement criteria, loss of entity control due to encroachment and encumbrances, and lack of land titles, among others. These have negatively affected the quality of financial statements and hampered service delivery and fulfilment of entity mandates.

Documents, such as; Laws and Regulations, approved strategic plans, policy statements, budgets, Financial Statements, Asset Registers, Court case files and correspondences, Land titles and lease files, were reviewed. In addition, I interacted with entity management and discussed public land management issues. Furthermore, I physically inspected some pieces of land owned by the entities. From the procedures undertaken, I noted the following;

No	Observation	Recommendation																
4.1	<u>Titling and transfer of Public Land</u> Section 49 (c) of the Land Act, Cap 227, states that the Uganda Land Commission shall procure certificates of title for any land vested in or acquired by the Government. I reviewed the assets records of the entity and noted that LDC did not have Land titles for seven (7) pieces of their land, indicated in the table below. <table><tr><th>N o.</th><th>Details of the land</th></tr><tr><td>1</td><td>Mailo Tenure Land at Kagugube Makerere; Block 9; plot 245</td></tr><tr><td>2</td><td>Mailo Tenure Land at Kagugube Makerere; Block 9; plot 247</td></tr><tr><td>3</td><td>Mailo Tenure Land at Kagugube Makerere; Block 9; plot 428</td></tr><tr><td>4</td><td>Mailo Tenure Land at Kagugube Makerere; Block 9; plot 220</td></tr><tr><td>5</td><td>Mailo Tenure Land at Kagugube Makerere; Block 9; plot 221</td></tr><tr><td>6</td><td>Block 7; plot 1162 at Ayere, Erute County in Lira District</td></tr><tr><td>7</td><td>Block 9; Plot 481 and 482 at Kagugube Makerere</td></tr></table> In addition, LDC’s records and assets register did not include key land information such as land size and the date of acquisition. As a result, I could not determine the time delays in acquiring titles or transferring the land ownership to the names of the entity. The lack of Land titles has resulted in encroachment on the centre’s land. For instance, the 5 plots under Block 9 at Makerere hill have squatters, and the titles are in the name of Henry Mubalia Musoke. The Accounting Officer explained that Plots 245, 247, 248 and 250 are registered in the names of Henry Mubalia Musoke since 21/9/1994, with a lease of 49 years WEF from 1st May 1986 and it has four (4) plots and one certificate of title. According to Land Acquisition (Makerere) Instrument, squatters occupy all these plots. Plot 245 is mentioned, but no other plots with the same title.	N o.	Details of the land	1	Mailo Tenure Land at Kagugube Makerere; Block 9; plot 245	2	Mailo Tenure Land at Kagugube Makerere; Block 9; plot 247	3	Mailo Tenure Land at Kagugube Makerere; Block 9; plot 428	4	Mailo Tenure Land at Kagugube Makerere; Block 9; plot 220	5	Mailo Tenure Land at Kagugube Makerere; Block 9; plot 221	6	Block 7; plot 1162 at Ayere, Erute County in Lira District	7	Block 9; Plot 481 and 482 at Kagugube Makerere	I advised the Accounting Officer to expedite acquiring land titles for all LDC land. In addition, management should update all land records to capture all information relevant to identifying, measuring and reporting matters relating to land owned.
N o.	Details of the land																	
1	Mailo Tenure Land at Kagugube Makerere; Block 9; plot 245																	
2	Mailo Tenure Land at Kagugube Makerere; Block 9; plot 247																	
3	Mailo Tenure Land at Kagugube Makerere; Block 9; plot 428																	
4	Mailo Tenure Land at Kagugube Makerere; Block 9; plot 220																	
5	Mailo Tenure Land at Kagugube Makerere; Block 9; plot 221																	
6	Block 7; plot 1162 at Ayere, Erute County in Lira District																	
7	Block 9; Plot 481 and 482 at Kagugube Makerere																	
4.2	<u>Utilisation of Government Land for Service delivery</u> Instruction 16.13.12 of the Treasury Instructions, 2017 requires that to control an asset, a government entity usually be the predominant user of` the asset.	I advised the Accounting Officer to follow up and ensure																

