



THE REPUBLIC OF UGANDA

**REPORT OF THE AUDITOR GENERAL ON THE
OFFICE OF THE PRESIDENT FOR THE
AUDIT YEAR ENDED DECEMBER 2025**

**OFFICE OF THE AUDITOR GENERAL
UGANDA**

DECEMBER 2025

PREAMBLE

This report presents the findings and recommendations of the Auditor General on the Office of the President (OP) for the Audit year ended December 2025.

The report is based on a comprehensive analysis of the evidence gathered from the audits undertaken during the year and is intended to provide stakeholders with a clear understanding of the key findings and conclusions of the Auditor General. The recommendations outlined in this report aim to support the entity in achieving its goals and objectives and to promote better service delivery.

This report has 5 sections:

Section 1 contains the financial audit report for the financial year ended 30th June 2025,

Section 2 has key findings on compliance with the specified regulatory framework,

Section 3 highlights an evaluation of the entity's performance,

Section 4 summarises key findings arising from other audit engagements and

Section 5 contains the Financial Statements.

Where only summaries have been included in this report, detailed reports have been issued separately.

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List of Acronyms

SN	ACRONYM	MEANING
1.	ARDC	Assistant Resident District Commissioner
2.	BFP	Budget Framework Paper
3.	Bn	Billion
4.	Cap	Chapter
5.	DRDC	Deputy Resident District Commissioner
6.	EGP	Electronic Government Procurement System
7.	FY	Financial Year
8.	GoU	Government of Uganda
9.	ICT	Information and Communication Technology
10.	IESBA	International Ethics Standards Board for Accountants
11.	IFMS	Integrated Financial Management System
12.	INTOSAI	International Organization of Supreme Audit Institutions
13.	IPF	Indicative Planning Figures
14.	ISSAIs	International Standards of Supreme Audit Institutions
15.	ITMS	Intelligent Transport Monitoring System
16.	KCCA	Kampala Capital City Authority
17.	MDAs	Ministries, Departments and Agencies
18.	MEP	Mechanical, Electrical and Plumbing
19.	Mn	Million
20.	MoFPED	Ministry of Finance, Planning and Economic Development
21.	NAA	National Audit Act
22.	NCA	Non-Current Asset
23.	NDP	National Development Plan
24.	NPA	National Planning Authority
25.	NTR	Non-Tax Revenue
26.	OWC	Operation Wealth Creation
27.	PBS	Program Budgeting System
28.	PDE	Procurement and Disposal Entity
29.	PDM	Parish Development Model
30.	PDU	Procurement and Disposal Unit
31.	PFMA	Public Finance Management Act
32.	PIAP	Programme Implementation Action Plan
33.	PPDA	Public Procurement and Disposal of Public Assets
34.	PS/ST	Permanent Secretary and Secretary to the Treasury
35.	PWD	Person With Disability
36.	RDC	Resident District Commissioner
37.	SDP	Strategic Development Plan
38.	UCF	Uganda Consolidated Fund
39.	UGX	Uganda Shillings
40.	UPPC	Uganda Printing and Publishing Corporation
41.	URA	Uganda Revenue Authority
42.	USD	United States Dollar
43.	OP	Office of the President

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SECTION 1: REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE OFFICE OF THE PRESIDENT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2025

THE RT. HON SPEAKER OF PARLIAMENT

Opinion

I have audited the financial statements of the Office of the President 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 of the Office of the President for the financial year ended 30th June 2025 are prepared, in all material respects, in accordance with Section 49 of the Public Finance Management Act (PFMA), Cap. 171 and the Financial Reporting Guide, 2024, as issued by the Accountant General.

Basis for 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 Office 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 (IESBA) Code of Ethics for Professional Accountants, 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. I have determined that there are no key audit matters to communicate in my report.

Emphasis of Matter

Without qualifying my opinion, I would like to draw the readers' attention to the following matters which have been disclosed in the financial statements of the Office of the President;

1.1 Classified expenditure

Included in the total expenditure of UGX.286.55Bn is expenditure worth UGX.48.79Bn, which relates to classified expenditure. In compliance with Section 52 of the Public Finance Management Act, Cap. 171, (Accounting for Classified Expenditure), this expenditure is audited and reported on separately.

1.2 Outstanding Domestic Arrears

Section 21 (2) of the PFMA, Cap. 171, 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.

A review of the trend of payables over the last three (3) years revealed that outstanding domestic arrears had increased from UGX.19.27Bn in the FY 2023/2024 to UGX.28.20Bn in the FY 2024/2025, representing an increment of 46.3%. A breakdown of the individual arrears over the past three years is indicated in the table below;

Table 1: Showing the breakdown of domestic arrears

Category	2023/2024 (UGX Bn)	2024/2025 (UGX Bn)	Variance (UGX Bn)	%age variance
Goods and services	5.32	24.46	19.14	359.7%
Pension Arrears	0	3.40	3.40	100.0%
KCCA property taxes	13.95	0.34	-13.61	-97.5%
Total	19.27	28.20	8.93	46.3%

Source: submitted data from OP

Continued accumulation of domestic arrears contravenes the commitment control system and adversely affects the suppliers. Pension arrears deny pensioners' livelihood income.

