


PARLIAMENT OF UGANDA

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16/8/22

**REPORT OF THE COMMITTEE ON PUBLIC ACCOUNTS [LOCAL
GOVERNMENT] ON THE REPORT OF THE AUDITOR GENERAL FOR
FINANCIAL YEAR 2020/21 ON 12 DISTRICT LOCAL GOVERNMENTS AND 2
MUNICIPAL COUNCILS.**


**Office of the Clerk to Parliament
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LIST OF ACRONYMS

AG	-	Auditor General
AO	-	Accounting Officer
DSC	-	District Service Commission
ESC	-	Education Service Commission
FY	-	Financial Year
IFMS	-	Integrated Financial Management System
LG	-	Local Government
MeMD	-	Ministry of Energy and Mineral Development
MOFPED	-	Ministry of Finance, Planning, and Economic Development
MoGLSD	-	Ministry of Gender Labour and Social Development
MoPS	-	Minsitry of Public Service
MoU	-	Memoranda of Understanding
NDP	-	National Development Plan
NIN	-	National Identification Number
NIRA	-	National Identification Registration Authority
NPA	-	National Planning Authority
OAG	-	Office of the Auditor General
PFMA	-	Public Finance Management Act, 2015
TIN	-	Tax Identification Number
UGX	-	Uganda Shillings
URA	-	Uganda Revenue Authority
USMID	-	Uganda Support for Municipal Infrastructure Development
YIGs	-	Youth Interest Groups
YLP	-	Youth Livelihood Programme

1.0 Introduction

On Thursday 3rd February 2022, the Report of the Auditor General for the Financial Year 2020/21, was tabled in accordance with Rule 182(4) of the Rules of Procedure, and referred to the Committee on Public Accounts [Local Government] for consideration.

In accordance with Rule 182(5) of the Rules of Procedure, the Committee on Public Accounts [Local Government] considered the FY 2020/21 Report of the Auditor General and wishes to report its findings to this House.

Article 163(3)(a) of the Constitution of the Republic of Uganda states that the Auditor General shall audit and report on the public accounts of Uganda and of all public offices, including Courts, the Central and Local Government administrations, Universities and Public institutions of like nature, and any public corporation or other bodies or organisations established by an Act of Parliament.

Article 163(5) of the Constitution further states that Parliament shall, within six months after submission of the report referred to in clause (4) of this Article, debate and consider the report and take appropriate action.

Specifically, Section 13(1)(a) of the National Audit Act, 2008 states that the Auditor General shall audit and report on the public accounts of Uganda and of all public offices including the courts, the central and local government administrations, universities and public institutions of a similar nature, and any public corporation or other bodies or organizations established by an Act of Parliament.

Section 16(1) of the National Audit Act, 2008 states that the accounts of every local government council and every administrative unit shall be audited annually by the Auditor General or by an auditor appointed by the Auditor General.

It is against the aforementioned principal legal regimes that the Committee on Public Accounts [Local Government] presents its Report on the Auditor General's Report for FY 2020/21 to this August House for consideration.

This Report is divided into Two (2) sections, namely: General and Crosscutting Issues in Local Governments and Specific Issues in Local Governments.

The Committee has within the available resources, and time been able to handle the 12 District Local Governments and 2 Municipal Councils. It now presents the report to this House for consideration.

2.0 Methodology

In considering the Report of the Auditor General for FY 2020/21 on Local Governments, the Committee on Public Accounts [Local Government]:

- (a) was guided by the following legal regimes:
 - (i) Constitution of the Republic of Uganda [as amended], specifically Articles 163 and 164;
 - (ii) The Public Finance Management Act 2015;
 - (iii) The National Audit Act, 2008, specifically Sections 13(1)(a) and 16.
 - (iv) The Parliamentary Rules of Procedure, specifically Rule 182 of the Rules of Procedure.
 - (v) The Local Government Act, 1997 as amended.

- (vi) The Local Government Financial and Accountability Regulations, 2007
- (vii) The Public Procurement and Disposal of Public Assets, Act and Regulations;
- (viii) The Income Tax, 1997 as amended
- (ix) The Public Service Standing Orders, 2010
- (x) Establishment Notices No.1 and 2 of 2019
- (xi) The Appropriation Act 2020
- (xii) Budget Execution Circulars issued for the FY 2020/21
- (xiii) The Physical Planning Act, 2010
- (xiv) The National Medical Stores Act, 1993, specifically Section 4.
- (xv) Memoranda of Understanding and Project Financing Agreements on Youth Livelihood Program [YLP] and Uganda Women Entrepreneurship Program [UWEP]

- (b) held meetings with Accounting Officers of Local Governments: Districts, Cities and Municipal Councils during which Audit Reports specific to their respective accounting entities were considered; and
- (c) conducted site visits to selected projects under implementation

3.0 COMMITTEE OBSERVATIONS AND RECOMMENDATIONS ON THE AUDITOR GENERAL'S REPORT FOR THE FINANCIAL YEAR 2020/21

3.1 PART 1. GENERAL AND CROSS-CUTTING AUDIT QUERIES:

3.1.1 Budget Performance for the FY 2020/21

The total budget that was appropriated for the 14 Local Governments reported on was UGX 571,286,951,418 for the FY 2020/21, total released was UGX 468,329,217,286 representing 82 percentage release. By close of the FY a total sum of UGX 423,200,140,736 was spent representing 74 percent of the appropriated budget translating into unspent balance of UGX 38,394,131,559 that was returned to the consolidated fund account. (Refer to appendix 1)

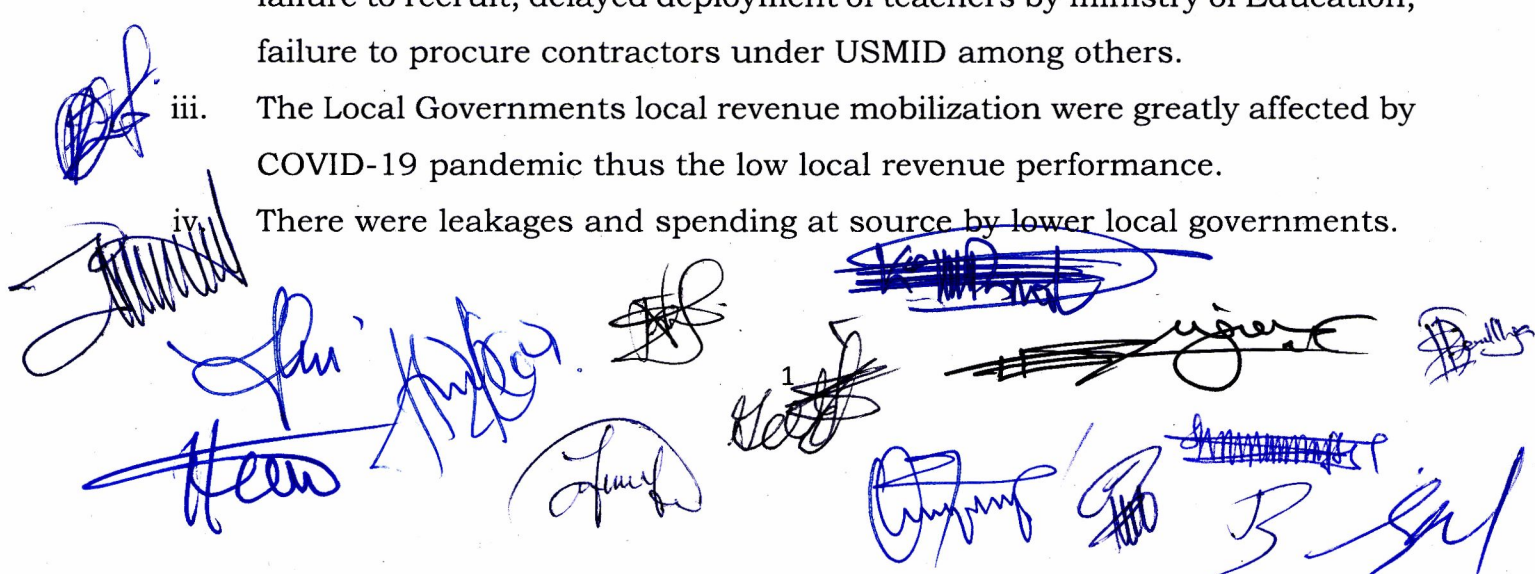
3.1.1 Local Revenue Performance.

The 14 Local Governments in the FY 2020/21 budgeted to collect a sum of UGX 13,727,831,626 local revenue by close of the FY a total sum of UGX 8,482,326,450 was collected representing a performance of 62 percent. (Refer to appendix 2).

Committee observations

The Committee observed that;

- i. The Local Government did not receive the whole appropriated budget therefore failed to implement the planned activities
- ii. The unspent balance was attributed to a number of factors including failure to recruit, delayed deployment of teachers by ministry of Education, failure to procure contractors under USMID among others.
- iii. The Local Governments local revenue mobilization were greatly affected by COVID-19 pandemic thus the low local revenue performance.
- iv. There were leakages and spending at source by lower local governments.



Committee Recommendation

The Committee recommends that;

- (i) The Accounting Officers should ensure that the local revenue enhancement Committee is strengthened.**
- (ii) The Local Governments devise effective measures to address the leakages, and hold accountable revenue officers who abuse their powers.**
- (iii) The Accounting Officers should ensure that an updated revenue register is in place to track and enhance the revenue performance.**
- (iv) The Accounting Officers should ensure that an effective revenue mobilization and tax education plan is in place.**

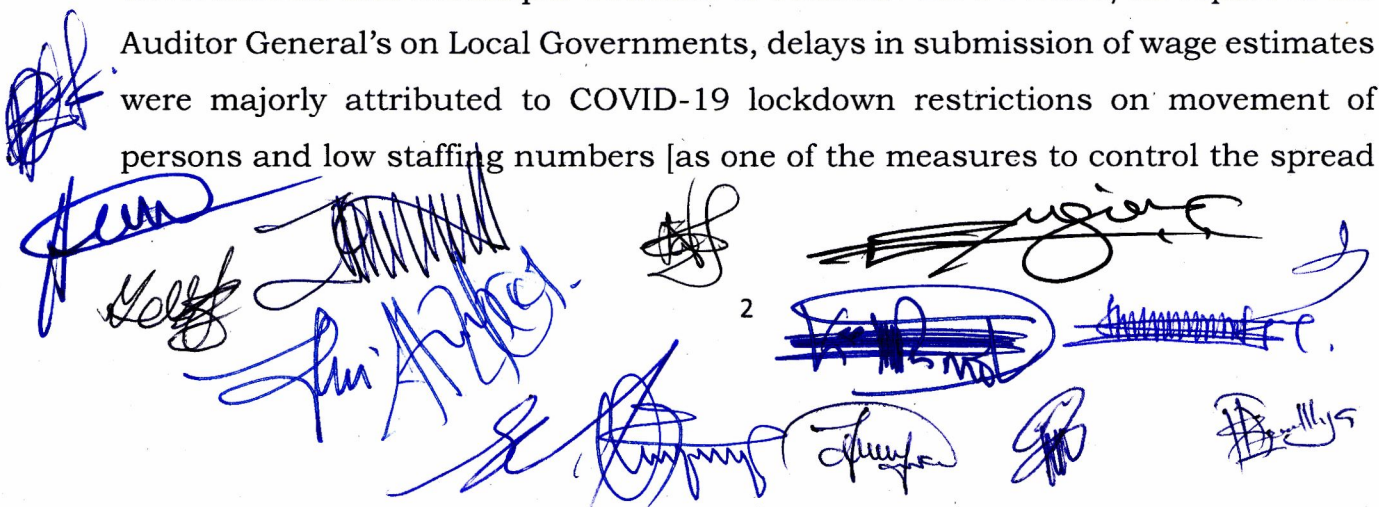
3.1.2 PAYROLL MANAGEMENT:

3.1.2.1 Budgeting for Salary, Pension and Gratuity:

Submission of Budget Estimates

The Audit reports for the FY 2020/21 revealed that many Cities, Local Governments and Municipal Councils failed to adhere to Paragraph 2.2 of Establishment Notice No.2 of 2019 which requires Accounting Officers of Local Governments to submit salary, pension and gratuity estimates for the subsequent year to Ministry of Public Service [MoPS] by the 30th day of September of the previous year. There were a few exceptions.

During meetings with the Accounting Officers of the Cities, District Local Governments and Municipal Councils to consider the FY 2020/21 report of the Auditor General's on Local Governments, delays in submission of wage estimates were majorly attributed to COVID-19 lockdown restrictions on movement of persons and low staffing numbers [as one of the measures to control the spread



of COVID-19]; which were otherwise key in timely preparation of local governments' budget estimates.

Committee Observation

The Committee observed that the delays in submission of the local governments' budget estimates in line with Paragraph 2.2 of the Establishment Notice No.2 of 2019 were hampered by conditions that were beyond the management and control of local governments.

Committee Recommendation

The Committee recommends that the Accounting Officers should, for the subsequent financial years, ensure to adhere to the timelines prescribed under Paragraph 2.2 of the Establishment Notice No.2 of 2019 on submission of wage estimates by 30th September, of the previous year.

3.1.3 Payment of Salaries, Pension and Gratuity

3.1.3.1 Absorption of Funds

The Report of the Auditor General for FY 2020/21 reported that local governments failed to absorb the money for salaries, pension and gratuity.

The Accounting Officers explained that the under absorption of funds were due to factors including but not limited to;

- (i) Failure to recruit staff as a result of the Covid-19 national lockdown
 - (ii) Absence of and non-functional District Service Commissions;
 - (iii) Lack of an approved staff structure for the cities;
 - (iv) Delayed approval of Members of District Service Commissions;
 - (v) Delays by Education Service Commission to recruit teachers and access them on the payroll by MoPS;
- Failure to attract staff in key positions for instance District Health Officer, District Engineer, and Medical Officers.

Committee Observations

The Committee made the following observations;

- (i) Many Local Governments conceal or ring-fence positions that have fallen vacant by deploying junior staff in acting capacity/ assignment basis beyond the mandatory period of six months as a ploy to give time to their favorites so as to gain the perquisite qualifications during which period they deny deserving persons' employment at the expense of service delivery.
- (ii) Adequate absorption of Wage Bills in Cities, District Local Governments and Municipal Councils during the FY 2020/21 was inhibited or constrained by factors ranging from functionality of DSC's to staffing challenges.
- (iii) The ESC delays to recruit tertiary and secondary schools teachers, despite releases made and formal requests to the line Ministry.
- (iv) The MoFPED made releases to some LGs over and above the requested funds.
- (v) Some of the affected Accounting Officers adhered to the provisions under section 17(3) of the PFMA Act 2015, thus monies were revoted to cater for the initially planned for activities;
- (vi) The Absence and failure to implement the provisions of the (Negotiating, Consultative and Dispute Settlement Machinery Act 2008) resulting into failure to settle labour disputes, leading to under absorption, loss of funds and high cost of dispute resolution.

Committee Recommendation

The Committee recommends that;

- (i) **The Accounting Officer should institute measures that will ensure timely declaration of vacant positions to the DSC, appointment**

and access to the payroll to avoid return of unspent balances to the Consolidated Fund.

- (ii) The ESC should ensure strict and timely adherence to their recruitment plans to avoid delays in staff recruitment.**
- (iii) Local Governments should ensure that there are fully constituted DSC's to enable timely recruitment of staff.**
- (iv) The Ministry of Public Service/Public Service Commission develops guidelines for timelines on the tenure and approval of the members of the DSC**
- (v) The Ministry of Local Government should intensify its inspection and monitoring on matters of staff including; staff establishment, service functionality and cases of staff discipline.**
- (vi) The provisions of the (Negotiating, Consultative and Dispute Settlement machinery Act 2008) should be adhered to;**
- (vii) The Ministry of Finance Planning and Economic Development should adhere to the entities quarterly workplans with timely release of funds.**
- (viii) Local Governments should commence on the execution of their workplans upon approval by the councils as they await actual budget releases.**

3.1.2 Understaffing

The Audit report noted that a number of local governments failed to fill the vacant positions.

The Accounting Officers attributed the understaffing to failure to attract key positions and funding gaps.

The Committee made the following observations;

Understaffing in Local Governments constrains Service Delivery;

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- ii. Districts have failed to attract some cadres due to low remunerations and yet higher qualifications are required especially for positions like District Engineer, District Health officers and Chief Finance Officer among others;
- iii. Many Local Governments ring-fence positions that have fallen vacant by deploying junior staff in acting capacity/ assignment basis as earlier mentioned.

Committee Recommendations

The Committee recommends that:

- i. ***The Ministry of Local Government should work with the Ministry of Public Service to review some of the requirements to address the question of attraction, recruitment and retention on a case by case basis at Local Government level.***
- ii. ***Ministry of Local Government, in collaboration with the Ministry of Public Service, intensifies its supervision of local Governments in regard to staffing and performance.***

3.1.3 Overpayment of Salary

The Committee noted that majority of the Accounting Officers admitted to authorizing salary overpayment to some employees under the service of their respective local governments. A case in point is Luweero DLG that made an over payment of UGX 150,000,000. However, there were a few exceptions where the Accounting Officer did not agree to the Auditors findings.

Committee Observation

The Committee observed authorizing of payment for staff salaries over and above their actual salary entitlements was a direct contravention of Section B-a (7) of the Uganda Public Service Standing Orders, 2010.

For cases where the A/O did not agree these matters were referred to AG for reconciliation.

Committee Recommendations

The Committee recommends that;

- (i) That the Accounting Officers of the above mentioned local governments should in future, ensure to adhere to Section B-a (7) of the Uganda Public Service Standing Orders, 2010; and**
- (ii) That the Accounting Officers should ensure recovery of overpaid salary amounts from the affected employees.**

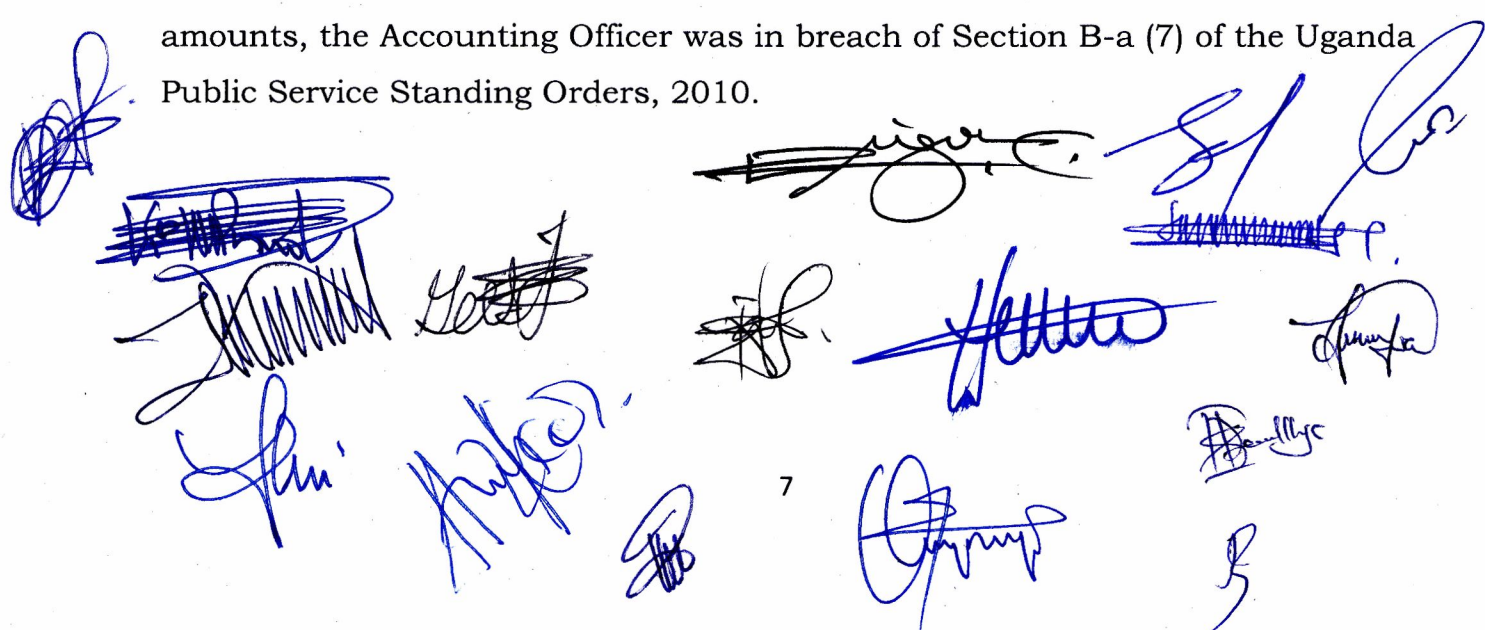
3.1.4 Underpayment of Salary

The committee noted numerous cases of underpayment by different local governments.

The Accounting Officers attributed the underpayments to delays by the responsible line officers to reflect the payrolls with right salary amounts and entitlements at the time of incremental dates.

Committee Observation

The Committee observed that by authorizing for payments of wrong salary amounts, the Accounting Officer was in breach of Section B-a (7) of the Uganda Public Service Standing Orders, 2010.



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Committee Recommendations

The Committee recommends the following:

- (i) The Accounting Officers of the affected local governments should in future, ensure to adhere to Section B-a (7) of the Uganda Public Service Standing Orders, 2010 with a view of authorizing employees' right payments of salary amounts;**
- (ii) Accounting Officers should ensure processing of payment of top up salary amounts in respect of employees who were underpaid of their salaries; and**
- (iii) The Accounting Officers should liaise with Ministry of Public Service to reconcile the different salary amounts paid to their respective entity employees.**

3.1.5 Non- payment of salary

The Committee noted cases of non-payment of salaries contrary to Section B-a (7) of the Uganda Public Standing Orders, 2010, which states that Salaries shall be paid correctly and promptly in accordance with the approved salary structure for the Public Service. Nonpayment of salaries leads to accumulation of arrears.

The Accounting Officers attributed this to bounced salary payments due to challenges with supplier numbers and names mismatch between the IFMS and employee bank details.

The Committee recommends that;

- (i) The Ministry of Public Service should carry out capacity assessment of HR officers of all local governments and comes out with a training plan.**

- (ii) ***The Human Resource Department should offer support to the affected staff in identifying the underlying challenges and also ensure that the arrears are fully paid.***

3.1.6 Payment of Salary using wrong Scales

The Audit report noted wrong application of salary scales, Accounting Officers in most of the local governments erroneously authorized for payment of staff salaries a contravention of Section B-a (6) and (7) of the Uganda Public Service Standing Orders.

The Committee noted that some Accounting Officers of the local governments admitted to the audit findings while others contested the audit finding stating that staff appointment letters clearly stipulated specific staff titles/designations, salary scales and attendant remuneration and other relevant information. In addition, what seemed like an over payment resulted from increase of salaries of the teaching staff.

Committee Observation

The Committee observed that;

- (i) Payment of staff salaries based on wrong salary scales was indicative of fraudulent actions and a breach of Section B-a (6) and (7) of the Uganda Public Service Standing Orders, 2010.
- (i) In some cases, the wrong scales attributed to were a result of payroll changes not supported by signed pay change reports.

Committee Recommendations:

The Committee recommends that the Accounting Officer should ensure correct payments are made in compliance with Section B-a (6) and (7) of the Uganda Public Service Standing Orders, 2010;

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3.1.7 Delayed deletion of Staff from Payroll

The Audit report revealed that on account of delayed deletion of staff from the payroll, some Accounting Officers authorized for payment of salaries to staff who had retired, transferred, absconded or died.

The Accounting Officers admitted to the audit findings, but indicated recoveries of monies erroneously paid out to affected staff was ongoing.

Committee Observation

The Committee observed that the delayed deletion of staff from the entities' active salary payroll was a violation of Section B-a (12) of the Uganda Public Service Standing Orders, 2010, which states payment of salary to public officers be stopped immediately they cease rendering services to Government under whatever circumstances, including death.

Committee Recommendation

The Committee recommends the following:

- (a) That the Accounting Officers should in future ensure to manage an accurate staff salary payroll to be in line with Section B-a (12) of the Uganda Public Service Standing Orders, 2010;**
- (b) That the Police should investigate the actions of the Accounting Officers and their line officers: Human Resource Officers on account of failure to effect deletion of staff from the entities' salary payrolls.**
- (c) The Accounting Officers should recover the said money from the beneficiaries.**
- (d) The Office of the Auditor General should carry out annual audit of the staff and pension pay roll to clean up the system.**

3.1.8 Management of Payroll Deductions

3.1.8.1 Over and Under-remittance of Deductions

The Audit report revealed that Accounting Officers effected payroll deductions from employees' salaries and remitted it to different beneficiaries in line with Section B-a (178) of the Uganda Public Service Standing Orders, 2010. However, the audit revealed that there were over and under remittances and non-remittance in some cases

The Committee was informed that over and under remittance of deductions was occasioned by mix up of staff lists in some local governments and staff capacity gaps to process the right deduction amounts.

Committee Observation

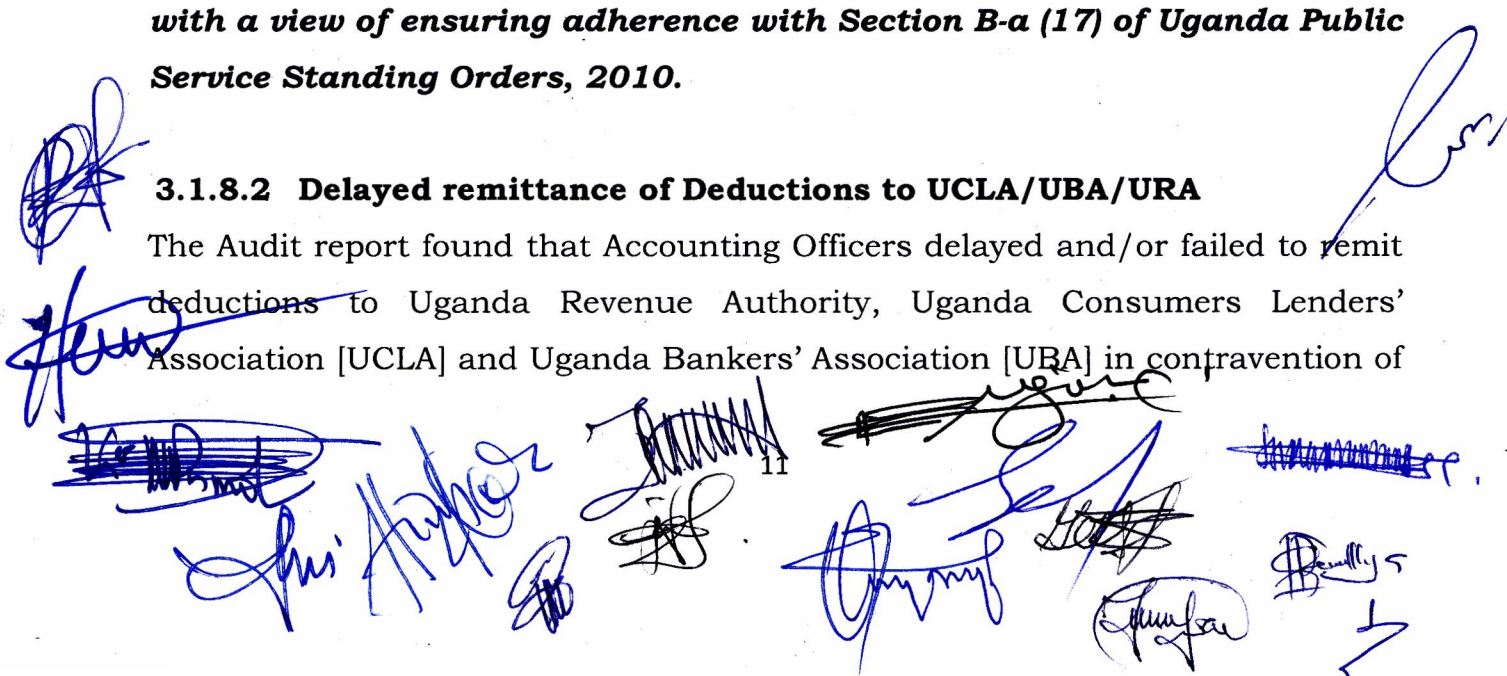
The Committee observed that Accounting Officers do not conduct verification of staff lists to ascertain the right amounts of money to be deducted in favor of various beneficiaries.

Committee Recommendation

The Committee recommends that Accounting Officers should conduct verification of their respective staff lists and attendant contract agreements entered into with various associations, schemes and bodies; with a view of ensuring adherence with Section B-a (17) of Uganda Public Service Standing Orders, 2010.

3.1.8.2 Delayed remittance of Deductions to UCLA/UBA/URA

The Audit report found that Accounting Officers delayed and/or failed to remit deductions to Uganda Revenue Authority, Uganda Consumers Lenders' Association [UCLA] and Uganda Bankers' Association [UBA] in contravention of



Paragraph 4.6.1 of Establishment Notice No.2 of 2019 which requires payroll deductions to be remitted concurrently with salary payments.

Committee Observations

The Committee observed the following:

- (a) Delayed and non-remittance of deductions to UCLA/UBA was a breach of Paragraph 4.6.1 of Establishment Notice No.2 of 2019;
- (b) Local Government staff risk being subjected to penalties associated with failure to settle and/or meet their contract agreements/obligations to the credit lending institutions.

Committee Recommendation

The Committee recommends that the responsibility of remittance to the financial institutions ceases to be a duty of local governments.

3.1.8.3 Unauthorized Loan Deductions

The Audit report revealed deductions from employees' salaries without adherence to Section 2.1.2 and 2.1.4 of the Service Agreement between the Government [Ministry of Public Service] and Uganda Consumer Lenders' Association/Uganda Bankers' Association which requires a letter of undertaking for each Government employee before making an employee reservation on the Pay Load Database Management System (PDMS).

The Accounting Officers indicated that the local governments did not retain copies of letters of undertaking issued to their respective employees.

The Committee was informed that some of the credit lending institutions/organisations extended loans to teachers' SACCOs whereupon subsequent repayments were effected to all teachers whether or not they applied for loan facilities.

Committee Observations

The Committee observed that;

- (a) Whereas the Accounting Officers were not in firm control of management of payroll deductions from staff salaries in favor of UCLA and UBA, they are supposed with support of the Human Resource, to protect the staff from the banks, this is not reflective of them;
- (b) Letters of undertaking should be initiated by the office of the Accounting Officer as a way of protecting employees not the bank as noted, considering that banks can easily manipulate the staff.
- (c) That there was gross financial indiscipline among local governments' staff who opt for loan facilities up and beyond their capacity to repay.

