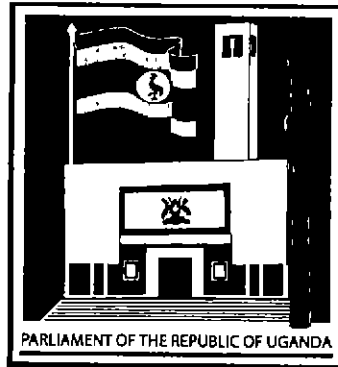


PARLIAMENT OF UGANDA



10TH PARLIAMENT

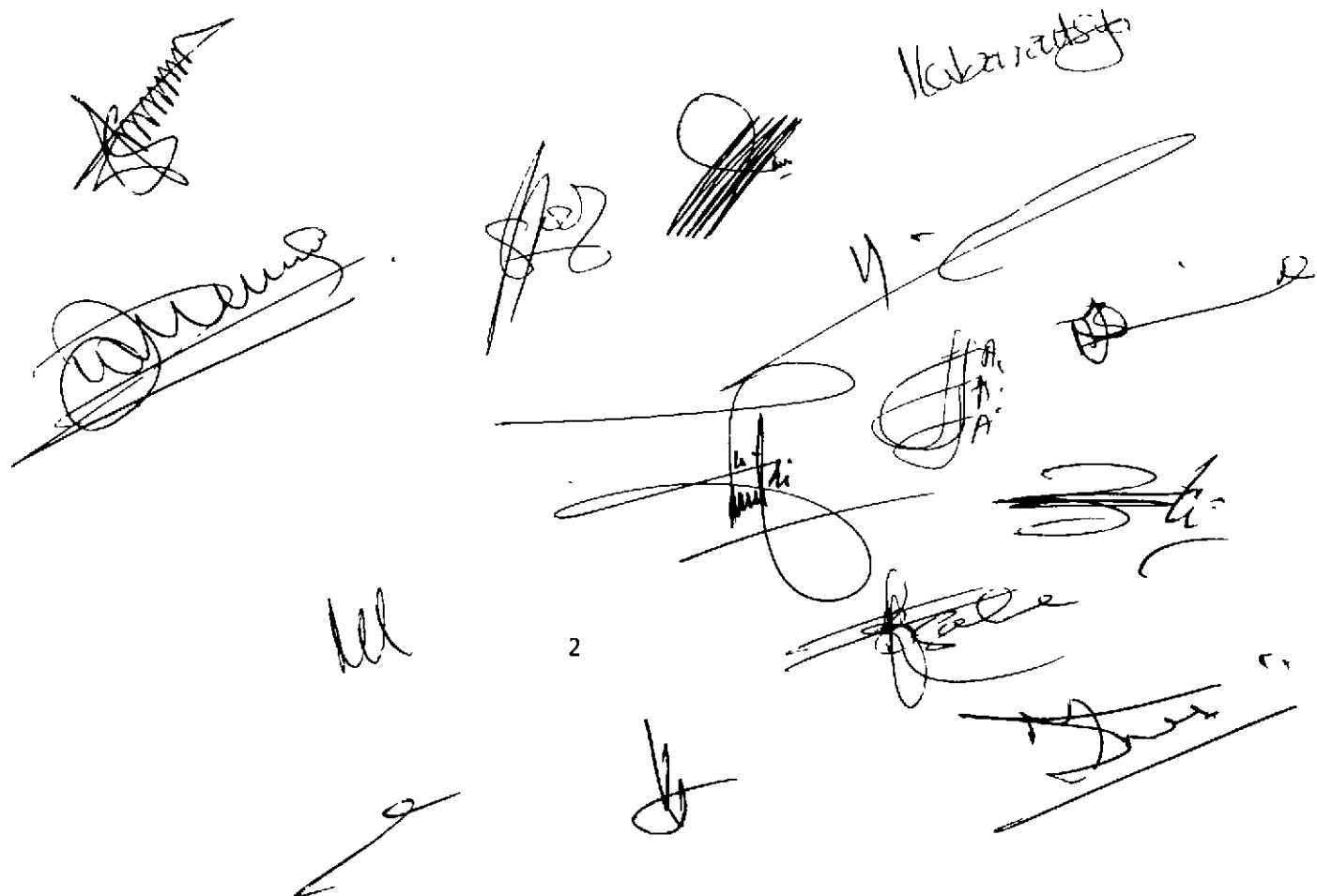
**REPORT OF THE PUBLIC ACCOUNTS COMMITTEE - CENTRAL
GOVERNMENT ON THE REPORT OF THE AUDITOR GENERAL FOR FY
2014/15 (DEPARTMENT OF CITIZENSHIP AND IMMIGRATION)**

Office of the Clerk to Parliament

June 2018

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LIST OF ACRONYMS AND ABBREVIATIONS

CAA	Civil Aviation Authority
CGV	Chief Government Valuer
ISO	Internal Security Organisation
JLOS	Justice Law and Order Sector
MoFPED	Ministry of Finance, Planning and Economic Development
MoWT	Ministry of Works and Transport
MTEF	Medium Term Expenditure Framework
NSIS	National Security and Information System
NTR	Non- Tax Revenue
PFMA	Public Finance Management Act 2015
PS ST	Permanent Secretary/ Secretary to the Treasury
UPPC	Uganda Printing and Publishing Corporation
TAI	Treasury Accounting Instructions
TMP	Temporary Movement Permit

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1.0 INTRODUCTION

Rt. Hon. Speaker and Hon. Members,

The Public Accounts Committee considered the Auditor General's report for Financial Year 2014/15 on the Directorate of Immigration as mandated by Rule 171 (5) of the Rules of Procedure and Article 90 of the Constitution of the Republic of Uganda.

Article 163(4) of the Constitution mandates the Auditor General to submit to Parliament annually a report of the accounts audited by him or her for the financial year immediately preceding.

The Constitution further mandates Parliament to debate, consider the report and take appropriate action within 6 months after submission of the report referred to in clause 4 above.

It is in this regard that the report of the Auditor General for the year ended 30th June 2015; Volume 2 (A) was presented and referred to the Public Accounts Committee for consideration.

2.0 METHODOLOGY

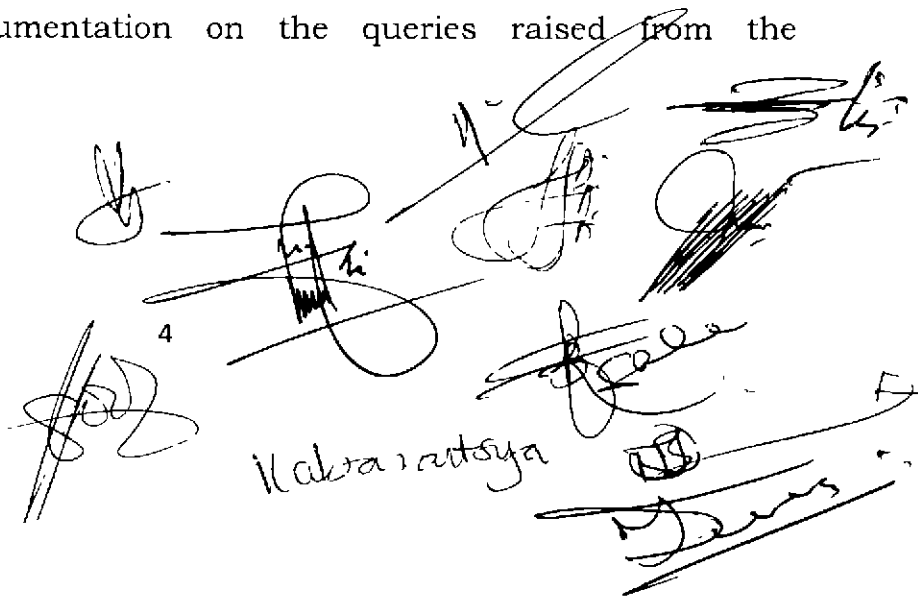
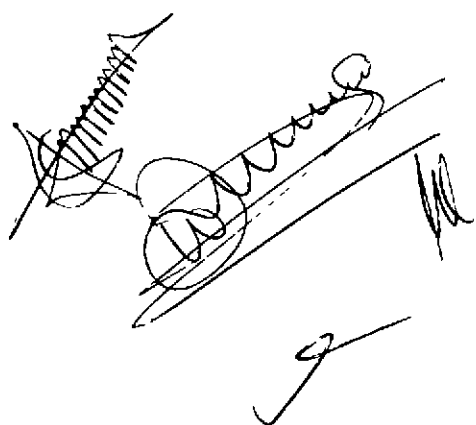
2.1 Meetings

The Committee held meetings with the Accounting Officers and staff of the Directorate of Citizenship and Immigration.

