

OFFICE OF THE AUDITOR GENERAL



THE REPUBLIC OF UGANDA

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

OFFICE OF THE AUDITOR GENERAL
UGANDA

TABLE OF CONTENTS

Table of Contents.....	2
List of Acronyms	3
Report of the Auditor General on the Financial Statements of Uganda National Meteorological Authority for the year ended 30 th June, 2022.....	3
Qualified Opinion	3
Basis for Qualified Opinion	3
1.0 Wrong disclosure of non-produced assets/unreconciling expenditure	3
1.1 Omitted/unaudited financial operations of the National Meteorological College.....	3
Key Audit Matter	4
1.2 Implementation of the Approved Budget	4
2.0 Management of public land.....	9
Emphasis of Matter	10
Note 19(a) to the financial statements together with the statement of financial position revealed that the Authority had receivables totaling to UGX.3.13Bn at the closure of the financial year under review. This is comprised of outstanding of letter of credit valued at UGX.699,777,683 and pre-payments totaling to UGX.2,428,702,532 made to various firms in respect of supply of Machinery and Equipment which had not been delivered by the close of the financial year.	11
Other matter	11
Other Information	12
Management Responsibilities for the Financial Statements.....	12
Auditor's Responsibilities for the audit of the Financial Statements	13
Other Reporting Responsibilities	14
Report on the Audit of Compliance with Legislation.....	14
6.0 Management of Information Technology (IT) Investments in Government	14

LIST OF ACRONYMS

ACRONYM	MEANING
Bn	Billion
ICT	Information Communication Technology
IESBA	International Ethics Standards Board for Accountants
IFMS	Integrated Financial Management System
INTOSAI	International Organization of Supreme Audit Institutions
ISSAIs	International Standards of Supreme Audit Institutions
LGs	Local Governments
MDAs	Ministries, Departments and Agencies
Mn	Million
MoFPED	Ministry of Finance, Planning and Economic Development
NTR	None Tax Revenue
PFMA	Public Financial Management Act
PPDA	Public Procurement and Disposal of Assets
PS/ST	Permanent Secretary/Secretary to Treasury
TI	Treasury Instructions
UGX	Uganda Shillings
UNMA	Uganda National Meteorological Authority

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF
UGANDA NATIONAL METEOROLOGICAL AUTHORITY
FOR THE YEAR ENDED 30TH JUNE, 2022

THE RT. HON. SPEAKER OF PARLIAMENT

Qualified Opinion

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

In my opinion, except for the matter(s) described in the basis for qualified opinion section of my report the financial statements of the Uganda National Meteorological Authority for the financial year ended 30th June 2022 are prepared, in all material respects, in accordance with Section 51 of the Public Finance Management Act, 2015 and the Financial Reporting Guide, 2018.

Basis for Qualified Opinion

1.0 Wrong disclosure of non-produced assets/unreconciling expenditure

A review of reconciliation of total expenditure as per Appropriation account and statement of financial statement shows a purchase of non produced assets for the period, of UGX.200million. Further review notes that this asset(land) was purchased during the F/Y 2019/2020 but management has since continued to reflect it in every year as an additional purchase, purportedly on the advice of the Accountant General's office, and consequently the accounts have not been adjusted to that effect.

Under the circumstances, this renders the total expenditure for the year unreconciling by UGX.200million.

1.1 Omitted/unaudited financial operations of the National Meteorological College.

The College operates under the Authority, receives funding from the latter as it has no independent/separate board, and does not prepare its own independent accounts.

I further noted that the College admits both national and international students for various meteorology related courses, collects fees (NTR) and spends it at source. Both NTR collections and expenditure are not consolidated and reported as part of the Authority operations. I was not availed the financial records for the College for the entire year, nor accountability for the UGX.74,000,000 remitted to the College.

This therefore limited the scope of my audit for the school, and the amounts involved remained unreported on by the Authority and unaudited.

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in

the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Authority in accordance with the Constitution of the Republic of Uganda 1995 (as amended), the National Audit Act, 2008, the International Organization of Supreme Audit Institutions (INTOSAI) Code of Ethics, the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code), and other independence requirements applicable to performing audits of Financial Statements in Uganda. I have fulfilled my other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing audits in Uganda. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matter

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

1.2 Implementation of the Approved Budget

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

Over the years, I have observed improvements in the performance regarding implementation of the budget but entities still face a number of challenges including COVID, which continue to affect implementation of activities, service delivery and credibility of the budget. It is against this background that budget performance was considered a key audit area during the office-wide planning. I reviewed documents such as work plans, performance reports, conducted interviews and physical inspection in arriving at my findings.

