

PARLIAMENT OF THE REPUBLIC OF UGANDA

**A REPORT OF THE COMMITTEE ON PUBLIC ACCOUNTS (LOCAL
GOVERNMENT) ON THE AUDITOR GENERAL'S REPORT FOR THE
FINANCIAL YEAR 2016/17 ON 115 DISTRICT LOCAL
GOVERNMENTS, 41 MUNICIPAL COUNCILS AND 63 TOWN COUNCILS**

DECEMBER 2018

TABLE OF CONTENTS

TABLE OF CONTENTS.....	ii
1.0 INTRODUCTION.....	9
2.0 METHODOLOGY.....	10
3.0 COMMITTEE OBSERVATIONS AND RECOMMENDATIONS ON THE AUDITOR GENERAL'S REPORT FOR THE FINANCIAL YEAR 2016/17...	11
PART 1: CROSS CUTTING ISSUES.....	11
3.1 Budget Overview.....	11
3.2 Conditionality of Local Government Transfers.....	13
3.3 Overall Revenue Performance.....	14
3.4 Financial payment systems used by the Ministry of Finance, Planning and Economic Development.....	17
3.5 Health Sector.....	18
3.5.1 Health Service Delivery Minimum Standards.....	18
3.5.2 Utilization of Medicines and Health Supplies.....	21
3.6 Understaffing.....	24
3.7 Low Recovery and mismanagement of Youth Livelihood Project (YLP) Funds.....	26
3.8 Lack of Land Titles.....	27
3.9 Inadequate Controls surrounding management of domestic arrears.....	28
3.10 Education.....	29
3.11 Non-Compliance with the Procurement Laws.....	31
3.12 Non Compliance with Statutory Obligations.....	32
3.13 Road Fund.....	33
PART 2: SPECIFIC QUERIES.....	38
A. DISTRICT LOCAL GOVERNMENTS.....	38
1. KOBOKO DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	38
2. ARUA DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	41
3. ADJUMANI DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>)...	43
4. YUMBE DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	45
5. MARACHA DISTRICT LOCAL GOVERNMENT.....	47
6. NEBBI DISTRICT LOCAL GOVERNMENT.....	49
7. ZOMBO DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	50
8. MOYO DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	55
9. LAMWO DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	58
10. AGAGO DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	61
11. AMURU DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	63
12. OMORO DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	65
13. GULU DISTRICT LOCAL GOVERNMENT (<i>Qualified Opinion</i>).....	66
14. NWOYA DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	69
15. APAC DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	71
16. ALEBTONG DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>)	74

17. KOLE DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	77
18. OTUKE DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	79
19. KITGUM DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	82
20. DOKOLO DISTRICT LOCAL GOVERNMENT (<i>Qualified Opinion</i>).....	83
21. AMOLATAR DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	88
22. OYAM DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	90
23. PADER DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	92
24. LIRA DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	95
25. NAKASONGOLA DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	98
26. GOMBA DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	99
27. BUVUMA DISTRICT LOCAL GOVERNMENT (<i>Qualified Opinion</i>).....	102
28. BUTAMBALA DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	104
29. BUIKWE DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>)....	107
30. LUWEERO DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	111
31. MUKONO DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	115
32. WAKISO DISTRICT LOCAL GOVERNMENT	117
33. MPIGI DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	121
34. NAKASEKE DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	122
35. SEMBABULE DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	125
36. KALUNGU DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	126
37. KIBOGA DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	127
38. LWENGO DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	128
39. KIBAALE DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	129
40. HOIMA DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	129
41. BUNDIBUGYO DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	130
42. MUBENDE DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	132
43. KAKUMIRO DISTRICT LOCAL GOVERNMENT	133
44. KAGADI DISTRICT LOCAL GOVERNMENT	134
45. MITYANA DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	135
46. KALANGALA DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	137
47. KYANKWANZI DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	138
48. RAKAI DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	139
49. BUKOMANSIMBI DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	140
50. MASAKA DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>)....	141
51. LYANTONDE DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	142

52. KASESE DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	143
53. NTOROKO DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	143
54. KABAROLE DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	144
55. KAMWENGE DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	145
56. KIRYANDONGO DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	145
57. BULIISA DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	147
58. KYENJOJO DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	147
59. KYEGEGWA DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	148
60. MASINDI DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	149
61. KAYUNGA DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	151
62. BUGIRI DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	152
63. MAYUGE DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	153
64. NAMAYINGO DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	154
65. LUUKA DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	156
66. KAMULI DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	157
67. BUYENDE DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	158
68. IGANGA DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	159
69. JINJA DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	161
70. KALIRO DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	163
71. NAMUTUMBA DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	164
72. BUDAKA DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	166
73. BULAMBULI DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	168
74. SIRONKO DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	169
75. MANAFWA DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	171
76. MBALE DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	174
77. KAPCHORWA DISTRICT LOCAL GOVERNMENT (<i>Qualified Opinion</i>).....	176
78. BUKWO DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	179
79. PALISA DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	180
80. TORORO DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	182
81. BUSIA DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	184
82. KIBUKU DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	185
83. BUDUDA DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	187
84. BUTALEJA DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	188
85. KWEEN DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	190
86. KABALE DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	191

87. BUHWEJU DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>)	192
88. IBANDA DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	194
89. KIRUHURA DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>)	195
90. RUKUNGIRI DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>)	198
91. NTUNGAMO DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>)	199
92. MITOOMA DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>)	201
93. KANUNGU DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>)	202
94. MBARARA DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>)	204
95. ISINGIRO DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>)..	207
96. KISORO DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>)....	209
97. SHEEMA DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>)...	211
98. BUSHENYI DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>)	212
99. RUBANDA DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>)	214
100. RUBIRIZI DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>)	215
101. NAPAK DISTRICT LOCAL GOVERNMENT (<i>Qualified Opinion</i>).....	216
102. NAKAPIRIPIT DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	219
103. KATAKWI DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>)	220
104. KAABONG DISTRICT LOCAL GOVERNMENT (<i>Qualified Opinion</i>)..	223
105. SOROTI DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>)...	226
106. ABIM DISTRICT LOCAL GOVERNMENT (<i>Qualified Opinion</i>).....	228
107. KABERAMAIDO DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	232
108. AMURIA DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>)..	233
109. AMUDAT DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>)	235
110. BUKEDDEA DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>)	238
111. KOTIDO DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>)..	240
112. MOROTO DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>)	242
113. KUMI DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>).....	243
114. NGORA DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>)....	246
115. SERERE DISTRICT LOCAL GOVERNMENT (<i>Unqualified Opinion</i>)	248
PART B. MUNICIPAL COUNCILS.....	251
1. ARUA MUNICIPAL COUNCIL (<i>Unqualified Opinion</i>)	251
2. NEBBI MUNICIPAL COUNCIL (<i>Unqualified Opinion</i>).....	254
3. KOBOKO MUNICIPAL COUNCIL (<i>Unqualified Opinion</i>).....	255
4. GULU MUNICIPAL COUNCIL (<i>Unqualified Opinion</i>).....	256
5. KITGUM MUNICIPAL COUNCIL (<i>Unqualified Opinion</i>).....	258
6. APAC MUNICIPAL COUNCIL (<i>Unqualified Opinion</i>).....	260
7. LIRA MUNICIPAL COUNCIL (<i>Unqualified Opinion</i>).....	260
8. NANSANA MUNICIPAL COUNCIL (<i>Unqualified Opinion</i>).....	261
9. LUGAZI MUNICIPAL COUNCIL (<i>Unqualified Opinion</i>).....	262

10. KIRA MUNICIPAL COUNCIL (<i>Unqualified Opinion</i>).....	264
11. MITYANA MUNICIPAL COUNCIL (<i>Unqualified Opinion</i>).....	265
12. MUBENDE MUNICIPAL COUNCIL (<i>Unqualified Opinion</i>).....	265
13. MASAKA MUNICIPAL COUNCIL (<i>Unqualified Opinion</i>).....	266
14. MUKONO MUNICIPAL COUNCIL (<i>Unqualified Opinion</i>).....	266
15. FORTPORTAL MUNICIPAL COUNCIL (<i>Unqualified Opinion</i>).....	267
16. HOIMA MUNICIPAL COUNCIL (<i>Unqualified Opinion</i>).....	267
17. KASESE MUNICIPAL COUNCIL (<i>Unqualified Opinion</i>).....	268
18. MASINDI MUNICIPAL COUNCIL (<i>Unqualified Opinion</i>).....	269
19. IGANGA MUNICIPAL COUNCIL (<i>Unqualified Opinion</i>).....	269
20. JINJA MUNICIPAL COUNCIL (<i>Unqualified Opinion</i>).....	270
21. MBARARA MUNICIPAL COUNCIL (<i>Unqualified Opinion</i>).....	271
22. BUSHENYI –ISHAKA MUNICIPAL COUNCIL (<i>Unqualified Opinion</i>)...273	
23. RUKUNGIRI MUNICIPAL COUNCIL (<i>Unqualified Opinion</i>).....	275
24. KABALE MUNICIPAL COUNCIL (<i>Unqualified Opinion</i>).....	276
25. KISORO MUNICIPAL COUNCIL (<i>Unqualified Opinion</i>).....	277
26. BUSIA MUNICIPAL COUNCIL (<i>Unqualified Opinion</i>).....	277
27. NTUNGAMO MUNICIPAL COUNCIL (<i>Unqualified Opinion</i>).....	280
28. KAMULI MUNICIPAL COUNCIL (<i>Unqualified Opinion</i>).....	281
29. KUMI MUNICIPAL COUNCIL (<i>Qualified Opinion</i>).....	282
30. SOROTI MUNICIPAL COUNCIL (<i>Unqualified Opinion</i>).....	284
31. IBANDA MUNICIPAL COUNCIL (<i>Unqualified Opinion</i>).....	286
32. KAPCHORWA MUNICIPAL COUNCIL (<i>Unqualified Opinion</i>).....	287
33. SHEEMA MUNICIPAL COUNCIL (<i>Unqualified Opinion</i>).....	288
34. MOROTO MUNICIPAL COUNCIL (<i>Unqualified Opinion</i>).....	289
35. MBALE MUNICIPAL COUNCIL (<i>Qualified Opinion</i>).....	291
36. TORORO MUNICIPAL COUNCIL (<i>Unqualified Opinion</i>).....	293
37. NJERU MUNICIPAL COUNCIL (<i>Unqualified Opinion</i>).....	295
38. BUGIRI MUNICIPAL COUNCIL (<i>Unqualified Opinion</i>).....	296
39. ENTEBBE MUNICIPAL COUNCIL (<i>Unqualified opinion</i>).....	297
40. MAKINDYE-SABAGABO MUNICIPAL COUNCIL.....	298
41. KOTIDO MUNICIPAL COUNCIL (<i>Qualified Opinion</i>).....	301
PART C: TOWN COUNCILS.....	304
1. ZOMBO TOWN COUNCIL (<i>Unqualified Opinion</i>).....	304
2. PAIDHA TOWN COUNCIL (<i>Unqualified Opinion</i>).....	304
3. MOYO TOWN COUNCIL (<i>Unqualified Opinion</i>).....	304
4. YUMBE TOWN COUNCIL (<i>Unqualified Opinion</i>).....	305
5. PACKWACH TOWN COUNCIL (<i>Unqualified Opinion</i>).....	305
6. LAMWO TOWN COUNCIL (<i>Unqualified Opinion</i>).....	306
7. PADIBE TOWN COUNCIL (<i>Unqualified Opinion</i>).....	307
8. AGAGO TOWN COUNCIL (<i>Unqualified Opinion</i>).....	309
9. PATONGO TOWN COUNCIL (<i>Unqualified Opinion</i>).....	309
10. KALONGO TOWN COUNCIL (<i>Qualified Opinion</i>).....	311
11. OMORO TOWN COUNCIL (<i>Disclaimer</i>).....	313
12. ANAKA TOWN COUNCIL (<i>Unqualified Opinion</i>).....	313

13. DOKOLO TOWN COUNCIL (<i>Unqualified Opinion</i>).....	313
14. AMOLATAR TOWN COUNCIL (<i>Unqualified Opinion</i>).....	314
15. NAMASALE TOWN COUNCIL (<i>Unqualified Opinion</i>).....	315
16. KATWE KABATORO TOWN COUNCIL (<i>Unqualified Opinion</i>).....	315
17. KARUGUTU TOWN COUNCIL (<i>Unqualified Opinion</i>).....	315
18. KIBUKU TOWN COUNCIL (<i>Unqualified Opinion</i>).....	316
19. RWEBISENGO TOWN COUNCIL (<i>Unqualified Opinion</i>).....	316
20. KANARA TOWN COUNCIL (<i>Unqualified Opinion</i>).....	317
21. MUGUSU TOWN COUNCIL (<i>Unqualified Opinion</i>).....	318
22. KARAGO TOWN COUNCIL (<i>Unqualified Opinion</i>).....	318
23. KIKO TOWN COUNCIL (<i>Unqualified Opinion</i>).....	319
24. KAMWENGU TOWN COUNCIL (<i>Unqualified Opinion</i>).....	320
25. KAHUNGE TOWN COUNCIL (<i>Unqualified Opinion</i>).....	320
26. BULISA TOWN COUNCIL (<i>Unqualified Opinion</i>).....	321
27. KYENJOJO TOWN COUNCIL (<i>Unqualified Opinion</i>).....	321
28. KATOOKE TOWN COUNCIL (<i>Unqualified Opinion</i>).....	322
29. KYARUSOZI TOWN COUNCIL (<i>Unqualified Opinion</i>).....	322
30. KYEGEGWA TOWN COUNCIL (<i>Unqualified Opinion</i>).....	322
31. AMURU TOWN COUNCIL (<i>Unqualified Opinion</i>).....	323
32. ADUKU TOWN COUNCIL (<i>Unqualified Opinion</i>).....	323
33. ALEBTONG TOWN COUNCIL (<i>Unqualified Opinion</i>).....	324
34. AYER TOWN COUNCIL (<i>Qualified Opinion</i>).....	325
35. OTUKE TOWN COUNCIL (<i>Unqualified Opinion</i>).....	326
36. NYAHUKA TOWN COUNCIL (<i>Unqualified Opinion</i>).....	327
37. BUNDIBUGYO TOWN COUNCIL (<i>Unqualified Opinion</i>).....	327
38. NTANDI TOWN COUNCIL (<i>Unqualified Opinion</i>).....	328
49. KAKUMIRO TOWN COUNCIL (<i>Unqualified Opinion</i>).....	328
40. BWEYALE TOWN COUNCIL (<i>Unqualified Opinion</i>).....	329
41. KIRYANDONGO TOWN COUNCIL (<i>Unqualified Opinion</i>).....	329
42. KIGUMBA TOWN COUNCIL (<i>Unqualified Opinion</i>).....	330
43. ADJUMANI TOWN COUNCIL (<i>Unqualified Opinion</i>).....	331
44. KIGOROBIA TOWN COUNCIL (<i>Unqualified Opinion</i>).....	331
45. BUYENDE TOWN COUNCIL (<i>Unqualified Opinion</i>).....	332
46. KATUNA TOWN COUNCIL (<i>Unqualified Opinion</i>).....	332
47. RYAKAMIRA TOWN COUNCIL (<i>Unqualified Opinion</i>).....	333
48. KATERERA TOWN COUNCIL (<i>Unqualified Opinion</i>).....	333
49. MALABA TOWN COUNCIL (<i>Qualified Opinion</i>).....	334
50. NAGONGERA TOWN COUNCIL (<i>Unqualified Opinion</i>).....	339
51. PALISA TOWN COUNCIL (<i>Unqualified Opinion</i>).....	341
52. SERERE TOWN COUNCIL (<i>Unqualified Opinion</i>).....	341
53. KASILO TOWN COUNCIL (<i>Unqualified Opinion</i>).....	343
54. MITOOMA TOWN COUNCIL (<i>Unqualified Opinion</i>).....	343
55. KASHENSHERO TOWN COUNCIL (<i>Unqualified Opinion</i>).....	344
56. KANUNGU TOWN COUNCIL (<i>Unqualified Opinion</i>).....	344
57. KAMBUGA TOWN COUNCIL (<i>Unqualified Opinion</i>).....	345

58. BUTOGOTA TOWN COUNCIL (<i>Unqualified Opinion</i>).....	346
59. KANUNGU TOWN COUNCIL (<i>Unqualified Opinion</i>).....	347
60. KABUYANDA TOWN COUNCIL (<i>Unqualified Opinion</i>).....	347
61. KABEREHERE TOWN COUNCIL (<i>Unqualified Opinion</i>)	348
62. BUDUDA TOWN COUNCIL (<i>Unqualified Opinion</i>).....	348
63. BUSOLWE TOWN COUNCIL (<i>Unqualified Opinion</i>).....	348

1.0 INTRODUCTION

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

Article 163 (5) of the same Constitution mandates Parliament to consider the report submitted by the Auditor General and take appropriate action, within six months after its submission.

Rule 179 of the Rules of Procedure of Parliament mandates the Committee on Public Accounts (Local Government) to examine the audited accounts in relation to the Report laid before Parliament by the Minister of Local Government under Section 88 (8) of the Local Governments Act, CAP 243.

Section 88(8) of the Local Governments Act, CAP 243 requires the Minister of Local Government to lay before Parliament the reports from the District Public Accounts Committees. However, no such Report has been laid on the floor of the House since the Auditor General's Report was tabled. Noting that the Constitution is the supreme law of Uganda and pursuant to Article 163 (5) of the same Constitution, the Committee on Public Accounts (Local Government) proceeded to consider the Auditor General's Report on Local Governments for Financial Year (FY) 2016/17 covering District Local Governments, Municipal Councils and Town Councils.

This Report is divided into Four (4) sections, namely: Crosscutting Issues in Local Governments, Specific Issues in District Local Governments, Specific issues in Municipal Councils and Specific Issues in Town Councils. Report findings are guided by the Constitution of the Republic of Uganda, Local Government Act, CAP 243, Public Procurement and Disposal of Public Assets Act 2003, National Audit Act 2008, Public Finance and Accountability Act 2015, Local Government (Financial and Accountability Regulations) Statutory Instrument No. 25 of 2007 and The Rules of Procedure of Parliament.

The Auditor General's Report for Financial Year 2016/17 was laid in Parliament in January 2018. The Committee has within the available resources, and time been able to handle the 115 District Local Governments, 41 Municipal Councils and 63 Town Councils. It now presents the report to this House for consideration.

Background

Government of Uganda adopted the Decentralization Policy in the year 1993. The Policy decentralized most areas of service delivery to districts and other lower government units with the main objective of improving access to services by the rural poor. Local Governments are responsible for the delivery of key social services like education, health care, water, and roads among others. These services are largely delivered using Central Government grants to the local governments and to a smaller extent local revenue generated by the local governments and in some instances funds from Development Partners.

2.0 METHODOLOGY

The Committee considered the detailed Audit Reports of the 115 District Local Governments, 41 Municipal Councils and 63 Town Councils. The Committee then interacted with the audit entities in the Audit regions of Arua, Gulu, Fort Portal, Kampala and Masaka in their respective Audit Branches while the entities in the Audit Regions of Mbarara, Mbale, Jinja and Soroti were considered in the precincts of Parliament.

The Committee also conducted site visits to some of the infrastructure projects mainly in the municipalities.

3.0 COMMITTEE OBSERVATIONS AND RECOMMENDATIONS ON THE AUDITOR GENERAL'S REPORT FOR THE FINANCIAL YEAR 2016/17.

PART 1: CROSS CUTTING ISSUES

3.1 Budget Overview

The overall approved National budget for the Financial Year 2016/17 was UGX 26,360.45 billion of which Local government transfers from Central Government were UGX 2,596.05 billion¹ representing 9.8% of the overall National Budget. According to the Uganda Bureau of Statistics Census population projections for 2018, out of a projected total population of 39,041,200, 78.6% (30,686,383) of this population is rural. This raises issues of equality and equity in resource allocation.

Out of UGX 2,596.05 billion that was approved in the Financial Year 2016/17, UGX 2,537 billion was released representing a performance of 98% of the approved Budget. The budget allocation for the Financial Year 2016/17 shows an increment of UGX 235 billion (10%) in comparison to the Financial Year 2015/16. It is noted that in nominal terms, there has been an increase in the Local Government transfers over the years from UGX 1,979 billion in Financial Year 2013/14 to UGX 2,596.05 billion in Financial Year 2016/17. However as a percentage of the National Budget there is a declining trend which raises concern, more so, with the fact that more districts were created within the same period. *(See table 1 and figure 1 below).*

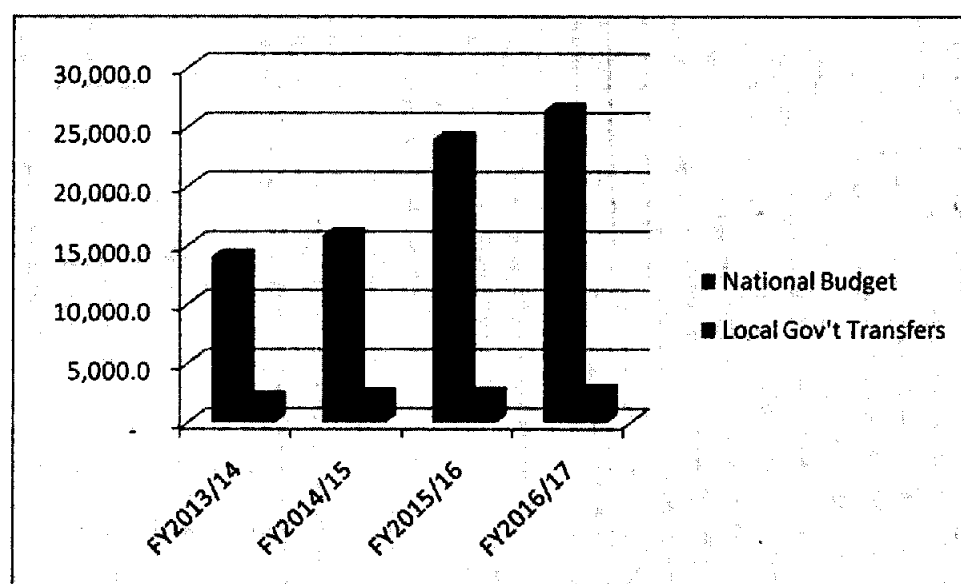
¹ Approved Estimates of Revenue and Expenditure (Recurrent and Dev't) FY2017/18, Volume 11

**Table 1: Share of the Local Grants to the National Budget (UGX billion)
2013/14-2016/17.**

Grant	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17
Unconditional Grant	221.45	261.16	251.57	317.174
Equalization	3.49	3.59	3.59	250.374
Conditional Grant	1,784.22	2,018.88	2,288.3	2,007.25
Total Transfers to LGs	2,009.16	2,283.63	2,361.41	2,596.05
National Budget	14,032.68	15,829.72	23,972.25	26,360.45
% Share of LG Grants to National Budget	14.32	14.43	9.85	9.85

Source: Approved Budget Estimates of Revenues and Expenditure & Annual Budget Performance Report (MoFPED website)

**Figure 1: Local Government Transfers as a share of the National Budget
(Ushs. Bn)**



Source: Approved Budget Estimates of Revenues and Expenditure & Annual Budget Performance Report (MoFPED website)

Observations

The Committee observed that:

- i. in 67 Local Government Entities cited by the Auditor General, although Parliament approved funding totaling to UGX 1,013.95 billion, the Ministry of Finance Planning and Economic Development released UGX 862.52 billion leading to a shortfall of UGX 147.82 billion.
- ii. Failure to implement budget as approved by Parliament hampers service delivery and subsequently hinders the attainment of virtually all sustainable development goals. Furthermore, it is difficult to attain international targets (SDGS) if local/national targets are not met.

Recommendation

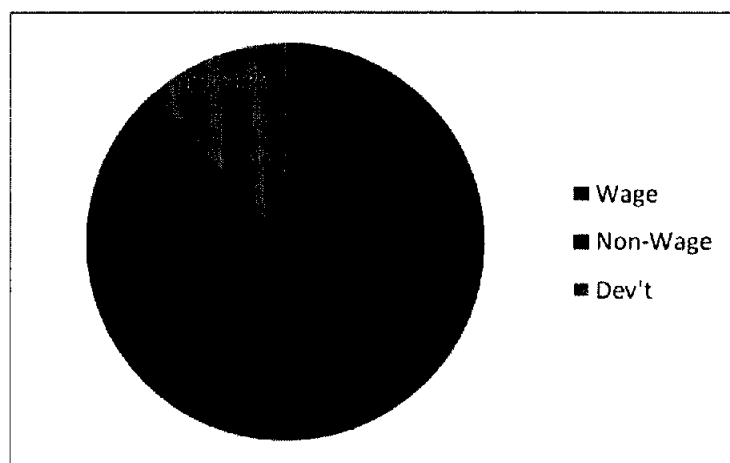
The Committee recommends that the Ministry of Finance Planning and Economic Development should ensure that all funds appropriated to the Local Governments are released in a timely manner to ensure service delivery.

3.2 Conditionality of Local Government Transfers

Conditional grants take a lion's share of the local Government transfers at an average of 88 %. This implies that there is very limited discretion for local Governments on budget decisions which pose a risk to planning and execution of their own priorities.

This is clearly illustrated in the figure below:

Figure 2: Central Government transfers to Local governments by Budget component



Source: *Approved Budget Estimates of Revenues and Expenditure & Annual Budget Performance Report (MoFPED website)*

Observation

The Committee observed that out of the funds released in the Financial Year 2016/17, 65.89% was towards wages, 22.60% towards Non-Wage and only 11.51% towards Development. Therefore 88.5% of the local government transfers are towards recurrent expenditure leaving very meager resources for development.

Recommendation

The Committee recommends that the Ministry of Finance Planning and Economic Development should adjust the budget ceiling for Local Governments to allow for more funds to be allocated to the development component of the budget with a view to improving the levels of service delivery.

3.3 Overall Revenue Performance

A review of the revenue performance revealed significant under collection of local revenue in 59 Local Government Units amounting to UGX. 14.404 billion.

The overall tax revenue performance reveals that despite numerous past tax reforms, domestic revenue collection in Uganda is still below its potential. The country's tax effort, which currently stands at 14% of its annual National Income is less than the Sub Saharan African average of 16%.

There are flaws in the local government taxation regimes in rural areas, serious tax leakages through the tax tendering systems and lack of effective linkage between the taxes collected and service delivery. Locally raised revenues account for only 2% of the revenue of the local governments.

Observations

The Committee notes that:

- i. The low domestic revenue collection effort could hinder the achievement of SDG 2 ("zero hunger"). A strategic review by the Economic Policy Research Center in 2017 indicated that four out of ten Ugandans are unable to meet the required daily dietary intake. Uganda's inability to meet the targets set out in SDG 2 shows that suitable financing for implementation is still lacking.
- ii. The Central Government has continued to interfere in matters of local revenue management. This is especially in the transport industry and in markets where it has prescribed the levy to be charged as park fees and directly influenced allocation of market stalls in selected Municipal Councils, thus directly affecting the amount of local revenue collected.
- iii. Just like in its previous report, the Committee found a number of districts exuded laxity in the collection of debts contrary to Section 2.3.2.3 of Local Governments Financial and Accounting Manual 2007, leading to accumulation of receivables.
- iv. Many local governments have entrusted the task of compelling individuals to meet their financial obligations to Council to Law enforcement Officers who have on many occasions exuded errant behavior including protecting defaulters at a fee.