2.2 Document Review

The Committee studied and made reference to the following documents;

- (i) The Auditor General's Report for FY 2014/15
- (ii) Additional documentation on the queries raised from the Directorate.



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3.0 FINDINGS, OBSERVATIONS AND RECOMMENDATIONS

The committee made the following findings, observations and recommendations;

3.1 Outstanding payables

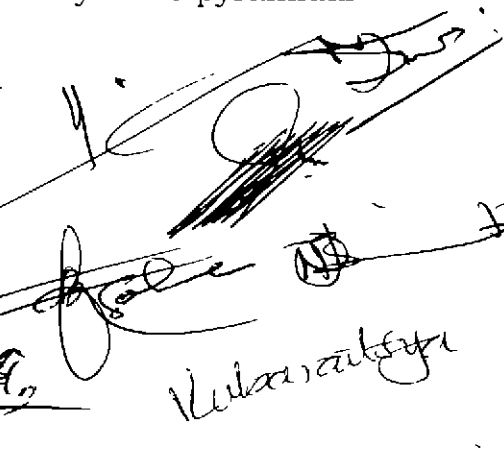
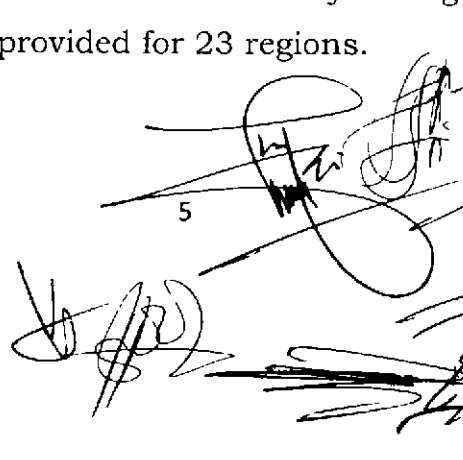
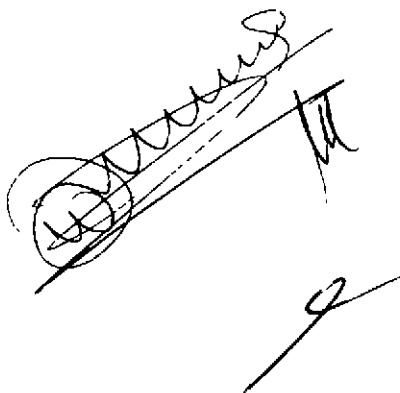
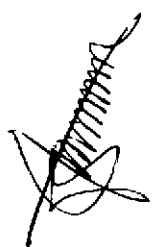
A review of the statement of outstanding commitments revealed that at the close of the financial year 2014/2015, there were outstanding payables of UGX 79,856,210,630. Within the payables, there were sundry creditors of UGX.53,554,188,415, up from UGX.22,059,059,238 in the financial year ended 30th June 2014, representing an increase in sundry creditors of UGX.31,495,129,177 (143%).

Further, it was noted that UGX 874,264,954 owed to Uganda Printing and Publishing Corporation (UPPC) in respect of rent has been outstanding for more than two years.

Accumulation of outstanding commitments is a violation of the commitment control system.

The Accounting Officer responded that the increase in payables was as a result of unforeseen challenges during the implementation of the National Security Information System Project as indicated below:

- There was no budget provision for movement of registration officers from Sub County to parishes (2days per week) at a rate of UGX.10,000 per officer.
- There was also no budget provision for transportation of kits during continuous enrolment exercise. The total cost for this activity was UGX.588m for a period of 5months (August-December 2015).
- The budget provision was based on only 10 regions yet the pyramidal structure adopted provided for 23 regions.



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- Insufficient funds in the budget for hard to reach areas including island areas among others. The total expenditure on this line item was UGX.207m.
- Delivery and retrieval of mass enrolment materials also had no budget provision.

The ID project was of critical nature to the electoral process timelines, yet it did not have enough funds to pay for all the contractual obligations hence leading to the accumulation of the Domestic arrears.

With regard to the outstanding debt with UPPC, Management explained that the matter is being addressed administratively after guidance from the Solicitor General.

The Accounting Officer informed the committee that;

- The Directorate has since cleared a total of UGX.48.8bn of the outstanding arrears as at close of FY2015/16.
- UGX.26.3bn of the payables figure is in respect of security bond deposits for foreigners working in Uganda. The Directorate holds these funds in trust for the beneficiaries.

Observations

1. Payables amounting to UGX.53.5bn representing 49% of the approved development budget for the entity for the financial year ended 2014/15 is a gross violation of the commitment control system which constitutes an offence under Section 79 (1)(m) of the PFMA (that a person commits an offence if that person without lawful authority under the Act incurs unauthorized expenditures or makes unauthorized commitments)
2. Uncontrolled payables are a reflection of defective planning and budgeting where priorities remain diffused and not clearly stated.
3. Non- payment of creditors amounting to UGX 53.5 billion has an adverse effect on the economy.

Recommendations

1. **The Accounting Officer then, Mr. Sasaga Wanzira Godfrey should be held liable under section 79 of the PFMA, 2015 and should therefore not be eligible for re- appointment.**
2. **The Accounting Officer should come up with a time-frame of discharging the outstanding payables.**

3.2 Mischarged Expenditure

The Parliament appropriates funds in accordance with the needs of the country and this appropriation is implemented through the budget in which funds are tagged to particular activities and outputs using account codes and MTEF codes. A review of the Ministry's expenditures revealed that the entity charged wrong expenditure codes to a tune of UGX.1,273,346,799. This constituted 0.7% of total expenditure for the year of UGX.185,941,664,257.

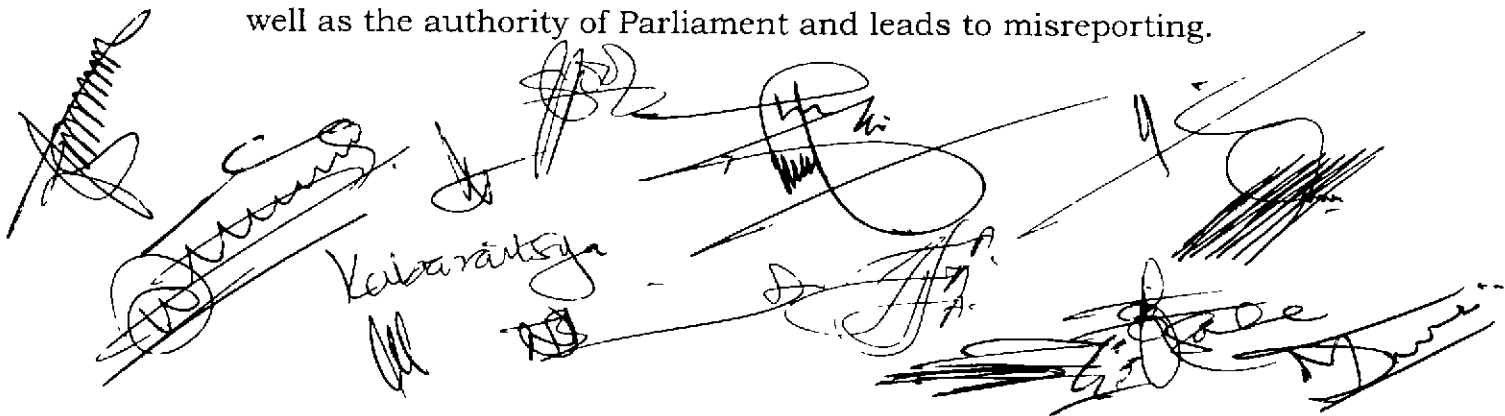
The Accounting Officer explained that the mischarge of expenditure was a result of insufficient budgetary allocations and severe cuts in respect of items referred to as consumptive by the MOFPED.

The mischarge arose as a result of insufficient budget allocation for wages under National Security and Information System (NSIS) project.

Management sought for reallocation from the PS/ST, letter dated December 2014 but the funds had already been released.