Committee Recommendations

The Committee recommends the following:

- a) ***That the Accounting Officer should not sign off staff loan applications through issuance of letters of undertaking where staff have running contracts with credit lending institutions;***
- b) ***That the Accounting Officer should ensure strict adherence to Section 2.1.2 and 2.1.4 of the Service Agreement between the Government [Ministry of Public Service] and Uganda Consumer Lenders' Association/Uganda Bankers' Association which requires a letter of***

undertaking for each Government employee before making an employee reservation on the Payroll Deduction Management System.

- c) The responsibility of loan recovery ceases to be a duty of local governments and that Ministry of Public Service terminates the requirement for the undertakings with lending institutions as a policy measure.***
- d) Government should institute more protective measures to cap multiple and over borrowing by employees***

3.1.8.4 Non-Deduction of PAYE from Political Leaders

The Audit report highlighted failed deduction of PAYE from political leaders leading to revenue losses to Government on account of failure by Accounting Officers to subject political leaders' gratuity to PAYE deduction.

The Committee was informed that the anomaly was occasioned by lack of a dedicated budget line or window on the IFMIS platform to effect the deduction electronically.

Committee Observations

The Committee observed the following:

- (a) That all income earned by private persons and organisations should, in accordance with Section 19(1)(a) of the Income Tax, be subjected to Pay As You Earn [PAYE] tax therefore guidance should have been sought from the line Ministry;

- (b) The non-computation of PAYE on political leaders' gratuity payments was reflective of failure by the Accounting Officers to follow and adhere to Section 19(1)(a) of the Income Tax, 1997 as amended;
- (c) Some Accounting Officers in a bid to adhere to the Income Tax Act opted to manually deduct the PAYE;
- (d) Some Accounting Officers had already initiated recoveries at the time of interaction with the Committee.
- (e) By the time of interaction with the Committee, the system had been updated therefore, subsequent year deductions effected promptly.

Committee Recommendations

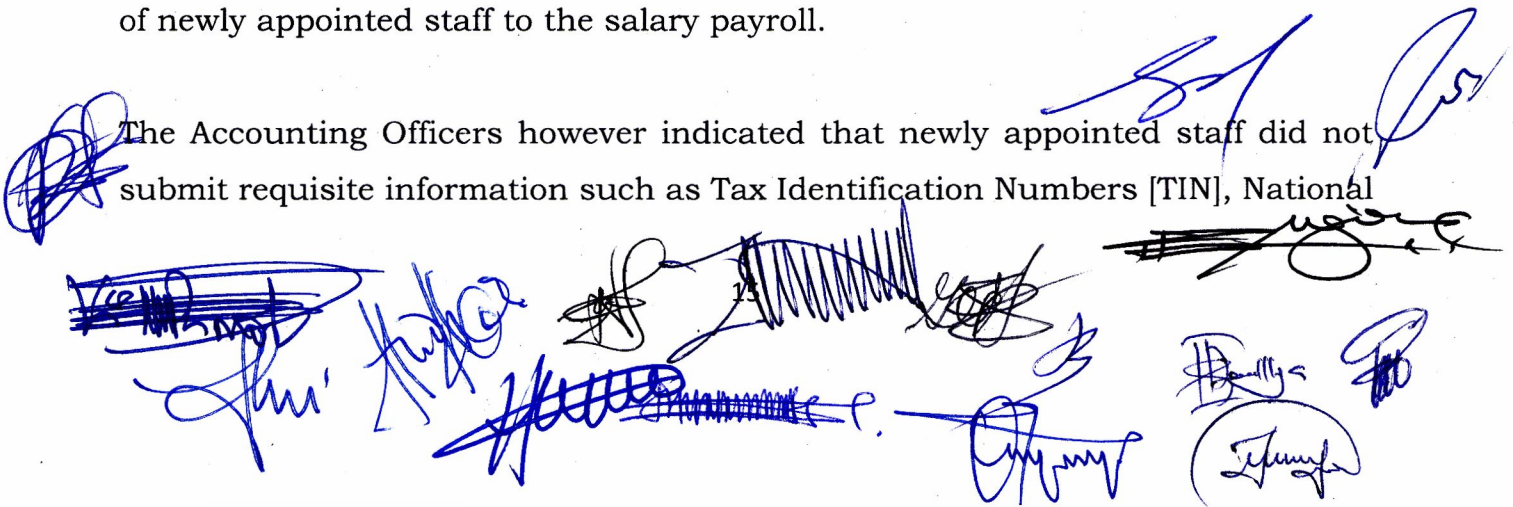
The Committee recommends that;

- (i) ***The Accounting Officers should in future, ensure to subject Political leaders' gratuity to computation of PAYE as prescribed under Section 19(1)(a) of the Income Tax, 1997 as amended.***
- (ii) ***All Accounting Officers who did not deduct PAYE should ensure that this money is deducted from the political leaders whether in office or out of office.***

3.1.8.5 Delayed Access to Salary Payroll

The Audit report revealed that Accounting Officers failed to expedite quick access of newly appointed staff to the salary payroll.

The Accounting Officers however indicated that newly appointed staff did not submit requisite information such as Tax Identification Numbers [TIN], National



Identification Cards, Bank Account Numbers that were key requirements to enable access to the salary payroll.

Observation

The Committee observed that;

- (i) The Accounting Officers did not provide adequate support and guidance to newly appointed staff to enable them access the salary payroll.
- (ii) There was laxity on the side of the Human Resource in supporting the staff.

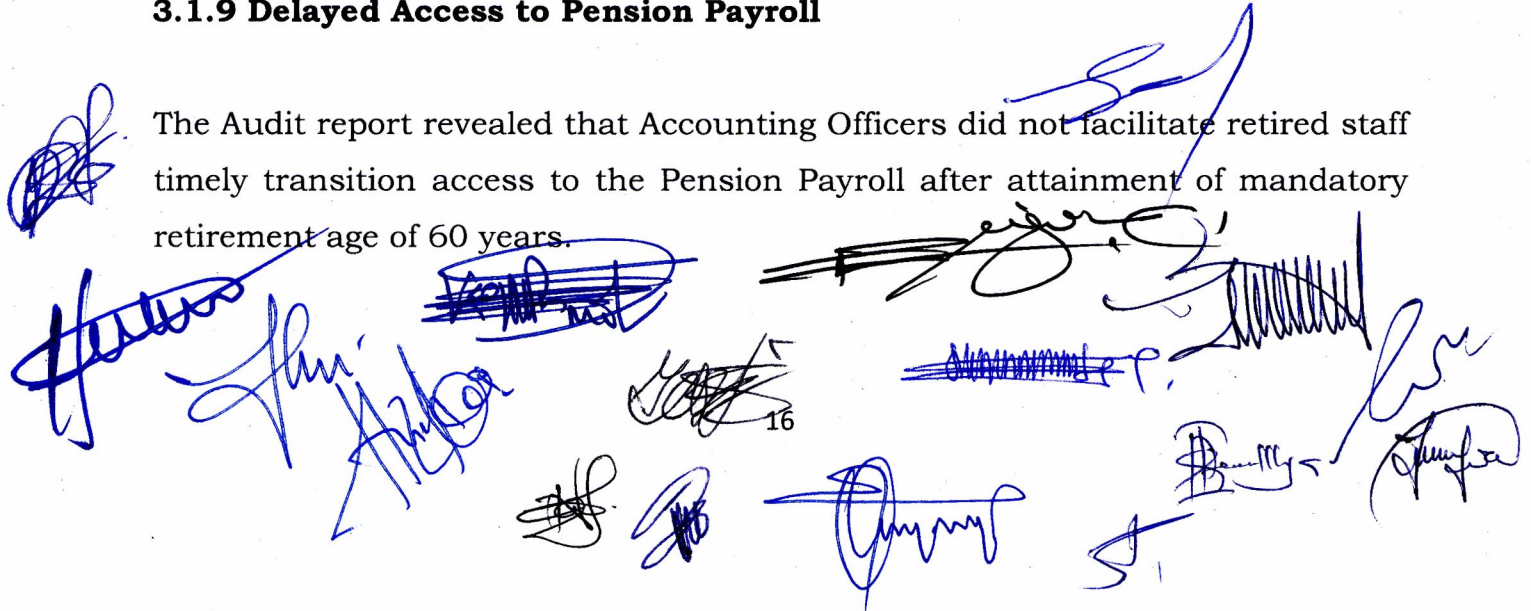
Committee Recommendations

The Committee recommends that:

- (i) The Accounting Officers should in future, ensure to adhere to Section B-a (11) of the Uganda Public Service Standing Orders which require Accounting Officers to ensure that public officers access the payroll within four (4) weeks from the date of assumption of duty;
- (ii) Accounting Officers should ensure payment of salary arrears to newly appointed staff that accrued from delayed access to payroll.
- (iii) NIRA should expedite the process of issuance of National IDs.

3.1.9 Delayed Access to Pension Payroll

The Audit report revealed that Accounting Officers did not facilitate retired staff timely transition access to the Pension Payroll after attainment of mandatory retirement age of 60 years.



The Accounting Officers attributed the delayed access to the pension payroll to retired staffs' delays to submit required documents such as National Identification Cards, appointment Letters that were necessary to conduct verification prior to accession to the pension payroll.

Committee Observation

The Committee observed that;

- (i) In many aspects there was laxity of the HRM in preparing the staff for retirement.
- (ii) Many retirees had difficulty in obtaining a national ID.
- (iii) Expeditious access to the pension payroll required collaborative efforts between the entity management and retired staff.

Committee Recommendations

The Committee recommends that;

- (a) The Accounting Officers should adhere to Section B-a (11) of the Uganda Public Service Standing Orders, 2010 which bestows on the responsible officers the responsibility of initiating and completing the processing of retirement benefits within six months to the mandatory retirement date; and**
- (b) The Accounting Officers should ensure to expedite processing of pension arrears that accrued on account of delayed access to the Pension Payroll.**
- (c) The System should be developed in a way that there is automatic transition of the staff from the salary pay roll to pension pay roll.**

- (d) **Ministry of Public Service should initiate a system that automatically transitions employees from the salary pay roll to the pension pay roll once they knock the retirement age.**
- (e) **Pensioners need to be prepared for access to retirement benefit prior to obtaining the mandatory retirement age to avoid time lags.**

3.1.10 Payment of Salaries and Gratuity off IPPS

Audit report noted authorized payments of salaries, pension and gratuity off the IPPS; thereby contravening Paragraph 4.5 of Establishment Notice No.2 of 2019 which requires the responsible officer to pay for only salaries, pension and gratuity processed through IPPS.

The Accounting Officers attributed the audit finding to mix up of staff lists of different local governments and inconsistencies in the Ministry of Public Service payrolls and the Entities' Payroll Registers.

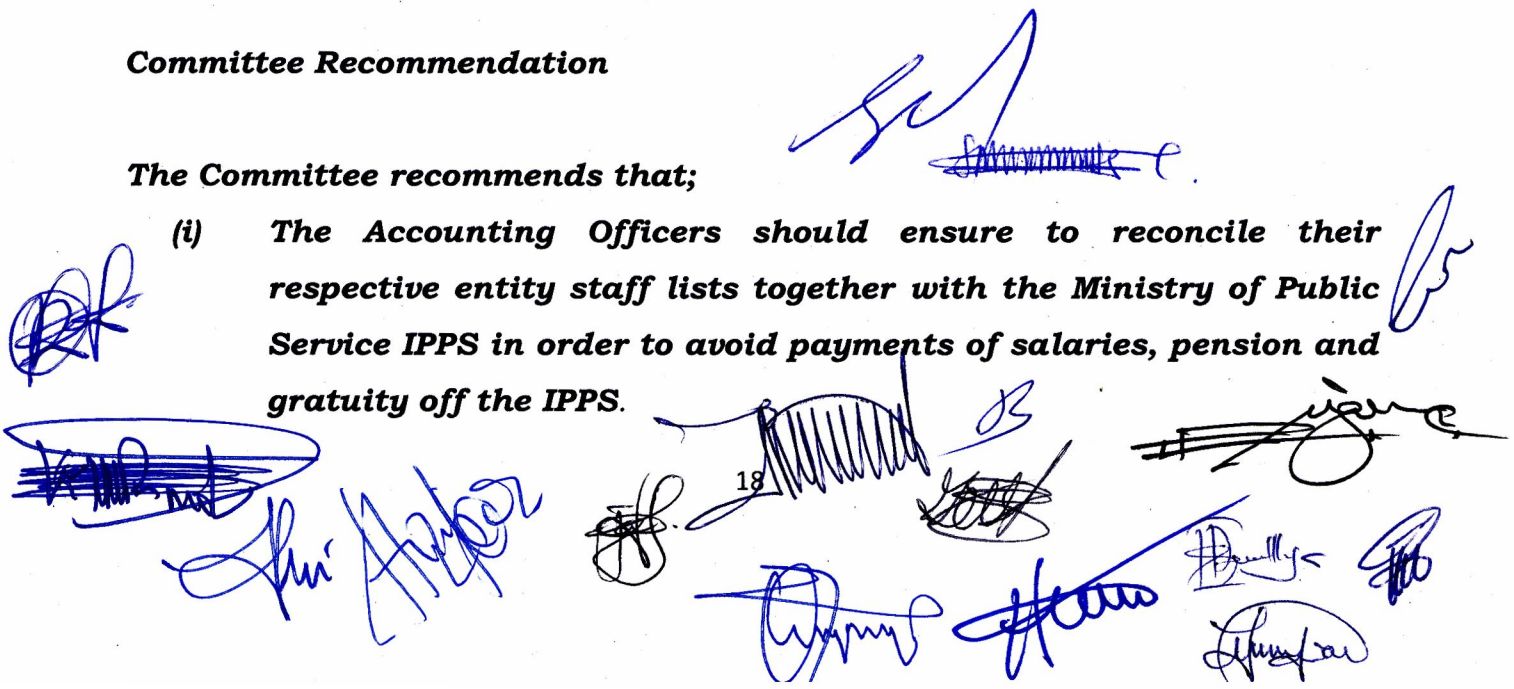
Committee Observation

The Committee observed that payments of salaries, pension and gratuity off the IPPS contravened Paragraph 4.5 of Establishment Notice No.2 of 2019; and could lead to abuses and manipulation for private gains.

Committee Recommendation

The Committee recommends that;

- (i) **The Accounting Officers should ensure to reconcile their respective entity staff lists together with the Ministry of Public Service IPPS in order to avoid payments of salaries, pension and gratuity off the IPPS.**



- (ii) ***The Accounting Officer should desist from the practice and can only take such actions with the approval of the line Ministry.***

3.1.11 System Related Challenges:

3.1.11.1 Inconsistencies between Ministry of Public Service and Entity Payroll Registers.

The Audit report noted variances between figures in the Ministry of Public Service IPPS and on the entities' Payroll Registers.

The Accounting Officers informed the Committee that inconsistencies between MoPS IPPS and entities was due to changes in names or dropping off the list while the Entities maintained the same on their Payroll Registers. The Committee received undertakings from the Accounting Officers to harmonise the differences between the MoPS IPPS and the Entities' Payroll Registers.

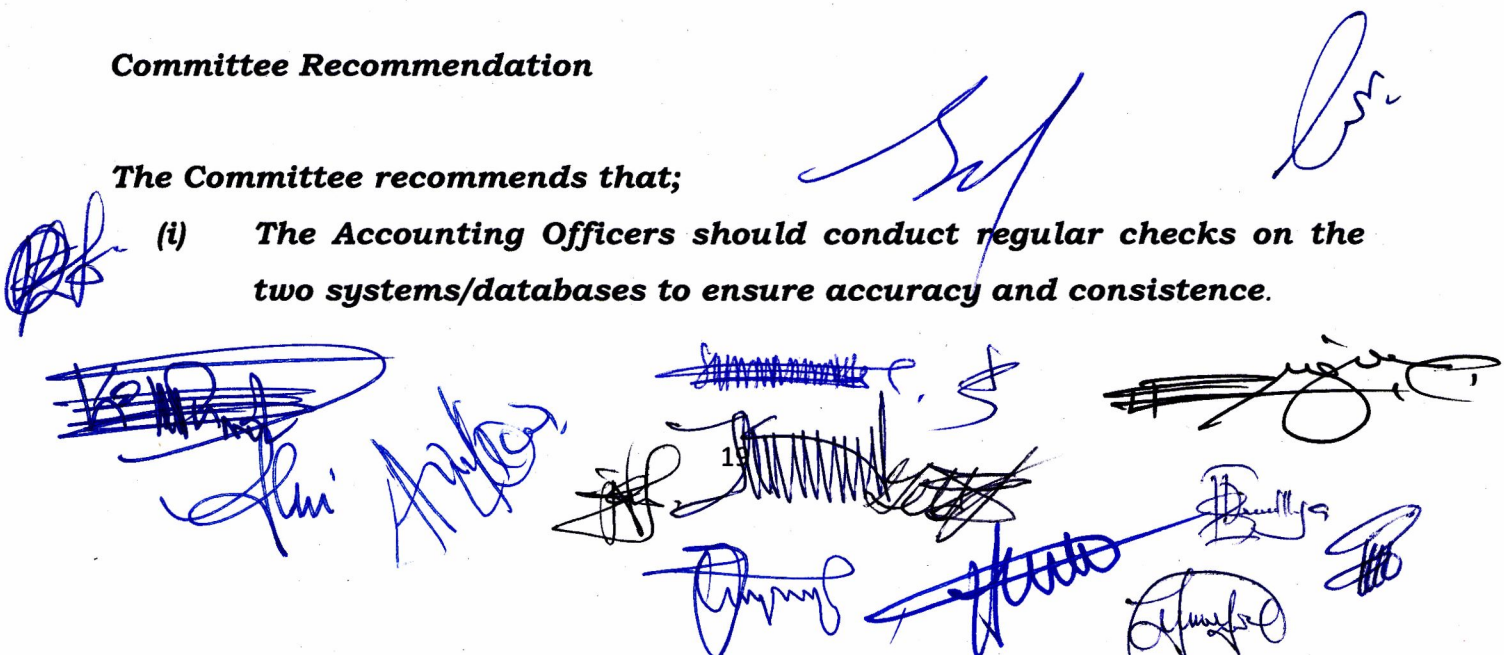
Committee Observation

The Committee observed that inaccuracies and inconsistencies between the Ministry of Public Service IPPS and the Entities' Payroll Registers was a recipe for manipulation and abuse to defraud Government employees of their hard earned salaries.

Committee Recommendation

The Committee recommends that;

- (i) ***The Accounting Officers should conduct regular checks on the two systems/databases to ensure accuracy and consistence.***

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- (ii) **Government should develop an integrated system to cover all functions of HR, finance and other related functions to curb disjointed management systems.**
- (iii) **The Accounting Officer should do due diligence.**
- (iv) **Training and/or capacity development should be done regularly for Local Governments to remain informed and up to date with new system developments.**

3.1.12 Internal Control Weaknesses

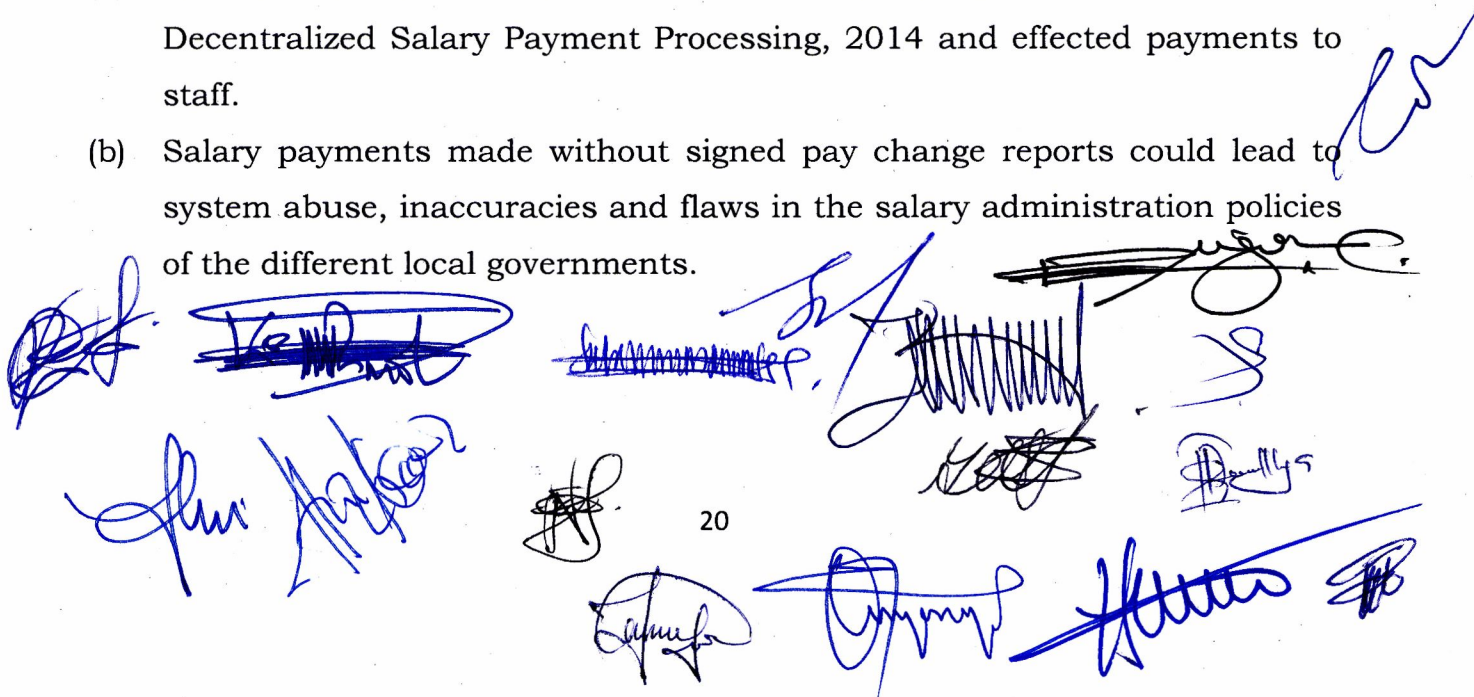
3.1.12.1 Payroll Changes not supported by signed Pay Change Reports

The Committee noted from the Audit report that a number of entities were reported to have effected salary payments to various employees without signed pay change reports; contrary to Paragraph 6.2.1 of the Guidelines and Procedures for Decentralised Salary Payment Processing, 2014 which requires that any changes on the payroll should be supported by pay change reports.

Committee Observation

The Committee observed the following:

- (a) That the Accounting Officers disregarded the Guidelines and Procedures for Decentralized Salary Payment Processing, 2014 and effected payments to staff.
- (b) Salary payments made without signed pay change reports could lead to system abuse, inaccuracies and flaws in the salary administration policies of the different local governments.



Committee Recommendations

The Committee recommends that the Accounting Officers should in future, adhere to Paragraph 6.2.1 of the Guidelines and Procedures for decentralized Salary Payment Processing, 2014

3.1.12.2 Internal Control Weaknesses

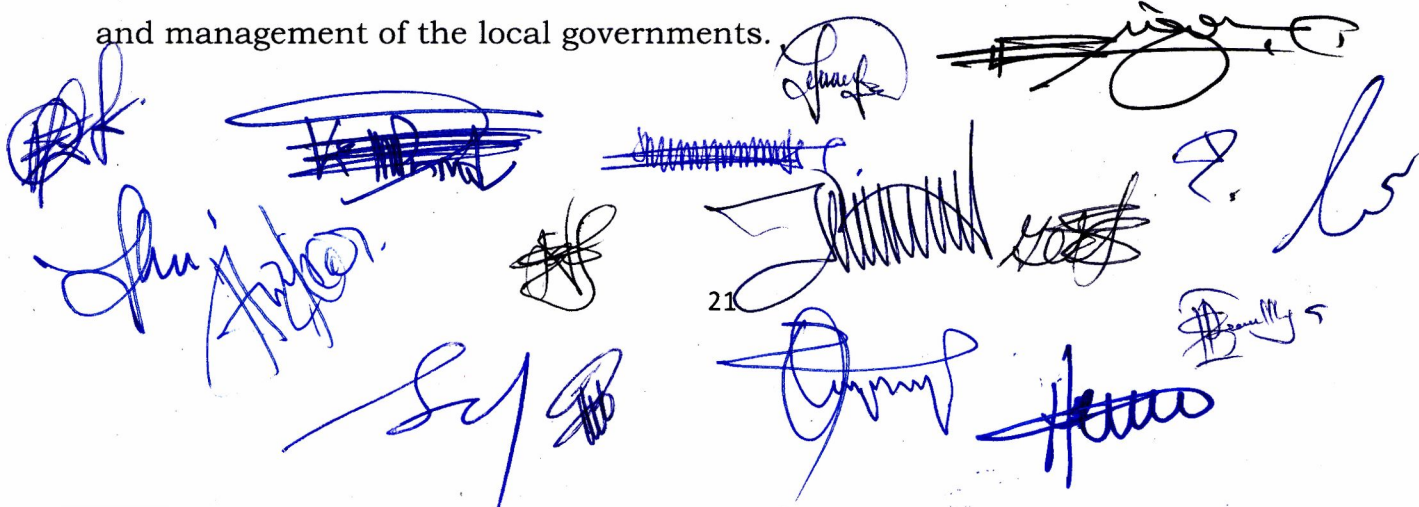
Monthly wage, pension and gratuity performance analysis and remittance of quarterly returns to Ministry of Public Service.

The Audit report revealed that various local governments failed to prepare monthly wage, pension and gratuity performance analysis and thus did not submit quarterly returns on their respective payrolls to Ministry of Public Service as guided by Paragraph 2.1 of Establishment Notice No.1 of 2020.

Most Accounting Officers indicated that the COVID-19 pandemic lockdown restrictions on movement of persons inhibited their timely submission of returns on the payroll to Ministry of Public Service. Some contended that while they requested for online submission of returns, Ministry of Public Service was not in agreement with this option.

Committee Observations

The Committee observed that the failure to ensure timely submission of returns on the Payroll to Ministry of Public Service was at the time beyond the control and management of the local governments.



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Committee Recommendations

The Committee recommends that for subsequent financial years, Accounting Officers should adhere to Paragraph 2.1 of Establishment Notice No.1 of 2020 so as to avoid cases of accumulated arrears and under absorption of wage, pension and gratuity budgets.

3.1.13 PERFORMANCE OF THE YOUTH LIVELIHOOD PROGRAM [YLP]

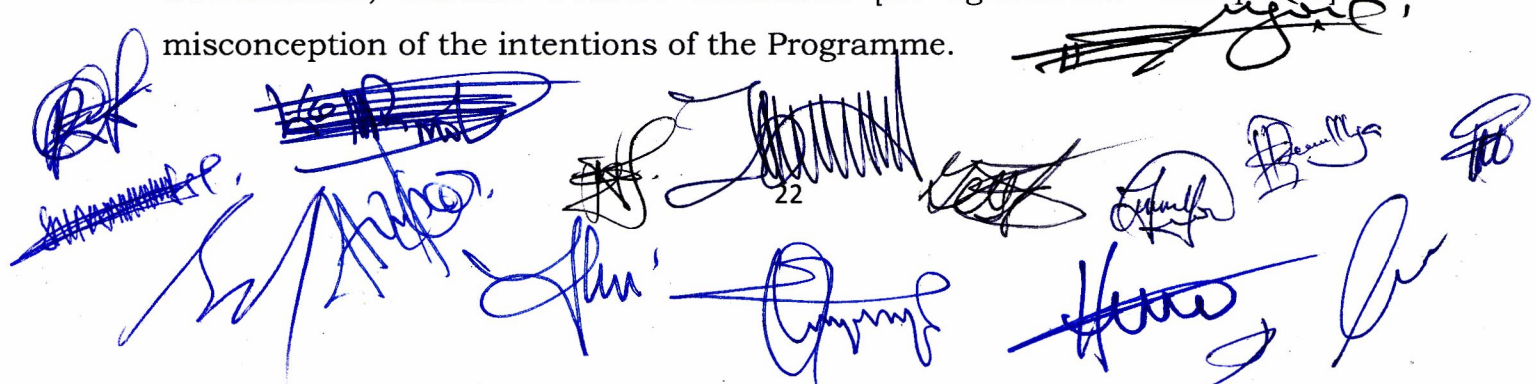
The Youth Livelihood Programme (YLP) is Government of Uganda financed program designed as one of the interventions of Government in response to the high unemployment rate and poverty among the youth in the Country.

The primary objective of the YLP is to empower the target youth to harness their socio-economic potential and increase self-employment opportunities and income levels, the specific objective of which include:

- (i) To provide youth with marketable vocational skills and tool kits for self-employment and job creation.
- (ii) To provide financial support to enable the youth establish Income Generating Activities (IGAs)
- (iii) To provide the youth with entrepreneurship and life skills as an integral part of their livelihoods.
- (iv) To provide youth with relevant knowledge and information for attitudinal change (positive mind set change).

The Audit report revealed decimal performance of the programme as low recoveries were realized during the period under review.

The low recovery of YLP funds was attributed to project managers neglect, group disbandment, extreme weather conditions [for agricultural enterprises] and misconception of the intentions of the Programme.



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Committee Observations

The Committee observed that:

- (a) Most of the district local governments did not have proper recovery plans and data on the beneficiary groups.
- (b) That some funds disbursed to the local governments were in respect of Financial Years 2014/15 to 2018/19; and
- (c) Causal factors for low recovery of funds under the Program were far beyond the management and control of the local governments. The aspect of misconception of the Program among the Youths and project neglect were key determinants for low recovery rates.
- (d) The Committee noted there was no budget line for supervision and follow up of the groups.