- v. Revenue assessment should be done annually but many local governments are using results of outdated revenue assessment exercises and others do not even have revenue registers or updated property valuation lists.
- vi. Districts like Moroto, Namayingo, Kabale, Isingiro and Buhweju that would otherwise benefit from Royalties from minerals are not certain of how much money in royalties is due to them. This arises from the incapacity of the line Ministry of Energy and Mineral Development to know the type and quantity of minerals being mined either out of deliberate negligence or outright corruption.
- vii. The committee noted that whereas the Divisions are administratively equated to Sub-Counties, Divisions do not contribute revenue to the District Local Governments yet sub counties do.

Recommendations

The Committee recommends that:

- i. The Central Government should desist from interfering in areas of local revenue collection in the local Governments that are otherwise decentralized
- ii. The Ministry of Local Government should procure an independent company to conduct local revenue assessment in the local governments. This however calls for a review of the Local Government Act.
- iii. The Ministry of Public Service should in the restructuring exercise, provide for enforcement officers in the District establishment.
- iv. Accounting Officers together with Finance Officers should ensure that all debts are collected in a timely manner, and that where debtors fail to pay, court redress is sought.
- v. There is need to revisit the Tax tendering system and adopt the centralized receipt system as has been adopted in neighboring countries like Rwanda and Tanzania.
- vi. The Ministry of Energy and Mineral Development should share information on all licensed mines and make sure they share Royalties as per the law and

within predictable time lines.

- vii. The Ministry of Energy and Mineral Development should install weigh bridges on roads exiting the mines so that the quantities of minerals can be established.
- viii. Districts and Municipal authorities should in collaboration with Uganda Revenue Authority conduct tax sensitization workshops/seminars among local communities with the view to enhancing revenue collections.
- ix. Government should streamline the financial relationship between the District Local Governments and Municipal Councils, as well as between Municipal Councils and Division Councils by amending the existing law regulating the sharing on revenues; in the alternative; Government should consider granting Municipal councils total autonomy to enable them cater for their own Councillors and the members of statutory bodies such as the land Board, Procurement Unit, and the Service Commission.

3.4 Financial payment systems used by the Ministry of Finance, Planning and Economic Development

The Ministry of Finance Planning and Economic Development uses the Integrated Financial Management System (IFMS) to remit funds to Local Government entities and to make payments to different service providers.

Observations

- i. The system has gaps that cause delays.
- ii. In the local governments a number of staff are not conversant with the IFMS
- iii. some entities are not properly equipped with requisite necessities like internet and reliable electricity the IFMS

Recommendations

The Committee recommends that:

- i. The Ministry of Finance Planning and Economic Development should carryout capacity building of the system end users and effectively communicate on the upgrades to the system.
- ii. The Ministry of Finance Planning and Economic Development, in collaboration with the Ministry of Public Service, should expedite the rollout of the both the IFMS and Integrated Payroll Payment System (IPPS) in the Local Governments.
- iii. The Ministry of Finance, Planning and Economic Development should expedite the process of equipping the local governments with the necessary accessories to run the system.

3.5 Health Sector

3.5.1 Health Service Delivery Minimum Standards

Section 2.1.2 of the Local Government Management and Service Delivery (LGMSD) program manual states that Local Governments will deliver services in conformity to the standards as dictated by the laws and regulations of Uganda and under section 2.1.1.D health service delivery minimum standards for proper functioning of health centers some of which are as follows:

Table 2: Levels of Health Service Delivery and Basic Package of Health Services for Uganda Level

	Administrative Level	Target Population	No. of beds	Staffing	Health Care Services Provided
HC I (VHT)	Village	1,000	0	2	Community based preventive and promotive health services.
HC II	Parish	5,000	2 (for emergency delivery)	9 + 2 CHEWs	Preventive, promotive, outpatient, curative health services and emergency

					delivery.
HC III	Sub county	20,000	14 (4 maternity, 4 children, 4 Female, 2 Male)	19	Preventive, promotive, outpatient, curative, maternity, inpatient, laboratory services.
HC IV	County	100,000	24 (8 Maternity, 6 Children, 6 Female, 4 Male)	50	Preventive, promotive, outpatient, curative, maternity, inpatient, laboratory, ultrasound examinations (for obstetric cases), emergency / simple surgery (including caesarean sections and life saving surgical operations), blood transfusion services and mortuary.
General Hospital 1	District	500,000	100 - 250 (25 Obstetrics & Gynecolog ist, 25 Pediatrics , 25 Medical, 25 Surgery)	185	In addition to the services offered at the Community Hospital provides services for general medical and surgical conditions ⁷ , specialist services in Medicine, Surgery, Paediatrics, Community Medicine; and Obstetrics & Gynaecology. It also provides in-service training and basic research.

Observations

The Committee observed that:

- i. Most Health Units in Local Governments are insufficiently equipped in terms of the requisite machinery needed to provide the services expected of them.
- ii. some of the poor infrastructure in the Health sector arose from the recentralization of the Primary Health Care Development grant which further limited the capacity of the districts to do even minor repairs in the health facilities as the funds are now hardly felt in the Local Governments.
- iii. more than 2/3 of Districts in Uganda do not have district hospitals. The Committee was further concerned that a number of Health Centre IVs functioned like Highway Hospitals yet they still get supplies meant for Health Centre IVs.
- iv. Some District on the borders of Uganda with South Sudan and Democratic Republic of Congo are hosting a high number of refugees from the said Countries, an aspect that has caused a strain in the health care services. The Health Centers near these camps have experienced a huge influx in the number of patients without a corresponding increment in medical of supplies.
- v. Many local governments do not have ambulances to transport patients to and between health units.
- vi. All the above conditions compromise Uganda's ability to achieve Sustainable Development Goal 3 which urges States to "Ensure healthy lives and promote well-being for all at all ages".

Recommendations

The Committee recommends that:

- i. Ministry of Health should provide sufficient funds to the District Local Governments and Municipal Councils with a view to improving infrastructure, staffing and equipment in all health centers to meet the set standards. Special attention should be given to unique situations like high way hospitals, health centers serving as District Hospitals and health centers in refugee-hosting districts.
- ii. Additional resources should be allocated to cater for emergencies in Highway

health facilities.

3.5.2 Utilization of Medicines and Health Supplies

3.5.2.1 Lack of Accountability of Medicines

Audit found that 76% of districts and Municipal Councils had not properly accounted for medicines amounting to UGX. 4,525,356,395. This was mainly due to poor record keeping with stock cards not being updated.

Observations

The Committee observes that:

- i. there have been numerous reports of embossed medicines from Uganda being found in drug shops in some of our neighboring Countries. The Committee notes that poor record keeping could be the deliberate loophole that is being used by individuals in the health facilities to channel medicines away from the intended beneficiaries.
- ii. lack of medicines and medical supplies accountability may lead to stock outs which in turn denies the population service delivery.
- iii. lack of medicines and medical supplies accountability may also lead to the buildup of expired drugs in health facilities.

Recommendation

The Committee recommends that:

- i. Accounting Officers should ensure that all necessary records for items are properly maintained, monitored and any variances investigated and where deliberate mismanagement is confirmed, the culprits are prosecuted.
- ii. the Ministry of Health should put in place a clear mechanism of tracking medicines from the National Medical Stores to the Health Facility then finally to the final consumer. This will help in tracing fictitious consumption of the medicines and medical supplies.

3.5.2.2 Stock Out of Medicines

The Auditor General reported persistent stock-outs of the 11 sampled Tracer medicines. The tracer medicines included Artemether/Lumefantrine, HIV determine Test Strips, Malaria Rapid Diagnostic Tests, Oxygen, Blood, Surgical gloves, Oxyticin, Safe delivery Kits/mama kits, PGA 2 sutures. Noticeably mama kits were out of stock for 320 days and coartem for 285 days.

The Committee observed that:

- i. there were discrepancies and delays in drug supplies by NMS against the entities requisitions.
- ii. sometimes the requisitions from the Health facilities were not properly done.
- iii. There are instances where the drug stock outs arose from the fact that some health units had insufficient funds at NMS.
- iv. Some Drugs at NMS are overpriced in comparison to the market price of the same drugs from the same manufacturers. For example, Paracetamol costs between UGX. 3000 to UGX. 6000 depending brand but NMS supplies it at a cost of UGX. 8000; a tin of 1000 capsules of Amoxylin costs UGX. 20,000 on the market while NMS supplies it at UGX. 25,000 and Ciprofloxacin costs UGX. 4000 for a blister pack of 10 on the market while NMS charges UGX. 6000 for the same quantity.

Recommendations

The committee recommends that:

- i. There should be a review of the MOU between Government of Uganda and NMS with a view to reversing the monopoly by NMS;
- ii. NMS should ensure that health units are supplied with the exact drugs they requisition for and at the right time in line with the last mile delivery requirement.
- iii. The cost of drugs at NMS should at no time be more than the market price of the same drug from the same manufacturer.

- iv. The Accounting Officer should ensure reconciliation of drug orders and drug deliveries at the time of drug deliveries to the Health units.
- v. The Accounting Officer should ensure that the requisitions for drugs are properly done.
- vi. The Accounting Officer should ensure that drug stock cards are properly kept.

3.5.2.3 Non Disposal of Expired Medicines

Section 1.1.1 (f) of the Memorandum of Understanding (MOU) between the Government of Uganda and the National Medical Stores requires the Ministry of Health to communicate mechanisms of reducing expiries, carry out periodic collection and disposal of expired medicines from the districts and health facilities in collaboration with the Ministry of Local Government and National Medical Stores.

The Auditor General reported expired drugs lying in health units uncollected.

The committee observed that:

- i. NMS uses the Push system for supply of medicines to Health Centers IIIs and IIs, which results into supply of unwanted drugs hence expiry of medicines with shorter shelf life.
- ii. Some of the expired medicines were donations to the health units outside their requisition and some in-charges requisition for wrong medicines.
- iii. The mandate of NMS should be amended to include the disposal of expired drugs since the entity already has the infrastructure to carry out the activity. Currently the trucks that deliver medicines return to NMS empty.
- iv. M/s Green Label that was contracted by the Ministry of Health to collect and dispose off expired medicines from the Health units does not have the capacity to efficiently collect expired medicines.

Recommendations

The committee recommends that:

- i. NMS should stop using the Push System but rather supply according to the established requirements of the different health units.
- ii. Health units should not accept donations of medicines that they do not need.
- iii. The mandate of NMS should be amended to include disposal of expired medicines since the entity already has the infrastructure to carry out this activity.

3.5.2.4 Sustainable Development Goal 3

Sustainable Development Goal 3 strives to “Ensure healthy lives and promote well-being for all at all ages”.

Observation

The Committee observes that all the above weaknesses in the health sector compromises Uganda’s ability to achieve Sustainable Development Goal 3.

Recommendation

The Committee recommends that Government should sensitize all the stakeholders in the health sector about the need to effectively execute their roles if Uganda is to achieve SDG 3 by 2030

3.6 Understaffing

The Auditor General reported continued understaffing in 83 districts with 34 local governments operating at less than 60%, 36 local governments between 60% and 80% and 13 local governments above 80%.

The staffing levels ranged from 93% in Mpigi District Local Government to 17% in Rubanda District Local Government.

Understaffing was also reported in health facilities with 98 representing 83% of the health centers experiencing under staffing with staffing levels ranging from 91% in Iganga Hospital to 20% in Kalisizo Hospital.

Observations

The Committee found that:

- i. Understaffing in Local Governments constrains Service Delivery.
- ii. the Ministry of Public Service in a restructuring exercise, came up with new staffing structures for Local Governments to address the problem of understaffing. However the problem persists.
- iii. Districts have failed to attract some cadres due to low remunerations and yet higher qualifications were required specifically the posts of District Engineer, District Health officers and Chief Finance Officer.
- iv. The Committee noted that there is a practice of ring-fencing some jobs for the individuals born in that District.

Recommendations

The Committee recommends that:

- i. The Ministry of Public Service, Ministry of Local Government and Ministry of Finance Planning and Economic Development should set clear staffing standards and finance them appropriately.
- ii. The Ministry of Public Service should come up with guidelines aimed at equalising the staffing levels among local governments by halting recruitments of non-vital staff in entities that are above average and using the resources to bring the local governments that are below average to the average level. This should be done progressively from year to year and when all entities are at averagely the same level, the Ministry should work towards ensuring that staffing levels in all local governments reach 100%.
- iii. The Ministry of Public Service and Ministry of Finance should make known to Office of the Auditor General the expected levels of recruitment in a financial year with a view to having queries raised on

only entities that failed to recruit for the available vacancies against the wage bill for that Financial Year.

- iv. Ministry of Local Government should work with the Ministry of Public Service to waive some non-critical requirements for a position like District Engineer which has continuously failed to attract candidates and also increase the remuneration of District Engineers so as to synchronize the pay with that offered by other competitive Government bodies.
- v. Ministry of Local Government, in collaboration with the Ministry of Public Service, intensifies its supervision of local Governments in regard to staffing.

3.7 Low Recovery and mismanagement of Youth Livelihood Project (YLP) Funds

Section 6(1) of the YLP document 2013 requires all project funds disbursed to each Youth Interest Group to be treated as a revolving Fund to be repaid in accordance with the Project Financing Agreement between the District Local Government and beneficiary youth interest group witnessed by the area Resident State Attorney.

The Auditor General has continuously reported low recoveries and mismanagement of Youth livelihood funds with UGX. 27,990,204,895 released but only UGX. 5,549,257 recovered in Financial Year 2016/17.

Observations

The Committee observes that:

- i. The program was highly politicized especially with it being introduced during an electioneering period. The politicians influenced the choice of Youth Interest Groups in many districts and in some instances even gave a false impression to the beneficiaries that the funds were not recoverable.

- ii. ghost groups have been formed by some Community Development Officers (CDOs), with the intention of defrauding the Fund;
- iii. The program document is good but with politicians involved in the implementation it is bound to fail. Technocrats need to be given a free hand in choosing the beneficiaries.
- iv. Non-compliant beneficiaries of the fund should be arrested to ensure that the groups make all efforts to recover the funds.

Recommendations

The Committee recommends that: -

- i. Government should sanction recovery of funds from persons implicated in mismanaging the Fund
- ii. Government should review the structural objectives and guidelines of the Youth Livelihood Program with the view to realizing value for money and creating decent employment for the unemployed youth pursuant to SDG 8 which advocates for promotion of sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

3.8 Lack of Land Titles

Regulation 58(4) of the Local Governments Financial and Accounting Regulations, 2007 requires a Local Government's land to be properly registered and titled.

The Auditor General reported that many districts do not have land titles for their land exposing it to the risk of encroachment and disputes.

Observations

The Committee observed that:

- i. the Local governments do not have the financial capacity to have all their land titled.
- ii. The Committee noted that government institutions in some of the Districts and Municipalities in Buganda and Bunyoro regions are sitting on cultural land.
- iii. Most cultural institutions are unwilling to allow local governments process freehold land titles for the land they are sitting on. This has made it difficult for the Local Governments to process land titles for their facilities.
- iv. There is an urgent need for the Central Government to facilitate Local Governments Country wide to secure land over which they can operate.
- v. A number of districts have not demarcated the boundaries of their land.

Recommendations

- i. The Committee recommends that:
- ii. Government takes up the responsibility of securing Land Titles for its lands country wide.
- iii. Government should provide land for service delivery in its entities that are located on cultural lands.
- iv. Districts and Municipal Council authorities should, in the meantime, institute measures of demarcating government land within their jurisdiction.

3.9 Inadequate Controls surrounding management of domestic arrears

The Auditor General reported persistent accumulation of domestic arrears to unmanageable levels which has led to settlement of arrears that are not authorized and unbudgeted for. The overall amount of domestic arrears revealed by the Auditor General during the period under review was UGX. 1,403,074,697.

Observations

The Committee observed that:

- i. the Accounting Officers in a number of cases over-committed Government thereby violating commitment Control System.
- ii. Accounting officers are required to return unspent funds at the close of a financial year as per the law, regardless of whether there are any ongoing activities. This builds domestic Arrears
- iii. In a number of instances Government does not fully release the amounts of funds appropriated to Local Governments. This too builds domestic Arrears
- iv. Delays to settle outstanding commitments may lead to litigation and costs.

Recommendations

The Committee recommends that:

- i. Accounting Officers who violated the Commitment Control System [CCS] should be held responsible.
- ii. The Public Finance Management Act (PFMA) 2015, should be amended specifically to address the challenge caused by the requirement to return unspent balances at the close of a Financial Year.
- iii. Government should release all funds appropriated to a particular Local Government.

3.10 Education

The Ministry of Education sets guidelines on the minimum Education service standards including infrastructure that schools must have. The ideal indicators required of every Government Aided Primary School is as follows:

Indicator	Recommended Level
Teacher Pupil Ratio	1:55
Classroom Pupil Ratio	1:55
Desk Pupil Ratio	1:3
Permanent Teacher Accommodation	1:1
Latrine Stance pupil ration	1:40

The Audit report revealed that a number of UPE schools were found lacking as per the above standards.

Observations

The Committee observed that;

- i. The Ministry of Education and Sports has failed to facilitate the attainment of the above standards.
- ii. The budgeted capitation grant UGX.7,100 per child per year that is provided for UPE aided schools is inadequate and it is often not fully released.
- iii. Some classes were housed in overcrowded and condemned structures, learners use filled up pit latrines, which are a high risk to both the learners and the teachers.
- iv. The above scenarios are compounded by lack of a functional School inspection system which does not provide feedback to policy makers.
- v. Cases of lack of pupils' and teachers' attendance registers were rampant.
- vi. The transition rates for pupils was only 10% for all the children who enrolled in Primary One. 90% of the learners dropped out because completing Primary Seven (P7).
- vii. Schools in refugee hosting districts were heavily congested. The affected Districts include Kiryandongo, Adjumani and Koboko among others.
- viii. From the Committee's interaction with the Districts, it established that a number of Government aided Secondary Schools and tertiary institutions receive a lot of public funding, including donor funds, yet they have not been audited over time.
- ix. the current situation of the Education sector in Uganda hinders the attainment of Sustainable Development Goal 4, that requires Countries to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Recommendations

The Committee recommends that:

- i. Education (Pre-primary, Primary and Post Primary) Act 2008, should be implemented in its totality with all the stakeholders meeting their stipulated obligations. This will lead Uganda towards the attainment of Sustainable Development Goal 4.
- ii. the budgeted capitation grant UGX.7,100 per child per year be increased and released in a timely manner.
- iii. the Office of the Auditor General should carry out a special audit on all the government aided secondary schools and tertiary institutions that received donor funding
- iv. The Auditor General should audit Government aided Secondary schools as required by law.

3.11 Non-Compliance with the Procurement Laws

The Auditor General reported widespread non-compliance with the procurement laws by the Local Governments.

Observations

The Committee observed that:

- i. A number of Local Governments breached the procurement laws with impunity, which curtails achievement of value for money and affects service delivery to the public.
- ii. grounded vehicles in local governments belong to Government bodies at the Center notably, Ministry of Health and Ministry of Works and Transport. The Center gives Local Governments vehicles but they retain the log books and necessary documentation.

The above practice denies the local Governments the authority to dispose off vehicles whose documentation is with the Central Government.

- iii. The local governments foot the bills of the Chief Government Valuer and the Chief Mechanical Engineer in instances where Valuation of assets in the Local Governments is required. The Committee noted that the practice is not

proper.

Recommendations

The Committee recommends that:

- i. Accounting Officers together with Procurement Officers be held responsible for non-compliance with procurement regulations.
- ii. Local Governments should be allowed to dispose off grounded vehicles and other assets without recourse to the Log Books.
- iii. The Central Government should own up responsibility of Valuing all Government Assets, be it used by Central Government or Local Government.

3.12 Non Compliance with Statutory Obligations

Non-deduction and remittance of pay as you earn tax (PAYE), Local Service Tax and Withholding Tax.

Section 5.6.6 (2) of the Local Governments Finance and Accounting Manual, 2007 requires Pay as You Earn tax to be deducted from salaries and allowances paid and remitted to Uganda Revenue Authority. Section 20, (1) of the Income Tax Act 1997 defines employment income to include gratuity and allowances.

Section 119 (1) of the Income Tax Act 1997 requires that where a Government Institution pays a supplier an amount exceeding UGX.1,000,000 for the supply of goods and services, the payer should withhold 6% of the amount paid.

Section 80(1) (a) and (b) of the Local Governments Act, Amendment No.2, 2008 established Local Service Tax (LST) to be levied on all persons in gainful employment or who are practicing any profession.

The Auditor General reported a number of instances where such taxes were not remitted to Uganda Revenue Authority.

Observations

The committee observed that:

- i. Non-compliance with the tax law attracts fines and penalties.
- ii. It is negligent of accounting officers not to remit tax after the deduction.
- iii. The practice is a result of weakness in Internal Audit units in the districts which would have otherwise detected flaws in the systems.

Recommendations

The committee recommends that:

- i. Accounting officers should remit the tax deductions promptly on a monthly basis.
- ii. The accounting officers should be held liable for non-deduction and remittance of taxes.
- iii. URA should routinely interact with the tax entities for regular updates on their obligations.

3.13 Road Fund

The Road Fund was established by the Uganda Road Fund Act, 2008 to provide for both periodic and routine maintenance of public roads across the Country. The disbursements to the respective entities are on a quarterly basis upon receipt of a satisfactory evaluation of agency quarterly work plans. The work plans are drawn by the District Roads Committees where the District Engineer is a Secretary.

The following districts have been considered for comparison, basing on the network length and allocations for the Financial Year 2016/17. The comparison covers allocations to the District Local Governments (district roads and community access roads), mechanical imprest and any urban roads under the district.

**COMPARISON OF DISTRICT LOCAL GOVERNMENT ALLOCATIONS
(UGX):**

N o	District	District Roads	Community Roads	Mechanical Imprest (District)	Mechanical Imprest (Urban)	Total District LG	Urban Roads	Total FY 2016/17	Network Length for planned works (Km)
1	Alebtong	346,317,464	67,101,912	72,435,698	12,795,566	498,650,639	97,809,597	596,460,236	41.59
2	Amolatar	276,769,635	51,308,418	72,993,104	25,591,131	426,662,289	169,073,877	595,736,166	448.11
3	Amuria	467,767,053	93,510,534	72,993,104	12,795,566	647,066,257	78,332,167	725,398,424	318
4	Amuru	373,986,510	72,592,473	72,435,698	12,795,566	531,810,247	155,763,374	687,573,620	395.67
5	Arua	823,304,579	159,900,227	82,469,021	-	1,065,673,826	-	1,065,673,826	1070
6	Budaka	300,257,119	38,595,578	74,665,325	12,795,566	426,313,587	118,911,740	545,225,327	495.48

Observations

The Committee observed that:

- i. some Districts, like Kole, did not have functional District Roads Committees which are responsible for the planning and allocation of Road Funds.
- ii. the allocation of road funds to the local governments is said to be premised on the length of road network. However this criteria is disregarded as evidenced in the table above that shows a comparison of district local government's allocations. It is clearly seen that there is unfair disparity in Road Fund allocations to districts with similar conditions.

Recommendations

The Committee recommends that:

- i. Any district found not to have a functional district roads Committee should not access the Road Fund.
- ii. The Road Fund should be distributed equitably.

3.14 Theft through electronic money transfers from the Ministry of Finance, Planning and Economic Development to some local governments

The Committee noted some instances of suspicious irregular transfer of funds from the Ministry of Finance Planning and Economic Development to Local Governments. The most recent being Apac District where the Committee learnt that the Accounting Officer had discovered irregular transfers of about UGX 130,000,000 from the district account to accounts of individuals, some of whom were district staff. The transfers were made without the requisite approvals.

Similarly in Duhaga Secondary School UGX. 100 million was transferred to the School Account without the knowledge of the school administration.

Observation

The Committee observed that the issue of unauthorized transfers of public funds from the Ministry of Finance, Planning and Economic Development to officials in Apac district and to Duhaga Secondary School bypassing approved channels points to fraud.

Recommendation

The Committee recommends that the matter be referred to the Criminal Investigations Department for further investigations with a view to prosecution.

3.15 Pension Management

In Financial Year 2014/15, Government partially decentralized pension management with the planning (budgeting) and processing of files done by MDAs and Local Governments. The implementation of the IPPS pensions module was effected on 1st October, 2014. The module was expected to have automatic transmission of results from the active payroll to the pension payroll and immediate payment of gratuity upon retirement.

The Auditor General has reported a number of instances of unpaid pensions and gratuity.

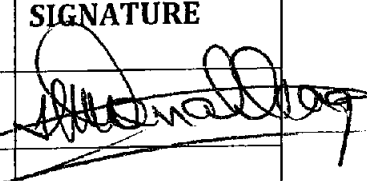


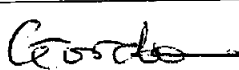
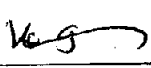
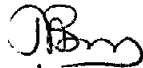

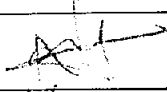
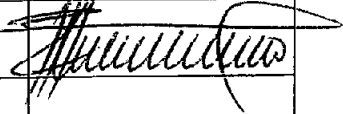
Observation

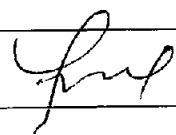
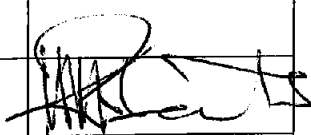

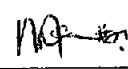
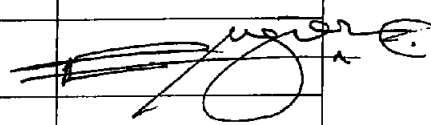
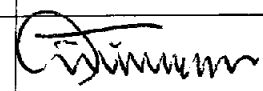
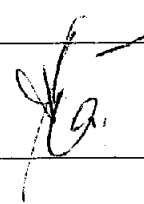


The Committee observes that delayed payment of Pensions contravenes Article 254 of the Constitution.

Recommendation

The Committee recommends that the Ministry of Public Service should effect automatic transmission of results from the active payroll to the pension payroll and immediate payment of gratuity upon retirement.