No	Observation	Recommendation
	I noted that five (5) acres of land were leased to LDC for 99 years by Lira University, subject to lease conditions. Paragraph 5.3 of the memorandum of understanding dated 12/07/2019 between LDC and Lira University required LDC to occupy and use the land within two years from the date of signing the MOU. Contrary to the provisions of the MoU, I observed that LDC was yet to develop this land three years later. There is a risk that Lira will cancel the lease due to a breach of the terms of the MoU. The Accounting Officer explained that management could not develop the land without a deed title. The deed title is pending approval of minutes from Lira University Council.	that all the necessary documentation is received regarding the land for it to be developed.
4.3	<u>Encumbrance on Public Land</u> Instruction 16.13.12 of the Treasury Instructions, 2017 requires that to control an asset, a government entity should be the predominant user of the asset. I inspected LDC's land and noted that the LDC's land located on Plots 1 and 4 Block 213, Kyadondo - Bukoto Mulimira Zone, Bukoto Parish, Nakawa Division, Kampala District, measuring approximately four (4) acres, was occupied by squatters. During the year, LDC lawyer, M/s Imran Advocates and Solicitors engaged the squatters, established their identities, and conducted the boundary opening and valuation but were yet to decide on the way forward regarding this land. I also noted that the disagreements before court were yet to be resolved. I further noted that LDC did not have a physical copy of the land titles. However, a land search by M/s Imran Advocates and Solicitors indicates that the land is in the name of Law Development Centre. There is a risk that LDC may lose the land and/or incur significant compensation costs should court rule in favour of the squatters. The Accounting Officer explained that management hired IMRAN Advocates to defend LDC in High Court (Land Division) on all land disputes, including Bukoto Land.	I advised the Accounting Officer to ensure representation in Court in order to secure the land owned by the school.

Emphasis of Matter

Without qualifying my opinion, I would like to draw the readers' attention to the following matter, which has been disclosed in Note 24 of the financial statements of the LDC;

5.0 Management of Domestic Arrears

5.1 Domestic Arrears - UGX.3,892,366,792

Section 21(2) of the Public Finance Management Act 2015 states that a vote shall not take any credit from any local company or body unless it has no unpaid domestic

arrears from a debt in the previous financial year, and it has the capacity to pay the expenditure from the approved estimates as appropriated by parliament for that financial year. Further, Paragraph 10.10.17 of the Treasury Instructions, 2017 states that "An Accounting Officer will ensure that no payments due in any financial year will remain unpaid at the end of that year".

I observed that domestic arrears increased by 95.3% from UGX.1.99Bn in the previous year to UGX.3.89 Bn as at 30th June 2022. The table below refers;

No	Financial Year	Amount (UGX)	Percentage increase/decrease (2019-2022)
1	2019/20	2,697,202,827	
2	2020/21	1,993,156,153	-26.1%
3	2021/22	3,892,366,792	95.3%

The bulk of the arrears comprised unsettled employee costs totalling to UGX.1,065,307,864, while other liabilities were for goods and services consumed, totalling to UGX.2,827,058,928, as shown in the table below;

	Details	Amount (UGX)
1.	Employee costs	1,065,307,864
2.	Goods and services consumed	2,827,058,928
	Total	3,892,366,792

The accumulation of arrears was attributed to insufficient budget provisions and management's failure to adhere to the Government commitment control system to avoid the risk of overcommitting government. For instance, a sum of UGX.1,760,231,873 was released for the settlement of domestic arrears, which stood at UGX.1,993,156,153 at the start of the year.

The continued accumulation of domestic arrears poses a risk of litigation and payment of penalties and fines for delayed settlement.

The Accounting Officer explained that domestic arrears arose due to the failure of MoFPED to release all the funds approved for LDC in the financial year 2021/2022.

I advised the Accounting Officer to continue engaging the respective stakeholders to improve funding to enable settlement of the domestic arrears.

