



THE REPUBLIC OF UGANDA

**REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF
UGANDA WILDLIFE AUTHORITY FOR THE FINANCIAL
YEAR ENDED 30TH JUNE 2022**

**OFFICE OF THE AUDITOR GENERAL
UGANDA**

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LIST OF ACRONYMS

ACRONYM	MEANING
BC	Business Centre
BEC	Budget Execution Circular
BMCA	Mbwindi Mgahinga Conservation Area
BN	Billion
ERP	Enterprise Resource Planning
GOU	Government of Uganda
ICT	Information and Communication Technology
IFMS	Integrated Financial Management System
IFPA-CD	Investing in Forests and Protected Areas for Climate-Smart Development
IFRS	International Financial Reporting Standards
INTOSAI	International Organization of Supreme Audit Institutions
ISSAIS	International Standards of Supreme Audit Institutions
IT	Information Technology
KCA	Kibale Conservation Area
KVNP	Kidepo Valley National Park
LMCA	Lake Mburo Conservation Area
MDAS	Ministries, Departments and Agencies
MECA	Mount Elgon Conservation Area
MFCA	Murchison Falls Conservation Area
MN	Million
MOFPED	Ministry of Finance, Planning and Economic Development
MOU	Memorandum of Understanding
NTR	Non-Tax Revenue
OAG	Office of the Auditor General
PA	Protected Area
PFM	Public Finance Management
PFMA	Public Finance Management Act
POS	Point of Sale
PPDA	Public Procurement & Disposal of Public Assets
PS/ST	Permanent Secretary / Secretary to the Treasury
PUWR	Pian Upe Wildlife Reserve
QECA	Queen Elizabeth Conservation Area
QENP	Queen Elizabeth National Park
UCF	Uganda Consolidated Fund
UGX	Uganda Shilling
UWA	Uganda Wildlife Authority

**REPORT OF THE AUDITOR GENERAL ON THE AUDIT OF FINANCIAL STATEMENTS
OF UGANDA WILDLIFE AUTHORITY FOR THE FINANCIAL
YEAR ENDED 30TH JUNE, 2022**

THE RT. HON. SPEAKER OF PARLIAMENT

Opinion

I have audited the accompanying financial statements of the Uganda Wildlife Authority for the financial year ended 30th June 2022, which comprise the statement of Financial Position as at 30th June 2022, the Statement of Profit or Loss and Other Comprehensive Income, 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 Uganda Wildlife Authority present fairly, in all material respects the Authority's financial position as at 30th June 2022, results of its financial performance, changes in Accumulated Funds and Cash flows for the period then ended, in accordance with International Financial Reporting Standards (IFRS), Section 51 of the Public Finance Management Act, 2015 and the Uganda Wildlife Act 2019.

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 the Authority 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 Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code), and other independence requirements applicable to performing audits of Financial Statements in Uganda. I have fulfilled my other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing audits in Uganda. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit 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 2015, 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 implementation of the budget but entities still face a number of challenges including COVID-19, which continue to affect implementation of activities, service delivery and credibility of the budget. It is against this background that 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 inspection in arriving at my findings.

The Uganda Wildlife Authority is mandated under the Uganda Wildlife Statute 1996 (now Uganda Wildlife Act, 2019) to conserve and manage wildlife in the country and enforce wildlife laws and regulations. UWA is responsible for the management of 10 National Parks and 12 Wildlife Reserves. In addition, the organization guides the management of 5 Community Wildlife Areas and 13 Wildlife Sanctuaries. UWA, in addition, is responsible for the management of wildlife outside the formally gazetted Protected Areas (PAs).

The entity had an approved budget of UGX.119.47Bn out of which UGX.124.82Bn was received. The entity's key deliverables for the financial year under review were;

Table 1: Showing key deliverables for UWA for the year

No	Program	Budget (UGX) "Bn"	% share of the total approved budget
1	Fixed Costs (Personnel & Administration)	60.534	51%
2	Capital/Development	22.700	19%
3	Governance And Financial Sustainability	9.344	8%
4	Ecosystem Management	6.114	5%
5	Capacity Development	5.608	5%
6	Community Conservation	5.213	4%
7	Wildlife Resource Protection	4.995	4%
8	Tourism And Business Management	4.172	3%
9	Research And Ecological Monitoring	0.790	1%
	Grand Total	119.470	100%