The Uganda National Meteorological Authority is mandated to promote, monitor weather and climate as well as provide weather predictions and advisories to Government and other stake holders for use in sustainable development of the country.

The entity had an approved budget of UGX.25,754,745,000 out of which UGX.,931,000,000 was warranted. The entity's key deliverables for the financial year under review are detailed in the table below;

Table: Showing key deliverables for UNMA for the year

N o	Output	Details	Budgeted amount (UGX)	Cumulative % share of the total approved budget
1	095319	Human Resource management Services	10,911,336,000	42.4
2	095377	Purchase of Specialized Machinery & Equipment	5,888,100,000	65.2
3	095301	Weather and Climate Services	2,774,657,000	76.0
4	095302	Administration and management Support	2,749,069,000	86.7
5	095372	Government Buildings and Administrative Infrastructure	1,550,000,000	92.7
6	095376	Purchase of Office and ICT Equipment, including Software	624,643,000	95.1
7	095303	Strategic management Services	492,440,000	97.0
8	095375	Purchase of Motor Vehicles and Other Transport Equipment	400,000,000	98.6
9	095378	Purchase of Office and Residential Furniture and Fittings	244,600,000	99.5
10	095351	National Meteorological Training School (NMTS)	96,000,000	99.9
11	095320	Records Management Services	23,900,000	100.0
		Total	25,754,745,000	

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

No	Observation	Recommendation
1.1	<p><u>Revenue Performance</u></p> <p><u>Performance of Non-Tax Revenue (NTR)</u></p> <p>I reviewed the NTR estimates, revenue sources and rates charged at vote level for the financial year 2021/2022 and noted that the entity budgeted to collect NTR of UGX.2.2Bn during the year under review. Out of this, only UGX.0.392Bn was collected, representing a performance of 17.8% of the target.</p> <p>The inadequate performance in NTR performance was partly attributed to failure by management to effectively manage the collection of revenue from the major NTR source (Civil Aviation Authority) and the unrealistic NTR projections since these NTR targets are set by MoFPED without participation of the Accounting Officers. Shortfalls in NTR collections at vote level result in aggregate NTR/revenue shortfalls at the treasury level, which negatively affects the implementation of planned activities by government.</p> <p>The Accounting officer explained that NTR collections were adversely affected by the COVID-19 pandemic with a reduction in flights subsequently affecting collections from Civil Aviation Authority which is UNMA's major contributor to NTR. Much as the economy was back to normal, UNMA's collection from CAA had not yet recovered and was still receiving 306m annually.</p>	<p>I advised the Accounting Officer to continue engaging CAA on collection of NTR; and to always engage MoFPED at the time of budgeting in order to come up with more realistic NTR estimates.</p> <p>I advised the Accounting Officer to liaise with MOFPED to ensure that GOU funds are</p>