**MEMBERS OF THE PUBLIC ACCOUNTS COMMITTEE (LOCAL GOVERNMENT)
APPENDING THEIR SIGNATURES TO THE COMMITTEE REPORT ON THE AUDITOR
GENERAL'S REPORT FOR THE FINANCIAL YEAR 2016/17 COVERING CROSSCUTTING
ISSUES**

S/N	NAME	CONSTITUTENCY	SIGNATURE
1	HON. OKUMU RONALD REAGAN	ASWA COUNTY	
2	HON. OKIN P.P. OJARA	CHUA WEST	
3.	HON. AJILO MARIA GORETTI ELOGU	DWR KABERAMAIDO	
4.	HON. AKELLO SILVIA	DWR OTUKE	
5.	HON. ANGELLA FRED	MOROTO MUNICIPALITY	
6.	HON. ARINDA GORDON KAKUUNA	BUSHENYI-ISHAKA MUNICIPALITY	
7.	HON. BAFAKI GORDON	KAZO COUNTY	
8.	HON. BAGUMA SPELLANZA MUHENDA	DWR KYENJOJO	
9.	HON. BASEMERA KISEMBO NOELINE	DWR KIBALE	
10.	HON. BYIBESHO SAM	KISORO MUNICIPALITY	
11.	HON. CHRISTINE ACHEN AYO	ALEBTONG DISTRICT	
12.	HON. DULU ANGEL MARK	ADJUMANI COUNTY	
13.	HON. EGUNYU NANTUME JANEPHER	DWR BUVUMA	
14.	HON. ETUKA ISAAC JOAKINO	UPPER MADI COUNTY	
15.	HON. GRACE NAMUKHULA WATUWA	DWR NAMISINDWA	
16.	HON. IBRAHIM KASOZI BIRIBAWA	MAKINDYE EAST	
17.	HON. JONATHAN ODUR	ERUTE SOUTH	

18.	HON. JULIUS OCHEN	KAPELEBYONG COUNTY	
19.	HON. KAJUNGU MUTAMBI ROSETTE CHRISTINE	DWR MBARARA	
20.	HON. KASOLO ROBERT	IKI-IKI COUNTY	
21.	HON. MUGUME ROLAND	RUKUNGIRI MUNICIPALITY	
22.	HON. MUHEIRWE.M.DANIEL	BUHAGUZI COUNTY	
23.	HON. MUKISA ROBINAH HOPE	DWR NAMAYENGO	
24.	HON. MUKULA FRANCIS	AGULE COUNTY	
25.	HON. MUTEBI NOAH WANZALA	NAKASONGOLA COUNTY	
26.	HON. NAMBOOZE BETTY. B	MUKONO MUNICIPALITY	
27.	HON. OCEN PETER	KOLE SOUTH	
28.	HON. ONGIERTHO JOR EMMANUEL	JONAM COUNTY	
29.	HON. ONZIMA GODFREY	ARINGA NORTH	
30.	HON. OULA INNOCENT	UPDF REPRESENTATIVE	
31.	HON. SARAH NAJJUMA	NAKASEKE DISTRICT	
32.	HON. SSEKABIITO JOSEPH	MAWOGOLA COUNTY	
33.	HON. SSEMBATYA EDWARD NDAWULA	KATIKAMU COUNTY SOUTH	
34.	HON. TABAN AMIN	KIBANDA NORTH COUNTY	
35.	HON. WATONGOLA REHEMA	KAMULI MUNICIPALITY	
36.	HON.WEKOMBA SARAH	BULAMBULI DISTRICT	

PART 2: SPECIFIC QUERIES

A. DISTRICT LOCAL GOVERNMENTS

1. KOBOKO DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Utilization of Medicines and Medical Supplies

The Audit team sampled Koboko Hospital and two Health Center IIIs (Lobule and Dranya) and made the following observations:

1.1. Sock Outs

Audit revealed that eight items out of the eleven selected tracer medicines experienced stock outs in the three health facilities within the audit period. Noticably surgical gloves were out of stock for 87 days and satures 2.0 for 74 days at Koboko Hospital, Coartem 18 was out of stock for 253 days and coartem 24 for 76 days at Lobule HC III while at Dranya HC III, MRDT was out of stock for 100 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 2: Understaffing

Audit found that out of the 190 approved positions; only 65 representing 34% posts were filled leaving 125 representing 66% positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 3: Outstanding Domestic Arrears

Audit revealed that domestic arrears have over the last two years increased by UGX. 238,369,904 between 2015/16 and 2016/17.

Observation

The Committee established that the domestic arrears were cleared.

Recommendation

The Committee recommends that the query be dropped.

Query 4: Failure to implement Budget as approved by Parliament

Audit revealed that out of the budgeted revenue of UGX. 13,344,406,485 the district received UGX. 11,771,936,787 representing 88% resulting into a shortfall of UGX.1,572,469,698 representing 12%.

For observations and recommendations refer to cross cutting issue number 3.1

Query 5: Low Recovery Rate of Youth Livelihood Project Funds

An analysis of recovery of Youth Livelihood program funds in Koboko District revealed that out of UGX. 179,559,953 advanced to youth projects and due for recovery by 30/6/17 only UGX. 75,023,200 representing 42% had been recovered leaving a balance of UGX. 104,536,753 representing 58%.

For observations and recommendations refer to cross cutting issue number 3.7

Query 6: Review of the Internal Audit Department**Inadequate Internal Audit Staff**

A review of internal audit revealed that the unit is run by an examiner of accounts who is the only staff in the department out of the approved positions.

For observations and recommendations refer to cross cutting issue number 3.6

Query 7: Release of USE funds to a non Operational School

Audit of USE schools revealed that UGX. 10,205,878 was transferred to Koboko Modern Secondary School yet the school had been closed due to severe land disputes with the neighboring community.

Observations

The Committee observed that:

- i. the funds are being recovered through a bank transfer from the bank where the funds had been wired.
- ii. the anomaly arose from the fact that the school had been closed during the said period but the district did not have this information because with the creation of the Municipality the school moved from the District to the Municipality.

Recommendation

The Committee recommends that the query be dropped.

Query 8: Irregular Award of Contract

Audit revealed that the district paid UGX. 10,000,000 to Gemspat Uganda Limited for surveying and titling of its land. However the firm was not on the district's prequalified list for surveying services.

For observations and recommendations refer to cross cutting issue number 3.11

2. ARUA DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Utilization of Medicines and Health Supplies

The audit focused on aspects of the supply chain from the point of receipt at the health unit to the dispensing point. This was conducted for selected indicator/tracer medicines. Human resources for health units were also considered. Two Health Centers were selected and were Odunu HC IV and Oyima Health Center III and the following observations were made:

1.1 Medicines and health supplies accountability

Audit revealed that medicines costing UGX. 7,264,668 had been stolen from Oyima Health Center III and no disciplinary action had been taken against the implicated officers.

Observation

The Committee established that the issues were taken up by police and the Chief Administrative Officer interdicted the officers.

Recommendation

The Committee awaits the outcome of the Police investigations.

1.2 Stock outs

Audit revealed that out of the eleven selected tracer medicines three items experienced stock outs within the audit period; noticeably mama kits were out of stock for 253 days, PGAs for 39days and Surgical Gloves for 7 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 2: Low Recovery of Youth Livelihood Program Funds

An analysis of recovery of the Youth Livelihood program funds in Arua District revealed that out of UGX. 764,166,650 advanced to Youth Projects, only UGX. 153,991,611 representing 20% had been recovered leaving a balance of UGX. 610,175,039 representing 80%.

For observations and recommendations refer to cross cutting issue number 3.7

Query 3: Under Collection of Local Revenue

Audit observed that out of the budgeted local revenue of UGX. 450,978,133 only UGX. 250,486,486 representing 88% was realized leading to a shortfall of UGX. 200,491,647 representing 12%.

For observations and recommendations refer to cross cutting issue number 3.3

Query 4: Understaffing

Audit revealed that out of the approved staff structure of 545 positions only 263 positions representing 45% positions were filled leaving a staffing gap of 299 positions representing 55% vacancies.

For observations and recommendations refer to cross cutting issue number 3.6

Query 5: Irregular payment of salary to retired staff

Audit revealed that 3 staff who had reached their mandatory retirement age were irregularly paid salary of UGX. 25,743,390 for the month of May 2017.

Observation

The Committee observed that Government Payroll system can be programed to automatically delete the names of individuals who reach the mandatory retirement age.

Recommendation

The Committee recommends that:

- i. the Accounting Officer deletes the Officers from the payroll and recovers the UGX. 25,743,390
- ii. Government should upgrade the payroll system to automatically delete individuals who attain the mandatory retirement age and transfer them to the pension payroll.

Query 6: Inspection of Adumi Health Center IV

Audit inspection of Adumi Health Center IV revealed that the Health Center did not have mortuary and an incinerator.

For observations and recommendations refer to cross cutting issue number 3.5.1

3. ADJUMANI DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)**Query 1 Failure to implement Budget as approved by Parliament**

Audit found that out of the budgeted revenue of UGX 6,870,787,226, the district received UGX 2,450,247,000 (36%) resulting into a shortfall of 4,420,440,226 (64%).

Observation

The Committee established that most of the shortfall was from less funds remitted from multinational donors over which the district had no

control. The Committee also noted that some of the donors use calendar years while the district local governments use financial years.

Recommendation

The Committee recommends that the query be dropped.

Query 2 Delayed Completion of the Council Hall

The District awarded a contract for the construction of the Council Hall at UGX 1,252,315,514. The hall was supposed to be completed by 30th June, 2016 but after two years, the works were not completed.

Observation

The Committee noted that the works were still incomplete.

Recommendation

The Committee recommends that the query be upheld.

Query 3 Loss of Motor Cycle

A motor cycle Registration Number LG0023 DT Yamaha attached to the Education sector was stolen.

Observation

The Committee noted with dismay that the motor cycle was stolen from the residence of the Senior Education Officer even though government vehicles are supposed to be parked at government premises after hours of work.

Recommendation

The Committee recommends that the Accounting Officer carries out a valuation of the motor cycle at the time of loss and the amount be recovered from the Senior Education Officer.

Query 4: Lack of Land Titles

The Auditor General's Report indicated that the District did not have titles to its land.

For observations and recommendations refer to cross cutting issue number 3.8

Query 5 Low Recovery Rate of Youth Livelihood Funds

The District had recovered UGX 94, 641,000 representing 25% out of UGX 370,682,500 leaving a balance of UGX 276,041,500 (75%).

For observations and recommendations refer to cross cutting issue number 3.7.

4. YUMBE DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1 Utilization of Medicines and Health Supplies

i. Unaccounted for Medicines and Health Supplies

The Auditor General's Report indicated that at Yumbe General Hospital, records like stock cards for items notably coartem in the OPD, oxytocin and Mama kits for the maternity, blood in the laboratory, surgical gloves and sutures in the theatre were missing.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

ii. Stock outs

An analysis of the delivery cycles and balances on stock cards revealed that 8 items out of the 11 selected indicator medicines experienced stock

outs within the audit period with Coartem 18 out of stock for 296 days and Coartem 6 for 97 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 2. Understaffing

The report indicated that Yumbe District has an approved staff structure of 437 positions out of which 289 (66%) are filled, leaving 149 (34%) positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 3 Low Recovery Rate of Youth Livelihood Funds

Out of UGX 631,471,900 the District advanced to youth projects, only UGX 106,394,250 (17%) had been recovered, leaving a balance of UGX 631,471,900 (83%) which reflects a low recovery.

For observations and recommendations refer to cross cutting issue number 3.7

Query 4 Missing District Vehicle

A vehicle Registration Number 0064R belonging to the District was taken for servicing to M/S Nigotech Land Rover Services in 2005. The vehicle was not repaired resulting into Civil Suit No. 178 of 2010 filed at Nakawa Chief Magistrate's Court. Judgment was delivered on 23rd November, 2013 wherein M/S Nigotech Land Rover Services was ordered to surrender the vehicle in good working condition and pay UGX 10,000,000 to the District as damages. However, the District had not yet recovered the vehicle or the amount due in damages.

Observation

The Committee observes that neither the vehicle nor the UGX 10,000,000 due to the District in damages have been received by the District to date.

Recommendation

The Committee recommends that the matter be legally handled to its conclusion.

Query 5 Delayed Utilisation of Nyori Health Centre II

Nyori Health Centre II, was constructed but was not being utilized.

For observations and recommendations refer to cross cutting issue number 3.5.1

5. MARACHA DISTRICT LOCAL GOVERNMENT**Query 1: Utilization of Medicines and Health Supplies****1.1 Unaccounted for Medicines and Commodities**

Audit revealed that Ovujo Health Center III did not issue goods received notes to acknowledge receipt of drugs totaling to UGX. 177,490,771 during the year under review.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

1.2 Stock Outs at Ovujo Health Center III

Audit revealed that 7 (seven) items out of the 11 (eleven) selected indicator medicines experienced stock outs within the audit period.

Noticeable mama kits for an average of 37days and Amoxyl for an average of 35 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 2 Under Staffing

Out of fourteen approved positions, only 9 representing 64% were filled, leaving 5(36%) positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 3: Failure to Implement Budget as approved by Parliament

Audit revealed that out of the budgeted revenue of UGX. 3,472,896,723 the district received UGX. 1,809,762,000 (52%) resulting into a shortfall of UGX. 1,670,134,723 (48%). Outputs amounting to UGX. 44,966,000 were not implemented.

For observations and recommendations refer to cross cutting issue number 3.1

Query 4: Low Recovery of Youth Livelihood Program Funds

An analysis of recovery of program funds in Maracha District revealed that out of UGX. 404,796,700 advanced to Youth Projects only UGX. 62,549,600 (15%) had been recovered leaving a balance of UGX. 342,247,100 (85%).

For observations and recommendations refer to cross cutting issue number 3.7

Query 5: Lack of Land Titles

Audit revealed that the District did not have titles to all its land.

For observations and recommendations refer to cross cutting issue number 3.8

Query 6: Understaffing

Out of the approved staff structure of 1682 positions, only 1458 (87%) were filled leaving a staffing gap of 224 (13%) positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 7: Non-operationalization of Liko Health Center II

Audit found that a total of UGX. 104,478,245 was utilized on the rehabilitation of Liko Health Centre III. However, inspection carried out on 4th July 2017 revealed that the facility is not in use and had been vandalized.

For observations and recommendations refer to cross cutting issue number 3.5.1

6. NEBBI DISTRICT LOCAL GOVERNMENT**Query 1: Utilization of Medicines and Health Supplies****1.1 Stock Outs**

Audit revealed that 4 (four) items out of the 11 (eleven) selected indicator medicines in Nebbi Hospital and Packwach HC IV experienced stock outs within the audit period. Notably Coartem 18 was out of stock for 72 days while Coartem 6 and mama kits were out of stock for 365 days, Coartem 18 for 127 days and Coartem 6 for 175 days at Packwach HC IV.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 2 Under Staffing at Nebbi District Hospital

Out of the approved 190 positions, only 150 (79%) posts were filled leaving 40 positions (21%) vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 3: Failure to Implement Budget as approved by Parliament

Audit revealed that out of the budgeted revenue of UGX. 35,551,872,445 the district received UGX. 31,205,612,448 (88%) resulting into a shortfall of UGX. 4,346,259,997 (12%). Outputs amounting to UGX. 300,271,500 were not implemented.

For observations and recommendations refer to cross cutting issue number 3.1

Query 4: Understaffing at the District

Out of the approved staff structure of 396 positions only 169 (43%) are filled leaving a staffing gap of 227 positions representing (57%).

For observations and recommendations refer to cross cutting issue number 3.6

Query 5: Low Recovery of Youth Livelihood Program Funds

An analysis of recovery of the program funds in the District revealed that out of UGX. 734,863,426 advanced to youth projects only UGX. 104,326,250 (14%) had been recovered leaving a balance of UGX. 630,537,179 (86%)

For observations and recommendations refer to cross cutting issue number 3.7

7. ZOMBO DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1: Utilisation of Medicines and Health Supplies

1.1 Stock Outs of Medicines and Health Supplies

Seven (7) items out of the 11 (eleven) selected tracer medicines experienced stock outs within the audit period. Noticeably, coartem 12 was out of stock for 288 days and coartem 6 for 370 days at Warr Health Centre III while mama kits were out of stock for 306 days at Zeu Health Centre III.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 2: Inadequate Controls Surrounding Management of Domestic Arrears

Audit observed that UGX.318,936,847 was irregularly incurred as domestic arrears outside the approved estimates by Parliament and consequently there has been an increase in domestic arrears over a period of two years from UGX.211,430,547 in 2015/16 to UGX.318,936,847 in 2016/17.

For observations and recommendations refer to cross cutting issue number 3.9

Query 3: Payment of Unrecognized Arrears

Analysis of the entity's payments for the 4th Quarter of Financial Year 2016/17 extracted from IFMS revealed that unrecognized domestic arrears relating to past periods worth UGX.12,158,657 were paid to a service provider on April 10th, 2017 as per payment voucher PV-7-4-17 for rehabilitation of Warr Health Centre III during the year. It was noted that paid arrears had not been recognized and reported or disclosed in

the prior year financial statements as required. This implies that the financial statements for 2016/17 were misstated by failure to disclose the arrears of UGX.12,158,657.

Observation

The Committee observes that the Accounting Officer did not reflect the UGX.12,158,657 in books of accounts and financial statements, as part of the stock of the entity's outstanding arrears.

Recommendations

The Committee recommends that the Accounting Officer should ensure that all outstanding obligations at the close of the year are recorded, accounted for and fully recognized as unsettled claims against the entity.

Query 4: Failure to Implement Budget as approved by Parliament

Out of the budgeted revenue of UGX.17,952,227,925 the District received UGX.16,565,458,214 (92%) resulting into a shortfall of UGX.1,386,769,711 (8%).

For observations and recommendations refer to cross cutting issue number 3.1

Query 5: Low Absorption Capacity of NUSAF

A review of the approved budget revealed that NUSAF funds amounting to UGX.902,093,421 were available for utilization by the District during the period under review. However, out of the UGX.902,093,421, the District submitted only 13 projects worth UGX.358,952,904 for funding. Consequently, the District failed to absorb UGX. 543,140,517 which could have improved the livelihoods of the community.

Observations

The Committee observes that:

- i. NUSAF funds were disbursed to the entity in January 2017 giving insufficient time for technical officers to execute planned activities during the remaining part of the Financial Year.
- ii. there was an insufficient number of personnel to facilitate full absorption of NUSAF Funds.

Recommendations

The Committee recommends that:

- i. the Accounting Officer should engage more community facilitators, to ensure full implementation of NUSAF activities in the District.
- ii. NUSAF funds should be released in a timely manner.

Query 6: Audit of Youth Livelihood Project

6.1 Mismanagement of Funds

A review of the Youth Livelihood Project implementation revealed that out of UGX.118,088,000 disbursed to 18 youth groups, a total of UGX.65,443,150 paid to the groups had not been accounted for due to mismanagement.

For observations and recommendations refer to cross cutting issue number 3.7

6.2 Low Recovery of Youth Livelihood Program Funds

An analysis of recovery of the programme funds in Zombo District revealed that out of UGX.565,171,500 advanced to youth groups, only

UGX.171,720,989 (30%) had been recovered leaving a balance of UGX.393,450,511 (70%) reflecting low recovery.

For observations and recommendations refer to cross cutting issue number 3.7

Query 7: Non Operation of the OPD at Kigezi Health Centre II

Inspections carried out at Kigezi Health Centre II revealed that an OPD constructed at UGX.47,297,680 was not operational due to lack of personnel, medical equipment, staff houses and sanitation.

For observations and recommendations refer to cross cutting issue number 3.5.1

Query 8: Poor Routine Mechanized Maintenance of Paidha-Otheko Road

Audit observed that UGX.23,538,983 was paid to Noma Enterprises for supply of road equipment and UGX.13,596,107 spent on fuel to be used for routine mechanized maintenance of 10.3km of Paidha-Otheko Road. Inspections carried out revealed that there were galleys on almost the whole stretch of the road.

Observation

The Committee observes that works on the road project were currently ongoing.

Recommendation

The Committee recommends that the Accounting Officer should follow the Auditor General's advice to have the road project maintained.

Query 9: Follow Up of Implementation of Auditor General's Recommendation for the Previous Financial Year

Undistributed Bicycles

Audit reported in the previous year that out of 756 bicycles purchased at UGX.170,856,000 for village and parish chairpersons during Financial Year 2013/14, 117 excess bicycles costing UGX.26,442,000 remained in the store undistributed.

Observations

The Committee observes that:

- i. the remaining 117 bicycles were finally distributed to former soldiers to help in their post-career activities.
- ii. the Accounting Officer did not have a distribution plan for the bicycles. This was evidenced in the time (two financial years) it took the Accounting Officer to distribute the bicycles.

Recommendation

The Committee recommends that since the bicycles were distributed, the query should be dropped.

8. MOYO DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Utilisation of Medicines and Health Supplies

1.1 Stock Outs

Four (4) items out of the 11 (eleven) selected indicator medicines in Moyo General Hospital experienced stock outs within the audit period.

Noticeably, coartem 12 was out of stock for 139 days, coartem 18 for 139 days and Suture PGA for 51 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 2: Failure to implement budget as approved by Parliament

Out of the budgeted revenue of UGX. 25,466,052,371, the District received UGX. 21,090,148,596 (83%) resulting into a shortfall of UGX.4,375,903,755 (17%).

For observations and recommendations refer to cross cutting issue number 3.1

Query 3: Understaffing

The District has an approved staff structure of 165 positions of which only 110 (71%) were filled leaving a staffing gap of 45 (29%).

For observations and recommendations refer to cross cutting issue number 3.7

Query 4: Poor Management of Motor Vehicles and Motor Cycles

A review of the fixed assets register revealed that four District vehicles with Registration Numbers UAA 064N, UG 0131A, UG 0121R and UG 1576M had stayed in the garage for 10 years and the location of 73 motor cycles could not be explained by the Accounting Officer at the time of audit.

Observations

The Committee observed that:

- i. The Committee established that the Accounting Officer could not dispose off the said assets as the responsible Ministries: Works and Transport, and Health, were still in possession of the logbooks.
- ii. The Committee observes that the lengthy stay of the four vehicles in the garages and unavailable information on the 73 motor cycles could accelerate their depreciation.

Recommendations

The Committee recommends that:

- i. the Accounting Officer should liaise with the responsible government institutions to disposed off said assets.
- ii. PPDA should advise Government institutions on the minimum threshold amounts to repair vehicles and other government assets.

Query 5: Encroachment of the Chala Swamp

Audit inspection carried out on 30th October, 2016 revealed that a large section of Chala Swamp had been encroached on by the neighboring community for rice growing.

Observation

The Committee observes that the act of encroaching Chala Swamp demonstrates a culture of impunity among local population, which should be discouraged by concerned authorities.

Recommendation

The Committee recommends that the Accounting Officer should ensure that the District's natural habitats and ecosystems are protected from any form of distortions.

9. LAMWO DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Utilisation of Medicines and Health Supplies

1.1 Medicines and Health Supplies Accountability

Audit observed that two departments of Maternity Ward and OPD lacked stock cards for the stock they received during the year. The Maternity Ward also lacked dispensing logs for the safe delivery (mama kits).

For observations and recommendations refer to cross cutting issue number 3.5.2.1

1.2 Stock outs of Medicines and Health Supplies

Five (5) items out of the 11 (eleven) selected indicator medicines experienced stock outs within the audit period. Noticeably Coartem 18 was out of stock for 152 days and mama kits for 210 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

1.3 Expired Medicines

Audit found that a number of medicines had expired and stayed for over six months without destruction.

For observations and recommendations refer to cross cutting issue number 3.5.2.3

Query 2: Pension, Gratuity and Salary Arrears

The Head of Finance indicated that an amount of UGX.1,817,383,023 relating to pension and gratuity arrears were yet to be verified by Ministry of Public Service; and Ministry of Finance, Planning and Economic Development.

For observations and recommendations refer to cross cutting issue number 3.15

Query 3: Under Collection of Local Revenue

Out of the budgeted local revenue of UGX.127,635,000 only UGX.85,620,079 (67%) was realized resulting into a shortfall of UGX.42,014,921 (33%).

For observations and recommendations refer to cross cutting issue number 3.3

Query 4: Funds not accounted for

Expenditure amounting to UGX. 55,877,400 was identified as funds unaccounted for.

Observations

The Committee observed that:

- i. the Accounting Officer breached Regulation 43(2) of the Local Government Finance and Accountability Regulations, 2007 which requires accountabilities to be retired within one month.
- ii. the Accounting Officer continued to advance funds to officers who had not retired previous advances.

Recommendation

The Committee recommends that the Accounting Officer should within six months, recover the UGX. 55,877,400 from the respective staff.

Query 5: Low Recovery of Youth Livelihood Program Funds

An analysis of recovery of the programme funds in Lamwo District Local Government revealed low recovery of UGX.61,756,000 (15.5%) out of UGX.398,131,956 disbursed to youth groups in Financial Year 2014/15 and 2015/16 leaving a balance of UGX.336,375,956 (84.5%) outstanding.

For observations and recommendations refer to cross cutting issue number 3.7

Query 6: Salary Overpayment

Audit revealed that District employees were overpaid by UGX.453,175,340.

Observation

The Committee noted that the recoveries were made.

Recommendation

The Committee recommends that the query should be dropped.

Query 7: Lack of Land Title

The District does not have a title to the land where its premises are located.

*For observations and recommendations refer to cross cutting issue number
3.8*

10. AGAGO DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1: Inadequate Controls Surrounding Management of Domestic Arrears

Audit observed that UGX. 435,001,603 was irregularly incurred as domestic arrears outside the approved estimates appropriated by Parliament.

*For observations and recommendations refer to cross cutting issue number
3.9*

Query 2: Unaccounted for Funds

Expenditure amounting to UGX. 86,923,474 remained unaccounted for at the close of the financial year.

Observation

The Committee observes that the Accounting Officer failed to invoke Regulation 43(2) of the LGFAR, 2007 to cause accountabilities to be retired within one month.

Recommendations

The Committee recommends that:

- i. the Accounting Officer should recover the UGX.21,180,000 from the relevant officers.

- ii. the Accounting Officer recovers UGX.275,000 from Mr. Joseph Ocitti for failure to produce evidence on purchase of batteries for megaphones.

Query 3: Funds wrongly paid out

UGX.30,500,000 was wrongly paid out to two service providers namely Expert Limited Road [UGX.1,055,000] and Dabs Engineering Company [UGX.29,670,000] for contract works on Akado West Road and Patongo-Kotomor Road respectively.

Observations

The Committee observed that:

- i. the UGX. 29,670,000 was directly paid to the Companies' Directors, namely; Komakech David Lakwo, Abola Benard and Ocira Daniel Felix; having been sanctioned by the Accounting Officer, Mr. Tivu Mark.
- ii. The Accounting Officer Mr. Tivu Mark, caused financial loss to government.

Recommendation

The Committee recommends that the Accounting Officer should recover the UGX. 29,670,000 from the two companies.

Query 4: Understaffing

The District has an approved staff structure of 115 positions out of which 38 (33%) posts were filled leaving a staffing gap of 77 (67%).

For observations and recommendations refer to cross cutting issue number 3.6

Query 5: Non Functional Health Centre III

Inspection of health services at Abilnino Health Centre III situated in Lapono Sub-County revealed that the facility was non-functional and abandoned. The communities therefore do not have access to the health services.

For observations and recommendations refer to cross cutting issue number 3.5.1

11. AMURU DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1 Unpaid Salary Arrears

Audit reported an amount of UGX 536,036,445 relating to unpaid salary arrears.