Committee Recommendations

The Committee recommends that;

- (i) **Revolving funds for the future programs be covered or guided by a legal framework to provide for sanctions, detailed program management structures.**
- (ii) **Accounting Officers should institute all measures/mechanisms possible to recover outstanding balances including developing clear recovery plans and accountability mechanisms.**
- (iii) **Government adheres to timelines in provision of grants to the different programs to realign it with the reporting framework so as not to cause distortions in financial reporting.**
- (iv) **For future interventions/programs the aspect of community ownership, participation and involvement be enhanced through co-funding mechanisms/initiatives.**

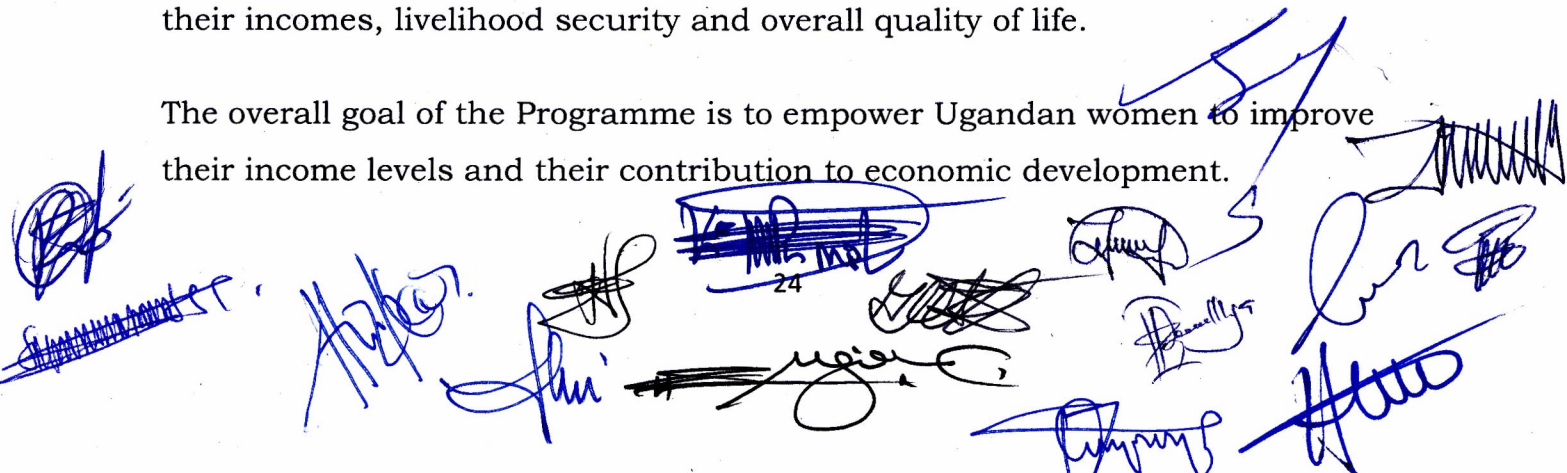
- (v) For similar/future interventions, Accounting Officers should institute clear achievable performance indicators for officers involved in the project/program implementation.**
- (vi) There should be budgetary provisions to support supervision/follow-up of the beneficiary groups.**
- (vii) Government through the Ministry of Gender, Labor and Social development together with the Local Governments evaluate the performance of the YLP given that recovery of the funds has remained low.**

3.1.14 PERFORMANCE OF UGANDA WOMEN ENTREPRENEURSHIP PROGRAM [UWEP]

Government of Uganda introduced the Uganda Women Entrepreneurship Programme (UWEP) as an initiative aimed at improving access to financial services for women and equipping them with skills for enterprise growth, value addition and marketing of their products and services.

Implemented as a Rolling Program under the auspices of Ministry of Gender, Labour and Social Development (MGLSD), the primary objective of UWEP being empowering Ugandan women for economic development. The Programme is designed to address the challenges women face in undertaking economically viable enterprises including the limited access to affordable credit, limited technical knowledge and skills for business development, limited access to markets as well as information regarding business opportunities. The Program envisages to increase participation of women in business development, increase their incomes, livelihood security and overall quality of life.

The overall goal of the Programme is to empower Ugandan women to improve their income levels and their contribution to economic development.

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The Program's specific objectives include:

- (i) To strengthen the capacity of women for entrepreneurship development;
- (ii) To provide affordable credit and support access to other financial services to enable women establish and grow their business enterprises;
- (iii) To facilitate women's access to markets for their products and services;
- (iv) To promote access to appropriate technologies for production and value addition; and
- (v) To strengthen Programme management and coordination

The Audit report revealed that the funds disbursed as a Revolving Fund to UWEP beneficiary groups underperformed. This was attributed to low recovery responses, poor choice of enterprise selection, project neglect, inadequate support, guidance on project execution and misconception of the intentions of the Program.

On mechanisms to counter the poor recovery of funds, Accounting Officers indicated that they would resort to involving security personnel for the purpose.

Committee Observations:

The Committee observed that;

- (i) ***UWEP was performing better than YLP but the levels of recoveries were still low. This was occasioned by poor recovery measures instituted by Accounting Officers.***
- (ii) ***There are cases where the monies were remitted direct to the beneficiary groups therefore, the Local Governments were not in the know.***

Committee Recommendations:

The Ministry of Gender, Labor and Social Development comes up with regulatory frameworks to empower the District Commercial Officers to

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ease recoveries of YLP and YWEP and any other future grants to mitigate mismanagement.

3.1.15 Audit of Capitation Grant

3.1.15.1 Funds for Supply of Additional Learning Materials

It was noted that Local Governments were authorized additional Non-wage expenditure limits to facilitate printing and supply of home study materials. On review of the bank statements for sampled schools by Audit, it was noted that the funds were still on the school accounts by 30th September, 2021 and had hence not been utilized.

The Accounting Officers explained that whereas they received the money, there was a ban from the Ministry of Education and Sports (MoES) on the utilization of the money until guidance is given. The Ministry of Education later on authorized the District/schools to utilize the funds.

Committee Observations

The Committee observed that;

- (i) The failure to utilize the funds at the time of audit was largely occasioned by the Ministry of Education and Sports directives.
- (ii) Guidance was given in October 2021 authorizing the schools to utilise the funds following H.E the President's address on the plan for re-opening schools / institutions.
- (iii) The new directives issued in October 2021 changed the purpose for which the funds that were disbursed to the schools were to be used. The funds were used for other activities in preparation of the re-opening of schools.

Committee Recommendation

The Committee recommends that for every money sent to the district there should be clear guidelines on how this money is supposed to be used and the initial intended purpose should not be lost.

3.1.16 Existence of Strategic plans that are aligned to NDP-III

The Audit report noted that over the years the alignment of Government Budgets with the NDP has been poor and needed to be improved thus urging all Accounting Officers to ensure that all activities for the Financial Year 2020/2021 are aligned with NDP III and implemented accordingly. In this regard local Governments were expected to prepare and approve a strategic plan that was aligned to NDP III.

Committee Observation

The Committee observed at the time of the interaction with the local governments, many strategic plans were still pending approval by National Planning Authority.

Committee Recommendations

The Committee recommends the following;

- i) NPA expedites the process of scrutinizing the strategic plans for the different Local Governments as well as establishing clear/coordination of activities to avoid unnecessary delays that impedes the execution of the plans.***
- ii) The Ministry of Finance/NPA extends capacity building support on strategic and operation planning to the planning units at Local Government levels.***

- iii) *There should be establishment of a standard planning unit structure across all Local Governments to address the question of capacity and man-power.*

3.2 PART 2. SPECIFIC AUDIT QUERIES ACROSS LOCAL GOVERNMENTS

VOTE 59: KAABONG DLG (Unqualified Opinion)

Query 1. Under payment of salary

A review of the payroll data on the IPPS and IFMIS payments by the Auditor General revealed variances between amounts on the approved payroll and payments to individual employees, leading to under payment of UGX.65, 256,893, contrary to Section B-a (7) of the Uganda Public Service Standing Orders, 2010. Audit report also noted that salaries worth UGX. 928,279,301 remained unpaid by year end.

The Accounting Officer explained that the under payment occurred due to employees who had absconded from duty, death, retired from service. The Accounting Officer further explained that the UGX 928,279,301 that remained unpaid was salary meant for secondary and Tertiary Teachers who were to be recruited by the Education Service Commission.

Committee Observation

The Committee observed that;

- (i) The District did not have control over recruitment of tertiary and Secondary School teachers because it is the responsibility of Ministry of Education and Sports.

- (ii) The Ministry of Education and sports never posted the teachers and therefore the funds could not be absorbed. In addition, Teachers transferred by the Ministry of Education and Sports were never replaced.

Committee Recommendations

Refer to general recommendations.

Query 2. Non deduction of PAYE from political leaders

The Auditor General noted that the District did not subject political leaders' gratuity totaling to UGX. 43,510,600 to the computation of PAYE in IPPS, leading to revenue loss of UGX. 9,870,780.

Committee Observation

The Committee observed that the provision for deduction of taxes on gratuity for political leaders under the IPPS was not automated.

Committee Recommendation

The Committee recommends that the Accounting Officer should ensure recovery of UGX 9,870,780 from the political leaders whether in or out of office.

Query 3. Under Staffing

The Audit report noted that the district has an approved structure of 142 staff however, only 49 (34.5%) were filled leaving a staffing gap of 93 (65.5%) positions.

The Accounting Officer explained that the understaffing arose out of inadequate wage allocation to recruit and fill critical positions. However, recruitment was on going to fill some of the key positions like Chief Finance Officer and District planner.

The Committee made the following observations;

- iv. Understaffing in Local Governments constrains Service Delivery;
- v. Districts have failed to attract some cadres due to low remunerations and yet higher qualifications are required specially for these very positions like District Engineer, District Health officers and Chief Finance Officer among others;
- vi. Many Local Governments ring-fence positions that have fallen vacant by deploying junior staff in acting capacity/ assignment basis as earlier mentioned.

Committee Recommendations

Refer to general recommendations

Query 4. UNICEF FUNDS

Audit report noted that a total of UGX. 192,154,458 meant for implementation of UNICEF activities was paid to individual accounts.

The Accounting Officer explained that due to the short time frame in which they were required to implement the UNICEF activities, they were forced to channel funds to individual accounts to avoid the imprest limits.

Committee observation

The Committee observed that disbursement of funds to individual accounts is susceptible to misuse and abuse.

Committee Recommendation

The Committee recommends that;

- (i) ***The Accounting Officer should desist from such practices.***
- (ii) ***The Accounting officer should be reprimanded for not adhering to the provisions of law.***

Query 5. Construction of Council Chambers at the District Headquarters Phase 1

The Audit report revealed that Kaabong District Local Government procured a contractor to Construct the Council Chambers at the District Council Headquarters under Phase one at a Contract price of UGX. 365,153,874 under Procurement Reference No.Kaab 559/Wrks/20-21/00001. The Contract was awarded to M/s. JACQSEN UGANDA LIMITED and signed on 28th February 2021 as the start date of executing the contract with a completion date of 23rd May 2021.

Audit reported that the contractor had been paid UGX. 328,637,887, as shown below;

Invoice Date	Payment Date	Payee	Amount (UGX)
16/06/2021	22/06/2021	M/s.JACQSEN (U) LTD	73,030,775
26/06/2021	29/06/2021	M/s.JACQSEN (U) LTD	255,607,112
		TOTAL	328,637,887

With the second payment of UGX. 255,607,112 being made after six (6) days from the first installment UGX. 73,030,775. Additionally, the second payment of UGX. 255,607,112 lacked supporting documents.

The Accounting Officer explained that;

- (i) The contract of **UGX. 365,153,874** was awarded to M/s. JACQSEN UGANDA LIMITED with a completion date of 23rd May 2021, but two extensions were made with the last one ending on 30th June 2022;
- (ii) The works are still at foundation level, the materials are on site, though the 94% payment was made to the contractor;
- (iii) The first payment was a **(20%)** advance payment, and regret making the second payment and therefore requests the Committee to allow him correct the error by allowing the Contractor finish the work in three (3) months.
- (iv) The Project was stalled by the land in question, which is owned by the Ministry of Internal Affairs and the District was waiting for a swap of land titles. However, the soil analysis was done and the report recommended what was needed for the works to reinforce the structure and the design was also reviewed.
- (v) The Contractor has been elusive with no efforts to complete the Project.

The Committee observed that

- (i) There was no structure on the ground as the works ended at foundation excavation level despite full payment.
- (ii) The district did not have full ownership of the land where the project was sited.
- (iii) The district did not do due diligence in planning and siting for the project thus putting the project in an area not suitable.
- (iv) The contract was awarded to the contractor who quoted the lowest amounts than what the project would require to complete therefore, the execution of the project as planned was not possible right from the start;
- (v) The first advance payment was justified but the second payment of **UGX. 255,607,112** was paid in total disregard of the law, with possibilities of connivance and a few days before the end of the contract;

- (vi) The Engineer recommended for payments to be made despite withdrawing from the project due to the irregularities;
- (vii) There was no justification for extension of the contract which also expired in June 2022.
- (viii) There was fraud, as per paragraph 5 (c) of the contract (non-compliance to the completion date that attracts 20% of the outstanding balance of the contract sum to completion), there was no effort by the Officers to enforce the latter.
- (ix) Making good the contract is not realistic, considering that there is no valid contract;

Committee Recommendations

The Committee recommends as follows;

- i. The Accounting Officer who approved the transaction and all the officers involved be held personally liable;***
- ii. The Accounting Officer for the year under review makes good the loss and ensures that UGX 328,637,887 is deposited on the government account by 12th October 2022;***
- iii. The Permanent Secretary Ministry of Local Government takes immediate disciplinary action on the Accounting Officer;***
- iv. Based on the conduct of the company, PPDA should carry out a thorough assessment on its conduct with a view of blacklisting the company***
- v. The Committee recommends that Mr. Joel Musisi the then Accounting officer be investigated with a view of prosecution.***

Query 6. Grounded motor vehicles

The Audit report revealed that some of the motor vehicles remained grounded even after the board of survey recommended disposal. Continuous grounding of these assets exposes them to theft, vandalism and depreciation in value.

The Accounting Officer explained that the process of disposing the assets was underway;

Committee observation

The Committee observed that continuous stay of motor vehicles in those state imposed gross implication on the district.

There was laxity in disposal of the recommended assets by the district.

Committee Recommendation

The Committee recommends that the district should expedite the disposal processes.

Query 7. Status of Medical Equipment at Kaabong District Hospital

7.1 Lack of adequate medical equipment at Kaabong District Hospital

The Audit report observed that the health facility lacked adequate medical equipment like Delivery bed, Foetal heart detector, infant Incubator, and Oxygen concentrator among others. Consequently, the hospital was not able to provide adequate screening and diagnostic services to the patients.

The Accounting Officer explained that this was due to lack of funds to purchase the equipment.

Committee observation

The Committee observed that the Ministry of Health failed to provide the medical equipment to the Hospital, therefore posing high risk to expectant mothers and new born babies.

Committee Recommendation

The Committee recommends that the Ministry of Health should handle this matter with urgency and provide the required medical equipment to the facility.

VOTE 503: ARUA DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1. Payment of Salaries, Pension and Gratuity

i) Absorption of Funds

The Audit report noted that **UGX. 38,500,000,000 (94%)** was spent out of the total receipts of **UGX. 40,800,000,000**, resulting in an unabsorbed balance of **UGX. 2,300,000,000**

The Accounting Officer explained that;

- i. The under absorption was due to failure to recruit as a result of absence of the District Service Commission.

- ii. The District's efforts to source for another District Service Commission were futile and there were confusions in Council therefore, there were no meetings to that effect.

- iii. Relatedly some of the unabsorbed funds were meant for payment of pensions and gratuity as a result of mismatch in names of retirees' bank details and IFMIS data hence payments bouncing back especially for those paid at the end of the financial year

Committee Observations

The Committee noted that attempts to borrow the services of the neighboring DSC met resistance from district councilors during a full district council meeting of Arua district.

The Committee observed that the Accounting Officer has made efforts to seek for recruitment although the MoPS had not yet responded.

Committee Recommendation

Refer to general recommendation.

Query 2. Over payment of gratuity

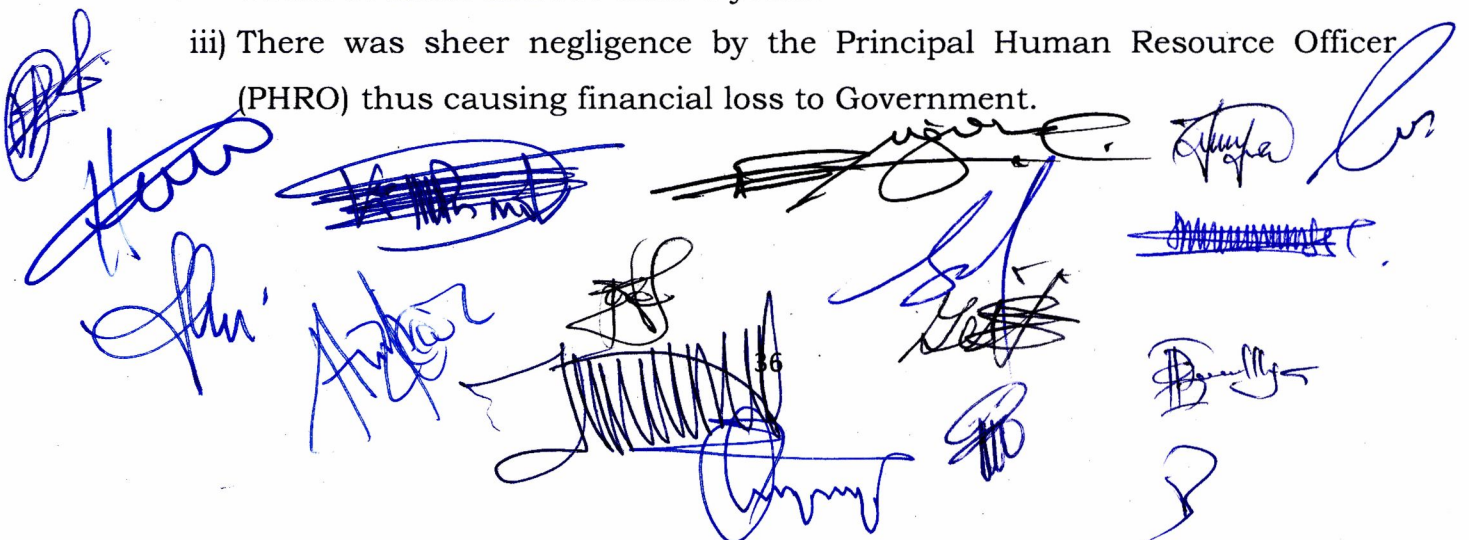
The Audit report revealed variances between the amounts on the payroll and payments to individual pensioners, leading to over payments of **UGX. 17,088,304.**

The Accounting Officer regretted the anomaly and informed the Committee that the pensioner in question has since committed to refund the money as per the recovery schedule.

Committee Observations

The Committee observed that;

- i) The PHRO was asked to institute recoveries but did not comply with the Accounting officer's directive.
- ii) A monthly deduction of UGX. 200,000 was unrealistic as the final payment would be made in 2030 after 8 years.
- iii) There was sheer negligence by the Principal Human Resource Officer (PHRO) thus causing financial loss to Government.



Committee Recommendation

The Committee recommends that;

- (i) The PHRO, who initially refused to implement the Accounting Officers directive to initiate the recovery makes good the loss and ensures full recovery by 12th December 2022.**
- (ii) The PHRO should be held liable for insubordination.**
- (iii) The Accounting Officer should ensure full recovery of funds as recommended by the Committee.**

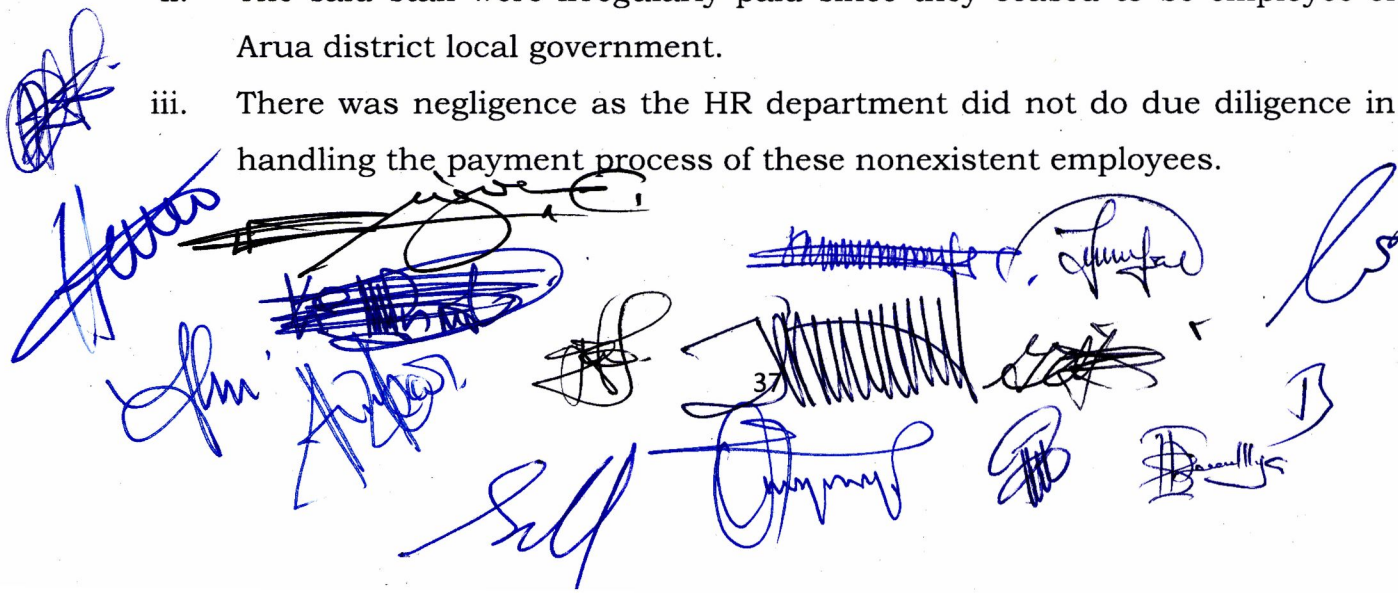
Query 3. Salary payment of non-existent employees

The Audit report revealed that **UGX. 10,115,392** was paid to 15 staff that neither appeared on the IPPS payroll register nor had the necessary documentation in their personal files to support their existence.

The Accounting Officer explained that out of the 15 staff, 14 files were for employees who had transferred their services to Madi-Okollo district and the other one (1) staff is suspected to have transferred services to Terego district although the file had not yet been retrieved. The staff were wrongly coded under Arua district.

Committee Observation

- i. The Committee noted that out of the 14 files presented only four (4) files were cleared as genuine payments.
- ii. The said staff were irregularly paid since they ceased to be employee of Arua district local government.
- iii. There was negligence as the HR department did not do due diligence in handling the payment process of these nonexistent employees.



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Committee Recommendation

The Committee recommends that;

- (i) **The Accounting Officer should liaise with the said districts where the officers are said to have transferred services with a view of recovering the said funds of the 11 employees.**
- (ii) **The Accounting officer and all officers involved in this irregular payment should be reprimanded.**

Query 4. Payment of salary using wrong scales

The Audit report revealed that 64 staff were paid using appropriate salary scale but wrong salary band resulting into overpayments totaling **UGX. 37,427,696** while 6 employees were paid salaries below their applicable salary band resulting into underpayments totaling **UGX. 2,441,988**

The Accounting Officer informed the Committee that;

- i. The officers in question were paid their rightful salaries as per the copies of their pay slips and salary structure issued by the Ministry of Public Service on 1st July 2020 (CSI No.8 of 2020 for the Financial Year 2020/2021, save for Mr Wathum Rogers whose rightful salary was **UGX. 988,562** but was instead paid **UGX. 1,078,162** for a period of 12 months giving a total of **UGX. 1,075,200**.
- ii. The one Officer (Mr Wathum Rogers) in question agreed to have this excess payment recovered from his monthly salary;

Committee Observation

The Committee observed that the officers were paid rightfully except for Mr. Wathum Rogers where recovery was to be effected.

Committee Recommendation

The Committee recommends that the Accounting Officer should ensure full recovery of the amounts from the said officer.

Query 5. Delayed deletion of staff from payroll

The Audit report noted that **UGX.66, 918,755** was paid to 49 staff who had either retired, transferred, absconded or died

The Accounting Officer explained to the Committee that;

- i. The delays were due to wrong coding of institutions in the new District of Madi-Okollo to Arua.
- ii. The challenges were addressed by MoPS effective November 2021 and the coding were aligned to the respective Local Governments.
- iii. Recoveries have been initiated from the respective pensioners during the processing of their gratuity and So far **UGX.25, 729,405** had been recovered from 13 pensioners

Committee Observation

The Committee observed that corrective measures were undertaken although recoveries on some pensioners had not been effected.

Committee Recommendation

The Committee recommends that;

- (i) **The Accounting Officer should ensure full recovery of the said amounts.**
- (ii) **The Accounting Officer should liaise with the districts where these officers were transferred with a view of managing an effective recovery.**

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Query 6. Over/Under remittance of deductions

The Audit report noted that;

- i. Whereas **UGX. 8,409,700,666** was deducted from employees' salaries to be remitted to different beneficiaries, **UGX. 8,364,492,773** was remitted leading to an over and under remittance amounting to **UGX. 246,912,350** and **UGX. 201,704,458** respectively
- ii. The under remittance was caused by wrong coding of Madi-Okollo staff under Arua DLG created obligations of **UGX. 201,704,458** at the year-end which may result in fines and penalties.

The Accounting Officer explained to the Committee that;

- i. The over and under remittance was caused by the use of interface-generated deductions rather than the payroll calculated deductions hence leading to over and under deductions.
- ii. The remittances were reconciled and the coding were aligned to the respective Local Governments.

Committee Observation

The Committee observed that corrective measures were undertaken *and the anomalies were rectified.*

Committee Recommendation

The Committee recommends that the Accounting Officer should ensure due diligence is undertaken in handling matters of payroll management.

Query 7. Non deduction of PAYE from political leaders

The Audit report noted that the District did not subject political leaders' gratuity totaling to UGX. 105,792,166 to the computation of PAYE in IPPS, leading to an non deduction of UGX. 33,858,520

The Accounting Officer explained to the Committee that;

- i. The non-deduction was due to systems challenges whereby the mandate for deduction of PAYE from political leaders lies with MoPS.
- ii. During the Financial year 2021/2022, the MoPS automated the deductions. For the year under review, letters were written to the respective political leaders for recovery.

Committee Observations

The Committee observed that;

- i. The non-deduction was attributed to lack of automated code on the IPPS system to effect the deduction of PAYE from the political leader's gratuity.
- ii. The non-deduction of PAYE caused financial loss to the government.
- iii. There was no proof of efforts to recover the funds from the said political leaders.

Committee Recommendation

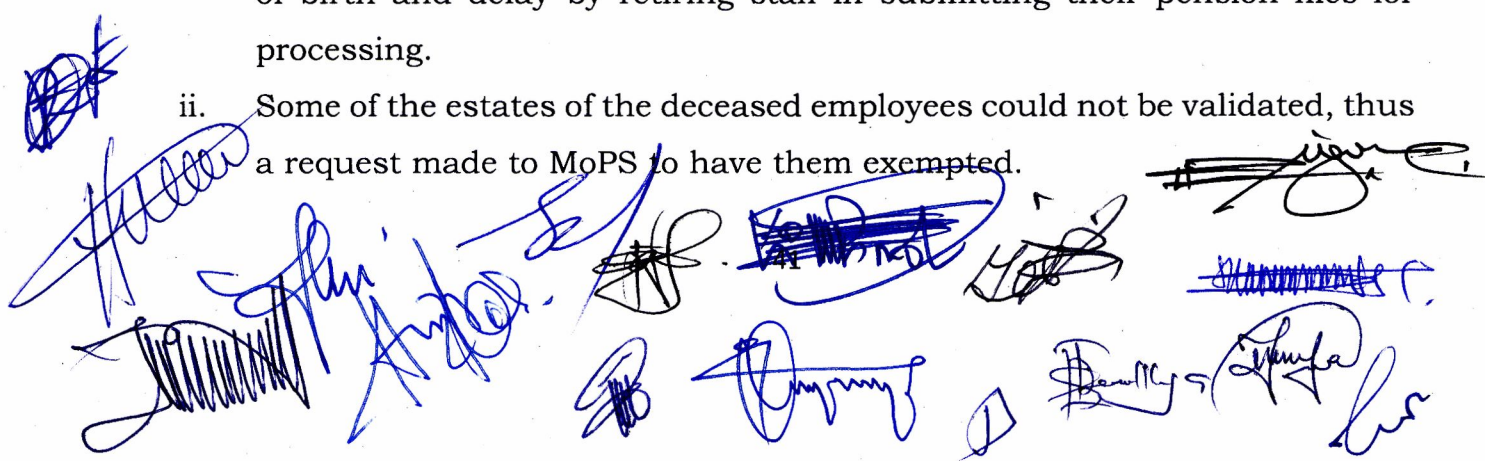
Refer to general recommendation.

Query 8. Delayed access to Pension payroll

The Audit report noted that 58 pensioners delayed to access the pension payroll, for a period ranging up to 5 and half years.

The Accounting Officer explained that;

- i. Delayed access to pension payroll was due to delayed verification of retirees, inconsistencies in retiring staff information such as varying dates of birth and delay by retiring staff in submitting their pension files for processing.
- ii. Some of the estates of the deceased employees could not be validated, thus a request made to MoPS to have them exempted.



Committee Observations

The Committee observed that;

- i. Only 11 out of 58 pensioners had accessed the pension payroll and arrears paid leaving out 47 pensioners with some pending access to the payroll for five (5) years
- ii. Several cases were noted where employees were deliberately deleted from the payroll, with an aim of extorting bribes from them to re access the payroll.