The Accounting Officer explained that the sharp increase in domestic arrears was due to the Pension arrears incurred by Uganda Printing and Publishing Corporation (UPPC) and classified expenditure. Nevertheless, the Ministry is engaging the Ministry of Finance, Planning and Economic Development to release funds for the above domestic arrears to settle the outstanding obligations.

Recommendation

I advised the Accounting Officer to follow up with MoFPED for the release of funds to settle domestic arrears and ensure adherence to the Commitment Control System going forward.

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 1995 Constitution of the Republic of Uganda and Section 43 of the Public Finance Management Act (PFMA), Cap. 171, the Accounting Officer is accountable to Parliament for the funds and resources of the Office of the President.

The Accounting Officer is also responsible for the preparation of financial statements in accordance with the requirements of the PFMA, Cap. 171, and for such internal controls as the Accounting Officer determines is 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 OP'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 OP'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 controls.
- 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 OP's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accounting Officer.
- Conclude on the appropriateness of the Accounting Officer'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 OP'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 OP 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 Accounting Officer 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 Accounting Officer with a statement that I have complied with relevant ethical requirements regarding independence and, communicate to the Accounting Officer 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 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 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, 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.



Edward Akol

AUDITOR GENERAL
KAMPALA

22nd December, 2025

SECTION 2: REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

The Office of the Auditor General conducted compliance audit on selected key subject matters.

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

My audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAI 4000)¹ on compliance auditing.

The areas of focus for the compliance review were;

- Procurement, Disposal and Contract Management
- Management of Non-Current Assets

Relevant audit criteria

The criteria for the audit were based on Acts of Parliament, regulations, and manuals/guidelines designed to ensure compliance with laws governing the Procurement, Disposal and Contract Management and Management of Non-Current Assets

These include;

- PPDA Act, regulations and guidelines
- PFMA, Cap. 171
- Treasury Instructions, 2017

Audit Methodology

My audit was conducted based on the information and records provided by the Office.

In executing this audit, various approaches were applied, which included;

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

Audit Findings

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

¹ ISSAI 4000 - Compliance Audit Standard

2.1 Review of non-current assets

2.1.1 Maintenance of Non-Current Assets

Instruction 16.9.1 of the Treasury Instructions, 2017, requires the Accounting Officer to prepare an annual budget for asset maintenance and ensure regular assessments of NCA functionality, utilisation and physical and financial performance.

The stores lacked adequate space, and some items were stored in containers which lacked ventilation and could potentially damage the assets.

There were no shelves and cabinets for proper organisation and custody of the assets, and as a result, old assets were piled up, leading to further deterioration as shown in the figure below;

Figure 1: Showing old assets piled up in the stores

Description	Photographic evidence
Piled up office chairs, tables, cabinets and other assets	

Source: pictures taken from the OP stores

The inadequate maintenance has led to reduced asset lifespan, potential service disruptions and increasing operational costs.

The Accounting Officer acknowledged the observation and explained that it is extremely difficult to make alterations to the Mechanical, Electrical and Plumbing (MEP) structures of the Office Blocks constructed under a grant from the Chinese Government.

As a corrective measure, management procured containers to store items utilised during functions/ceremonies, and designated space at Embassy House to reduce the pressure on the main store. In addition, in FY 2025/26, management budgeted for the acquisition of the pallets and shelves and will consider providing ventilation for the containers to ensure proper custody of Assets.

Recommendation

I advised the Accounting Officer to initiate the disposal process for old and unused assets to decongest the stores. In addition, appropriate shelves that optimise the use of space should be acquired and installed.

2.1.2 Controls for safeguarding Non-Current Assets

Instruction 16.3.1 of the Treasury Instructions, 2017, mandates the Accounting Officer to ensure proper control systems are in place to manage NCAs and implement preventative mechanisms to eliminate theft, losses, wastage, and misuse.

I noted that NCAs lacked adequate security measures. For example, a review of the Board of Survey disposal report revealed that nine (9) vehicles that are due for disposal are being kept in private garages without government supervision.

The absence of adequate safety measures increases the vulnerability of NCAs to loss or damage.

The Accounting Officer explained that the nine (9) vehicles that were not disposed of in the last disposal exercise for the FY 2024/2025 were captured in the Board of Survey report of August 2025, which is expected to board off all the remaining assets by December 2025, once an auctioneer is secured.

Recommendation

I advised the Accounting Officer to initiate the process of disposal. In addition, the Accounting Officer should engage the Chief Mechanical Engineer to provide guidance on keeping government vehicles in private garages.

2.1.3 Lack of ownership of records of Non-Current Assets

Section 32(3) of the PFMA, Cap. 171 requires regular inspections of Assets and Inventories, with written reports on their condition.