Observation

The Committee established that the Ministry of Finance, Planning and Economic Development had allocated UGX 600,000,000 to clear for the arrears.

Recommendation

The Committee recommends that the query be dropped.

Query 2. Low Recovery of the youth Livelihood Programme

Out of UGX 184,951,000 due for recovery as at 30th June, 2017, only UGX 80,788,000 representing 44% was recovered, leaving an outstanding balance of UGX 104,163,000 representing 56%.

For observations and recommendations refer to cross cutting issue number 3.7

Query 3 Funds not Accounted for

Audit revealed that an amount of UGX 59,520,494 remained unaccounted for.

Observation

The Committee was presented with accountabilities of which it found the accountabilities amounting to UGX. 21,039,494 satisfactory. The Voucher numbers were as follows: Voucher No 14823, Voucher No 14831 Voucher No 14834, Voucher No 14823, voucher No 12972, Voucher No.15750, Voucher No.13104, Voucher No. 14/06/2017, Voucher No. 14/06/2017, Voucher No. 22/06/2017, Voucher No. 13473 and Voucher No. 13255.

The rest of the accountabilities amounting to UGX. 13,369,000 remained outstanding.

Recommendation

The Committee recommends that:

- i. the query with regard the UGX. 21,039,494 be dropped.
- ii. the Accounting Officer recovers the UGX. 13,369,000

Query 4 Understaffing

Out of the approved staff structure of 139 positions, 84 positions, representing 60% were filled, leaving 59 positions representing 34% positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 5 Absence of an Incinerator at Atiak Health Centre IV

Audit revealed that the Health Center lacked an incinerator.

For observations and recommendations refer to cross cutting issue number 3.5.1

12. OMORO DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Loss of Funds

A special audit report by the Internal Audit Department revealed that UGX. 31,331,000 was stolen from the District Cashier on 20th January 2017 from Gulu Town after withdrawing the money from the bank.

Observation

The Committee observes that the matter is sub judice.

Recommendation

The Committee awaits the decision of court.

Query 2: Construction of Opit-Akwo Low Cost Seal Road

The Construction of Opit-Akwo Low Cost Seal Road was contracted at UGX. 221,257,610 including a variation of UGX. 28,193,728 to cover stone pitching of the side drains. Inspection of the project revealed that

the copping of the stone pitching on some spots of the road had peeled off, while the head walls on the existing culvert lines were poorly raised.

Observation

The Committee observes that the Accounting Officer sanctioned payments for sub-standard works on the road project and caused financial loss to government.

Recommendation

The Committee recommends that the Accounting Officer takes responsibility for the loss.

13. GULU DISTRICT LOCAL GOVERNMENT(*Qualified Opinion*)

Query 1 Unaccounted for Funds

Audit revealed that an amount of UGX 101,215,454 remained unaccounted for by the year end.

The Committee found the accountabilities for UGX 44,901,996 satisfactory.

Recommendations

The Committee recommends that:

- i. the query on the amount of UGX 44,901,996 be dropped.
- ii. the Accounting Officer recovers the outstanding balance of UGX. 56,313,458.

Query 2 Utilisation of Medicines and Health Supplies

i. Medicines and Health Supplies Accountability

The maternity ward and laboratory did not maintain stock cards and the maternity ward had no dispensing logs.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

ii. Stock outs

3 out of the 3 selected indicator medicines experienced stock outs within the audit period, with mama kits out of stock for 210 days; coartem 137 days and RDT for 4 days at Awach Health Centre IV.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 3 Inadequate Control Surrounding Domestic Arrears

Audit observed that an amount of UGX 637,295,489 was irregularly incurred as domestic arrears outside the approved estimates appropriated by Parliament and consequently, there has been an increase in domestic arrears over a period of three years.

The Accounting officer stated that the district obtained funding to cover the arrears from USAID.

For observations and recommendations refer to cross cutting issue number 3.9

Query 4 Low Recovery of Youth Livelihood Programme Funds

An analysis of the recovery of program funds in a sample of 48 groups revealed low recovery of UGX 95,488,750 representing 13.8% recovery out of UGX 690,823,300. The outstanding amount is UGX 595,343,550 representing (86.2%).

For observations and recommendations refer to cross cutting issue number 3.7

Query 5 Failure to Conduct Property rates Valuation

Audit revealed that there was no evidence to confirm that the management had carried out any property valuation exercise yet a number of ratable properties were being developed and remain untaxed.

Observations.

The Committee noted that the Accounting Officer exuded laxity in failing to carry out property valuation.

Recommendation

The Committee recommends that the Accounting Officer should adhere to the recommendation of the Auditor general and ensure that valuation of all properties is carried out.

Query 6 Loss of District Motorcycles

Audit revealed that a review of the Survey Report showed theft of two district motorcycles (Honda, Registration No. LG 0030-30 and Sport Honda XL-125, LG 112-09) but the reports of the loss was not submitted for audit.

Observation

The Committee observed that the Accounting Officer did not provide the necessary documentation relating to the said motor cycles.

Recommendation

The Committee recommends that the Accounting Officer should make good the loss.

Query 7 Under absorption/Unspent Balance

Audit observed that the district failed to utilise UGX 1,841,305,530 by the end of the Financial Year and returned it to the consolidated fund.

Observations

The Committee noted that:

- i. the figure of UGX 1,505,642,198 represented unspent balances that resulted from the inclusion of the wages for accruing from wages Omoro District Local Government which took effect on 1st July, 2016.
- ii. the figure of UGX 335,663,332 represented unutilized pension funds for which migration of files were not complete from the Ministry Public Service to the district.

Recommendation

The Committee recommends that the Accounting Officer should ensure that the budget is implemented according to the work plans.

14. NWOYA DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1. Medicines and Health Supplies

i) Medicines and Health Supplies Accountability

Medicines and Health Supplies worth UGX 161,676,689 from Anaka Hospital Stores were not accounted for as stock cards did not tally with the physical count figures contrary to the Management of Medicines and Health Supplies Manual (MMHSM).

For observations and recommendations refer to cross cutting issue number 3.5.2.1

ii) Stock outs

Audit observed that three out of the 11 selected indicator medicines experienced stock outs within the audit period. Mama kits were out of stock for 262 days and Determine for 44 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

iii) Expired Medicines

A number of medicines had expired and stayed for over six months without destruction.

For observations and recommendations refer to cross cutting issue number 3.5.2.3

iv) Understaffing

Out of the 190 approved positions at Anaka Hospital, only 94 positions were filled, leaving 96 positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 2. Failure to Implement the Budget as approved by Parliament.

Out of the budgeted revenue of UGX 16,154,136,723, the district received UGX 13,271,715,722 representing 82% resulting into a shortfall of UGX 2,882,421 representing 18%.

For observations and recommendations refer to cross cutting issue number 3.1

Query 3 Lack of Storage Facilities for Medicines and Health Supplies

Audit revealed that Anaka District Hospital lacks proper storage facilities for medicines and health supplies.

Observation

The Committee established that the construction of a store and installation of a thermometer is still ongoing.

Recommendation

The Committee recommends that the Accounting Officer should ensure that construction of the storage facility is done expeditiously.

15. APAC DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1. Medicines and Medical Supplies Accountability.

Audit reported that Medicines and Medical Supplies worth UGX 84,638,030 in Apac Hospital Laboratory and Theatre departments were not properly accounted for.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

Query 2. Unpaid Pension and Gratuity

Audit revealed that the district had not paid pension and gratuity of UGX 855,304,780.

For observations and recommendations refer to cross cutting issue number 3.15

Query 3 Unpaid Salary arrears

Audit indicated that an amount of UGX 478,349,224 relating to salary had not been paid.

Observation

The Committee established that the Accounting Officer had written to the Secretary to the Treasury but had not received a clearance.

Recommendation

The Committee recommends that the query be upheld.

Query 4 Failure to implement Budget as approved by Parliament

Out of the budgeted revenue of UGX 36,046,364,000, the district received UGX 35,462,326,018 (98%), resulting into a shortfall of 584,037,982 (1.7%).

For observations and recommendations refer to cross cutting issue number 3.1

Query 5 Funds not Accounted for

The Auditor General's Report noted that money amounting to UGX 39,498,000 had not been accounted for.

Observation

The Committee received accountabilities that it did not find satisfactory.

Recommendation

The Committee recommends that the Accounting Officer was recovers the unaccounted for funds amounting to UGX. 39,479,000 from the respective officers.

C. Other Matters

a) Status of Implementation of the PPDA audit Report

The Committee was informed that Apac District had not submitted a board of survey report to the Ministry of Finance Planning and Economic Development.

Observation

The Committee established that the district was making steps towards implementing the recommendations of the PPDA Audit Report.

Recommendation

The Committee recommends that in future the district must strictly adhere to the PPDA Guidelines in all procurements.

16. ALEBTONG DISTRICT LOCAL GOVERNMENT *(Unqualified Opinion)*

Query 1. Utilisation of Medicines and Medical Supplies

i. Medicines and Medical Supplies accountability.

Audit reported a variance between opening stock, quantity received from NMS, total quantity issued out and the physical count of UGX 3,420,800.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

ii. Stock outs

Audit revealed that 6 items out of the 11 Selected Indicator medicines experienced stock outs within the audit period. Noticeably, Mama kits were out of stock for 200 days and RDT for 106 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 2. Salary Arrears

Audit revealed that an amount of UGX 351,230,798 relating to salary arrears dating as far back as 2008 is still under verification by the Ministry of Finance, Planning and Economic Development.

Observation

The Committee:

- i. Learnt that UGX 178,269,714 had been verified and paid in Financial Year 2017/2018, with the balance of UGX 172,961,084 still under verification by the Ministry of Finance, Planning and Economic Development.
- ii. noted that the failure to pay salary arrears demoralises employees.

Recommendation

The Committee recommends that the Accounting Officer should continuously engage the Ministry of Finance, Planning and Economic Development to ensure the balance of the arrears are paid as soon as possible.

Query 3. Failure to Implement Budget as approved by parliament

Audit revealed that out of the budgeted revenue of UGX 17,744,610,816 the district received UGX 17,041,079,752 representing 96% resulting into a shortfall of UGX 703,531,064.

For observations and recommendations refer to cross cutting issue number 3.1

Query 4. Low Recovery of the Youth Livelihood Programme

Audit revealed that out of UGX 411,886,150 due for recovery, only UGX 74,125,500 representing 18% had been recovered, leaving a balance of UGX 337,760 (82%) outstanding.

For observations and recommendations refer to cross cutting issue number 3.7

Query 5. Funds not Accounted for

Audit revealed that expenditure amounting to UGX 39,503,500 was unaccounted for.

Observation

The Committee established that recoveries were underway but some of the recoveries had failed because the affected officers had loans and their entire salaries were being deducted.

Recommendation

The Committee recommends that the Accounting Officer should recover all the outstanding funds amounting to UGX 39,503,500 from the concerned officers immediately as recovery of public funds should be given priority.

Query 6 Understaffing

The district has an approved staff structure of 225 positions out of which only 124 representing 55% positions are filled. This leaves a staffing gap of 101 representing 45% positions.

For observations and recommendations refer to cross cutting issue number 3.6

Query 7. Failure to meet the Primary School Education Minimum Standards

Audit revealed that the inspections carried out in 8 Universal Primary Education (UPE) schools revealed that the primary schools in the district were operating below the minimum standards in terms of classroom: pupil ratio; teacher: pupil ration; desk: pupil ratio; stance: pupil ratio; pupil : teacher ratio and house : teacher ratio.

For observations and recommendations refer to cross cutting issue number 3.10

17. KOLE DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1. Utilisation of Medicines and Medical Supplies

i. Unaccounted for medicines and Health Supplies

Audit revealed that there were missing documents like: the Health management Information System (HMIS) book that records expired drugs; dispensing logs for maternity and laboratory for oxytocin, gloves, sutures, determine and medicine requisition booklets for the different departments.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

ii. Stock outs

3 items out of the 11 selected indicator medicines experienced stock outs within the audit period. Noticeably, Coartem 18 was out of stock for 482 days and mama kits for 188 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

iii. Expired Drugs at Aboke Health Centre IV

Audit revealed that a number of assorted medicines had expired and stayed for several years without destruction.

For observations and recommendations refer to cross cutting issue number 3.5.2.3

iv. Understaffing at Aboke Health Centre IV

Out of the 48 approved positions at Aboke Health Centre IV, only 35 representing 73% positions were filled, leaving 13 representing 27% positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 2. Salary Arrears

Audit revealed that an amount of UGX 391,546,684 was disclosed as unpaid salary arrears.

Observation

The Committee established that the salary arrears had since been cleared.

Recommendation

The Committee recommends that the query be dropped.

Query 3 Funds unaccounted for

Audit revealed that expenditure amounting to UGX 71,455,620 was identified as funds unaccounted for.

Observation

The Committee noted that:

- i. the Accounting Officer had initiated measures to recover the funds and the recovery process was ongoing.
- ii. the recovered funds were deposited on the General Fund Account.
This is wrong.

Recommendation

The Committee recommends that:

- i. the Accounting Officer should ensure that all outstanding funds are recovered.
- ii. all recovered funds should be directly sent to the Consolidated Fund.

18. OTUKE DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1. Utilisation of Medicines and Medical Supplies

i. Medicines and Medical Supplies Accountability

A review of stores records revealed that 128 mama kits and 160 Oxytocin ampules worth UGX 7,864,288 that were transferred to the maternity ward could not be traced, rendering the items unaccounted for.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

ii. Drugs Stock out

4 items out of the 11 selected indicator medicines experienced stock outs within the audit period. Mama kits were out of stock for 210 days and Coartem 12 for 41 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 2. Unremitted Tax

Audit revealed that there was unpaid PAYE amounting to UGX 103,178,772 due to Uganda Revenue Authority.

For observations and recommendations refer to cross cutting issue number 3.12

Query 3. Pension and Gratuity Arrears

Audit revealed that the unpaid accumulated pension and gratuity arrears amounting to UGX 374,311,284.

For observations and recommendations refer to cross cutting issue number 3.15

Query 4. Failure to Implement Budget as approved by Parliament

The Audit revealed that out of the budgeted revenue of UGX. 12,774,293,00, the district received UGX 11,276,096,470 representing 88% resulting into a shortfall of UGX 1,498,196,530.

For observations and recommendations refer to cross cutting issue number 3.1

Query 5. Low Recovery of Youth Livelihood Programme Funds

Only UGX 88,558,800 (22%) out of the UGX 400,242,900 due for recovery were collected, leaving UGX 311,684,100 (78%) outstanding.

For observations and recommendations refer to cross cutting issue number 3.7

Query 6. Understaffing

The district has an approved staff structure of 159 positions out of which only 68(43%) are filled, leaving a staffing gap of 88 (57%).

For observations and recommendations refer to cross cutting issue number 3.6

Query 7. Unaccounted for funds

Audit revealed that expenditure amounting to UGX 25,888,073 remained unaccounted for.

Observations

The Committee found:

- i. Accountability for funds amounting to UGX. 18,563,000 satisfactory.
- ii. Accountabilities amounting to UGX 4,672,000 under Vouchers NO. 657, NO. 702 and NO. 705 unsatisfactory:

Recommendations

The Committee recommends that:

- i. the query be dropped for funds amounting to UGX. 18,563,000
- ii. the Accounting Officer recovers the outstanding UGX 4,672,000.

Query 8. Non-utilisation of School Structure

The structures of a technical school constructed for the district by the President in Okwang Sub-county had been completed but the school had been abandoned in the bush.

Observation

The Committee noted that the structures were in place but could not be used because there are other facilities needed for the school to be functional.

Recommendation

The Committee recommends that the Ministry of Education should immediately take up the matter so that the technical school fulfills the purpose for which it was constructed.

19. KITGUM DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Utilisation of Medicines and Medical Supplies

1.1 Stock Outs

Audit observed that 3 items out of the 11 (eleven) selected indicator medicines experienced stock outs within the audit period. Noticeably Coartem 12 was out of stock for 83 days, coartem 18 for 113 days and mama kits for 70 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

1.2 Understaffing

Out of 190 approved positions at Kitgum Hospital, only 148 (77%) posts were filled leaving 42 (23%) positions vacant while out of 48 approved positions at Namokora Health Centre IV, only 25 (52%) posts were filled, leaving 23 (48%) posts vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 2: Failure to Implement the Budget as approved by Parliament

Out of the budgeted revenue of UGX. 25,823,042,361 the District received UGX.22,996,291,877 (89%) resulting into a shortfall of UGX. 2,831,915,672 (11%). A number of planned outputs amounting to UGX. 569,982,819 were not implemented.

For observations and recommendations refer to cross cutting issue number 3.1

Query 3: Failure of Education and Health Facilities

3.1 Failure to meet the minimum Education Standards

Inspections carried out in the Universal Primary Education revealed that the schools in the District were operating below the minimum standards in terms of classroom: pupil ratio, teacher:pupil ratio, desk:pupil ratio; stance:pupil ratio and house:teacher ratio.

For observations and recommendations refer to cross cutting issue number 3.10

3.2 Dilapidated structures at Kitgum District Hospital

Audit observed that Kitgum Hospital had building structures that were too old and required urgent renovation.

For observations and recommendations refer to cross cutting issue number 3.5.1

20. DOKOLO DISTRICT LOCAL GOVERNMENT (Qualified Opinion)

Query 1: Mischarge Expenditures

Expenditure worth UGX.55,334,300 was charged to expenditure items which do not relate to the nature of the expenditure incurred.

Observation

The Committee observes that the Accounting Officer authorized for payments against different budget lines thereby abusing the financial management system.

Recommendation

The Committee recommends that the query should be upheld.

Query 2: Funds not accounted for

Expenditure amounting to UGX.35,122,774 remained unaccounted for at the end of the financial year.

Observation

The Committee observes that the Accounting Officer failed to adhere to Regulation 43(2) of the Local Government Financial and Accounting Regulations, 2007.

Recommendation

The Committee recommends that the Accounting Officer should, within nine months recover funds from the respective officers.

Query 3: Utilisation of Medicines and Health Supplies**3.1 Medicines and Medical Supplies Accountability**

Medicines and medical supplies worth UGX.52,743,095 from Dokolo Health Centre IV Laboratory, theatre and OPD, were not properly accounted for as there was a variance between stock card figures with the NMS Delivery Note.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

3.2 Stock outs of Medicines and Health Supplies

Six (6) items out of the 11 (eleven) selected indicator medicines experienced stock outs within the audit period. Noticeably mama kits were out of stock for 79 days and sutures PGA 2 for 132 days at Dokolo Health Centre IV.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

3.3 Doubtful Transfer of Drugs to Dokolo Health Centre IV

The Nursing Officer of Dokolo Health Centre IV in a letter dated 16th May, 2017 requested the District Health Officer of Alebtong District to redistribute UNTI malaria, ARVs and laboratory test kits due to failure by NMS to deliver supplies.

Scrutiny of the transaction revealed that:

- i. The items were received on the issue voucher by the Stores Officer at Dokolo Health Centre IV on 16th May 2017
- ii. On scrutiny of the Dokolo Health Centre IV stock cards indicated stock balances of 110 MRTD kits and 800 determine kits which had been indicated to be out of stock
- iii. The items received were recorded in the stock cards of Dokolo Health Centre IV rendering the items in question accounted for.

Observation

The Committee observes that records at Dokolo Health Centre IV indicated availability of drugs [Determine, Unigold and MRTD] but the in-charge/Management went head to requisition for the same drugs from other health facilities.

Recommendation

The Committee recommends that the matter be referred to Police for further investigations with a view to prosecution.

Query 4: Pension and Gratuity Arrears

Included in the statement of financial position and note 24 (pension liability) to the accounts is an amount of UGX.64,281,436 relating to unpaid pension and gratuity arrears.

For observations and recommendations refer to cross cutting issue number 3.15

Query 5: Under Collection of Local Revenue

Out of the budgeted local revenue of UGX.277,806,350, only UGX.128,384,234 (46%) was realized leading to a shortfall of UGX.149,422,116 (54%).

For observations and recommendations refer to cross cutting issue number 3.3

Query 6: Revenue from Ayugi Rock

Audit observed that the District Chairperson on behalf of Dokolo District Local Government irregularly entered into a Memorandum of

Understanding (MOU) with M/S Multiplex Limited for the evaluation of Ayugi Rock for a stone quarry at a price of UGX.10,000,000 for a period of 2 years starting in 2014 which MOU was later executed by the Accounting Officer.

The above transaction was in addition to an earlier MOU between the Town Clerk, Dokolo Town Council (on behalf of the Town Council) and M/S Pearl Engineering Company Limited entered into on 14th July 2014 for the utilization of the same rock for quarry activities for a period of 2 years at an annual rate of UGX.18,000,000 renewable annually beginning on 25th July, 2014.

Scrutiny of the transaction related records revealed the following: -

- i. No assessments were carried out prior to the signing of the memoranda posing a risk of receiving less revenue from the mining companies due to lack of basis for negotiation by the District.
- ii. The award was not subjected to procurement process consequently, value for money could not have been realized.
- iii. Both memoranda were not renewed despite the two companies' continued usage of the rock implying that the existence of both companies at the quarry site is irregular
- iv. Although the companies made a total payment of UGX.75,000,000 to the District (with UGX.25,000,000 from Multiplex Limited and UGX.50,000,000 Pearl Engineering Limited) there was no evidence that the collections were banked on the District Collection Account

Observation

The Committee observes that the transactions surrounding Ayugi Rock manifested gross abuse of office by the District Chairperson and technical staff.

Recommendation

The Committee recommends that the matter be referred to the Police for further investigations with a view to prosecution.

Query 7: Low Recovery of Youth Livelihood Program Funds

The District expected to recover UGX.185,382,375 but only UGX.134,293,891(72%) was recovered leaving UGX.51,088,484 (28%) outstanding.

For observations and recommendations refer to cross cutting issue number 3.7

21. AMOLATAR DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)**Query 1: Medicines and Health Supplies****1.1 Expired Drugs**

Medicines worth UGX.275,400 had expired and stayed for a period of about two years without destruction.

For observations and recommendations refer to cross cutting issue number 3.5.2.3

Query 2: Inadequate Controls Surrounding Management of Domestic Arrears

Audit observed that UGX.210,020,158 was irregularly incurred as domestic arrears outside the approved estimates appropriated by Parliament.

For observations and recommendations refer to cross cutting issue number 3.9

Query 2: Low Recovery of Youth Livelihood Program Funds

Analysis of recovery of the programme funds revealed low recovery of UGX.70,320,300 (20%) out of UGX.351,728,200 due for recovery leaving UGX.281,728,200 (80%) outstanding.

For observations and recommendations refer to cross cutting issue number 3.7

Query 3: Unaccounted for Funds

Expenditure amounting to UGX.45,166,749 was identified as funds unaccounted for.

Observation

The Committee observes that the Accounting Officer failed to adhere to Regulation 43(2) of the Local Government Financial and Accounting Regulations, 2007;

Recommendation

The Committee recommends that the Accounting Officer should within nine months recover the funds from the respective Officers.

Query 4: Understaffing

The District has an approved staff structure of 125 positions out of which only 70 (56%) were filled leaving a staffing gap of 55 (44%).

For observations and recommendations refer to cross cutting issue number 3.6

Query 5: Under Collection of Local Revenue

Out of the budgeted local revenue of UGX.578,726,00, only UGX.541,969,026 (93.6%) was realised resulting into a shortfall of UGX.36,756,974 (6.4%).

For observations and recommendations refer to cross cutting issue number 3.3

Query 6: Exceptions raised in the PPDA Audit Report of the District for FY 2016/17

PPDA carried out a procurement audit and the following exceptions were noted: -

- i. In 68.6% of the thirty five (35) sampled procurements, the entity received less than three (3) bids which is an indication of low competition levels within the entity
- ii. 53.1% of the thirty five (35) sampled procurement transactions were not implemented within the planned procurement process timelines.
- iii. 35.5% of the thirty five (35) sampled contracts were not completed within the contractual completion time.

For observations and recommendations refer to cross cutting issue number 3.11

22. OYAM DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Utilisation of Medicines and Health Supplies

1.1 Expired Drugs

Audit observed that units of assorted expired essential medicines and health supplies.

For observations and recommendations refer to cross cutting issue number 3.5.2.3

Query 2: Failure to implement budget as approved by Parliament

Out of the budgeted revenue of UGX.34,448,416,584, the District received UGX.27,584,231,724 (80%) resulting into a shortfall of UGX.6,864,184,860 (20%). The most affected activities included water point rehabilitation, and borehole drilling under water sector and OPD rehabilitation under the Health Sector.

For observations and recommendations refer to cross cutting issue number 3.1

Query 3: Low Recovery of Youth Livelihood Program Funds

Analysis of the recovery of the programme funds revealed that out of UGX.444,564,333 due for recovery (cumulative amount due) only UGX.53,942,500 (12.1%) was recovered leaving UGX.390,621,833 (87.9%) outstanding.

For observations and recommendations refer to cross cutting issue number 3.7

Query 4: Unaccounted for Funds

Expenditure amounting to UGX.77,678,610 remained unaccounted for as at 30th June 2017.

Observation

The Committee established that the Accounting Officer made efforts to recover funds from staff who had failed to account in time. However accountabilities amounting to UGX. 73,690,000 proved unsatisfactory.

Recommendation

The Committee recommends that:

- i. the UGX. 73,690,000 whose accountability remained outstanding be recovered within 24 months.
- ii. the Police investigates the total of UGX.14,000,000 paid to Mr. Ayella Jimmy (Tope General Enterprises) .

23. PADER DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Utilisation of Medicines and Health Supplies

a) Medicines and Health Supplies Accountability

Audit revealed that at Pajule Health Centre IV, Medicines and Health Supplies worth UGX.68,908,286 from the OPD, Theatre, Laboratory and Maternity Departments were not accounted for as stock cards and dispensing logs were not maintained contrary to the Management of Medicines and Health Supplies Manual (MMHSM). Audit further observed that there was no record of opening stock of medicines and health supplies.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

b) Stock outs

Audit revealed that 5 (five) items out of the 11 (eleven) selected indicator EMHS experienced stock outs within the audit period. Noticeably Mama Kits were out of stock for 272 days and coartem 6 for 140 days at Pajule HC IV.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 2: Diversion of Conditional Grants to top up Salaries Releases

Audit found that in total disregard of Regulation 37(2) of the Local Government Financial and Accounting Regulations 2007, which requires conditional grants from Central Government to be planned for, recorded and accounted for in accordance with the grant conditions and guidelines, the District diverted conditional grants worth UGX. 681,743,514 to cater for employees' salaries. Consequently, projects planned to be funded by conditional grants worth UGX.449,096,000 were not implemented.

Observation

The Committee observed that the District diverted conditional grants worth UGX. 681,743,514 to cater for employees' salaries. Consequently, projects planned to be funded by conditional grants worth UGX.449,096,000 were not implemented.

Recommendation

The Committee recommends that the Accounting Officer should always seek approval before diverting conditional grants as the practice denies the community service delivery in the affected Government programmes.

