



PARLIAMENT OF UGANDA



11<sup>TH</sup> PARLIAMENT

**REPORT OF THE PUBLIC ACCOUNTS COMMITTEE - COMMISSIONS, STATUTORY AUTHORITIES AND STATE ENTERPRISES (PAC- COSASE) ON THE REPORT OF THE AUDITOR GENERAL ON THE UGANDA LAND COMMISSION FOR FY 2020/2021**

**OFFICE OF THE CLERK TO PARLIAMENT  
PARLIAMENT BUILDING  
KAMPALA-UGANDA**

AUGUST 2022

**ABBREVIATIONS/ACRONYMS**

Acronym	
<b>IFMS</b>	Integrated Financial Management System
<b>ISSAIs</b>	International Standards of Supreme Audit Institutions
<b>ICT</b>	Information Communication Technology
<b>LGs</b>	Local Governments
<b>MDAs</b>	Ministries, Departments and Agencies
<b>MoFPED</b>	Ministry of Finance, Planning and Economic Development
<b>NLIS</b>	National Land Information System
<b>NPA</b>	National Planning Authority
<b>Tis</b>	Treasury Instructions
<b>PFMA</b>	Public Finance Management Act
<b>PPDA</b>	Public Procurement and Disposal of Assets
<b>PS/ ST</b>	Permanent Secretary/ Secretary to the Treasury
<b>ULC</b>	Uganda Land Commission
<b>UGX</b>	Uganda Shillings

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**REPORT OF THE PUBLIC ACCOUNTS COMMITTEE - COMMISSIONS, STATUTORY AUTHORITIES AND STATE ENTERPRISES ON THE REPORT OF THE AUDITOR GENERAL ON THE UGANDA LAND COMMISSION FOR FY 2020/2021**

**1.0 INTRODUCTION**

The Public Accounts Committee – Commissions, Statutory Authorities and State Enterprises (PAC-COSASE) considered the Report of the Auditor General on the Uganda Land Commission for Financial Year 2020/ 2021 in accordance with Article 90 of the Constitution of the Republic of Uganda, 1995 and Rule 181 (4) of the Rules of Procedure.

The Uganda Land Commission (ULC) is established under Article 238 of the Constitution. The mandate of ULC is to hold and manage any land in Uganda vested in or acquired by the Government of Uganda in accordance with the provisions of the Constitution and shall have such other functions as may be prescribed by Parliament. The vision of the Commission is “all Government land and property thereon, secured, effectively managed and historical land holding injustices resolved” while the mission is, “to effectively hold and manage all Government Land and property thereon and resolve all historical land holding injustices.

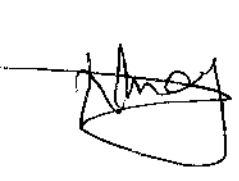
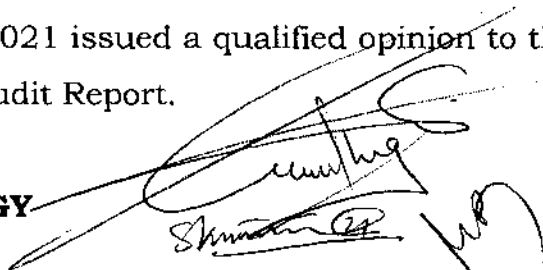
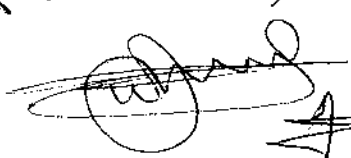
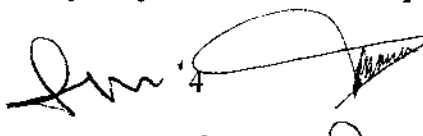
The Auditor General after due consideration of the financial statements of the ULC for FY 2020/2021 issued a qualified opinion to the Commission based on the issues in the Audit Report.

**2.0 METHODOLOGY**

**2.1 Meetings**

**The Committee held meetings with the following;**

1. Accounting Officer and staff of the Uganda Land Commission
2. Former staff of the ULC
3. Hon. Beatrice Byenkya Nyakaisiki – Chairperson ULC



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4. Commissioners of ULC
5. Hon. Matia Kasaija – Minister of Finance, Planning and Economic Development
6. Hon. Beti Olive Kanya Turwomwe – Former Minister of Lands, Housing and Urban Development
7. Hon. Judith Nabakooba – Minister, MoLHUD
8. Mr. Lawrence Semakula – Accountant General MoFPED
9. Mr. Keith Muhakanizi – Former PS/ST
10. Mr. Patrick Ocailap – Deputy PS/ST
11. Mr. Kenneth Mugambe – Former Director Budget MoFPED
12. Staff of the Ministry of Lands, Housing and Urban Development
13. Witnesses and beneficiaries of the Supplementary Expenditure of UGX 10.62 billion namely;
  - a) Mr. Buzibira Richard for Ms. Nantalia Namuli
  - b) Mr. Lubega Kyle
  - c) Dr. Annette Kezaabu,
  - d) Mr Benon Rwabukurukuru,
  - e) Mr. Amara Peter
  - f) Mr. Mwesigye Warren
  - g) Mr. Mugisa Geoffrey

The Committee was not able to meet with one key witness called Ms. Barbarah Imaryo, the former Secretary to ULC who was responsible for key decisions in FY 2020/2021 under review. After several summons and issuance of a warrant of arrest for the above named Public Officer, the Committee established from the Department of Immigration and Citizens Control that Ms. Barbarah Imaryo, the holder of Passport numbers; B1411929 and A00309189 departed from Uganda on 4<sup>th</sup> March 2022. The Committee was informed that she traveled through Entebbe International Airport destined for Nairobi, Kenya and has since not returned to the

country according to Immigration travel records. **(Please see annex 1 attached)**

## 2.2 Document Review

The Committee studied and made reference to the following documents;

- (i) The Auditor General's Report for FY 2020/21
- (ii) Written responses by witnesses
- (iii) Records of land transactions for the beneficiaries of the Land Fund
- (iv) Commission Minutes
- (v) Various files and correspondences on the issues queried

## 2.3 Budget Performance of ULC

### Expenditure Performance

The table below shows budget performance for ULC during FY's 2016/17 to 2020/21. It specifically highlights how much resources have been approved, released and spent.

