

OFFICE OF THE AUDITOR GENERAL



THE REPUBLIC OF UGANDA

REPORT OF THE AUDITOR GENERAL
ON THE FINANCIAL STATEMENTS OF UGANDA NATIONAL ROADS AUTHORITY
(UNRA) FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

OFFICE OF THE AUDITOR GENERAL
UGANDA

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List of Acronyms

Acronym	Meaning
BEC	Budget Execution Circular
Bn	Billion
CGV	Chief Government Valuer
GoU	Government of Uganda
IESBA	International Ethics Standards Board for Accountants
IFMS	Integrated Financial Management System
INTOSAI	International Organization of Supreme Audit Institutions
IPC	Interim Payment Certificate
ISSAIs	International Standards of Supreme Audit Institutions
KJE	Kampala-Jinja Expressway
Km	Kilometre
MDAs	Ministries, Departments and Agencies
MoFPED	Ministry of Finance, Planning and Economic Development
MoLHUD	Ministry of Lands, Housing and Urban Development
MTEF	Medium Term Expenditure Framework
NAA	National Audit Act
NDP	National Development Plan
NHCC	National Housing and Construction Corporation
NTR	Non-Tax Revenue
OAG	Office of the Auditor General
PAPs	Project Affected Persons
PBS	Program Budgeting System
PDU	Procurement & Disposal Unit
PFMA	Public Finance Management Act
PFMR	Public Finance Management Regulations
PPDA	Public Procurement & Disposal of Public Assets
PS/ST	Permanent Secretary / Secretary to the Treasury
RoW	Right of Way
TI	Treasury Instructions
Trn	Trillion
UCF	Uganda Consolidated Fund
UGX	Uganda Shilling
UNRA	Uganda National Roads Authority
URF	Uganda Road Fund

REPORT OF THE AUDITOR GENERAL
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(UNRA) FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2022

THE RT. HON. SPEAKER OF PARLIAMENT

Opinion

I have audited the accompanying financial statements of Uganda National Roads Authority which comprise the Statement of Financial Position as at 30th June, 2022, the Statement of Financial Performance, Statement of Changes in Equity and Statement of Cash Flows together with other accompanying statements for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements Section of my report. I am independent of Uganda National Roads 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 Material uncertainty in relation to UNRA going concern

The Cabinet on 22nd February, 2021 under minute no. 43 (CT 2021) took a decision to merge, mainstream and rationalize Government Agencies, Commissions, Authorities and Public expenditure for efficient and effective service delivery. The exercise commenced in 2021 for a period of two years (2021/22 and 2022/23) and MoPS was directed to implement changes to the affected MDAs by 1st July, 2022.

In a letter to all Accounting Officers, REF: MSD/135/165/01 Vol.12 dated 24th November, 2022 guided under item 10 that the Ministry of Public Service (MoPS) should:

- i. Work closely with the Attorney General to prepare a cabinet paper on the legal reviews and amendment for UNRA.
- ii. Work closely with Ministry of Works and Transport (WoWT) to develop modalities of transferring assets and liabilities from UNRA and
- iii. Harmonize pay for the mainstreamed staff in line with the salary structure of MoWT.

All these activities have not yet been undertaken by the time of reporting in December 2022.

Under the circumstances, there is material uncertainty that may cast significant doubt that the Authority shall remain a Going Concern in the foreseeable future. My opinion is not modified in respect of this matter.

2.0 **Implementation of the approved budget**

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

Over the years, I have observed improvements in the performance regarding 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.

UNRA is mandated under the UNRA Act 2006 to manage, maintain and develop the national roads network.

The entity had an approved budget of UGX.3,654,658,940,745 out of which UGX.3,150,755,611,035 was warranted. The entity's key deliverables for the financial year under review are detailed in the table below;

Table 1: Key deliverables for UNRA for the year

S/N	Project code	Project details	Budget Amount (UGX '000')	Cumulative % share of the total approved budget
1	1176	Hoima-Wanseko Road (83Km)	707,701,752	19.36
2	1506	Land Acquisition	511,046,039	33.35
3	1319	Kampala Flyover	168,391,079	37.96
4	1403	Soroti-Katakwi-Moroto-Lokitonyala road	149,872,351	42.06
5	1402	Rwenkuny- Apac- Lira-Acholibur road	135,925,972	45.78
6	1404	Kibuye- Busega- Mpigi	109,032,691	48.76
7	1313	North Eastern Road-Corridor Asset Management Project	99,611,654	51.48
8	1281	Tirinyi-Pallisa-Kumi/Kamonkoli Road	90,868,996	53.97
9	1694	Rehabilitation of Mityana-Mubende Road(100KM)	84,050,000	56.27
10	1274	Musita-Lumino-Busia/Majanji Road	82,540,000	58.53
11	1040	Design Kapchorwa-Suam road (77km)	80,743,077	60.74
12	1320	Construction of 66 Selected Bridges	79,712,478	62.92
13	1322	Upgrading of Muyembe-Nakapiripirit (92	76,107,655	65.00

	km)		
	Total	2,375,603,744	65.00

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

SN	Observations	Recommendation
2.1	<u>Revenue Performance</u> <u>Performance of GoU receipts</u> According to the revised approved budget, the entity expected to receive UGX.3,654,658,940,745 out of which UGX.3,150,755,611,035 was warranted, resulting into a shortfall of UGX.503,903,329,710 representing 14% of the approved budget. As a result, a number of certificates of work completed remained unpaid at the close of the financial year, which may cause increased road construction costs in form of interest payments for delayed settlement of the contractors' claims. The Accounting Officer explained that management will continue to engage Ministry of Finance for full release of funding.	I advised the Accounting Officer to continue engaging with MoFPED to ensure that GoU funds are released as planned.
2.2	<u>Utilization of warrants</u> Out of the total warrants of UGX.3,150,755,611,035 received during the financial year, the entity submitted invoiced totalling UGX.2,662,030,909,590 resulting in un-utilized warrants of UGX.488,724,701,445 representing an absorption level 84.5%. The un-utilized warrants in-respect of GOU funding of UGX.8,435,300,871 were swept back to the Consolidated Fund as required by the PFMA. Failure to utilize all warrants results into failure to implement all planned activities. The Accounting Officer explained that out of the UGX.488,724,701,445 of the un-utilised cash limit, UGX.480,258,177,195 was under external financing whereas UGX.8,435,300,871 was under GoU relating to unutilised funds on wage and forex differences arising from payments made at end of Financial Year 2022. It was further explained that the unspent cash limit amounting to UGX.480,258,177,195 under external financing remained with the Development partners. The under absorption of funds was largely attributed to funding shortfall under counterpart financing especially land acquisition resulting from budget suppression.	I advised the Accounting Officer to always ensure that all funded activities are implemented.
2.3	<u>Implementation of outputs and activities</u> I assessed the implementation of 13 projects with a total of twenty six (26) outputs that had been fully quantified with a total of fifty three (53) activities worth UGX.1,473Bn and noted that; • Nine (9) outputs with nineteen (19) activities worth UGX.154Bn were fully implemented. • Sixteen (16) outputs with thirty three (33) activities worth UGX.1,285Bn were partially implemented. Out of the thirty three (33) activities, the entity fully implemented seven (7) activities; twenty five (25) activities were partially implemented, while one (1) activity remained un-implemented.	I advised the Accounting Officer to follow up with the responsible parties to ensure that the activities are implemented as planned.

- One (1) output with one (1) activity UGX.34 Bn was not implemented at all despite having received the necessary funds.

Table 2: Level of implementation of outputs

Summary of Implementation of Outputs					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 implemented outputs ¹	9	33	154	10.5	19	19	0	0	100
Partially Implemented outputs ²	16	50	1,285	87.2	33	7	25	1	76
Outputs Not Implemented ³	1	17	34	2.3	1	0	0	1	0
Total	26	100	1,473	100	53	26	25	2	

Details in Appendix I.