Query 3: Failure to implement budget as approved by Parliament

Audit revealed that contrary to Section 45 (3) of the Public Finance Management Act, 2015, audit revealed that out of the budgeted revenue

of UGX. 22,473,421,664 the district received UGX.19,049,386,879 (85%) resulting into a shortfall of UGX.3,424,034,785 (15%). Audit further noted that a number of planned outputs for an amount of UGX.280,125,000 were not implemented. The most affected outputs included classroom construction and district periodic and routine road maintenance.

For observations and recommendations refer to cross cutting issue number 3.1

Query 4: Under collection of Local Revenue

Contrary to Regulation 32 of the Local Governments Financial and Accounting Regulations (LGFARs) 2007 which, requires prompt collection of revenue due to the District and bank it intact, audit revealed that out of the budgeted local revenue of UGX. 773,129,000 only UGX. 225,243,661 (29%) was realized resulting into a shortfall of UGX. 547,885,339 (71%). The under collection of local revenue adversely affected service delivery.

For observations and recommendations refer to cross cutting issue number 3.3

Query 5: Unaccounted for funds

Contrary to Regulation 43(2) of the Local Governments Financial and Accounting Regulations 2007 which requires that administrative advances to be accounted for within one month, audit found that an expenditure amounting to UGX. 67,815,782 was not unaccounted for at the time of audit.

Observation

The Committee observed that an advance expenditure amounting to UGX. 67,815,782 was not unaccounted for at the time of audit.

Recommendation

The Committee recommends that the Accounting Officer should recover the funds from the responsible officers.

Query 6: Low Recovery of Youth Livelihood Programme Funds

According to the Audit, an analysis of recovery of the programme funds in Pader District revealed that out of UGX. 338,561,900 disbursed in the financial year 2014/15 and was due for Recovery, only UGX. 60,143,100 (18%) was recovered leaving UGX.278,418,800 (82%) outstanding.

For observations and recommendations refer to cross cutting issue number 3.7

Query 7: Under Staffing

Out of the approved staff structure of 225 positions, only 94 (42%) are filled leaving a staffing gap of 131. (58%) positions. Understaffing overstretches the available staff beyond their capacity, creates job-related stress to the fewer staff and negatively affects the level of public service delivery to the community.

For observations and recommendations refer to cross cutting issue number 3.6

24. LIRA DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1: Utilisation of Medicines and Medical Supplies

1.1 Drug Stock Outs

Audit revealed that 4 (four) out of the 11 (eleven) selected indicator medicines experienced stock outs within the audit period. Noticeably Coartem 18 was out of stock for 860 days and mama kits for 398 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

1.2 Understaffing

Audit revealed that out of the 48 approved positions only 40 positions (83%) were filled leaving 8 positions representing 17% positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

1.3 Expired Drugs

Audit revealed that some medicines had expired and stayed in the health facilities for long without destruction.

For observations and recommendations refer to cross cutting issue number 3.5.2.3

Query 2: Failure to Implement Budget as approved by Parliament

Audit found that out of the budgeted revenue of UGX. 32,464,933,000 the district received UGX. 29,585,065,357 representing (91%) resulting into a shortfall of UGX. 2,879,867,643 representing 9%.

For observations and recommendations refer to cross cutting issue number 3.1

Query 3: Low Recovery of Youth Livelihood Program Funds

An analysis of recovery of program funds revealed that out of UGX. 369,666,500 due for recovery, only UGX. 31,151,500 was recovered leaving UGX. 338,515,000 representing (91.6%) outstanding.

For observations and recommendations refer to cross cutting issue number 3.7

Query 4: Under Collection of Local Revenue

Audit revealed that out of the budgeted local revenue of UGX. 537,854,000 only UGX. 476,418,345 representing 88% was realized resulting into a shortfall of UGX. 61,435,655 representing 12%.

For observations and recommendations refer to cross cutting issue number 3.3

Query 5: Non Assessment of Taxable Revenue

Audit found that at the time of audit, there was no evidence that revenue enumeration and assessments were carried out for all revenue sources as required. This therefore follows that the budgeted local revenue of UGX. 537,854,000 was not supported.

For observations and recommendations refer to cross cutting issue number 3.3

Query 6: Illegal Collection of Market Dues

Audit revealed that contrary to the regulation, Lira District Local Government directly collected market dues from various markets amounting to UGX. 187,760,000.

Observation

The Committee observes that whereas the Accounting Officer committed an illegality in directly collecting market dues, he remitted the 65% share to the nine sub counties.

Recommendation

The Committee:

- i. recommends that the query be dropped
- ii. advises the Accounting Officer not to commit the illegality again.

25. NAKASONGOLA DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Outstanding Pension and Gratuity Liability

The District had an outstanding pension and gratuity liability of UGX.263,343,887 by the close of the financial year.

For observations and recommendations refer to cross cutting issue number 3.15

Query 2: Failure to Implement Budget as approved by Parliament

Out of the budgeted revenue of UGX.21,711,530,880, the District received UGX.19,284,275,290 (89%) resulting into a shortfall of UGX.2,427,255,590 (11%).

For observations and recommendations refer to cross cutting issue number 3.1

Query 3: Low Recovery of Youth Livelihood Program Funds

Analysis of the recovery of programme funds revealed that only UGX.76,582,000 (40%) out of UGX.188,656,000 had been recovered from

the 12 Youth Interest Groups leaving a balance of UGX.112,072,000 (60%).

For observations and recommendations refer to cross cutting issue number 3.7

Query 4: Understaffing

The District has an approved staff structure of 498 positions out of which only 349 (70%) were filled leaving a staffing gap of 149 (30%).

For observations and recommendations refer to cross cutting issue number 3.6

Query 5: Failure to meet the Minimum Standards in Primary Schools

Inspection of Nezikokolima and Kyalweza Primary Schools revealed that the schools were operating below the minimum standards with pupils of different classes sharing classrooms while others were studying under shades with a few desks.

For observations and recommendations refer to cross cutting issue number 3.10

26. GOMBA DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Utilisation of Medicines and Medical Supplies

1.1 Stock Out

Four (4) items out of the 11 (eleven) indicator medicines experienced stock outs within the audit period. Noticeably Oxytocin for 107 days, mama kits for 86 days and determine test kit for 55 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

1.2 Expired Drugs

Audit revealed that various essential medicines expired and stayed at Maddu Health Centre IV for a period of more than four months without destruction.

For observations and recommendations refer to cross cutting issue number 3.5.2.3

Query 2: Key Vacant Positions

Out of 48 posts, only 28 (58%) posts were filled leaving 20 (42%) positions vacant. Among key vacant positions include the position of a Dispenser which is crucial in medicine management.

For observations and recommendations refer to cross cutting issue number 3.6

Query 3: Low Recovery of Youth Livelihood Program Funds

Analysis of recovery of the programme funds at the District revealed low recovery of UGX.68,963,000 (20%) out of UGX.351,009,002 due for recovery leaving a balance of UGX.294,046,022 outstanding.

For observations and recommendations refer to cross cutting issue number 3.7

Query 4: Encroachment on Forest Reserve

Audit observed that the forest reserves in the District have been encroached on. This was in contravention of Section 32(1b) of the National Forest and Tree Planting Act, 2003.

Observation

The Committee:

- i. established that the Accounting Officer had made steps to have the forest reserves protected.
- ii. learnt that the District had been sued for termination of license granted to occupy a forest reserve

Recommendation

The Committee recommends that the Accounting Officer should follow up the court case with the intention of having the forest reserves protected.

Query 5: Un operational Theatre at Maddu Health Centre IV

Inspection of Maddu Health Centre IV revealed that the operating theatre was nonfunctional; instead it was being used as a drug store. As a result, emergencies requiring operation are referred to Gombe Hospital which is 60kms away. There is a risk of loss of lives because of the long distance between the two facilities.

For observations and recommendations refer to cross cutting issue number 3.5.1

Query 6: Understaffing

The District has an approved staff structure of 131 positions out of which only 92 (70%) were filled leaving a staffing gap of 39 (29.8%).

For observations and recommendations refer to cross cutting issue number 3.6

27. BUVUMA DISTRICT LOCAL GOVERNMENT (*Qualified Opinion*)

Query 1: Lack of Supporting Documents

Accountability documents in support of expenditure of UGX. 1,774,509,673 were not presented for verification.

Observation

The Committee established that the documents in question were taken by the Inspectorate of Government during routine inspections.

Recommendation

The Committee recommends that the Accounting Officer should ensure that the Inspectorate of Government returns the original documents.

Query 2: Utilisation of Medicines and Health Supplies

1.1 Medicines and Health Supplies Accountability

Audit observed that medicines and health supplies supplied to Buvuma Health Centre IV were not taken on charge because there were no stock cards maintained by the departments.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

Query 3: Failure to Implement Budget as approved by Parliament

Out of the budgeted revenue of UGX.7,283,323,000, the District received UGX.6,974,410,269 (95.8%) resulting into a shortfall of UGX.308,912,731 (4.2%).

For observations and recommendations refer to cross cutting issue number 3.1

Query 3: Low Recovery of Youth Livelihood Program Funds

Analysis of recovery of the programme funds showed that out of UGX.440,160,980 due for recovery as at 30th June 2017 only UGX.44,090,000 (10%) was recovered leaving an outstanding balance of UGX.396,070,000 (90%).

For observations and recommendations refer to cross cutting issue number 3.7

Query 4: Irregular Management of Buvuma District Land by Mukono District Land Board

A review of the minutes of the District Land Board revealed that although Buvuma has a Land Board, Mukono District Land Board was issuing land titles and leases on land under Buvuma District jurisdiction.

Observation

The Committee observes non adherence to the Land Act by Mukono District Council; and interference in management of land resources in Buvuma District. This act was a potential source of conflict between the two local governments.

Recommendation

The Committee recommends that the Accounting Officer should liaise with the Commissioner, Land Registration to cancel all land titles and leases issued by Mukono District Land Board on land in Buvuma District.

Query 5: Understaffing

The District has an approved staff structure of 722 out of which 408 (56%) were filled leaving a staffing gap of 314 (44%).

For observations and recommendations refer to cross cutting issue number 3.6

Query 6: Failure to Meet the Minimum Standards of UPE Schools

Audit revealed that all the eight (8) Government coded primary schools were far below the required minimum standards for primary schools since they all lacked permanent classrooms, toilets and staff houses. Some schools operated under trees and make shift structures.

For observations and recommendations refer to cross cutting issue number 3.10

28. BUTAMBALA DISTRICT LOCAL GOVERNMENT *(Unqualified Opinion)*

Query 1: Utilisation of Medicines and Medicines

1.1 Medicines and Health Supplies Accountability

It was observed that vital documents including stock cards, patients registers, dispensing logs and other relevant documents were missing.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

1.2 Expired Drugs

It was observed that some medicines had expired and stayed for a period ranging from 4 months to 2 years without destruction.

For observations and recommendations refer to cross cutting issue number 3.5.2.3

1.3 Understaffing

It was observed that out of 190 approved positions in Gombe Hospital, only 106 (56%) were filled leaving 84 (44%) positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 2: Pension and Gratuity Arrears

The District had not paid pension and gratuity arrears to the tune of UGX.909,238,956 of which UGX.30,542,073 had been verified and approved for payment as disclosed in the commentary on the financial statements by the Head of Finance.

For observations and recommendations refer to cross cutting issue number 3.15

Query 3: Low Recovery of Youth Livelihood Program Funds

Analysis of recovery of the program funds revealed that out of UGX.199,789,767 due for recovery as at 30th June 2017 only UGX. 31,748,000 (15.9%) had been recovered, leaving a balance of UGX .168,041,767 (84.1%) outstanding.

For observations and recommendations refer to cross cutting issue number 3.7

Query 3: Understaffing

The District has an approved staff structure of 1,354 positions out of which only 925 (68%) are filled leaving a staffing gap of 429 (32%) positions.

For observations and recommendations refer to cross cutting issue number 3.6

Query 4: Lack of a Property Valuation List

The District did not carry out valuation of properties to compile the property valuation list to guide local revenue assessment and collection by the District. This greatly affected property rates revenue as there was no basis for levying and collecting this tax from the eligible property taxpayers.

For observations and recommendations refer to cross cutting issue number 3.3

Query 5: Lack of a Fully Constituted District Land Office

Contrary to Section 60(6) of the Land Act, the District had only positions of Physical Planner and District Surveyor filled but the positions of the District Land Officer, District Valuer and District Registrar were not filled.

Observation

The Committee observes that land matters in Butambala District Local Government were not prioritized to safeguard the District's natural resources. There was no security of tenure and this may lead to land wrangles and conflicts.

Recommendation

The Committee recommends that the query be upheld, and the Accounting Officer continues lobbying Central Government to show the importance of safeguarding land resources.

Query 6: Lack of a Land Title for the Lagoon Land

Audit observed that the lagoon land was not titled, contrary to Section 58(4) of the Local Government Financial and Accounting Regulations, 2007.

For observations and recommendations refer to cross cutting issue number 3.8

Query 7: Lack of Laboratory Reagents

Interview with Management revealed that there was insufficient supply of laboratory reagents during the year especially for renal and liver function tests yet they were needed in the laboratory due to the increasing cases.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

29. BUIKWE DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Utilisation of Medicines and Medical Supplies

1.1 Understaffing

Out of the 190 approved positions at Kawolo Hospital, only 160 (84%) posts were filled, leaving 30 (15.7%) positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

1.2 Non-Availability of Records at Kawolo Hospital

Records relating to Determine HIV Test Kits for the period July 2016 to November 2016 were not presented for audit.

Observation

The Committee learnt that the stock cards were taken by State House Health Monitoring Unit (HMU).

Recommendation

- i. The Committee recommends that the Accounting Officer should ensure the return of the original documents from the Management of HMU.
- ii. The Committee further recommends that the query should be upheld.

Query 2: Failure to Implement Budget as approved by Parliament

Out of the budgeted revenue of UGX.33,572,801,470, the District received UGX.24,024,215,637 resulting into a shortfall of UGX.9,548,585,833 (28%). In addition out of UGX.7,763,659,613 received under ICEIDA Project, only UGX.6,916,543,860 (89%) was utilized leaving a balance of UGX.847,115,753 (11%) unutilised by the end of the financial year under review. Consequently a number of planned outputs for an amount of UGX.3,795,393,000 were not implemented.

For observations and recommendations refer to cross cutting issue number 3.1

Query 3: Illegal Management of Buikwe Land by Mukono District Land Board

A review of the Land Board Minutes revealed that Mukono District continued to issue freehold land titles and leases on land under Buikwe District jurisdiction contrary to the Land Act. Consequently, Buikwe District lost control over management of its land and revenue in form of premiums.

Observation

The Committee observes that Mukono District Local Government was interfering in the management of land belonging to its neighboring districts of Buikwe and Buvuma.

Recommendations

The Committee recommends that:

- i. the Accounting Officer should seek court redress with the view of having land titles issued by Mukono District Land Board, cancelled.
- ii. the three districts of Mukono, Buikwe and Buvuma convene together with the Commissioner, Land Registration with the view of resolving the matter.

Query 4: Mismanagement of Public Land at Bugoba LC 1

A review of Minute 105/06/15 of the 14th Buikwe District Land Board meeting held on 12th June, 2015, revealed that the Board approved a freehold application for Nyombi Henry for land at Bugoba A, Kabizzi Parish in Nyenga Sub County measuring 10.16 hectares but instead 30.435 hectares were issued to the applicant.

Observation

The Committee established that titles were issued fraudulently and that the Accounting Officer had applied for a caveat on the land.

Recommendation

The Committee recommends that the query be upheld.

Query 5: Outstanding Commitment

Management accumulated outstanding commitments to UGX. 146,911,840, thereby contravening the Commitment Control Policy and Regulation 11(d) of the Local Government Financial and Accounting Regulations, 2007.

Observations

The Committee established that:

- i. the bill accumulated due to:
 - a. high power consuming equipment that was donated to the Hospital
 - b. inadequate Primary Health Care (PHC) funds.
- ii. given the District's weak local revenue base, it was constrained to finance the outstanding commitments of UGX.146,911,840.

Recommendations

The Committee recommends that:

- i. bills arising from consumption of power in health centers should not be treated as industrial electricity consumption
- ii. the outstanding bill of UGX.146,911,840 should be settled by Ministry of Health as the District had no capacity to settle it.
- iii. Management of all highway hospitals should be centralized.

Query 6: Low Recovery of Youth Livelihood Program Funds

An analysis of the recovery of program funds revealed low recovery of UGX.36,389,139 (22%) out of UGX.170,343,000 that was due for recovery. UGX.133,503,139 (78%) remains outstanding.

For observations and recommendations refer to cross cutting issue number 3.7

Query 7: Lack of Ownership of Kawolo Hospital Land

The Hospital sits on a 23.4 acre piece of land purported to have been donated to it by Sugar Corporation Uganda Limited (SCOUL) who claimed to have a freehold interest in the land. A review of correspondences on file revealed that the land in question is part of Mailo Land estate of the late Kyagulanyi Isaac Mucwa approximately 5.5 square miles situated at Lugazi in Kyaggwe-now administered by Senono Yawe Muhammad and Kyagulanyi Ibrahim as per the High Court Letters of Administration dated 30th July, 2014. Conversion of the Mailo land into freehold by SCOUL was reportedly being contested by the Administrators of the estate who requested the Hospital to purchase the interest it had in the said land. This puts the hospital at a risk of eviction if the demands of the Administrator of the estates are not met.

Observation

The Committee established that the matter was in court.

Recommendation

The Committee recommends that the query be upheld.

30. LUWEERO DISTRICT LOCAL GOVERNMENT *(Unqualified Opinion)*

Query 1: Utilisation of Medicines and Medical Supplies

1.1 Stock Outs

Analysis of delivery cycles, balance on stock cards revealed that 6 items out of the 11 selected indicator medicines experienced stock outs within

the audit period. Noticeably was Coartem-18 which was out of stock for a period of 89 days and Mama kits for 134 days at Luwero Health Centre II, while Determine test kit was out of stock for 292 days and gloves-medium non sterile for 214 days at Nyimbwa Health Centre IV.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 2: Unpaid Pension

The District had not paid and gratuity to 498 pensioners in accumulated pension and gratuity arrears to the tune of UGX.1,181,095,074.

For observations and recommendations refer to cross cutting issue number 3.15.

Query 3: Outstanding Salary Arrears

Audit revealed that the District had not paid salary arrears totaling to UGX.973,00,000 dating as far back as Financial Year 2011/12.

Observation

The Committee noted that out of the figure queried, only UGX.25 Million remains outstanding.

Recommendation

The Committee recommends that the Accounting Officer should ensure that residue salary arrears are cleared as soon as possible.

Query 4: Failure to Implement Budget as approved by Parliament

Audit revealed that a number of planned outputs for an amount of UGX.378,935,000 were not implemented.

For observations and recommendations refer to cross cutting issue number 3.1

Query 5: Low Recovery of Youth Livelihood Program Funds

Analysis of recovery of the programme funds by the District revealed low recovery of UGX.50,002,500 (13.7%) out of UGX.364,346,787 due for recovery as at 30th June 2017, leaving a balance of UGX.314,344,287 (86.3%).

For observations and recommendations refer to cross cutting issue number 3.7

Query 6: Management of Local Forest Reserves

Audit revealed that the District did not present a plan on replanting, protection and maintenance of the forest reserves for audit verification.

Observation

The Committee established that the plans were in existence although not presented for verification at the time of audit.

Recommendation

The Committee recommends that the Accounting Officer should ensure cooperation with the audit team.

Query 7: Service Delivery

7.1 Non Functional Boreholes

Audit revealed that 36 boreholes remained nonfunctional.

Observation

The Committee observes that the Accounting Officer adhered to the Auditor General's advice and repaired 31 water sources.

Recommendations

The Committee recommends that:

- i. the Accounting Officer should ensure that water sources so rehabilitated are managed in a sustainable way so as to avoid unnecessary costs/expenditures on maintenance.
- ii. the Accounting Officer should prioritise provision of water sources to education institutions, health centers and markets.

7.2 Lack of maintenance programme for roads constructed under projects.

A review of the District's Annual Road Maintenance Programme revealed that roads constructed under the Community Agricultural Infrastructural Improvement Programme (CAIIP) and the District Livelihoods Support Programme (DLSP) were not included in the budget for routine maintenance.

Observations

The Committee observes that:

- i. the Accounting Officer did not prioritise routine road maintenance. This was evidenced by inclusion of only two road projects: the 7.3km Lukole-Bajjo-Kisingiri-Lumansi Road and the 9.0km Kikoza-Kyalugonda-Naluvule Road, out of a total of 11 road projects.
- ii. whereas the entities were autonomous, they had limited capacity to finance the road projects under their jurisdiction.

Recommendation

The Committee recommends that the Accounting Officer should all include road projects in subsequent budgets for routine maintenance.

7.3 Luwero-Rwenzori Development Project

On 29th September 2016 the Office of the Prime Minister released UGX.42,660,000 through EFT.10895487 for operationalization of hydra form block yards in Luwero District. The District advanced the funds to Bamunanika Constituency Veterans Forum on 17th November 2016 for production of hydro foam blocks. It was observed that the groups did not have a Community Based Organisation [CBO] Registration Certificate. It was further observed that there were no records showing the inputs and outputs of the project and on inspection, the machines were found idle.

Observations

The Committee established that:

- i. some political leaders in the District coordinated support from the Office of the Prime Minister for Bamunanika Veterans Constituency Veterans Forum to receive hydra foam machines.
- ii. the District was only used as a conduit for funds to reach the Veterans Forum.

Recommendation

The Committee recommends that the matter be referred to Police for further investigations.

31. MUKONO DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1 –Utilisation of Medicines and Medical Supplies:

Stock Outs

Six (6) items out of the 11 (eleven) selected indicator medicines experienced stock outs within the audit period. Noticeably, Coartem-Adult was out of stock for 33 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 2 – Unpaid Pension and Gratuity Arrears

The District had not paid pension and gratuity to 193 pensioners in accumulated pension and gratuity to the tune of UGX. 987,340,720.

For observations and recommendations refer to cross cutting issue number 3.15

Query 3 –Receivables

An amount of UGX. 418,865,491 disclosed in the statement of financial position represents receivables not recovered during the year. Money owed to District represents an asset that is idle, as it denies the District the opportunity of using the money to provide services promptly. Included in the balance is an amount of UGX..6,775,000 allegedly misappropriated.

For observations and recommendations refer to cross cutting issue number 3.3

Query 4 – Low Recovery of Youth Livelihood Program Funds

Analysis of recovery of the programme funds at the District revealed low recovery. UGX.484,340,976 was due for recovery from 25 Youth Interest Groups by 30th June 2017. However only UGX.103,000,000 (21%) was recovered leaving an outstanding balance of UGX.381,340,976 (79%).

For observations and recommendations refer to cross cutting issue number 3.7

Query 5 – Lack of a District Service Commission

The District does not have a functional District Service Commission, contrary to Section 54(1) and (2) of the Local Government Act.

Observation

The Committee established that new Members had been appointed to the District Service Commission though they were not yet in post.

Recommendation

The Committee recommends that the query should be dropped.

Query 6 – Issuing of Illegal Land Titles in Zirimiti Central Forest Reserve

Contrary to Section 13(1), (2) and (48)(e) of the National Forestry and Tree Planting Act, 2003, Mukono District Land Board issued illegal land titles in Zirimiti Central Forest Reserve.

Observation

The Committee established that the Accounting Officer cancelled the land titles issued in the forest reserve.

Recommendation

The Committee recommends that the query be dropped.

32. WAKISO DISTRICT LOCAL GOVERNMENT

Query 1: Utilization of Medicines and Medical Supplies

1.1 Stock outs of Medicines and Health Supplies

Audit observed that 5 items out of the eleven selected indicator medicines experienced stock outs within the audit period. Noticeably Mama Kits were out of stock for 103 days and Coartem for 63 days at Entebbe Hospital.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

ii. Expired Drugs

Audit inspected the storage of expired medicines and observed that units of assorted expired essential medicines and health supplies had expired and had not been destroyed.

For observations and recommendations refer to cross cutting issue number 3.5.2.3

Query 2: Understaffing

Out of the approved structure of 48 staff in Buwambo Health Center IV only 17 representing (35%) posts were filled leaving 31 posts vacant. In Wakiso HCIV out of 16 approved positions 4 posts were filled leaving 12 vacant, and in Entebbe Hospital out of the 190 approved positions only 141 positions were filled leaving 49 positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 3: Unpaid Pension Arrears

Audit revealed that the District had not paid pension and gratuity to 56 pensioners in accumulated pension and gratuity arrears to the tune of UGX. 1,315,395,028.

For observations and recommendations refer to cross cutting issue number 3.15

Query 4: Failure to implement Budget as approved by Parliament

Audit observed that out of the budgeted revenue of UGX. 64,987,545,689 the district received UGX. 55,489,672,941 (85%) resulting into a shortfall of UGX. 9,497,872,748.

For observations and recommendations refer to cross cutting issue number 3.1

Query 5: Low Recovery of Youth Livelihood Program Funds

An analysis of recovery of program funds revealed that out of UGX. 1,352,053,958 due for recovery only UGX. 99,940,000 was recovered leaving UGX. 1,252,113,958 outstanding.

For observations and recommendations refer to cross cutting issue number 3.7

Query 6: Mismanagement of Designated Areas

i. Forest Reserves

The audit team observed that land titles were allocated within the forest reserves of Kitibulu, Nonve and Bukasa.

Observation

The Committee was availed with documents confirming cancellation of titles

Recommendation

The Committee recommends that the District should in future be more vigilant to avoid future occurrences of the same.

ii. Wetlands

A title for plot 677 block 170 totalling to 4.8290ha was issued on 12th February 2016 lying within the Lwajali wetland protection buffer zone. An inspection of Kabojja and Lubigi swamps revealed that the swamps had been taken over by individuals who had constructed temporary structures in the swamps.

Observation

The Committee noted that:

- i. the issuance of the title was taken up by the Land Inquiry Commission.
- ii. In regard to individuals who have encroached on Lubiji and Kaboja swamps, the matter is being handled by the Ministry of Water and Environment.

Recommendation

The Committee:

- i. awaits the verdict of the
- ii. urges the Ministry of Water and Environment to quickly restore areas of Lubiji and Kaboja swamps that have been encroached upon.

Query 7: Outstanding Utility Bills at Entebbe Hospital

Audit found an outstanding bill of UGX. 342,319,113 in respect of water and electricity for Entebbe Hospital.

For observations and recommendations refer to cross cutting issue number 3.5.1

33. MPIGI DISTRICT LOCAL GOVERNMENT *(Unqualified Opinion)*

Query 1: Utilization of Medicines and Medical Supplies

1.1 Unaccounted for Medicines and Health supplies

Audit revealed that there was a variance between closing stock card balance and physical count worth UGX. 20,889,923.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

1.2 Expired medicines

Audit revealed that a consignment of expired medicines were delivered to Mpigi Health Center IV by the lower Health Centers and at the time of audit in September 2017 it was still at the district store.