	UNMA engaged CAA on reinstatement of the 1.7B agreed but this had not yielded any results yet.	released as planned.																																																
	<p>Performance of GoU receipts</p> <p>According to the approved budget, the Authority was supposed to receive UGX.25.755Bn out of which UGX.18.931Bn was warranted, resulting in a shortfall of UGX6.83Bn. The shortfall represents 26.5% of the approved budget.</p> <p>The funds that were not warranted were meant to facilitate the implementation of the following activities, which were either partially implemented or not implemented at all.</p> <p>Table 1: Showing activities affected by the budget cuts</p> <table><tr><th>No</th><th>Activity</th><th>Budget Amount</th><th>Purpose</th></tr><tr><td>1</td><td>213 UNMA Staff sensitized on HIV/AIDS</td><td>15,000,000</td><td>Were meant to ensure wellbeing of UNMA staff and boost their performance</td></tr><tr><td>2</td><td>Awareness programs on the importance and use of meteorological services Developed and implemented</td><td>111,200,000</td><td>Were meant to enhance productivity and efficiency of staff</td></tr><tr><td>3</td><td>Capacity of 8 staff built in Meteorology</td><td>47,000,000</td><td>Were meant to enhance productivity and efficiency of staff</td></tr><tr><td>4</td><td>Soroti offices and observatory renovated and upgraded to meet WMO standards</td><td>76,300,000</td><td>Were meant to enhance the reliability of date collected.</td></tr><tr><td>5</td><td>Service provider for Kigungu radar site fencing, and construction of a guard house procured</td><td>1,300,000,000</td><td>Were meant to enhance security while carrying out night observations.</td></tr><tr><td>6</td><td>2 Automatic Weather Observation systems procured and installed at Entebbe and Soroti Airports</td><td>1,200,000,000</td><td>Were meant to enhance accuracy and reliability of meteorological data.</td></tr><tr><td>7</td><td>Operations of 53 Manual Weather Stations Maintained</td><td>274,560,000</td><td>Were meant to ensure sustainability of provision of accurate weather information</td></tr><tr><td>8</td><td>Revive functionality of 4 (Nabuin, Kachwekano, RakaiDFI, Moyo) Stations</td><td>166,557,143</td><td>Were meant to enhance availability and accuracy weather information provided</td></tr><tr><td>9</td><td>Procurement of weather equipment</td><td>3,450,000,000</td><td>Were meant to enhance availability and accuracy weather information provided</td></tr><tr><td>10</td><td>Furniture procured for 30 offices</td><td>244,600,000</td><td>Were meant to improve the Office working environment</td></tr><tr><td></td><td>TOTAL</td><td>6,838,217,143</td><td></td></tr></table>	No	Activity	Budget Amount	Purpose	1	213 UNMA Staff sensitized on HIV/AIDS	15,000,000	Were meant to ensure wellbeing of UNMA staff and boost their performance	2	Awareness programs on the importance and use of meteorological services Developed and implemented	111,200,000	Were meant to enhance productivity and efficiency of staff	3	Capacity of 8 staff built in Meteorology	47,000,000	Were meant to enhance productivity and efficiency of staff	4	Soroti offices and observatory renovated and upgraded to meet WMO standards	76,300,000	Were meant to enhance the reliability of date collected.	5	Service provider for Kigungu radar site fencing, and construction of a guard house procured	1,300,000,000	Were meant to enhance security while carrying out night observations.	6	2 Automatic Weather Observation systems procured and installed at Entebbe and Soroti Airports	1,200,000,000	Were meant to enhance accuracy and reliability of meteorological data.	7	Operations of 53 Manual Weather Stations Maintained	274,560,000	Were meant to ensure sustainability of provision of accurate weather information	8	Revive functionality of 4 (Nabuin, Kachwekano, RakaiDFI, Moyo) Stations	166,557,143	Were meant to enhance availability and accuracy weather information provided	9	Procurement of weather equipment	3,450,000,000	Were meant to enhance availability and accuracy weather information provided	10	Furniture procured for 30 offices	244,600,000	Were meant to improve the Office working environment		TOTAL	6,838,217,143		
No	Activity	Budget Amount	Purpose																																															
1	213 UNMA Staff sensitized on HIV/AIDS	15,000,000	Were meant to ensure wellbeing of UNMA staff and boost their performance																																															
2	Awareness programs on the importance and use of meteorological services Developed and implemented	111,200,000	Were meant to enhance productivity and efficiency of staff																																															
3	Capacity of 8 staff built in Meteorology	47,000,000	Were meant to enhance productivity and efficiency of staff																																															
4	Soroti offices and observatory renovated and upgraded to meet WMO standards	76,300,000	Were meant to enhance the reliability of date collected.																																															
5	Service provider for Kigungu radar site fencing, and construction of a guard house procured	1,300,000,000	Were meant to enhance security while carrying out night observations.																																															
6	2 Automatic Weather Observation systems procured and installed at Entebbe and Soroti Airports	1,200,000,000	Were meant to enhance accuracy and reliability of meteorological data.																																															
7	Operations of 53 Manual Weather Stations Maintained	274,560,000	Were meant to ensure sustainability of provision of accurate weather information																																															
8	Revive functionality of 4 (Nabuin, Kachwekano, RakaiDFI, Moyo) Stations	166,557,143	Were meant to enhance availability and accuracy weather information provided																																															
9	Procurement of weather equipment	3,450,000,000	Were meant to enhance availability and accuracy weather information provided																																															
10	Furniture procured for 30 offices	244,600,000	Were meant to improve the Office working environment																																															
	TOTAL	6,838,217,143																																																
	The Accounting Officer explained that management had engaged MoFPED on budget cuts especially considering that																																																	