**Table 1: ULC Budget Performance**

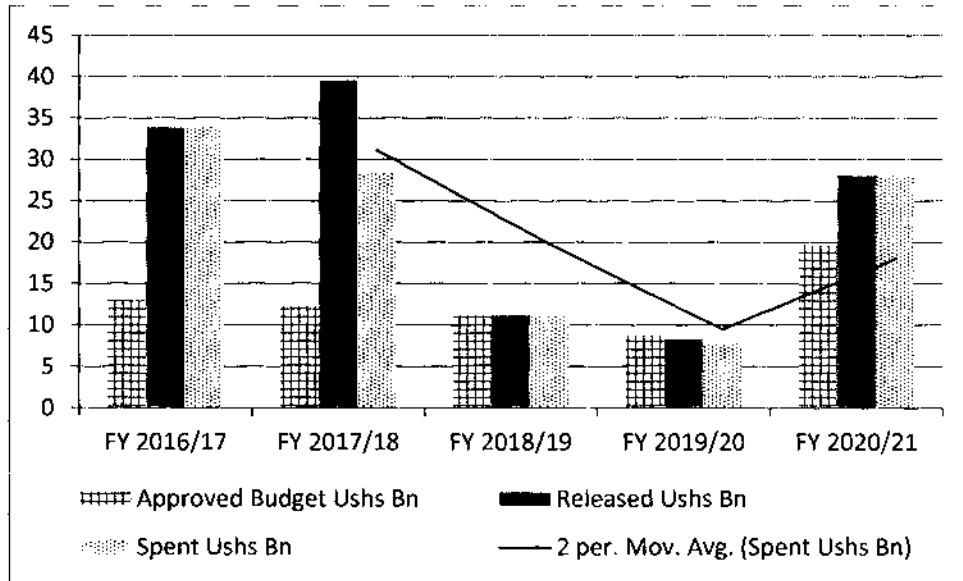
	Approved Budget Ushs Bn	Released Ushs Bn	Spent Ushs Bn	Release Perf (%)	Absorption Perf (%)
<b>Total Budget for ULC operations/Activities</b>					
FY 2016/17	15.862	40.445	36.803	255%	91%
FY 2017/18	16.086	43.372	43.34	270%	100%
FY 2018/19	31.069	42.039	41.809	135%	99%
FY 2019/20	40.573	38.856	37.614	96%	97%
FY 2020/21	53.601	65.793	64.937	123%	99%
<b>Budget for Land Acquisition/compensation</b>					
FY 2016/17	13.02	33.89	33.84	260%	100%
FY 2017/18	12.23	39.53	28.35	323%	72%
FY 2018/19	11.18	11.18	11.15	100%	100%
FY 2019/20	8.75	8.3	7.8	95%	94%
FY 2020/21	19.65	28.06	28.06	143%	100%

Source: Annual Budget Performance Reports for various years and Budget Office Computations

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The Commission's approved budget increased from UGX 15.8 billion in FY 2016/17 to UGX 53.6 billion in FY 2020/21 partially on account of growing arrears and increments in provision for land acquisition, as indicated in the figure below.

**Fig. 1: Budget Trends for Land Acquisition/Compensation**



**Source: Parliamentary Budget Office Computations**

The above figure further indicates that on average expenditure on land compensation which was low in FY 2019/20 started to rise in 2020/21.

Total financial releases for ULC were over and above the approved budgets for all financial years above except FY 2019/20 where release performance was at 96%. From the above figure it can be noted that releases to ULC have been above the approved budgets; on account of supplementary budgets that government has been providing for land acquisition and compensation.

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### 3.0 COMMITTEE FINDINGS

The Committee made the following findings, observations and recommendations on the queries raised by the Auditor General;

#### 3.1 Prior year matters not adjusted

The Auditor General noted that **UGX 15Bn** in relation to overstated payables, and unrecognised receivables of **UGX 3.96Bn** in the previous year's financial statements were not adjusted as advised in the previous audit report.

**Management responded** that part of that was money for Church of Uganda which had now been fully paid and the rest was reconciliation for Kampala Arch Diocese. Management stated that the payables of UGX 15 billion to the Church of Uganda (CoU) was not understated in the financials. The UGX 15 billion was paid in two instalments of UGX 1.8 billion on 13<sup>th</sup> September 2019 and UGX 13.2 billion on 30<sup>th</sup> October 2019. The Committee noted that the Commission contracted to compensate a claimant UGX 48,984,412,912 for land comprised in FRV56 folio 18 at Entebbe measuring 15 acres after valuation. To date Management has paid a total of UGX 38 billion to the claimant implying a balance of UGX 10,984,412,912. However the liability stated by the Financial Statement is UGX 25,984,412,952. Without proper justification, the payables are overstated by UGX 15 billion.

The Commission agreed to pay a creditor UGX 17,634,120,785 in respect of ground rent arrears for Nsambya land occupied by the Uganda Police Force. However, Management has since paid UGX 21.6 billion leading to an overpayment of UGX 3.966 billion.

#### **Observations**

1. The failure to adjust the financial statements implies that they are erroneous, inaccurate and misleading.

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2. There was an intention to commit fraud by overstating figures by UGX 15 billion.
3. The overpayment of UGX 3.966 billion tantamounts to embezzlement.

### **Recommendations**

1. **Ms. Barbarah Imaryo, the then Accounting Officer and Mr. Isabirye Siraje, the Head of Accounts should be prosecuted for attempted fraud of UGX 15 billion**
2. **The then Accounting Officer and Mr. Isabirye Siraje the Head of Accounts should be prosecuted for embezzlement of UGX 3.966 billion and the amount should be recovered from them.**
3. **The current Accounting Officer should make the relevant adjustments to the financial statements to reflect the correct position.**

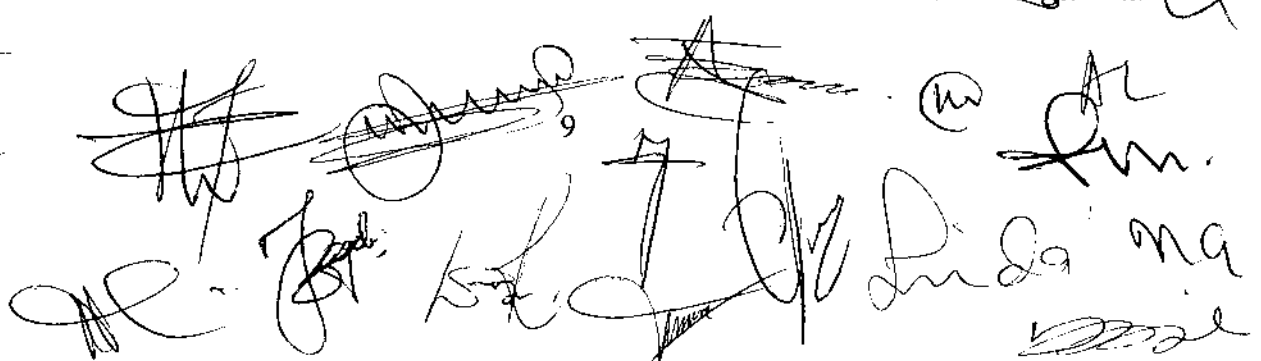
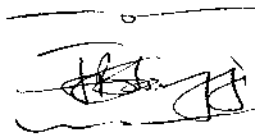
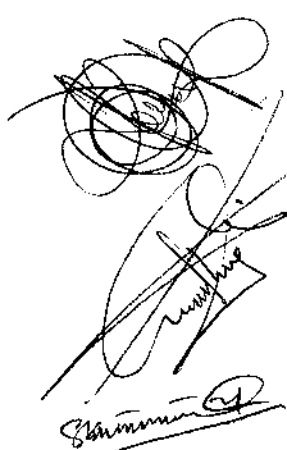
#### **3.1.1 Supplementary Expenditure of UGX 21.25 billion**

The Committee also learnt that ULC got a supplementary of UGX 21,250,000,000 (consisting of UGX 2,317,085,561 and UGX 18,932,914,439) and paid it to Church of Uganda.