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

Table 2: Showing findings from review of budget performance

No	Observation	Recommendation
1.1	<p><u>Utilization of funds</u></p> <p>The entity budgeted for UGX.119.469Bn, but received UGX.124.8Bn, hence a surplus of UGX.5.35Bn representing 4.5% of the budget.</p> <p>Out of the total funds available to spend of UGX.119.47Bn (i.e. the approved budget limit) during the financial year, UGX.88.6Bn was spent by the entity (excluding depreciation charge of UGX.9.1Bn) resulting into an unspent balance of UGX.30.86Bn, hence an absorption level of 74.17%. The unspent funds were retained by the entity in line with the Uganda Wildlife Act 2019.</p> <p>As a result of failure to utilize funds;</p> <ul style="list-style-type: none"> • The construction of ranger accommodation has delayed thus affecting staff welfare. • Wildlife monitoring by drones has not been done and this is affecting prevention of illegal poaching activities. • Human-Wildlife conflicts prevention affected by delayed completion of construction of electric fences in QENP and MFNP <p>Management attributed this challenge to the COVID-19 pandemic which led them to operate under a contingency plan with scaled down activities in a period of restricted travel globally, adding that it was already too late to commence on some of the activities especially capital developments that would require a lengthy procurement process thus a low absorption of funds.</p>	<p>I advised the Executive Director to always make effort to address any bottlenecks impeding implementation so as to fully utilise the availed funding and attain the planned outputs.</p>
1.2	<p><u>Implementation of outputs and activities</u></p> <p>I assessed the implementation of a sample of Fifty (50) outputs that had been fully quantified with a total of One hundred fourteen (114) activities worth UGX.54.37Bn and noted that:</p> <ul style="list-style-type: none"> • Thirty three (33) outputs with forty one (41) activities and expenditure worth UGX.21.62Bn were fully implemented. • Seventeen (17) outputs with seventy three (73) activities worth UGX.32.75Bn were partially implemented. Out of the seventy three (73) activities, the entity fully implemented twenty nine (29) activities; twenty three (23) activities were partially implemented, while twenty one (21) activities remained unimplemented. 	<p>I advised the Executive Director to always ensure that activities and outputs are implemented as per plan, and where necessary, amend the work plans to reflect the existing conditions.</p>

No	Observation	Recommendation																																																																						
	<table><tr><th colspan="10">Table 3: Showing level of implementation of outputs</th></tr><tr><th colspan="5">Summary of Performance by Output</th><th colspan="5">Activity details-Analysis</th></tr><tr><th>Category of output</th><th>No of outputs</th><th>% of implementation</th><th>Expenditure UGX Bn</th><th>% Proportion to total expenditure</th><th>Total no of activities</th><th>No of Fully implemented activities</th><th>No. of partially implemented activities</th><th>No of activities that were not implemented</th><th>Extent of implementation of activities per category of output</th></tr><tr><td>Fully implem ented outputs</td><td>33</td><td>66</td><td>21.6</td><td>39.8</td><td>41</td><td>41</td><td>0</td><td>0</td><td>100</td></tr><tr><td>Partially Implem ented outputs</td><td>17</td><td>34</td><td>32.8</td><td>60.2</td><td>73</td><td>29</td><td>23</td><td>21</td><td>71</td></tr><tr><td>Outputs Not Implem ented</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr><tr><td>Total</td><td>50</td><td>100</td><td>54.4</td><td>100</td><td>114</td><td>70</td><td>23</td><td>21</td><td></td></tr></table> <p>Non-implementation of planned activities implies that the expected services to the beneficiary communities were not attained. For example, the Authority did not implement the following planned activities despite having received the required funds;</p> <ol style="list-style-type: none">1) Construction of 24 blocks of 10 roomed ranger accommodations across 7 national parks2) Procurement of Land for ranger accommodation3) Did not complete Construction of electric fence in MFCA4) Construct concrete pillars along park boundaries was partially done5) Construct 20 Km electric fence in QECA6) Wildlife Protection Equipment such as Drones for monitoring7) Supply of two (2) unit Excavators, three (3) unit Motor Graders and two (2) unit Bull dozer under World Bank Project8) Supply of two (2) unit Water Bowsers under World Bank Project	Table 3: Showing level of implementation of outputs										Summary of Performance by Output					Activity details-Analysis					Category of output	No of outputs	% of implementation	Expenditure UGX Bn	% Proportion to total expenditure	Total no of activities	No of Fully implemented activities	No. of partially implemented activities	No of activities that were not implemented	Extent of implementation of activities per category of output	Fully implem ented outputs	33	66	21.6	39.8	41	41	0	0	100	Partially Implem ented outputs	17	34	32.8	60.2	73	29	23	21	71	Outputs Not Implem ented	0	0	0	0	0	0	0	0	0	Total	50	100	54.4	100	114	70	23	21		
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No	Observation	Recommendation
	<p>9) Supply of two (2) unit tipper trucks under World Bank Project</p> <p>The Executive Director explained that the budget for financial year ended 30th June 2022 was done during the COVID-19 pandemic, a time when the Authority was operating under a contingency plan with scaled down activities and restricted travel globally.</p>	
1.3	<p><u>Delivery of services from implemented activities</u></p> <p>I undertook physical inspections to establish if works/services were delivered in a timely manner, were of satisfactory/expected quality and quantity, and if citizens were getting the anticipated services (functionality). In addition, I assessed if the works/services were delivered at reasonable costs.</p> <p>I noted that most of the activities were either partially implemented or not implemented at all. Hence I could not establish whether the quality and amounts spent were commensurate to the activities undertaken.</p> <p>Partial and delayed delivery of services implies the entity failed to achieve the intended objective.</p> <p>The Executive Director explained that the capital items were mainly affected because of the uncertainties over revenues during the financial year as its budget for financial year was implemented under the approved contingency plan which focused more on the key priorities of the institution and keeping it afloat for a longer term and some of the activities that were not implemented in the year were rolled over to the current FY ending 30 June 2023.</p>	<p>I advised the Executive Director to ensure timely activity implementation so as to improve service delivery.</p>