I noted that 37 pieces of land worth UGX.13.34Bn were not supported by land titles.

In the absence of land titles, the land in question is prone to encroachment and grabbing.

The Accounting Officer explained that the 37 untitled pieces of land were donated to the Office of the President by various District Local Governments for the construction of the RDC offices. The delay to process land titles for 37 pieces of land was attributed to delays by some District Councils to approve the offers, delayed subdivisions of land by MDAs, delays by some District Land Boards making land offers, and financial constraints.

Nonetheless, this Office is pursuing the matter with the District Local Governments, and, during the Financial Year under review, land titles for the offices of RDCs of Lyantonde, Nebbi, Kanungu and Kaberamaido Districts were processed.

Recommendation

I advised the Accounting Officer to continue engaging all stakeholders to ensure land and land titles are secured. In the meantime, management should explore opening boundaries.

2.1.4 Disposal of Assets

During the year, the Office of the President procured a private company to auction and dispose of old and obsolete assets. I reviewed the disposal process documents, the report and noted that out of 49 vehicles proposed for disposal, 30 vehicles were disposed of and 11 were not disposed of due to high reserve prices.

The undisposed of assets continue to lose the salvage value through vandalism and depreciation.

The Accounting Officer explained that the undisposed vehicles would be rolled over to the financial year 2024/25.

Recommendation

I advised the Accounting Officer to re-advertise and ensure that undisposed assets are disposed of.

Conclusion

The evidence obtained from the compliance audit of the Office of the President on the management of non-current assets subject matter is sufficient and appropriate to provide a basis for my conclusion.

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

2.2 Procurement, Disposal, and Contract Management Irregularities

I undertook the audit of procurement and disposal management with the overall objective of assessing and establishing the degree of compliance of the Entity's Procurement and disposal systems and processes with the provisions of the PPDA Act Cap 205, PPDA Regulations 2003, PPDA guidelines and Circulars issued from time to time and assessing the level of procurement performance during the year. The specific Objectives that guided the audit were as follows;

- a) To establish whether the Entities' procurement and disposal process was conducted in compliance with the PPDA Act, Cap. 205, PPDA Regulations 2003, PPDA guidelines and Circulars with regard to the performance of the procurement structures
- b) To establish if the procurement contracts were effectively managed and that goods, services and works were delivered/performed in accordance with the conditions of the contracts
- c) To establish the level of procurement performance for the year under audit.
- d) To establish the efficiency and effectiveness in contract implementation, including the application of the Environmental, Social, and Health and Social Safeguards (ESHS) where applicable.

The audit examined records and documents for each sampled procurement transaction and obtained the relevant evidence to derive audit conclusions. This involved a review

of the Entity's procurement/disposal planning, initiation, bidding, evaluation, contract placement and processes.

At the end of the document review, physical verification was undertaken to ascertain the level of contractual delivery and whether the items were fit for purpose.

A sample of 74 procurement transactions was selected based on stratified random sampling using the Contracts Committee minutes, the contracts register and the monthly procurement and disposal reports. The distribution of transactions, population and sample for the audit was as documented below;

Table 2: Showing sampled procurements

procurement Method	Value			Number	
	Population (UGX Bn)	Sample (UGX Bn)	%age	Population	Sample
Open Domestic Bidding	21.85	19.24	88	9	8
Restricted Bidding	2.04	1.89	93	8	7
Request for quotation/proposal	9.42	3.29	35	247	39
Micro procurements	0.67	0.09	13	217	19
Others (Shortlisting without publication of the expression of interest of a firm)	0.11	0.11	100	1	1
Total	34.09	24.62	72	482	74

Source: OAG review of OP procurement plan

A number of weaknesses and failures were identified as detailed below;

2.2.1 Non-compliance with Reservation Schemes

Paragraph 2 of the PPDA Guideline number 11 of 2024, Guidelines to promote participation of registered Associations of Women, PWDs, 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.

I reviewed the Entity's published Procurement Plan and noted that the Entity did not indicate the procurements reserved for registered Associations as required by the guidelines, and subsequently, there were no contracts awarded to the registered Associations.

The failure to reserve procurements for registered Associations undermines the Legislator's objective of promoting the participation of women, youth, and PWDs in public procurement proceedings.

The Accounting Officer explained that the procurement planning template on EGP does not have the provision for indicating procurements reserved for Special Interest Groups. Nonetheless, in the Financial Year under review, the entity reserved procurements worth UGX.1.25Bn (10%), which was indicated in the Vote's monthly procurement report, submitted to PPDA.

Recommendation

I advised the Accounting Officer to ensure that the published procurement plans indicate procurements reserved for registered associations to facilitate their participation and ensure compliance with the reservation scheme guidelines.

2.2.2 Low bidder participations

In accordance with Section 46 of the PPDA Act, Cap. 205, all public procurements should be conducted in a manner that maximises competition and achieves value for money. Regulation 20 (1) of the PPDA provides that procurement using the quotation method shall be by selection of consultants or consulting firms using a shortlist which shall have at least six providers.