Committee Recommendation

The committee recommends;

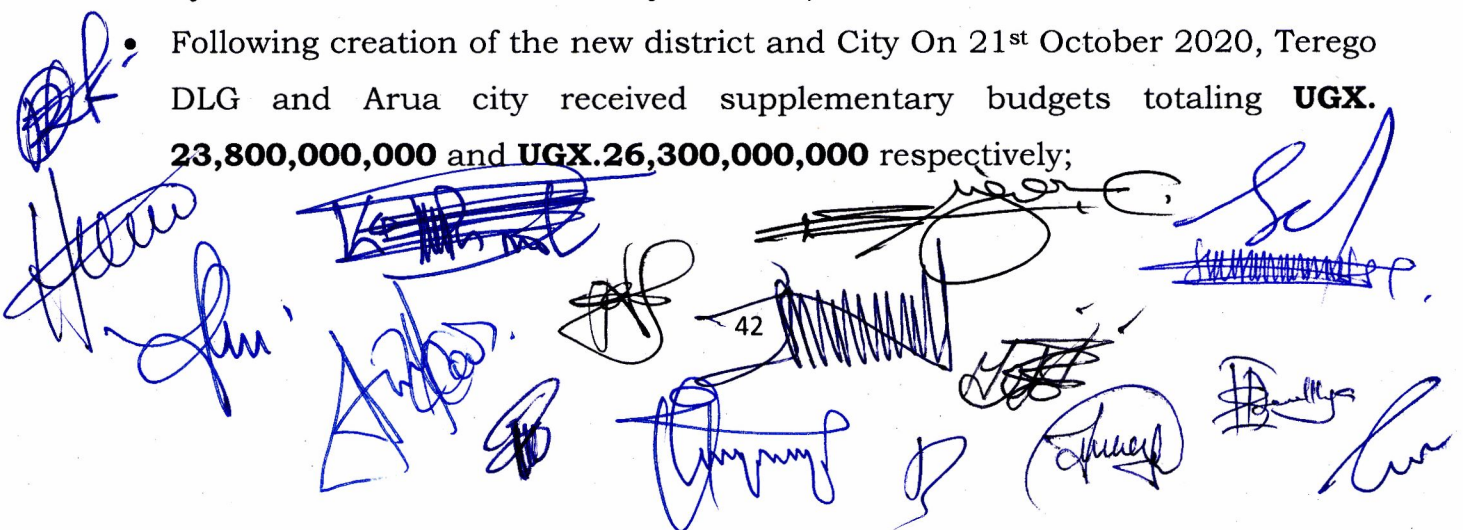
- (i) ***That the remaining 47 pensioners not accessed on the payroll be accessed to the payroll and their arrears verified and paid.***
- (ii) ***Further investigation be conducted in the human resource department to address the irregularities cited above and bring the culprits to book.***

Query 9. Implementation of the approved budget

9.1 Failure to adjust the Arua DLG budget following creation of new local governments

The Audit report noted the following;

- An initial budget of **UGX.98, 000,000,000** was approved for implementation by the district in the financial year 2020/2021.
- Following creation of the new district and City On 21st October 2020, Terego DLG and Arua city received supplementary budgets totaling **UGX. 23,800,000,000** and **UGX.26,300,000,000** respectively;



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- Part of the funds appropriated to the new local governments were from the initial approved budget of Arua DLG.
- The budget of Arua DLG was not adjusted/collapsed following the issuance of the supplementary budgets to the new local governments leading to some activities being undertaken by Arua DLG instead of the new local governments.

The Accounting Officer explained that;

- Following the adjustment of the boundaries of the District, guidance was sought from the Ministry of Finance, Planning and Economic Development and the Ministry of Local Government, but this did not enlist any response or any instructions guiding on how the budget could have been adjusted
- The entity implemented the activities as per the original approved budget, work plan and the Performance Contract signed by the Accounting Officer.
- However, the budgets were adjusted afterwards.

Committee Observations

The Committee observed that;

- The Accounting Officer did not take into consideration the instruction given by the Ministry of Finance, Planning and Economic Development on adjusting the budget.
- At the time of creation of the new administrative entities of Arua city and Terego DLG. Arua DLG had running contracts which needed to be completed before handover.

Committee Recommendation

The Committee recommends that;

- (i) The Accounting Officer works closely with the new administrative entities authorities for successful completion of the projects that were already under construction.***
- (ii) Arua DLG should seek guidance from PPDA on transfer of the projects that are still at design stage or planned projects that have not yet commenced.***
- (iii) The Accounting Officer should comply with the directive issued by the Ministry of Finance, Planning and Economic Development.***

Query 10. Local Revenue (LR) Performance

The Audit report noted that Arua District budgeted to collect **UGX.1, 300,000,000** during the year under review. However, the district collected **UGX.650, 000,000** representing **49.6%** performance.

The Accounting Officer attributed the low local revenue performance to the lockdown as a result of COVID-19 effects and the failure to remit local revenue by Local Governments that were curved out of the original district (Terego DLG and Arua City). However, to boost revenue, a revenue enhancement plan was developed together with an operational enhancement Committee.

The Ministry of Local Government explained that there are weaknesses in local revenue collection and informed the Committee that the Ministry is digitizing local revenue with a yet to be launched Revenue Enhancement Management Strategy.

Committee Observations

The Committee observed that;

- v. The district was greatly affected by COVID-19 pandemic thus the low local revenue performance
- vi. The creation of new administrative units such as Arua city and Terego DLG reduced Arua DLG local revenue base.
- vii. There were leakages and spending at source by lower local governments.
- viii. There was poor local revenue mobilization efforts and abuse of systems.

Committee Recommendation

The Committee recommends that;

- (v) The Accounting officer should ensure that the local revenue enhancement Committee is strengthened.**
- (vi) The Accounting Officer should ensure that the district devises an effective measures to address the leakages, and hold accountable revenue officers who abuse their powers.**
- (vii) The Accounting Officer should ensure that an updated revenue register is in place to track and enhance the revenue performance in the district.**
- (viii) The Accounting Officer should ensure that an effective revenue mobilization and tax education plan is in place.**

Query 10. Performance of GoU receipts- (Transfers received from consolidated fund)

The Audit report noted that the district budgeted to receive **UGX. 71,700,000,000** of this **UGX.61,500,000,000** was received representing **85.8%** performance.

The Accounting Officer explained that the Shortfall was occasioned by the Covid-19 effects and the entity could not revise its budget due to a non-functional District Council.

Committee Observations

The Committee noted that Covid-19 budget cuts affected the district budget performance.

Committee Recommendation

Refer to general recommendations.

Query 10. Misclassification of Expenditure

The Audit report noted that funds to the tune of **UGX. 373,406,160** were inappropriately charged to various codes. It was also noted that funds to the tune of **UGX. 93,269,685** were spent on other activities without seeking and obtaining the necessary approvals.

The Accounting Officer explained that;

- i. There was no diversion of funds, the district had planned for the construction of designed pipe water supply system in Logiri under USMID funding source. However, during budgeting using the PBS, constructions of VIP latrines at Katrini and Arivu Sub-Counties and the rehabilitation of 10 deep bore holes were planned under the Sector conditional grant as the major source of financing.
- ii. The USMID component remained unspent by close of FY. All the payments effected were paid under water sector conditional grant code hence no diversion of funds.

Committee Observations

The Committee noted that the misclassification of budget codes was a result of wrong coding on the PBS by the planner.

The Committee also noted that there was diversion of funds without proper approvals.

Committee Recommendation

Refer to general recommendation

Query 11. Unrecovered YLP Programme Funds

The Audit report noted that out of the total disbursement of **UGX. 2,194,936,750**, only **UGX. 445,418,070 (20.2%)** had been recovered and transferred to BOU and an amount of **UGX. 1,793,009,954 (79.8%)** remained outstanding.

Performance of selected Youth Projects

The auditor general conducted inspections of two Youth Projects and found the following;

1. Lazebu Central Produce Traders

The group was funded to a tune of **UGX. 8,000,000** in the FY 2017/2018 and had not yet made any payment.

2. Abira Alur Youth Grind Milling Project

- The Group was funded to a tune of **UGX. 7,000,000** in the FY 2019/2020 and had only paid **UGX. 200,000** of its outstanding amount. The grind mill had broken down with no funds to repair it.

The Accounting Officer did not have the details of the recoveries since realised.

Committee Observation

The Committee observed that the performance of YLP was generally low and there no efforts to make recoveries.

Committee Recommendation

Refer to general recommendation on YLP.

Vote 557. BUTALEJA DISTRICT LOCAL GOVERNMENT (Qualified opinion)

Query 1. Unsupported Adjustments

The Audit report noted that the opening balance in the statement of equity (Net Worth) was adjusted by UGX. 631,011,062. However, the documents and schedules supporting the adjustment were not availed for verification.

The Accounting Officer regretted the anomaly and undertook to ensure that the financial statements are prepared in accordance with the applicable regulatory frame work with supporting documents.

Committee Observations

The Committee Observed that there was no supporting document to justify the adjustment.

The Accounting Officer failed to perform his duty as required by law.

Committee Recommendations

The Committee recommends that;

- (i) **The Accounting Officer should be held liable for failure to perform his duty.**
- (ii) **The Accounting officer desist from such practices that contravenes provisions of the law.**

Query 2. Unaccounted for expenditure

The Audit report noted that a total of UGX. 107,524,840 was advanced to officials to carry out various activities but remained unaccounted for.

The Accounting Officer took responsibility for the weakness in advancing money to staff beyond financial year and explained that the money was advanced for administrative activities like trainings and submission of the accountability was delayed.

Committee Observation

- i. The Accounting Officer breached Regulation 43(2) of the Local Government Finance and Accountability Regulations, 2007 which requires accountabilities to be retired within one month.
- ii. The list of the recipients of these advances was not provided to the Committee for scrutiny;
- iii. Payments to Jenena General Enterprises Ltd for construction of a house in Butaleja is doubtful as several payments were made on the same day;

Committee Recommendations

The Committee recommends that;

- i. ***The sum of UGX. 107,524,840 advanced to the officers be recovered from the respective officers by 30th September, 2022.***
- ii. ***The Police should carry out investigations into the conduct of Jenena general enterprises and the district officials involved with a view of prosecution.***
- iii. ***The Committee recommends that PPDA investigates Jenena General Enterprises with a view of blacklisting.***

Query 3. Non-deduction of PAYE from political leaders

The Audit report noted that the District did not subject political leaders' gratuity totaling to UGX. 43,502,261 to the computation of PAYE in IPPS, leading to loss of UGX. 13,074,078. The Auditor General advised the Accounting Officer to ensure that Political leaders' gratuity is included in the gross taxable income when computing PAYE.

The Accounting Officer explained that for the financial year 2021/22, political gratuity was taxed.

Committee observation

The Committee observed that this was occasioned by the lack of a code on the IPPS system to automatically deduct PAYE from the Political leaders.

The Committee recommends that;

Refer to general recommendations.

Query 4. Performance of YLP

Included in the statement of financial position and note 19 to the financial statement are receivables amounting to **UGX. 1,242,695,260**. The District is at a risk of failing to recover the money given the poor recovery rate and failure by the Ministry of Gender and Social Development (MoGLSD) to provide money for monitoring and collection.

The Accounting Officer explained that the money has accrued for a number of years and recovery rate is low at a rate of 20%.

Committee observation

The Committee observed that;

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- (i) Most of the district local governments did not have proper recovery plans and data on the beneficiary groups;
- (ii) Causal factors for low recovery of funds under the Program were far beyond the management and control of the local governments. The aspect of misconception of the Program among the Youths and project neglect were key determinants for low recovery rates.

Committee Recommendations.

Refer to general recommendations.

Query 5. Local Revenue Performance

The Audit report noted that the District budgeted to collect UGX. 351,612,589 during the year but collected UGX. 138,922,585 representing (40%) performance. The shortfalls in Local Revenue collections of UGX. 212,690,004 (60%) were recorded.

The Accounting Officer explained that Creation of functional utilities and awarding to competent tenderers has been done to expand the revenue base and collection.

Committee Observation

The Committee noted that the underperformance was a result of COVID-19 pandemic.

Committee recommendation

Refer to general recommendations.

Query 6. Transfers from other Government Units/Other Government Transfers

The Audit report noted that the entity budgeted to receive UGX. 7,964,270,061 as transfers from other Government Units. However, only UGX. 1,079,971,210 (14%) was received.

Committee Observations:

The Committee observed that;

- (i) The Committee noted that this matter was across many local governments and the shortfalls were beyond their control;
- (ii) The Committee observed that failure to release the budgeted funds affects project implementation.

The Committee recommends

Refer to general recommendation.

Query 7. Absorption of funds

The Audit report noted that out of the total receipts for the financial year of UGX. 32,265,176,283, the district spent UGX. 30,241,709,120 (94%) resulting in an unspent balance of UGX. 2,023,467,163 (06%). The funds that were swept at the end of the F/Y were for salaries and UGIFT projects.

The District had an approved staffing structure of **2,760 staff** and by the close of the year, **2,064 positions** (representing 75%) were filled, leaving 696 positions vacant. Key positions, included District Education Officer, District Natural Resources Officer, District Production Officer, Principal Agricultural Officer, District Planner, and District Engineer, among others, were vacant.

Committee Observations:

The Committee observed that;

- (i) The districts' staffing norm stood at 75% and the most affected positions were of high caliber staff.
- (ii) The failure to fill all the vacant position cost the district to return funds back to the treasury.

Committee Recommendation

Refer to the general recommendations.

Query 8. Implementation of Capital Works

8.1 Failure to deliver the desired quantities and specifications of ICT equipment to Nakwasi Seed Secondary School under Education Department

It was noted that during the year under review, the district contracted M/s Masaka Agricultural Dealers Enterprises (U) Ltd to supply ICT equipment, Science kits, and Chemical reagents to Nakwasi Seed Secondary School at a contract sum of **UGX. 207,490, 000** out of which **UGX.193,636,000** had been paid to the contractor. Audit found out the following;

SN	Item	Quantity Ordered	Quantity Delivered	Inspection Findings	Audit Conclusion
1	Desktop Computers (complete set)	28 sets	28 sets	28 Desktop computers supplied had a Random Access Memory (RAM) of 4 GB rather than the 8 GB specified in the contract and LPO	Desktop computers supplied did not meet the agreed specifications
2	Power Surge Protectors	10 pieces	05 pieces	Only Five (05)pieces were delivered out of the Ten (10) specified in the contract and LPO	Quantity delivered was less than contracted quantity (only 50% delivered)
3	CCTV camera (complete system)	01 complete system	Incomplete set	The delivery only included One (01) Digital Video Recorder (DVR) and One (01)	The supplier did not deliver a complete

				mouse. Undelivered items included One (01) 18-inch Monitor screen, One (01) dome camera, and One (01) keyboard.	CCTV camera system as per the contract
4	Patch panel 48 Port	02 pieces	01 piece	Only One (01) piece was delivered out of the Two (02) pieces specified in the contract	Quantity delivered was less than contracted quantity (only 50% delivered)

The Audit report also noted that the ICT equipment were neither verified nor tested by technical personnel upon delivery thus supplies fell short of the agreed quantities and specifications. The ICT equipment had also not been installed at the Seed Secondary School due to delayed completion of construction works.

The Accounting Officer explained that;

- i. The service provider delivered the equipment after working hours (6:00pm) and there were no technical staff to inspect the delivery, and efforts to invite the service provider to install the equipment were futile.
- ii. Both the supplier and the contractor, were procured by the Ministry of Education and Sports.

Committee observation

The Committee observed that;

- i. The Contractor was paid more money than what they delivered and the equipment were less than what was ordered
- ii. It was irregular for a contractor to deliver items after working hours
- iii. The district paid the contractor almost 100% despite the shortfall in the items delivered.

The Committee recommends that;

- (i) **The Committee recommends that the police investigates the Accounting Officer involved in the transaction, the DEO, and the**

responsible staff at the Ministry of Education and Sports for these gross irregularities.

- (ii) The Contractor be held liable for contravening contractual obligations and defrauding government.**
- (iii) The Accounting Officer should ensure that all items ordered are delivered in line with the specifications of the contract.**

Query 8.2 Construction of OPD at Bingo Health Centre II under DDEG

8.2.1 Delayed completion of civil works

The Audit report noted that, after a physical inspection of the civil works carried out on 13th September, 2021, it was revealed that;

- Fixing of doors, furniture & fittings, painting, water systems & appliances, drainage works, electrical installations, solar power supply and lighting, and fire-fighting equipment had not been done
- The site had been abandoned by the contractor.
- There were no measures in place to protect the site from being accessed by unauthorized persons.
- There was no project sign post describing the nature of works, source of funding, employer, contractor, project manager, and other details.

The Accounting Officer explained that the concerned contractors were called to put right all defects and those who did not comply were arrested. However, the 95% payment was made depending on the certificates issued from the user department. Inspection was done and the contractor asked to complete all the works. She further explained that the money was paid to the bank and instructed not to release money until the works were done. The contractors were advised to get bank security on condition that they were to be paid upon completion of the work.

Committee Observation

The Committee observed that;

- (i) The Contractor was paid 95% of the contractor sum before completion of the works leaving only 5% as retention to be paid after the defects liability period.
- (ii) This payment was irregular and contrary to procurement laws.

Committee Recommendations

The Committee Recommends that;

- (i) ***The Police investigates the officers who were responsible for this project (Accounting Officer, Engineer, internal Auditor, CFO and DHO) with a view of possible prosecution.***
- (ii) ***The Accounting Officer should ensure that the contractor meets his contractual obligations.***
- (iii) ***The Accounting Officer should desist from transactions that cause financial loss to government.***

8.2.2 Payment for unexecuted works

The Audit report noted that the contractor had been paid a total of **UGX. 131,969,535** out of the contract price of **UGX.138,915,299**, contrary to the conditions of the contract since the works were incomplete. Apparently the amount paid was equivalent to the full contract price excluding 5% retention.

The Accounting officer explained that the works were implemented towards the end of the Financial Year, thus the fear of money being swept back to the consolidated fund. The advice was that a bank guarantee is got on condition that the bank releases the money after completion of funds. However, there were no certificates against the payment.

Committee Observation

The Committee observed that;

- i. The contractor had been paid 95% of the contract sum before completion of the works contrary to the requirements of the procurement laws.
- ii. Payments were made without certificates.

Committee Recommendation

The Committee recommends that;

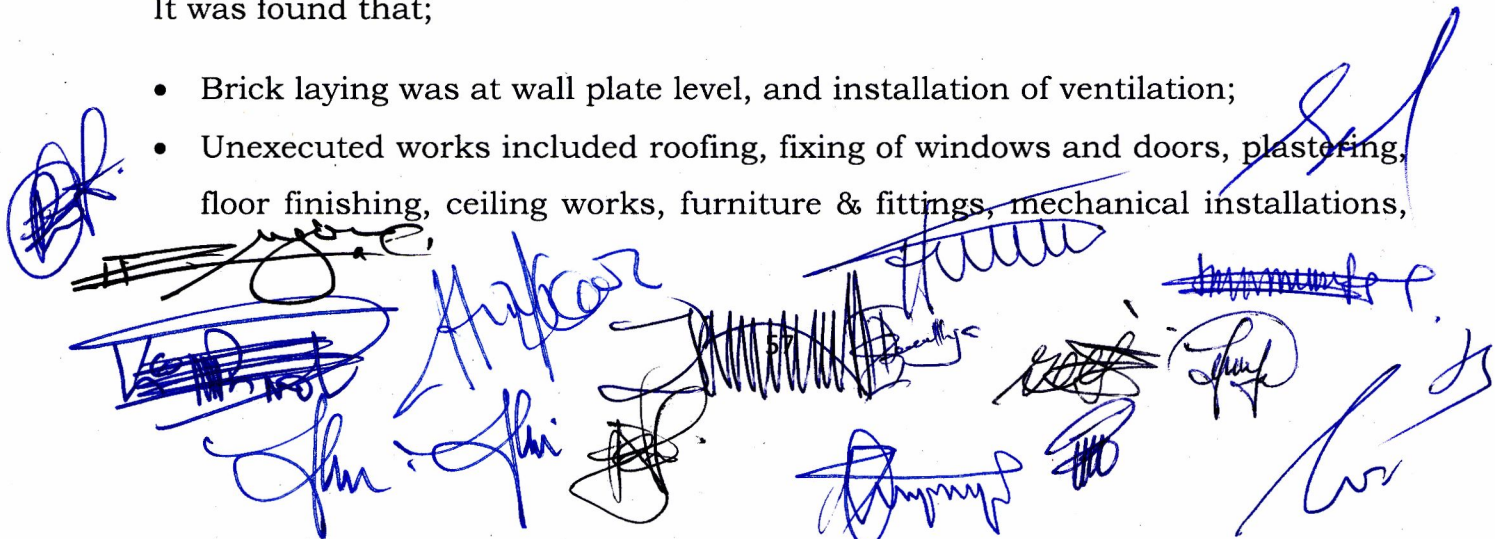
- (i) **The Accounting Officer and all the officers involved in this project be held personally liable and the police should carryout investigations with a view of possible prosecution.**
- (ii) **The Accounting Officer should ensure the completion of this project as planned and in-line with the contractual specifications.**

8.2.3 Construction of a General Ward at Budumba Health Centre III under PHC

The Audit report noted that the district contracted M/s Petex (U) Ltd to construct a General Ward at Budumba HC III at a contract price of **UGX.99,566,040**. The works were to be completed on 30th April, 2021; the completion date was subsequently extended to 30th June, 2021. By the close of the financial year a total of **UGX.94, 587,738** had been paid to the contractor.

It was found that;

- Brick laying was at wall plate level, and installation of ventilation;
- Unexecuted works included roofing, fixing of windows and doors, plastering, floor finishing, ceiling works, furniture & fittings, mechanical installations,



electrical installations, and general finishing and painting works, among others.

- The site had long been abandoned by the contractor.
- There was no project sign-post describing the nature of works, source of funding, employer, contractor, project manager, and other required details.

The Accounting Officer acknowledged the observations and explained that the circumstances related to those as in **query 8.2.2 above**, however the works were at beam level.

Committee Observation

The Committee observed that the situation was related to **query 8.2.2** and the works were still not yet complete.

Committee Recommendation

Refer to above query (8.2.2).

8.3 Construction of a two-Classroom Block with an Office and Store at Busolwe Township P/S under SCD

The Audit report revealed that the district contracted M/s Dalach Investments Ltd to carry out the construction of a 2-Classroom Block with an Office and Store at Busolwe Township Primary School at a contract price of **UGX. 61,891,755**. The works commenced on 11th January, 2021 with a planned completion date of 30th April, 2021. By the close of the financial year a total of **UGX. 59,227,390** had been paid to the contractor.

A review of the contract file and inspection of the civil works carried out on 10th September, 2021 revealed the following;

- Poor quality of windows installed on the building. At least 13 windows could not open/close properly.
- Poorly constructed floor and veranda. Sections of the floor and veranda had glaring cracks.

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- Concrete slabs at the front door were poorly fixed.

The Accounting Officer acknowledged the observation made from the inspection and explained that the circumstances related to those as in **query 8.2.2**.

Committee Observation

*The Committee observed that the situation was related to **query 8.2.2** and the works were still not yet complete.*

Committee Recommendation

Refer to recommendations under query 8.2.2 above

8.4 Construction of a 2-Classroom Block with an Office and Store at Busaba Project P/S under SCD

The District contracted M/s Enve Engineering Consults Ltd to carry out the construction of a 2-Classroom Block with an Office and Store at Busaba Project Primary School at a contract price of **UGX.61,919,390**. The works commenced on 18th December, 2020 with a planned completion date of 30th April, 2021 which was subsequently extended to 30th June 2021. By the close of the FY **UGX.59,200,570** had been paid to the contractor.

A review of the contract file and the inspection of the civil works carried out on 13th September 2021 revealed the following;

- The contractor used iron sheets of gauge-30 instead of Gauge-28 as specified under Section 3(g) of the Bills of Quantities.
- Poorly constructed floor: Glaring cracks were observed in some sections of the floor.
- The veranda was poorly constructed and had started collapsing.
- The Auditor General advised the Accounting Officer to ensure that the identified defects are rectified.

Committee observation.

The Committee observed that the situation was related to **query 8.2.2** and the works were still not yet complete.

Committee Recommendation

Refer to recommendations under query 8.2.2 above.

Query 9. Routine Mechanized Maintenance of Butaleja-Suni-Lwamboga Road (5.6 km)

The Audit report noted that the district undertook routine mechanized maintenance of Butaleja-Suni-Lwamboga Road (5.6 km) at a cost of **UGX.15,275,190** during the fourth quarter of the financial year 2020/21.

Physical inspections carried out on 19th August, 2021 revealed the following:

- Lack of mitre drains on the road, which left the side drains flooded on rainy days.
- The floods weaken the road surface and inconvenienced road users.
- The culverts were not installed as planned, and this left the road susceptible to flooding and erosion.
- The Auditor General advised the Accounting Officer to ensure effective execution and supervision of the road works.

Committee observation

The Committee observed that;

- (i) The road works were incomplete;
- (ii) There was generally poor workmanship.

Committee Recommendation

The Committee recommends that the Accounting Officer and officers responsible be held liable for shoddy works.

9. 1 Routine Mechanized Maintenance of Nabinghande-Leresi TC Road (5.5 km)

The District undertook routine mechanized maintenance of 5.5 km along Nabinghande-Leresi TC Road at a cost of **UGX. 16,156,450** during the fourth quarter of the period under review.

Physical inspections of the road project on 19th August, 2021 revealed the following:

- Gravel was heaped up in some sections of the road.
- Culverts had not been installed on the road as planned. This left the road susceptible to flooding and erosion.
- The Auditor General advised the Accounting Officer to ensure effective execution and supervision of road works.

Committee observation

The Committee observed that;

- (i) The road works were incomplete;
- (ii) There was generally poor workmanship.

Committee Recommendation

The Committee recommends that the Accounting Officer and the officers responsible be held liable for shoddy works.

9.2 Routine Mechanized Maintenance of Doho-Namulo Road (4 km)

The district undertook routine mechanized maintenance of Doho-Namulo Road (4 km) at a cost of **UGX.11,750,150** during the fourth quarter of the period under review.

Physical inspections carried out on 19th August, 2021 revealed the following:

- Gravel was heaped up in some sections of the road rather than being applied to the road surface.

- Gravel in some sections of the road was loose due to poor application and compacting. The affected areas were left slippery and susceptible to erosion.
- Culverts had not been installed on the road as planned, while the old culvert lines had collapsed and were filled with silt. This left the road susceptible to erosion flooding.
- The Auditor General advised the Accounting Officer to ensure effective execution and supervision of road works.

Committee observation

Observations are the same as in query 9.1 above.

Committee Recommendation

Refer to recommendations under query 9.1 above.

9.3 Routine Manual Maintenance of Nalusaga TC-Kanyenya Road (5.3 km)

The Audit report revealed that the District undertook routine mechanized maintenance of Nalusaga TC Kanyenya Road (5.3 km) at a cost of **UGX. 446,000** during third and fourth quarters of the period under review.

Physical inspections carried out on 19th August, 2021 revealed the following:

- Blocked culvert lines: Some culvert lines were filled with silt and could therefore not provide an easy passage for running water on rainy days, as intended, which exposes the road to flooding, erosion, and loss of shape.
- Some sections of the road sides were engulfed in overgrown bushes. This was an indicator that bush-clearing was not consistently slashed by the Road gangs. The overgrown bushes reduced the width of the road.
- The Auditor General advised the Accounting Officer to ensure effective execution and supervision of road works.

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Committee Observation

The committee observed that

- (i) There was clear sign of poor workmanship;
- (ii) There was negligence and lack of supervision in the execution of the project.

Committee Recommendations

Refer to the recommendations under query 9.1 above.

10.0 Procurement

10.1 Lack of contract management plans and reports

A review of 10 procurement files for contracts worth **UGX. 658,614,057**, revealed that the files lacked Contract Management Plans and Contract Management Reports. The Auditor General advised the Accounting Officer to ensure that contract managers are appointed and that they always play their due role including preparation of contract management plans and reports.

Committee Observation

The Committee noted that the district did not have evidence on their preparedness to comply with the law in the subsequent procurements.

Committee Recommendation

The Committee recommends that the Accounting Officer should ensure that there is compliance with the PPDA requirements and guidelines.

VOTE 547: PADER DLG (Unqualified Opinion)

Query 1. Nonpayment of Pension

The Audit report noted variances between amounts on the payroll and payments to individual pensioners, leading to nonpayment of UGX. 910, 301,025.

The Accounting Officer attributed the nonpayment of pensions to insufficient funds in the financial year under review.

Committee observations

The Committee noted that the anomaly had been caused by lack of budget to pay the pensions. However, the Committee also observed that the district had made provisions in the subsequent FY 2021/22 budget.

Recommendations

The Committee recommends that the District should ensure that funds for pensions are provided for in the budget.

Query 2. Delayed deletion of staff from payroll

The Audit report noted that UGX. 7,410,931 was paid to 7 staff who had either retired, transferred or had died.

The Accounting Officer explained that Ayella Albino who was paid UGX 7,410,931, had been removed from the payroll in July, 2020 and re-instated in August 2020 and was paid salaries from August 2020 to April, 2021. The rest of the other six employees were not paid. Ayella had left the district without permission and on return was reinstated leading to payment of the UGX 7,410,931 as salary arrears. The Accounting Officer regretted the delay and undertook to ensure that a similar scenario does not re - occur.

Committee Observation

The Committee noted that delayed deletion of staff from the payroll upon transfer, retirement and even death leads to loss of funds to government.

Committee Recommendation

Refer to general recommendation

Query 3. Management of Payroll Deductions

i) Over remittance of deductions

The Audit report noted that UGX. 3,380,718,416 was deducted from employees' salaries to be remitted to different beneficiaries, instead UGX. 3,427,167,038 was remitted, leading to an over remittance of UGX. 46,448,622.

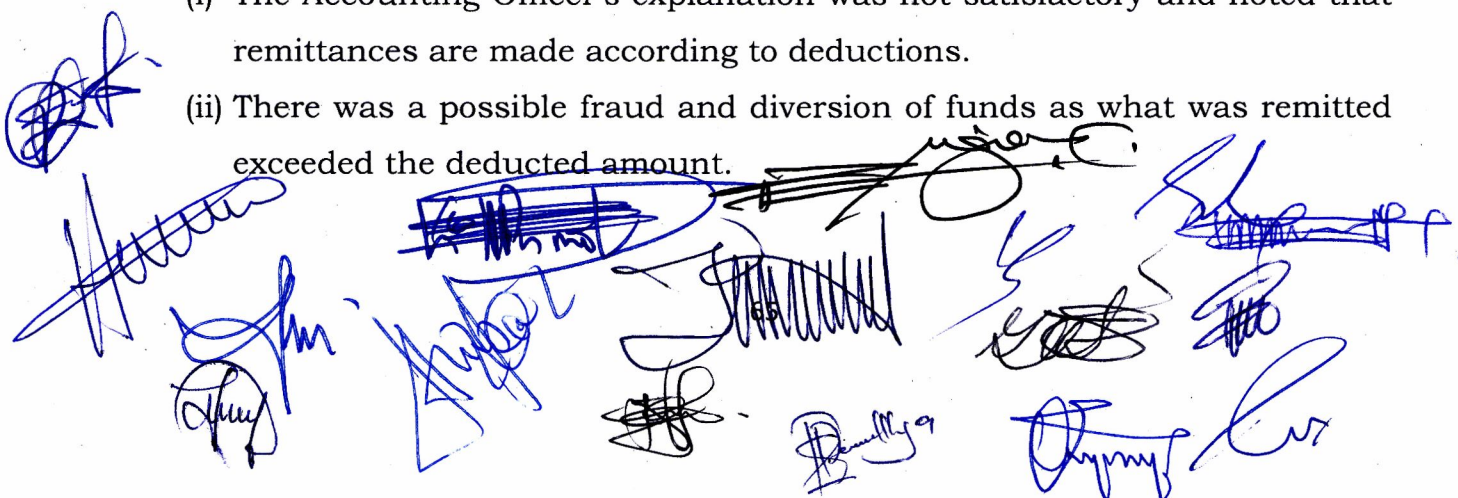
The Accounting Officer explained that the over remittance occurred due to short falls in salary for the financial year 2019/2020 that affected remittance of salary deductions. The district received claims from Uganda Consumer Lenders Association (**UCLA**) and URA which have since been settled.