2.0 **MANAGEMENT OF PUBLIC LAND**

Paragraph 1.3.1 of the Treasury Instruction, 2017 states that the Treasury Instructions shall apply to all votes that include Ministries, Agencies, and Local Governments (MALGs) and also to Public Corporations and State Enterprises where expressly stated so. Paragraph 5.3 of the Treasury Instruction, 2017 requires Corporations and State Enterprises to maintain their books of account on an accrual basis of accounting and apply the International Financial Reporting Standards (IFRS) for the purpose of Section 51(3) (a) of the PFMA 2015.

Additionally, International Accounting Standard (IAS) 16 requires an entity that prepares and presents financial statements under the accrual basis of accounting to recognize Property Plant and Equipment, in this case, Land, as an asset when it is probable that its

future economic benefits will flow to the entity, and its cost can be measured reliably. With the initial recognition being at cost or fair value as at the date of acquisition where the land was acquired through a non-exchange transaction and subsequently at cost less accumulated impairment (the cost model) or fair value less accumulated impairment between revaluations (the revaluation model).

I observed that Ministries, Departments and Agencies (MDAs), and Local Governments (LGs) have challenges with regard to planning and budgeting, protecting, reporting, utilization 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 fulfillment of entity mandates.

I reviewed documents, such as; budgets, Financial Statements (Accounting policies and Management estimates), Asset Registers, Court case files and correspondences, Land titles, and lease files to assess Management's compliance with the Accounting Framework (IFRS's). From the procedures undertaken, I noted the following;

Table 4: Management of public Land

No	Observation	Recommendation
2.1	<p><u>Titling and Transfer</u></p> <p>Section 49 (c) of the Land Act, Cap 227, requires that Uganda Land Commission shall procure certificates of title for any land vested in or acquired by the Government.</p> <p>I noted that title for 1 piece of land measuring approximately 0.312 hectares that was purchased at UGX.400Mn was not transferred from the previous owners. Lack of Land titles may result into encroachment, disputes and loss of public land.</p> <p>The Executive Director explained that the land transfer documents and the title were lodged with the Ministry of Lands, Housing and Urban Development on 4th September 2021 upon payment of the stamp duty, but no response had yet been obtained even after a follow-up.</p>	<p>I advised the Executive Director to expedite the process of acquiring the land title by following up the matter with the Ministry of Lands, Housing and Urban Development.</p>

Emphasis of Matter

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

3.0 ACCUMULATION OF PAYABLES

Section 12.4.2 (i) of the UWA Financial Procedures Manual 2016 states that Accounts payables are managed effectively, including prompt payments to creditors to minimize

amounts owed by UWA and any chances of legal suits against the organization by the creditor

It was observed that outstanding payables of UGX.25.45Bn (comprising of trade payables of UGX.4.28Bn, Accruals of UGX.5.4Bn, and community revenue share of UGX.7.66Bn and Gratuity payable of UGX.8.11Bn) were reported in the statement of financial position and Note 14 of the financial statements, out of which UGX.8.11Bn, has been outstanding for more than one year. Accumulation of payables results from weaknesses in payables management policy, which creates a risk of costly litigation as well as payment of penalties and fines for delayed settlement.