Non-implementation of planned activities implies that the expected services were not attained. Since funds for the activity were released then diversion could not be ruled out

The Accounting Officer explained that the outputs that were partially implemented was due to delays in relocation of utilities, inadequate mobilization due to Covid-19 pandemic outbreak, which affected progress of works on some of the projects. It was further explained that some projects suffered delays due to encumbrances, which affected access to sites for the contractors because of non-compensation challenges arising from inadequate funds while others suffered inadequate release of funds and delays by the World Bank in approval of the ESIA specifically under NERAMP for the road and sources of materials.

2.4 Unauthorized inter-project funds allocation-UGX.136,480,916,768

Paragraph 11.4.1 (stage 4) of the Treasury Instructions 2017 requires that in reviewing payment requests, an Accounting Officer shall have a primary responsibility of ensuring that there is no diversion of funds through wrong coding of transactions.

It was however noted that a sum of UGX.136,480,916,768 was spent from various projects to cater for activities that are not related to the respective projects with no evidence of approval from the appropriate authority. The summary is as per the table below;

¹ Fully implemented output -All the activities within the outputs are fully implemented

² Partially implemented Output-Activities within the output are either; Fully implemented, partially implemented or not implemented

³ Outputs not implemented -All the activities within the output not implemented at all

Table 3: Showing summary of diversion of project funds

Project code	Projects from which funds were diverted	Amount Diverted (UGX.)
265	Upgrade Atiak - Moyo-Afoji (104km)	6,704,769,909
1176	Hoima-Wanseko Road (83Km)	48,787,656
1274	Musita-Lumino-Busia/Majanji Road	6,589,641,083
1280	Najjanankumbi-Busabala Road and Nambole-Namilyango-Seeta	22,522,618,842
1281	Tirinyi-Pallisa-Kumi/Kamonkoli Road	4,016,856,951
1319	Kampala Flyover	304,919,459
1403	Soroti-Katakwi-Moroto-Lokitonyala road	46,834,721,295
1544	Kisoro-Lake Bunyonyi Road	979,044,574
1545	Kisoro-Mgahinga National Park Headquarters Road	7,006,527,354
1693	Rehabilitation of Kampala-Jinja Highway(72 KM)	7,072,911,661
1694	Rehabilitation of Mityana-Mubende Road(100KM)	17,975,950,118
1695	Rehabilitation of Packwach-Nebbi Section 2 Road(33KM)	6,477,330,389
	Apac Rwenkunya project	5,420,325,000
	RSSP 5 Road project	4,526,512,477
	Grand Total	136,480,916,768

The diversion of funds impacts negatively on the performance of implementation of the project activities and may lead to increased construction costs in the form of interest payments in situations where funds for the affected projects are not available to pay the certificates of works.

Management explained that they always seek and obtain approval for reallocation within the thresholds of 10% per budget line. However, where it is unavoidable and the situation warrants going beyond this threshold, UNRA Management has always consulted and will continue to consult the Board and the PS/ ST before taking a decision of this nature. In this instance, consultation was done with the PS/ ST before the decision was made.

2.4 **Delivery of services from implemented engineering projects**

I undertook engineering audit of a selected sample of road development, bridge & rehabilitation projects implemented by Uganda National Roads Authority (UNRA) during the financial year 2021/2022. The audit procedures undertaken were to establish if the engineering activities were undertaken in timely manner, were of expected quality and quantity and if citizens were getting the expected services.

During the financial year 2021/22, a total of 39 projects (Development, rehabilitation and bridge projects) with a total contract sum/value of UGX.8,489,420,000,000 were under implementation by UNRA. A sample of nine (9) projects (development and rehabilitation projects) representing 21.87% of the projects with a contract sum/value of UGX.1,856,563,792,162 were selected for audit. The breakdown of the projects sampled across the different categories is presented in the table below;

Table 4: List of projects audited

S/No	Contract/Project name	Contractor/Supervisor	Project Type	Contract Price (UGX)
1	Kapchorwa-Suam (73Km)	China State Construction Engineering Corporation Limited/ LEA International Ltd., in Joint Venture with LEA Associates South Asia Pvt. Ltd., and in Association with KOM Consult Ltd.	Development	268,461,095,349
2	Tirinyi-Pallisa-Kumi (67Km)	Arab contractors/In house-PEC	Development	321,843,450,483.07
3	Pallisa-Kamonkoli (44Km)	Arab contractors/In house-PEC	Development	243,369,974,359.72
4	Mpigi Town Roads (20km)	Ernego projekit/In-house	Development	46,848,718,297.15
5	Kigumba-Bulima (69Km)	China Railway No 5 Engineering Group Co. Ltd/ Gauf Engineers in Association with Gauf Consultants Uganda	Development	159,608,817,498
6	Namunsi – Sironko – Muyembe Kasalem (PHASE II), 27Km	CCECC/ In-house	Rehabilitation	54,767,041,381
7	Kitala-Gerenge (in-house construction) 10Km	In-house	Development	21,153,947,090
8	Rukungiri-Kihihi-Ishasha/Kanungu (785Km)	China Henan International Construction Company/ SMEC International Pty	Development	207,834,646,967
9	Kampala Northern Bypass II (Capacity Improvement) 17.5Km	Mota-Engil/ COWI	Development	532,676,100,738.00
	TOTAL			1,856,563,792,162.90

Source: OAG Analysis of project data information

The details of the findings are presented in a separate engineering audit report.

The summary of **key findings and observations** resulting from the engineering audit is presented as follows;

2.4.1 Underestimation of quantities

I noted inadequate estimation of quantities for the different projects audited. The underestimation resulted in variations in cost and time. The table below shows the underestimation of quantities on the various projects and amounts.

Table 5: List of projects audited Underestimation of quantities for various road projects

Project	Contractor	Quantities underestimated	Remarks
Tirinyi-Pallisa-Kumi	Arab contractors	Setting out and pre-marking lines (m), precast side drain crossing (no) among others	Huge variations for items ranging from 42% to 62,230% between quantities submitted by the design consultant and the design review report
Pallisa-Kamonkoli	Arab contractors	Fill as specified in the drawings to required minimum G3 quality material (m ³), Precast side drain pedestrian crossing (No.) among others	Huge variations for items ranging from 45% to 59,055% between quantities submitted by the design consultant and the design review report
Kigumba-Bulima	China Railway No 5 Engineering Group Co. Ltd	Relocation of services	Increased by 572% during implementation
Rukungiri – Kihhi - Ishasha/Kanungu	China Henan International Construction Company	Drainage, earthworks and pavement layers, bituminous layers, structures	The design reviewer underestimated items resulting in increase of value of works by 17.93%
Kampala Northern Bypass	Mota-Engil	Earthworks and pavement layers	Increased by over 38% during implementation

The Accounting Officer responded that the underestimations had been done by external consultants and that UNRA has since reinforced its design department to either undertake designs in-house or better check the designs by the Consultants for adequacy and completeness which is already showing positive results.

I advised the Accounting Officer to institute penalties for those consultants whose negligence in omitting obvious elements results in high cost variations for these projects during implementation.

2.4.2 Delayed provision of access to project sites

I found that access to sites for 6 of the 9 projects was not achieved as required by the different contract arrangements. This was especially the case where the contracts required the employer to handover a minimum of 30% of the land required for permanent works within 3 months of the commencement and the balance within 12 months of commencement. Access was not timely achieved and resulted in multiple extensions of time and in some instances costs relating to the time obligations. The delays were experienced on the following projects

- For Kapchorwa - Suam project where the access to site delayed from 21 days to 441 days from Km 42 to Km 73.
- Tirinyi –Pallisa-Kumi where delays led to payment of UGX.4,563,236,836 for time related obligations

- Pallisa - Kamonkoli where access delays led to payment of UGX.1,075,035,660 for time related obligations
- Kitale – Gerenge due to delayed land acquisition of right of way
- Rukungiri-Kihihi/Ishasha where a delay of 70 days was initially experienced and later increased due to non-compensation of project affected persons.
- Kampala Northern By-pass where access was achieved 5 years into implementation

The Accounting Officer indicated that it was not practically possible to issue commencement orders with fully accessible sites because there was a time limit within which to commence the contract after signature and delays in land acquisition due to inadequate funding and late releases. The Accounting Officer also promised to ensure that at least 30% of a continuous section of the site is accessible before signing the contracts.