	<p>UNMA was an essential service as stipulated in the standing orders. He further explained that the engagement had resulted in an additional release in of 1.7B in Quarter 1. He indicated that engagements with Ministry of Internal Affairs and Office of the President resulted in a presidential directive to increase UNMA’s budget and this led to an improvement of the second quarter release.</p>																
1.2	<p>Utilization of warrants</p> <p>Out of the total warrants of UGX.18.93Bn received during the financial year, the entity submitted invoices totalling UGX.18.64Bn resulting in an un-utilized warrants of UGX.0.29Bn representing an absorption level of 99.7%.</p> <p>The warrants that were not utilised were meant for the following activities which were subsequently partially or not implemented at al.</p> <table><tr><th>N o</th><th>Out-put</th><th>Activity</th><th>Amount (UGX)</th><th>Reason for underutilization of warrants</th></tr><tr><td>1</td><td>095319-Human Resource management Services</td><td>Employment cost- gratuity and salary</td><td>110,950,642</td><td>Unfilled staff positions.</td></tr><tr><td>2</td><td>095376-Purchase of Office and ICT Equipment, including Software</td><td>Procurement of computers</td><td>359,433,984</td><td>Bounced payment for computers bounced due to incorrect bank details provided</td></tr></table> <p>As a result of failure to utilise warrants, the Authority still has;</p> <ul style="list-style-type: none">• Un-filled positions which continue affect implementation of its operations and service delivery• Insufficient ICT equipment which continue to affect dissemination of climate information to the citizens <p>The Accounting Officer explained that the under absorption of funds relates to wage and gratuity for unfilled positions in the structure. He further explained that the planned recruitment of the staff was affected by the halt on recruitment issued by Ministry of Public service due to the proposed merger of Agencies including UNMA. He indicated that this had since been lifted and recruitment was underway. He further indicated that the payment of funds for computers bounced due to incorrect bank details provided.</p>	N o	Out-put	Activity	Amount (UGX)	Reason for underutilization of warrants	1	095319-Human Resource management Services	Employment cost- gratuity and salary	110,950,642	Unfilled staff positions.	2	095376-Purchase of Office and ICT Equipment, including Software	Procurement of computers	359,433,984	Bounced payment for computers bounced due to incorrect bank details provided	<p>I advised the Accounting Officer to always ensure timely implementation of planned activities to ensure full absorption of funds.</p>
N o	Out-put	Activity	Amount (UGX)	Reason for underutilization of warrants													
1	095319-Human Resource management Services	Employment cost- gratuity and salary	110,950,642	Unfilled staff positions.													
2	095376-Purchase of Office and ICT Equipment, including Software	Procurement of computers	359,433,984	Bounced payment for computers bounced due to incorrect bank details provided													
1.3	<p>Implementation of outputs and activities</p> <p>I assessed the implementation of a sample of nine (9) outputs that had been fully quantified with a total of sixty five (65) activities worth UGX.20.935Bn and noted that;</p> <ul style="list-style-type: none">• Two (2) outputs with two (2) activities and expenditure worth UGX. 1.539Bn were fully implemented.• Six (6) outputs with sixty one (61) activities worth UGX.17.846Bn were partially implemented. Out of the sixty	<p>I advised the Accounting Officer to always ensure that activities and outputs are implemented as planned</p>															

	<p>one (61) activities, the entity fully implemented twenty six (26) activities; fourteen (14) activities were partially implemented, while twenty one (21) activities remained unimplemented.</p> <ul style="list-style-type: none"> One (1) output with two (2) activities worth 1.55Bn was not implemented at all. <p>Non-implementation of planned activities implies that the expected services to the beneficiary communities were not attained. For example, the Authority did not implement the planned activities despite having received the required funds. Details are in Appendix I</p> <ol style="list-style-type: none"> 2 instead of regional 4 stake holder engagement on development of user specific products 11 instead of 40 Graduate and other Trainees facilitated to conduct Weather Observations None of the 3 radars had their comprehensive Insurance Paid 3 instead of 7 procurement made for the civil works for constructing 7 Fences and weather offices None of the 6 uniports planned to be installed at stations of Wadelai, Soroti, Kotido, Bududa, Kyenjojo, Kibanda were installed <p>The Accounting Officer explained that budget cuts by Ministry of Finance Planning and Economic Development led to the partial and non-implementation of outputs and activities.</p>	
--	---	--