DATE	INSTITUTION	AMOUNT
22 nd March 2021	UCLA	2,541,081
30 th April 2021	UCLA	36,433,499
	URA	11,326,756
TOTAL		50,301,336

Committee observation

The Committee observed that;

- (i) The Accounting Officer's explanation was not satisfactory and noted that remittances are made according to deductions.
- (ii) There was a possible fraud and diversion of funds as what was remitted exceeded the deducted amount.

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Committee recommendations

Refer to general recommendations.

Query 4. Non deduction of PAYE from Political leaders

The Audit report revealed that the district did not subject political leaders' gratuity totaling to UGX. 24,630,200 to the computation of PAYE in IPPS, leading to non-deduction of UGX. 7,389,060.

The Accounting Officer explained that the deductions should have been automated by Ministry of Public Service. The district did not act because no instruction had been received to make the deductions outside the payroll. When manual deductions are done, the pay slips continue reading the original salary minus the PAYE yet the fund received on individual Account shows the deduction.

Committee Observation

The Committee observed that;

- (i) The provision for deduction of taxes on gratuity for political leaders under the IPPS was not automated.
- (ii) The District did not seek guidance from the Ministry of Public Service;

Recommendation

Refer to general recommendations

Query 5. Payables (Accountable advances of UGX. 216,300,000)

The Audit report noted that Accountable payables related to previous financial years amounting to UGX. 216,300,000 remained unaccounted for.

The Accounting Officer acknowledged the finding, and explained that these were advances to staff to carry out certain activities in 2018/19. The staff were communicated to by the Accounting Officer at the time to ensure recovery of these funds.

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Committee observation

The Committee observed that the Accounting Officer was reluctant to recover the funds as the query has been outstanding for over three years.

Committee Recommendations.

The Committee recommends that;

- (i) The Accounting Officer should ensure that the concerned staff make good the loss.***
- (ii) The Accounting Officer desists from such practices that contravenes the spirit of the law***

Query 6. Receivables

The Audit report noted long outstanding debtors (Advances) amounting to UGX. 927,029,154. A detailed review of the categorization and aging of the receivables in the financial statements revealed that out of the outstanding receivables, the entire amount of UGX. 927,029,154 relates to the previous financial years.

The Accounting Officer explained that the long outstanding debtors relates to advances made to the YLP and UWEP groups but not yet fully recovered. However, management met with the sub county stakeholders to strategize on how these groups can be made to pay back the Money on time. As a result of the meeting a decision was reached to reschedule the repayment and currently the groups are being followed to ensure that they observe the new repayment Schedule so that the recovery is made within the agreed time frame.

Committee observation

The Committee observed that;

- (i) The district had poor recovery levels of the YLP and UWEP;***
- (ii) The district had made efforts in trying to enhance recovery through the sub county engagements and new recovery schedules.***

Committee Recommendation

Refer to general recommendations

Query 7. Implementation of UGIFT

Upgrade of Lapul Ocwida HCII to III

The Audit report noted that due to heavy rains, the contracts committee approved an extension of the project completion period to 30th Oct 2019. On 2nd June 2020, the Contracts Committee approved another extension of the project for a period of 3 months i.e., to 30th September 2020. However, by the time of audit (28th October 2021), the Project had not been completed. A total of UGX.442, 085,700 (representing 88% of the contract price) had already been paid to the contractor. The balance on the contract may not be adequate to complete the Project. In addition, the contractor has since abandoned the site. The Accounting Officer explained that for Lapul-Ocwida, the Solicitor General served the Contractor with a letter of an intension to Sue and he requested to complete the work by end of May 2022. However, value of incomplete work stands at 191million at the time of interaction with the Committee.

Committee observation

The Committee observed that;

- (i) Clear signs of poor contract management by the district.
- (ii) Numerous extensions of the contract was not in line with the requirements of the law.
- (iii) The District had spent much more money compared to the works done.

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Committee Recommendations

The Committee recommends that;

- (i) The Accounting Officer should ensure that execution of the project sticks to the contractual obligations and in line with the laws.**
- (ii) The Accounting Officer and the officers responsible for the implementation of this project be held liable for the losses.**
- (iii) The Ministry of Health should review the implementation of UGIFT projects with a view of discontinuing the hybrid procurement modality.**

VOTE 532. LUWEERO DLG (Unqualified Opinion)

Query 1. Over payment of salary

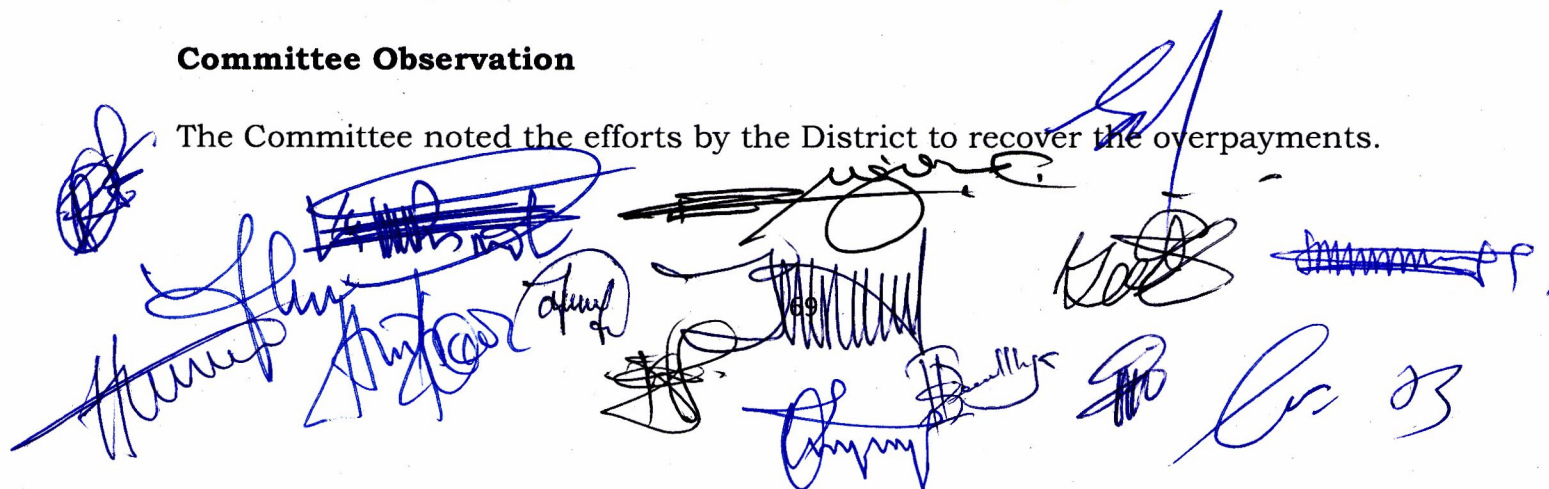
The Audit report revealed variances between amounts on the approved payroll and payments to individual employees, leading to over payment of UGX **150,000,000**

The Accounting Officer attributed the overpayment to system errors on the IFMS during the process of upload which caused duplications in payments thus the overpayment

The Accounting officer also informed the Committee that beneficiaries were contacted and recovery was initiated and UGX 117,928,644 had since been recovered and by August 2022 all recoveries will be completed.

Committee Observation

The Committee noted the efforts by the District to recover the overpayments.

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Committee Recommendation

The Committee recommends that;

- (i) ***The Accounting Officer should stick to the agreed recovery plan and ensure that full recovery is effected.***
- (ii) ***The Accounting Officer should ensure due diligence is made in payroll management to avoid similar irregularities.***

Query 2. Non deduction of PAYE from Political leaders

The Audit report noted that the District did not subject political leaders' gratuity totaling to **UGX.50, 000,000** to the computation of PAYE in IPPS, leading to a non-deduction of **UGX.15, 000,000**.

The Accounting Officer added that the majority of the political leaders have left office and only a few returned.

Committee Observation

The Committee made the following observations;

- (i) The provision for deduction of taxes on gratuity for political leaders under the IPPS system was not automated resulting into the failure by the district to carry out manual deduction.
- (ii) The district did not engage the Ministry of Public Service on the alternative mode of deduction in the absence of an automated deduction.

Committee Recommendation

Refer to general recommendations.

Query 3. Access to payroll by ineligible persons

The Audit report noted that one (1) ineligible person accessed the payroll using forged Education Service Commission (ESC) minutes

The Accounting Officer acknowledged the anomaly and explained that affected person joined the service in 2005 before the system was decentralised and in 2020 a request was made to MoES for the officer to be confirmed in service. A response from the ESC indicated a one Kiyimba Yahaya was never appointed by the ESC and therefore should be deleted from the pay roll with immediate effect.

Committee observations

The Committee observed the following;

- (i) The Officer defrauded Government of UGX. 141,158,520 which was wrongfully paid to Kiyimba Yahaya for a period of 15 years.
- (ii) Kiyimba Yahaya had not even done interviews for that position he occupied for 15 years as all the documents were forged.
- (iii) The District had not taken steps to recover the money that was fraudulently obtained by Kiyimba Yahaya.

Committee Recommendations

The Committee recommends that;

- (i) ***Kiyimba Yahaya be investigated by the Police with a view of a possible prosecution.***
- (ii) ***The Accounting Officer should ensure full recovery of the UGX. 141,158,520 from Kiyimba Yahaya is made.***
- (iii) ***The Police should investigate the officials responsible for the recruitment of Kiyimba Yahaya with a view to prosecute those found culpable.***

Query 4. Local Revenue (LR) Performance

The Audit report noted that the district budgeted to collect **UGX.3, 383,195,858** during the FY but only realized **UGX. 2,065,297,399** representing **(61%)** performance. The shortfall in Local Revenue collections of **UGX. 1,317,898,459 (39%)** was recorded.

The Accounting Officer acknowledged the shortcoming and attributed it to the effects of Covid-19 and reported that the entity developed a revenue enhancement plan to boost its performance.

Committee Observation

The Committee observed that;

- (i) The under collection of local revenue was as a result of the abnormal circumstances caused by the outbreak of COVID-19 and the subsequent lockdown.

The Committee acknowledged that the 61% performance was fair considering the challenges at the time.

Committee Recommendation

Refer to general recommendations.

Query 5. Royalties due to Luwero District

The Audit report noted that the district has several mineral deposits in the sub-counties of Ziobwe, Butuntumula, Kalagala and Makulubita which are being mined by private companies including Bancheng Construction Company, African Asian Construction Company and Xing Tong Ltd among others; which are not paying royalties due to the district. In the circumstances, the district lost out on the much needed royalties which could be used to improve local revenue and ultimately, service delivery.

The Accounting Officer explained that a follow up was made to the Ministry of Energy and Mineral Development and UGX. 65,000 was deposited to the general fund account

Committee Observation

The Committee made the following observations;

- (i) UGX 65,000 was way too low compared to what the district is capable of collecting as royalties.
- (ii) Mining companies cheat the Local Governments because of lack of technical capacity and information about what is due to them.
- (iii) The District did not have any knowledge of environmental impact assessment conducted by the companies mining before starting their activities.
- (iv) The District could not explain the basis of payment of UGX 65,000 as royalty since they did not have idea of the quantity of the mineral mined.
- (v) There was laxity in the district to explore avenues of getting revenues from royalties.

The Committee recommends that;

- i. The district leadership engages the Ministry of Energy to prevail over the different mining companies with a view to secure Royalties for the DLG;**
- ii. The Accounting Officer should make follow up with Ministry of Energy with a view of obtaining more information about the activities of the mining companies**
- iii. The Accounting Officer should ensure that there is compliance with the law before any mining commences.**
- iv. The Accounting Officer should ensure that all mining activities without environmental impact assessment certificate are discontinued.**

- v. ***NEMA and the district should carry out a detailed assessment of the environmental impact of the mining activities with view of holding the mining companies accountable.***
- vi. ***The Ministry of Energy should build the capacities of the local leaders to appreciate their rights and duties in the mining sector.***

Query 6. Lack of Lease Register

A review of the land management under lease arrangement revealed that the District did not have a lease register.

The Accounting Officer acknowledged the anomaly and explained that the entity had embarked/planned for the activity in the FY2021/22.

Committee Observation

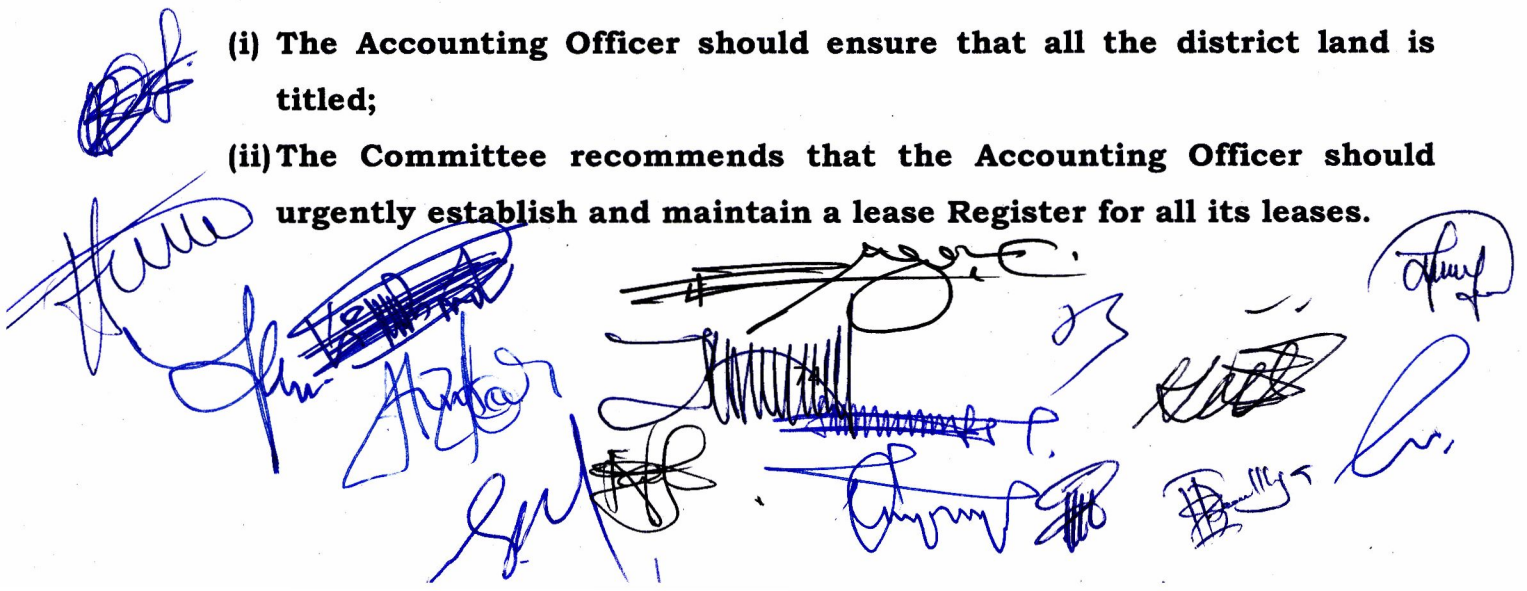
The Committee observed that:

- (i) There was negligence in the district in ensuring the protection of Government land as a number of its plots of land were not titled.
- (ii) The absence of a register exposes the district lands to danger of loss and mismanagement of the district leases/land.
- (iii) The district is unable to track the local revenue earned from its leased lands because of lack of lease register.

Committee Recommendation

The Committee recommends that;

- (i) **The Accounting Officer should ensure that all the district land is titled;**
- (ii) **The Committee recommends that the Accounting Officer should urgently establish and maintain a lease Register for all its leases.**

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VOTE 634 KARENGA DLG ((Unqualified Opinion)

Query 1: Payroll Management.

Budgeting for salaries, pension and gratuity

Non-inclusion of IPPS Recurrent Costs in Budget Estimates

Government of Uganda (GoU) classifications and charts of accounts issued in June 2018 describes IPPS recurrent costs under code 221020 and provides that for budgeting purposes, this account shall be charged with costs directly and distinctly related to the maintenance and running the IPPS computerized system. However, the Audit report revealed that the approved budget IPPS recurrent costs were not budgeted for.

Committee Observations.

- i) The Committee noted that the district failed to comply with the guideline hence the failure to provide a budget.
- ii) The failure to provide for the recurrent cost of the IPPS affects the operations of the system.

Committee Recommendations

The Committee recommends that;

- i) ***The Accounting Officer should ensure that there is budgetary provision for the IPPS recurrent cost.***
- ii) ***The Accounting Officer should ensure that there is compliance with the guidelines on operations of IPPS***

Query 2: Payment of salaries, pension and gratuity.

Absorption of Funds

The Audit report revealed that UGX. 3,749,000,000 (77.5%) was spent out of the total receipts of UGX. 4,838,000,000, resulting into an unabsorbed balance of UGX. 1,488,000,000.

Committee Observations

The Committee observed that;

- i. The unabsorbed balance was subsequently swept back to the Consolidated fund account.
- ii. The under absorption was due to delays in recruitment partially due to the COVID-19 Pandemic.

Committee Recommendations.

Refer to general recommendations.

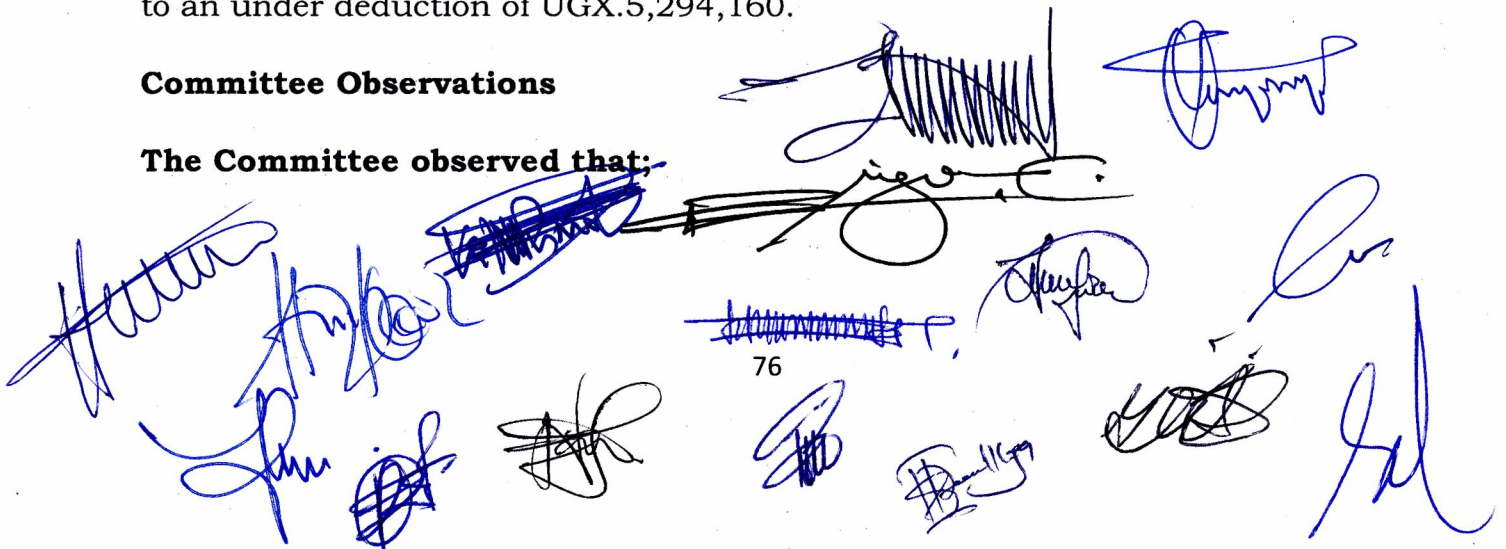
Query 3: Management of Payroll deductions.

Non-deductions of PAYE from political leaders.

The Audit report revealed that the district did not subject political leaders' gratuity totaling to UGX. 17,647,200 to the computation of PAYE in IPPS, leading to an under deduction of UGX.5,294,160.

Committee Observations

The Committee observed that;



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- i) The Committee noted that this was occasioned by the lack of a code on the IPPS system to automatically deduct the PAYE on political leaders' gratuity
- ii) The District failed to seek guidance from the MoPS on how to effect the above deductions in the absence of an automated system.

Committee Recommendations.

Refer to general recommendations.

Query 4: Internal Control Weaknesses

Payment of salaries, pension and gratuity off IPPS

Paragraph 4.5 of Establishment Notice No. 2 of 2019 requires the responsible officer to pay for only salaries, pension and gratuity processed through IPPS. However the Audit report revealed that some employees were paid on the IFMIS but not on IPPS payroll to the tune of UGX. 28,433,650.

Committee Observations

The Committee observed that the district failed to comply with the guidelines on payment through IPPS.

Committee Recommendations.

Refer to general recommendation.

Query 5: Implementation of approved budget.

Local Revenue Performance.

Karenga District budgeted to collect UGX.362,010,000 during the year under review however, the entity collected UGX.152,347,093 representing 42.1% performance.

Committee Observations

The Committee observed that;

- i) The shortfall in collection of local revenue was attributed to the COVID-19 pandemic.
- ii) The district is rich in minerals and surrounded by the National game park but very little local revenue is generated to the district coffers.

Committee Recommendations.

Refer to the general recommendations.

Query 6: Performance of G.o.U receipts

The entity budgeted to receive UGX.8,330,168,000 as grants from the Treasury. However, only UGX. 6,231,422,303 was actually received, representing 74.8% performance.

Committee Observations.

The Committee observed that the budget cuts were attributed to the adverse effects of COVID-19 pandemic.

Committee Recommendations.

The Committee recommends that funding priority should be given to programs and activities that were affected by COVID-19 pandemic.

Query 7: Transfers from other government units.

The Audit report revealed that the entity budgeted to receive UGX.600,443,000 as transfers from other Government Units. However, only UGX.499,911,368 was received representing 83.3% performance.

Committee Observations.

The Committee observed that direct transfers to local governments from other government agencies underperformed.

Committee Recommendations.

Refer to general recommendations.

Query 8: Performance of external financing.

The Audit report revealed that the entity budgeted to receive UGX. 2,974,723,000 as external/donor financing out of which only UGX. 576,973,121 was received representing 19.4%

Committee Observations

The Committee observed that;

- i) The underperformance of donor financing majorly affected the health service delivery.
- ii) The underperformance of the donor funding was due to the adverse effect of COVID-19 pandemic

Committee Recommendations.

- i) ***The Committee recommends that the affected health services be reprioritized.***

Query 9: Quantification of outputs/activities.

The Audit report revealed that out of the twenty-four (24) sampled outputs with a total expenditure of UGX. 2,962,000,000, 22 outputs with total expenditure of UGX2, 000,000,000 were fully quantified and Two (2) output with a total expenditure of UGX. 962,000,000 were not quantified.

Committee Observations

- i) The Committee noted that restrictions imposed on staffing during the COVID-19 lockdown constrained the proper quantification of outputs.
- ii) The failure to implement some planned activities resulted into non quantification of some outputs
- iii) The absence of a functional DSC affected the operations of the district.

Committee Recommendations.

The Committee recommends that the Accounting Officer should always ensure that proper quantification of outputs/activities is done.

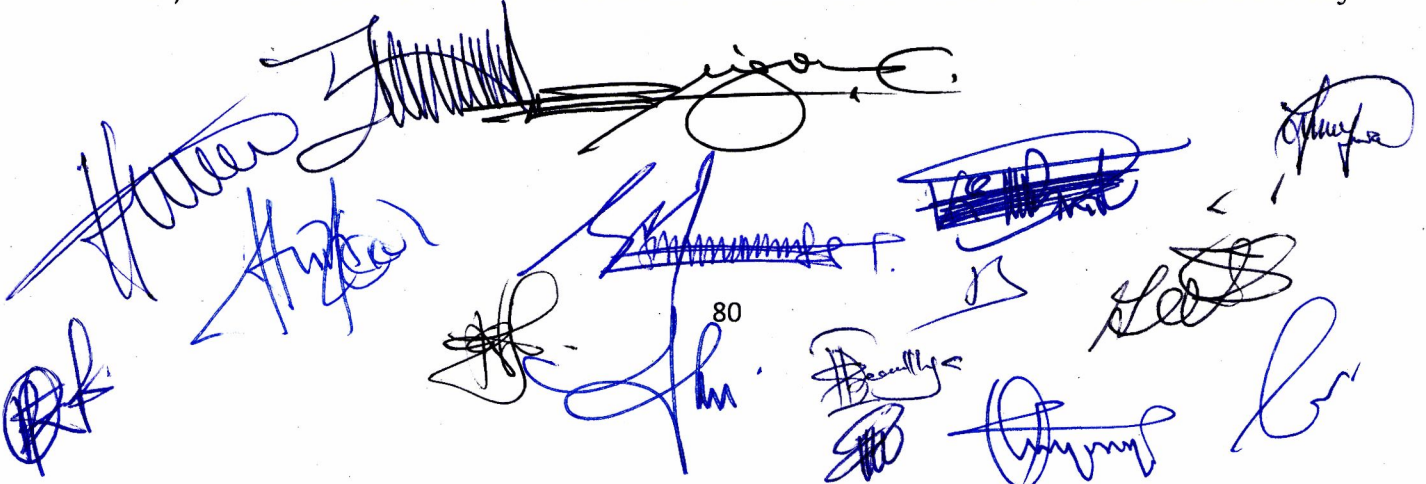
Query 10: Under staffing.

The Audit report revealed that Karenga district had an approved staffing structure of 136 staff at the district headquarters, however only 63 representing (46%) positions were filled, leaving 73 positions vacant. Understaffing overstretches the available staff beyond their capacity and this negatively affects the level of public service delivery to the community.

Committee Observations.

The Committee observed that;

- i) The district did not have a functional DSC
- ii) The district was a hard to reach and stay place
- iii) The under staffing posed a big challenge to service delivery.
- iv) The failure to recruit caused the district to return funds to the treasury



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Committee Recommendations.

- i) *The Committee recommends that the district should ensure that there is a fully constituted DSC to enable timely recruitment of staff.*

The DSC should ensure strict and timely adherence to their recruitment plans to avoid delays in staff recruitment.

VOTE 581 AMUDAT DISTRICT LOCAL GOVERNMENT (Unqualified Opinion) Payroll Management.

Query1. Budgeting for salaries, pension and gratuity.

Delayed submission of wage estimates.

The Audit report revealed that the district delayed to submit wage estimates to MoPs, as required. The submission was made on 7th November 2019, which is 7 days after the required date. This could lead to wage shortfalls/over provision due to lack of clarity and analysis of wage estimates by MoPS.

Committee Observations.

The Committee observed that;

- i) The district was using safari com network for internet which was usually unstable and this is what caused the delays in submission.
- ii) There were system related challenges.

Committee Recommendations.

- i) *The Accounting Officer should liaise with the Ministry of ICT and NITA-U to ensure that network coverage is extended to Amudat district to curb these network challenges.*

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Query 2: Management of Payroll deductions.

2.1 Un-authorized loan deductions

The Audit report revealed that the district made unauthorized loan deductions totaling UGX. 1,036,328. The deductions were from 7 employees that neither had letters of undertaking nor existed in the “active deduction” or the “my approval” reports on the PDMS-Payroll Deduction Management System, operated by PCA-Payroll Consults Africa.

The Audit noted that loan deductions relating to 07 (*seven*) employees did not have evidence of consent by the employees

Committee Observations.

The Committee observed that Some staff got loans from banks and institutions without the letters of undertaking.

Committee Recommendations.

Refer to the general recommendations.

Query 3: Payment of arrears

3.1 Payment of unverified salary, pension and gratuity arrears.

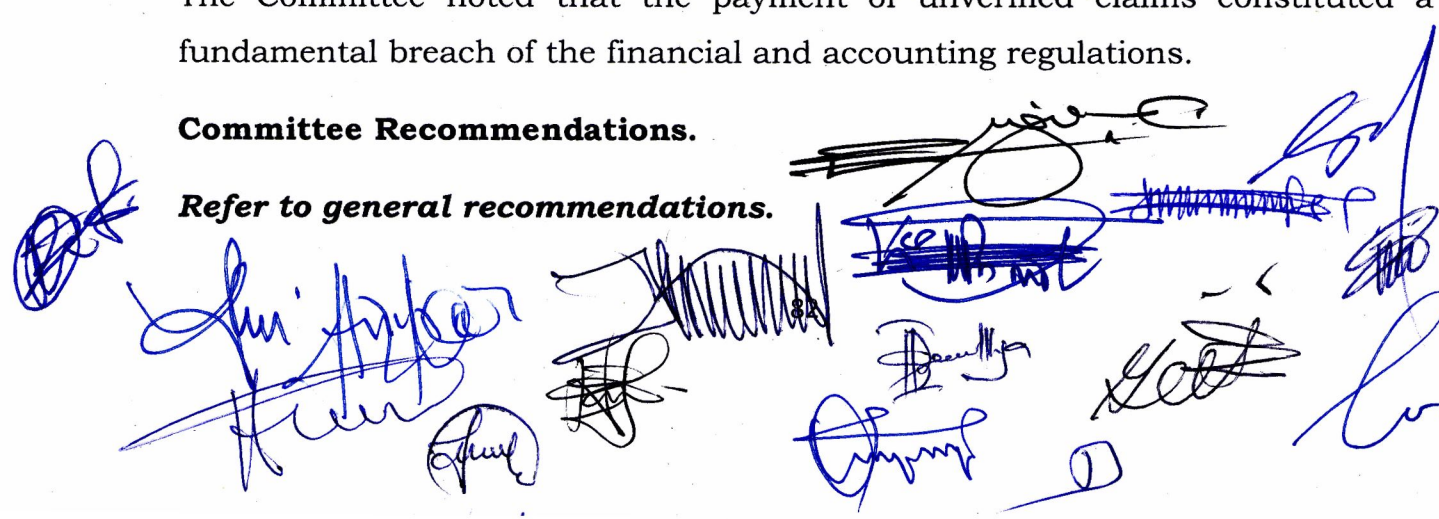
The Audit report revealed that the district paid UGX. 101,000,000 as residual arrears to 2 pensioners who had not been verified. Such anomalies lead to overstatement of domestic arrears paid during the year and diversion of funds from other expenditure lines. The HR attributed this to system challenges

Committee Observations.

The Committee noted that the payment of unverified claims constituted a fundamental breach of the financial and accounting regulations.

Committee Recommendations.

Refer to general recommendations.