I advised the Accounting Officer to ensure sites are accessible before issuing commencement orders that have cost implications in case of delays.

2.4.3 Delays in completion of design reviews

I found delays in completion of design reviews which delayed timely issuance of instructions to Contractors. This was observed on the following projects

- Kapchorwa Suam project where the design review report was submitted 24 months after the expected date. The Client took more 7 months before final review
- Kigumba Bulima where the design review report delayed by 24 months
- Rukungiri Kihhi Ishasha/Kanungu where the final design review report was delayed by 16 months
- Kampala Northern Bypass where the design review report delayed by 6 months

The Accounting Officer responded that the internal design review and approval processes had been improved for later projects. The delays had been caused by missing components such as hydrology, increased scope of services, and delayed investigations due to un-acquired road corridor without which a submission could not be made.

I advised the Accounting Officer to ensure that the consultant submits required deliverables within contractual timelines. The consultants should also be held responsible for delays due to delayed issuance of designs.

2.4.4 Delays in implementation of works and slow progress of works

I found delays in achieving completion of works in time. With the exception of Mpigi town roads that were completed with the initial contractual timelines, all the remaining projects were not completed on/in time and had time extensions which delayed the availability of the upgraded roads to the users. The delays in completing in time were especially experienced on the following projects

- Kitale-Gerenge had three time extensions but had not been completed after the third.
- For Rukungiri Kihhi Ishasha/Kanungu, there was a progress lag of 14% at the time of audit
- For the Kampala Northern Bypass, the project that was initially intended to last 3 years ended up being implemented in 7.5 years.

The Accounting Officer attributed the delays in implementation due land acquisition delays, adverse weather conditions, increases in scope, inadequate mobilization of personnel and equipment by contractors among others.

I advised the Accounting Officer to verify the capacity of contractors to execute the works and ensure accessibility of sites for timely implementation of the projects. Any delays should also be penalized with liquidated damages.

2.4.5 Delayed payment of Interim Payment Certificates (IPCs) to the Contractors

I found that payment of interim payment certificates to the contractors were not on time for eight projects under audit. Delays in payments of IPCs lead to interest payments and affect the contractor's cash flows in project execution. The following delays were noted on the following projects and determinations had been done for some certificates.

- For Kapchorwa - Suam project, delays were noted on all IPCs up to IPC No 7 resulting in an interest payment of **UGX.1,077,615,634**
- For Tirinyi Pallisa Kumi, IPCs 1 to 6 were delayed resulting in a certified interest of **UGX.453,941,270.**³¹
- Pallisa Kamonkoli, delays were observed on IPCs 1 to 7 resulting in a certified interest of **UGX.283,894,831.47**
- Mpigi town roads, all payments to the contractor were delayed between 28 and 242 days
- Namunsi Sironko Muyembe Kapchorwa (Phase II), delays were noted on IPCs 5 to 9 with delays ranging from 4 days and over 7 months.
- Kitale Gerenge project, there were delays in payments to suppliers in June 2021
- Rukungiri Kihhi Ishasha/Kanungu, there were delays in payments on IPCs 1-15 with delays ranging from 8 to 142 days.
- For Kampala Northern Bypass, payments were delayed and interest paid in Addendum No.3 for all payments up to June 2020.

The Accounting Officer attributed delays to reductions in MTEF allocations resulting in funding shortages.

I advised the Accounting Officer to have remedies that reduce the magnitude of interest on delayed payments and ensure that payment of all contractors certificates are expedited and paid in time to avoid grounds for potential claims and unnecessary delays in works.

2.4.6 Environmental, social and safety concerns

I observed the environmental social and health safety safeguards on the nine road projects were not being followed. For example

- For Kapchorwa Suam road project, a single unsegregated toilet was being used by female and male workers at Km 61 RHS quarry, poorly maintained vehicles (no reverse or break lights, non-functional indicators, non-working AC etc.), not enforcing PPE for workers, and limited access provisions for communities
- For Kigumba Bulima road project, there was no signage for heavy vehicles turning at the quarry and camp sites, no traffic control persons at quarry access, no speed calming measures at quarry and town roads, no temporary latrine provided at Km 4+000LHS borrow pit, fire extinguishers out of service, unfenced borrow pit with deep excavations at Km 4+000LHS, partially fenced quarry and asphalt plant, no valid hazardous licenses for waste storage or transportation, no

licences for petroleum operations for quarry and asphalt plants and other mini camps with oil operations, and no NEMA permit for the quarry at Ntooma.

- For Tirinyi-Pallisa Kumi road project, some residents were not provided with access points at Km 1+726LHS, Km 4+888RHS, and Km 6+475RHS.
- For Namunsi Sironko Muyembe Kapchorwa, there were no signage, warning signs, speed calming measures and disclaimers to borrow sources and quarries, and no temporary latrines to the active borrow pit at Km 11+000. For active site with stone pitching works, there were no signage and safety ribbons, and some workers had no safety wear.
- For Kitale Gerenge project, some road signage was not reflective, a waterborne system without water and other supplies, and no first aid clinic.
- For Rukungiri Kihhi Ishasha/Kanungu project, there was poor waste management; poor management and storage of used oil, poor mechanical conditions of trucks, lack of adequate PPE's especially footwear, unrestored borrow pits. The site had un-serviced fire extinguishers, first aid kit and essential drugs, flaggers to guide traffic at active sections, safety officers, lack of signage, resting shade for workers, inadequate sanitary facilities and toiletries, etc. The project also didn't have a numbers of permits and licenses such as hazardous waste storage license, fuel storage and operation license, work permits for some foreign nationals, etc.

The Accounting Officer indicated that some the inefficiencies had been addressed. Fire extinguishers were now serviced, signage and traffic control measures were provided at locations where they were missing, fence repairs on quarry and asphalt plant areas had been repaired, among others.

I advised the Accounting Officer to consider instituting punitive measures for non-compliance to the environmental, social, health and safety requirements.

2.4.7 **Quantity verification**

I undertook measurements on some selected items to establish the consistency with which the supervision team accurately measures the quantities before payments. I established an amount of **UGX.231,870,478.13** & **EUR 47,469.01** from different projects as overpayment as shown in the table following.

Table 6: Overpayments

S/No	Contract/Project name	Overpayment
1	Kapchorwa-Suam	20,594,809.19
2	Tirinyi-Pallisa-Kumi	0
3	Pallisa-Kamonkoli	0
4	Mpigi Town Roads (20km	126,896,449.94
5	Kigumba-Bulima	49,129,125
6	Namunsi – Sironko – Muyembe Kasalem (PHASE II)	6,168,276
7	Kitale-Gerenge (in-house construction)	0
8	Rukungiri-Kihhi-Ishasha/Kanungu	29,081,818
TOTAL (UGX)		231,870,478.13
9	Kampala Northern Bypass II (Capacity Improvement)	EUR 47,469.01

The Accounting Officer indicated that reconciliations were being done and some recoveries had been made at the time of reporting in December 2022.

I advised the Accounting Officer to recover all the overpayments.

2.4.8 Unjustified application of foreign currency correction factor

I observed unjustified application of foreign currency correction factor which can lead to overpayments if unaddressed. This was noted on the following projects;

- Kapchorwa Suam project where the foreign currency exchange rates were being applied without justification which might lead to computation errors in price adjustment certificates.
- Tirinyi Pallisa Kumi where use of an erroneous exchange rate of 31st May 2016 (of UGX.3369.52) instead of 30th May 2016 (of UGX.3370.52) resulted into an overpayment of **UGX.54,836,464.3**
- Pallisa Kamonkoli where use of an erroneous exchange rate of 31st May 2016 (of UGX.3369.52) instead of 30th May 2016 (of UGX.3370.52) resulted into an overpayment of **UGX.40,050,883.2**

The Accounting Officer indicated that the selling rate would be reviewed and corrected in the final accounts. As for price adjustments, the error in use of current exchange rates for computation would be corrected.