For observations and recommendations refer to cross cutting issue number 3.5.2.3

Query 2: Failure to implement budget as approved by Parliament

Audit revealed that out of the budgeted revenue of UGX. 22,961,167,490, the district received UGX. 20,967,224,784 (91%) resulting into a shortfall of UGX. 1,993,942,706 (9%).

For observations and recommendations refer to cross cutting issue number 3.1

Query 3: Low Recovery of Youth Livelihood Program Funds

An analysis of recovery of the program funds at the District revealed low recovery of UGX. 44,874,000 (20.5%) out of UGX. 218,816,000 due for recovery leaving a balance of UGX. 173,942,000 (79.5%) outstanding.

For observations and recommendations refer to cross cutting issue number 3.7

Query 4: Staffing

Out of the approved staff structure of 1,585 positions only 1,479 (93%) posts are filled leaving a staffing gap of 106 (7%) positions.

For observations and recommendations refer to cross cutting issue number 3.6

Query 5: Failure to meet the minimum standards in Primary Schools

Audit inspection of St. Joseph Ntambi Primary School revealed that classes for P.3 were being conducted under a shade and makeshift classroom with inadequate desks.

For observations and recommendations refer to cross cutting issue number 3.10

34. NAKASEKE DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1: Utilization of Medicines and Health Supplies

1.1 Lack of stock cards

Review of the utilization of Medicines and Health supplies at the wards and departments at Nakaseke Hospital and Semuto HC IV revealed that

medicines and Health Supplies supplied to the departments were not recorded in stock cards in 16 out of 18 departments.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

1.2 Expired Drugs

Audit observed that some medicines had expired and stayed for a period of more than 12 months without destruction at Wakyato Health Center III.

For observations and recommendations refer to cross cutting issue number 3.5.2.3

1.3 Understaffing

Out of the 158 positions of approved structure of Nakaseke Hospital only 122 (77%) posts were filled leaving 36 (23%) positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 2: Unpaid Pension Arrears

Audit revealed that the District had not paid pension and gratuity to eight pensioners in accumulated pension and gratuity arrears to the tune of UGX. 174,094,145 which had been submitted by the Ministry of Finance, Planning and Economic Development.

For observations and recommendations refer to cross cutting issue number 3.15

Query 3: Failure to implement Budget as approved by Parliament

Audit revealed that that out of the budgeted revenue of UGX. 22,981,138,442; the district received UGX. 20,754,752,413 (90.3%) resulting into a shortfall of UGX. 2,229,386,029 representing (9.7%).

For observations and recommendations refer to cross cutting issue number 3.1

Query 4: Understaffing

Audit revealed that out of the approved 182 positions only 139 (76.4%) posts are filled leaving a staffing gap of 43 (23.6%).

For observations and recommendations refer to cross cutting issue number 3.6

Query 5: Unresolved Disciplinary Case

Section (F-S)(8)(b) of the Public Service Standing Orders states that where an officer is interdicted, the responsible officer shall ensure investigations are done in any case within 3 months for cases that do not involve police and courts and 6 months for cases that involve police and courts of law. Audit revealed that a staff who was interdicted for some disciplinary cases had his interdiction delayed and he took the district to court.

Observation

The Committee established that the services of the said Officer were terminated.

Recommendation

The Committee recommends that the query be dropped.

35. SEMBABULE DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Irregular Payment of salary to Teachers with suspected forged registration certificates

Included in the employee costs of UGX. 14,933,106,008 under note 6 to the financial statements is payment of salaries to teachers amounting to UGX. 580,853,676. The verification by the Ministry of Education and Sports revealed that the teachers had forged registration certificates. Consequently they were irregularly paid.

Observation

The Committee established that the culprits disappeared and were removed from the payroll and that the matter is still with police.

Recommendation.

The Accounting Officer was directed to keep the Committee updated on the progress of the case.

Query 2: Failure to implement Budget as approved by Parliament

Out of the budgeted revenue of UGX. 23,170,368,872 the district received UGX. 21,618,521,786 (94%) resulting into a shortfall of UGX. 1,551,847,086. Audit further observed that a number of planned outputs of an amount of UGX. 385,401,333 were not implemented.

For observations and recommendations refer to cross cutting issue number 3.1

Query 3: Understaffing

Out of the approved staff structure of the 149 positions only 89 (60%) positions were filled leaving a staffing gap of 60 positions representing (40%)

For observations and recommendations refer to cross cutting issue number 3.6

Query 4: Land Titles

Audit revealed that the District does not have titles to its land where its offices are located.

For observations and recommendations refer to cross cutting issue number 3.8

36. KALUNGU DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1: Inadequate Controls surrounding management of Domestic arrears.

Audit inspection revealed that an amount of UGX. 557,478,584 was irregularly incurred as domestic arrears outside the approved estimates appropriated by Parliament and consequently there has been an increase in domestic arrears over a period of three years from UGX. 67,591,219 in 2014/15 to UGX.557,478,584 in 2016/17.

For observations and recommendations refer to cross cutting issue number 3.9

**Query 2: Utilization of Medicines and Health Supplies
Expired Drugs**

Audit revealed that there were expired drugs that had lasted for more than six (6) months.

For observations and recommendations refer to cross cutting issue number 3.5.2.3

Query 3: Low Recovery of Youth Livelihood program funds

An analysis of recovery of Youth Livelihood Program funds revealed that the district expected to recover UGX. 170,666,840 during the year but only UGX. 60,458,000 was recovered leaving a balance of UGX. 110,208,840 (64.6%) as at 30th June 2017.

For observations and recommendations refer to cross cutting issue number 3.7

Query 4: Understaffing

Out of the approved staff structure of 174 positions only 96 (55.2%) positions were filled leaving 78 (44.8%) posts vacant.

For observations and recommendations refer to cross cutting issue number 3.6

37. KIBOGA DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Failure to Implement Budget as approved by Parliament.

Audit revealed that out of the budgeted revenue of UGX. 17,388,429,577 the district received UGX. 16,589,641,709 (95.4%) resulting into a shortfall of UGX. 798,787,868 (4.6%). Consequently a number of planned outputs were not implemented. These included a 30 Hectares of Agro Forestry demonstrations budgeted at UGX. 5,000,000 and planting of 105 hectares of trees budgeted at UGX. 26,300,000.

For observations and recommendations refer to cross cutting issue number 3.1

Query 2: Stock outs at Kiboga Hospital and Bukomero Health Center.

Audit observed that 6 items out of the eleven selected indicator medicines experienced stock outs within the audit period ranging from 1 day to 222 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

38. LWENGO DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Utilization of Medicines and Health Supplies

1.1 Medicines and Health Supplies Accountability

It was observed that 402 boxes of coartem each costing UGX. 40,639 making a total of UGX. 16,336,878 was not accounted for. There were no requisitions and issue vouchers to show the movement of medicines.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

Query 2: Low Recovery of Youth Livelihood Program Funds.

An analysis of recovery of the Youth Livelihood program Funds revealed that the district expected to recover UGX. 394,335,950 but only UGX. 98,870,000(25%) was recovered leaving a balance of UGX. 295,465,950 (75%) as at 30th June 2017.

For observations and recommendations refer to cross cutting issue number 3.7

39. KIBAALE DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1: Failure to implement budget as approved by Parliament

Audit revealed that contrary to Section 45 (3) of the Public Finance Management Act, 2015, audit revealed that out of the budgeted revenue of UGX. 14,803,460,000 the district received UGX. 13,120,585,208 (89%) resulting into a shortfall of UGX. 1,682,874,792 (11%). Subsequently, a number of planned outputs for an amount of UGX. 334,825,146 were not implemented.

For observations and recommendations refer to cross cutting issue number 3.1

40. HOIMA DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1: Inadequate Controls Surroundings Management of Domestic Arrears

Audit found that there was no budget provision for settlement of Pension and gratuity totaling to UGX. 588,646,718, hence posing a risk of litigation and diversion of funds for settling the obligations.

For observations and recommendations refer to cross cutting issue number 3.9

Query 2: Under collection of Local Revenue

Contrary to Regulation 32 of the Local Governments Financial and Accounting Regulations (LGFARs) 2007 which, requires prompt collection

of revenue due to the District and bank it intact, audit revealed that out of the budgeted local revenue of UGX. 986,774,000 only, UGX. 772,661,059 (78%) was realized resulting into a shortfall of UGX. 214,112,941 (22%). The under collection of local revenue adversely affected service delivery in the district.

For observations and recommendations refer to cross cutting issue number 3.3

Query 3: Under Staffing

Out of the approved staff structure of 2814 positions, audit found that the District had only 2056 (73%) positions filled, leaving a staffing gap of 758 (27%) positions. Understaffing overstretches the available staff beyond their capacity, creates job-related stress to the fewer staff and negatively affects the level of public service delivery to the community.

For observations and recommendations refer to cross cutting issue number 3.6

Query 4: Lack of Land titles

Audit found that the district did not have a title to the land where its offices are located.

For observations and recommendations refer to cross cutting issue number 3.8

41. BUNDIBUGYO DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Inadequate Controls Surroundings Management of Domestic Arrears

Audit found that an amount of UGX 589,323,051 for payments for domestic pension arrears was not properly accounted for as it lacked necessary supporting documentation.

For observations and recommendations refer to cross cutting issue number 3.9

Query 2: Utilisation of Medicines and Health Supplies

a) Stock outs of Medicines and health Supplies

Audit revealed that out a preselected sample involving Bundibugyo General hospital and Kikyo and Nyakahuka HC IVs, 3 (three) out of the 11 (eleven) selected tracer medicines experienced stock outs within the audit period for periods between 5 and 83 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 3: Under Staffing

Audit found that the three health facilities of Bundibugyo General Hospital and Kikyo and Nyakahuka HC IVs, have a combined approved structure of 256 positions however only 156 (61%) posts were filled, leaving 100 (39%) positions vacant. The critical positions affected included four pharmacists.

For observations and recommendations refer to cross cutting issue number 3.6

Query 4: Employees paid but not on the Payroll

Contrary to the Public Service Standing Orders, General Rules on Payment of Salaries (B - a)1 which requires that Salary payment be paid to bonafide employees who execute official work in the Public service, and Paragraph 5(b) Section (P-d) of the Public Service Standing Orders, 2010 which requires that all officers including support staff irrespective, of rank or terms of service, to a computerised personal and payroll record, audit found that some employees were paid UGX. 54,388,756 yet they did not appear on the payroll.

Observations

The Committee noted that anomaly was due to a system error.

Recommendations

The Committee recommends that the Accounting Officer should recover the funds erroneously paid.

42. MUBENDE DISTRICT LOCAL GOVERNMENT *(Unqualified Opinion)*

Query 1 – Utilisation of Medicines and Health Supplies: Stock Outs at Kassanda Health Centre IV

One (1) item out of the 11 (eleven) selected tracer medicines experienced stock outs ranging between 19 and 87 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 2 – Under Staffing

Out of 52 approved positions at Kassanda Health Centre IV, only 28 (54%) posts were filled leaving 24 (46%) vacant. While at Kiganda Health Centre IV, out of 48 positions approved, 36 (75%) positions are filled

leaving 12 (25%) positions vacant. Among critical vacancies include a Dispenser, a Dentist and 4 Nursing Officers.

For observations and recommendations refer to cross cutting issue number 3.7

Query 3 –Failure to Implement Budget as approved by Parliament

Out of the budgeted revenue of UGX.34,583,343,723, the District received UGX.30,927,528,038 (89.5%) resulting into a shortfall of UGX.3,655,815,6884 (10.5%). A number of planned activities for an amount of UGX.1,690,015,348 were not implemented.

For observations and recommendations refer to cross cutting issue number 3.1

43. KAKUMIRO DISTRICT LOCAL GOVERNMENT

Query 1: Understaffing

Out of the approved staff structure of 138 positions only 48(35%) are filled leaving a staffing gap of 90 (65%).

For observations and recommendations refer to cross cutting issue number 3.6

Query 2: Lack of Land Titles

Audit revealed that the District did not have titles to the land where its premises are located.

For observations and recommendations refer to cross cutting issue number 3.8

Query 3: Unrealized Donor Funds

Audit found that out the approved donor funds budget of UGX. 588,000,000 only UGX. 34,275,100 was realized resulting into a shortfall of UGX. 553,724,900 representing 94%.

For observations and recommendations refer to cross cutting issue number 3.1

Query 4: Expired Drugs

Audit revealed that there were expired drugs stored at Kakumiro Health Center IV.

For observations and recommendations refer to cross cutting issue number 3.5.2.3

44. KAGADI DISTRICT LOCAL GOVERNMENT**Query 1: Utilization of Medicines and Health Supplies****Understaffing**

Audit observed that out of 190 approved positions in the Health Units only 136 (72%) posts were filled leaving 54(28%) positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 2: Low Recovery of Youth Livelihood and Uganda Women Empowerment Program Funds

An analysis of recovery of program funds revealed that out of UGX. 22,313,000 due for recovery only UGX. 20,283,000 (91%) leaving UGX. 2,030,000 (9%) outstanding.

For observations and recommendations refer to cross cutting issue number 3.7

Query 3: Salary Overpayment

Audit revealed that district employees were over paid by UGX. 5,329,339.

Observation

The Committee noted that the overpayment arose from a systems error.

Recommendation

The Committee recommends that the overpayment of UGX. 5,329,339 be recovered.

45. MITYANA DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1 – Utilisation of Medicines and Health Supplies:

1.1. Medicines and Health Supplies Accountability

Audit observed a variance between closing stock card balance and physical count of UGX. 60,388,169.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

1.2. Stock Outs of Medicines and Health Supplies

Audit observed that six (6) items of the 11 (eleven) selected tracer medicines experienced stock outs ranging between 3 and 245 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

1.3. Understaffing at the health facilities

Out of 246 positions at the hospital and 53 approved positions for each of the 3 (three) Health Centres; only 282 (70%) positions were filled, leaving 123 (30%) positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 2 – Outstanding Domestic Arrears

It was observed that UGX.176,899,310 was irregularly incurred as domestic arrears outside the approved estimates appropriated by Parliament and consequently, there has been an increase in domestic arrears over a period of three years from UGX. 94,949,931 to UGX.176,899,310 which makes the trend unsustainable.

For observations and recommendations refer to cross cutting issue number 3.9

Query 3 – Failure to implement budget as approved by Parliament

Out of the budgeted revenue of UGX. 22,217,042,875, the District received UGX. 21,125,091,790 (95%) resulting into a shortfall of UGX. 1,091,951,085 (5%). It was further observed that a number of planned activities amounting to UGX.120,718,181 were not implemented.

For observations and recommendations refer to cross cutting issue number 3.1

Query 4 –Understaffing

The District has an approved staff structure of 147 positions out of which only 90 (61%) were filled leaving 57 (39%) positions vacant.

For observations and recommendations refer to cross cutting issue number
3.6

Query 5 – Low Recovery of Youth Livelihood Program Funds

The District expected to recover UGX.436,817,207 during the year but only UGX.133,975,00 (30.6%) was recovered leaving a balance of UGX.302,841,407 (69.4%) outstanding.

For observations and recommendations refer to cross cutting issue number
3.7

Query 6 – Lack of Land Titles

The District does not have land titles to the various pieces of land under its jurisdiction except for the land where the District offices are located.

For observations and recommendations refer to cross cutting issue number
3.8

46. KALANGALA DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1 – Failure to implement budget as approved by Parliament

Out of the budgeted revenue of UGX.19,911,268,000, the District received UGX.17,946,323,157 (90%) resulting into a shortfall of UGX.1,964,944,843 (10%). Most planned activities were not implemented.

For observations and recommendations refer to cross cutting issue number
3.1

Query 2 – Understaffing

The District has an approved staff structure of 440 out of which only 333 (76%) positions were filled leaving 111 (24%) positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 3 – Low Recoveries in the Youth Livelihood Programme

An analysis of recovery of Youth Livelihood Program funds revealed that the District expected to recover UGX.532,302,000 during the year but only UGX.66,823,750 (12.5%) was recovered leaving a balance of UGX.465,478,250 (88.5%) as at 30th June 2017.

For observations and recommendations refer to cross cutting issue number 3.7

47. KYANKWANZI DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)**Query 1 – Low Recoveries in the Youth Livelihood Programme**

An analysis of recovery of the Program funds by the District revealed low recovery of UGX.111,633,350 (32%) out of UGX.343,135,000 which was due for recovery as at 30th June 2017, leaving a balance of UGX.231,501,560 (68%) outstanding.

For observations and recommendations refer to cross cutting issue number 3.7

Query 2 – Lack of Accountability of Borehole Spare Parts

UGX .30,647,408, was spent on purchase of borehole spare parts with no assessment reports, and the spare parts were not recorded in the stores register.

Observations

The Committee observes that:

- i. the Accounting Officer failed to produce the assessment report to confirm purchase of borehole spare parts, rendering the procurement process doubtful.
- ii. repairs were made on the borehole in an adhoc manner without recourse to assessment reports.
- iii. there was laxity on the part of Accounting Officer, the Chief Finance Officer and the District Water Officer .

Recommendations

The Committee recommends that the Accounting Officer recovers the UGX.30,647.408 from the District Water Officer.

48. RAKAI DISTRICT LOCAL GOVERNMENT *(Unqualified Opinion)*

Query 1 – Utilisation of Medicines and Health Supplies

i. Lack of Stock Cards

Stock cards were not maintained in departments/wards hence making it difficult to verify utilization of the drugs. The shortcoming may be a result of mismanagement or poor record keeping.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

Query 2 –Understaffing

Out of five (5) approved positions in Kalisizo Hospital, only one (1) 20% of the posts was filled, leaving four (4) representing 80% positions vacant. Among the vacant positions is the critical position of Pharmacist.

For observations and recommendations refer to cross cutting issue number 3.6

Query 3 – Failure to Implement Budget as approved by Parliament

Out of the budgeted revenue of UGX.47,245,310,449, the District received only UGX. 43,722,141,569 (92.5%) resulting in a shortfall of UGX. 3,523,168,880 (7.5%). It was further observed that a number of planned outputs to the tune of UGX. 2,557,267,956 were not implemented.

For observations and recommendations refer to cross cutting issue number 3.1

49. BUKOMANSIMBI DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1 – Utilisation of Medicines and Health Supplies

1.1 Stock Outs of Medicines and Health Supplies

Two (2) items out of the eleven (11) selected tracer medicines experienced stock outs ranging between 6 and 251 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

1.2 Expired Drugs

Audit observed that 763 units of various medicines had expired and stayed for a period of two years without destruction.

For observations and recommendations refer to cross cutting issue number 3.5.2.3

Query 2 – Understaffing

The District has an approved staff structure of 193 positions of which 86 (45%) were filled leaving a staffing gap of 107 (55%).

For observations and recommendations refer to cross cutting issue number 3.6

50. MASAKA DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1 – Utilisation of Medicines and Medical Supplies:

i. Understaffing

Out of 46 approved positions at Kyannamukaaka Health Centre IV, only 34 (73.9%) posts were filled, leaving 12 (26.1%) positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 2 – Encroachment on Lake Birinzi

A review of Council Minute 33/MSK DLG/Feb/ 2016/17 revealed that Lake Birinzi is facing encroachment by an individual who claims ownership of the Lake. There is a risk that this public resource may be taken over by an individual.

Observation

The Committee learnt that the Uganda Land Commission issued a land title in respect of Lake Birinzi to Hon. Hajji Muyanja Mbabaali without the knowledge of Masaka District Land Board.

The Committee observes that Lake Birinzi being a natural resource, it was wrong for Uganda Land Commission to issue a land title in respect of the same to an individual.

Recommendations

The Committee recommends that:

- i. Masaka District Land Board should be involved in any land transactions in the District,.
- ii. investigations be carried out on the processes involving acquisition of the land title in respect of Lake Birinzi.
- iii. the title for Lake Birinzi be cancelled.

51. LYANTONDE DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1 – Under Collection of Local Revenue

It was observed that out of the budgeted local revenue of UGX.164,727,000 only UGX. 69,984,249 (42.3%) was released resulting into a shortfall of Shs.94,742,751 (57.7%).

For observations and recommendations refer to cross cutting issue number 3.3

Query 2 – Understaffing

The District has an approved staff structure of 1,189 positions out of which only 806 (67.8%) positions are filled leaving a staffing gap of 383 (32.2%).

For observations and recommendations refer to cross cutting issue number
3.6

Query 3 – Lack of Land Title

It was observed that the District does not have title to the land located at Kyemamba in Lyakajura Sub County.

For observations and recommendations refer to cross cutting issue number
3.8

52. KASESE DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1: Under Staffing at Bwera Hospital

Audit revealed that out of the 175 approved positions; only 153 (87%) posts were filled leaving 22 (13%) positions vacant.

For observations and recommendations refer to cross cutting issue number
3.6

53. NTOROKO DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1: Utilization of Medicines and medical Supplies

The Audit team preselected a sample of one health facilities, namely Karugutu Health Center IV and observed as follows:

1.1 Medicines and medical supplies manual

Medicines and medical supplies worth UGX. 29,533,853 from Karugutu Health Center IV were not properly accounted for. There were no stores

cards and ledgers maintained contrary to the management of medicines and health supplies.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

1.2 Stock outs of Medicines and Health Supplies

Audit revealed that 8 (eight) out of the 11 (eleven) selected tracer medicines experienced stock outs ranging between 6 and 199 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

54. KABAROLE DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1. Utilization of medicines and medical supplies.

The Auditor General considered a sample of one Health Center IVs namely Bukuku Health Center IV and made the following observations:

1.1 Stock Outs of Medicines and Health Supplies

Audit revealed that six items out of the eleven tracer medicines experienced stock outs ranging between 9 and 68 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 2: Under Collection of Local Revenue

Audit revealed that out of the budgeted local revenue of UGX. 505,019,000 only UGX. 445,664,144 (88%) was realized resulting into a shortfall of UGX. 59,354,856 representing 12%.

For observations and recommendations refer to cross cutting issue number
3.3

55. KAMWENGE DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1: Failure to implement budget as approved by Parliament

Out of the budgeted revenue of UGX.24,800,056,000, the District received UGX.20,742,995,950 (84%) resulting into a shortfall of UGX.4,057,160,050 (16%).

For observations and recommendations refer to cross cutting issue number
3.1

Query 2: Under Collection of Local Revenue

Out of the budgeted local revenue of UGX.647,755,000, only UGX.563,773,032 (87%) was realized resulting into a shortfall of UGX.83,981,968 (13%).

For observations and recommendations refer to cross cutting issue number
3.3

56. KIRYANDONGO DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1 Inadequate Controls Surrounding management of Domestic Arrears

Audit revealed that an amount of UGX 253,364,334 was irregularly incurred as domestic arrears outside the approved estimates

appropriated by parliament and consequently there has been an increase in domestic arrears totaling UGX 41,742,356.

For observations and recommendations refer to cross cutting issue number 3.9

Query 2 Under collection of Local revenue

Audit revealed that out of the budgeted local revenue of UGX 264,088,00, only 174,228,238 (66%) was realised, resulting into a shortfall of UGX 89,859,672 (34%)

For observations and recommendations refer to cross cutting issue number 3.3

Query 3 Failure to implement Budget as approved by Parliament.

Audit revealed that out of the budgeted local revenue of UGX 3,562,743,397, the district received UGX 2,450,441,472, resulting into a shortfall of UGX 1,112,301,925 (31%).

For observations and recommendations refer to cross cutting issue number 3.1

Query 4 Understaffing

The district has an approved staff structure of 140 positions out of which only 103 (74%) are filled, leaving a staffing gap of 37 (26%) positions.

For observations and recommendations refer to cross cutting issue number 3.6

Query 5 Low Recovery of Youth livelihood Programme Funds

The district expected to recover UGX 170,767,573 but only UGX 98,179,000 (57%) was recovered, leaving UGX 72,588,573 (43%) outstanding.

For observations and recommendations refer to cross cutting issue number 3.7

57. BULIISA DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1: Failure to implement Budget as approved by Parliament

Out of the budgeted revenue of UGX.11,146,309,000, the District received UGX.9,360,012,635 (84%) resulting into a shortfall of UGX.1,786,296,365 (16%).

For observations and recommendations refer to cross cutting issue number 3.1

58. KYENJOJO DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1: Utilisation of Medicines and Medical Supplies

1.1 Unaccounted for Medicines and Health Supplies

Audit observed a variance between opening stock, what was received from NMS, total quantity issued out and the physical count of UGX.10,503,946 at Kyenjojo General Hospital.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

1.2 Expired Drugs

Various units of medicines had expired and stayed for a period of more than one year without destruction.

For observations and recommendations refer to cross cutting issue number 3.5.2.3

1.3 Understaffing

Out of the 190 approved positions, only 112 (59%) were filled leaving 78 (41%) positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

59. KYEGEGWA DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1: Utilisation of Medicines and Medical Supplies

1.1 Stock Outs

Three (3) items out of the 11 (eleven) selected indicator medicines experienced stock outs within the audit period. Noticeably mama kits were out of stock for 239 days and metronidazole for 56 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

1.2 Expired Drugs

Some medicines and commodities including: injectable adrenaline, Diazepam, Furosemide, Dexamethasone, Lignocaine and Cotrimoxazole

junior, Salbutamol, Tab Misoprostal and Injector Plan had expired and stayed for long without destruction.

For observations and recommendations refer to cross cutting issue number 3.5.2.3

Query 2: Failure to Implement Budget as approved by Parliament

Out of the budgeted revenue of UGX.14,799,572,875, the District received UGX.14,052,895,776 (95%) resulting into a shortfall of UGX.746,677,099 (5%). In some instances all activities were not implemented despite the fact that funds required were released occasioning unspent balance of UGX.1,094,511,897.

For observations and recommendations refer to cross cutting issue number 3.1

Query 3: Lack of Land Titles

The District does not have title to the land where its premises are located, contrary to Regulation 58(4) of the Local Governments Financial and Accounting Regulations, 2007.

For observations and recommendations refer to cross cutting issue number 3.8

60. MASINDI DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1: Inadequate Controls surrounding Management of Domestic Arrears

Audit observed that there has been an increase in domestic arrears over a period of three years which makes the trend unsustainable. Audit

further observed that there was no budget provision for settlement of domestic arrears of pension and gratuity amounting to UGX.1,143,629,417 posing a risk of diversion of funds for settling the obligations.

For observations and recommendations refer to cross cutting issue number 3.9

Query 2: Failure to implement Budget as approved by Parliament

Out of the budgeted revenue of UGX.19,201,416,098, the District received UGX.18,457,964,068 (96%) resulting into a shortfall of UGX.743,452,034 (4%).

For observations and recommendations refer to cross cutting issue number 3.1

Query 3: Under Collection of Local Revenue

Out of the budgeted local revenue of UGX.972,957,00, only UGX.742,755,000 (76%) was realized resulting into a shortfall of UGX.230,202,000 (24%).

For observations and recommendations refer to cross cutting issue number 3.3

Query 4: Lack of Land Titles

The District does not have title to the land where its premises are located, contrary to Regulation 58(4) of the Local Governments Financial and Accounting Regulations, 2007.