I analysed the bidders' participation by comparing the number of the shortlisted bidders with the corresponding available numbers of participants and noted that there was a low bidder turnout for 46 procurements worth UGX.5.29Bn.

I further noted that for the request for quotation/proposals method, at most four (4) bidders were shortlisted.

Low bidder turnout limits effective competition, and value for money may not be achieved.

The Accounting Officer explained that most providers have not yet embraced the change, and others do not know how to navigate the EGP System. To increase competition whenever Quotations or Restricted Procurement methods are used, Management follows the invitation to bid with phone calls to all shortlisted bidders. Management also encourages bidders to attend EGP online training, which runs every Friday of the week, in order to be acquainted with the system.

Recommendation

I advised the Accounting Officer to enhance these measures to improve bidder participation, competition and value for money.

2.2.3 Procurements implemented outside EGP

In accordance with PPDA's Guideline 1 of 2020 on EGP, the Entity was enrolled onto the EGP system in the financial year 2022/23. Paragraph 11 of the guidelines requires the Entity's User Departments to requisition all procurement and disposal requirements through the EGP system.

Out of a total sample of 74 procurements worth UGX.24.61Bn conducted by the entity during the financial year, the procurement of motor vehicles worth UGX.15.59Bn comprising six (6) lots was implemented outside EGP up to the solicitation stage as shown in the table below;

Table 3: Showing procurements outside EGP

Sn	Lot No.	Subject of procurement	Supplier	Amount (UGX Bn)
1.	Lot 1	One (1) Station Wagon 3300 CC	CFAO	0.57

Sn	Lot No.	Subject of procurement	Supplier	Amount (UGX Bn)
2.	Lot 2	Three (3) Station Wagons 2800 CC	CFAO	1.12
3.	Lot 3	45 Isuzu Double Cabin Pickups	MAC East Africa	8.33
4.	Lot 4	23 Ford Double Cabin Pickups	Motor care (U) Ltd	4.52
5.	Lot 5	One (1) 14-Seater Omnibus	Motor care (U) Ltd	0.22
6.	Lot 6	Five (5) Toyota Double Cabin Pickups	CFAO	0.83
		Total		15.59

Source: OAG review of procurement files and EGP system.

Failure to fully utilise the system to implement procurements undermines the Government's efforts to enhance transparency, accountability, and procurement process efficiencies.

The Accounting Officer explained that the system developed a technical glitch at the stage of financial comparison, and the EGP Technocrat attached to the Office of the President was engaged. However, the matter was not resolved. In the interest of time, the procurement was taken off the system to avoid the risk of returning the money to the Consolidated Fund.

Recommendation

I advised the Accounting Officer to engage the Accountant General to resolve the bottlenecks of EGP and ensure that all procurements are conducted through EGP in compliance with the guidelines.

2.2.4 EGP System challenges

The Electronic Government Procurement (EGP) system is a digital platform or system that facilitates the procurement process within government Entities. The online platform is used for creating, submitting and managing all procurement processes. I noted the following issues during the audit;

On 1st July 2021, the government rolled out the Electronic Government Procurement System, also known as the EGP, in eleven selected Entities as a pilot project. The EGP is a web-based tool used to carry out public procurement and disposal and was expected to enhance competition, transparency, accountability and sustainable economic development.

During the financial year, the entity initiated 482 procurements with an estimated cost of UGX.34.09Bn through the system. I noted the following;

a) Lack of Electronic Submission Support

Procurements worth UGX.20.29Bn initiated using open/restricted domestic bidding, had the Solicitor General's approval processed manually, scanned and attached because the system did not support electronic submission of bids and contracts to the Solicitor General.

Manual submission, review, and feedback processes increase the likelihood of delays, inefficiencies, and errors, undermining the efficiency of procurement operations.

b) Reporting Challenges

The system failed to generate reports in compliance with Regulation 15(1) of the Public Procurement and Disposal of Public Assets (Procuring and Disposing Entities) Regulations, 2023. Consequently, PDU prepared reports outside the system, which hinders adequate online assessment procurement performance.

c) Insufficient Competition Support

Vote controllers lacked visibility into the procurement of common-use items across Departments. This resulted in procurement splitting, inappropriate methods, and reliance on a limited pool of bidders. Fragmented procurement processes reduce competition, increase costs, and create inefficiencies, ultimately undermining value for money in procurement activities.

The above challenges compromise EGP's core objectives of enhancing efficiency in procurement processes, integrity, accountability and transparency in public procurement. The challenges also pose a risk of non-compliance with the PPDA Act, Regulations and Guidelines.

The Accounting Officer explained that the EGP system is undergoing business re-engineering to address all the challenges, and that the enhanced System is expected to be launched in February 2026.