The UGX 18,932,914,439 was not part of the obligation to ULC, the Committee was informed that it was reportedly as a result of a request by CoU to the President to help them clear an outstanding bank loan with Equity bank. The money was channelled through ULC. **(See letter attached as Annex 2 and 3 a letter from MoFPED on the same)**

#### **Observations:**

1. The Supplementary that paid the loan of Church of Uganda (CoU) was not requested for by ULC. The said money has subsequently affected the budgetary releases of the ULC.
2. ULC was used as a conduit to transfer funds to Church of Uganda.



3. ULC disbursed money, which was not meant for them and this was procedurally improper.

**Recommendations**

- 1. The Accounting Officer should institute measures to ensure strict adherence to accounting standards and the PFMA.**
- 2. Whenever the President or Government chooses to make a donation to anyone or any entity, it should be clear which Vote it is to come from to avoid budgetary mixes.**

**3.2 Unsupported payables: UGX 169,490,014,824**

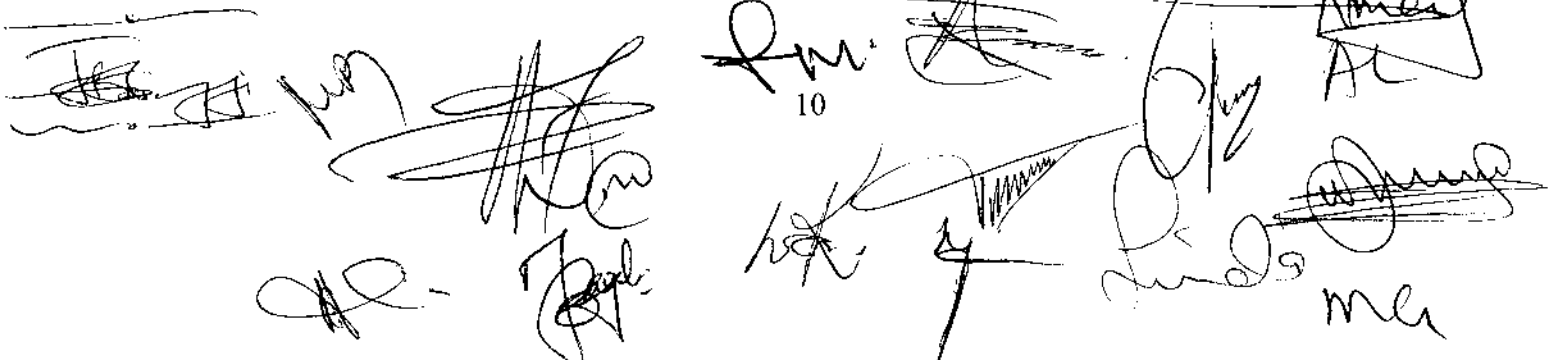
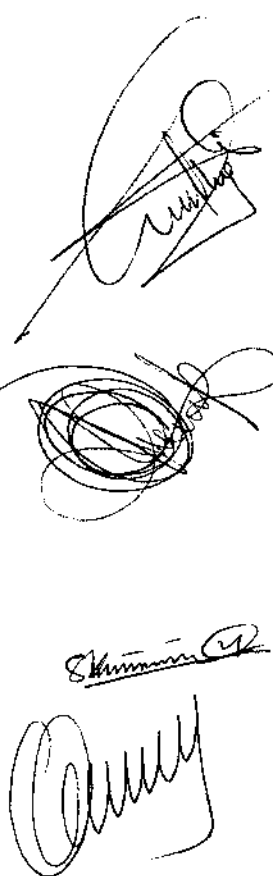
According to Note 24 of the statement of financial position, Management indicated payables worth **UGX 169,490,014,824**. However, the payables were not fully supported, the files presented were not complete as they lacked documents such as; survey reports, offer, acceptance, submitted titles, among others. In addition the amounts had not been certified by the internal audit unit.

The Auditor General stated that as a result, there was a risk that Management could be declaring payables which were not committed by the Commission.

Management explained that the Commission is building a database to enable capturing accurate arrears of payables and revenue for previous years going forward.

The Committee was informed that the supporting documents were not availed to the auditors and that ULC did not have evidence that that money was available to pay.

The Chairperson of ULC disagreed with Management. She stated that some of the claimants who appeared on the list had been paid but hadn't been removed from the list which in her opinion had been recycled. She



informed the committee that some claimants shouldn't have appeared on the list and that the money should have been less.

**Observations**

1. The Committee noted that there were no supporting documents for the payables which paused a risk of potential financial loss arising from fictitious payables.
2. The lack of a comprehensive database is attributable to the mess encountered in the payables system.

**Recommendations**

1. **The Accounting Officer should expedite the set-up of the database, and also have the payables verified and certified which should be settled to avoid litigation.**
2. **Outstanding payables should be halted for payment until all supporting documents are provided.**
3. **The Office of the Auditor General should carry out a special audit on payables within one month after the adoption of this report.**

**3.3 Prior year un-recognised payables paid during the year**

Note 9 of the notes to the financial statements states that expenses are recognised when incurred resulting into recognition of payables in the statement of financial position. A review of the payment records revealed that **UGX.1,237,717,474** was paid for outstanding arrears that related to the prior year, but were not recognized in the prior year financial statements as payables.

The current year's financial statements were misstated as a result of understating payables in the previous year by the same amount.

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**Management responded** that the UGX 1.2 Billion related to the prior year but was paid during the year and was recognised using a journal as part of other arrears. If this money had not been paid, it would have led to accrual of interest.

