

**REPORT OF THE COMMITTEE ON PUBLIC ACCOUNTS
(CENTRAL GOVERNMENT) ON AUDITOR GENERAL'S
REPORT ON THE UNITED NATIONS POPULATION FUND
PROJECT (UNFP), IMPLEMENTED BY THE NATIONAL
POPULATION COUNCIL (NPC) FOR THE YEAR ENDED 31ST
DECEMBER 2020**

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**Office of the Clerk to Parliament
Parliament Building, Kampala
March, 2022**

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1.0. INTRODUCTION

On 5th October 2021, Parliament referred the Auditor General's Report of the United Nations Population Fund (UNFP) implemented by National Population Council (NPC) for the year ended 31st December, 2020.

The report that attracted an unqualified opinion by the Auditor General covered the accounting statements comprising of the Combined Delivery Report (CDR) presented, funding authorisation and certificate of expenditure and a summary of significant accounting policies and other explanatory information of UNFPA.

2.0. METHODOLOGY

Pursuant to Rule 174, the Committee scrutinised the report of the Auditor General and met with the Accounting Officer. The Committee further reviewed and made reference to the Audit Report on the UNFP Program, Completion Report of the 8th GoU/UNFPA Country programme Evaluation Report, prove of accountability of uncredited funds and details of the unstamped vouchers.

3.0. Observations and Recommendations

Payment of ineligible VAT

The Audit Report noted that management made VAT payments of UGX 17,308,575 in respect of supply of hotel services, media broadcasting, and supply of assorted items contrary to sections 24(7) of the VAT Act which requires taxable supplies made to a government institution by a contractor executing an aid-funded project to be deemed paid by the government institution. The gross amount paid, inclusive of VAT from all the supplies was done without considering the provisions of both the IP agreement and the VAT Act.

While meeting with the Committee, the management acknowledged the anomaly in VAT payments and informed the meeting that it was a mistake on their part to have charged a wrong budget line and instead paid VAT to

service providers and not to Uganda Revenue Authority. They further informed the Committee that UGX. 17,308,575 being the VAT paid in error in respect of the various supplies was refunded to UNFP.

Although the money was refunded, the Committee notes that this act is in violation of the VAT Act and in breach of the IP agreement. Management should ensure that internal financial controls are put in place to avoid such occurrences in the future.

The Committee notes that although the Auditor General classifies his report on the entity as Unqualified, the report raised a number of issues that were not complied with, some reoccurring from the previous audits. They included as;

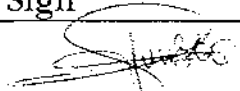
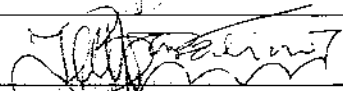
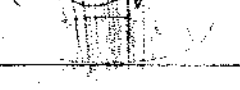
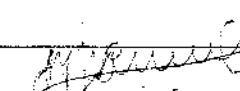
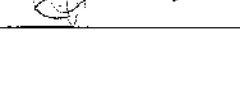
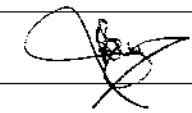
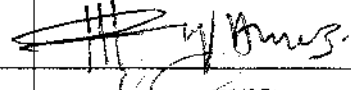
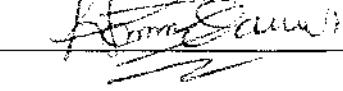
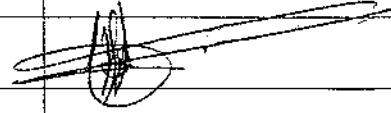
1. Failure to stamp vouchers, "Stamp Paid".
2. Delay to release money by the Partner leading to delayed implementation of activities.
3. Inadequate financial control procedures concerning accountability statements.
4. Uncredited transfers/unaccounted for funds, in the reconciliation.