Recommendation

I advised the Accounting Officer to engage the Accountant General to resolve the bottlenecks of EGP and ensure that all procurement processes are conducted through EGP in compliance with the guidelines.

2.2.5 Disposal of motor vehicles conducted outside EGP

During the year, the Entity conducted a disposal of motor vehicles, office furniture, equipment and ICT. I reviewed the disposal file and noted that the disposal process was not done through the EGP.

The above irregularity undermines transparency and accountability within the disposal process.

The Accounting Officer explained that the Disposal module is not fully functional on the EGP system.

Recommendation

I advised the Accounting Officer to engage the Accountant General to ensure the disposal module is activated and PDU staff are trained on the use of the module to ensure compliance.

Conclusion

The evidence obtained from the compliance audit of the Office of the President on the management of procurement subject matter is sufficient and appropriate to provide a basis for my conclusion.

Based on the work performed described in this report, except for the findings stated above, nothing has come to my attention that causes me to believe that the subject matter 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 PFMA, Cap. 171 on the presentation of financial statements, and Section 18 of the NAA, Cap. 170, I undertook an evaluation of the OP'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 Planning and Budgeting

3.1.1 Funding of the Strategic Plan FY 2020/2021-2024/2025

Strategic Plan funding estimates form a basis for allocation of Indicative Planning Figures (IPFs) by the Ministry of Finance, Planning and Economic Development to the entity. 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 overfunding with an excess of 42.6% variance in the funding requirements to implement activities to deliver on the strategic plan objectives. Details are in the table below;

Table 4: Showing funding for the Strategic Plan (2020/21-2024/25)

Classification	Strategic Plan Cost Estimate (UGX Bn)	Actual funding (UGX Bn)	Variance (UGX Bn)	%age performance
Recurrent (wage)	113.370	225.773	112.403	99.1%
Recurrent (non-wage)	775.870	1,254.703	478.833	61.7%
Capital Development	214.140	92.458	-121.682	-56.8%
Total	1103.38	1,572.934	469.554	42.6%

Source: Op Strategic Plan ended 24/25 and financial statements for the periods

The increment was observed on both wage and non-wage expenditure, while capital development expenditure underperformed by 56.8%.

The underperformance of the capital development may imply less prioritisation of development.

The Accounting Officer explained that the difference in funding was a result of the Office adopting the budget for Operation Wealth Creation (OWC) in FY 2022/23 and facilitating the activities of the defunct Ministry of Science and Technology for two Financial Years (FY 2020/21 – FY 2021/22).

Regarding the capital development budget, the Accounting Officer explained that during the NDP III period, the Development Budget for Office of the President was reduced by UGX.2.24Bn from UGX.22.36Bn in FY 2023/24 to UGX.20.12Bn in FY 2024/25.

Recommendation

I advised the Accounting Officer to ensure prioritisation of development projects to contribute towards the realisation of the National Development Plan.

3.1.2 Review of the implementation of the Strategic Plan FY 2020/2021-2024/2025

An entity's Strategic Plan forms a basis for the preparation and implementation of the annual work plans 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 indicated that the entity performed as shown below;

Table 5: Showing implementation performance of the outgoing Strategic Plan

Sn	Strategic objective	Target outputs	Actual realized	Audit comment
1.	Strengthen the policy, legal, regulatory, and institutional framework for effective governance and security. Budget: UGX.75.74Bn	15	15	• All targets were fully achieved
2.	Enhance coordination of operations for the National Security Agencies for a peaceful and secure country Budget: UGX.177.34Bn	6	2	• One (1) target was fully achieved, while One (1) target was partially achieved • The status was not reported on for the following four (4) targets e.g. personnel training, research and development initiatives, development and implementation of the National Service program.
3.	Strengthen the coordination, monitoring, and reporting framework and systems Budget: UGX.290.15Bn	3	3	• All the targets were fully achieved
4.	Promote evidence-based policy decision-making through research. Budget: UGX.25.83Bn	2	2	• All the targets were fully achieved
5.	Inculcate pride, respect for national values and responsibility towards the social good Budget: UGX.108.21Bn	14	5	• Five (5) targets were fully achieved while the status of nine (9) outputs was not reported on. • For example, the establishment of the National incentives framework, development of the coordination and

Sn	Strategic objective	Target outputs	Actual realized	Audit comment
				collaborative framework were not reported on. Underperformance was attributed to COVID, which limited the number of patriotism activities in schools and across the country.
6.	Enhance program coordination and institutional capacity for effective and efficient service delivery Budget: UGX.356.52Bn	10	5	- Five (5) targets were fully achieved while the status of five (5) outputs was not reported on. - For example, implementation of the retooling project, partnerships and linkages secured, capacity building, etc. The level of performance was observed in the number of RDCs whose capacity was built.
	Total Budget: UGX.1,033.79Bn	50		

Source: OAG review of SPDs FY 2020/21 to 2024/25 and FY 2025/26 to 2029/30

Out of 50 planned outputs in the Strategic Plan, the status of 32(64%) outputs was reported in the SDP for the period 2025/26 to 2029/30, while 18(36%) were not reported on. Of the 32 outputs reported on, 31(97%) were fully achieved while one (1) was partially achieved.