**The Committee was informed that the beneficiaries included;**

1. Bigirimana Pius payment for compensation, Bulemezi County Nakabito and Nakigoza village – **UGX 304,133,420**
2. Kafeero and Company Advocates payment for arrears for legal costs **UGX 397,000,000**
3. Bigirimana Pius, payment to cater for outstanding court awards **UGX 191,604,000**
4. Kafeero and Company Advocates, payment of outstanding domestic arrears legal fees **UGX 367,000,000**
5. Kafeero and Company Advocates, payment of outstanding (domestic arrears) legal fees **UGX 22,020,000**

**Observations**

1. ULC paid money irregularly, purporting it to be part of the previous year's payables whereas it was not.
2. ULC till now has failed to adjust the financial statements as recommended by the Auditor General.

**Recommendations**

**The Special Audit earlier recommended should cover the above query.**

**4.0 Key Audit Matters**

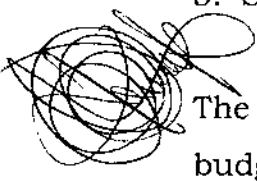
Key audit matters are those matters that, in the Auditor General's professional judgment, were of most significance. These matters were addressed in the context of the audit of the financial statements as a whole.

The following were the salient issues in the Report of the Auditor General for FY 2020/2021.


#### 4.1 Absorption of funds

Out of the total warrants of **UGX 65.79Bn** received during the financial year, UGX.64.93Bn was spent by the entity resulting in an unspent balance of UGX.0.85Bn representing an absorption level of 98.71%. The unspent funds were sent back to the consolidated fund as required by the PFMA. The funds were meant for activities that were not fully implemented by the end of the financial year, and these include;

1. Purchase of Fittings, ICT equipment, and specialized survey equipment.
2. Commissioners emoluments(Retainer, sitting allowances)
3. Staff training.



The Auditor General further noted that the entity did not seek a revision of its budget, and Work Plan as provided for by section 17 (3) of the PFMA 2015.




The Accounting Officer explained that their accounts were garnished between 22<sup>nd</sup> December 2020 and 19<sup>th</sup> February 2021, and that this inhibited the Commission from undertaking planned activities. The commission operated at 10% following the presidential directives under Covid-19.

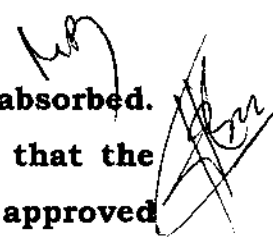
#### **Observation**

The Committee took note of the issues raised by the Auditor General and the response of the Accounting Officer.

#### **Recommendation**



**The Accounting Officer should ensure that all funds availed are absorbed. In cases of budget cuts the Accounting Officer should ensure that the necessary revisions in the budget and work plan are effected and approved as guided by the PFMA 2015.**



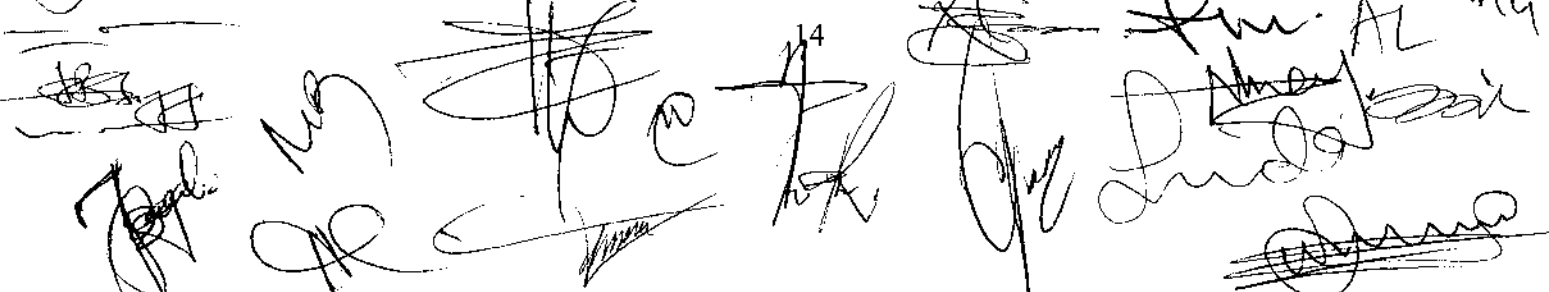

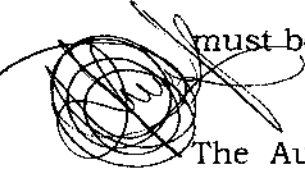
### 3.2 Quantification of outputs/activities

Section 13 (15, b) of the PFMA 2015 states that a policy statement submitted by a vote shall contain the annual and three months' work plans, outputs, targets and performance indicators of the work plans. Regulation 11 (3) of PFMR 2016 requires that a vote prepares a work plan that indicates the outputs of the vote for the financial year; the indicators to be used to gauge the performance of the outputs and funds allocated to each activity.

To assess the performance of an output, all activities supporting the output must be quantified.

The Auditor General reviewed the extent of quantification of outputs and activities for a sample of **twenty one (21)** outputs with a total of **sixty one (61)** activities and expenditure of UGX.64.86Bn and noted the following;

- **Two (2)** outputs with a total of **Six (6)** activities and expenditure worth **UGX.0.71Bn** were fully quantified. That is, all the **six (6)** activities within these outputs were clearly quantified to enable the assessment of performance.
- **Eight (8)** outputs with a total of **thirty (30)** activities and expenditure worth **UGX.32.35Bn**, was insufficiently quantified. The Auditor General observed that out of the **thirty(30)** activities, **seventeen(17)** activities (**56.67%**) were quantified, while the balance of **thirteen (13)** activities (**43.33%**) were not clearly quantified to enable the assessment of performance.
- **Eleven (11)** outputs with a total of **twenty five (25)** activities and expenditure worth **UGX 31.8Bn** were not quantified at all. That is none of the **twenty five (25)** activities within these outputs was quantified at all.



The Auditor General observed that in cases where outputs were either partially or not quantified, Management reported performance in generic ways. Some of the activities that were not sufficiently quantified were

- Payment of compensation arrears to Church of Uganda
- Purchase of office furniture and fittings
- Skilling and training of staff
- Repair of vehicle and office equipment

Further, without clearly and fully quantified outputs, the Auditor General could not ascertain the level of achievement of these outputs and whether funds appropriated by Parliament and released were spent well and the intended objectives achieved.

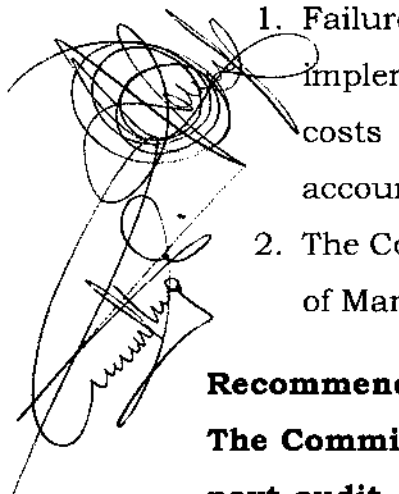
The Accounting Officer noted that they were in the process of improving the performance indicators for both activities and outputs.