I advised the Accounting Officer to ensure the right rates are adopted for payments to prevent any financial loss.

2.4.9 Adoption of a split currency (USD-UGX) in payments for a Government of Uganda funded contract leading to a loss of approximately UGX.15,448,939,920

I established that, for Mpigi town roads project, the contractor was paid in part foreign currency despite a PSST directive against the practice for solely Government of Uganda funded projects. **USD 11,153,986.05** was paid out to the Contractor at an exchange rate of 1USD at UGX 2,282.1, which meant that Government incurred an extra cost of over **UGX.15,448,939,920.88** to acquire this amount of dollars considering the average USD exchange rate was UGX.3667.16 during the contract execution period.

The Accounting Officer responded that the procurement was a Direct procurement whose basis of contracting was based on the Terms and Conditions of an old contract of 2013 which been procured competitively. The justification was the continuation of use of the same contractor who was already mobilized in the project area.

I advised the Accounting Officer to seek an exemption from the PSST before using a USD currency in contracting for GoU funded projects in view of the PSST guidelines against the practice.

2.4.10 Irregular advancement of UGX.2,319,823,581.79 to the Contractor in regards to materials on site

I established that for Mpigi town roads project, a total amount of **UGX.2,319,823,581.79** was advanced to the contractor in payment certificates (01 to 07) in regards to materials on site without any contractual basis.

The Accounting Officer responded the materials on site value were paid in split currency as per the main road Contract.

I advised the Accounting Officer that the contract signed for the works in 2019 did not have any provision of payments for materials on site. The main contract being

referenced did not form any part of the contract documents as listed in the contract agreement.

3.0 **Management of Public Land**

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

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

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

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

From the procedures undertaken, I noted the following;

3.1

Funding of land acquisition

Out of the approved budget of UGX.1,567.84Bn for land acquisition, UGX.1,292.13Bn was warranted / availed to the entity during the period under review representing 82.4% performance. The table below refers:

Table 6: Summary of land budget and actual release variations

Financial Year	Budget Ugx Bn (a)	Release/warrant UGX Bn (b)	Variance Ugx Bn (a-b)
2018/2019	265.8	265.8	0
2019/2020	408.7	408.7	0
2020/2021	392.6	392.6	0
2021/2022	500.74	225.03	275.71
Total	1567.84	1292.13	275.71

Under funding of land acquisition limits the entity's ability to acquire land and implementation of planned road projects and hence service delivery.

I advised the Accounting Officer to enhance her engagement activities with various stakeholders to ensure that adequate funding is made available to acquire land for road projects.

	The Accounting Officer explained that there was budget suppression in the Financial Year 2021/22 and hence, UGX.275.71Bn was not released under land acquisition.	
3.2.	<u>Registration and titling of land</u> <u>Titling and transfer of land</u> I observed that out of the 2,080 land titles that the entity obtained during the financial years 2018/19 to 2021/22, only 102 land titles had been transferred into UNRA's name resulting into the balance of 1,978 (95%) land titles that were still in the names of PAPs by the end of the year under review, Appendix II refers. Lack of Land titles may result into encroachment, disputes and loss of public funds through multiple compensation. The Accounting Officer explained that UNRA is currently working with URA to obtain Tax Identification Numbers (TINs) of registered proprietors to facilitate transfer process.	I advised the Accounting Officer to expedite the process of obtaining TINs.

Emphasis of Matter

Without modifying my opinion, I would like to draw the readers' attention to the following matter(s) which have been disclosed in the financial statements of the Authority:

4.0 Contingent Liabilities – UGX.381,799,539,802

The Statement of Contingent Liabilities shows that the entity had contingent liabilities worth UGX 381,799,539,802. Included in that amount is UGX.144,301,631,989 in respect of certificates of works that were not yet approved by the Accounting Officer at the close of the financial year, **Appendix III** refers.

This meant that the Authority will have difficulty in settlement of the contingent liabilities that will crystalize into payables within the agreed contract terms because they will not have been budgeted for in the following financial year. This will result into late payment penalties and increased projects' costs.

The Accounting Officer explained that the exercise for the verification and approval of works certificates is a very lengthy process because of the technicalities and the amounts involved.

I advised the Accounting Officer to lobby the responsible authorities to make budget provision for contingent liabilities to avoid related additional project costs. I further advised the Accounting Officer to review the payment terms so that Government does not suffer late payment penalties.

5.0 Interest paid on delayed payments to contractors-UGX.12,972,532,057

The review of expenditure revealed that UNRA paid out UGX.12,972,532,057 in respect of interest charges for the Interim Payment Certificates (IPCs) which were not paid in the agreed timelines. This expenditure would have been avoided had the entity managed to pay the contractors on time, **Appendix IV** refers.

This resulted into escalation of the affected projects' costs and diversion of funds since the expenditure had not been budgeted for.

The Accounting Officer explained that interest paid by UNRA is a compensation for a financing cost incurred by the contractor due to delayed release of funds/ payment

for work done and is provided for in the contract. It was further explained that management of UNRA continues to engage Ministry of finance for additional funding to avoid interest accumulation.

I advise the Accounting Officer to liaise with MOFPED to ensure that funds are made available on time so that certificates are settled within the agreed timelines in the contracts.

Other Information

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

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

Management Responsibilities for the Financial Statements

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

The Accounting Officer is also responsible for the preparation of financial statements in accordance with the requirements of Public Finance and Management Act, 2015 and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

In preparing the financial statements, the Accounting Officer is responsible for assessing the 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 Accounting Officer has a realistic alternative to the contrary.

The Accounting Officer 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 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 internal controls in the Authority.
- 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Reporting Responsibilities

In accordance with Section 19 (1) of the National Audit Act, 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 findings in respect of the compliance criteria for the applicable subject matters are as follows;

6.0 Management of Information Technology (IT) Investments in Government

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 NDPIII 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 IT, the Auditor General 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.11,834,109,812 for acquisition and implementation of IT systems and equipment and received UGX.10,832,914,060.

A review of IT activities implemented revealed the following;

	<u>Observations</u>	<u>Recommendations</u>
6.1	<u>Business Continuity (BC) and Disaster Recovery (DR)</u> Section 4.6 of the National Information Security Policy 2014 guides that All organizations must implement appropriate business continuity (BC) and disaster recovery (DR) programmes to minimize the impact of and ensure the timely recovery from interruptions that may result from natural disasters, accidents, equipment failures and deliberate actions. However, I noted that the entity did not have a business continuity and disaster recovery plan. Without a business continuity and disaster recovery plan, the entity was not prepared for potential disruptive events. The Accounting Officer explained that UNRA has engaged NITA-U on the MoU to have shared services for business continuity (BC), National Backbone Infrastructure (NBI), software licenses, and the initiative to establish a Disaster Recovery (DR) site in consultation with NITA-U which will	I advised the Accounting Officer to ensure that the engagement with NITA-U is finalised and a business continuity and disaster recovery plan is put in place.

	be started by 31 st January, 2023.	
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7.0 Procurements

7.1 Delayed completion of road projects

The June 2022 road construction status report and contract management files revealed that 22 road projects with a total contract value of UGX.82,177,512,239 that were planned to be completed during the year under review were still on going by the end of the year. The delays increase the costs of delivering the projects, **Appendix V** refers.

The Accounting Officer explained that the delayed completion of projects was a result of inadequate funds release which resulted in failure to pay contractors for works executed. The consequence was that most of the contractors abandoned site and works failed to progress as planned.

I advised management to liaise with the Ministry of Finance, Planning and Economic Development to ensure that the entity budget is fully availed to pay contractors so that projects are completed within the agreed timelines.

7.2 Abandoned Road Works on Busolwe – Nabumali Junction

On 10th May, 2021 management of UNRA issued a call-off order at a sum of UGX.1,486,162,399 for mechanised maintenance of Busolwe – Nabumali Junction road (35.1Km). The contract execution period was 6 months from 24th May, 2021 to 23rd October, 2021.