The Executive Director acknowledged the issue but indicated that management was committed to settling the payables.

I advised the Executive Director to put in place a streamlined policy for management of payables, and minimise the risks associated with continued accumulation.

4.0 OVERDUE RECEIVABLES

Section 7.4 of the UWA Financial Procedures Manual 2016 states that accounts receivables mainly represent all money owed to, or rights of claim due under an agreement with UWA by its Development Partners, members of staff, clients or customers and any other organizations and companies, individuals or groups of people.

During the financial year, I noted that the receivables figure has significantly increased from prior year figure of UGX.3.303Bn to UGX.5.546Bn (i.e. 168% increment) as shown in the statement of financial position and Note 1 of the financial statements. These comprised of concessionaire balances (UGX.3.981Bn) and Car loans (UGX.1.565Bn). Accumulation of receivables denies the entity the cash flows needed to offer vital services. Besides, in the absence of an aging analysis, I could not confirm whether all the reported receivables are still recoverable.

The Executive Director attributed the matter to COVID-19 pandemic period, where a number of concessionaires were facing hardships with businesses and could not therefore settle their obligations to the Authority, adding that they now have payment plans that were agreed upon in a manner that would keep them afloat as well as make minimal payments to gradually reduce the outstanding balances.

I advised the Executive Director to closely follow up with the recovery arrangements but also ensure in future, there is strict adherence with the debtor's management policy embedded in the financial procedures manual.

Other Information

The Board of Trustees is responsible for the other information. The other information comprises the statement of responsibilities of the Board of Trustees and the commentaries by the Head of Accounts and the Board of Trustees, 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

The Board of Trustees is also responsible for the preparation of financial statements in accordance with the requirements of the Public Finance Management Act 2015, Wildlife Act, 2019 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 Board of Trustees is responsible for assessing the Authority'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 Board of Trustees has a realistic alternative to the contrary.

The Board of Trustees is responsible for overseeing the Authority'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 Authority'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 Authority'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 Authority 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 Board of Trustees 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 Board of Trustees 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 Board of Trustees, 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, 2008, I report to you, based on my work described on the audit of Financial Statements, that; except for the matters raised in compliance with legislation section below, and whose effect has been considered in forming my opinion on 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.

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 Authority with specific matters in key legislations. I performed procedures primarily to identify findings but not to gather evidence to express assurance.

The material finding in respect of the compliance criteria for the applicable subject matter is as follows;

5.0 DELAYED ACCOUNTABILITY OF REVENUE SHARES TO LOCAL GOVERNMENTS

Section 65 (4) of the UWA Act 2019, states that the Board shall authorize the Executive Director to pay twenty per cent of the park entry fees collected from wildlife protected area, to the local government of the area surrounding the wildlife protected area from which the fees were collected as a conditional grant. The aim of this arrangement is to manage the human wildlife conflicts and livelihood improvement of the communities surrounding the protected areas.

During the financial year under review, I noted the following;

- Out of total outstanding balance of UGX.9.578Bn, UWA had only disbursed UGX.6.398Bn in respect of revenue sharing for the surrounding communities in National Parks leaving a balance of UGX.3.179Bn undisbursed. Table 5 below refers;

Table 5: Showing disbursement of revenue share

No	Name of National Park	Amount (UGX) 'Bn'
1	Bwindi Impenetrable National Park	3.389
2	Murchison Falls National Park	2.930
3	Mt. Elgon National Park	0.079
	Total	6.398

- The Accountabilities of the disbursed grants had not yet been availed by the beneficiary communities through the district local governments by the time of audit in November 2022. I also questioned why the entity had taken the role of accountability oversight, which will necessitate the introduction and expansion of structures and policies such as; accountability policy, sanctions policies, audit staff and accounts /sanctions committee. This has a potential to divert the entity from its core mandate of taking care of wildlife.