Other matter

I consider it necessary to communicate the following matter other than those presented or disclosed in the financial statements;

6.0 Court Awards and Compensation

6.1 Failure to submit details of Court cases

Chapter 8 (8.1) of Guidelines for the Management of Contingent Liabilities provides that Government entities shall provide the Ministries of Justice and Finance with information about court cases detailing the date, name of entity claim is lodged against, name of the plaintiff, name of the defender, category of claim, whether a claim is quantifiable or non-quantifiable, stage of the court process semi-annually.

I noted that LDC did not make submissions to the Ministries of Finance and Justice as required by the guidelines. As a result, the nineteen (19) cases in which LDC is a

litigant do not form part of the database of ongoing cases maintained by the Ministry of Justice (MoJCA). **Appendix III** refers.

The failure to report cases affects the completeness of the consolidated records of court cases.

The Accounting Officer explained that management is going to ensure that all cases are submitted to MoFPED and MoJCA immediately.

I advised the Accounting Officer to ensure that submissions are made to the respective entities as required.

Other Information

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

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

Management Responsibilities for the Financial Statements

Under Article 164 of the Constitution of the Republic of Uganda, 1995 (as amended) and Section 45 of the Public Finance Management Act, 2015, the Accounting Officer is accountable to parliament for the funds and resources of the Law Development Centre.

The Accounting Officer is also responsible for the preparation of financial statements in accordance with the requirements of the Public Finance Management Act, 2015 and for such internal control as management determines 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 Accounting Officer is responsible for assessing the LDC'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 Accounting Officer has a realistic alternative to the contrary.

The Accounting Officer is responsible for overseeing the LDC's financial reporting process.

Auditor's Responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the LDC's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the LDC's ability to continue as a going concern. 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 LDC to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

I also provide the Accounting Officer with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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

Other Reporting Responsibilities

In accordance with Section 19 (1) of the National Audit Act (NAA), 2008, I report to you, based on my work described on the audit of Financial Statements, that; the activities, financial transactions and information reflected in the financial statements that have come to my notice during the audit, are in all material respects, in compliance with the authorities which govern them.

Report on the Audit of Compliance with Legislation

In accordance with Section 19 of the NAA 2008, I have a responsibility to report material findings on the compliance of the Mission with specific matters in key legislations. I performed procedures primarily to identify findings but not to gather evidence to express assurance.

There were no material non-compliance findings that came to my notice during the audit

A handwritten signature in black ink, appearing to read 'J. Muwanga', with a large, stylized flourish extending from the end.

John F. S. Muwanga
AUDITOR GENERAL
Kampala

16th December 2022

Appendices

Appendix I: Budget Performance Schedule

No.	Output	Total expenditure UGX.	Output activities	Number of fully implemented activities	No of partially implemented activities	No of activities that were not implemented
1	Output: 01 Legal Training	10,723,296,212	10	5	4	1
2	Output: 02 Law Reporting	1,043,185,400	7	3	4	0
3	Output: 03 Research	1,043,185,400	5	3	0	2
4	Output: 04 Community Legal Services	1,369,268,400	7	2	4	1
5	Output: Human Resource and Administration	10,070,639,745	19	12	2	5
	Totals	24,249,575,157	48	25	14	9

Appendix II: Land without titles

No	Land Description	Plot & Block No	Location	Date of Offer	Date of Transfer	Time taken to transfer title (Days)	Time Taken in Years	Name of Owner (as per title)	Cost
1	Mailo Tenure Land at Kagugube Makerere Kampala District	Block 9; Plot 339, 169 and 221 at Makerere Hill	Kampala	N/A	8-Nov-18		0	Law Development Centre	Not yet Valued
2	Leasehold Tenure Land at Kagugube Makerere Kampala District	Block 9; Plot 966 (The 17 leasehold plots amalgamated into this plot included: Plot 159, 160, 161, 162, 163, 164, 165, 166, 465, 466, 467, 508, 509, 510, 613, 614 and 615), at Makerere Hill	Kampala	N/A	30-Jun-03		0	Uganda Land Commission (Law Development Centre)	Not yet Valued
3	Leasehold Tenure Land at Kagugube Makerere Kampala District	Block 9; Plot 170, 451, 450, 89, 34, 154, 155, and 156, at Makerere Hill	Kampala	N/A	The process of amalgamation is underway			There are titles available for the different plots, but the centre is in the process of amalgamation.	Not yet Valued
4	Mailo Tenure Land at Kagugube Makerere Kampala	Block 9; Plot 245, 247, 428, 220 and 221, at Makerere Hill	Kampala	N/A	This land has Court Issues. All these plots are occupied			These plots are registered in the names of Henry Mubalia Musoke	Not yet Valued