However, during the field inspection in November 2022, it was established that Contractor had abandoned the works after the entity failed to pay the invoice for Interim Payment Certificate (IPC)- No 1 worth UGX.529,626,498 (VAT inclusive) dated 09th November, 2021.

The liability was attracting interest and the users of the road were being inconvenienced.

The Accounting Officer explained that the Contractor abandoned the site due UNRA's failure to pay for the executed works resulting from inadequate release.

I advised the Accounting Officer to prioritise the payment of the contractors to avoid litigation costs and ensure that the works are completed.



John F.S. Muwanga
AUDITOR GENERAL
23rd December, 2022

APPENDICES:

Appendix I: Extent of Implementation of Outputs and Activities

Fully Implemented Out-puts					Partially Implemented Out-puts							Out-puts not Implemented at all				
Project	Output	Total output expenditure (UGX '000')	Total No activities	Number of fully implemented activities	Project	Out-put	Total Out-put expenditure (UGX '000')	Total No activities	Number of fully implemented activities	No of partially implemented activities	No of activities that were not implemented	Project	Out-put	Total Out-put expenditure (UGX '000')	Total No activities	Activities not Implemented
1176 Hoima-Wanseko Road (83Km)	01 Monitoring and Capacity Building Support	1,398,756	4	4	1040 Design Kapchorwa-Suam road (77km)	01 Monitoring and Capacity Building Support	44,515	2	1	0	1	1313 North Eastern Road-Corridor Asset Management Project	80 National Road Construction/Rehabilitation (Bitumen Standard)	34,051,476	1	1
1274 Musita-Lumino-Busia/Majanji Road	80 National Road Construction/Rehabilitation (Bitumen Standard)	56,672,199	3	3		80 National Road Construction/Rehabilitation (Bitumen Standard)	49,631,004	1	0	1	0		Totals	34,051,476	1	1
1281 Tirinyi-Pallisa-Kumi/Kam onkoli Road	01 Monitoring and Capacity Building Support	147,732	2	2	1176 Hoima-Wanseko Road (83Km)	80 National Road Construction/Rehabilitation (Bitumen Standard)	563,937,500	5	3	2	0					
1313 North Eastern Road-Corridor Asset Management Project	01 Monitoring and Capacity Building Support	31,135	2	2	1274 Musita-Lumino-Busia/Majanji Road	01 Monitoring and Capacity Building Support	34,110	1	0	1	0					
1319 Kampala Flyover	74 Major Bridges	95,506,692	4	4	1281 Tirinyi-Pallisa-Kumi/Kam onkoli Road	80 National Road Construction/Rehabilitation (Bitumen Standard)	37,273,308	1	0	1	0					
1322 Upgrading of Muyembe-Nakapiripiri t (92 km)	01 Monitoring and Capacity Building Support	37,000	1	1	1319 Kampala Flyover	01 Monitoring and Capacity Building Support	424,369	1	0	1	0					
1402 Rwenkuny e- Apac-Lira-Acholibur road	01 Monitoring and Capacity Building Support	52,838	1	1	1320 Construction of 66 Selected Bridges	01 Monitoring and Capacity Building Support	87,265	1	0	1	0					
1403 Soroti-Katakwi-Moroto-	01 Monitoring and Capacity Building Support	60,435	1	1		74 Major Bridges	77,824,081	1	0	1	0					

Lokitonyala road																	
1694 Rehabilitation of Mityana-Mubende Road(100K M)	01 Monitoring and Capacity Building Support	6,315	1	1	1322 Upgrading of Muyembe-Nakapiripiri t (92 km)	80 National Road Construction/Rehabilitation (Bitumen Standard)	34,036,828	1	0	1	0						
	Totals	153,913,102	19	19	1402 Rwenkuny e- Apac-Lira-Acholibur road	80 National Road Construction/Rehabilitation (Bitumen Standard)	60,122,173	1	0	1	0						
					1403 Soroti-Katakwi-Moroto-Lokitonyala road	80 National Road Construction/Rehabilitation (Bitumen Standard)	105,107,721	2	1	1	0						
					1404 Kibuye-Busega-Mpigi	01 Monitoring and Capacity Building Support	16,525	2	1	1	0						
						80 National Road Construction/Rehabilitation (Bitumen Standard)	46,130,314	2	0	2	0						
					1506 Land Acquisition	01 Monitoring and Capacity Building Support	11,195,901	10	1	9	0						
						71 Acquisition of Land by Government	224,612,279	1	0	1	0						
					1694 Rehabilitation of Mityana-Mubende Road(100K M)	80 National Road Construction/Rehabilitation (Bitumen Standard)	74,334,541	1	0	1	0						
						Totals	1,284,812,434	33	7	25	1						

Appendix II: Status of Titling of Land Acquired and Transfer of ownership

s/n	Project Name	No of Titles to be transferred to UNRA	No of Titles directly transferred to UNRA	Titles not yet transferred	Titles Transferred into custody of ULC
1	Acholibur - Musingo Road (86.4 Km)	25	0	25	0
2	Atiak - Moyo - Afoji Road (104 Km)	1	0	1	0
3	Buhimba-Nalweyo-Kakindu-Kakumiro Raod (100km)	14	0	14	0
4	Bulima - Kabwoya Road (66.0 Km)	42	0	42	0
5	Busoga-Mpigi Expressway 23.7km	122	0	122	0
6	Hoima-Wanseko Road	9	0	9	0
7	Kabwoya-Buhuka	7	0	7	0
8	Kampala Entebbe Expressway (51 Km)	615	0	615	0
9	Kampala Flyover Project	17	17	0	0
10	Kampala Jinja Expressway	248	0	248	0
11	Kampala Northern Bypass Phase 2	518	85	433	0
12	Kapchorwa - suam (77km)	4	0	4	0
13	Kazo-Ibanda-Kamwenge Road (75.0Km)	11	0	11	0
14	Kigumba - Bulima Road (69 Km)	25	0	25	0
15	Kira-Kasangati-Matugga	26	0	26	0
16	Kyenjojo- Kabwoya Road (100 Km)	20	0	20	0
17	Lusalira-Nkongwe-Ssembabule (97km)	0	0	0	0
18	Masaka - Bukakata Road (41 Km)	82	0	82	0
19	Masindi-Biiso road (54km)	0	0	0	0
20	Mbale - Bubulo - Lwahaha Road (44.5 Km)	3	0	3	0
21	Mubende Kakumiro-Kagadi (107 Km)	6	0	6	0
22	Mukono - Kyetume - Katosi Road (74.0 Km)	93	0	93	0
23	Musita - Lumino- Busia/Majanji Road (104 Km)	24	0	24	0
24	Muyembe-Nakapiripirit	23	0	23	0
25	Rukungiri - Kihhi (78.0 Km)	44	0	44	0
26	Rwenkuny- Apac Lira-Acholibur (252.5 Km)	4	0	4	0
27	Soroti - Katakwi - Moroto - Lwokitanyal Road (150 Km)	49	0	49	0
28	Tirinyi - Pallisa - Kamonkoli	48	0	48	0
	TOTAL	2080	102	1978	0