1.4 Delivery of services from implemented activities

I undertook procedures to establish if activities were undertaken in timely manner, were of expected quality and quantity, and if citizens were getting the expected services. In addition, I assessed if the works/services were delivered at reasonable costs. Below is a summary of my observations, details of which have been provided as **Appendix II**

No	Activity details	Total expenditure (UGX) "000"	Summary of findings	Conclusion regarding service delivery
1	Supply, installation and commissioning of one C-Band Dual Polarised Weather Radar at Mwizi hill (Rwampara)	10,905,325	<ul style="list-style-type: none"> ✓ At the time of inspection, the radar had been installed and payment had been made to the contractor. ✓ The radar was not in operation due to lack of a stable power supply and the generator lacked fuel due to inadequate funding 	✓ The expected output of the radar with signals that can be communicated with the existing radar in Entebbe has not yet been achieved.

2	Procurement of Computers, Televisions, Printers, Software and accessories	378,689	✓ Although the payment was processed, it bounced due to wrong contractor bank details. ✓ Fund bounced back to consolidated fund at the end of the year, this was attributed to late initiation of the procurement. ✓ The items were not delivered due to the bounced payment.	✓ The anticipated benefit of the IT equipment of facilitating entity operations is delayed which affects service delivery.
3	Procurement of an Air Pollution Station (Spectrometer)	787,223	Whereas records indicated that the spectrometer had been fully paid for by the closure of the financial year (30 th June 2022), delivery had not yet been made by the service provider by the time of audit in September 2022.	The Anticipated benefits of monitoring air pollution have not been achieved.

The Accounting Officer explained that the radars were now fully functional, integrated and generating the required output, while the funds for the purchase of ICT equipment bounced back to the consolidated funds and since payment was made against commitment, delivery couldn't be effected. He further explained that the Spectrometer was yet to be delivered upon which the anticipated benefits will be achieved. The delayed release of funds from MoFPED affected the timely distribution of office furniture.

I advised the Accounting Officer to ensure that procurements are initiated on time as per the procurement plan.

2.0 Management of public land

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

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

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

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

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

From the procedures undertaken, I noted the following;

No	<u>Observation</u>	<u>Recommendation</u>
2.1	<p><u>Maintenance of land Register</u></p> <p>I noted that all 09 pieces of land measuring approximately 3.9612 hectares held, were recorded in the entity land/assets register. However, all the 09 pieces of land measuring approximately 3.9612 hectares were not recorded in the GFMIS fixed asset module thus affecting the accuracy of the non-produced assets in the financial statements. Appendix III refers.</p> <p>The incomplete recording of land in the land register affects the entity's ability to keep track and monitor all its land and misstatement of the non-produced asset in the statement of financial statements</p> <p>The Accounting Officer explained that management had taken note of the audit recommendation and would ensure compliance.</p>	<p>I advised the Accounting Officer to always ensure that GFMIS Asset module is updated.</p>
2.2	<p><u>Titling and Transfer</u></p> <p>I noted that out of the 9 pieces of land measuring approximately 3.9612 hectares the entity held, 7 pieces of land measuring approximately 2.5502 hectares (77.7%) did not have land titles.</p> <p>Lack of Land titles may result into encroachment, disputes and loss of public land.</p> <p>The Accounting Officer explained that management had taken note of the audit recommendation and would ensure compliance.</p>	<p>I advised the Accounting Officer to expedite the process of acquiring land titles.</p>

Emphasis of Matter

Without qualifying my opinion, I would like to draw the readers' attention to the following matter(s) which has/have been disclosed in Note 19(a) of the financial statements of the Ministry;

Receivables – UGX.3.13Bn

Note 19(a) to the financial statements together with the statement of financial position revealed that the Authority had receivables totaling to UGX.3.13Bn at the closure of the financial year under review. This is comprised of outstanding of letter of credit valued at UGX.699,777,683 and pre-payments totaling to UGX.2,428,702,532 made to various firms in respect of supply of Machinery and Equipment which had not been delivered by the close of the financial year.

There is a risk of non-delivery of the items and /or delivery of inappropriate quality items.