Observations

1. The act of the Accounting Officer seeking for re-allocation of funds after the funds had been released is a serious error of commission signifying lack of knowledge about accounting regulations.
2. Mischarges undermine the importance of the budgeting process as well as the authority of Parliament and leads to misreporting.

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Recommendations

1. The Accounting Officer should always seek authority in time prior to any expenditure.
2. The Accounting Officer then, Mr. Sasaga Wanzira Godfrey should be held liable under Section 79 of the PFMA and should therefore not be eligible for re- appointment.

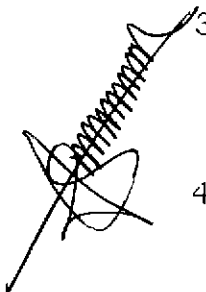
3.3 Absence of Approved Strategic Plan

As reported in the previous reports, the entity has continued to operate without a corporate plan that spells out the long and medium term plans. Absence of an approved strategic plan affects the overall guide to planning and priority setting. The achievement of the organizational mission and objectives are likely to be negatively affected.

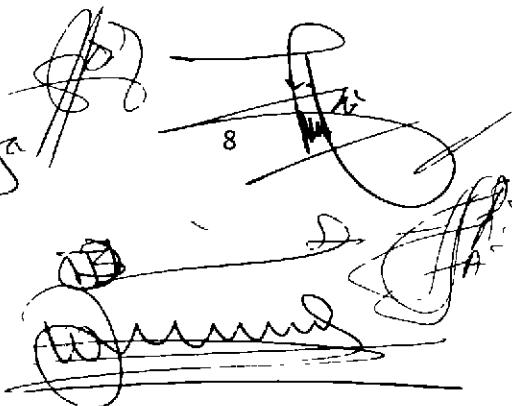
The Accounting Officer informed the committee that the strategic plan delayed due to the harmonization process to ensure alignment with the Justice Law and Order Sector strategic plan and it is now ready awaiting validation and approval by the board and the political leadership.

Observations:

1. The Directorate does not have a strategic plan and it has been in draft form for the last 4 years.
2. The committee noted that the core issues in the draft strategic plan did not cover basics in Information Technology which was critical for the project.
3. The officer in charge of planning had been in office for four years and had not carried out his core responsibility of putting in place a strategic plan to guide the Directorate in decision making.
4. The uncontrolled payables and mischarge in the Directorate are attributed to lack of effective strategic planning.



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Recommendation:

The Accounting Officer should ensure that the planning unit of the Directorate is strengthened.

3.4 Missing generators

Records showed that out of 1451 generators owned by the Directorate, a total of 1380 generators were in the field in various parts of the country, 41 generators were in the stores at Kololo, out of which 40 were non-functional. The balance of 30 generators remained unaccounted for.

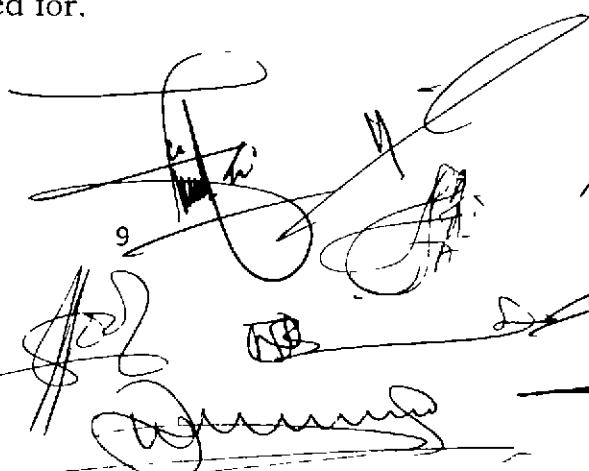
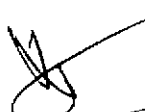
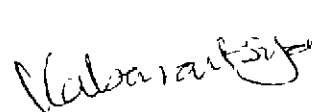
It was also noted that the asset register maintained by the Directorate captured only Generator Engine numbers but did not capture frame numbers, the model of the Generator was merely recorded as "Generator" instead of "EP 2500 CX Generator", and the values of the generators were not recorded in the manual register.

The Accounting Officer explained that the exercise of up-dating fixed asset register is ongoing.

He further stated that at the time of Audit, some generators were still in the Districts and have since been brought back. The process of updating the asset register was concluded and all the generators have been duly accounted for.

Observations:

1. There is a risk of loss of Government assets due to lack of proper records.
2. On cross-checking the Assets register, the committee verified that the Directorate had a total of 769 generators registered leaving 682 generators unaccounted for.



Recommendations:

1. The Accounting Officer should be liable for the missing 682 generators.
2. The Auditor General should undertake a special audit to ascertain that;
 - a) All generators are accounted for
 - b) There is an updated asset register in place

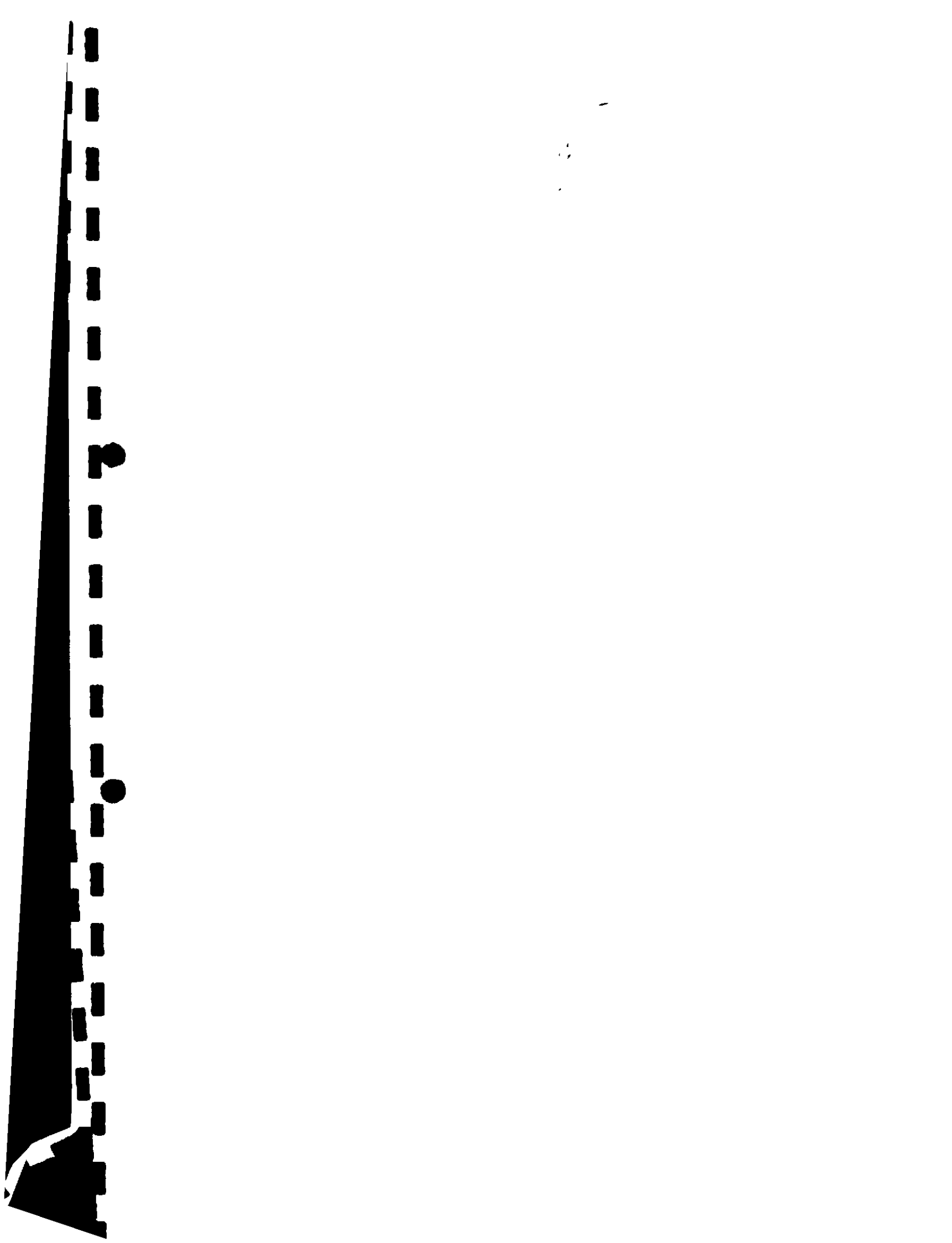
3.5 Procurement of NSIS equipment

The Accounting Officer contracted out the procurement of additional machinery and equipment for the National Security Information System (NSIS) to Internal Security organization (ISO) in the financial year ended 30th June 2014. The machinery and equipment were worth UGX.83,187,152,448 and USD 6,637,239. As shown in the table below:

PROC REF.	DATE OF SIGNING CONTRACT	SUPPLIER	SUBJECT OF PROCUREMENT	LOT No.	Contract Sum (UGX)
OP-ISO/SUPPLS/13-14/00012/01/01	31st January 2014	MFI Document Solutions Ltd	Supply of Additional Machinery and Equipment for NSIS Project	1	52,997,031,083
OP-ISO/SUPPLS/13-14/00012/01/02	30th January 2014	Nets oft Consulting Services (PVT) Ltd	Supply of Additional Machinery and Equipment for NSIS Project	2	1,527,253,600
OP-ISO/SUPPLS/13-	Not dated	MFI Document Solutions	Supply of Additional equipment	3B	24,469,171,711

14/00012/01/3B		Ltd	for NSIS project		
OP-ISO/SUPPLS/13-14/00012/01/04	30th January 2014	Honda (U) Ltd	Supply of Additional Machinery and Equipment for NSIS Project	4	1,716,066,684
OP-ISO/SUPPLS/13-14/00012/01/05	31st January 2014	MFI Document Solutions Ltd	Supply of Additional Machinery and Equipment for NSIS Project	5	1,722,834,370
OP-ISO/SUPPLS/13-14/00012/01/06	30th January 2014	Supply Masters (U) Ltd	Supply of Additional Machinery and Equipment for NSIS Project	6	754,795,000
Total (UGX)					83,187,152,448
OP-ISO/SUPPLS/13-14/00012/01/3A	29th May 2014	Muhlbaue r Id Services GmbH	Supply of Additional Machinery and Equipment for NSIS Project	3A	USD.6,637,239.2
Total (UGX)					USD.6,637,239.2

The Auditor General was unable to carry out the audit of the procurement in the previous Financial Year, because the related documents were not readily available.



Observations

1. Refusal by the Accounting Officer to avail documents to the auditors at the time of audit is a serious omission and amounts to not being able to account for the funds entrusted/ voted under him.
2. The procurement of machinery and equipment for the National Security Information System (NSIS) by the Internal Security Organization (ISO) could not be audited due to lack of available documents in respect of the procurement.

Recommendations

The Auditor General should undertake a special audit to ascertain:

- i. **Whether the procurement was properly done.**
- ii. **Whether the procured machinery and equipment records are captured in the Assets register.**

3.6 Use of brand names in the bid document

Regulation 265 (1) of the PPDA 2003 states "No specification shall be issued with reference to a particular trademark, brand name, patent, design, type, specific origin, producer, manufacturer, catalogue or numbered item". Where there is no other sufficiently precise or intelligible way of characterizing a requirement the description shall be used, followed by the words "or equivalent", and shall only serve as a benchmark during the evaluation process.

However, the technical specifications and general requirements in the bid documents for the purchase of 4258 cameras under Lot 1 were specified as "Canon EOS 1100D or its equivalent". Although the word equivalent was included, it does not suffice in this regard as the camera can sufficiently and precisely be characterized without use of reference as provided under Regulation 265(2). Use of branded names when preparing



specifications limits competition and may imply that the PDE intended to push out certain providers in favour of some.

The Accounting Officer informed the committee that the brand name "Canon" was used as a benchmark for evaluation purposes basing on Regulation 265 (2) since there was no other sufficiently precise way of describing what was needed. Besides the phrase "or equivalent" was inserted after the brand name "Canon" in order not to eliminate competition.

Recommendation:

The Head of the Procurement and Disposal Unit should be apprehended for flouting procurement regulation 265 (2) by specifying a brand of an item to be procured and thereby locking out prospective bidders.

3.7 Delayed deliveries

There were delays in deliveries of the equipment in the various lots as indicated in the table below:

Lot No	DATE OF SIGNING CONTRACT	Contract Amount (UGX)	Expected Delivery Date	Actual Delivery Date	Period of Delay
1	31/01/2014	52,997,031,083	20/02/2014	31/05/2014	99 days (over 3 months)
2	30/01/2014	1,527,253,600	19/01/2014	07/04/2014	47 days
3B	17/04/2014	24,469,171,711	06/03/2014	02/07/2014	79 days

5	31/01/2014	1,722,834,370	20/02/2014	26/04/2014	94 days
	4		4	4	
6	31/01/2014	754,795,000	20/02/2014	28/02/2014	8 days
	4		4	4	

The Accounting Officer attributed the delays in the deliveries to late release of 40% down payment to the supplier by 3 weeks. Further, management explained that the delay was caused by the Chinese Annual New Year holiday, which ran from 30th January to 9th February 2014.

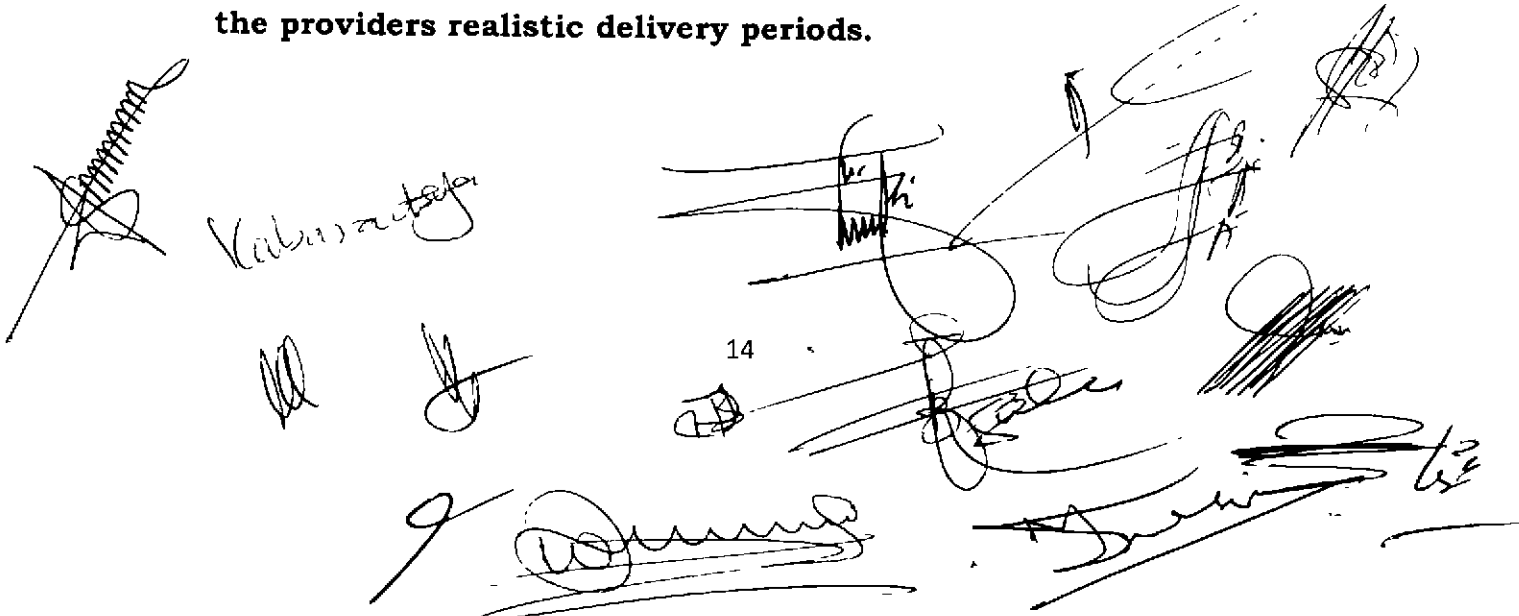
However Management was notified of the delays in deliveries by the suppliers and extensions were granted on the basis that the suppliers lost production slots as a result of delayed payments.

Observations

1. Delayed deliveries affected the commencement of the enrolment exercise for two months, which impacted on the timely implementation of the mass enrolment program.
2. The fact that the Chinese supplier signed the contract specifying the delivery dates meant that the Chinese Annual New year holiday which ran from 30th January to 9th February 2014 did not impact on the performance of the contract.