Query 4: Implementation of approved budget.

Existence of a strategic plan that is aligned to NDP III.

The Audit report revealed that the entity had not prepared a strategic plan that is aligned to the NDP-III at the time of audit. There is a risk that activities implemented during the financial year 2020/2021 were not aligned to the NDP-III which negatively affects the achievement of NDP-III objectives.

Committee Observations.

The Committee observed that the plan was submitted to NPA but had not yet been reviewed.

Committee Recommendations.

Refer to general recommendations.

Query 5: Revenue Performance

Local Revenue Performance.

The Audit report revealed that the district budgeted to collect UGX. 72,800,000 during the year but only realized UGX.59,500,000 representing 81.7% performance.

The shortfalls in Local Revenue collections of UGX.13,300,000 representing 18.3% were recorded in Local Service Tax, Business Licenses and administrative fees. Shortfalls in local revenue collections which affects service delivery.

Committee Observations.

The Committee observed that the shortfall in the collection was attributed to the COVID-19 pandemic.

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Committee Recommendations.

Refer to general recommendations.

Query 6: Absorption of funds

The Audit report revealed that out of the total receipts of UGX.14,000,000,000, UGX.9,700,000,000 representing 69% was spent by the entity resulting in an unspent balance of UGX.4,300,000,000 (31%). The unspent balance at the end of the financial year was subsequently swept back to the consolidated fund account.

The funds were meant for activities that were not fully implemented by the end of the financial year, including installation of culverts on Katabok-Kanarion Road.

Committee Observations.

The Committee noted that non-implementation of planned activities resulted into the return of the unspent balance to treasury.

Committee Recommendations.

Refer to general recommendations.

Query 7: Submission of quarterly performance reports.

The Audit report revealed that management submitted performance reports for Q1, Q2 and Q4 after the deadline given for submission of the reports and Q3 report had not been submitted.

Committee Observations.

The Committee noted that the delays were caused by system challenges.

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Committee Recommendations.

The Committee;

- (i) Reemphasizes continuous training for users.**
- (ii) The Committee recommends that the Ministry of Finance, Planning and Economic Development designs quick response mechanism to districts that face system problems.**

Query 8: Achievement of intended services from implemented outputs

An assessment to establish if there had been service delivery from a sample of out-puts that were implemented noted that, the construction works at Pokot girl's seed school, at a cost of UGX. 1,240,572,000, were still on going by the time of the audit. And from the planned 10 boreholes costed at UGX.492,343,000, only 7 had been drilled.

Committee Observations

The Committee observed that;

- i) The incomplete construction of Pokot girl's seed secondary school was attributed to the challenges associated with hybrid procurement.
- ii) The incomplete construction project is also attributed to the fact that the same contractor is involved in multiple projects under the hybrid procurement arrangement and therefore overwhelmed.
- iii) Much as the contract was signed between the district and the contractor, the district had challenges in supervising the contractor simply because they were sourced from the centre and referred to the district by the Ministry of Education.
- iv) The district had failed to effectively implement and complete the drilling of the 10 boreholes.

Committee Recommendations

The Committee recommends that;

- i) ***The Accounting Officer should ensure that the project is implemented in-line with the project obligations.***
- ii) ***The Contractor should be sanctioned for failure to meet contractual obligations.***
- iii) ***The Ministry of Education and Sports should discontinue the hybrid procurement method which compromises project implementation and causes delays and financial loss to government.***

Query 9: Failure to realize timely recoveries of YLP funds.

The Audit report revealed that from the FY 2014/15 to 2020/21, the total amount disbursed was UGX.1,136,649,720, however only UGX.139,123,000 had been recovered at the time of audit, implying 12% performance.

Committee Observations.

- i) In the F/Ys 2020/2021 and 2019/2020, no recoveries were made.
- ii) The entity did not have a clear recovery plan for funds disbursed.

Committee Recommendations.

Refer to the general recommendations.



VOTE 520: KAPCHORWA DLG (UNQUALIFIED OPINION)

Query 1: Payroll Management.

Management of Payroll deductions.

Over/under remittance of deductions.

The Audit report revealed that whereas **UGX.1,698,191,038** was deducted from employees' salaries to be remitted to different beneficiaries, only **UGX.1,663,364,771** representing 98% was remitted, leading to an under remittance of **UGX.34,826,267**.

Furthermore, on comparison of the deductions of UCLA in the IPPS payroll registers with the remittances/payments in the IFMS payment file, the audit noted that whereas only UGX.601,586,538 was deducted from employees' salaries to be remitted to UCLA, only UGX.606,035,950 was remitted.

Committee Observations.

- i) There was an over remittance amounting to UGX.4, 449,412.
- ii) There was also an under remittance of **UGX.34, 826,267**.

Committee Recommendations.

Refer to General recommendations.

Query 2: Non-deduction of PAYE from political leaders and commissioner's gratuity.

The Audit report revealed that the district did not subject political leaders' and commissioners' gratuity totaling to UGX.43, 502,261 to the computation of PAYE in IPPS, leading to loss of funds worth UGX.13,074,078.

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Committee Observations.

The Committee observed that;

- i) The provision for deduction of taxes on gratuity for political leaders under the IPPS was not automated.
- ii) The Committee observed that guidance was not sought from MoPS on the challenge faced and no efforts had been made to recover the funds.

Committee Recommendation.

Refer to General recommendations.

Query 3: Internal Control Weaknesses.

Monthly wage, pension and gratuity performance analysis and remittance of quarterly returns to MoPS.

The Audit report revealed that the district did not prepare monthly wage, pension and gratuity performance analysis and thus did not submit quarterly returns on payroll to MoPS, contrary to Paragraph 2.1 of Establishment Notice No. 1 of 2020. Non-compliance in submission leads to accumulation of arrears, under absorption of wage, pension and gratuity budget, and delays in granting clearance to recruit.

Committee Observations.

The Committee observed that the district did not prepare monthly wage, pension and gratuity performance analysis and thus did not submit quarterly returns on payroll to MoPS.

Committee Recommendations.

Refer to General recommendations.



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Query 4: YLP and UWEP Recoveries.

The Audit report revealed that, included in the statement of financial position are receivables amounting to UGX.627,541,258. The balance relates to loan advances disbursed to YLP and UWEP groups brought forward from the previous years, which were not recovered.

Committee Observations

The Committee observed that;

- i) The district has made efforts to recover money from YLP and UWEP.
- ii) More money has been recovered from UWEP compared to YLP.

Committee Recommendations.

Refer to General recommendations.

Query 5: Revenue Performance

Absorption of funds.

The Audit report revealed that out of the total receipts for the financial year of UGX 18,959,391,704, UGX 18,736,372,913 representing 98.8% was spent by the entity resulting in an unspent balance of UGX 223,018,791 representing 1.2%. Under absorption of released funds results in non-implementation of planned activities and negates the purpose for which funds were disbursed.

Committee Observations

The Committee observed that the funds were meant for activities that were not fully implemented by the end of the financial year and these included; Construction of Kabeywa Seed School, Surveying, valuation, and titling of institutional land.

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Committee Recommendations.

Refer to General recommendations.

Query 6: Preparation and submission of monitoring plans and reports.

Failure to prepare these plans and reports is not only in contravention of the circular standing instructions but also hinders efforts of timely monitoring of the implementation of the budget.

Committee Observations

The Committee observed that;

- i) The entity did not avail evidence of preparation and submission of annual monitoring plans to MoFPED, MoLG and NPA as required, by the time of audit.
- ii) The entity had not also submitted quarterly monitoring reports to the Office of the Prime Minister and MoFPED as required, by the time of audit.

Committee Recommendations.

Refer to General recommendations.

Query 7: Failure to collect revenue from tenants.

The Audit report revealed that the district did not collect rental revenue totaling UGX.157, 790,000 from tenants occupying district houses. This comprises of UGX.75, 050,000 that remained uncollected from the current tenants and UGX 82,740,000 that was uncollected from tenants who have since left the houses.

Failure to effectively collect local revenue, undermines the implementation of planned activities, which in turn curtails service delivery.

Committee Observations.

The Committee observed the district did not collect rental revenue totaling to UGX.157, 790, 000 from tenants occupying district houses.

Committee Recommendations

The Committee recommends that the Accounting Officer should institute more stringent measures aimed at recovering all revenue arrears, and in future, ensure prompt collection of all revenue.

Query 8: Management of Royalties.

8.1 Lack of data regarding the volume and value of minerals mined.

The Audit report revealed that the district lacked records regarding the volume and value of minerals mined from the companies. The Audit report also revealed that the district was also unable to access data on periodic returns from Ministry of Energy and Mineral Development (MEMD) regarding volume and value of minerals mined by the companies. Therefore, management could not ascertain the amount of royalties due to the district.

Committee Observations

The Committee observed that;

- i) The district lost revenue inform of royalties.
- ii) The district lacked records regarding the volume and value of minerals mined.

Committee Recommendations.

The Committee recommends that;

- i) ***The Accounting Officer should engage the relevant authorities to establish mechanisms of accessing periodic data on volume and value of minerals mined.***

- II) ***The MEMD, MoPS should ensure that specialists in mineral resources are stationed at the districts that have minerals to ensure that this data on minerals is available.***
- III) ***The MEMD must on a regular basis provide data on minerals in the different districts.***
- IV) ***The MEMD should publicize the existing laws on royalties.***

Query 9: Implementation of Capital Works

Construction of a Theatre at Kaserem HC III

The Audit report revealed that the district contracted M/s Trinity Technical Services Ltd to undertake the construction of a Theatre at Kaserem HC III at a contract price of UGX 448, 754, 000, and by the close of the year a total of UGX 337,466,812 representing 75% had been paid to the contractor. The Audit report revealed that after physical inspection, some of the construction works were incomplete, such as; the failure to follow the right specifications of the roofing sheets, standby generator had not been delivered to the district and rain gutters were not yet installed.

Committee Observations.

The Committee observed that;

- i) Roofing was done without the recommended iron sheets gauge specifications.
- ii) The structures were not yet finished by time of the meeting with the committee yes money was paid.

Committee Recommendations.

- i) ***That the Accounting Officer must ensure that there is prompt and strict adherence to the recommended building specifications.***

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- ii) ***That the Accounting Officer should follow up with the Contractor to ensure the works are properly finished according to the work plan.***

Query 10: Status of Kapchorwa General Hospital

Lack of adequate facilities to conduct oral; health/dental services.

The Health Sector Service Standards & Service Delivery Standards, 2016, prescribes the provision of oral health services by a General Hospital including the management of dental/oral problems including tooth extractions. Physical inspections revealed that the dental chair was faulty, old, and obsolete. The DHO informed the Committee that the army had promised to build this facility for the district.

Committee Observations.

The Committee observed that Kapchorwa General Hospital does not have a functional dental unit.

Committee Recommendations.

The Committee recommends that;

- i) ***The Accounting Officer should make provision for refurbishment and equipping of the dental unit.***
- ii) ***The Accounting Officer should liaise with the Ministry of Health on the functionality of Kapchorwa General Hospital's dental unit.***

Query 11: Non-functional Sewerage System.

The Audit report revealed that the sewerage system at the hospital had become non-functional and had become a serious health risk.

Committee Observations

The Committee observed that;

- i) The Hospital had for long not been well maintained and as a result the sewerage system collapsed.
- ii) This facility serves the entire Sebei sub-region and the neighboring districts.

Committee Recommendations.

- i) ***The District Local Government and MoH should prioritize the full and urgent rehabilitation of Kapchorwa district General Hospital.***
- ii) ***The MoH should consider upgrading this Hospital to a regional referral status.***

VOTE 512 KABALE DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1: Delayed deletion of staff from payroll

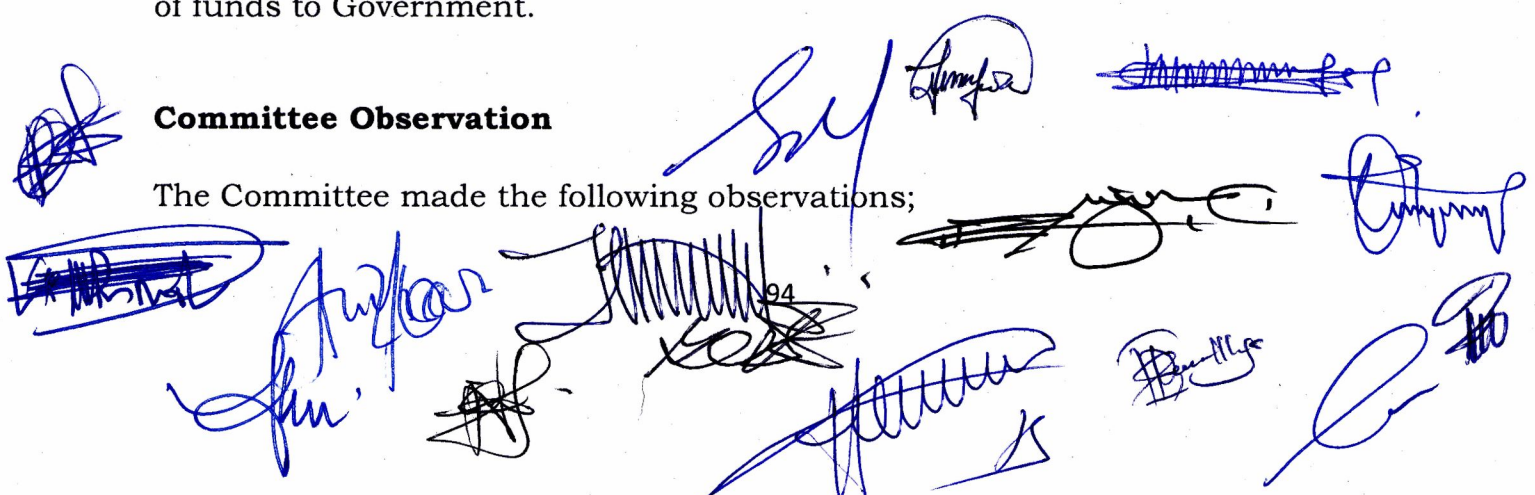
Section B-a (12) of the Uganda Public Standing Orders, 2010 requires the payment of salary to public officers to be stopped immediately they cease rendering services to Government under whatever circumstances, including death.

The Audit report noted that UGX. 52,165,651 was paid to 30 staff who had either retired, transferred, absconded or died.

These were payments for services not rendered to the District, resulting in loss of funds to Government.

Committee Observation

The Committee made the following observations;



- (i) Kabale district acknowledged delayed deletion of staff from the payroll and explained that the delays were attributed to;
 - Death cases that were not reported in time.
 - Early retirement where the letters delayed in the Ministry of Public Service.
- (ii) All identified staff reported to have transferred their services were still on their payroll.
- (iii) Recoveries of the above funds paid irregularly to the above two categories had not yet been effected.

Committee Recommendation

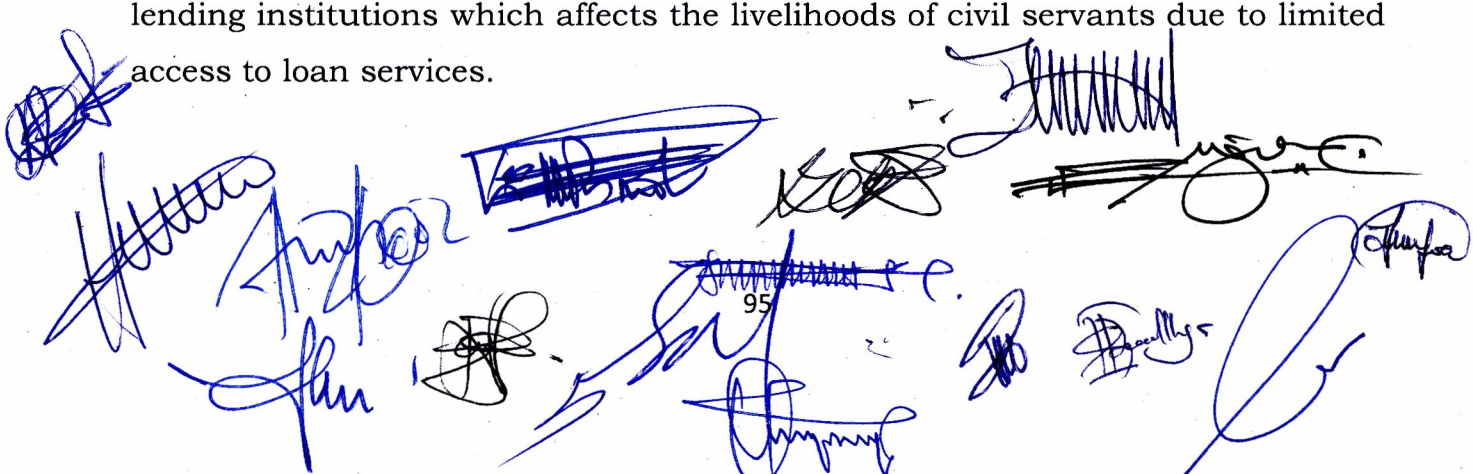
The Committee recommends that recovery be made from retirees and all those who were paid irregularly.

Query 2: Un-authorized loans deductions

The Audit report noted that the District made unauthorized loan deductions totaling to UGX.107 million. The deductions were from 30 employees that did not have letters of undertaking. Of the 30 employees, 26 employees did not exist in the “active deduction” while 04 employees did not exist in the “my approval” reports on the Payroll Deduction Management System(PDMS), operated by Payroll Consults Africa (PCA).

The loan deductions relating to the 30 (thirty) employees did not have evidence of consent by the employees.

There is a risk of making deductions from staff that have no loans, which defrauds them of their hard earned funds and lack of assurance/guarantee to lending institutions which affects the livelihoods of civil servants due to limited access to loan services.



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Committee Observation

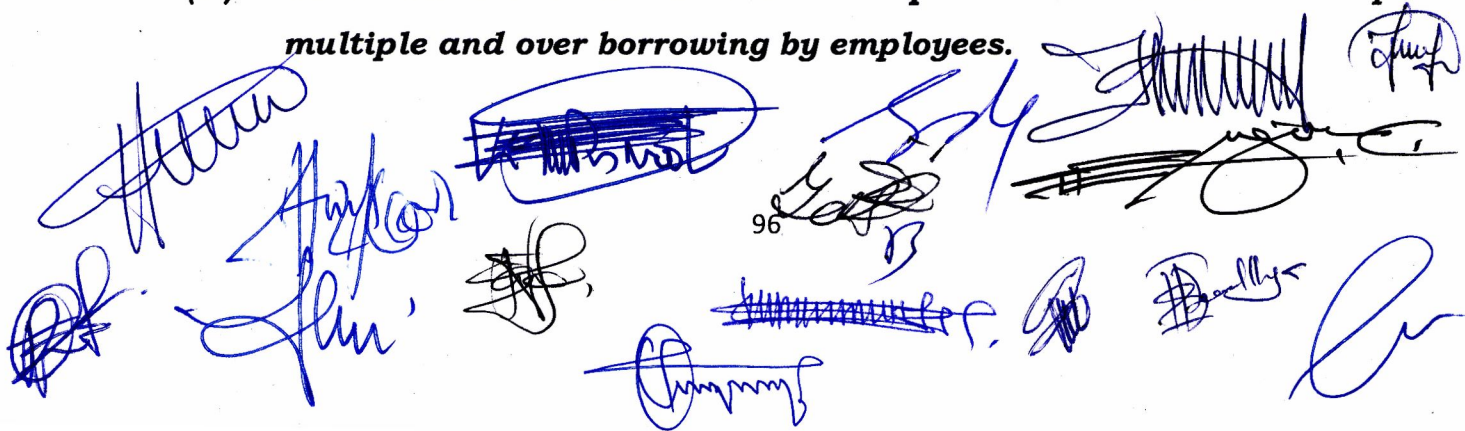
The Committee made the following observations

- (i) There are other money lending institutions like Bayport, Platinum that offer loans through phone applications without consent forms being signed.
- (ii) The deduction codes are instituted directly from the Ministry of Public Service.
- (iii) There was suspected connivance between the loan institutions and the Ministry of Public Service.

Committee Recommendation

The Committee recommends that:

- (i) ***That the Accounting Officer should not sign off staff loan applications through issuance of letters of undertaking where staff have running contracts with credit lending institutions;***
- (ii) ***That the Accounting Officer should ensure strict adherence to Section 2.1.2 and 2.1.4 of the Service Agreement between the Government [Ministry of Public Service] and Uganda Consumer Lenders' Association/Uganda Bankers' Association which requires a letter of undertaking for each Government employee before making an employee reservation on the Payroll Deduction Management System.***
- (iii) ***The responsibility of loan recovery ceases to be a duty of local governments and that Ministry of Public Service terminates the requirement for the undertakings with lending institutions as a policy measure.***
- (iv) ***Government should institute more protective measures to cap multiple and over borrowing by employees.***



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Query 3: Payments of salaries, pension and gratuity off IPPS

From a comparison of the payroll register and IFMIS payment file, the Audit report noted that 03 staff and 26 pensioners were paid a total of UGX 81,673,064 off the IPPS.

This control weakness creates an opportunity for payment of salaries and pension to non-eligible persons, hence loss of funds to Government.

Committee Observation

The Committee made the following observations;

- The staff and pensioners mentioned belong to Kabale District Local Government. However, due to system challenges some pensioners got off the payroll.
- What the Accounting officer did was contrary to the instructions however, the system was to be checked for such errors of dropping staff off the IPPS.

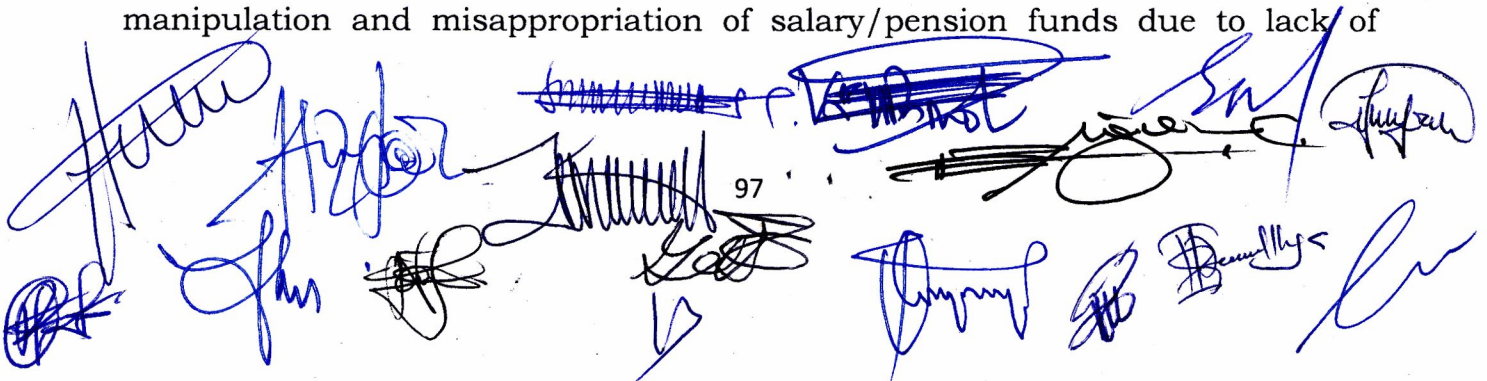
Committee Recommendation

The Committee recommends that the Accounting Officer should desist from the practice and can only take such actions with the approval of the line Ministry.

Query 4: Inconsistencies between MoPS and entity payroll registers

The Audit report noted that there were variances of UGX. 250,000,000 between the figures in the MoPS IPPS and entity payroll registers.

The above undermines the integrity of the IPPS system and there is risk of manipulation and misappropriation of salary/pension funds due to lack of



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reconciliatory controls between the entity information and IPPS master data file at MoPS.

Committee Observation

The Committee noted that;

- (i) The two systems were not tallying with each other thus causing distortions/variances.
- (ii) The district uses the payroll from Ministry of Public Service and not any other source. All the employees mentioned in the report were paid as per payroll registers from MoPS.

Committee Recommendation

The Committee recommends that;

- (i) Government should develop an integrated system to cover all functions of HR, finance and other related functions to curb disjointed management systems.***
- (ii) The Accounting Officer should do due diligence.***
- (iii) Training and/or capacity development should be done regularly for Local Governments to remain informed and up to date with new system developments.***

Query 5: Effectiveness and reliability of the IPPS/NID interface

The Audit reported noted that review of the effectiveness and reliability of the IPPS/NID staff/pensioner/beneficiaries' verification interface found the following;

- In-adequate sensitization and training in the use and navigation of the system
- System was not reliable and effective

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The ineffectiveness of the system may affect the integrity of the IPPS payroll.

Committee Observation

The Committee noted limited awareness of the system usage and management occasioned by capacity gaps.

Committee Recommendation

The Committee recommends that adequate training be provided to the users and effective support mechanism be put in place.

Query 6: Existence of Strategic plans that are aligned to NDP-III

The Audit report noted that although the entity had prepared a strategic plan at the time of audit, it had not yet been reviewed by NPA. There is a risk that activities implemented during the financial year 2020/2021 were not aligned to the NDP-III which negatively affects the achievement of NDP-III objectives.

Committee Observation

The Committee observed that Kabale District Local Government prepared the five-year strategic plan 2020/21-2024/25 and submitted it to NPA for review. However, the district had not received feedback from NPA.

Committee Recommendation

The Committee recommends that;

- (i) The Accounting Officer should continuously follow up on the review of the draft plans.***
- (ii) NPA to establish effective mechanism of timely review and feedback to the local governments to facilitate timely approval.***

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Query 7: Local Revenue Performance

The Audit report reviewed the approved Local revenue estimates for the financial year 2020/2021 and noted that the District budgeted to collect UGX. 475,160,000 during the year but collected UGX. 402,149,150 representing (85%) performance. Shortfalls in local revenue collections negatively affects the implementation of planned activities at a Government-wide level.

Committee Observation

The Committee observed that Kabale District Local Government for FY 2020/21 underperformed on its local revenue collection by UGX 73,010,850.

Recommendation

The Committee recommends that Kabale District Local Government should innovate new sources of Local Revenue since it is a tourist destination and has other potential areas.

Query 8: Submissions of Quarterly performance reports

The Audit report noted that Management submitted performance reports for Q1, Q2, Q3 and Q4 after the deadline given for submission of the reports

Failure to submit performance reports in time, and failure to prepare monitoring plans and reports contravene the Treasury Instructions and affect timely tracking and evaluation of performance.

Committee Observation

The Committee noted that the delays were caused by system challenges

Committee Recommendation

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The Committee;

- (i) ***Re-emphasizes continuous training for users.***
- (ii) ***Recommends that the Ministry of Finance, Planning and Economic Development designs quick response mechanism to districts that face system problems.***

VOTE 560: ISINGIRO DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1: Submission of wage estimates

The Audit report noted that the District delayed to submit wage estimates to MoPs, as required. The submission was made after 30th September 2020. This may lead to wage shortfalls/over provision due to lack of clarity and analysis of wage estimates by MoPS.

Committee Observation

The wage estimate for FY 2020/21 was not submitted to MoPS as of 30th September. However, it was prepared and submitted after deadline.

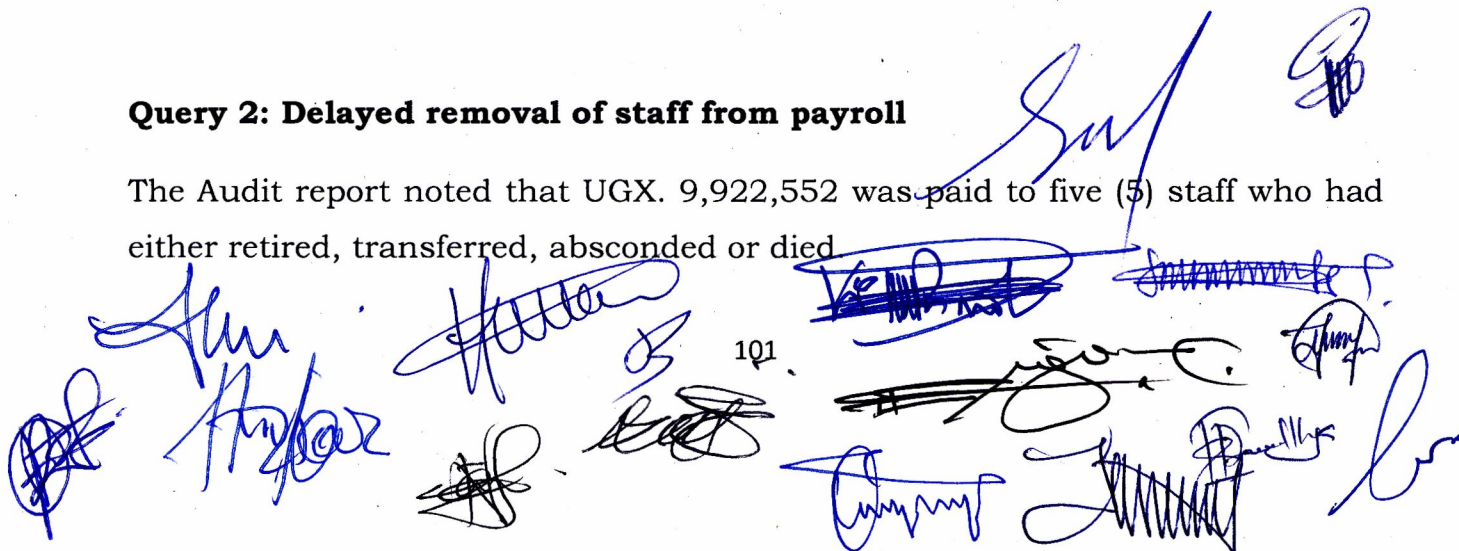
Committee Recommendation

The Accounting Officer should always ensure timely submission of the estimates.

Query 2: Delayed removal of staff from payroll

The Audit report noted that UGX. 9,922,552 was paid to five (5) staff who had either retired, transferred, absconded or died

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These were payment for services not rendered to the District, resulting in loss of Government funds.

Committee Observation

The Committee observed that;

- (i) Measures were being put in place to stop the practice.
- (ii) Recoveries had been made from all staff with exception of Ashaba Nobert who resigned from the service.

Committee Recommendation

Refer to general recommendations.

Query 3: Non deduction of PAYE from political leaders' gratuity.

The Audit report noted that the District did not subject political leaders' gratuity totaling to UGX. 42,781,000 to the computation of PAYE in IPPS, leading to an under deduction of UGX. 12,900,150 contrary to section 19(1) (a) of the Income Tax Act

This denies Government revenue and may also lead to fines and penalties.