The partial reporting was attributed to failure by management to carry out mid-term and end-of-term Strategic Plan review, unclear indicators and lack of robust monitoring and evaluation mechanisms.

Failure to implement all planned strategic objectives implies that the entity's ability to fully deliver on its mandate may be hampered.

The Accounting Officer explained that management had undertaken a review of the new Strategic Development Plan (SDP) with the purpose of improving the reporting of achievements to cover the rest of the 18 outputs which had inadvertently been left out.

In addition, the Office had prioritised the strengthening of Monitoring and Evaluation (M&E) in the new Strategic Plan. Specifically, it has planned to recruit staff and establish a fully functional M&E Section within the Planning and Budgeting Division. This will guarantee that M&E receives its due attention to enhance accountability, track performance, and inform evidence-based decision-making.

Recommendation

I advised the Accounting Officer to fast-track the review of the Strategic Plan and the establishment of a robust monitoring and evaluation system to ensure tracking of the implementation of the strategic and operational plans effectively.

3.1.3 Readiness to implement NDP IV

Section 12(6) of the PFMA, Cap. 171 requires that the Entity's budget is consistent with the National Development Plan, the Charter of Fiscal Responsibility, and the Budget Framework Paper (BFP). The annual budget shall be aligned with the Entity's Strategic Plan, which shall also be aligned with the National Development Plan.

I noted that the Entity had finalised a new draft Strategic Plan aligned to the NDP IV by its commencement date of 1st July 2025 and had responded and incorporated amendments suggested by the National Planning Authority.

3.1.4 Alignment of the Entity's planning and budgeting instruments to NDP III

Section 12(6) of the PFMA, Cap. 171 requires that the Entity's budget is consistent with the National Development Plan, the Charter of Fiscal Responsibility and the Budget Framework Paper (BFP) and that the annual budget shall be accompanied by the Certificate of Compliance Report of the prior year issued by the NPA.

Section 12(7) of the PFMA, Cap. 171 provides that the annual budget shall also be accompanied by a Certificate of compliance of the annual budget of the previous financial year issued by the National Planning Authority.

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.

Review of the Certificate of compliance for the entity's annual budget FY 2024/2025 assessment report issued by National Planning Authority (NPA) indicated that overall, the entity's performance of the budget Framework Paper (BFP) and Annual Budget (AB) (results level assessment) was 90.2% compliant in relation to delivering NDPIII outputs through the use of corresponding output indicators. This was an improvement from 76.4% in the FY 2023/2024.

Table 6: Showing a summary performance of the BFP and Annual Budget FY 2024/25

Sn	Summary of performance	FY 2023/24, performance	FY 2024/25, performance
1	Existence of the MDA Strategic Plan	100%	100%
2	MDA resource allocation	94%	93%
3	MDA results level assessment (outputs)	71.3%	74.4%
4	NDPIII – MDA projects implementation	56.0%	100%
	Overall MDA level performance	76.4%	90.2%

Source: NPA certificate of compliance FY 2024/25

This performance was attributed to the entity having an approved Strategic Plan aligned to the NDP III and deviation of some BFP and AB targets from the NDP III, including the number of briefing notes to HE the President, the number of draft policies discussed, and recommendations made in the Permanent Secretaries' forum, and the number of policies reviewed, considered and approved by the Cabinet.

Failure to address issues identified may affect the realisation of the National Development Agenda and the NDP III objectives.

The Accounting Officer explained that the performance of the five (5) issues highlighted in the report largely depends on the performance of other stakeholders, such as Permanent Secretaries and Cabinet meetings. The delays in policies were beyond the vote's control. Going forward, the Office commits to providing clear justifications for any deviations in performance to ensure transparency and accountability.

Recommendation

I advised the Accounting Officer to ensure that the highlighted concerns are addressed to enhance transparency and accountability.

3.1.5 Performance of the Governance and Security (GS) Programme-16

The Office of the President is the lead MDA under the Government and security program. The main goal of the programme is to enhance adherence to the rule of law and improve the capacity to contain prevailing and emerging security threats.

The Governance and security programme assessment evaluates the alignment of its planning and budgeting towards achieving these objectives and the corresponding predetermined outcome targets.

A review of the certificate of compliance by NPA revealed that the programme's performance had declined from 67.5% to 61.1% and was ranked as moderately satisfactory.

Table 7: Showing Governance and Security Programme assessment

Sn	Summary of performance	FY 2023/2024	FY 2024/2025
1	Resource allocation	73%	80%
2	NDP III Programme level assessment	80%	68.4%
3	NDP III projects implementation	56.2%	51.4%
	Overall performance	67.5%	61.1%

Source: NPA certificate of performance

NPA attributed the decline in performance to;

- a) Non-adherence to the NDP PIAP during BFP development, which resulted in resources being allocated without checking if they match with indicators in the PIAP, i.e. the indicators in the PBS do not match with the indicators in the PIAP.
- b) Failure to achieve project implementation schedules on time.