Recommendation:

The Accounting Officer should ensure that procurements are planned in time and the necessary funds obtained on time to give the providers realistic delivery periods.



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3.8

Lack of individual unit price schedule

The bidding document required all bidders to submit a price schedule for supplies and related services using a format provided in section 4-bidding forms where all items were to be priced separately.

However, the provider did not indicate the unit price for each individual enrolment kit item but instead provided a lump sum price of UGX.52,552,031,065.74. This made it difficult to make a comparison of the bids. Further, it was not possible to compute the liquidated damages due as a result of late delivery of 3246 spare batteries and 3258 USB hubs.

The Accounting Officer explained that the End-user asked for the Enrolment Kit as a Unit and the price estimation was based on the Kit. In the Price Schedule, the Enrolment Kit was stated as a "Biometric Kit", with country of origin, quantity, unit price and taxes specified.

Observation

The absence of a price schedule made it difficult to make a comparison of the bids since the company awarded the contract quoted prices for biometric kits and not individual items.

Recommendation

The Accounting Officer should always ensure that all bids received conform to the bid instructions provided to all the potential bidders for proper comparison and subsequent evaluation.

3.9 Liquidated damages not claimed - UGX.178,614,181

The terms and conditions of the contracts provided for liquidated damages 0.2% of the value of undelivered supplies per week of delay in case the provider failed to deliver the items in time. However, the providers failed to deliver the items as per contract terms and the entity

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did not claim liquidated damages. Details of the liquidated damages that should have been claimed:

Lot No	Contract Amount (UGX)	Period of Delay	Liquidated Damages (UGX)
2	1,527,253,600	47 days	6,358,748
3B	24,469,171,711	79 days	147,474,726
5	1,722,834,370	94 days	24,780,707
	Total		178,614,181

The Accounting Officer explained that the deliveries were caused by late release of the 40% down payment to the suppliers by 3 weeks. The delay was further caused by the Chinese Annual New Year holiday, which ran from 30th January to 9th February 2014.

Observation

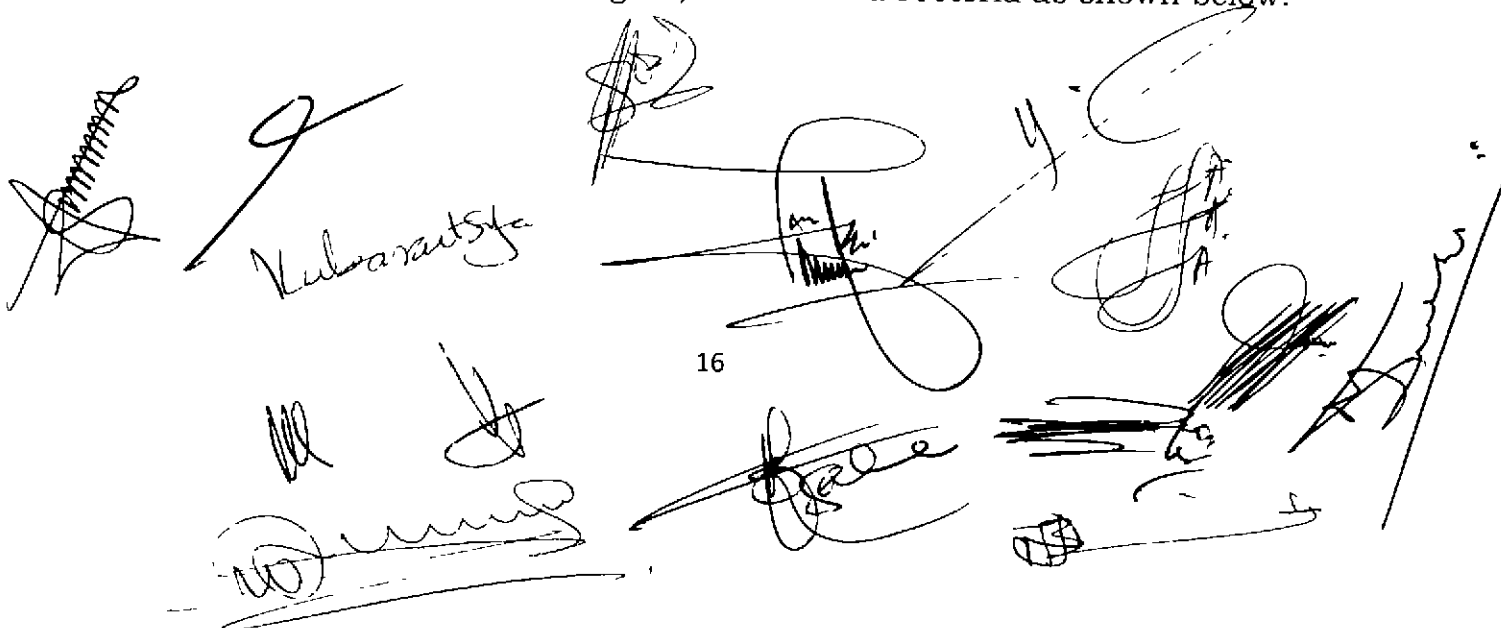
Failure to charge the liquidated damages as per contract demonstrates poor contract management.

Recommendation

The Accounting Officer should always adhere to the terms of the contract and charge damages where applicable.

3.10 Unaccounted for NTR from saleable documents sent to foreign missions

Visa stickers and passports worth UGX.778,400,000 were issued to the foreign missions of Washington, London and Pretoria as shown below:



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Saleable Documents	Washington DC-US	London-UK	Pretoria-SA	Total	Rate	
Passports	1,500	2,200	1,200	4,900	120,000	588,000,000
Visa stickers	120	500	60	680	280,000	190,400,000
						778,400,000

The documents were sold from the foreign missions at different rates and were estimated to have collected equivalent of UGX.1,839,750,000 as indicated in the table below:

Saleable Documents	Washington DC-US			London-UK			Pretoria-SA			Total UGX.
	No	Rate	Amt (\$)	No.	Rate	Amt. #	No	Rate	Amt.(R)	
Passports	1,500	200	300,000	2,200	65	143,000	1,200	500	600,000	
Visa stickers	120	100	12000	500	65	32500	60	500	30000	
			312,000			175,500			630,000	
			2,800			4,500			280	
Total UGX.			873,600,000			789,750,000			176,400,000	1,839,750,000

However, the missions did not remit any funds from the sale of the passports and visa stickers sent by the directorate, neither was there evidence that the collected funds were remitted by the missions direct to the consolidated fund. In the circumstance, Non Tax Revenue from the sale of the documents remains unaccounted for.

The Accounting Officer explained that all foreign missions have been asked to account for the revenue collected.

He further informed the committee that on a quarterly basis foreign missions are required to submit quarterly NTR returns to MOFPED

(Accountant General's Office). However, the Directorate has since written to foreign missions requesting them to account for saleable documents sent to missions before replenishment.

Observations

1. Revenue generated from sale of visa stickers and passports is Non-Tax Revenue and according to Section 29 (2) of the PFMA should be banked intact in the Consolidated Fund.
2. There was no evidence that the Accounting Officer made a follow-up with the Missions concerned.

Recommendation

The Accounting Officer should recover the UGX 1,061,350,000 that was not remitted to the Consolidated Fund within 3 months from the adoption of this report.

3.11

Rent payments to CAA

The Directorate paid a total of UGX.355,441,733 to Civil Aviation Authority (CAA) for the premises that accommodated the ID Project equipment. However, the Auditor General was not provided with the government valuer's report to verify that the rental paid fell within the range of the valuer's estimates. The tenancy agreement was not availed to verify whether the terms of agreement were adhered to. Details of payment are shown below:

VR.NO	PAYEE	EFT.N O	AMOUNT	PURPOSE	REMARK S
R79/09/ 14	Civil Aviation Authority	23597 40	88,860,43 3	Outstanding bills on Rental, Utilities	No Tenancy agreement
R142/11 /14	Civil Aviation	29058 62	266,581,3	Outstanding bills on	No Tenancy

	Authority		00	Rental, Utilities	agreement
	Total		355,441,733		

In the absence of the government valuer's report and tenancy agreement, the Auditor General was unable to ascertain the fairness of rent paid and whether the tenancy terms were adhered to.

The Accounting Officer explained that the Directorate became a vote in 2010 and inherited the rental arrangements from the Ministry of Internal Affairs (Vote 009) without any formal documentation.

However, the funds were not for the premises that accommodated the ID project equipment but for the space occupied by the Directorate at the airport.