### Observation

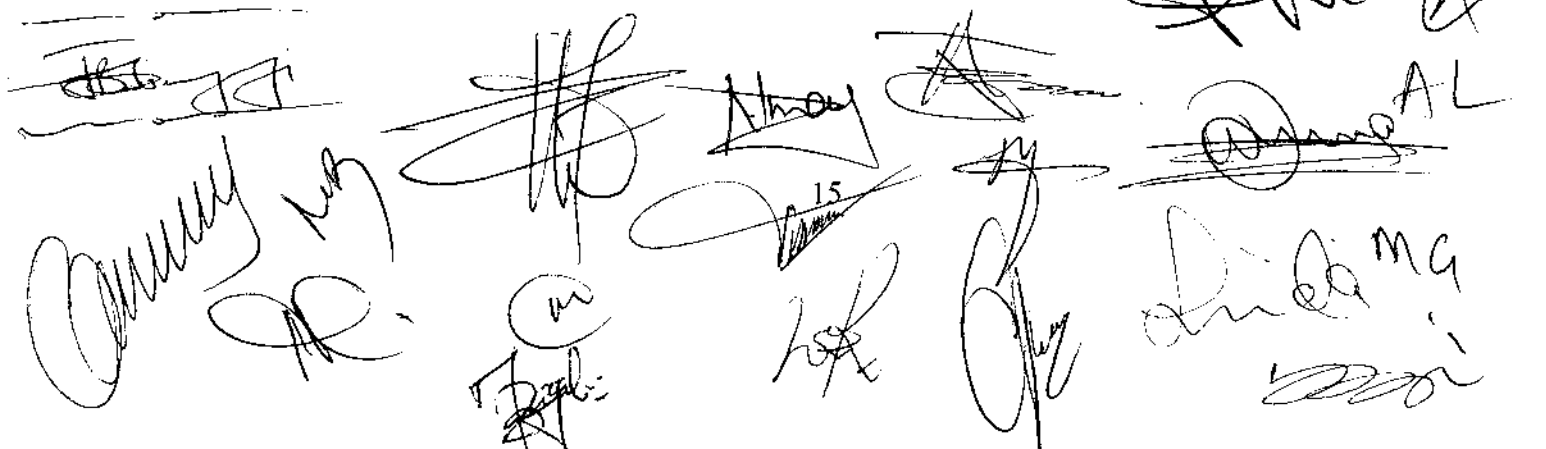
1. Failure to plan and report on the quality/quantity of activities implemented renders it difficult to establish whether individual activity costs for each planned output are reasonable. This curtails effective accountability when funds are subsequently spent.
2. The Committee noted that there was weakness in supervision on the part of Management in ensuring quantification of activities and output.

### Recommendation

**The Committee recommends that Management should ensure that by the next audit, all activities and out-puts should be fully quantified without fail, to facilitate performance measurement.**



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### 3.3 Un supported Domestic arrears payments: UGX 14Bn

It was noted that **UGX 14 Billion** expenditure lacked the necessary documents to support the completeness of the payment transactions. There was a risk of possible financial loss through fictitious payments due to lack of supporting documents.

Further scrutiny of the expenditure revealed that 27 persons were paid **UGX 6,791,760,000**, but were not on the validated list of domestic arrears. Furthermore, 9 persons were paid a total **UGX 1,153,510,000**, whose claims had been rejected by the Internal Auditor General.

Management explained that it had developed a comprehensive data base for claimants under the Land Fund which comprised 39 parameters including the particulars of the claimants; the description of the land that is the subject matter of compensation; the acreage of the land; its value; amounts compensated to date; among others. In addition it developed a compliance checklist used in assessing the completeness of the files when processing payments. The parameters and compliance checklist are derived from the Land Fund Procedures, 2014. Going forward, Management will also undertake physical due diligence of the land.

#### **Observations**

ULC did not provide supporting documents for these payments.

#### **Recommendations**

- 1. The then Accounting Officer and the Commissioners should be held responsible for the unsupported domestic arrears payments of UGX 14 billion.**



2. The UGX 14 billion should be recovered from the then Accounting Officer Ms. Barbara Imaryo and the Head of Finance Mr. Siraje Isabirye.
3. The Accounting Officer should always ensure that payments are supported with the requisite documentation.

**3.4 Doubtful Payments to Beneficiaries: UGX 5,215,000,000**

A review of the payment file in regard to domestic arrears revealed that a sum of **UGX 5,215,000,000** was paid to various claimants for the same pieces of land for the same amount. In some instances, different pieces of land for different claimants compensated lacked description of the plot numbers. In addition, there were no authorization minutes on files clearing the payments contrary to Commission guidelines, 2014.

**Observations**

There is a risk that inaccurate payments were made for ineligible claims. In addition, the payables ledger balances may be inaccurately stated.

**Recommendation**

1. The then Accounting Officer and the Commissioners should be held responsible for the unsupported domestic arrears payments of UGX 5,215,000,000.
2. The UGX 5,215,000,000 should be recovered from the then Accounting Officer Ms. Barbara Imaryo and the Head of Finance Mr. Siraje Isabirye.

**3.5 Confirmation of Payables, revenue and non-produced asset account balances**


Under the commentary of the Accounting Officer, key performance highlights, and the Head of Accounts, it was disclosed that Management

could not confirm accurately the payable, revenue and non-produced assets figures because there was no comprehensive database for land claimants, court cases and leased land.

There is a risk of inaccurate figures in the accounts in regard to the non-produced Assets, revenue arrears and payables.

Management explained that the Commission was in the process of establishing the complete database to support the asserted account balances for the payables, revenue arrears, and non-produced assets, and to track and report accurately the contingent liabilities.


### **Recommendation**



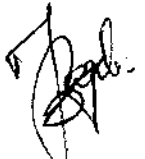
**Management should expedite the land inventory register and database, and ensure that account balances for the various land transactions are recorded from verifiable information.**

**This should be handled as a matter of priority.**

### **3.6 Irregular award of supplementary budget worth UGX.10.62 Bn**



The process of the initiation of the request for the UGX 10.6Bn supplementary budget for land compensation was canvassed by the Parliamentary Adhoc Committee on Land Compensation.