	District				by squatters				
5	Mailo Tenure Land at Bukoto Kyado	Block 213; Plot 1 and 4 at Bukoto Kyadondo Mulimira Zone	Kampala	N/A	Titled. All these plots are occupied by squatters			Law Development Centre	Not yet Valued
6	Leasehold Tenure Land at Lira University	Block 7; plot 1162 at Ayere, Erute County in Lira District	Lira	12-Jul-19	Title not yet processed			N/A	Not yet Valued
7	Mailo Tenure Land at Kagugube Makerere Hill	Block 9; Plot 481 and 482 at Kagugube Makerere	Kampala	N/A	Title not yet processed			These plots are registered in the names of Nimrod Lwamulungala Etusan	Not yet Valued

Appendix III: Showing undisclosed ongoing Court cases

No.	Parties	Case No.	Nature of the Case	Status
1.	Ann Nabulime Kayongo Vs. the Law Development Centre	HCCS NO.84 OF 2014.	Employment	The case is at hearing stage at Industrial Court.
2.	Ezadri Michael Onyafia Vs. the Law Development Center	(High Court Civil Cause of 2013)	Cancellation of Diploma Certificate	The case is in abeyance
3.	Balondemu David Vs. Law Development Centre	High Court Misc. Application NO.3 of 2013	Cancellation of Diploma Certificate	The case is in abeyance
4.	Asiimwe Apollo & 3 ors Vs. Law Development Center	(High Court Civil suit NO.4 of 2014)	Employment	The case is at hearing stage at Industrial Court.
5.	Muhumuza Moses Vs Law Development Centre	Miscellaneous cause No. 28 of 2016	Cancellation of Diploma Certificate	The case is in abeyance
6.	Asiimwe Fiona Rwakiseeta Vs Law Development Centre	Misc.Ap No. 114 of 2016 arising from Civil Suit No. 69 of 2016	Cancellation of Diploma Certificate	The case is not yet fixed in Court.
7.	Balondemu David Vs Law Development Centres	Miscellaneous Application No.61 of 2016	Cancellation of Diploma Certificate	The case is in abeyance
8.	Priscilla Mutebi Vs Law Development Centre	High Court Civil Suit No. 216 of 2016	Cancellation of Diploma Certificate	The case is in abeyance
9.	Akampurira Godfrey & Another Vs. Law Development Centre.	Miscellaneous Application No.472 of 2019	Examination results	The case is at hearing stage at the Civil Division.
10.	Mabikke Micheal Vs Law Development Centre	Miscellaneous Application No.202 of 2020	Cancellation of Diploma Certificate	The case is at hearing stage at the Civil Division.
11.	Nester Byamugisha and Michael Akampulira Vs Law Development Centre	Reference to the Industrial Court No. 90 of 2016	Employment	The case is at hearing stage at the Industrial Court.
12.	Bwengye Deusdedit Vs Law Council and Law	Miscellaneous Cause No.362 of 2019	Examination results	The case is at hearing stage at the

	Development Centre			Civil Division.
13.	Godfrey Nabikamba Vs Law Development Centre	Miscellaneous Cause No. 296 of 2019	Examination results	The case is in abeyance
14.	Nakendo Hajira Vs Law Development Centre	Civil Suit No. 118 of 2018	Examination results	The case is in abeyance
15.	Logose Florence Judith Vs Law Development Centre	Miscellaneous Cause No. 190 of 2021	Examination results	The matter is at Hearing stage at the Civil Division.
16.	Mukula George Williams Vs Law Development Centre	CACA No.41 of 2021	Examination results.	The matter is at Hearing stage at the Court of Appeal.