*For observations and recommendations refer to cross cutting issue number
3.8*

61. KAYUNGA DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1 – Utilisation of Medicines and Medical Supplies

i. Medicines and Medical Supplies Accountability

Medicines and medical supplies worth UGX.10,748,072 had been issued to various departments but lacked stock cards and ledgers, which was contrary to the management of Medicines and Health Supplies Manual.

*For observations and recommendations refer to cross cutting issue number
3.5.2.1*

ii. Stock Outs of Medicines and Health Supplies

Six (6) items out of the 11 (eleven) selected indicator medicines experienced stock outs ranging from 58 to 120 days.

*For observations and recommendations refer to cross cutting issue number
3.5.2.2*

iii. Expired Drugs

Medicines worth UGX.8,378,667 had expired and stayed for a period of 2 years without destruction.

*For observations and recommendations refer to cross cutting issue number
3.5.2.3*

Query 2 –Lack of Land Titles

The District did not have titles for the land where its properties like schools, health centers and sub counties are located.

For observations and recommendations refer to cross cutting issue number 3.8

Query 3 – Understaffing

The District has an approved staff structure of 874 positions out of which 644 (73.3%) were filled leaving a staffing gap of 230 (26.3%) positions.

For observations and recommendations refer to cross cutting issue number 3.7

62. BUGIRI DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1: Failure to pay Pension Arrears

Audit observed from financial statements that there was an outstanding UGX. 409,897,212 as pension arrears.

For observations and recommendations refer to cross cutting issue number 3.15

Query 2: Failure to recover Youth Livelihood Program Funds

Audit observed that out of UGX. 291,288,546 due for recovery, only UGX. 103,409,625 (36%) was recovered leaving an outstanding balance of UGX. 187,878,924.

For observations and recommendations refer to cross cutting issue number 3.7

Query 3: Unaccounted for Medicines and Commodities at Bugiri Hospital and Nankoma Health Centre IV

Audit observed variances between opening stock, what was received from National Medical Stores, total quantity issued out and the physical count of UGX.273,707,703.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

Query 4: Outstanding Utility Bills at Bugiri Hospital

The Hospital had outstanding electricity bills of UGX.63,000,000.

Observation

The Committee observes that the Accounting Officer settled the outstanding utility obligations.

Recommendation

The Committee recommends that the query be dropped.

63. MAYUGE DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1. Stock out of essential medicines at Kiterera Health Centre IV

Audit revealed that various items out of the selected indicator medicines experienced stock outs within the audit period.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 2: Under Staffing at Kigandalo and Kityerera health Venter IV

Audit revealed that out of 190 approved staffing level at Kigandalo only 43 positions had been filled resulting in a staffing gap of 147 staff representing 77.3%.

For observations and recommendations refer to cross cutting issue number 3.6

Query 3: Low Rate of Recovery of Youth Livelihood Programme Funds

It was observed that out of the UGX. 354,539,810 due for recovery during the year only UGX. 127,413,000 (36%) was collected leaving a balance of UGX. 227,126,810(64%) outstanding.

For observations and recommendations refer to cross cutting issue number 3.7

Query 4: Failure to Implement Budget as approved by Parliament

Audit revealed that out of the budgeted revenue of UGX. 34,131,670,488 the district received UGX. 28,005,478,258 (82%) resulting into a shortfall of UGX. 6,126,102,230 (18%).

For observations and recommendations refer to cross cutting issue number 3.1

64. NAMAYINGO DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Failure to implement Budget as approved by Parliament

Audit observed that out of the budgeted revenue of UGX.16,452,168,000, the District received UGX.14,899,442,070 (89.6%) resulting into a shortfall of UGX.1,552,725,930 (10.4%). Audit further observed that a number of planned outputs amounting to UGX.1,503,385,208 were not implemented.

For observations and recommendations refer to cross cutting issue number 3.1

Query 2: Low Recovery of Youth Livelihood Program Funds

Audit observed that for the Financial Years 2014/15, 2015/16 and 2016/17, UGX.814,743,750 was distributed to youth groups. However, only UGX.68,974,827 (19%) had been recovered as at 30th June 2017 leaving UGX.365,725,089 outstanding.

For observations and recommendations refer to cross cutting issue number 3.7

Query 3: Lack of Land Titles

The District did not have titles for the land where its institutions like schools, health centres and sub counties were situated.

For observations and recommendations refer to cross cutting issue number 3.8

Query 4: Award of Contracts to Non-Responsive Bidders

The District awarded bids valued at UGX. 419,853,896 to non-responsive bidders, contrary to Regulation 73(2) of the PPDA Local Government's Regulations, 2006 which requires that a substantially compliant and responsive tender to be the one that conforms to all the instructions,

requirements, terms and conditions of the tender documents without material deviation, or omission.

For observations and recommendations refer to cross cutting issue number 3.11

65. LUUKA DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Utilisation of Medicines and Medical Supplies

1.1 Medicines and Medical Supplies Accountability

Audit observed variances between opening stock, what was received from National Medical Stores, total quantity issued out and the physical count of UGX.7,700,324.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

1.2 Understaffing at Kiyunga Health Centre IV

The Health Centre IV has an approved staff structure of 66 positions, out of which only 48 (73%) posts were filled leaving 17 (27%) positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 2: Inadequate Controls surrounding Management of Domestic Arrears

There was an increase in domestic arrears over the period of two years from UGX. 565,650,750 in 2015/16 to UGX.1,139,535,138 in 2016/17 which makes the trend unsustainable. There was also no budget provision to settle the arrears that totals to UGX.1,139,535,138.

For observations and recommendations refer to cross cutting issue number 3.9

Query 3: Low Recovery of the Youth Livelihood Project Revolving Funds

An analysis of recovery of the program funds revealed that out of UGX. 592,000,000 due for recovery, only UGX. .67,000,000 (11%) was recovered leaving UGX.525,000,000 (89%) outstanding.

For observations and recommendations refer to cross cutting issue number 3.7

Query 4: Understaffing at the District

The District has an approved staff structure of 135 positions; out of which only 66 (49%) posts were filled, leaving 69 (9%) positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

66. KAMULI DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Failure to Implement Budget as approved by Parliament

Out of the budgeted revenue of UGX .35,254,559,995, the District received UGX. 33,099,709,543 (93.9%) resulting into a shortfall of

UGX.2,154,850,452 (6.01%). A number of planned outputs valued at UGX.1,193,399,298 were not implemented.

For observations and recommendations refer to cross cutting issue number 3.1

Query 2: Failure to recover funds from Youth Groups

An analysis of the recovery program funds revealed that out of UGX.599,224,843 due for recovery, UGX. 204,217,000 (34%) was recovered leaving UGX. 395,007,843 (66%) outstanding.

For observations and recommendations refer to cross cutting issue number 3.7

67. BUYENDE DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1: Utilisation of Medicines and Health Supplies

1.1 Medicines and Medical Supplies Accountability

Audit observed a variance between the closing stock card balance and physical count of UGX.19,005,372.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

1.2 Stock outs of Medicines and Health Supplies

Audit observed that two (2) items out of the 11 (eleven) selected indicator medicines experienced stock outs within the audit period between 29 and 227 days.

*For observations and recommendations refer to cross cutting issue number
3.5.2.2*

1.3 Expired medicines

Audit observed that units of assorted expired medicines and health supplies had expired and had not been destroyed.

*For observations and recommendations refer to cross cutting issue number
3.5.2.3*

Query 2: Low recovery of the Youth Livelihood Project Revolving Funds

An analysis of the recovery program funds revealed that out of UGX.486,248,000 due for recovery, only UGX.102,152,300 (21%) was recovered leaving UGX.384,095,700 (79%) outstanding.

*For observations and recommendations refer to cross cutting issue number
3.7*

68. IGANGA DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Utilization of Medicines and Medical Supplies

1.1 Stock Outs of Medicines and Health Supplies at the Hospital

Audit observed that four (4) items out of the eleven (11) selected indicator medicines experienced stock outs ranging between 56 and 350 days.

*For observations and recommendations refer to cross cutting issue number
3.5.2.2*

1.2 Understaffing at the Hospital

Out of an approved staff structure of 191 positions only 174 representing 91% posts were filled leaving a staffing gap of 17 representing 9%.

For observations and recommendations refer to cross cutting issue number 3.6

Query 2: Inadequate Controls surrounding Management of Domestic Arrears

The Auditor General observed that there has been an increase in domestic arrears over the period of three years which makes the trend unsustainable. It was further observed that there was no budget provision for the settlement of domestic arrears amounting to UGX. 1,754,025,108.

For observations and recommendations refer to cross cutting issue number 3.9

Query 3: Failure to implement Budget as approved by Parliament

Audit revealed that out of the budgeted revenue of UGX. 42,309,467,527 the district received UGX. 40,704,312,037 representing 96% resulting in a shortfall of UGX.1,605,155,490 representing 3.8%. Further noted was that the planned outputs amounting to UGX. 892,286,308 were not implemented.

In some instances all activities were not implemented despite the fact that funds required were released occasioning unspent balances of UGX. 539,787,735.

For observations and recommendations refer to cross cutting issue number 3.1

Query 4: LOW RECOVERY OF Youth Livelihood Program Funds

An analysis of recovery of the program funds revealed that out of UGX. 320,236,812 due for recovery only UGX. 108,980,000 representing 34% was recovered leaving UGX. 211,256,812 representing 66% outstanding.

For observations and recommendations refer to cross cutting issue number 3.7

Query 5: Lack of Land Titles

Audit observed that the district does not have titles for land where its premises are located.

For observations and recommendations refer to cross cutting issue number 3.8

Query 6: Communities without water sources

Audit revealed that eight (8) villages had no water sources.

Observation

The Committee observes that the Ministry of water gave money for provision of water to communities.

Recommendation

The Committee recommends that the Accounting Officer should follow up with the Ministry of Water and Environment to ensure that the affected communities are provided with water.

69. JINJA DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Utilization of Medicines and Medical Supplies

1.1 Stock outs of Medicines and Health Supplies

Audit revealed that seven items out of the eleven selected tracer medicines experienced stock outs ranging between 45 and 323 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

1.2 Expiry of Drugs

Audit revealed a large quantity of medicines had expired and remained uncollected for destruction for a period of between 1 year and 7 years.

For observations and recommendations refer to cross cutting issue number 3.5.2.3

Query 2: Inadequate Controls surrounding management of Domestic Arrears

Audit revealed that there was an increase in domestic arrears over a period of two years from UGX. 771,087,976 in Financial Year 2015/16 to UGX.1,179,985,159 in Financial Year 2016/17. It was further observed that there was no budget provision for the settlement of the arrears.

For observations and recommendations refer to cross cutting issue number 3.9

Query 3: Low Recovery of Youth Livelihood Program funds

An analysis of recovery of the program funds revealed that out of UGX. 141,844,009 due for recovery only UGX. 62,599,500 representing 44% was recovered leaving UGX. 79,244,509 representing 56% outstanding.

For observations and recommendations refer to cross cutting issue number 3.7

70. KALIRO DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Utilization of Medicines and Health Supplies

1.1 Stock Out of Medicines and Health Supplies

Audit revealed that eight items out of the eleven (11) selected tracer medicines experienced stock outs ranging from between 22 and 182 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 2: Inadequate Controls surrounding Management of Domestic Arrears

Audit observed an increase in domestic arrears over the period of three years from UGX. 109,225,826 to UGX.1,297,214,918 which makes the trend unsustainable. Further observed was the fact that there was no budget provision to settle the domestic arrears.

For observations and recommendations refer to cross cutting issue number 3.9

Query 3: Failure to implement Budget as approved by Parliament

Audit revealed that the district budgeted to collect UGX. 1,210,348,000 from Donor and Government transfers, however, only UGX. 616,102,287 was realized leading to a shortfall of UGX. 594,245,713 representing 49% of the overall budget.

*For observations and recommendations refer to cross cutting issue number
3.1*

Query 4: Low Recovery of Youth Livelihood Program Funds

An analysis of recovery of the program funds revealed that out of UGX. 394,831,816 due for recovery only UGX. 68,775,800 representing 17.4% was recovered leaving UGX. 326,056,016 representing 82.6% outstanding.

*For observations and recommendations refer to cross cutting issue number
3.7*

Query 5: Lack of Land Titles

Audit observed that the district did not have titles for the land for 122 entities out of the 126 institutions such as schools, health centers and sub-counties.

*For observations and recommendations refer to cross cutting issue number
3.8*

71. NAMUTUMBA DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1 Utilization of Medicines and Medical Supplies

1.1 Medicines and Medical supplies Accountability

Audit revealed a variance between opening stock, what was received from NMS, total quantity issued out and the physical count of UGX. 190,534,202 at Nsinze Health Center IV.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

1.2 Stock outs of Medicines and Health Supplies

One item out of the twelve selected tracer medicines experienced stock outs ranging between 4 and 39 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

1.3 Understaffing

Out of 48 approved positions, 34 positions (71%) posts were filled leaving 14 (20%) positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 2 Inadequate Controls Surrounding Management of Domestic Arrears

Audit revealed an increase of 46% in domestic arrears over a period of two years from UGX. 725,880,166 to UGX.1,060,354,736 which makes the trend unsustainable.

For observations and recommendations refer to cross cutting issue number 3.9

Query 3 Understaffing

Out of the approved staff structure of 2,317 only 1,688 representing 73% posts were filled, leaving 629 representing 27% posts vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 4 Low Recovery of Youth Livelihood Program

An analysis of recovery of Youth Livelihood Program Funds revealed that the amount that was due by the end of the financial year was UGX. 564,175,000 however, only UGX. 40,618,000 representing 7% had been recovered leaving a balance of UGX. 523,557,000 representing 93% outstanding.

For observations and recommendations refer to cross cutting issue number 3.7

72. BUDAKA DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1: Stock outs

Audit revealed that the Health Centre experienced stock outs of a number of items for a period ranging from 35 to 226 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 2: Un accounted for Medicines and supplies Audit revealed that the Health facilities did not maintain dispensing logs to account for the Maama kits per patient and there were no records for stock cards and blood packs.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

Query 3: Idle incubators and ultra sound scanner

Audit revealed that the Health Centre received 5 incubators and One Ultra sound scanner in 2014 under the Uganda Health Systems Strengthening Support Project. However, inspection carried out in (October 2017) revealed that the equipment had not been put to the intended use.

Observation

The Committee observed that failure to use the incubators and the ultra sound scanner negatively impacted on service delivery.

Recommendation

The Committee recommends that the Accounting Officer should ensure that the equipments are put to proper use or else be relocated to another health facility with capacity to make use of them.

Query 4: Local Revenue Shortfall

Audit established that out of the district budgeted local revenue of UGX.180,000,000, only UGX.149, 645,976 was realised leading to a shortfall of UGX.30,354,024 (17%).

For observations and recommendations refer to cross cutting issue number 3.3

Query 5: Understaffing

Audit revealed that the District has an approved staff structure of 1454 positions however only 1212 (83%) positions are filled, leaving a staffing gap of 241 (17%) positions.

For observations and recommendations refer to cross cutting issue number 3.6

Query 6: Low recovery of Youth Livelihood Program Funds

During the year under review, Council was supposed to recover UGX. 387,225,767 from YLP beneficiary groups, however, it only collected UGX. 53,246,200 (14%), leaving an outstanding balance of UGX. 333,979,567(86%)

For observations and recommendations refer to cross cutting issue number 3.7

73. BULAMBULI DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1: Stock outs

Audit established that a number of items out of the selected indicator on Essential Medicines and Health Supplies experienced stock outs ranging from 21 to 286 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 2: Unaccounted for medicines and supplies

Audit found that there was no accountability of the distribution of tests kits worth UGX. 13,095,454. There was also a variance between the closing stock balance and physical stock count of blood packs of 170 packs.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

Query 3: Local Revenue Shortfall

Audit noted that out of the district budgeted local revenue of UGX. 205, 450,000, only UGX. 130,198,260 was realised leading to a shortfall of UGX. 75,251,740 (37%) of the approved budgeted revenue.

For observations and recommendations refer to cross cutting issue number 3.3

Query 4: Understaffing

Audit established that the District has an approved staff structure of 1451 positions but only 1159 (80%) were filled leaving a staffing gap of 292 (20%) positions.

For observations and recommendations refer to cross cutting issue number 3.6

Query 5: Low recovery of Youth Livelihood Program Funds

During the year under review, Council was to recover UGX. 312, 178,500 from YLP beneficiary Youth interest groups however, it recovered only UGX. 33, 695,000 (11%) of leaving an outstanding balance of UGX.278, 483,500 (89%).

For observations and recommendations refer to cross cutting issue number 3.7

74. SIRONKO DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1: Stock outs

According to the Auditor General's Report, four (4) items out of the eleven (11) selected tracer medicines experienced stock outs within the audit

period. Notably, Coartem was out of stock for 197 days and Sutures (PGA2) for 35 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 2: Inadequate controls surrounding management of Domestic arrears

Audit showed that an amount of UGX. 1,088,517,951 was irregularly incurred as domestic arrears outside the approved estimates appropriated by Parliament and consequently, there has been an increase in domestic arrears over the period of two years from UGX. 188,208,000 in 2015/16 to UGX. 1,088,517,951 in 2016/17 which makes the trend unsustainable.

Audit further observed that there was no budget provision for settlement of domestic arrears totaling to UGX. 1,088,517,951 posing a risk of diversion of funds for settling obligations.

For observations and recommendations refer to cross cutting issue number 3.9

Query 3: Failure to approve budget as approved by Parliament

Audit showed that out of the budgeted revenue of UGX. 24,855,315,269 the District Local Government received UGX. 23,142,899,747 (93%) resulting into a shortfall of UGX. 1,712,415,522 (7%).

For observations and recommendations refer to cross cutting issue number 3.9

Query 4: Under collection of local revenue

Audit revealed that out of the budgeted local revenue of UGX. 505,000,000 only UGX. 240,737,812 (48%) was realized resulting into a shortfall of UGX. 264,262,188 (52%).

For observations and recommendations refer to cross cutting issue number 3.3

Query 5: Funds not accounted for

Contrary to Regulation 43(2) of the Local Governments Financial and Accounting Regulations 2007 which requires that all administrative advances be accounted for within one month, expenditure amounting to UGX. 12,517,500 remained unaccounted for.

Observation

The Committee observed that Audit could not confirm whether expenditure amounting to UGX. 12,517,500 was put to the intended and budgeted purpose.

Recommendation

The Committee recommends that the Accounting Officer should recover the funds from the responsible officers within 3 months and report to the Parliament.

75. MANAFWA DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Un accounted for medicines and supplies

Audit found that there was a variance of 200 items of oxytocin between issues from the Store to the Maternity ward as the stock cards and dispensing logs did not capture the entries. In addition, 12 mama kits

issued were not captured in the stock cards. The total variance was UGX. 4,361,556.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

Query 2: Drug Stock outs

Audit established that one (1) item, Coartem (12), out of 11 (eleven) selected tracer Essential Medicines and Health Supplies experienced stock outs within the audit period for 32 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 3: Human Resources

According to the Auditor General's Report, out of 48 approved positions only 32 (67%) posts were filled, leaving 26 (33%) positions vacant at Bugobero HC IV.

For observations and recommendations refer to cross cutting issue number 3.6

Query 4: Inadequate controls surrounding management of Domestic arrears

Audit revealed that an amount of UGX. 3,520,899,366 was irregularly incurred as domestic arrears outside the approved estimates appropriated by Parliament. Despite the decrease in domestic arrears over the period of 2 years from UGX. 3,827,325,225 in Financial Year 2015/16, to UGX. 3,535,499,466 in Financial Year 2016/17. This remains unsustainable

For observations and recommendations refer to cross cutting issue number 3.9

Query 5: Low recovery of Youth Livelihood Program funds

During the year under review, the district was to recover UGX. 362,125,114 from the youth groups, but it only recovered UGX. 63,087,900 (17%) leaving an outstanding balance of UGX. 299,037,214 (83%).

For observations and recommendations refer to cross cutting issue number 3.7

Query 6: Un accounted for funds received from TASO

Audit found that an expenditure of UGX. 10,193,500 lacked supporting documents.

Observation

The Committee observed that the Audit could not confirm whether an amount of UGX. 10,193,500 was utilised for the intended purposes since it lacked supporting documents.

Recommendation

The Committee recommends that the Accounting Officer recover the funds from the responsible officers within 3 months.

Query 7: Failure to meet Minimum Education Standards

A review on statistical data provided by the District Education Officer and the physical inspections carried out revealed that the level of service delivery at the schools significantly fell short of the Ministry of Education

Minimum National Standards, in regard to Pupil: Teacher ratio, classroom: Pupil ratio,

For observations and recommendations refer to cross cutting issue number 3.10

76. MBALE DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Drug Stock outs

Audit revealed that 8 (eight) items out of the 11 (eleven) selected tracer medicines experienced stock outs ranging between 4 and 196 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 2: Expired Drugs

Audit revealed that units of assorted expired essential medicines and health supplies had expired and had not been destroyed.

For observations and recommendations refer to cross cutting issue number 3.5.2.3

Query 3: Inadequate controls surrounding management of Domestic arrears

Audit established that an amount of UGX. 520,513,012 was irregularly incurred as domestic arrears outside the approved estimates appropriated by Parliament. Audit further observed that there were undisclosed domestic arrears totaling to UGX. 70,282,540 posing a risk of diversion of funds for settling the obligations.

For observations and recommendations refer to cross cutting issue number 3.9

Query 4: Receivables

Audit revealed that the District failed to collect outstanding revenue from different sources amounting to UGX. 449,619,390.

For observations and recommendations refer to cross cutting issue number 3.3

Query 6: Funds not accounted for

Audit revealed that expenditure amounting to UGX. 78,061,875 remained unaccounted by the time of audit.

Observations

The Committee observed that;

- i. Expenditure amounting to UGX. 78,061,875 remained unaccounted by the time of audit.
- ii. The Auditor General could not confirm whether UGX. 78,061,875 was utilized for the intended purposes.

Recommendation

The Committee recommends that the Accounting Officer recovers UGX. 78,061,875 from the responsible officers.

Query 7: Failure to implement the Board of Survey

Recommendation

Audit revealed that the Board of Survey Report had recommended for disposal of a number of assets but no disposal had been undertaken by

the time of audit. Audit further observed that vehicle No. LG 0143/30 was involved in an accident and there was no police report.

Observation

The Committee observed that the delayed disposal of the items could lead to further deterioration in condition and value.

Recommendation

The Committee recommends that;

- i. The Accounting Officer should implement the Board of survey report
- ii. The Accounting Officer should resolve matters surrounding Vehicle No. LG 0143/30

77. KAPCHORWA DISTRICT LOCAL GOVERNMENT (*Qualified Opinion*)

Query 1 Undisclosed YLP and UWEP balances

Audit revealed that a sum of UGX. 328,791,751 (YLP UGX. 257,200,751 and UWEP UGX. 71,591,000) remained outstanding from the two groups at the year end. However, only UGX. 92,428,300 was disclosed in the financial statements causing an understatement of UGX. 234,223,001 on receivables and payables for the year.

Observation

The Committee noted non adherence to financial procedures.

Recommendation

The Committee recommends that the Accounting Officer should always adhere to financial procedures

Query 2 Inadequate controls surrounding management of domestic arrears

Audit revealed that an amount of UGX. 399,864,545 was irregularly incurred as domestic arrears outside the approved estimates appropriated by Parliament. Consequently there has been an increase in domestic arrears over a period of two years from UGX. 12,454,862 in 2015/16 to UGX.399,864,545 in 2016/17.

For observations and recommendations refer to cross cutting issue number 3.9

Query 3 Undisclosed rent arrears

Audit revealed a total of UGX 78,276,000 accumulated as rent arrears over a period of time was not disclosed.

Observation

The Committee notes inaccurate financial statements.

Recommendation

The Committee recommends that the Accounting Officer:

- i. recovers the UGX 78,276,000 rent arrears
- ii. cautions the relevant officers

Query 4 Failure to implement Budget as approved by Parliament

Audit revealed that out of the budgeted revenue of UGX. 12,799,137,000 the District received UGX. 10,701,583,641 representing 84% resulting into a shortfall of UGX.2,097,553,359 representing 16%. Further a number of planned activities amounting to UGX. 177,393,000 were not implemented.

For observations and recommendations refer to cross cutting issue number 3.1

Query 5 Unrealized Royalties Revenue

A review of receipts, bank statements and cashbook revealed that UGX. 53,801,944 was collected. The Following shortcomings were however identified:

Refer to cross cutting issue number 3.3

Query 6 Irregular Expenditure on Councilors Allowances

Audit revealed that the District spent UGX. 228,960,000 instead of UGX.36,962,885 resulting into irregular expenditure of UGX. 191,997,115.

Observation

The Committee observes that the Accounting Officer had so far recovered UGX. 41, 162,885 from the Councilors leaving an outstanding amount of UGX. 187,797,115

Recommendation

The Committee recommends that the Accounting Officer should recover the outstanding amount of UGX.187,797,115 from the Councilors.

Query 7 Low Recovery of Youth Livelihood Program Funds

An analysis of recovery of the program funds revealed that out of UGX. 59,438,350 due for recovery, only UGX. 38,601,050 representing 65% was recovered leaving UGX. 20,837,300 representing 35% outstanding.

For observations and recommendations refer to cross cutting issue number 3.7

Query 8 State of the Hospital Mortuary

Inspection of the Kapchorwa General Hospital Mortuary revealed the following:

- There were only two rusted stretchers used to carry dead bodies from all the hospital wards and this therefore leads to improvising ways of getting the bodies to the mortuary in most cases using bed sheets.
- There was no fridge for storage of dead bodies.

For observations and recommendations refer to cross cutting issue number 3.5.1

78. BUKWO DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Utilisation of Medicines and Health Supplies

1.1 Unaccounted for medicines and supplies

Audit revealed that 197 boxes of Coartem each having 30 dozens valued at UGX 27,644,813 and 42 boxes of Malaria Rapid Testing Kits, each having 25 kits were missing. In addition, all stock cards, NMS delivery notes and dispensing books for 2016/2017 were not presented for audit verification.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

Query 2: Inadequate Controls Surroundings Management of Domestic Arrears

Audit found that there was no budget provision for settlement of domestic arrears totaling to UGX 284, 844,114.

For observations and recommendations refer to cross cutting issue number 3.9

Query 3: Under-collection of Local Revenue

Out of the budgeted local revenue of UGX 199,775,450, only UGX 151,216,465 (76%) was realised, resulting into a shortfall of UGX 48,558,985 (24%).

For observations and recommendations refer to cross cutting issue number 3.3

Query 4: Understaffing.

Out of the approved staff structure of 1,305 positions, only 974 (74.6%) were filled, leaving a staffing gap of 331 (25.4%) positions.

For observations and recommendations refer to cross cutting issue number 3.6

Query 5: Lack of Land Titles

The district's land occupied by schools, health centres and administrative headquarters lacked land titles.