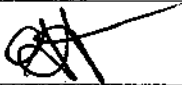
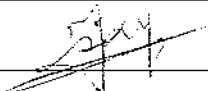
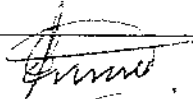
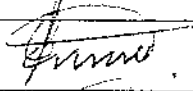

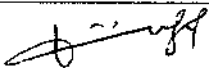
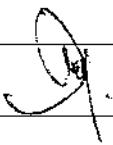
Although the management informed the Committee that measures have been put in place to address the reoccurring audit queries, The committee notes that failure to stamp vouchers as paid presents a high risk of presenting such documents to support future fictitious payments.

The Committee recommends that a forensic audit is done to determine how many vouchers were not stamped and the corresponding amount of money to avoid reoccurrence of the same in future.

I beg to move, Rt. Hon. Speaker.

LIST OF MEMBERS ENDORSING THE REPORT OF PAC – CENTRAL GOV'T ON AUDITOR GENERAL'S REPORT ON THE UNITED NATIONS POPULATION FUND PROJECT (UNFP), IMPLEMENTED BY THE NATIONAL POPULATION COUNCIL (NPC) FOR THE YEAR ENDED 31ST DECEMBER 2020

S/n	Name	Constituency	Sign
1.	Hon. Lubega Medard Ssegona	Busiro East	
2.	Hon. Basalirwa Asuman	Bugiri Municipality	
3.	Hon. Adriko Yovan	Vurra County	
4.	Hon. Atyang Stella	DWR Moroto	
5.	Hon. Angura Fredrick	Tororo County South	
6.	Hon. Afidra Olema Ronald	Lower Madi County	
7.	Hon. Atima Jackson	Arua Central	
8.	Hon. Bataringaya Basil	Kashari North County	
9.	Hon. Bukenya Michael Iga	Bukuya County	
10.	Hon. Okot John Amos	Agago North County	
11.	Hon. Kyooma Xavier	Ibanda North	
12.	Hon. Siliwany Solomon	Bukooli Central	
13.	Hon. Nandala Mafabi	Budadiri West	
14.	Hon. Okin P. P Ojara	Chua West County	
15.	Hon. Onekalit Denis Amere	Kitgum Municipality	
16.	Hon. Okae Bob	Kwania North	
17.	Hon. Lukwago John Paul Mpalanyi	Kyotera County	
18.	Hon. Opendi Sarah	DWR Tororo	
19.	Hon. Sam Kavuma (Maj. Gen)	UPDF Rep	

20	Hon. Kyebakutika Manjeri	Jinja District	
21	Hon. Mawanda Micheal. M	Igara East	
22	Hon. Natumanya Flora	DWR Kikube	
23	Hon. Kwezira Eddie Wagahungu	Bukimbiri County	
24	Hon. Lematia John	Ayivu West County	
25	Hon. Paparu Lillian Obiale	DWR Arua	
26	Hon. Modoi Isaac	Lutseshe County	
27	Hon. Ninsiima Boaz Kasirabo	Kooki County	
28	Hon. Otiem Emmanuel	West Budama	
29	Hon. Rutahigwa Elisa	Rukungiri Municipality	
30	Hon. Ruyonga Joseph	Hoima West County	
31	Hon. Nsegumire Muhammad	Mityana North	
32	Hon. Begumisa Mary	DWR Ssembabule	
33	Hon. Kugonza Emely	Bunyaja County	
34	Hon. Lolem Micah Akasile	Upe County	
35	Hon. Lokwang Hillary	Ik Ik County	
36	Hon. Mugabi Susan	DWR Buvuma	
37	Hon. Lukyamuzi David K	Busujju County	
38	Hon. Nabukenya Brenda	DWR Luweero	
39	Hon. Kyebakutika Manjeri	Jinja District	
40	Hon. Mpuuga Mathias	Nyendo-Mukungwe County	
41	Hon. Chemutai Everlyn	DWR Bukwo	
42	Hon. Aogon Silas	Kumi Municipality	