Delayed implementation and accountability for the conditional grants undermines the grant's objective of reduction of wildlife conflicts and livelihood improvements.

The Executive Director explained that they had disbursed UGX.6.398Bn of the outstanding revenue share funds of UGX.9.58Bn and the non-disbursement of the balance of UGX.3.18Bn was majorly due to delays from the districts to develop and

submit to UWA project proposals for review and approval, which is the revenue-share conditional grant requirement, to be met before the funds are disbursed.

I advised the Executive Director to devise strategies that can support the development of project proposals from the beneficiary communities and also ease the process of accounting for the funds.

6.0 CHALLENGES IN THE IMPLEMENTATION OF THE CASHLESS SYSTEM OF REVENUE COLLECTION

During the year under review, UWA management adopted a cashless system of cash collection where manual receipting of revenue was abolished and replaced with electronic revenue collection points, such as VISA Cards online and at Point of Sale (POS) locations, Mobile money platforms and commercial banking. This was done to ensure efficiency and maximization of revenue collections from all sources of revenue. I reviewed the implementation of this new policy and noted the following challenges;

- i. Poor mobile and internet network connections at all national park offices and entry gates that are affecting the full adoption of the cashless system.
- ii. Some of the entry gates have not been installed with the cashless system such as Mihunga gate in Rwenzori National park and Katengeto gate in Lake Mburo National Parks.
- iii. Several parks were noted to be lacking printers for printing receipts at the entry gates which undermine the revenue collection process.
- iv. Absence of power connections at some gates and those with solar power required additional batteries to stabilize the power supply.
- v. Non-installation of Cameras to enhance the monitoring of the cashless collection at all UWA gates.
- vi. Some gates do not have internet connection.

These challenges adversely affect the implementation of the cashless system, and may fail the attainment of planned objectives. This was attributed to insufficient resources to fully implement the project, which may disrupt the efficiency in service delivery.

The Executive Director promised to liaise with the internet providers to improve on the connectivity at the gates, adding that additional ICT and solar equipment was to be procured to fully have all the gates adequately resourced with attendant infrastructure to support the cashless revenue collection.

I advised the Executive Director and the Board of Trustees to continuously review these challenges, and develop strategies to address them in order to enhance the entity operations.

7.0 ONGOING CASES OF CLAIMS ON GAZETTED AREAS

According to Section 25(1) of the Uganda Wildlife Act 2019, the Minister may, by statutory instrument, after consultation with the Local Government Council in whose area proposed wildlife conservation area falls and with the approval of Parliament signified by its resolution, declare an area of land or water to be a wildlife conservation area.

Whereas, all the ten (10) national parks were duly gazetted in accordance with the law, I noted that there were several ongoing cases of claims on land in the gazetted areas under the management of Uganda Wildlife Authority as evidenced by active court cases in some parks namely: Lake Mburo National Park, Mt. Elgon National Park, Semiliki National Park and Matheniko Bokora. This was attributed to increased encroachment to the National park land. Failure to resolve these cases may lead to loss of gazetted land that will affect wildlife conservation.

The Executive Director attributed the problem to the fact that before the creation of Uganda National Parks and later UWA, the protected areas mentioned above were being managed under Forest and Game Departments of Government, which were not well facilitated and could not ward off encroachment. He added that titles had already been erroneously issued to some people and only courts of law could make the ruling on this, adding that the Ministry of Tourism, Wildlife and Antiquities was engaging the Ministry of Lands Housing and Urban development on the matter of these titles.

I advised the Executive Director to closely monitor illegal encroachments to the gazetted areas and take appropriate actions including consultations with relevant stakeholders over the matter, so as to stop further encroachment.

8.0 LACK OF A COMPREHENSIVE PLAN FOR MANAGEMENT OF THE INVASIVE SPECIES

According to Section 21(1-2) of the Uganda Wildlife Act 2019, the Board shall develop a conservation planning manual that takes cognizance of the national policies and development planning frameworks. The Executive Director shall, with the approval of the Board, prepare and publish a comprehensive management plan for each wildlife protected area and wildlife management area, in accordance with the conservation planning manual.