- c) Uganda's missions abroad remain lumped together. This makes indicator and resource disaggregation to missions challenging, and sometimes-critical indicators do not appear on their tools.

Failure to address issues identified may affect the full realisation of the National Development Agenda and the NDP III objectives.

The Accounting Officer explained that at the preparation of the Budget Framework Paper, MoFPED allocates money to Missions abroad in a lump sum manner, and the Programme lead agency is not privy to the Institutional allocation per Mission abroad. Further, the Office commits to improving the project implementation and working together with MoFPED and NPA to ensure that all the approved Governance and Security Programme PIAP indicators are fully integrated in the PBS system and the M&E Web-based System, effective FY 2026/27, to enable MDAs to report adequately.

Recommendation

I advised Management to continuously follow up on the matter with NPA and MoFPED to streamline resource allocation, accountability and governance.

3.2 Warranting of funds/Revenue performance

3.2.1 Performance of GoU warrants

During the financial year 2024/25, Parliament appropriated a total of UGX.286.55Bn constituting recurrent expenditure of UGX.266.42Bn and capital development of UGX.20.12Bn.

Out of the UGX.286.55Bn warranted, UGX.48.79Bn was for classified expenditure, leaving a balance of UGX.237.75Bn for non-classified expenditure. The table below;

Table 8: Showing performance of GoU warrants for FY 2024/25

Classification	Approved Budget (UGX Bn)	Revised Budget (UGX Bn)	Amount warranted (UGX Bn)	%age Release
Recurrent (wage)	27.51	31.12	31.12	100%
Recurrent (non -wage)	186.51	186.51	186.51	100%
Capital Development	20.12	20.12	20.12	100%
Classified	48.79	48.79	48.79	100%
Total	282.93	286.54	286.54	100%

Source: OAG review of IFMS BIG reports

All funds were warranted in respect of recurrent and capital development budgets, leading to 100% performance.

3.2.2 Performance of Non-Tax Revenue (NTR)

I reviewed the approved NTR estimates for the FY 2024/2025 and noted that OP budgeted to collect UGX.72Mn during the year but collected UGX.1.19Bn as shown in the table below;

Table 9: Showing performance of NTR

Revenue source	Budgeted revenue (UGX Mn)	Actual revenue earned (UGX Bn)	Variances (UGX Bn)
NTR estimates	72.0	1.19	1.11

Source: OAG review of URA NTR performance and estimates

The higher collection of NTR at the Vote level is an indication that the NTR targets were set below the entity's revenue potential.

The Accounting Officer explained that UGX.617.55Mn were traffic fines collected using the Intelligent Transport Monitoring System (ITMS), UGX.536.40Mn from the disposal of assets, and the balance from the sale of bids. The revenue from the ITMS had not been anticipated during the budgeting process.

Recommendation

I advised the Accounting Officer to always properly assess the Entity's revenue potential during the budgeting process and set realistic targets.

3.3 Utilisation of GoU Warrants excluding classified warrants

Out of the total non-classified warrants of UGX.237.75Bn received during the financial year, UGX.232.83Bn was spent by the Entity, leaving an unspent balance of UGX.4.92Bn representing an absorption level of 98.3%.

Table 10: Showing utilisation of warrants

Classification	Amount warranted (UGX Bn)	Amount spent (UGX Bn)	Variance (UGX Bn)	%age amount spent
Recurrent (wage)	31.12	27.43	3.69	88.1%
Recurrent (non-wage)	186.51	186.23	0.28	99.9%
Capital Development	20.12	19.17	0.95	95.3%
Total	237.75	232.83	4.92	98.3%

Source: OAG analysis of IFMS BIG report

The balance of UGX.4.92Bn was mainly meant for the payment of general staff salaries, statutory staff salaries, and payment of pension, Court Awards, acquisition of other machinery and equipment, and compensation to 3rd Parties as summarised in the table below;

Table 11: Showing key activities affected by the underutilisation of warrants

SN	Activities affected by the underutilization	Warrants not Utilised (UGX Bn)	Management Response
1	General staff and statutory salaries	3.51	- During FY 2024/2025, 432 Assistant Resident District Commissioners (ARDCs) were appointed. However, there were delays in the validation process by the Ministry of Public Service (MoPS) - In addition, the resignation of Senior Presidential Advisors, RDCs, DRDCs, and