The Adhoc Committee noted that contrary to the provisions of section 25 of the PFMA, that the Supplementary Expenditure Schedule under review was initiated by the Minister of Lands, Housing and Urban Development with no input whatsoever of the spending entity. The Accounting Officer under the Public Finance Management Act is responsible for the initiation of the supplementary expenditure. Accordingly, the Finance Minister may, upon request by an Accounting Officer approve a supplementary budget of up to 10% of the contingency fund.

The Auditor General noted that pursuant to Section 25 of the PFMA, 2015, Parliament or the Minister may approve a supplementary budget where the supplementary expenditure is un-absorbable, un-avoidable and un-foreseeable. The Act further defines unforeseeable as not including an expenditure that was foreseeable by the vote at the time of budgeting or one that should have been included in the budget of the Vote.

The Auditor General further noted that the expenditure for compensations is not expenditure out of the ordinary, as it has been an on-going classification of payment by the vote. In addition, neither Management nor the Commission were involved in the request of the supplementary. The supplementary was tagged to payments of individual persons.

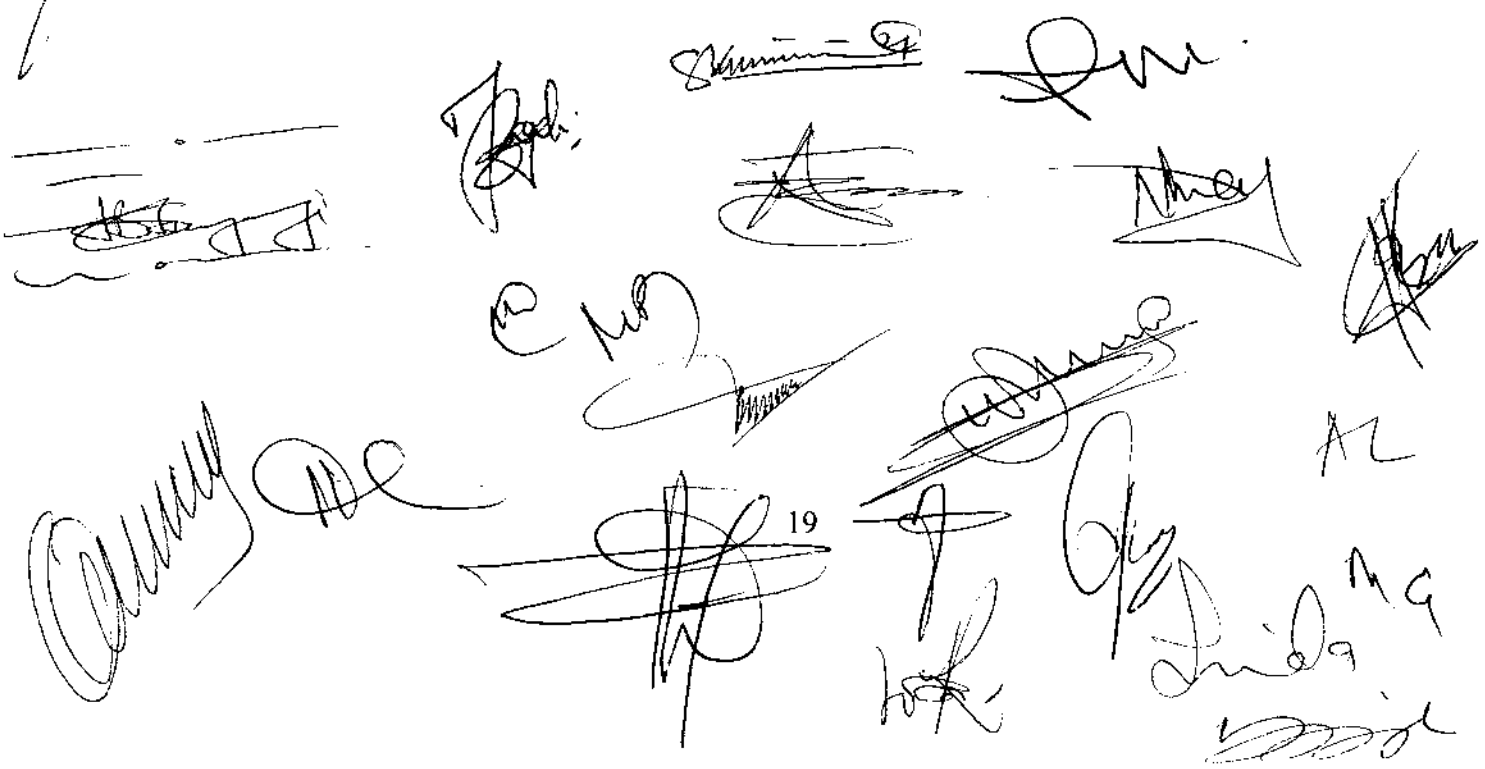
As a result, the funds awarded were in excess of what was allocated **by UGX 459 Million**, for which Management expensed to other claimants.

### 3.6.1 Submissions to the Committee on the Irregular award of the Supplementary Budget

#### 1. ULC Management

Management admitted that although the **UGX 10.62Bn** Supplementary was received and spent by ULC, the Commission did not initiate the request for the said money.

Parliament had authorised and approved the award of the Supplementary Expenditure as follows;



S/N	REGISTERED PROPRIETOR	BLOCK NO	PLOT NO	AMOUNT ALLOCATED (UGX)
1	Stephen Peter Nagenda	303	1	1,062,778,000
2	Twaha Lwakaana (paid in excess by UGX 24,654,000)	213	13 & 14	Nil
3	Family of the Late Kosiya Rwabukurukuru	19	244,243, 49, 38 & 39	6,213,200,000
4	Mugisa Geoffrey	3	8	1,494,000,000
5	Namuli Natalia	147	2	1,589,000,000
6	Busuulwa Julius (Rejected and referred to CID)			
	<b>TOTAL</b>			<b>10,358,978,000</b>

*Authorized payments were made as follows:*

S/N	PAYEE	EFT/CHECK NO	PAYMENT DATE	AMOUNT (UGX)
1.	Stephen Peter Nagenda	36863246	18/06/21	862,778,000
2.	Mugisa Geoffrey	36755916	7/06/21	1,494,000,000
3.	Lubega and Buzibira Co. Advocates (Namuli Natalia as Administrator)	36788884	10/06/21	1,589,000,000



2. **Hon. Beatrice Byenkya Nyakaisiki, the ULC Chairperson** informed the Committee that as Chairperson of the Commission, she was not consulted at all regarding the request for the supplementary budget, and neither was the Commission.

She informed the Committee that the Commission had several pending claims, some of low amounts and others that had remained unpaid over years. She stated that although ULC needed the money to pay claimants, it should have been paid to the claimants that were high on the priority list.

The ULC Chairperson further informed the Committee that Hon. Beti Olive Namisango Kamywa, the Minister of Lands, Housing and Urban Development at the time requested for a supplementary of **UGX 12 billion** but was only given **10.62 billion**.