During my review of the plans for the Authority, I was not availed with a conservation planning manual and a comprehensive management plan for each wildlife protected area and wildlife management area and I was unable to confirm whether there is a deliberate effort to manage the invasive and exotic plant species that cover large expanses of land in various protected areas of the Queen Elizabeth, Lake Mburo Park, Murchison Falls, and Kidepo Valley National Parks, according to Section 3.5.2 of the UWA five (5) year strategic plan (FY 2020/21-2024/25). These invasive/exotic or endemic plants, amongst others, include the different species such as *Dichrostachys cinerea*, *Lantana camara*, *Parthenium hysterophorus*, *Opuntia vulgaris*, *Imperata*

cylindrica, Maeruada cumbens, Caesalepina decaputala, Acacia hockii, Tecoma Stan, Senna siamea and Thevetia peruviana.

The invasive species reduce the grazing areas for herbivores animals and affect the rangeland and environmental quality that consequently reduce wildlife population of grazers such as hippos, buffalos, zebras, topis, and Uganda Kobs.

The Executive Director acknowledged that invasive plant management is a real challenge that requires more resources, adding that so far, 2000 hectares had been freed and are being maintained. In meantime, UGX.0.770Bn has been allocated to invasive management under UWA internally generated funds and another UGX.1.590Bn under World Bank (IFPA-CD project).

I await the outcome of the actions being undertaken by the Authority.

9.0 **MANAGEMENT OF IT INVESTMENTS BY UWA**

The Government of Uganda (GOU) is making large investments in Information Technology (IT) systems because of the tremendous benefits that IT can bring to its operations and services. One of the key programmes of NDP.III 2020/21-2024/25 is *Digital Transformation*, in which Government of Uganda aims to increase Information, Communication Technology (ICT) penetration and use of digital services for enhancing social and economic development.

As a result of national prioritisation of ICT, I undertook a thematic audit covering three financial years' expenditure (2019/20 to 2021/22) to scrutinise the management of IT Investments across Government. The overall objective was to assess whether the IT investments in Government are strategically aligned, managed appropriately and focused on achieving the NDP.III objective. The procedures undertaken covered: planning and budgeting; procurement, utilization, maintenance and disposal of IT systems; governance, and financial reporting.

For the current year 2021/2022, the entity budgeted for UGX.0.362Bn for acquisition and implementation of IT systems and equipment and received UGX.0.362Bn

A review of ICT activities implemented revealed the following;

Table 6: Review of IT Investments

No	Observation	Recommendation
10.1	<p><u>ICT Governance</u></p> <p>IT governance entails leadership, structures, and processes that enable an organization to make decisions to ensure that its IT sustains and extends its strategies and objectives. However, a review of the ICT governance structure of the entity revealed that;</p>	<p>I advised the Executive Director to institute governance policies to effectively manage ICT investments in consultation with other stakeholders.</p>

	<p>i. There was no IT risk management framework/policy and I further noted that there was no IT risk register at UWA by the time of the audit</p> <p>ii. I noted that whereas Internal Audit was in place, they did not have capacity to review the ICT system that produces financial statements</p> <p>Absence of ICT governance structures hampers formulation of appropriate ICT policies, strategies and real time upgrade of ICT interventions. In addition, it may lead to misalignment of IT investments with the overall entity strategic objectives.</p> <p>The Executive Director acknowledged the observation and promised to have an IT risk management framework in place and build capacity of Internal Audit Staff.</p>																											
10.2	<p><u>Frequent Change of Financial management software Systems</u></p> <p>Over the last three years, Uganda Wildlife Authority procured and installed three (03) Accounting Systems, namely: The Sun System, Microsoft Dynamics GP, and the Microsoft Business Central System. Some of the estimated costs are detailed in Table7 below.</p> <p><u>Table 7: Accounting systems implemented by the Authority</u></p> <table><tr><th rowspan="2">No</th><th rowspan="2">Name of System</th><th rowspan="2">Period used</th><th colspan="2">Amount</th><th rowspan="2">Other Remarks</th></tr><tr><th>USD</th><th>UGX Bn</th></tr><tr><td>1</td><td>Sun system</td><td>Not ascertained</td><td></td><td>-</td><td>•No cost information provided. •Documentation on approval of the process of changeover by the Board not provided.</td></tr><tr><td>2</td><td>Microsoft Dynamics GP system</td><td>From June 2018 for 18 decommissioned in December 2022</td><td>998,634</td><td></td><td>•No evidence of consultations with the World Bank or CEDP that they were going ahead to decommission the system.</td></tr><tr><td>3</td><td>Microsoft Business Central system</td><td>From June 2022-todate</td><td></td><td>0.199</td><td>•Documentation on approval of the process of changeover by the Board availed</td></tr></table> <p>I observed that;</p>	No	Name of System	Period used	Amount		Other Remarks	USD	UGX Bn	1	Sun system	Not ascertained		-	•No cost information provided. •Documentation on approval of the process of changeover by the Board not provided.	2	Microsoft Dynamics GP system	From June 2018 for 18 decommissioned in December 2022	998,634		•No evidence of consultations with the World Bank or CEDP that they were going ahead to decommission the system.	3	Microsoft Business Central system	From June 2022-todate		0.199	•Documentation on approval of the process of changeover by the Board availed	<p>I advised the Executive Director to;</p> <ul style="list-style-type: none">• Have a systematic process and avoid frequent changes in software and always have a detailed cost benefit analysis undertaken, along with consultations with stakeholders including NITA-U, before investing into costly IT systems.• Ensure that for donated systems, consultations with the responsible development partner before decommissioning of systems to avoid losing out on datasets and goodwill.• Consult the Accountant General
No	Name of System				Period used	Amount		Other Remarks																				
		USD	UGX Bn																									
1	Sun system	Not ascertained		-	•No cost information provided. •Documentation on approval of the process of changeover by the Board not provided.																							
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3	Microsoft Business Central system	From June 2022-todate		0.199	•Documentation on approval of the process of changeover by the Board availed																							