Observations

1. The payment of UGX 355,441,733 without the Chief Government Valuer's estimates was irregular. However, the requirement of the Chief Government Valuer's opinion is not specified in the law but is a common practice.
2. The requirement for the Chief Government Valuer (CGV) to provide an opinion is often expressed in many Acts and Subsidiary legislations yet there is no express law establishing the office and providing for its functions.

Recommendation

1. **The Chief Government Valuer should value the premises in question as at the time of becoming a Vote and ascertain whether the rentals being paid were reasonable.**

2. Where the rentals paid are found to be unreasonable, the excess amount becomes a nugatory expenditure and the Accounting Officer should be held responsible.
3. Given its strategic importance, the office of the Chief Government Valuer should be accorded an independent status with clearly defined roles and functions.

3.12

Goli, Vurra, Lia and Afogi Border Posts

The Auditor General observed the following issues during inspection of the four border posts:

a) Status of buildings

Goli Border Post

The border post was constructed at a contract price of UGX.195,197,400. Several defects were observed on the buildings which are attributed to poor workmanship. The walls and floor had cracked, the doors are rotting and the plaster was crumbling with paint peeling off the walls. Management explained that the building has not been officially handed over because management noticed some anomalies in the workmanship which were drawn to the attention of the contractor.

Recommendation

1. The Accounting Officer should compel the contractor to rectify the defects and ensure that the building is officially handed over to the Directorate.
2. The Accounting Officer should ensure that contracts of this nature have effective technical supervision.

b) Use of wrong materials than specified in the BoQs

The contractor deviated from using the materials specified in the BOQs and instead used inferior and cheap materials.

For example instead of a “galvanized expanded metal lath ceiling (Engalama)” the contractor fixed ceiling boards (better known as cardboards) which are less expensive, weaker and do not last for long. Management explained that the building has not been officially handed over because some anomalies were noticed in the workmanship and this was drawn to the attention of the contractor.

Observation

There was no effective technical supervision of the contract leading to poor workmanship.

Recommendation

The Accounting Officer should task the contractor to replace the ceiling board with the galvanized expanded metal lath ceiling (Ngalama)

1) Vurra-Arua District

- Delayed completion

The contract was signed on 11/06/2014 at a contract price of UGX.212,311,783. The construction started on 18th June, 2014 and was to be completed on 17th December, 2014. However, by 08th October, 2015, (eight months after expected completion date) the construction works had not been completed.

Management acknowledged the observation and promised to follow up the matter with the contractor and the supervising engineer.

Recommendation

The Accounting Officer should task the contractor to expedite the completion of the building so that the staff can work in a conducive environment.

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2) Lia - Arua District

Poor workmanship

Elements of poor workmanship were observed. For example; the terrazzo had developed cracks, most likely due to poor material mixes, paint was peeling off the walls of the building, the roof was poorly fixed and leaking, and the verandah was getting detached from the building. Management acknowledged the observation and promised to follow up the matter with the contractor and the supervising engineer.

Recommendation

The Accounting Officer should compel the contractor to rectify the shoddy works and ensure effective technical supervision of the works.

3) Afogi border post

Border post not on national grid

The border post is not connected to the national hydroelectricity power grid which is only 8 kilometres away but rather depends on a generator which is expensive to run.

The Accounting Officer explained that funds will be provided in the budget for FY2016/17 to extend the connection to the national hydroelectricity grid. It was however observed that contrary to the expectations of the Accounting Officer, funds were not provided for in the FY2016/17 budget. The Ministry instead provided solar panels and generators.

3.13 Atiak Border Post - Amuru District

a) Abandoned structure

The contract for the construction of Atiak border Post Office building was signed on 11th August 2008 at a contract price of UGX.93,124,504. The construction works started on 29th October 2008 and was expected to be

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completed by 23rd January 2009. However, seven years after the commencement of the project, the construction works had not been completed and the following were noted:

- The construction site was abandoned when the completed works were at 42% (according to the verification of works report made by Ministry of Works and Transport of 4th May 2011 that put the value of works executed at UGX.39,038,660 as at 5th April 2011).

A contract management file was not availed for audit to establish the possible cause of abandoning the project and the possible action taken, if any, by the Ministry/Directorate to enforce compliance with the conditions of the contract.

- The Directorate allocated a portion of the land to the United Nations Human Rights Commission for Refugees (UNHCR) which has constructed outstanding buildings around the abandoned structure however the Auditor General was not provided with the Memorandum of Understanding entered with UNHCR to establish the occupational arrangements.
- Copy of the land title for the border post land was not availed to confirm ownership.

Below are the photos of the abandoned building and UNHCR structures:



Above: abandoned border post building now home to police officers who have put improvised windows and doors in the openings

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Above: UNHCR buildings constructed around the DCIC abandoned structure

The Accounting Officer informed the Committee as follows:

- Works on the building were completed.
- The contract was signed in 2008 between Ministry of Internal Affairs and the contractor. At the time of Audit, the contract file had not been retrieved from the Ministry. However, it has since been retrieved and is available.
- The Directorate could not sign an MOU with (UNHCR) at that time because it had not secured the land title from the District Local Government. However, the land title has since been secured and the Directorate is in the process of regularizing the occupation arrangement with UNHCR.

Recommendation

The Accounting Officer should follow up the matter and ensure availability of the MOU and the land title as proof of ownership.

b) Intention to sue the Ministry of Internal Affairs for breach of contract

On 3rd August 2011, the contractor, through their lawyers, issued the Attorney General with a letter of intention to sue the Ministry of Internal

Affairs for breach of contract due to non-payment of UGX.75,137,668. It was however noted that on 01/06/2009, two years before the valuation by Ministry of Works and Transport, the District Engineer of Amuru who had been the Project manager prepared a payment certificate (certificate No.1, not availed) in which he recommended payment of UGX.75,137,668 to the contractor. The value of works as determined by the Project manager could not be ascertained as the payment certificate was not availed for audit review. The certificate of works and recommendation thereof was however UGX.36,099,008 (92%) higher than the one prepared by MOWT.

Under the circumstances, there is a likelihood of a lawsuit emanating from the negligence of duty on the part of Government officers (District engineer) through their wilful action and unless it is resolved, government may lose funds through litigation costs.

The Accounting Officer informed the committee that the Ministry is in the process of settling the matter out of court and the Directorate has since written to the Solicitor General for guidance.

Observation

1. The value of completed works at the time the site was abandoned should have been UGX 39.1 million (42% of 93.1 million).
2. The certificate issued by the contract manager who happens to be the District Engineer of Amuru valued the completed works at UGX 75.1 million which is 81% of the original contract value. This creates a discrepancy of UGX 36 million for works which may not have been executed.

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The Accounting Officer with the Ministry of Works on one hand and the project manager should harmonise the value of works completed to enable appropriate payment and avoid litigation.

It was noted that office buildings at Ngomorom and Madi Opei border posts in Lamwo and Kitgum districts respectively are made of mud and wattle and are thatched with grass, while Paidha border post is accommodated in the rented premises. The huts are a security problem. In case of fire outbreak or arsonist attack, the Directorate would lose both the staff and the records. The photos below refer:



Above: DCIC office accommodation at Madi-Opei, a hut of mud and wattle thatched with grass.



Above: Ngomoromo border post office. Travelers sit on the make-shift bench outside the hut waiting for their turn to be cleared.

The Accounting Officer explained that the delay in the construction of Ngomoromo border post was caused by land disputes. The land was

donated to Government by some members of the community but eventually turned around and demanded for compensation from Government. This has since been resolved and construction of the border post will commence as soon as resources are secured.

The delay in the construction of Madi-Opei boarder post is due to unresolved border dispute between Government of Uganda and the Government of South Sudan.

Recommendation

Government should construct permanent structures for Ngomoromo and Madi- Opei border posts to enhance the country's image and promote effective border management.

3.15 Passport Issuing Centers

a) Lack of standby generator at Passport issuing centers

The Directorate opened up two Passport issuing centers in Mbarara and Mbale to extend passport issuance services nearer to people and decongest the Kampala center. The centers have however not been provided with generators to mitigate power black outs. The immigration office at Mbale center had a generator house meant for a stand by generator but it did not have one. It was observed that when power goes off, accessing the data base becomes difficult. Power interruption affects the operation of the system and leads to accessibility of data for the processing of information difficult. This delays the handling of the urgent cases hence making the office fail to meet the intended objective of effectively extending services to the people.