The Accounting Officer explained that Payment was made against a bank guarantee and commitment letter and the item is already in transit to Uganda and therefore we considered it expensed. He further explained that the funds transferred to the National meteorological school were meant for procurement of equipment to support the field based training of students and this procurement was secured with a bank guarantee and a commitment letter.

The Accounting Officer is advised to ensure that the service providers deliver all procured items of the specified quality to realise value for the money spent.

Other matter

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

3.0 Unremitted NTR to the Consolidated Fund

Paragraph 9.1.1 of the Treasury Accounting Instructions states that to the extent possible, all revenue (including non-tax revenue) due to the Government shall be collected or received by the Uganda Revenue Authority and in this case the URA procedures for the management of Government revenue shall be referred to.

I noted that during the year under review the Authority collected UGX.381,720,179 on the UNMA Stanbic Bank Shilling Account Number 9030031511448, being NTR from Civil Aviation Authority. However, of the amount collected only UGX.228,720,179 was remitted to the Consolidated Fund (CF), leaving a total of UGX.153,000,000 unremitted.

The failure to transfer the UGX.153million implies that these funds remained redundant instead of providing service to the public.

The Accounting Officer explained that the failure to transfer funds was caused by the delay of a board resolution for exchange of signatories following the retirement of the Executive Director who was the principal signatory. He however explained that the issue had since been addressed and funds would be transferred.

I advised the Accounting Officer to ensure that there is a board resolution to submit a mandate to the bank effecting new signatories and the money is subsequently transferred to the CF.

4.0 Unaccounted for subventions to the National Meteorological Training School (NMTS)

Section 7.13.1 (b) of the Treasury Instruction 2017 states expenditure and accounts payable documents – Payment vouchers, payroll, Goods Received notes, petty cash voucher, Supplier Invoices, Purchase Orders, Local Service Orders, payroll change documents, contracts.

A review of the releases and the IFMS payment file revealed that the Authority . transferred UGX 74,000,000 to the National Meteorological Training School (NMTS) said training school as detailed in the table below. However, documentation accounting for these funds were not availed for audit examination.

Invoice Number	Invoice Date	Description/Purpose	Payment Date	Distribution Amount
12/007/22	1-Dec-21	Subvention for quarter two 21/22	1-Dec-21	24,000,000
05/008/22	4-May-22	Subvention for quarter four 21/22	4-May-22	24,000,000
08/006/22	13-Aug-21	Subvention for quarter one 21/22	17-Aug-21	2,400,000
02/001/22	1-Feb-22	Subvention for quarter three 21/22	2-Feb-22	24,000,000
		Total		74,400,000

The Accounting Officer attributed the failure to refusal by the accounts assistant to hand over office and all the documents and had since been interdicted.

I advised the Accounting Officer to ensure that accountabilities and all documents are retrieved from the accounts assistant.

Other Information

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

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

Management Responsibilities for the Financial Statements

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

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

In preparing the financial statements, the Accounting Officer is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Accounting Officer has a realistic alternative to the contrary.

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

Auditor's Responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements

represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Reporting Responsibilities

In accordance with Section 19 (1) of the National Audit Act (NAA), 2008, I report to you, based on my work described on the audit of Financial Statements, that; except for the matter raised in compliance with legislation section below, and whose effect has been considered in forming my opinion on financial statements, the activities, financial transactions and information reflected in the financial statements that have come to my notice during the audit, are in all material respects, in compliance with the authorities which govern them.

Report on the Audit of Compliance with Legislation

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

The material findings in respect of the compliance criteria for the applicable subject matters are as follows;

6.0 Management of Information Technology (IT) Investments in Government

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

As a result of national prioritisation of ICT, the Auditor General undertook a thematic audit covering three financial years' expenditure (2019/20 to 2021/22) to scrutinise the management of IT Investments across Government. The overall objective was to assess whether the IT investments in Government are strategically aligned, managed appropriately and focused on achieving the NDP.III objective. The procedures

undertaken covered: planning and budgeting; procurement, utilization, maintenance and disposal of IT systems; governance, and financial reporting.