Appendix III: Contingent Liabilities

Date received	Contractor/supplier	Project/activity Name	Invoice number	Amount (UGX.)
	GOU Development works debt			
21/06/22	Terrain Services	Aji Ora Bridge	IPC 19	92,019,064
21/06/22	Terrain Services	ALLA (ANZUU) GAZI (RHINA CAMP) ACA (RHINA CAMP)	1PC 17	734,408,960
21/06/22	SINOHYDRO CORPORATION LIMITED	Design and build of 6 strategic bridges in Western Uganda: Maziba, Kiruruma, Rwembyo, Kajwenge, Kamirwa and Nyakambu bridges	IPC 01	792,051,987
21/06/22	Terrain Services	Enyau Bridge	IPC 10	42,386,133
06/06/22	Chongging International Construction corporation	Masaka Town Roads Additional	IPC 01- Phase 2	6,542,253,078
30/06/22	SBI & RCC JV	Mukono – Katosi- Nyenga	Resolution of dispute	1,510,873,283
06/06/22	Nippon Koei Co. Ltd in JV with ICS	Design Studies – Kampala Flyover Project	4-3	2,877,091,422
16/06/22	Sering Ingeneria in assoc. with Anchor Engineering Services Ltd	Design Studies – Muhanga – Kisizi-Rwashamaire Road	10	140,272,893
27/07/22	MOTA ENGIL ENGENHARIA E CONSTRUCAO AFRICA, SA	Kampala Northern Bypass Phase 2	IPC 79	8,759,598,883
28/06/22	Galander Engineering Consulting Co. Ltd	Masaka – Bukakata Road	Invoice 39	24,403,275
21/06/22	SCET –TUNISIE/MBW CONSULTING LTD	Muyembe – Nakapiripiti road	Invoice 21	148,898,151
21/06/22	SCET –TUNISIE/MBW CONSULTING LTD	Muyembe – Nakapiripiti road	Invoice 19	147,013,364
21/08/22	Terrain Services	ALLA (ANZUU) GAZI (RHINA CAMP) ACA (RHINA CAMP)	Interest on delayed payment – Alla Bridge	81,048,377
28/06/22	China Railway 18 th Bureau (Group) Ltd	Alwii – Nebbi (33kms) and upgrading of Packwach & Nebbi Town roads	IPC 3	1,621,684,685
23/06/22	HADYKASS TECHNOLOGIES LIMITED	Amuru Rhino Camp Ferry Project	Invo. 121690347031	32,962,500
26/04/22	Nippon Koei Co. Ltd in JV with ICS	Design Studies – Kampala Flyover Project	14	491,609,606
08/06/22	GIBB Africa Ltd	Design Studies- Katunguru – Ishasha	14	144,253,390
08/06/22	MBW Consulting Ltd	Design Studies- Katunguru – Ishasha	14	164,704,747
21/06/22	LEA Associates South Asia Pvt Ltd	Design Studies- Kumi –Ngora – Serere Road	7	160,066,658
23/02/22	Kanhwa and Prome	Design Studies- VVIP Express Route	8	393,244,730
23/02/22	Kanhwa and Prome	Design Studies- VVIP Express Route	10	379,915,399
28/06/22	The Arab Contractors	Emergency reconstruction of saka	Advance payment	11,475,113,257

		swamp kaliro pallisa		
10/06/22	China railway No.5 Engineering Group Co Ltd	Gulu- Acholibur	Final IPC	6,100,008,873
13/01/22	MOTA ENGIL ENGENHARIA E CONSTRUCAO AFRICA, SA	Ishaka- Rugazi- Katunguru	Interest IPC No 1	556,167,796
23/05/22	MOTA ENGIL ENGENHARIA E CONSTRUCAO AFRICA, SA	Ishaka- Rugazi- Katunguru	Interest IPC No 2	479,885,138
19/04/22	MOTA ENGIL ENGENHARIA E CONSTRUCAO AFRICA, SA	Ishaka- Rugazi- Katunguru	Interim statement claim 1	19,730,771,854
02/03/22	MOTA ENGIL ENGENHARIA E CONSTRUCAO AFRICA, SA	Kampala Northern bypass phase 2	IPC 77 voided	39,121,306
30/11/21	Chongqing International Construction corporation	Kamuli Town road	Interest claim No 2	182,637,297
13/06/22	Quality Education Consultancy Limited	Kibuye- Busega – Mpigi Express Way	04	20,947,321
22/06/22	DOHWA ENGINEERING CO. LTD JV With IDCG ENGINEERING GROUP	Kibuye- Busega – Mpigi Express Way	32	12,396,075
03/03/22	M/S ESMO Holdings Ltd	Kitgum Station Staff House Construction	148252	56,840,600
17/07/2020	CHINA WU YI CO. LTD	Kyenjojo – Fortportal	23B	22,884,077
20/01/2021	CHINA WU YI CO. LTD	Kyenjojo – Fortportal	IPC 24A	1,414,141,082
	Manifesto Publications Limited	Kyenjojo- Kabwoya Road	ID2021-100024	33,789,150,000
11/04/22	Comptan Engineering & Planning Associates	Kyenjojo- Kabwoya Road	73	208,233,146
06/06/22	Chongqing International Construction Corporation	Masaka Town Road Additional	Advance certificate	4,130,456,310
30/06/22	Kkatt	Masindi –Bulisa- Kabale- Kiziramfumbi	VAT -28	1,254,367,687
12/05/22	China Civil Engineering Construction Corporation	Namunsi- Sironko – Kapchorwa	Interest claim final payment USD- CCECC	583,633,042
12/05/22	China Civil Engineering Construction Corporation	Namunsi- Sironko – Kapchorwa	Interest claim final payment UGX - CCECC	767,260,936
28/06/22	MOTA ENGIL ENGENHARIA E CONSTRUCAO AFRICA, SA	NERAMP – Soroti- Dokolo – Lira Kamdini lot 2	IPC 46 Lot 2	248,460,547
16/05/2022	Technology and Management Ltd	NERAMP –Tororo - Mbale – Soroti lot1	45	13,159,461
17/06/22	Technology and Management Ltd	NERAMP –Tororo - Mbale – Soroti lot1	46	13,773,322
23/06/22	China Railway Seventh Group Co. Limited JV NEC	Olwiyo- Packwach Road	Advance	26,616,484,346
14/06/22	KUMA Enterprises Ltd	Renovation and extension works – Staff House Namasale ferry landing	Renovation and extension works	157,635,846

		site		
07/06/22	Muga Services Ltd	Sigulu Ferry	9	1,138,203,521
	Gou Development Land Debt			
11/06/22	UAP Old Mutual	Medical Insurance	UNRA 21062022	2,621,017,174
11/06/22	Jubilee	Medical Insurance	8042022	896,872,050
21/06/22	AAR Health Services	Medical Insurance	UNR-22-AAR	405,186,328
21/06/22	Uganda Telecom Ltd	Telecommunication	00017058-22	83,789,327
21/06/22	Uganda Telecom Ltd	Telecommunication	00012946-22	82,329,523
15/06/22	UMEME	Electric bill	155490253	7,556,269
30/06/22	Dimension Data (Uganda) Limited	WAN Routes supply	121789322191	335,543,718
28/06/22	The New Vision	Advertising and Public Relations	121693188421	1,980,000
30/11/21	Uganda Institute Of Professional Engineers	Consultancy Services- Dispute Resolution	CPD/2022/0002	8,724,000
10/06/22	Kampala Hospital	Medical expenses	UNRA 21- AAR	10,000,000
15/09/21	Gideon Byamukama	Training	Dated 19-08-2021	6,000,000
10/06/22	Federation of Uganda Employers	Training	PF17-4791	6,000,000
14/06/21	Kampala Serena	Welfare	120067268599	816,000
	URF Debts			
18/05/2021	Nippon Parts Uganda Ltd	Mechanized maintenance of selected unpaved roads under framework contracts. 243km	No.1	783,438,020
14/06/21	Nippon Parts Uganda Ltd	Routine maintenance of paved roads under Kamala station	IPC No.04	379,494,204
	DASTEL Limited	Supply and delivery of desktop and laptops computer- Arua Station	Inv. 121134009259	8,800,000
13/06/22	Dynaco Limited	Mechanized maintenance of selected unpaved national roads. 134kms, lot 14 Ibanda Station	IPC 3	598,210,817
07/12/21	Suez Auto Enterprises Ltd	Mechanized maintenance of selected unpaved national roads. lot 25 Luwero Station	Coo No. 01	37,520,472
28/12/21	OLET ELYAK Limited	Mechanized maintenance of selected unpaved national roads. lot 21 Gulu Station	Final PC	56,701,091
18/02/22	Azu Properties Ltd	Mechanized maintenance of selected unpaved national roads. lot 08 Fort portal Station	Completion certificate	527,193,374
	MBW Consulting Ltd	30% on submission of revised inception report	Fee note 1 for the 30%	154,587,000
26/04/22	Rocktrust Contractors	Mechanized maintenance of selected unpaved national roads. 487kms, lot	Call off order no.8	51,678,343