The Accounting Officer explained that funds for procurement of generators are provided for in the budget for FY2015/16.

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Recommendation

The Accounting Officer should prioritize the procurement of generators for the passport issuing centers for effective delivery of services in case of power interruptions.

b) Lack of accounts staff at major border posts and immigration offices

The Directorate has over 35 border posts and immigration offices set up all over the country and operates passport personalization and issuance centres in Pretoria, Washington and London. All the border posts and immigration centres collect revenue from either sale of Visa stickers, Temporary Movement Permits (TMP), Certificate of Identity or passports. Amongst the collection centres are very active entry points like Entebbe which collects average revenue of UGX.574m per month (76% of the total NTR collected in the year). Revenue collected must be entered into a revenue collector's cashbook, banked intact and returns filed and submitted to the headquarters for consolidation, a requirement that needs staff with accounting knowledge.

However, revenue at all the border points is managed by immigration officers who lack basic accounting knowledge in book keeping. As a result, proper accounting records like the revenue cash books, bank reconciliations and returns are not properly and uniformly maintained. This is contrary to Paragraph 80 of the TAIs which provides that each collector of revenue must maintain a cash book in which particulars of all receipts will be entered as soon as they are received.

The Directorate was unable to post staff to major border stations due to inadequate personnel in the Accounts unit. However in the interim, during support supervision by accounts unit, Immigration Officers are

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trained on the basic accounting principles and book keeping. In addition, the Directorate in liaison with key stake holders is planning to roll out electronic payments using the E- visa and E- permit system.

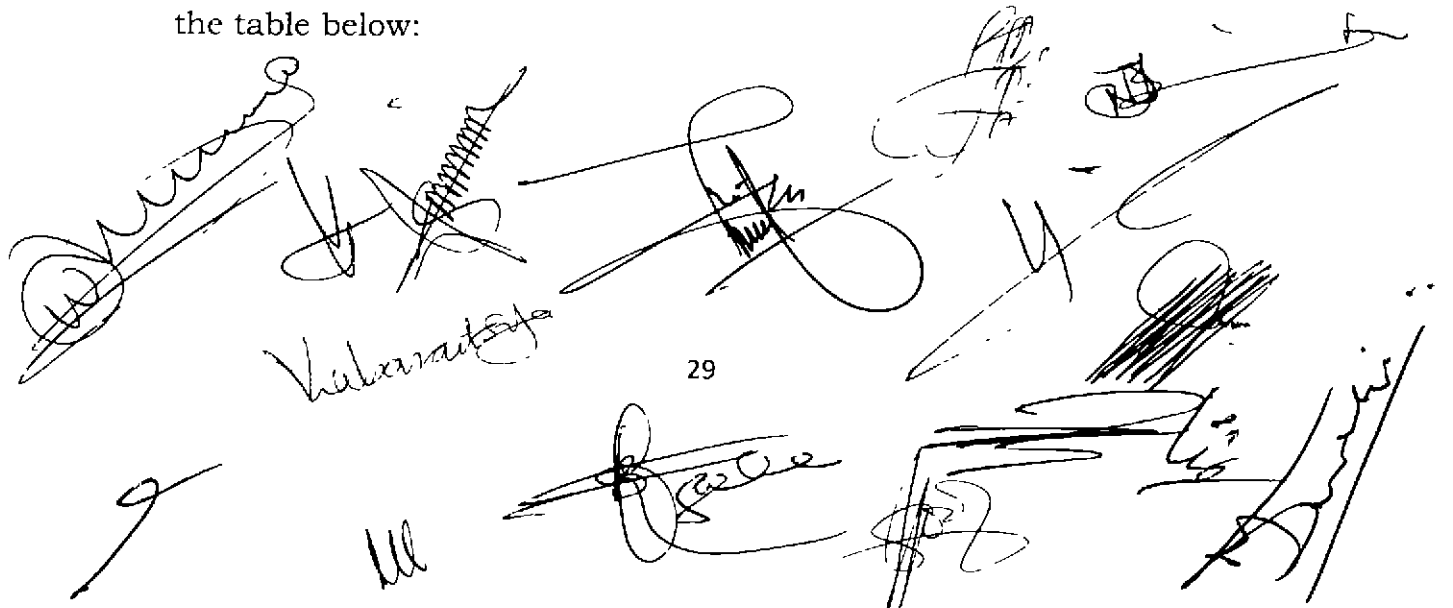
The Accounting Officer promised to take up the matter in consultation with Ministry of Finance, Planning and Economic Development.

Recommendations

1. **The Accounting Officer should post accounts staff with priority to the busier revenue collecting entry points like Entebbe Airport, Malaba and Busia**
2. **Immigration officers at all border points should be trained in basic accounting knowledge on how to maintain proper accounting records and a uniform recording and reporting format be adopted across all border posts.**
3. **The E- Visa, E- permit system integrated with all cash accounting systems should be fast tracked at all border points.**

3.16 Budget Performance

During the year under review, the appropriated budget plus the supplementary totalling to UGX.136,437,100,157 was released representing 100% release. A review of the Directorate's budget performance for the year 2014/2015 revealed that some targets were not achieved despite receiving 100% of the approved budget. Details are in the table below:

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Output	Planned activity	Approved Budget "000"	Actual Expenditure "000"	Short fall "000"	Actual out put	Comment	Response
Support to National Citizenship and Immigration Control	One Passport issuance system for Gulu Regional Passport Office	400,000	400,000	No Variation	Passport Issuance system procured	<p>The contract price was USD.173,439 and the supplier is M/s De La Rue international Ltd. The system has not been delivered.</p> <p>The regional office in Gulu operates from a single room (limited space) in the premises of Ministry of Justice. Unless DCIC obtains enough own office space to install the equipment when delivered, the system may remain in the store. The funds for construction of office premises are still unutilized.</p>	The equipment was delivered and installation is underway.

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Citizenship and Passport Control	100,000 Blank Passports	1,371,520	1,371,520	None	None (0% Performance)	No passports were procured during the year the directorate was using the brought forward stock of 150,000 from the F/Y 2013/14 procured under ref. No DCIC/SUP LS/13-14/000003 signed on 3 rd February 2014.	The Directorate was utilizing the stock carried forward from FY 2013/14. The budget for FY 2014/15 was used to clear outstanding contractual obligations due to the supplier of passports.
<ul style="list-style-type: none"> • 120,000 citizens issued with passports • 1,000 citizens issued E.A. Passports • 200 refugees issued conventional travel documents (CTDs) issued • 3,500 citizens issued Certificate of Identity • 100,000 Virgin passports procured 	Citizens facilitated to travel in and out of the country	2,625,633	2,586,274		<ul style="list-style-type: none"> • Issued 70,162 - passports comprised of 69,531 ordinary passports, 234 official • 196 diplomatic and 201 East African passports • 62 refugees issued with conventional travel documents, 	<p>Issued only 70,162 passports out of 120,000 planned to be issued</p> <p>Issued conventional passports to only 62 refugees instead of to 200 refugees</p> <p>Issued 78</p>	<p>There was a reduction in the number of applicants for passports during the FY 2014/15. In addition the performance was due introduction of alternative travel documents like the National ID.</p> <p>The applicants for conventional documents were few in the year under review. This was partly caused</p>

					certificates of identity instead of 3500. 212 foreigners were granted citizenship instead of planned 3,500 No Blank passports were procured	<i>by change in policy by UN for UPDF soldiers who were required to use passports to travel to Somalia instead of conventional documents.</i> <i>There was a reduction in the number of applicants.</i>
•5 borders equipped with PISCES (traveler management software) 5 Install PISCES and PIRS (traveler mgt information system)	Border Control	278,000,000	280,576,000	up Trucks (all fitted with MIDAS- Installed MIDAS software in 4 Immigration border posts of Cyanika, Goli, Afogi, and Bunagana. •PISCES operations	PIRS equipment for Lia and Lwakhaka border posts not procured	<i>Equipment was procured and installation is underway. The delay was due to construction works in Lia and lack of power in Lwakhaka boarder post.</i>

					maintained in all 7 border posts.		
<p>Procurement of</p> <ul style="list-style-type: none"> •Digitalization system for immigration headquarters •Electronic Visa and work permit system established at headquarters and six border posts •39 desktop computers 	<p>Purchase of Office and ICT Equipment, including Software</p>	5,476,940,000	3,423,48,000		<p>Completed systems design and business processes of the Uganda e-Visa and e-Permit Management system.</p>	<p>•Digitalization system for immigration headquarters was not procured. This is meant for computerization of records</p> <p>•E-visa and e-work permit not yet established. The procurement process is still under way. The directorate should expedite the process of implementation</p> <p>•39 desktop computers, required for the e-visa and e-passport project were not</p>	<p>The Directorate is in the process digitizing and indexing all files for proper storage and retrieval.</p> <p>Workflow was developed and completed which was core for the system. Site and Factory acceptance tests were done. Rollout of the system is on-going.</p> <p>All the Computers procured and installed.</p>

Kabazuziye

						<p>purchased These equipments should be procured immediately in order not to delay the implementatio n of e-visa and e- passport project.</p>	
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Unimplemented activities affect service delivery, and the appropriating authority's objectives may not be met.