For the current year 2021/2022, the entity had a budget of UGX.538,500,000 for acquisition and implementation of IT systems and equipment and received UGX.69,221,000

A review of ICT activities implemented revealed the following;

No	Observation	Recommendation															
6.1	<p><u>Procurement/Development and Use of Software/Licenses (IT Systems) and Equipment</u></p> <p>The ICT Systems Development Lifecycle (SDLC) requires a systematic approach which includes; initiation, planning and execution. In addition, I made my assessment basing on PS/ST and NITA-U guidance on ICT developments which aim to promote rationalisation and avoid further development of isolated IT systems in MDAs and LGs. During the audit of UNMA, I observed the following;</p> <ul style="list-style-type: none"> i. All IT systems/equipment were cleared by NITA-U. ii. An IT systems/equipment (Security equipment-metal detector) with a total cost of UGX.91million acquired were not being optimally utilized by the entity. iii. I reviewed the procurements above UGX.200 million and noted that the all signed contracts with <i>vendors</i> for <i>systems</i> worth UGX.200million and above are first approved by the Attorney General in accordance to Article 119(5) of the Constitution of Uganda as amended. iv. Three IT projects with a total cost of UGX.1.2Bn were not implemented within the required timelines as specified in the inception reports/contracts. Table below refers. <table border="1"> <thead> <tr> <th>S/n</th><th>Details</th><th>Amount (000)</th></tr> </thead> <tbody> <tr> <td>1</td><td>Procurement of Computers, Televisions, Printers, Software and accessories</td><td>378,689</td></tr> <tr> <td>2</td><td>Security Equipment, Biometric Access control and Walk through Temperature Sanitizing Booth</td><td>91,142</td></tr> <tr> <td>3</td><td>Procurement of an Air Pollution Station (Spectrometer)</td><td>787,223</td></tr> <tr> <td></td><td>Total</td><td>1,257,054</td></tr> </tbody> </table> <ul style="list-style-type: none"> v. User requirements and system specifications were complied with for the two systems with acquisition cost of UGX.22.245 Billion as observed from the system requirements. vi. I reviewed documents relating to the procurement/development of systems and noted that 	S/n	Details	Amount (000)	1	Procurement of Computers, Televisions, Printers, Software and accessories	378,689	2	Security Equipment, Biometric Access control and Walk through Temperature Sanitizing Booth	91,142	3	Procurement of an Air Pollution Station (Spectrometer)	787,223		Total	1,257,054	I advised the Accounting Officer to enhance controls and improve compliance with the policies and guidelines regarding procurement.
S/n	Details	Amount (000)															
1	Procurement of Computers, Televisions, Printers, Software and accessories	378,689															
2	Security Equipment, Biometric Access control and Walk through Temperature Sanitizing Booth	91,142															
3	Procurement of an Air Pollution Station (Spectrometer)	787,223															
	Total	1,257,054															

No	Observation	Recommendation
	<p>the all systems are owned by the UNMA</p> <p>vii. I noted that the <i>Authority</i> has a radar system which integrate information from all the three radars, thereby automatically sharing information.</p> <p>viii. No systems were procured by the entity when they were existing within and other government MDAs/LGs, indicating a possibility of duplication.</p> <p>Non-compliance with procurement timelines denies the Authority the intended benefits of the procurement.</p> <p>The Accounting Officer responded that they have taken note of the audit observation and will keep up the good practices.</p>	
6.2	<p><u>ICT Governance</u></p> <p>IT governance entails leadership, structures, and processes that enable an organization to make decisions to ensure that its IT sustains and extends its strategies and objectives. However, a review of the ICT governance structure of the entity revealed that;</p> <ul style="list-style-type: none"> i. There were no specific structures that steer and oversee ICT implementation. ii. The Authority has an approved IT staff structure in place in accordance with ICT prioritisation in NDP III. iii. The Authority has five positions of ICT staff establishment, of which, all the five (100%) have the required qualifications. iv. There was no approved IT risk management framework/policy at the entity, and risk register. v. There was no business continuity plan, contrary to Section 4.6 of the National Information Security Policy 2014. <p>Absence of ICT governance structures hampers formulation of appropriate ICT policies, strategies and real time upgrade of ICT interventions. In addition, it may lead to misalignment of IT investments with the overall entity strategic objectives.</p> <p>The Accounting Officer explained that management has taken note of the audit observation and will ensure approval of the draft policy this financial year 2022/23.</p>	<p>I advised the Accounting Officer to institute governance policies, structures to effectively manage ICT investments in consultation with other stakeholders.</p>