	Uganda Ltd	15 Jinja Station		
26/04/22	Rohasha Enterprises (U) Ltd	Mechanized maintenance of selected unpaved national roads. lot 20	IPC 02 Call off order 1	659,461,130
07/04/22	Universal Engineering (U) Ltd	Mechanized maintenance of selected unpaved national roads. 319kms, lot 11 Kabale Station. Interest on late payment	Interest on late payment Cert no 5, C005	60,900,693
07/04/22	Universal Engineering (U) Ltd	Mechanized maintenance of selected unpaved national roads. 319kms, lot 11 Kabale Station. Interest on late payment	Interest on late payment no.1	92,296,122
07/04/22	Universal Engineering (U) Ltd	Mechanized maintenance of selected unpaved national roads. 319kms, lot 11 Kabale Station. Interest on late payment	Interest on late payment no.6	118,632,284
19/04/22	Grey Stone Investments Limited	Mechanized maintenance of selected unpaved national roads. 319kms, lot 11 Kabale Station. Interest on late payment	Interest on late payment no.5	20,625,292
19/04/22	Grey Stone Investments Limited	Mechanized maintenance of selected unpaved national roads. 319kms, lot 11 Kabale Station. Interest on late payment	Interest on late payment no.6	48,461,992
19/04/22	Grey Stone Investments Limited	Mechanized maintenance of selected unpaved national roads. 319kms, lot 11 Kabale Station. Interest on late payment	Interest on late payment no.1	106,660,381
06/06/22	Swift Engineering u ltd	Periodic maintenance of unpaved roads for 23 UNRA station Lot 5. Jinja Station	IPC 3	208,208,371
31/05/22	Strakon limited	Mechanized maintenance of selected unpaved national roads. 383kms, lot 19 Moroto Station	075	258,861,121
28/02/22	Kasese Nail And Wood Industry Ltd	Mechanized maintenance of selected unpaved national roads, lot 07 Masaka Station	No 02 and C00 no.1	1,347,697,269
21/04/22	Wanaik Construction Company Limited	Mechanized maintenance of selected unpaved national roads, 707 kms, lot 13 Mbarara Station	IPC No.2 and C00 10	23,896,199
	Total			144,301,631,989

Appendix IV: Interest paid on delayed payment to contractors

Sn	Description/Purpose	Amount	EFT Number	Supplier
1.	CRN3 Interest IPC 2 Soroti Akisim Moroto lot 2	93,575,416	44596760	China Railway No.3 Engineering Group Co. Limited
2.	CRN3 Interest IPC 2 Soroti Akisim Moroto lot 2	16,843,575	44596760	China Railway No.3 Engineering Group Co. Limited
3.	CRN3 Interest IPC 2 USD Soroti Akism Moroto lot 2USD 62.973.47+35@4000	252,033,880	44459832	China Railway No.3 Engineering Group Co. (Uganda) Limited-Forex
4.	IPC 15 for interest on delayed payment for works at Ora1,Ora2,Awa and Olemika bridges	34,076,785	44454283	Chongqing International Construction Corporation
5.	IPC 15 for interest on delayed payment for works at Ora1,Ora2,Awa and Olemika bridges	6,133,822	44454283	Chongqing International Construction Corporation
6.	CRN3 Soroti Akism Lot 2 Interest IPC N0.2	38,726,245	44454282	China Railway No.3 Engineering Group Co. Limited
7.	CRN3 Soroti Akism Lot 2 Interest IPC N0.2	6,970,725	44454282	China Railway No.3 Engineering Group Co. Limited
8.	IPC 18-interest on delayed payment of works at Sironko, Chololo and Kibimba bridges	92,007,129	43897403	Terrain Services Ltd
9.	UGX portion of payment for- interest on delayed payment for ipcs 10,11,12-Nalakasi bridge	27,718,759	43897403	Terrain Services Ltd
10.	IPC 11 for interest on delayed payment for Awoo bridges	23,171,687	43897403	Terrain Services Ltd
11.	IPC 18-interest on delayed payment of works at Sironko, Chololo and Kibimba bridges	4,708,704	43897403	Terrain Services Ltd
12.	CCCC Interest IPCS 1/2/3/4 -part payment USD681,824.39@4000 plus bank charges USD35@4000 balance payable USD17,923.14-Nyakahita Kazo Road	2,727,437,574	43884515	China Communications Construction Company Limited (USD)

13.	Interest No:02 CRN03 Soroti Akisim Bal un paid: 156,115,962/=	201,621,650	43695568	China Railway No.3 Engineering Group Co. Limited
14.	Interest No:02 CRN03 Soroti Akisim Bal un paid: 156,115,962/=	36,291,897	43695568	China Railway No.3 Engineering Group Co. Limited
15.	Last payment of Interest claim 1 USD 12,930.00 + USD 35 bank charges @ 3,800 - Musita Lumino	49,267,000	43315285	China Railway 18th Bureau Group Co Ltd (Forex)
16.	COWI Interest on late payment Inv 3A,4A,5A & 8A Eur 9,504.00 @ 4,000 + \$35 @ 3,800 Kampala Northern Bypass	38,149,000	42841678	COWI.
17.	Payment for interest claim Usd 215,434.00 + \$ 35 bank charges @ 3,800. An outstanding balance of USD 12,930 not paid due to insufficient funds	818,782,200	42786739	China Railway 18th Bureau Group Co Ltd (Forex)
18.	Final payment of interest claim - Musita Lumino. Original attached to 1274W0522010002	1,402,139,127	42781227	China Railway 18th Bureau Group Co Ltd
19.	Part payment of Interest claim - UGX 476,863,592 Musita Lumino. An outstanding balance of UGX 1,402,139,127 not paid due to insufficient funds	476,863,952	40986634	China Railway 18th Bureau Group Co Ltd
20.	Balance on interest certificate 01 for civil works on Kapchorwa Suam	112,710	40970739	China State Construction Engineering Corporation Limited
21.	Balance on interest certificate 01 for civil works on Kapchorwa Suam	20,288	40970739	China State Construction Engineering Corporation Limited
22.	Partial payment of Interest IPC 01 for civil works on Kapchorwa Suam. Balance is UGX 132,998	387,775,368	40399501	China State Construction Engineering Corporation Limited
23.	Partial payment of Interest IPC 01 for civil works on Kapchorwa Suam. Balance is UGX 132,998	69,799,566	40399501	China State Construction Engineering Corporation Limited
24.	Forex portion for Interest certificate 01-USD 95,928.21+USD 35@3800-Civil works on Kapchorwa Suam	364,660,198	40358591	China State Construction Engineering Corporation Limited (Forex)

25.	Payment of Interest charges on elayed payments Inv1A & 2A Euros-37,468@4400+bank charges USD 35 @3800 to COWI A/S	164,992,200	40358584	COWI.
26.	USD portion for Interest certificate 02-USD 33,734.45+USD 35@3800-Delayed payment for Civil works at Masaka Bukakata	128,323,910	39817829	The Arab Contractors (Osman Ahmed Osman & Co) (Forex)
27.	China Wu yi IPC 24B Interest Fortportal Hima Road	71,956,986	39800172	China Wu Yi Co.Limited
28.	China Wu yi Co. IPC 25B Interest ortportal Hima Road	31,205,538	39800172	China Wu Yi Co.Limited
29.	Payment of revised interest on final payment and general damages	72,570,204	39794454	Coil Limited
30.	UGX portion of interest certificate no.02 for delayed payment of works on Masaka Bukakata	25,729,661	39794350	The Arab Contractors(Osman Ahmed Osman & Co.)
31.	UGX portion of interest certificate no.02 for delayed payment of works on Masaka Bukakata	4,631,339	39794350	The Arab Contractors(Osman Ahmed Osman & Co.)
32.	000024705451-14 NOA and 1SDA-Field facilitation to Kyenjojo Kabwoya to carryout IVD exercise for PAPs with titled interests	1,415,000	38187767	Tusiime Abagiira David
33.	000024705428-14 NOA and 1SDA-Field facilitation to Kyenjojo Kabwoya to carryout IVD exercise for PAPs with titled interests	2,820,000	38187742	Julian Mugisha
34.	CICO interest IPC 27aL. Hoima Wanseko Butiaba	814,079,255	38153496	Chongqing International Construction Corporation
35.	CICO interest IPC 27aL. Hoima Wanseko Butiaba	146,534,266	38153496	Chongqing International Construction Corporation
36.	CICO Interest IPC 23F. Hoima Wanseko Butiaba	3,341,194,779	38139161	Chongqing International Construction Corporation.
37.	CICO Interest IPC 27aF. Hoima Wanseko Butiaba	998,191,662	38139160	Chongqing International Construction Corporation.
	Total	12,972,532,057		