Committee Observation

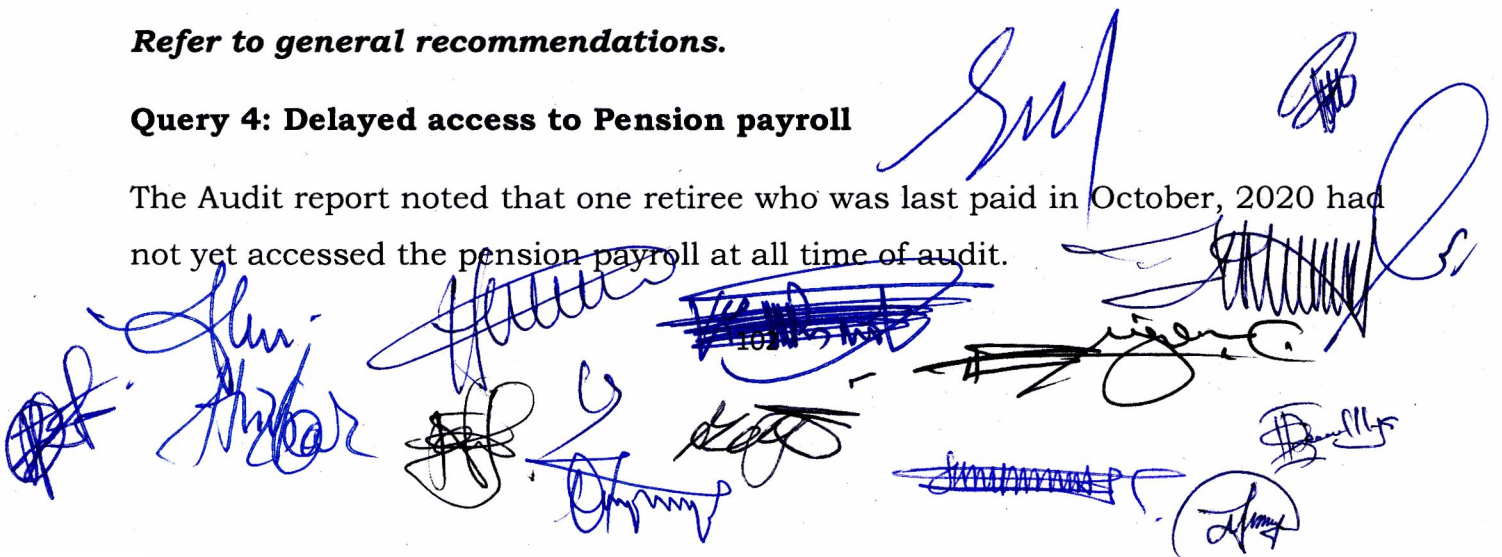
Refer to general observation.

Committee Recommendation

Refer to general recommendations.

Query 4: Delayed access to Pension payroll

The Audit report noted that one retiree who was last paid in October, 2020 had not yet accessed the pension payroll at all time of audit.



Delayed access to the pension payroll leads to poor wellbeing of the affected retirees as well as accumulation of pension arrears.

The delay to pay the above pensioner was caused by MOPs failure to include the pensioners on payroll.

Committee Observation

A number of follow ups were made to Ministry of Public Service and the Ministry responded positively.

The matter was resolved.

Query 5: Payment of unverified salary, pension and gratuity arrears

The Audit report noted that UGX. 12,152,847 was paid as residual arrears to Bangirana Josaphat M employee no 524376) as pension arrears from April 2015 to October 2019. However, these had not been verified and therefore not part of schedule provided by MoFPED

This led to diversion of funds meant for arrears and overstatement of domestic arrears paid during the year.

Committee Observation

Though the payment was irregular the retiree had taken long without being paid his benefit.

Committee Recommendation

The Committee recommends that;

- (i) **The Accounting Officer should ensure payment to pensioners is always made within the stipulated time frame.**
- (ii) **The Accounting Officer should desist from making irregular/unverified payments.**

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Query 6: Payments of salaries, pension and gratuity off the IPPS

From a comparison of the payroll register and IFMIS payment file, the Audit report noted that twelve (12) staff and 02 pensioners were paid a total of UGX. 32,785,938 off the IPPS.

This control weakness creates an opportunity for payment of salaries and pension to non-eligible persons, hence loss of funds to Government.

Committee Observation

This was done for district employees whose payment of salaries, pension and gratuity off IPPS was done in June due to network failure/challenges.

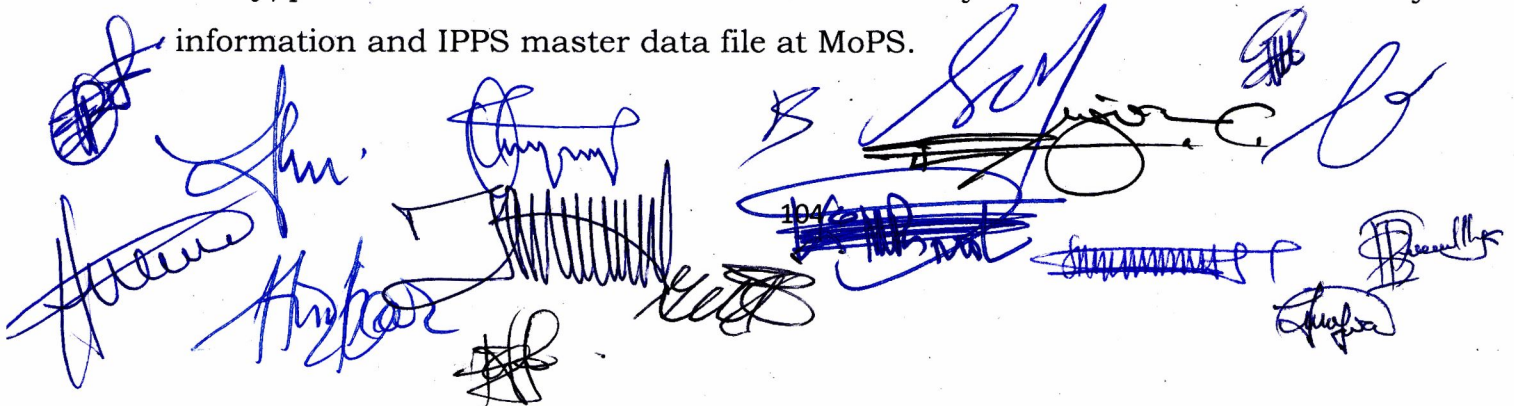
Committee Recommendation

The Committee recommends that the Accounting Officer should ensure compliance with the guidelines in regards to all pension and salary payments.

Query 7: Inconsistences between MoPS and entity payroll

The Audit report observed that there were variances of UGX.12,355,491 between the figures in the MoPS IPPS and entity payroll registers

It was further noted that there were instances where 05 staff were on the District payroll but not on the MoPS IPPS register. The above undermines the integrity of the IPPS system and there is risk of manipulation and misappropriation of salary/pension funds due to lack of reconciliatory controls between the entity information and IPPS master data file at MoPS.



Committee Observation

There was proof that Ministry of Finance organized the training of IFMIS users to address the gaps. However, it is still inadequate as local government needed more trainings.

Committee Recommendation

Refer to the general recommendation on system management.

Query 8: Local Revenue (LR) Performance

The Audit report reviewed the approved Local revenue estimates for the financial year 2020/2021 and noted that the District budgeted to collect UGX.1,029,300,000 during the year but collected UGX. 778,835,482 representing (83%) performance. The shortfalls in Local Revenue collections of UGX.250,464,518 (17%) were recorded in Local Service Tax, Land Fees , Business Licence, other tax revenues sources, administrative fees and Application Fees. Shortfalls in local revenue collections at vote level result in aggregate revenue shortfalls at treasury level which negatively affects the implementation of planned activities at a Government-wide level.

Committee Observation

The Committee observed that the Underperformance was majorly attributed to COVID-19 pandemic, political interferences, foot and mouth disease which affected the livestock market in the district and neighboring districts, poor state of roads and failure to attract trustworthy tenders.

Committee Recommendation

The Committee recommends that a review of the district revenue enhancement strategies is done to identify new sources of local revenue.

Query 9: Transfers from other government units/other government transfers

The entity budgeted to receive UGX. 39,034,900,000 as transfers from other Government Units. However, by close of the FY only UGX. 16,417,071,378 (42%) was received.

Revenue shortfalls affected the implementation of planned activities.

Committee Observation

The Committee observed that where the releases are not effected implementation of scheduled activities gets distorted.

The Committee was informed that unimplemented activities were rolled over to the FY 2021/22 and were being executed. However, some activities under URF remain unimplemented due to budget cuts.

Committee Recommendation

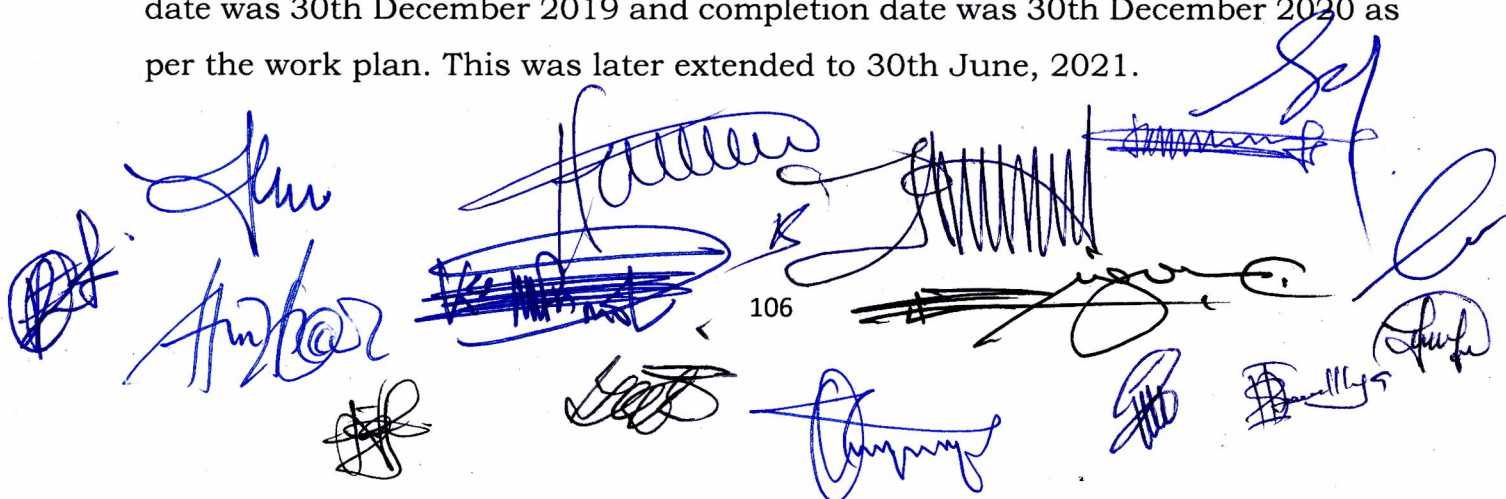
The Committee recommends that;

- (i) Government through the line Ministry stick to the implementation of the planned activities.
- (ii) Government through the line Ministry should comply with the guidelines and provisions of the Road fund and resolution of Parliament on the implementation of the road fund

Query 10: Delayed physical progress of the works

During the Audit report, it was noted that the planned project's commencement date was 30th December 2019 and completion date was 30th December 2020 as per the work plan. This was later extended to 30th June, 2021.

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However, the extended time expired without the project being completed. In October, 2021 the Audit report established that the physical work progress was only at 75% with financial progress at 68%.

The Audit report observed that no liquidated damages were charged to the contractor by management as stipulated in the terms and conditions of the agreement. It further noted that UGX.667,629,755 was lying idle on the account.

This implies that the project works may be extended beyond the planned timelines resulting to additional administrative costs to the project.

Committee Observation

The Committee observed as follows;

- (i) The contractor breached the Contract;
- (ii) The entity failed to ensure compliance with the provisions of the contractual obligations.
- (iii) Although the contractor requested for extension of contract for additional 2 months, which was granted, the school was still incomplete and progress status stood at 92% by the time of the audit.

Committee Recommendation

The Committee recommends that;

- (i) ***The Accounting Officer should ensure strict adherence to the terms and conditions of the contract.***
- (ii) ***The Contractor should be sanctioned for breach of contract.***

Implementation of the Uganda Road Fund

Query 11: URF Budget performance.

A total of UGX.1,405,667,000 was budgeted out of which UGX.1,209,129,000 was received to cater for manual, routine, mechanised and periodic maintenance, mechanical imprest, administration and emergency activities in Isingiro District using Road gangs and the force on Account mechanism. A total of UGX.675,133,022 was unspent by the District. The entity explained that covid-19 affected their work plan and therefore could not carry out the activities as planned.

Committee Observation

The Committee made the following observations;

- (i) All unimplemented Road activities were rolled over to FY 2021/22.
- (ii) The URF budget for Isingiro had been reduced from UGX 1,240,151,373 to UGX 578,125,261 implying that the rolled over activities could not be implemented as planned.
- (iii) The district road equipment had broken down.
- (iv) The delayed release of funds is attributed to the long processes involved in the transfer and disbursement of URF funds.

Committee Recommendations

The Committee recommends that;

- (i) ***The Accounting Officer should ensure prompt execution of planned activities.***
- (ii) ***The Accounting officer should work closely with the regional road equipment maintenance unit to ensure the functionality of all district road equipment.***

- (iii) **Ministry of Finance, planning and Economic Development reviews the modality of releasing URF funds in accordance with section 21 of the Uganda Road Fund Act.**

Query 12: Non remittance of taxes

The Audit report noted that taxes amounting to UGX. 3,344,640 were never paid to URA. Failure to remit taxes to URA exposes the entity to fines and penalties due to non-compliance.

Committee Observation

The error was rectified and measures to recover the funds were taken as evidence provided.

Committee Recommendation

The Committee recommends that the Accounting Officer should ensure timely remittance of taxes to URA to avoid implications.

Asset Management

Query 13: Land encroachment

The Audit inspected various prices of land owned by the District and noted that most of it lacked land titles and three pieces of land (6.6 acres) had been encroached on by private developers.

Committee Observation

All reported cases of land encroachment were investigated and are being handled. Case in point is Kagarama Land which was being handled by police.

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Committee Recommendations

The Committee recommends that;

- (i) ***The Accounting Officer should ensure that all public land is safe guarded from encroachers.***
- (ii) ***The Accounting Officer should follow-up on all the cases of encroachment being investigated by the police to ensure their conclusion.***

Query 14: Low Recovery of funds under the Youth Livelihood Program

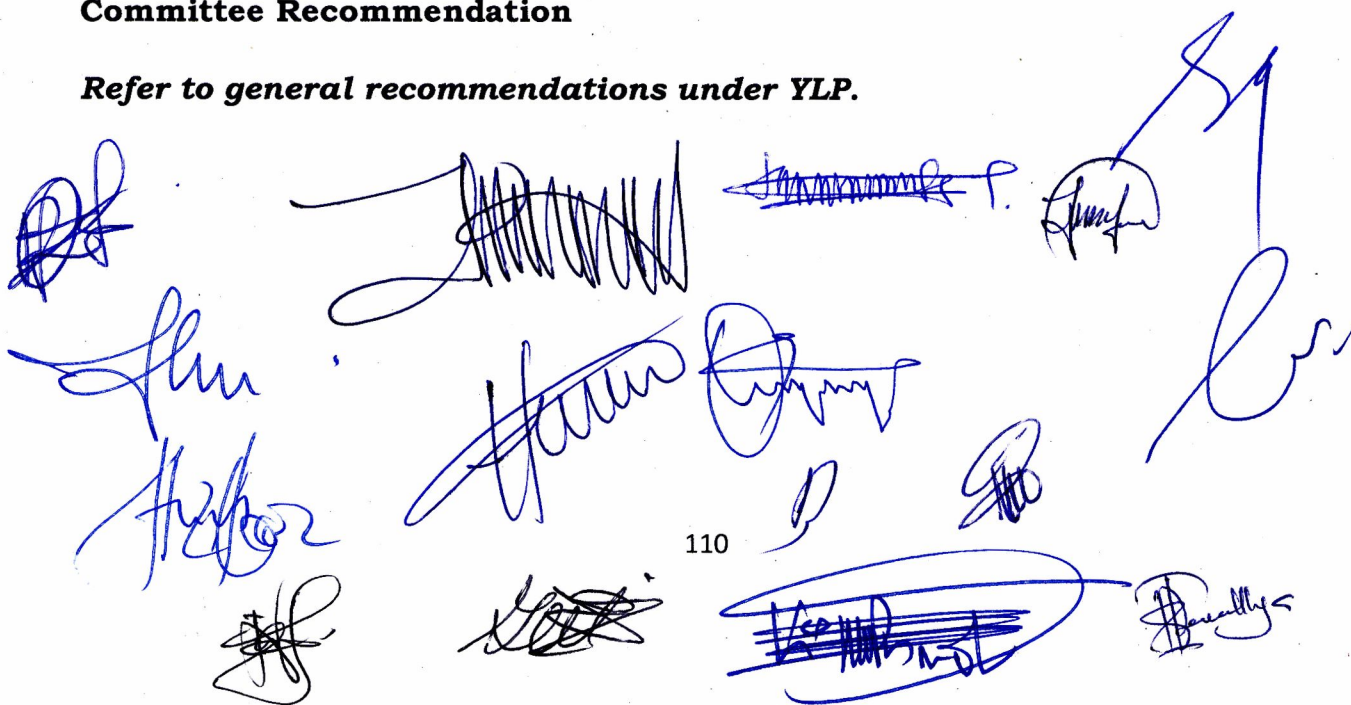
Audit report noted that as per quarter 2 2020/2021 Youth Livelihood Programme Performance Report by the focal person to the Accounting Officer, dated 30t December 2020, that UGX.1,599,889,519 had been disbursed to various youth groups in the district but UGX.331,883,100 had been recovered leaving UGX.1,367,353,783 unrecovered.

Committee Observation

The Committee observed that several meetings were conducted between management and youth groups. Some errant group leaders were arrested and made a commitment to payback. Management instructed all town clerks and sub-county chiefs to put in more efforts to recover the funds.

Committee Recommendation

Refer to general recommendations under YLP.



VOTE 609: SHEEMA DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1: Absorption of funds

The Audit report revealed that UGX.17.61 (95%) was spent out of the total receipts of UGX.18.52 billion, resulting in an unabsorbed balance of UGX.0.91 billion.

The unabsorbed balance was subsequently swept back to the consolidated fund account.

The under absorption of funds, denied the use of funds for other deserving service delivery areas.

Committee Observation

The Committee made the following observations;

- (i) Ninety Five percent of UGX 18.52 billion was absorbed and UGX 0.91 billion remained unspent at the end of FY 2020/21.
- (ii) The funds unspent were mainly for;
 - Secondary and Tertiary Education worth UGX 472,984,385/= meant for staff recruitment which is the mandate of Ministry of Education.
 - PHC wage worth UGX 134,193,213 for recruitment of staff for the upgraded Health Centre III which was not completed in time.
 - An additional sum of UGX 253,720,898 meant for staff recruitment could not be utilized because the recruitment process was interrupted by COVID-19.
 - The above staff were recruited, deployed and accessed on the payroll.

Recommendation

Refer to general recommendations.

Query 2: Over/under remittances of deduction

The Audit report noted that whereas UGX.3,758,132,718 was deducted from employees' salaries to be remitted to different beneficiaries, only UGX.3,749,366,009 was remitted, leading to an over/ under remittance of UGX.73,581,127 and UGX.82,347,836 respectively.

Over remittance limits the wage-bill while under remittance creates obligations to the entity that could result into fines and Penalties. Under remittance also creates avenues for siphoning funds through creation of fictitious suppliers/ beneficiaries in the system

The under remittance of UGX. 257,358 of UNATU came up as a result of staff who had exited service but their salaries and deductions were pended at time of payment , it was the same case with UGX.371,250 for LST. The seeming over remittance of UBA was a result of bounced payments to UBA for the month of Jan, Feb and May which was later paid with July salary.

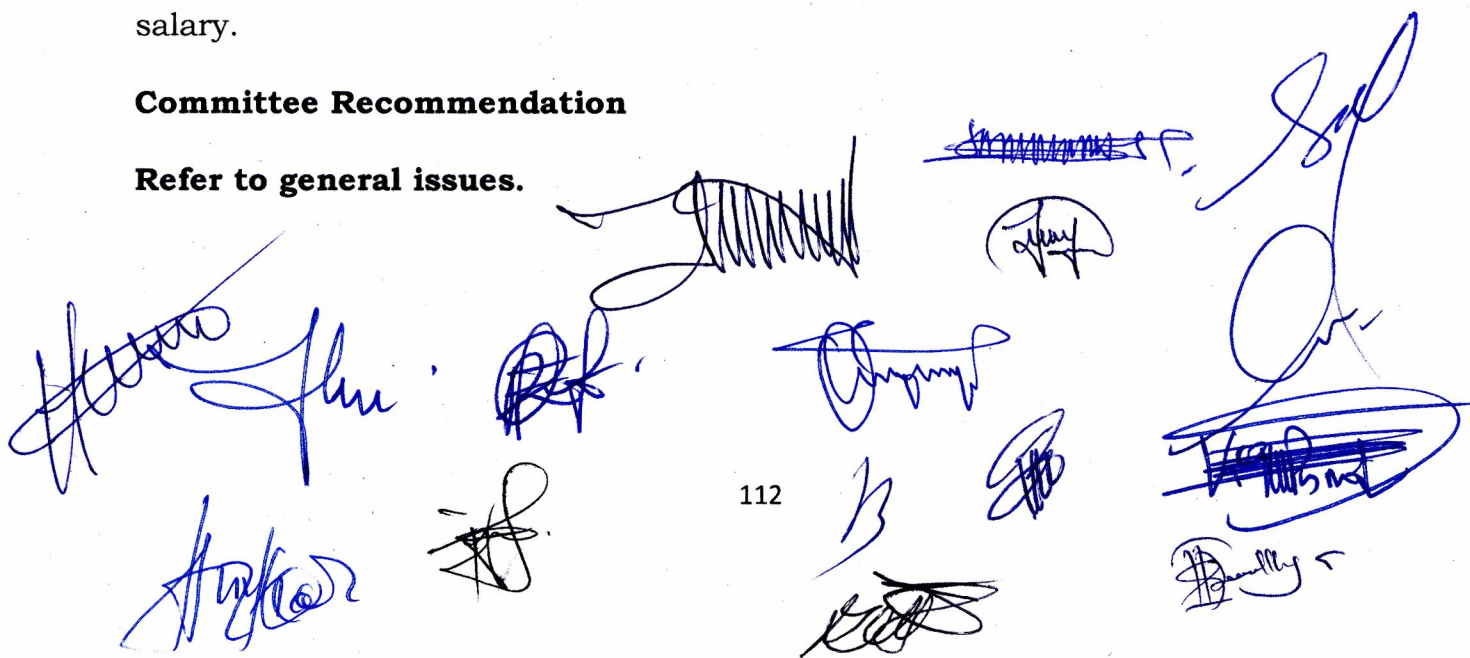
Committee Observation

The under remittance of UGX 257,358 of UNATU was due to exited staff from service yet their salaries and deductions were pending at time of payment, it was the same case with UGX 371,250 for Local Service Tax (LST).

The seeming over remittance to UBA was as a result of bounced payments to UBA for the month of January, February and May which was later paid with July salary.

Committee Recommendation

Refer to general issues.



Query 3: Un-authorized loans deductions

The Audit report revealed that the District made unauthorized loan deductions from 663 employees totaling UGX.1,146,130,412. The deductions neither had letters of undertaking nor existed in the “active deduction” or the “my approval” reports on the PDMS-Payroll Deduction Management System, operated by PCA-Payroll Consults Africa.

Loans not supported by letters of under taking could lead to un authorized loan deductions, deduction of loans from staff without loans and lack of assurance/guarantee to lending institutions which affects the livelihoods of civil servants due to limited access to loan services.

Committee Observation

The Committee observed that the District Local Government never filed copies of letters of undertaking for loans taken by staff in those instances.

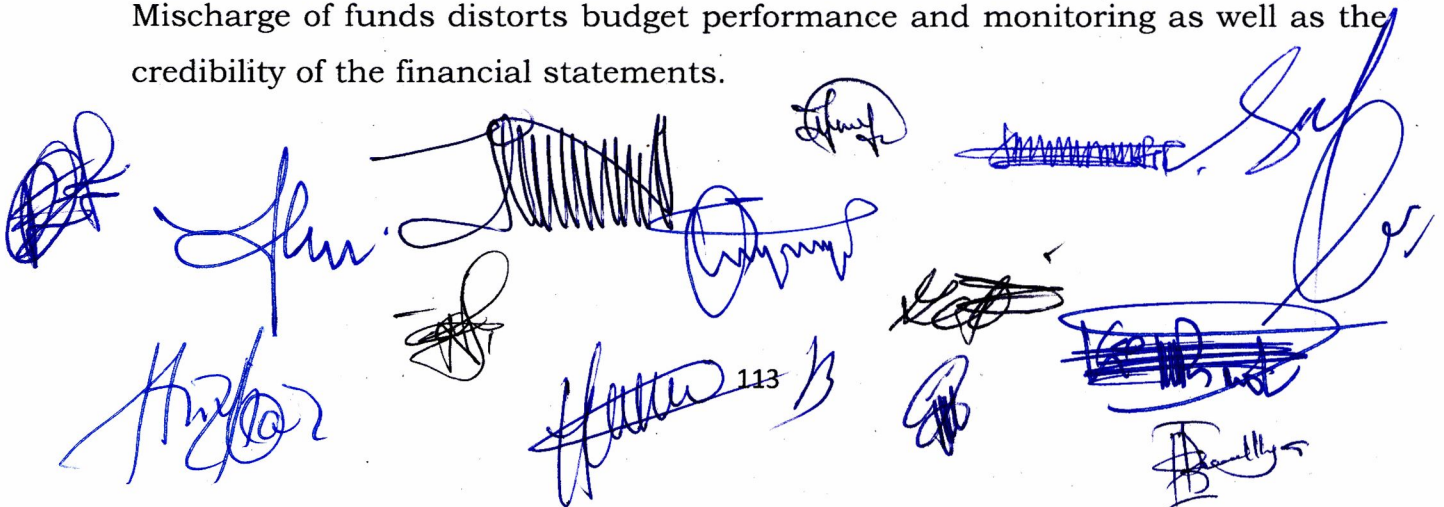
Recommendation

Refer to general issues.

Query 4: Mischarge of salary, pension and gratuity expenditure

The Audit report revealed that UGX.5, 912,486 was charged on account codes other than those prescribed for salary, pension and gratuity.

The mischarge was caused by insufficient budget provisions and poor planning. Mischarge of funds distorts budget performance and monitoring as well as the credibility of the financial statements.



Committee Observation

The Committee observed that there was a mischarge which was caused by system related challenges.

Recommendation

The Committee recommends;

- (i) ***Continuous training of staff within the district planning units on coding, system upgrades and improvements.***
- (ii) ***The Accounting Officer should ensure coordination of all departments during planning and budgeting processes.***

Query 5: Monthly wage, pension and gratuity performance analysis and remittance of quarterly returns to MoPS

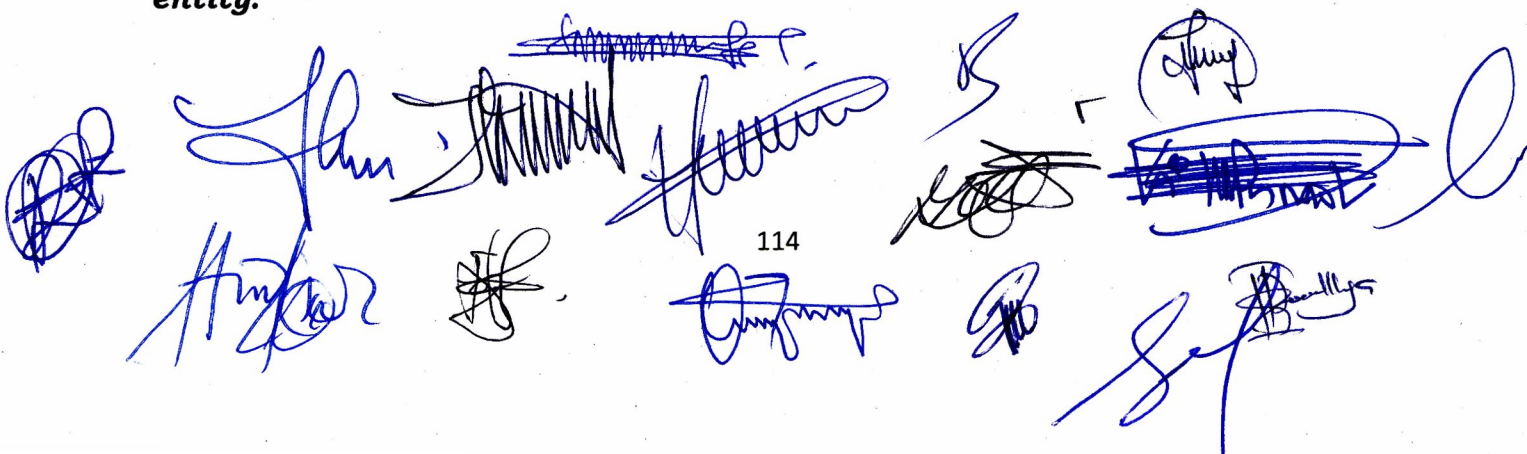
The Audit report revealed that the District did not prepare monthly wage, pension and gratuity performance analysis and thus did not submit quarterly returns on payroll to MoPS, contrary to Paragraph 2.1 of Establishment Notice No. 1 of 2020. Failure to make timely submission could lead to a possibility of wage budget shortfall.

Committee Observation

The Committee observed that the analysis was prepared but Physical submission to Ministry of Public Service was not done.

Recommendation

The Committee recommends that the Accounting Officer should adhere to the requirements of report submission to avoid adverse effects on the entity.



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Query 6: Payments of salaries, pension and gratuity off IPPS

From the comparison of the payroll register and IFMS payment file, the Audit report noted that 272 staff were paid a total of UGX. 309, 147,845 off IPPS

This control weakness creates an opportunity for payment of salaries and pension to non-eligible persons, hence loss of funds to Government.

The Accounting Officer explained that the Pensioners were paid on the pension payroll and the interface file from Ministry of Public Service.

Committee Observation

At the time of Audit there was a system issue of generating pension payroll which was then rectified however the District Local Government did not seek guidance to pay off the IPPS

Committee Recommendation

The Committee recommends that the Accounting officer should adhere to the guidelines in-relation to payment on the IPPS.