The Accounting Officer acknowledged the observation and indicated that performance will be improved.

Observation

The Accounting Officer procured the items outside the Procurement Plan without updating the Plan, contacting the PDU and informing the PPDA.

Recommendation

The Accounting Officer should make realistic plans and budgets, and also ensure that activities are implemented in accordance with approved plans and budgets.

3.17 Procurements conducted outside the procurement plan

The Directorate procured items worth UGX.113,910,545 that were not in the Procurement Plan as per the details below:

Kabamatsya

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Inv.No.	EFT.No.	Purpose	Amount
R136/06/2015	5564536	Consultancy services	49,739,700
D181/04/15	4622368	Funds for Resumption of Development of the DCIC/ICT Action Plan 2013/14 supply and Deliver of Station Wagon Vehicle for the Director of Immigration Control	64,170,845
Total			113,910,545

Conducting procurements outside the plan affects the budget allocation for other planned items and may result in creation of domestic arrears due to commitments without a budget.

The Accounting Officer explained that the company involved had been contracted to develop a Strategic Plan and ICT Master plan for the Directorate in FY2013/14. However, the process was halted due to administrative reviews instituted by management. Due to the urgency of the strategic plan the consultant was cleared to proceed with the work and funds had to be sought within the budget of FY 2014/15.

The Accounting Officer stated that the Director had no means of transport yet he had to supervise the implementation of the NSIS project activities. Hiring a vehicle could have proved more expensive hence management used the available balances on transport equipment to procure a station wagon for the Director.

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Observation

The Accounting Officer failed to adhere to the provisions of Section 21 (1) and (2) of the PFMA 2015.

Recommendations

1. **The Accounting Officer should be penalized in accordance with the provisions of Section 79 (1) (m) of the PPDA Act 2015.**
2. **The PDU should always update the Procurement Plan in case of unexpected procurement requirements in accordance with Regulation 3 of the PPDA (Procuring and Disposing Entities) Regulations, 2014.**

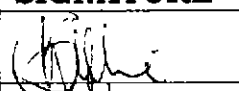
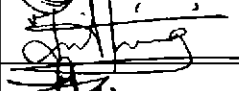
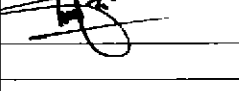
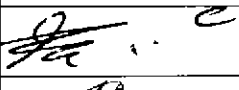

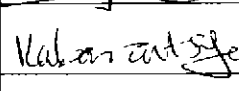

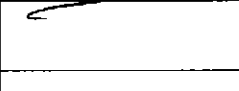


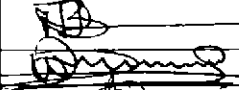
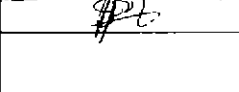
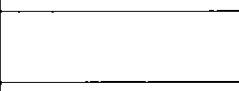
4.0 CONCLUSION

The Committee notes that the Directorate of Citizenship and Immigration had a dismal performance during the year under review owing to failure to abide by the provisions entailed in the laws for instance; the Public Procurement and Disposal of Assets Act (PPDA) and the Public Finance Management Act 2015.

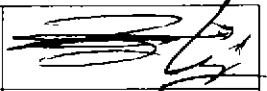
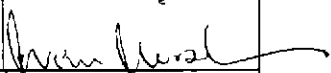
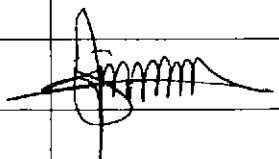
Further, the Directorate did not effectively monitor and supervise border points which led to inefficiencies that could have been avoided. The budgeting and planning function of the Directorate had several loop holes and the lack of realistic work plans affected the implementation of activities of the Directorate for the FY 2015/16.

I beg to move

**REPORT OF THE PUBLIC ACCOUNTS COMMITTEE ON THE REPORT OF
THE AUDITOR GENERAL FOR FY 2014/15 (DIRECTORATE OF
CITIZENSHIP AND IMMIGRATION)**

S/N	NAME	CONSTITUTENCY	PARTY	SIGNATURE
1	HON. OSEGGE ANGELLINE	DWR SOROTI	FDC	
2	HON. GERALD KARUHANGA	NTUNGAMO MUNICIPALITY	INDEP	
3.	HON. MUGABE KAHONDA DONOZIO	RUHINDA COUNTY	NRM	
4	HON. LOY KATALI	JINJA DISTRICT	NRM	
5	HON. HENRY MUSASIZI	RUBANDA COUNTY	NRM	
6.	HON. DHAMUZUNGU GEOFFREY	BUDIOPE EAST COUNTY	NRM	
7.	HON. BYARUGABA ALEX	ISINGIRO COUNTY SOUTH	NRM	
8.	HON. NDAMIRA CATHERINE	DWR KABALE	NRM	
9.	HON. ABABIKU JESCA	ADJUMANI DWR	NRM	
10.	HON. AZAIRWE DOROTHY N K	DWR KAMWENGE	NRM	
11.	HON. SILWANYI SOLOMON	BUKHOLI CENTRAL	NRM	
12.	HON. TWESIGYE JOHN NTAMUHIIRA	BUNYARUGURU COUNTY	NRM	
13.	HON. KIWANUKA KEEFA	KIBOGA EAST COUNTY	NRM	
14.	HON. ANYAKUN ESTHER DAVINA	DWR NAKAPIRIPIT	NRM	
15.	HON. KAHIMA MOSES	RUHAAMA COUNTY	NRM	
16.	HON. OGONG FELIX OKOT	DOKOLO SOUTH	NRM	
17.	HON. ASIKU ELLY ELIAS	KOBOKO NORTH	NRM	
18.	HON. BINTU LUKUMU JALIA	MASINDI DWR	NRM	
19.	HON. WAKABI PIUS	BUGAHYA COUNTY	NRM	
20.	HON. AYOO TONNY	KWANIA COUNTY	NRM	
21.	HON. AMONGIN JACQUILINE	NGORA DWR	NRM	
22.	HON. SSEKIKUBO THEODORE	LWEMIYAGA COUNTY	NRM	
23	HON. KISA STEPHEN	LUUKA SOUTH	NRM	
24.	Hon. WALYOMU MUWANIKA MOSES	KAGOMA COUNTY	NRM	
25.	HON. MBWATEKAMWA GAFFA	KASAMBYA COUNTY	NRM	

**REPORT OF THE PUBLIC ACCOUNTS COMMITTEE ON THE REPORT OF
THE AUDITOR GENERAL FOR FY 2014/15 (DIRECTORATE OF
CITIZENSHIP AND IMMIGRATION)**

26.	HON. LOKII JOHN BAPTIST	MATHENIKO COUNTY	NRM	
27.	HON.KORETA IVAN (LT GEN)	UPDF	UPDF	
28.	HON. BASEKE FRED	NTENJERU SOUTH	IND	
29.	HON. MUKODA JULIE ZABWE	DWR MAYUGE	IND	
30.	HON. ALIONI YORKE ODRIA	ARINGA SOUTH	IND	
31.	HON. FRANCA JUDITH AKELLO	DWR AGAGO	FDC	
32.	HON. SSEMUIJU IBRAHIM NGANDA	KIRA MUNICIPALITY	FDC	
33.	HON. PATRICK AKORA EBONG	MURUZI COUNTY	UPC	
34.	HON. SEWUNGU JOSEPH	KALUNGU WEST	DP	
35.	HON. MPUUGA MATHIAS	MASAKA MUNICIPALITY	DP	