SN	Activities affected by the underutilization	Warrants not Utilised (UGX Bn)	Management Response
			ARDCs to join active politics affected the utilisation of the wage.
2	Pension	1.12	- The Vote undertook an in-house verification exercise of pension files, which resulted in the deletion or halting of payments for pensioners with incomplete, unverified, or non-responsive records including those who had attained 75 years of age without life certificates or non-existent. - The above factors inevitably contributed to the unspent balances on the Pension and Gratuity budget lines.
3	Court Awards	0.27	The money was meant for the pending cases relating to Kaweeri Coffee Farmers. However, some of the beneficiaries delayed in submitting their bank Accounts; while others, without Letters of Administration (for claimants who had died), were not paid by the closure of the FY for failure to process these Letters of Administration.
4	Others	0.01	These were residual amounts on different budget lines that could not be utilised, and they had no direct impact on the implementation of the planned activities.
	Total	4.92	

Source: PBS Performance reports and annual performance reports for FY 2024/25

I assessed the extent of implementation of ten (10) non-payroll outputs, with expenditure worth UGX.146.12Bn for which funds were warranted and utilised and noted that all the outputs were fully implemented.

3.4 Monitoring and Evaluation

Para 536 (e) of the NDP III provides for the operationalisation and strengthening of the functionality of the M&E and Statistical Units within Planning Departments in MDAs and LGs.

Monitoring and Evaluation of activities through regular collection and analysis of data enables management to make evidence-based decisions on how a project, policy or program is performing against expected results. M&E facilitates making recommendations for corrective action in case activities are not implemented as per the approved work plan.

I noted that the Office has an annualised M&E framework and there were M&E reports in place.

3.5 **Assessment of the entity's efficiency in service delivery**

I undertook procedures to ascertain the level of service delivery through performance of the entity's core mandate and functions, and noted the following;

Table 12: Showing assessment of quality-of-service delivery

SN	Mandate/ initiative/Activity	Assessment requirements timeframe and	Audit comment
1	Implementation of the manifesto for the ruling party	Quarterly field visits and stakeholder engagements	I noted that the Manifesto implementation unit conducted the quarterly field visits and stakeholder engagements.
2	Submission of approved policies to Parliament for subsequent development into bills.	Through an official communication for two weeks.	A review of a sample of approved policies revealed that it takes at least three to five days.
3	Approval of policies	Submission of cabinet memoranda from MDAs to OP and subsequent issuance of a cabinet memo on the recommendation within two weeks	Cabinet memoranda from MDAs are submitted to OP, which does a review and makes comments for further management by the MDA.
	Monitor the implementation of cabinet decisions.	Field visits and stakeholder engagements are quarterly	Stakeholder engagements are held as and when needed.
	Ensure peace and security for all Ugandans.	Coordination of security agencies and conducting cross-border engagements every day	Cross-border engagements held in July, August, and October 2024, and in January and June 2025 and over 1,752 security reports produced.
4	Monitor and evaluation of Government programs and project implementation	Field visits and stakeholder engagements are quarterly	Different government programs like the innovation fund projects, performance of PDM, performance of development loan projects, etc, were monitored during the year.
5	Impart ideological knowledge	Quarterly trainings	Over 400 schools and 75,000 citizens were trained on patriotism.
6	Reward excellent performers.	Submissions are made from MDAs, analysis is made, and the deserving persons are rewarded during National functions.	Over 1,500 deserving persons were awarded medals during the investiture ceremonies.

Source: OAG review of the Office of the President Client Charter and supporting documents for evidence

Recommendation

I advised the Accounting Officer to intensify its efforts in delivering services for the benefit of citizens.

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 the following other audits in the entity as highlighted below;

4.1 Audit of the Treasury Memorandum

In accordance with Section 12 (f) of the National Audit Act, Cap. 170, I conducted an audit of the Treasury Memoranda (TM) on the reports of Parliament on the Reports of the Auditor General for the financial years 2020/21 and 2021/22 and issued separate reports as a result of this audit. The summary of the extent of implementation of the Parliamentary recommendations by the Office is summarized in table below;

Table 13: Extent of implementation of Parliamentary recommendations

Detail of the Treasury Memoranda (TM)	Number of Parliamentary Recommendations in the Treasury Memoranda	Number of recommendations		
		Fully Implemented (B)	Partially Implemented (C)	Not implemented (D)
TM on the Parliamentary resolutions on the report of the Public Accounts Committee on the Auditor General's report for FY 2020/2021.	7	4	2	1
TM on the Parliamentary resolutions on the report of the Public Accounts Committee on the Auditor General's report for FY 2021/2022	6	4	2	0
Total	13	8	4	1

Source: OAG audit of the Treasury Memoranda

I issued the details of my findings and conclusions in a separate report, which was submitted to Parliament.

4.2 Verification of Domestic Arrears

In addition to the concluded audit engagements stated above, this office is conducting a comprehensive verification of domestic arrears across all Ministries, Departments, Agencies, and Local Authorities. The objective is to determine the accurate stock of domestic arrears for the Government. Detailed procedures have been designed to ensure that the Government's position on domestic arrears is accurately reflected. The detailed findings will be published separately.



Edward Akol
AUDITOR GENERAL
KAMPALA

22nd December, 2025

SECTION 5: FINANCIAL STATEMENTS