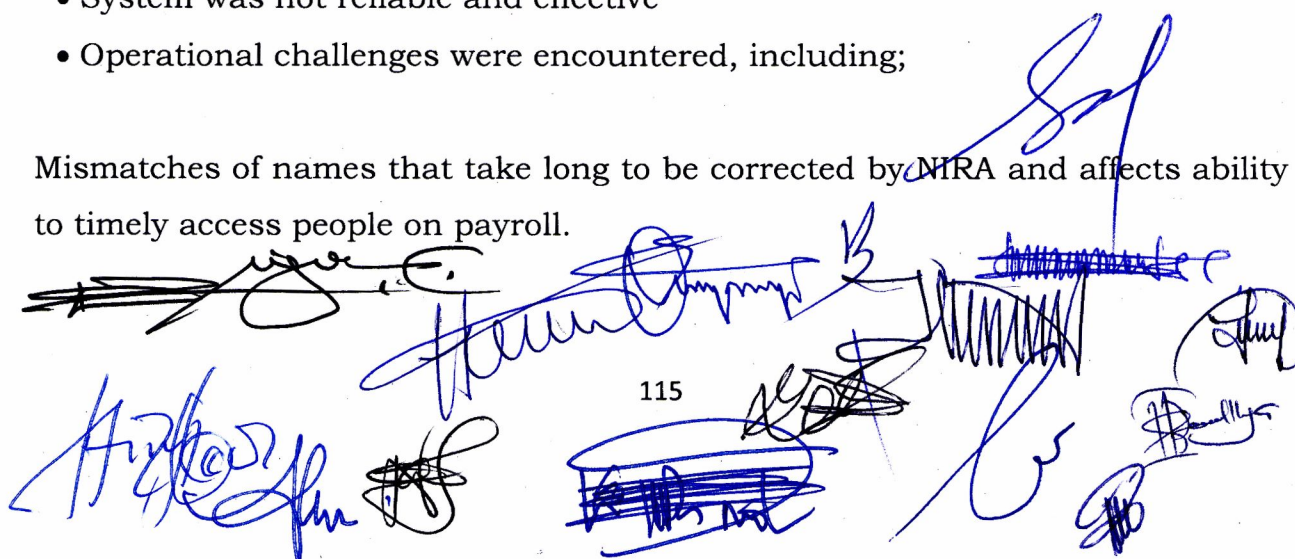
Query 7: Effectiveness and reliability of the IPPS/NID interface

The Audit report reviewed the effectiveness and reliability of the IPPS/NID staff/pensioner/beneficiaries' verification interface and noted the following;

- In-adequate sensitization and training in the use and navigation of the system
- System was not reliable and effective
- Operational challenges were encountered, including;

Mismatches of names that take long to be corrected by NRA and affects ability to timely access people on payroll.

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In some cases, the statuses under IPPS remain “NOT VERIFIED” even when the record is verified and approved. This again requires one to contact Ministry of Public service for an intervention.

Lack/inadequate verification and ineffectiveness of the system may affect the integrity of the IPPS payroll.

Committee Observation

The IPPS/NID interface has challenges especially for staff who make corrections on IDs or those getting new IDs.

Committee Recommendations

The Committee recommends that the Accounting Officer ensures continuous capacity building for staff.

The Committee recommends that the Ministry of Public Service develops effective systems/mechanisms that would address this gap.

Query 8: Local revenue performance

The Audit reviewed the approved Local revenue estimates for the financial year 2020/2021 and noted that the District projected to collect UGX.587,000,000 during the year under review. However, the entity collected only UGX.351,000,000 representing 60% performance.

The Accounting officer explained that the approved projected budget was UGX. 636,033,000 and not UGX. 587,000,000 as indicated by the audit. The Accounting Officer further explained, that the entity collected UGX 325,155,367 representing 51%. However, the total collection includes revenues from the Town

Councils and Kitagata Hospital whose funds were transferred at 100% leaving the District with insufficient funds to cater for council activities.

In addition, creation of Town councils and Municipalities took the biggest share of resources thus affecting the revenue base of the entity.

Committee Recommendation

The Committee recommends that;

- (i) The Accounting Officer ensures that the revenue enhancement committee is fully functional.***
- (ii) The Accounting Officer ensures that proper revenue enhancement strategies are developed for the entity.***

VOTE 546 NTUNGAMO DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1: Non deduction of PAYE from political leaders

The Audit report noted that the District did not subject political leaders' gratuity totaling to UGX. 60,526,800 to the computation of PAYE in IPPS, leading to an under deduction of UGX.14,374,090 contrary to section 19(1) (a) of the Income Tax Act. The failure to deduct these taxes denies Government revenue.

Committee Observation

The provision for deduction of taxes on gratuity for political leaders under the IPPS was not automated.

The Committee observed that guidance was not sought from MoPS on the challenge faced and no efforts had been made to recover the funds.

Committee Recommendation

Refer to General recommendations.

Query 2: Failure to undertake monthly wage, pension and gratuity performance analysis and submission of quarterly returns on payroll to MoPS

The Audit report noted that the entity did not prepare monthly wage, pension and gratuity performance analysis, and did not submit quarterly returns on payroll to MoPS.

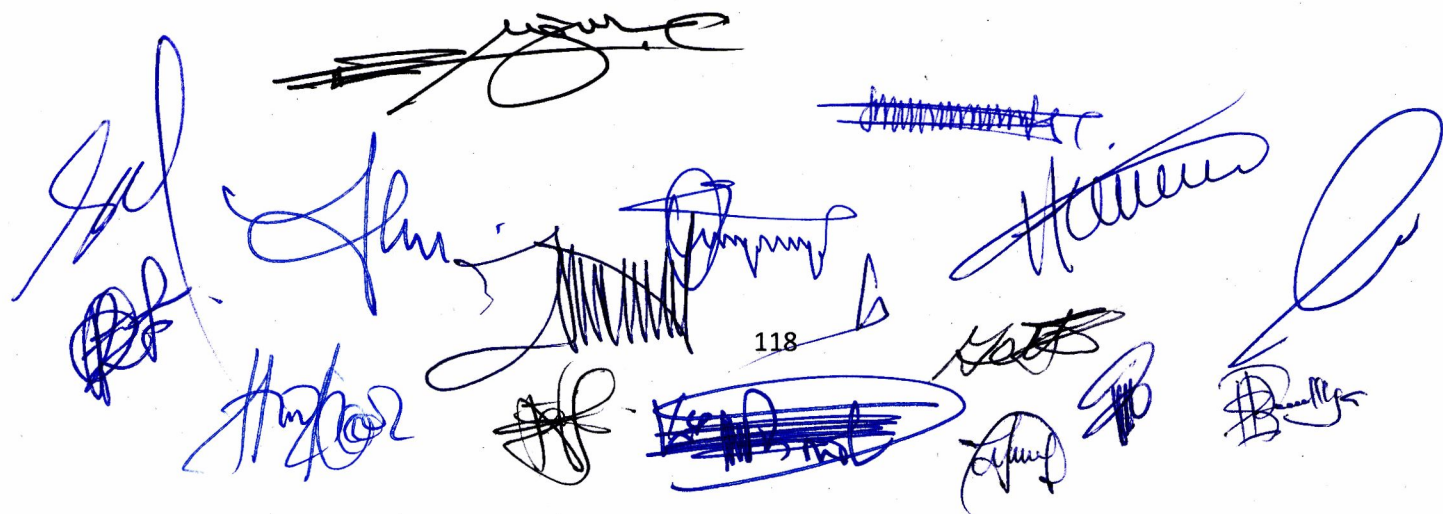
The Accounting Officer attributed this to understaffing within the Human resource department which created a burden on the department.

Failure to undertake payroll performance analysis may lead to accumulation of arrears, under absorption of wage, pension and gratuity.

Committee Observation

The Committee observed that;

- (i) The Accounting Officer failed to meet his obligation of undertaking payroll performance analysis which is contrary to the requirements of the law.
- (ii) The Accounting Officer falsely used the COVID-19 lockdown as an excuse for non-submission.



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Committee Recommendation

Refer to General recommendations.

Query 3: Payments of Salaries, Pension and gratuity off the IPPS

From the comparison of the payroll register and IFMS payment file, the Audit report noted that 29 staff were paid a total of UGX.91, 713,882 off the IPPS. This creates an opportunity for payment of ineligible staff and creation of non-existent staff.

Committee Observation

The Committee observed that;

- (i) The mentioned employees were newly recruited and had not accessed the district payroll by June but had obtained supplier numbers.
- (ii) The payment of their salaries was done outside the payroll.
- (iii) The staff in question have since accessed payroll.

Committee Recommendation

Refer to General recommendations.

Query 4: Local Revenue (LR) Performance

The Audit report reviewed the approved Local revenue estimates for the financial year 2020/2021 and noted that the District projected to collect UGX. 1,534,984,179 during the year but realized UGX. 1,127,109,918 representing (72%) performance. The shortfalls in Local Revenue collections of UGX. 427,874,261 representing 28% were recorded in Local Service Tax, Land Fees, Business Licenses, other tax revenues, administrative fees and Application Fees.

Shortfalls in local revenue collections negatively affect the implementation of planned activities.

Committee Observation

The Committee observed that the under collection was as a result of the abnormal circumstances of COVID-19 outbreak and subsequent lockdown. However, the Committee acknowledged that the 70% performance was commendable considering the challenges at the time.

Committee Recommendation

Refer to General recommendations.

Query 5: Lack of Land Titles

The Audit report noted that most of the District lands did not have certificates of land titles.

Committee Observation

The Committee noted that nine pieces of land were already titled and three more were being processed.

Committee Recommendation

The Committee recommends that the Accounting officer should ensure that all Government lands are titled and protected.

VOTE 777 BUSHENYI-ISHAKA MUNICIPALITY (Unqualified Opinion)

Query 1: Absorption of funds

The Audit report reviewed funds absorption and noted that UGX.6,870,735,820 representing 94% was spent out of the total receipts of UGX.7,298,461,215 that was received, resulting to an unspent balance of UGX.427,725,395.

Committee Observation

The Committee observed that the Ministry of Education and sports never posted the teachers and therefore the funds could not be absorbed. In addition, Teachers transferred by the Ministry of Education and Sports were never replaced.

Committee Recommendation

Refer to General recommendations.

Query 2: Omission of political leaders and commissioner's gratuity from the computation of PAYE.

The Audit report noted that the entity did not deduct PAYE from political leaders' and commissioner's gratuity amounting to UGX.2, 860,120.

Omission of political leaders' and commissioner's gratuity from the computation of PAYE leads to loss of revenue to Government.

Committee Observation

The Committee observed that the provision for deduction of taxes on gratuity for political leaders under the IPPS was not automated. The Committee also observed that the Municipal Council did not communicate to MoPS about the challenge.

Committee Recommendation

Refer to General Recommendations.

Query 3: Payments of salaries, pension and gratuity off the IPPS

From the comparison of the payroll register and IFMS payment file, The Audit report noted that no staff was paid off IPPS with the exception of 2 pensioners who were paid a total of UGX. 1,870,612 off the IPPS.

This anomaly creates an opportunity for payment of ineligible staff and creates non-existing staff/pensioners.

Committee Observation

The beneficiaries had no supplier numbers.

Committee Recommendation

Refer to General Recommendations.

Query 4: Inconsistencies between interface files and payroll registers

The Audit report observed that there were variances of UGX.1,941,880 where amounts on Interface file were less than Payroll registers and UGX 6,408,829 where the interface file amounts were more than the IPPS payroll registers.

This creates an opportunity for manipulation and misappropriation of salary/pension funds and could also lead to over/under payments of salary/pension.

Committee Observation

There was no communication to the Ministry of Public Service about the inconsistencies.

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Committee Recommendation

Refer to General Recommendations.

Query 5: Existence of strategic plans that are aligned to NDP III

The Audit report noted that the entity had not prepared and approved a strategic plan that is aligned to the NDP-III at the time of audit. There is a risk that activities implemented during the financial year 2020/2021 were not aligned to the NDP-III which negatively affects the achievement of NDP-III objectives.

Committee Observation

The Committee observed that the plan was submitted to NPA, but the review had not been done.

Committee Recommendation

Refer to General Recommendations.

Query 6: Inconsistencies between interface files and payroll registers

The Audit report observed that there were variances of UGX.1, 941,880 where amounts on Interface file were less than Payroll registers and UGX 6,408,829 where the interface file amounts were more than the IPPS payroll registers. This creates an opportunity for manipulation and misappropriation of salary/pension funds and could also lead to over/under payments of salary/pension.

The Accounting Officer attributed this to system challenges, however, the challenge had since been addressed.

Committee Observation

The Committee noted that the two systems were not tallying with each other thus causing distortions/variances.

Committee Recommendation

Refer to General Recommendations.

Query 7: Absorption of funds

Audit report noted of the total receipts for the financial year of UGX.11, 399,387,673, UGX.10, 867,887,662 was spent by the entity resulting in an unspent balance of UGX.531,500,011. The unspent balance at the end of the financial year was subsequently swept back to the consolidated fund account. The under absorption of released funds results in non-implementation of planned activities and negates the purpose for which funds were disbursed.

Committee Observation

The Committee observed that most of the funds were salaries for secondary and tertiary teachers because Ministry of Education and Sports did not post enough staff.

Committee Recommendation

Refer to general recommendations.

Query 8: Low Youth Livelihood Programme Recoveries

Audit report revealed that UGX.334, 493,400 had been disbursed to various youth groups in the district since 2013/2014 to date and only UGX.182, 572,182 (56%) had been recovered leaving UGX.151, 921,218 (44%) unrecovered. Management attributed the low recoveries to several groups having serious dynamics of management, finance and leadership results, Covid-19 pandemic and lockdown, and poor facilitation of Community Development Officers in terms of lack of transport means and other related operational costs. Other challenges

include movement of group members from one place to another, and failure by some groups to take off. This could lead to financial loss to the Municipality.

Committee Observation

The Committee observed that seven years had elapsed since disbursement of the YLP funds.

The CDOs were not provided facilitation in terms of transport to trace the responsible Youth groups.

The CDOs are not doing enough to have the monies recovered.

Committee Recommendation

Refer to general recommendations.

VOTE 757 KABALE MUNICIPAL COUNCIL (Unqualified Opinion)

Query 1: Absorption of Funds

The Auditor reviewed funds absorption and noted that UGX. 8, 860,000,00 was absorbed of the total budget of UGX. 9,520,000,000 resources, resulting into an unabsorbed balance of UGX. 660,000,000.

The unabsorbed balance was subsequently swept back to the consolidated fund account.

The under absorption of funds deprived the entity the use of funds for deserving service delivery areas.

Committee Observation

The Committee noted that the un- absorption of funds was attributed to non-recruitment of teachers due to the covid-19 pandemic lockdown. However, there was no communication by the entity to the MoES on the availability of wage and absence of personnel.

Committee Recommendation

The Committee recommends that the Municipality should make timely staff analysis, wage requirements and make prompt communication to line ministries on the available positions.

Query 2: Payment of Salaries, Pension and gratuity off the IPPS

From the comparison of the payroll register and IFMIS payment file, the Audit report noted that 4 staff were paid a total of UGX. 5,134,109 and 15 pensioners were paid a total of UGX. 170,974,283 off the IPPS. This creates an opportunity for payment of ineligible staff and creation of non-existent staff/pensioners.

Committee Observation

The Committee observed that payments of salaries, pension and gratuity off the IPPS contravened Paragraph 4.5 of Establishment Notice No.2 of 2019; and could lead to abuses and manipulation for private gains.

Committee Recommendation

The Committee recommends that Accounting Officers should ensure to reconcile their respective entity staff lists together with the Ministry of Public Service IPPS in order to avoid payments of salaries, pension and gratuity off the IPPS.

Query 3: Delayed access to salary payroll

The Audit report noted delayed access of 12 employees on the payroll and this took up to 60 days for the newly recruited staff to access the payroll.

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It was also observed that fourteen (14) employees recruited in May 2021 had not accessed the payroll by the time of audit.

Delayed access of newly recruited or transferred staff to the payroll leads to demotivation of the affected staff as well as accumulation of salary arrears.

Committee observation

The Committee observed that;

- (i) The delays were attributed to failure by the newly recruited staff to provide the required documentation including their national identification card and supply numbers.
- (ii) The human resources department did not put in sufficient efforts to fast track the process of accessing the new officers on the payroll.

Committee Recommendation

The Committee recommends that;

- (i) ***The HR department ensures that all newly recruited staff have all the necessary requirements to access the payroll. This should include having clear timelines for submission of critical documents.***
- (ii) ***All newly recruited staff be taken through proper induction upon appointment.***

Query 4: Delay access to pension payroll

The Audit report noted that 7 pensioners delayed to access the pension payroll. This took up to between 29 to 324 days.

Delayed access to the pension payroll affects the wellbeing of the affected retirees as well as accumulation of pension arrears.

Committee Observation

The Committee observed that the pensioners in question were beneficiaries of the estates and so they lacked crucial documents that led to delay in submitting complete information such as letters of Administration, acquiring supplier numbers for the estate.

Committee Recommendations

The Committee recommends that;

- (i) The Accounting Officer in collaboration with the HR department should ensure pensioners and administrators of estates are supported to provide the necessary requirement to access the pension payroll.
- (ii) The entity should enforce the retirement management systems and procedures to reduce on the high incidences of unnecessary delays.

Query 5: Inconsistence between MoPS and Entity Payroll Registers

The Audit report observed that there were variances of UGX. 1,881,276 between the MoPS IPPS and entity payroll registers.

This undermines the integrity of the IPPS system and may create an opportunity for manipulation and misappropriation of salary/pension funds due to lack of reconciliatory controls between the entity information and IPPS master data file at MoPS.

Committee Observation

The Committee observed that inaccuracies and inconsistencies between the Ministry of Public Service IPPS and the Entities' Payroll Registers was a recipe for manipulation and abuse to defraud Government employees of their hard earned salaries.

Committee Recommendation

Refer to the general recommendation

Query 6: Effectiveness and reliability of the IPPS/NID interface

The Audit reviewed the effectiveness and reliability of the IPPS/NID staff/pensioner/beneficiaries' verification interface and noted the following;

- Inadequate sensitization and training in the use and navigation of the system
- System was not reliable and effective
Operational challenges were encountered;
- Unreliable and poor IPPS Network systems
- Employee mismatch /inconsistent information between NIRA, IPPS system, TIN-URA System which has hindered prompt positive Payroll management system.
- The merger of both IPPS and NIRA system have not been fully done in that when there is a system error each entity has to clear an error in its jurisdiction thus time consuming and affecting timely service delivery.
- The system has not been fully decentralized to the extent that system errors under Employee verification system (issues) with NIRA have to be handled at the Headquarter and this contributes to multiple negative factors such delayed clearance of technical issues at least a period of three month or more.

The ineffectiveness of the system may affect the integrity of the IPPS payroll.

Committee Observation

The Committee observed that not all staff are fully sensitized about the systems.

Committee Recommendation

Refer to the general recommendation.

Query 7: Local Revenue performance

The Audit reviewed the approved Local revenue estimates for the financial year 2020/2021 and noted that Kabale Municipal Council budgeted to collect UGX.2.58Bn during the year under review. The entity collected UGX.1.29Bn representing 50% performance. The shortfalls in Local Revenue collections were recorded in the following revenue sources; Local Service Tax, Land Fees, Business Licenses, Rent, Administrative fees and licenses and Other Tax Revenues.

Revenue shortfalls affect the implementation of planned activities such as procurement of vehicles, surveying land, opening and maintenance of roads.

Committee Observation

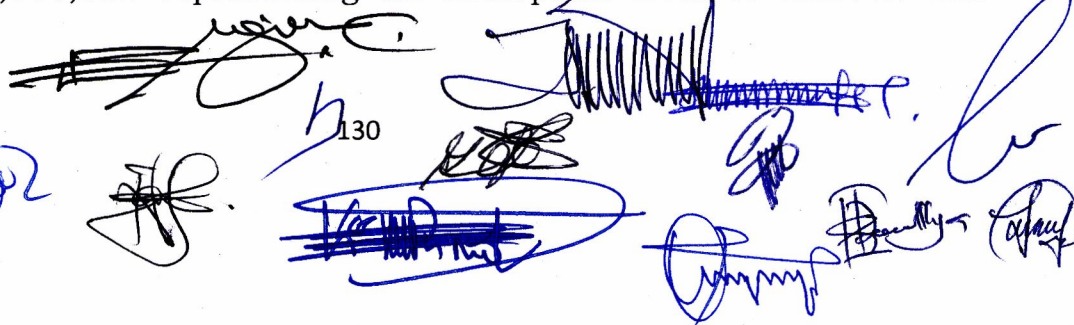
The shortfall was because of the COVID-19 pandemic and the closure of the Uganda-Rwanda border that affected various sources of local revenue.

Committee Recommendations

The Committee recommends that the entity undertakes or carries out property valuation as well as reviews its revenue enhancement plan to identify new sources of local revenues.

Query 8: Absorption of Funds

Out of the total warrants received for the financial year of UGX. 29,310,000,000 UGX. 18,280,000,000 was spent by the entity resulting in an unspent balance of UGX. 11,030,000,000 representing an absorption level of 62.37%. The

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unspent balance at the end of the financial year was subsequently swept back to the consolidated fund account.

Under absorption of released funds results in non-implementation of planned activities and negates the purpose for which funds were disbursed.

Committee Observation

The Committee observed the following;

- (i) The unabsorbed funds were mainly USMID funds that were not fully absorbed because of delayed procurement of the Contractor and consultant due to cluster setting done by the Ministry of Lands, Housing and Urban Development.
- (ii) The activities for USMID that were rolled over to the subsequent year included Tarmacking of Rushoroza, Bushekwire and Bwankosya roads.
- (iii) There was limited capacity by the contractors that were engaged to carry out works under different clusters as they were over loaded
- (iv) The USMID unabsorbed funds amounted to UGX 10,370,000,000 while wages were UGX 660,000,000 for mostly tertiary, secondary school teachers.
- (v) Kabale Municipal Council did not have control over recruitment of tertiary and Secondary School teachers because it is the responsibility of Ministry of Education and Sports.

Committee Recommendations

The Committee recommends that;

- (i) **Ministry of Lands, housing and urban development should review the procurement policy of awarding a single contractor many works without due consideration to their capacity to deliver the works on time.**

- (ii) ***The entity should ensure timely declaration and communication of vacant positions to the Ministry of Education and Sports and the Education Service Commission for the recruitment of teachers.***

Query 9: Implementation of Qualified outputs

The Audit assessed the implementation of six (6) outputs that were fully quantified with a total of twenty-two (22) activities worth UGX 5,570,000,000 and noted the following.

- Four (4) outputs with total expenditure amounting to UGX 600,000,000 were fully implemented representing 66.7% of the outputs.

Two (2) outputs with total expenditure amounting to UGX 4,970,000,000 were partially implemented representing 33.3% of the outputs.

Partial-implementation of planned activities implies that the expected services to the beneficiary communities were not attained. For example, tarmacking of Rushoroza, Bwankosya and Bushekwire roads and completion of the doctor's house at Kamukira HC IV were not done.

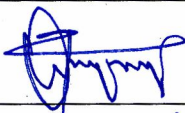


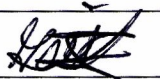




Committee Observation

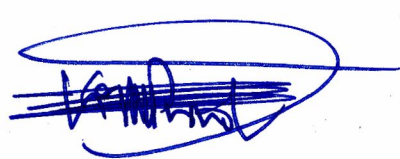
The Committee observed that activities that were not completed were being implemented and budgeted for in the current FY 2021/22. They include: Completion of Doctor's house at Kamukira HC IV, Construction/tarmacking of Rushoroza, Bushekwire and Bwankosya Roads.


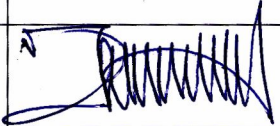
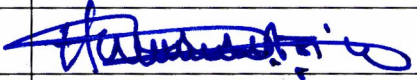
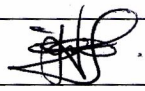
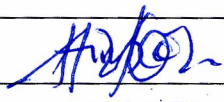
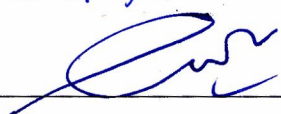
Committee Recommendation



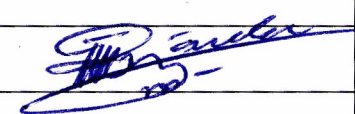
The Committee recommends that the Accounting Officer should always embark on implementation of approved work plans and only await for budget releases to effect the contracts so as not to lose on time.

SIGNATURE LIST FOR MEMBERS OF COMMITTEE ON PUBLIC ACCOUNTS (LOCAL GOVERNMENT) WHO SIGNED THE REPORT OF THE COMMITTEE ON THE AUDITOR GENERAL'S REPORT FOR THE FINANCIAL YEAR 2020/21 ON 12 DISTRICT LOCAL GOVERNMENTS AND 2 MUNICIPAL COUNCILS

S/N	NAME	CONSTITUENCY	SIGNATURE
	Hon. OJara Martin Mapenduzi	Bardege- Layibi Division	
1.	Hon. Luttamaguzi Semakula P.K	Nakaseke South	
2.	Hon. Apolot Christine	DWR Kumi	
3.	Hon. Aseera Stephen	Buhaguzi East County	
4.	Hon. Auma Linda Agnes	DWR Lira	
5.	Hon. Bhoka Didi George	Obongi County	
6.	Hon. Byamukama Nulu Joseph	Kitagwenda County	
7.	Hon. Cherukut Emma Rose	DWR Kween	
8.	Hon. Dr. Byakatonda Abdulhu	Workers Representative	
9.	Hon. Feta Geofrey	Ayivu East County	
10.	Hon. Kaala Kevin Ojinga	DWR Pallisa	
11.	Hon. Kagabo Twaha Mzee	Bukoto South	
12.	Hon. Kamukama Devis	Bunyangabo County	
13.	Hon. Kamusiime Caroline	DWR Rukiga	
14.	Hon. Kanyike Ronald Evans	Bukoto East	
15.	Hon. Karubanga Jacob	Kibanda South County	
16.	Hon. Kawalya Abubaker	Rubaga North	



17.	Hon. Kinshaba Patience Nkunda	DWR Kanungu	
18.	Hon. Kisa Stephen B	Luuka South County	
19.	Hon. Kiyaga Hillary	Mawokota South	
20.	Hon. Komol Joseph	Dodoth North County	
21.	Hon. Kyoto Ibrahim	Budiope West	
22.	Hon. Lokwang Philiphs Illukol	Napore West County	
23.	Hon. Lolem Micah Akasile	UPE County	
24.	Hon. Lomwar Ismail Muhammad	Kotido Municipality	
25.	Hon. Masiko N. Apollo Henry	UPDF REP	
26.	Hon. Muhindo Harold Tonny	Bukonzo East County	
27.	Hon. Mutebi Noah W	Nakasongola County	
28.	Hon. Mutumba Abdul	Kiboga West County	
29.	Hon. Mwesigwa Robert Rukaari	Mbarara North Division	
30.	Hon. Nakut Faith Loru	DWR Napak	
31.	Hon. Naluyima Betty Ethel	Wakiso District	
32.	Hon. Namanya Naboth	DWR Rubabo	
33.	Hon. Nantongo Fortunate Rose	DWR Kyotera	
34.	Hon. Ocan Patrick	Apac Municipality	
35.	Hon. Ocen Peter	Kole County South	
36.	Hon. Ocherro Jimbricky Norman	Labwor County	

37.	Hon. Okia Joanne Aniku	DWR Madi -Okollo	
38.	Hon. Okwir Samuel	Moroto County	
39.	Hon. Ongiertho Emmanuel	Jonam County	
40.	Hon. Opolot Fred	Pingire County	
41.	Hon. Rwemulikya Ibanda	Ntoroko County	
42.	Hon. Ssimbwa Fred	Nakifuma Central	
43.	Hon. Taaka Agnes	DWR Bugiri	
44.	Hon. Wanda Richard	Bungokho Central	
45.	Hon. Isingoma Patrick Mwesigwa	Hoima East Division	

IMPLEMENTATION OF THE APPROVED BUDGET				
Absorption of Funds				
No.	Local Government	Amount Budgeted	Total Receipts	Total Expenditures
1	Luweero District Local Government	59,560,000,000	58,030,000,000	54,720,000,000
2	Arua District Local Government	100,000,000,000	68,100,000,000	58,800,000,000
3	Pader District Local Government	30,849,951,418	26,286,261,626	25,983,341,096
4	Butaleja District Local Government	40,550,000,000	32,265,176,283	30,241,709,120
5	Kapchworwa District Local Government	27,260,000,000	18,959,391,704	18,736,372,913
6	Isingiro District Local Government	87,350,000,000	68,770,000,000	61,310,829,945
7	Kabale District Local Government	47,480,000,000	35,510,000,000	34,880,000,000
8	Ntungamo District Local Government	63,730,000,000	53,520,000,000	51,850,000,000
9	Sheema District Local Government	27,950,000,000	26,950,000,000	25,320,000,000
10	Amudat District Local Government	12,800,000,000	14,000,000,000	9,700,000,000
11	Kaabong District Local Government	20,100,000,000	16,590,000,000	14,508,000,000
12	Karenga District Local Government	12,267,000,000	8,639,000,000	8,002,000,000
13	Bushenyi Ishaka Municipal Council	11,460,000,000	11,399,387,673	10,867,887,662
14	Kabale Municipal Council	29,930,000,000	29,310,000,000	18,280,000,000
		571,286,951,418	468,329,217,286	423,200,140,736

LOCAL REVENUE PERFORMANCE

No.	Local Government	Budgeted	Actual Realised
1	Luweero District Local Government	3,383,195,858	2,065,297,399
2	Arua District Local Government	1,300,000,000	650,000,000
3	Pader District Local Government	680,000,000	549,225,934
4	Butaleja District Local Government	351,612,589	138,922,934
5	Kapchworwa District Local Governr	384,000,000	279,835,482
6	Isingiro District Local Government	1,029,300,000	778,835,482
7	Kabale District Local Government	470,000,000	402,000,000
8	Ntungamo District Local Governme	1,554,984,179	1,127,109,918
9	Sheema District Local Government	587,000,000	351,000,000
10	Amudat District Local Government	72,800,000	59,500,000
11	Kaabong District Local Government	206,556,000	142,922,109
12	Karenga District Local Government	362,010,000	152,347,093
13	Bushenyi Ishaka Municipal Council	766,373,000	495,330,099
14	Kabale Municipal Council	2,580,000,000	1,290,000,000
		13,727,831,626	8,482,326,450

62%