According to the ULC Chairperson, Ms. Barbarah Imaryo, the ULC Secretary paid without the authority and approval of the Commission the following;

- Kosiya Rwabukurukuru – (some parcel of the said land had already been disposed of and vested in 3<sup>rd</sup> parties).
- Julius Busulwa – (the absentee owner had already been compensated).
- Natalia Namuli – (was non-existent).

According to her, the only genuine claimant was Stephen Peter Nagenda arising from a Court order.

The Commission members in their interaction with the Committee also stated that they did not approve the said Supplementary.

**3. Hon. Beti Olive Namisango Kanya (Former Minister of Lands, Housing and Urban Development) informed the Committee that;**

- a) She did not initiate the supplementary but wrote to the Minister of Finance, Planning and Economic Development to provide funds to the ULC to settle compensation for some land acquired by government to ease tension between landowners and claimants.
- b) When the matter was discussed, the Chairperson of ULC protested vehemently and the House appointed an Adhoc committee to investigate the matter. Based on the Committee report, Parliament appropriated funds for the activity. She stated that the money was appropriated but sent to the account of ULC to pay the claimants.
- c) She said she considered the 6 claimants because they are the ones who had appealed to her, while one was through a Presidential directive and one through a court order.
- d) Mr. Stephen Nagenda was supposed to be paid UGX 440 million but due to delays he went to court and was awarded costs and damages, so he was eventually paid UGX 1.06 billion.
- e) The relationship between the Minister of Lands and ULC was complicated for instance she asked the ULC to submit a clear system of disbursement of the Land Fund but it was ignored.
- f) She wrote another letter halting any disbursement until there was a system in place and that she never received any reports from the Commission.
- g) She asked for an inventory of claimants and the system of managing the Land Fund in vain. She tried to get the ULC organised with a lot of difficulty in communication.

*Handwritten scribbles and signatures on the left margin, including a signature that appears to read "Beti Olive".*

*A collection of handwritten signatures and scribbles at the bottom of the page, including a signature that appears to read "AL" and another that appears to read "Mg".*

4. Hon. Matia Kasaija (Minister of Finance, Planning and Economic Development) submitted that;

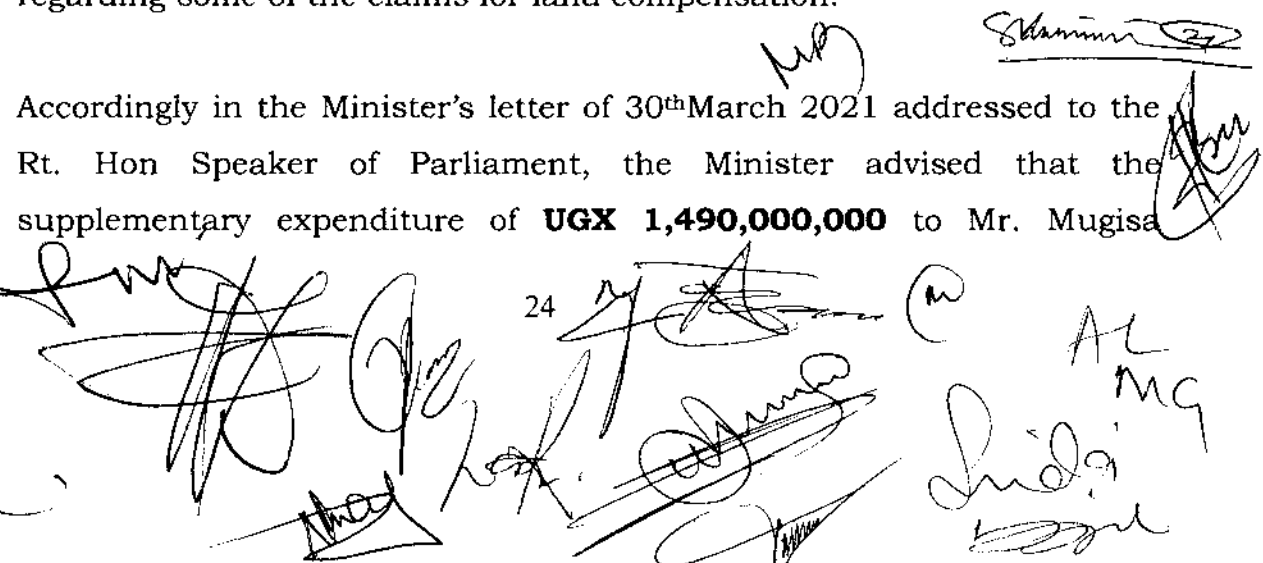
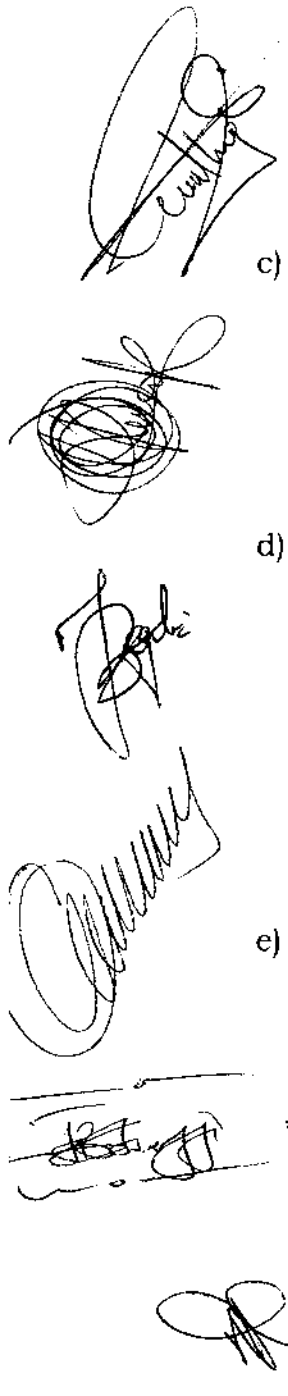
a) In a letter dated REF: LAD 90/196/01 dated 12<sup>th</sup> March 2021, the then Minister of Lands, Housing and Urban Development (MLHUD) Hon Beti Olive Kamyia noted the outstanding Presidential directive to settle various claims for land compensation. She therefore requested MoFPED to provide funds amounting to **UGX 12,108,124,000** to Uganda Land Commission to clear the claims *as indicated in Annex 4*.

b) The Finance Minister stated that he never saw a copy of the Presidential directive, but went ahead to submit the supplementary out of trust for Hon Beti Olive Kamyia. He told the Committee that with hindsight, he never should have proceeded without first seeing a copy of the Presidential directive.