<ul style="list-style-type: none"> • The frequency of change of systems was unjustifiably high and costly to the entity and the changes may not have been well thought. • There was no proper systems change over, since management did not identify challenges that would require a switch to the right accounting package. • No evidence of research that had been undertaken to help management gather adequate information on their software packages and solutions. • No risk assessment was undertaken before switching of Accounting Software Systems and also to identify the right provider to mitigate such risks and compile a migration plan that suits the needs of the entity, including business continuity processes, data protection and training for the finance team as well as any benchmark information from recent users. <p>This above implies that;</p> <ul style="list-style-type: none"> • The Authority did not have clearly defined goals hence leading to wasteful expenditure on systems acquisition and no value for money. • The entity did not have detailed plans which are a necessity for every switch to new accounting software, underpinned by goals and supported by an expert accounting software partner. • Possible migration of inaccurate Datasets may have taken place. <p>The Executive Director stated that the decision to move from Sun System was based on the need to improve the financial system with all the required modules of financial management, human resource and procurement under one ERP, while Microsoft Dynamic GP 2018, would continue to be used until 31st December 2022 and then change over to Microsoft Dynamics 365 Business Central (BC), adding that data migration issues have been carefully handled through a six months' transition period.</p> <p>I advised the Executive Director to;</p> <ul style="list-style-type: none"> • Have a systematic process and avoid frequent changes in software and always have a detailed cost benefit analysis undertaken, along with consultations with stakeholders including NITA-U, before investing into costly IT systems. 	<p>for guidance on local software which is used by Government such as the integrated financial management system (IFMS).</p>
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	<ul style="list-style-type: none"> • Ensure that for donated systems, consultations with the responsible development partner before decommissioning of systems to avoid losing out on datasets and their goodwill. • Consult the Accountant General for guidance on local software which is used by Government such as the integrated financial management system (IFMS). 	
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10.0 **UNIMPLEMENTED PROCUREMENTS**

Section 45(3) of the Public Finance Management Act, 2015 states that an Executive Director shall enter into an annual budget performance contract with the Secretary to the Treasury, which shall bind the Executive Director to deliver on the activities in the work plan of the vote for a financial year submitted in accordance with the Act. During the financial year 2021/2022, the entity implemented various procurements as planned for the year under review.

However, during review of the procurement plan, it was noted that the entity was unable to implement 28 planned procurements worth UGX.61.2Bn by 30th June 2022. Failure to implement planned procurements leads to non-provision of planned services.

The Executive Director explained that majority of the unimplemented planned procurements were World Bank funded procurements that required World Bank approval processes to be concluded. These could not be implemented during the period and the plan was to implement them in the financial year ending 30th June 2023, having been rolled over.

I advised the Executive Director to re-evaluate the activities and re-plan those that are still relevant for implementation in the subsequent financial year.



John F. S. Muwanga
AUDITOR GENERAL

22nd December, 2022

FINANCIAL STATEMENTS