Appendix V: Delayed completion of road projects

S/N	Project	Contract/ Consultant	Contract amount	Start date	Completion date	Physical %ag Progress	Reasons for delay/ Remarks
1.	Mechanized Maintenance of Selected National Unpaved Roads under Framework Contracts for 3 Years Lot 25: Luwero Station. Call Off Order No. 002	Suez Auto Enterprises Ltd	601,416,000	22/12/2021	22/04/2022	91	Contract Under DLP Snags
2.	Periodic maintenance of Unpaved national roads for 23 stations-LOT 04 Ibanda station Roads are Rwemikoma – Kijuma – Rwakitura (28km)and Ruhoko – Kagongo (4.1) , Kanyarugiri – Nyamarebe – Ishongoro and kiburara prison farm(24.3km), Ishongoro – Bisheshe (24.1)	Wanaik Construction Co.Ltd	5,202,917,950	2/11/2020	1/8/2021	74	Contractor Cash-flow constraints
3.	Mechanised maintenance of Nyakabirizi – Burere – Nsiika road (45km) and Nsiika – Bihanga – Katerera road (44km)	Wanaik Construction CO.LTD	5,112,763,000	23/10/2020	29/7/2021	56	Contractor Cash-flow constraints
4.	Mechanised maintenance of Selected Unpaved national roads under Framework contract for 3 years(Ruhumba-Byanamira-Kaswa and Biharwe-Rushozi-Nyakasharara 90km) Call Off order No.5	Wanaik Construction CO.LTD	5,409,887,000	12/09/2019	11/07/2021	91	Contractor Cash-flow constraints
5.	Periodic Maintenance of Selected Unpaved National Roads For 23 UNRA STATIONS; Lot 8: Kasese Station, Nkenda – Bugoye – Nyakalingijo (17.5 KM) and Rugendabara – Kitwamba – Kasangali (24.7 km)	Busenvi Enterprises Ltd,	3,712,671,760	11/12/2020	6/08/2021	56.6	Delayed payments by the client of certificate
6.	Mechanised Maintenance Of Selected Unpaved National Roads Under Framework Contract For Three Years, Totalling To 707 Km Lot 13: Kikagati Kafunjo Road (28.5km) Calloff Order No.11	Wanaik Construction Co. Ltd,	463,591,855	28/12/2020	28/05/2021	82	Late mobilization and commencement of works.
7.	Mechanised Maintenance Of Selected Unpaved National Roads Under Framework Contract For Three Years, Totalling To 707 Km Lot 13: Kyambura Katerera Road (27 Km)	Wanaik Construction Co. Ltd,	1,195,114,565	30/12/2020	30/06/2021	64	Late mobilization and commencement of works

	Calloff Order No.12						
8.	Framework Contract II: Arapai – Amuria (28km)	M/s Uganda-Martyrs Construction Co. Ltd	4,999,843,421	11/10/2021	10/02/2022	20	Contractor Cash-flow constraints and delayed payments of certified IPCs
9.	Mechanised Maintenance of Selected Unpaved National Roads Under Framework Contracts for 3 Years Call off order 002; Nakiloro – Lomukura (85km)	GIC Logistics and Engineers Ltd in Joint Venture with Strakon Limited	874,794,770	27/09/2021	27/06/2022	5	Escalating insecurity along the project site.
10.	Periodic maintenance of selected unpaved national roads for 23 UNRA stations. Lot 16 for Moroto station, Lakapel – Nabilatuk (20.5km) and Nabilatuk – Angatun (25.5km)	CUBEROOT LTD	5,782,152,810	10/12/2020	10/08/2021	25	
11.	Drainage Improvement Of Works Lot 7 Lumbuye A - Swamp Crossing Along Kaliro – Namwendwa- Kamuli Road (46km)	M/S Kasese Nail & Wood Industry Ltd JV Prisma Ltd	8,043,674,421	30/01/2020	30/04/2021	74	Contractor Cash-flow constraints
12.	Access and Drainage Improvement Works for 8 Swamp Crossings Under Mubende and Jinja Stations, Lot 9: Buloma Swamp Crossing along Bulomba – Bupyana under Jinja Station	Strakon JV Tegeka Enterprises Ltd	10,338,332,077	1/12/2020	1/03/2022	71	Contractor Cash-flow constraints and delayed payments of certified IPCs
13.	Periodic Mechanised Maintenance of KALIRO-IRUNDU 52km	Swift Engineering (U) Ltd	2,933,915,420	12/10/2020	12/04/2021	17.8	Works were paused with no communication.
14.	Drainage Improvement Of Works Lot 8 Lumbuye	Hands Uganda Ltd JV	8,043,674,421	26/10/2020	26/04/2022	50	Contractor Cash-flow constraints and delayed mobilisation of resources by the contractor
15.	Mechanized Maintenance of selected unpaved National Roads under Framework Contract Phase II- Call - off Order One. (Busolwe – Nabumali Junction (35.1Km) Road)	Thunderbolt Technical Services Ltd	1,486,162,399	16/06/2021	16/11/2021	38	Contractor is not on site from 30th September to-date
16.	Chepsikunya – Girik River Road (26.1Km). COO1	Spacious Projects (U) Ltd	833,961,727	15/02/2021	16/08/2021	62	Contractor demobilized from site

17.	Kufu – Magale road (16.7Km). C001	Akaaba Enterprises Ltd	1,346,377,050	10/06/2021	7/12/2021	93	Delays are due to delayed payment of IPCs for completed works
18.	The Periodic Maintenance of Unpaved National Roads for 23 UNRA Stations Lot 17:Moyo Station Lodonga Yumbe 21km, Kerila-Midigo-Kerwa 45km and Spur Kei 12km	Bap Engineering Co. Ltd	4,594,643,290	01/10/2020	30/07/2021	71	Delays are due to delayed payment of IPCs for completed works
19.	Periodic Maintenance of Palabek - Padibe (25km). Namokora - Lakapel (37km) and Lakapel - Adilang (37km) Roads	Moha Construction Ltd	5,061,514,066	17/8/2020	16/6/2021	73	The Contractor has Cash-flow constraints.
20.	Mechanized Maintenance of Kitgum - Orom Road (90km) under Framework 2 Contract for three years	KUUKA Investments Ltd	999,999,260	26/10/2020	25/4/2021	86	Contractor issued snag list after the DLP expired
21.	Mechanized Maintenance of Lokungu-Ngomoromo Road (34km) under Framework 2 Contract for three years	Moha Construction Ltd	971,255,837	29/1/2021	28/7/2021	35	The Contractor has Cash-flow constraints.
22.	Periodic Maintenance of unpaved national roads for 23 UNRA Stations - Lot 1 Arua Station - Arua - Lia Road (15km), Arua - Muni PTC Road (6km), Vurra - Dramachaku Road (35km), Logiri - Bondo Road (17km)	Davrich Company (U) Limited	4,168,849,140	01/10/2020	30/06/2021	90	The Contractor has Cash-flow constraints.
	TOTAL		82,177,512,239				