c) In line with the request by Hon Beti Kamyia, a supplementary funding of **UGX 12,108,124,000** to Vote 156 – Uganda Land Commission (ULC) was included in Supplementary Expenditure Schedule No. 4 of FY 2020/2021 and submitted to Parliament for consideration.

d) During consideration of the Supplementary Schedule no. 4 of FY 2020/2021, there were conflicts between MLHUD and ULC regarding the mandate and procedure for initiation of requests for supplementary funding. In addition there was a petition against the resolution of Parliament on Supplementary Expenditure Schedule No.4 of FY 2020/21 regarding some of the claims for land compensation.

e) Accordingly in the Minister's letter of 30<sup>th</sup> March 2021 addressed to the Rt. Hon Speaker of Parliament, the Minister advised that the supplementary expenditure of **UGX 1,490,000,000** to Mr. Mugisa





Geoffrey be excluded from the Resolution of Parliament. **See Annex 5.** In addition Parliament set up an Adhoc Committee to investigate the claims for land compensation under the Supplementary Expenditure Schedule No. 4 of FY 2020/2021.

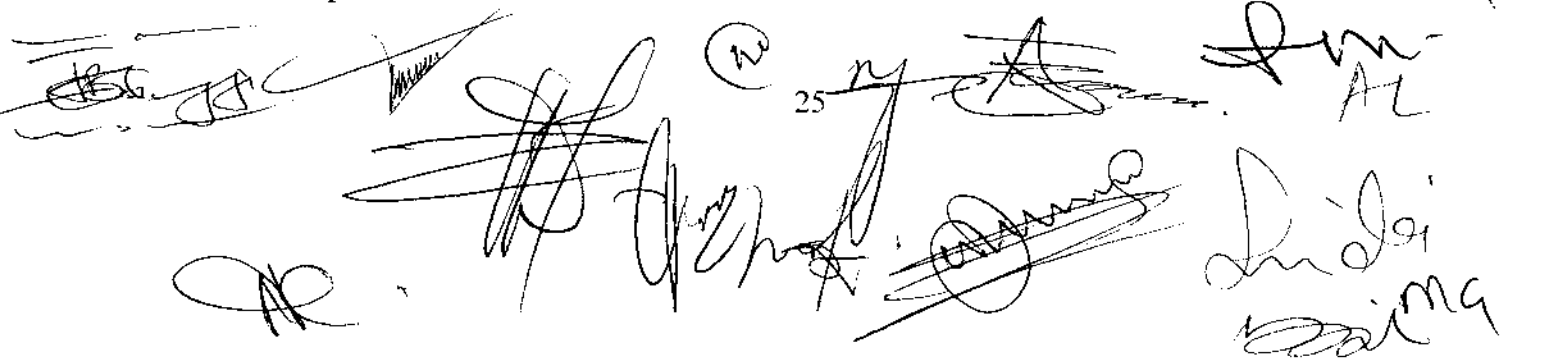
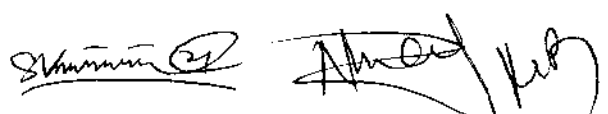
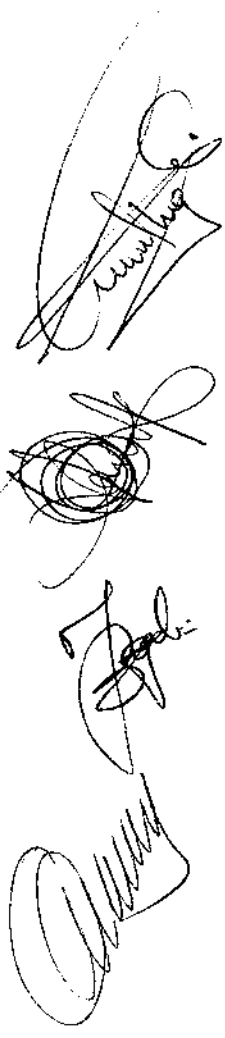
f) Based on the recommendations of the Adhoc Committee, Parliament reconsidered and approved the supplementary funding of **UGX10,358,978,000** to Vote 156- ULC as indicated in Annexes 3 & 4 and summarized below;

i.	Late Kosia Rwabukurukuru	6,213,200,000
ii.	Nagenda Stephen	1,062,778,000
iii.	Natalia Namuli	1,589,000,000
iv.	Mugisa Geoffrey	1,494,000,000
v.	<b>Total</b>	<b>10,358,978,000</b>

g) Thereafter MoFPED processed and released the funds to the Accounting Officer of ULC for onward payment to the various claimants.

h) The MoFPED noted that the Adhoc Committee of Parliament made several key recommendations for improving the management of land compensation. These included, enhancing public sensitization, prompt payment of fair and adequate compensation, recruitment of technical staff, halting receipt of new applications for land acquisition, clearance of the backlog, adhering to the provisions of the Land Act, operationalization of the Land Fund, titling of government land, improving record management and fostering a harmonious working relationship between MLHUD and ULC, among others.

i) In a letter of 26<sup>th</sup> July 2021, the Minister brought the above recommendations to the attention of the MLHUD for follow- up and fast track implementation, and to provide a progress report on implementation of the recommendations of the Adhoc Committee of



Parliament. However, to date, no progress report had been provided on the matter.

The Minister said that the supplementary funding for land compensation under supplementary schedule no.4 of FY 2020/2021 went through the established Government approval processes in line with the provision of the law.

**5) Mr. Keith Muhakanizi – Former Permanent Secretary/ Secretary to the Treasury** informed the Committee as follows;

a) He was out of office on sick leave at the time the supplementary was handled, his Deputy Mr. Patrick Ocailap was the one in charge at the time. However, he said he was still Secretary to the Treasury at the time and admitted that he takes overall responsibility of whatever happened but not personal responsibility.

b) In a letter dated 30<sup>th</sup> November, 2020, Hon. Beti Kamywa- the then Minister of Lands, Housing and Urban Development wrote to the Minister of Finance, Planning and Economic Development communicating a presidential directive to settle various outstanding claims for land compensation. She therefore requested that funds be provided to Uganda Land Commission to clear those claims.

c) The Supplementary request is taken through different stages of approval within and between the Executive arm of government and the Legislature and as such, changes can be made at various stages for example, Cabinet and Parliament in exercising their constitutional powers can adjust supplementary requests submitted by the Ministry of Finance for various Ministries, Departments and Agencies. The PFMA requires that there must be a requisition by the Accounting Officer in form of a warrant. This is a mandatory Treasury requirement to ensure that the Accounting Officer is held personally accountable for the public resources.