John F. S. Muwanga
AUDITOR GENERAL

16th December 2022


APPENDICES

Appendix I: Extent of Implementation of Outputs and Activities

Fully Implemented Out-puts					Partially Implemented Out-Puts							Out-puts not Implemented at all				
N o.	Out-put	Total Out-put expenditure UGX '000"	Total No activities	Number of fully implemented activities	N o.	Out-put	Total Out-put expenditure UGX '000"	Total No activities	Number of fully implemented activities	No of partially implemented activities	No of activities that were not implemented	N o.	Out-put	Total Out-put expenditure UGX '000"	Total No activities	Number of fully implemented activities
1	095302 administration and management Support	1,139,400	1	1	1	095303 Strategic management Services	467,940	3	1	2	0	1	095372 Government Buildings and Administrative Infrastructure	1,550,000	2	0
2	095375 Purchase of Motor Vehicles and Other Transport Equipment	400,000	1	1	2	095301 Weather and Climate Services		11	5	3	3		Total	1,550,000	2	0
	Totals	1,539,400	2	2	3	095319 Human Resource Management Services	9,462,395	8	7	0	1					
					4	095376 Purchase of Office and ICT Equipment, including Software	510,000	8	3	4	1					
					5	095377 Purchase	2,440,000	15	1	0	14					

						of Specialise d Machiner y & Equipme nt										
					6	095378 Purchase of Office and Residenti al Furniture and Fittings	132,600	16	9	5	2					
						Totals		61	26	14	21					

Appendix II: Findings from Physical Inspections- delivery of services

No	Activity inspected	Total expenditure UGX "000"	Summary of findings	Pictorial evidence from Inspections
1	Supply, installation and commissioning of one C-Band Dual Polarised Weather Radar at Mwizi hill (Rwampara)	10,905,325	<p>Supply, installation and commissioning were done. However, at the inspection on 26th September 2022;</p> <ul style="list-style-type: none"> ✓ The radar was not working. This was due to low power voltage to run the machines. Management installed and connected an automatic standby generator but it was also out of fuel from 1st September 2022. ✓ No staff on site to operate the radar. The staff deployed to operate the radar had not reported to the duty station <p>The anticipated services from the radar are not being achieved due to non-functionality.</p>	
2	Procurement of an Air Pollution Station (Spectrometer)	787,223	The spectrometer has been fully paid for but delivery not yet made by the contractor. Delivery was to have been by 30th August 2022.	Not yet delivered
3	Procurement of Computers, Televisions, Printers, Software and accessories	378,689	<p>Although the payment was processed, it bounced due to wrong contractor bank details.</p> <p>Fund bounced back to consolidated fund at the end of</p>	Not delivered due to the bounce payment

			the year, this was attributed to late initiation of the procurement.	
--	--	--	--	--

Appendix III: Completeness of the IFMS Asset register

S/n	Land Description	Plot & Block No	Land Area (hectares)	Location	Date of Acquisition	Cost	(Recorded in IFMS)	Remarks/Reason
							Yes/No	
1	INDUSTRIAL LAND	PLOT 2-22 Kahaya Road (Freehold)	2.52	MBARARA	01-Jul-16	N/A	NO	Still recording in an excel sheet.
2	INDUSTRIAL LAND	Block 48 , Plot 26 Ntuusi (Lease 49 years)	0.293	NTUUSI	01-Mar-19	9,237,550	NO	The cost is a lease premium.
3	INDUSTRIAL LAND	Plot 108, Block 199 Kyakago Kakinga Rakai (Freehold)	0.1182	RAKAI	06-Sep-21	N/A	NO	
4	INDUSTRIAL LAND	KALAMURANI NGOMA (Freehold)	0.268	RWAMPARA	03-Jul-19	200,000,000	NO	
5	INDUSTRIAL LAND	Plot 16 Air Field Road (Freehold)	0.106	GULU	28-Jul-16	N/A	NO	
6	INDUSTRIAL LAND	Plot 24 (Freehold)	0.322	MASINDI	23-May-17	N/A	NO	
7	INDUSTRIAL LAND	Plot 49-51 (Freehold-Atura)	0.035	MASINDI	23-May-17	N/A	NO	
8	INDUSTRIAL LAND	Plot 86 , Buku Road Entebbe		BUKU-ENTEBBE	01-Jul-16	N/A	NO	
9	INDUSTRIAL LAND	Plot 9, Buyaga Block 115	0.299	PACHWA KAGADI	01-Jul-16	N/A	NO	
	Total		3,9612				