For observations and recommendations refer to cross cutting issue number 3.8

79. PALISA DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1 Failure to implement Budget as approved by Parliament

Out of the budgeted revenue of UGX. 33,474,927,319 the district received UGX. 32,271,787,574 representing 96.4% resulting in a shortfall of UGX.1,203,139,745 representing 3.6%. Further a number of planned outputs were not implemented.

For observations and recommendations refer to cross cutting issue number 3.1

Query 2 Low Recovery of Youth Livelihood Program

The Council was due to recover UGX. 148,456,970 by close of June 2017 but only UGX. 44,870,880 was recovered representing 30% leaving an amount of UGX. 103,586,090 outstanding.

For observations and recommendations refer to cross cutting issue number 3.7

Query 3 Understaffing

Out of the approved staff structure of 3007 positions, only 2,341 representing 77.9% positions were filled leaving a staffing gap of 666 representing 22.1% positions.

For observations and recommendations refer to cross cutting issue number 3.6

Query 4 Lack of Land Titles

It was observed that the district did not have titles for its land.

For observations and recommendations refer to cross cutting issue number 3.8

Query 5 Failure to meet the minimum required standards of UPE Schools

Inspection of various UPE schools revealed that there was shortage of teachers' houses, inadequate latrine facilities, inadequate desks and classrooms among others.

For observations and recommendations refer to cross cutting issue number 3.12

80. TORORO DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Utilization of Medicines and Health Supplies

1.1 Drug Stock Outs

Audit revealed that 8 (eight) out of the 11 (eleven) selected indicator Essential Medicines and health supplies experienced stock outs within the audit period notably Coartem (12) was out of stock for 184 days and mama kits for 147 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

1.2 Unaccounted for Medicines and Supplies

Audit revealed a variance between closing stock card balance and the physical count. A balance of UGX. 1,901,426 could not be accounted for

For observations and recommendations refer to cross cutting issue number 3.5.2.1

Query 2: Failure to implement Budget as approved by Parliament

Audit revealed that out of the budgeted revenue of UGX. 45,173,629,801, the district received UGX. 40,103,316,556 representing 94% resulting into a shortfall of UGX. 5,070,313,245 representing 6%. Consequently a number of planned activities were not implemented.

For observations and recommendations refer to cross cutting issue number 3.1

Query 3: Low Recovery of Youth Livelihood Program Funds

Out of the outstanding amount of UGX. 355,702,476 that was due for recovery from the Youth Interest Groups, the District was only able to recover UGX. 78,506,569 (22%) leaving an outstanding balance of UGX. 277,195,476(78%)

For observations and recommendations refer to cross cutting issue number 3.7

Query 4: Understaffing

Out of the approved staff structure of 3373 positions, only 2633 positions were filled leaving a staffing gap of 740 positions representing 22%.

For observations and recommendations refer to cross cutting issue number 3.6

Query 5: Loss of revenue through use of old property rates

Audit revealed that the entity continued to collect property rates based on old rates as determined in 2008.

For observations and recommendations refer to cross cutting issue number 3.3

81. BUSIA DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Inadequate Controls Surroundings Management of Domestic Arrears

An amount of UGX 2, 248,212,978 was irregularly incurred as domestic arrears outside the approved estimates appropriated by Parliament.

For observations and recommendations refer to cross cutting issue number 3.9

Query 2: Failure to Implement the Budget as approved by Parliament.

Audit observed that out of the budgeted revenue of UGX 25,137,846,153, the district received UGX 23, 943,494,253 (95%) resulting into a shortfall of 1,194,442,659 (5%).

For observations and recommendations refer to cross cutting issue number 3.1

Query 3: Understaffing at Masafu District Hospital

Out of the approved staff structure of 185 positions, only 93 (51%) are filled, leaving 92 (49%) vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 4: Low Recovery of Youth Livelihood Programme

Council was to recover UGX 609,724,347 from the groups but only UGX 87,522,201,991 was recovered leaving an outstanding balance of UGX 522,201,991 (86%).

For observations and recommendations refer to cross cutting issue number 3.7

82. KIBUKU DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Utilisation of Medicines and Medical Supplies.

i. Understaffing

Audit observed that out of the 40 approved positions, only 28 (70%) were filled, leaving 12 (30%) vacant in Kibuku Health Centre IV.

For observations and recommendations refer to cross cutting issue number 3.6

ii. Stock outs

Audit observed that 10 items out of the 11 selected tracer medicines experienced stock outs within the audit period. Notably, Amoxyl was out of stock for 101 days; paracetamol for 99 days; metronidazole for 304 days; mama kits for 135 days, gentamycin for 133 days and ciproflaxin for 197 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 2: Failure to Implement Budget as approved by Parliament

Audit found that out of the budgeted revenue of UGX 17,026,148,079, the district received UGX 15, 707,890,181 (92.3%), resulting into a shortfall of UGX 1,318,257,898 (7.7%).

For observations and recommendations refer to cross cutting issue number 3.1

Query 3: Unpaid Salary Arrears

Audit found that payrolls for the year revealed that the district had not paid salaries amounting to UGX 166,035,306.

Observation

The Committee observed that the matter had been followed up by the Accounting Officer and some of the salary arrears had been paid, but noted with concern that what was paid was too little.

Recommendation

The Committee recommends that the Accounting Officer continues to engage the relevant authorities to ensure that all salary arrears are paid.

Query 4: Lack of Land Titles

Audit observed that the district did not have a land title to the land where its offices are located.

For observations and recommendations refer to cross cutting issue number 3.8

Query 5: Low Recovery of the Youth livelihood Programme

Audit found that out of UGX 398,870,939 due for recovery as at 30th June, 2017, only UGX 66,901,400 (17%) was recovered, leaving a balance of UGX 331,969,539 (83%) outstanding.

For observations and recommendations refer to cross cutting issue number 3.7

Query 6: Failure to meet Minimum Required Standards of UPE Schools

Audit inspection found that in various UPE schools there was a shortage of teachers, inadequate and inferior latrine facilities, inadequate desks and classrooms, among other things.

For observations and recommendations refer to cross cutting issue number 3.10

83. BUDUDA DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1: Utilisation of Medicines

a) Drug Stock outs

Audit found that 4 items out of the 11 selected indicator medicines experienced stock outs within the audit period. Notably, Determine was out of stock for 170 days and Malaria RDT for 153 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 2: Low Recovery of Youth Livelihood Programme

Audit found that out of the UGX 363,511,074 due for recovery, only, UGX 71,093,000 (19%) was recovered, leaving UGX 292,414,074 (81%) outstanding.

For observations and recommendations refer to cross cutting issue number 3.7

Query 3: Under collection of Local revenue

Audit observed that out of the budgeted local revenue of UGX 241,358,000, only UGX 150,471,861 (62%) was realised, resulting into a shortfall of UGX 90,886,139 (38%).

For observations and recommendations refer to cross cutting issue number 3.3

Query 4: Understaffing at the District

The District has an approved staff structure of 1,765, out of which only 1,261 (71%) are filled, leaving a staffing gap of 504 (29%).

For observations and recommendations refer to cross cutting issue number 3.6

84. BUTALEJA DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

1. Utilisation of Medicines and Medical Supplies

Query 1: Drug Stock outs

Audit found that 3 out of the 11 selected tracer medicines experienced stock outs for a period ranging between 2 and 118 days at Busolwe Hospital.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 2: Expired drugs

Audit established that there were expired medicines that had stayed for a period of between 1 and 3 years without destruction.

For observations and recommendations refer to cross cutting issue number 3.5.2.3

Query 3: Inadequate Controls Surrounding the Management of Domestic Arrears

Audit found that there was no budget provision for settlement of domestic arrears totaling to UGX 475,085,557, posing a risk of litigation and diversion of funds for settling the obligations.

For observations and recommendations refer to cross cutting issue number 3.9

Query 4: Understaffing

Audit found that out of the district approved staff structure of 2,681 positions, only 2,007 (75%) were filled, leaving a staffing gap of 674 (25%).

For observations and recommendations refer to cross cutting issue number 3.6

Query 5: Lack of Land Titles

Audit found that the district did not have title to the land where its premises are located.

For observations and recommendations refer to cross cutting issue number 3.8

Query 6: Status of Kachonga Health Centre III

Audit inspection of Kachonga Health Centre III revealed lack of basic requirements like waste pit, drugs, theatre, ambulance, among other things.

*For observations and recommendations refer to cross cutting issue number
3.5.1*

85. KWEEN DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Utilisation of Medicines and Health Supplies

a) Drug Stock outs

Audit found that 9 of the 11 selected tracer medicines experienced stock outs ranging between 15 to 176 days.

*For observations and recommendations refer to cross cutting issue number
3.5.2.2*

b) Expired Drugs

Audit observed that units of assorted expired essential medicines and health supplies had expired but had not been destroyed.

*For observations and recommendations refer to cross cutting issue number
3.5.2.3*

Query 2: Failure to Implement Budget as approved by Parliament

Audit observed that out of the budgeted revenue of UGX 12,285,550,886, the district received UGX 11,968,547,335 (97.4%), resulting into a shortfall of UGX 317,003,551 (2.6%).

*For observations and recommendations refer to cross cutting issue number
3.1*

Query 3: Low recovery of the Youth Livelihood Programme

Audit found that the district was expected to recover UGX 64,925,145 from the beneficiaries at the close of June 2017 but was able to recover only UGX 39,380,000 representing a 61% recovery rate.

For observations and recommendations refer to cross cutting issue number 3.7

Query 4: Understaffing

Audit found that out of the approved staff structure of 863 positions, only 509 (59%) are filled, leaving a staffing gap of 354 (41%) positions.

For observations and recommendations refer to cross cutting issue number 3.6

Query 5: Failure to meet Minimum Standards of UPE Schools.

Audit inspection of various UPE schools found that there was shortage of teachers, poor latrine facilities, inadequate desks and classrooms, among others.

For observations and recommendations refer to cross cutting issue number 3.10

86. KABALE DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1: Inadequate Controls surrounding management of Domestic Arrears

Audit revealed that UGX. 2,814,275,382 was irregularly incurred as domestic arrears outside the approved estimates appropriated by Parliament. It was further revealed not budget provision was made for

the settlement of the UGX. 2,814,275,382, posing a risk of diversion of funds for settling the obligations.

For observations and recommendations refer to cross cutting issue number 3.9

Query 2: Understaffing at the District

Out of the approved staff structure of 1,631 positions, only 1007 representing (61.7%) positions were filled leaving a staffing gap of 624 representing 38.3%.

For observations and recommendations refer to cross cutting issue number 3.6

87. BUHWEJU DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1: Failure to implement budget as appropriated by Parliament

According to the audit, out of the budgeted revenue of UGX. 8,512,832,000 the district received UGX. 8,111,403,000 (95%) resulting into a shortfall of UGX. 401,429,000 (5%).

For observations and recommendations refer to cross cutting issue number 3.1

Query 2: Purchases not taken on charge

Audit revealed that a review of stores records indicated that purchases totaling to UGX. 21,870,200 were not taken on charge.

Observation

The Committee observed that there was a risk that the items may not have been supplied leading to loss of funds.

Recommendation

The Committee recommends that the Accounting Officer should always ensure that all purchases are taken on charge and proper stores records maintained.

Query 2: Understaffing

The district has an approved staff structure of 200 positions. Out of these, only 108 positions (54%) were filled leaving 92 positions (46%) unfilled.

For observations and recommendations refer to cross cutting issue number 3.6

Query 3: Encroachment on wetlands

Audit inspections carried out on wetlands and the review of supporting documents availed by the district's natural resources Officer revealed that a wetland measuring 20 hectares at Kitatara-Kanyabukanza in the district was encroached on, destroyed and converted to human use.

Observation

The Committee observed that failure to protect wetlands hampers sustainability of environment and may result into adverse climate change in the long run.

Recommendation

The Committee recommends that the Accounting Officer should ensure that there are measures to protect the wetlands for sustainability of the environment.

88. IBANDA DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Utilization of Medicines and Medical Supplies

i. Inadequate Record Keeping

According to the Audit Report, requisition vouchers for medicines and dispensing logs were not properly maintained.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

Query 2: Stock outs

Audit established that 10 items out of the 11 selected indicator medicines experienced stock outs within the audit period. Noticeably malaria rapid diagnostic tests were out of stock for an average of 37 days and Artmether 18 for 95 days

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 3: Expired drugs

Audit revealed that medicines worth UGX.11,563,240 had expired and stayed for a period of 10 months to 1 year without destruction.

For observations and recommendations refer to cross cutting issue number 3.5.2.3

Query 4: Understaffing in Ishongororo Health Centre

Audit revealed that out of 48 approved positions at Ishongororo HC IV, only 35(72.9 %) posts were filled, leaving 13 (27.1%) positions vacant

For observations and recommendations refer to cross cutting issue number 3.6

Query 5: Understaffing in Ibanda District Administration Offices

Audit revealed that the District has an approved staff structure of 151 positions and only 42 (28%) were filled leaving a staffing gap of 109 (72%).

For observations and recommendations refer to cross cutting issue number 3.6

Query 6: Lack of land titles

Audit revealed that the District did not have titles to its land.

For observations and recommendations refer to cross cutting issue number 3.8

89. KIRUHURA DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Medicines and Health Supplies Accountability

Audit revealed that Medicines and health supplies worth UGX. 57,917,318 from Kazo HC IV and Kiruhura HCIV were not properly accounted for as stores cards and ledgers were not maintained contrary to the Management of Medicines and Health Supplies Manual (MMHSM).

For observations and recommendations refer to cross cutting issue number 3.5.2.1

Query 2: Stock outs

According to the Auditor General's Report, 5 items out of the 11 (eleven) selected indicator medicines experienced stock outs within the audit period.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 3: Expiry of drugs

Audit revealed that medicines worth UGX. 95,634,294 had expired and stayed for a period of 13 Months without destruction.

For observations and recommendations refer to cross cutting issue number 3.5.2.3

Query 4: Understaffing in the Health Centers

Audit revealed that out of 96 approved positions in the Kiruhura and Kazo Health Centre IVs, only 71 (74%) positions were filled, leaving 25 (26%) positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 5: Inadequate controls surrounding management of Domestic arrears

Audit found out that the District irregularly incurred an amount of UGX. 545,078,155 as domestic arrears outside the approved estimates appropriated by Parliament. Consequently, there has been an increase in domestic arrears from UGX. 28,812,298 in 2015/2016 to UGX.

516,265,857 in 2016/2017 over the period of two years and this makes the trend unsustainable.

Audit further observed that there was no budget provision for settlement of domestic arrears totaling to UGX. 545,078,155 posing a risk of diversion of funds for settling the obligations.

For observations and recommendations refer to cross cutting issue number 3.9

Query 6: Under collection of local Revenue

Audit revealed that out of the budgeted local revenue of UGX. 1,399,167,000, only UGX.753,655,463 (54%) was realized resulting into a shortfall of UGX.645,511,537 (46%).

For observations and recommendations refer to cross cutting issue number 3.3

Query 7: Lack of Titles

The Auditor General observed that the District did not have land titles for over 108 pieces of its land.

For observations and recommendations refer to cross cutting issue number 3.8

Query 8: Understaffing in the District

Audit revealed that the district has an approved staff structure of 356 positions, however only 148 (42%) positions were filled, leaving 208 (58%) positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

90. RUKUNGIRI DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1: Un accounted for Medicines and commodities

Audit revealed that at Kebisoni and Bungagari Health Centres, there were missing documents like dispensing logs (a register for drugs issued to patients) and requisition vouchers.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

Query 2: Stock outs

Audit revealed that at Kebisoni HC IV, 3 items out of the 11 (eleven) selected indicator medicines experienced stock outs within the audit period. Noticeably Surgical gloves 7.5 were out of stock for 6 days; Determine 34 days, and safe delivery kits for 23 days. At Bungangari HC IV, 8 items out of the 11 (eleven) selected indicator medicines experienced stock outs within the audit period. Noticeably Surgical gloves 7.5 were out of stock for 25 days; Determine 14 days Sutures (PGA 2.0) for 180 days; MRDT for 71 days; coartem 6 for 126; coartem for 68; coartem 18 for 94 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 3: Expired Drugs

According to the Auditor General's Report, medicines worth UGX. 12,568,470 had expired and stayed for a period of more than a year without destruction.

For observations and recommendations refer to cross cutting issue number 3.5.2.3

Query 4: Under staffing in the health Centers

Audit revealed that Kebisoni HC IV had 48 approved positions but only 42 (87.5 %) posts were filled, leaving 6 (12.5%) positions vacant. Meanwhile, for Bugangari HC IV, out of the approved 48 positions, only 41 (85.4%) were filled leaving 7 (14.5%) positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

91. NTUNGAMO DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1: Medicines and Health Supplies Accountability

Audit revealed that Medicines and health supplies worth UGX. 956,441,545 from Itojo Hospital main store were not properly accounted for.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

Query 2: Stock outs of Medicines and health Supplies

Audit revealed that 8 items out of the 11 (eleven) selected tracer medicines experienced stock outs ranging between 24 and 347 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 3: Understaffing

Audit revealed that Out of 185 approved positions, only 135 (73%) posts were filled, leaving 49 (27%) positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 4: Inadequate controls surrounding management of Domestic arrears

Audit revealed that an amount of UGX. 3,007,155,358 was irregularly incurred as domestic arrears outside the approved estimates appropriated by Parliament and consequently, within one year domestic arrears accumulated to UGX. 3,007,155,358 which makes the trend unsustainable.

For observations and recommendations refer to cross cutting issue number 3.9

Query 5: Understaffing at the District

Audit revealed that the district has an approved staff structure of 631 positions however, only 221 positions (35%) were filled leaving 424 positions (65%) unfilled.

For observations and recommendations refer to cross cutting issue number 3.9

Query 6: Lack of Land Titles

Contrary to Regulation 58(4) of Local Governments Financial and Accounting Regulations, 2007 (LGFARs) which requires that the properties, and assets of a local government, shall be properly registered and titles issued, the audit revealed that the District had only 12 titles and lacked titles for about 215 acres of its land.

For observations and recommendations refer to cross cutting issue number 3.8

92. MITOOMA DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1: Utilisation of medicines

a) Medicines and Health Supplies Accountability

Medicines and Health supplies of UGX 69,015,507 from Mitooma health Centre IV main store were not properly accounted for due to variances between opening stock, what was received from NMS, and total quantity issued out and the physical count.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

b) Stock outs

Audit found that 4 out of the 11 selected tracer medicines experienced stock outs ranging from 38 to 320 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 2: Understaffing

Out of the approved staff structure of 220 positions, only 131 (60) were filled, leaving 89(40%) vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 3: Lack of Land Titles

Audit found that the District did not have titles to its land located in the different parts of the district.

For observations and recommendations refer to cross cutting issue number 3.8

93. KANUNGU DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1: Utilisation of Medicines and Medical Supplies.

a) Understaffing at the Health Centre IVs

Audit observed that out of the 182 approved positions, 103 (56.6%) were filled, leaving 79 (43.4%) vacant at Kambuga Hospital, while out of 96 approved positions at Kanungu Health Centre IV, only 84 positions (87.5%) were filled, leaving 12 (12.5%) vacant.

For observations and recommendations refer to cross cutting issue number 3.6

b) Expired Drugs

Audit observed that units of expired non-essential medicines and health supplies had expired and had not been disposed.

For observations and recommendations refer to cross cutting issue number 3.5.2.3

Query 2: Unpaid salary pension and arrears

An unpaid amount included under note 6 to the financial statements is salary arrears of UGX 39,574,760 and pension of UGX 23,221,917.

For Salary Arrears of UGX. 39,574,760 the Committee recommends that the Accounting Officer should liaise with the relevant ministries to ensure that the arrears are cleared.

For pension of UGX 23,221,917:

For observations and recommendations refer to cross cutting issue number 3.15

Query 3: Failure to Implement Budget as appropriated by Parliament

Audit observed that out of the budgeted revenue of UGX 471,213,314, the District received UGX 375,410,050 (80%), resulting into a shortfall of UGX 95,803,264 (20%). Audit also noted that that a number of planned outputs for an amount of UGX 365,013,866 were not implemented.

In some instances, all activities were not implemented despite the fact that funds required were released, occasioning unspent balance of UGX 269,210,602.

For observations and recommendations refer to cross cutting issue number 3.1

Query 4: Understaffing at the District

The District has an approved staff structure of 1,716 positions, out of which only 1,058 were filled, leaving a staffing gap of 658 (47%).

For observations and recommendations refer to cross cutting issue number 3.6

Query 5: Irregular Direct Procurements

Audit observed that direct procurements worth UGX 77,149,912 were undertaken without justification.

For observations and recommendations refer to cross cutting issue number 3.11

Query 6: Lack of Land Titles

Audit observed that the district lacks titles to the land where its premises are located and other land owned by the district.

For observations and recommendations refer to cross cutting issue number 3.8

94. MBARARA DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1: Utilisation of Medicines and Health Supplies

a) Medicines and Health Supplies Accountability

Medicines and health supplies worth UGX 47,347,391 at Bwizibwera and Bugamba Health Centre IVs in the main store and departments were not accounted for as stores cards, ledgers and dispensing logs were not maintained accurately contrary to the Management of medicines and Health Supplies Manual.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

b) Stock outs of Medicines and health Supplies

Audit revealed that 4 items of the 11 selected Indicated medicines experienced stock outs ranging from 7 to 159 days at Bwizibwera Health Centre IV. At Bugamba Health Centre IV, 4 items out of the 11 selected indicator medicines experienced stock outs ranging from 35 to 212 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 2: Understaffing levels in the Health Centre IVs.

Out of the 96 approved positions, only 58 (60%) were filled, leaving 13 (40%) vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 3: Domestic Arrears

Audit observed that an amount of UGX 65,475,245 was irregularly incurred as domestic arrears outside the approved estimates approved by parliament. Further, there was no provision in the Financial Year 2016/17 for settlement of domestic arrears totaling to UGX 67,045,345 incurred in 2015/16.

For observations and recommendations refer to cross cutting issue number 3.9

Query 4: Under-collection of local revenue

Audit revealed that out of the budgeted local revenue of UGX 1,200,835,670, the district collected only UGX 851,032,437 (71%), causing a shortfall of UGX 349,803,233 (29%).

For observations and recommendations refer to cross cutting issue number 3.3

Query 5: Understaffing at the district

The district has an approved staff structure of 868 positions, out of which only 447 (51%) are filled, leaving 435 (49%) vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 6: Lack of Land Titles

Audit found that the district did not have titles to the various pieces of land it owned.

For observations and recommendations refer to cross cutting issue number 3.8

Query 7: Exceptions raised in the PPDA Audit Report for the Financial Year ended 30th June, 2017.

The following exceptions were noted in the PPDA Audit Report:

- i. Failure to fully implement the procurement plan: There was a procurement budget variance of 51.9%.
- ii. The procurement and disposal unit did not input data into the Government Procurement Portal despite being trained on the systems.

- iii. User departments did not submit contract management records to the Procurement and Disposal Unit for filing and these were not easily accessible during the auditing exercise.
- iv. The Procurement and Disposal Unit was not monitoring contracts to ensure that projects are implemented in a timely manner and that all the terms and conditions of the contract are fully complied with.

For observations and recommendations refer to cross cutting issue number 3.11

95. ISINGIRO DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Utilisation of medicines and health supplies

a) Medicines and Medical Supplies Accountability

Medicines and medical supplies worth UGX 634,939,768 from Kabuyanda Health Centre IV main store were not accounted for as stores cards and ledgers were not maintained contrary to the Management of Medicines and Health Supplies manual (MMHSM).

For observations and recommendations refer to cross cutting issue number 3.5.2.1

b) Stock outs of Medicines and Health Supplies

Audit found that 8 out of the 11 selected tracer medicines experienced stock outs ranging between 5 and 15 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

Query 2: Understaffing at the Health Centre

Out of the 72 approved positions, only 44 (62%) were filled, leaving 28 (38%) vacant.

For observations and recommendations refer to cross cutting issue number 3.6.

Query 3: Inadequate Controls Surrounding the Management of Domestic Arrears

Audit found that an amount of UGX 320,245,152 was irregularly incurred as domestic arrears outside the approved estimates appropriated by Parliament and consequently, there has been an increase in domestic arrears over the period of two years by UGX 58,757,134.

For observations and recommendations refer to cross cutting issue number 3.9

Query 4: Under-collection of Local Revenue

Out of the budgeted local revenue of UGX 1,161,023,000, Council collected only UGX 320,021,944, occasioning a shortfall of UGX 841,001,056. The shortfall constituted 72% of the local revenue budget.

For observations and recommendations refer to cross cutting issue number 3.3

Query 5: Shortfall in Central Government Releases

Audit observed that council received UGX 23,395,960,143 from the Central Government against a budget of UGX 26,716,311,000, occasioning a shortfall of UGX 3,320,850,857, constituting a shortfall of UGX 3,320,850,857 which is 13% of the budgeted revenue.

For observations and recommendations refer to cross cutting issue number 3.1

Query 6: Understaffing

Audit observed that out of the 256 approved positions, only 121 (47%) were filled, leaving 135 (53%) vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 7: Low Recovery of Youth Livelihood Programme Funds

Audit revealed that there was a low recovery of UGX 92,262,000 (23.3%) out of UGX 396,563,919 due for recovery as at 30th June, 2017, leaving a balance of UGX 304,301,919 (76%) outstanding.

For observations and recommendations refer to cross cutting issue number 3.7

Query 8: Lack of Land Titles

Audit observed that the district did not have titles for over 134 pieces of land.

For observations and recommendations refer to cross cutting issue number 3.8

96. KISORO DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Outstanding Salary Arrears

Audit revealed salary arrears amounting to UGX. 102,647,660.

Observation

The Committee established that the salary arrears have since been cleared.

Recommendation

The Committee recommends that the query be dropped.

Query 2: Mischarge of Expenditure

Audit revealed mischarge amounting to UGX. 130,891,050 in the year under review.

Observation

The Committee observes that mischarge impacts on the credibility of the financial statements of the entity.

Recommendation

The Committee recommends that the Accounting Officer should ensure that expenditure items are appropriately charged in compliance with the Government Chart of Accounts.

Query 3: Lack of Land Titles

Audit revealed that the District Council did not have titles to its land.

For observations and recommendations refer to cross cutting issue number 3.8

Query 4: Under Staffing

Out of the approved staff structure of 348 positions only 239 positions representing 69% of the positions are filled, leaving 109 positions representing 31% positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 5: Inadequate Facilities in Primary Schools

Audit revealed that the 40 schools inspected did not meet the minimum standards indicators for primary schools.

For observations and recommendations refer to cross cutting issue number 3.10

97. SHEEMA DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Utilization of Medicines and Health Supplies

1.1 Stock outs

Audit observed that 9 items out of the 11 (eleven) selected tracer medicines at Kitagata Hospital and 5 items out of the (eleven) tracer medicines in Shuuku Health Center IV experienced stock outs within the audit period for an average of 246 to 54 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

1.2 Expired Drugs

Audit revealed that medicines worth UGX. 35,314,605 had expired and stayed for a period of 55 months without destruction.

For observations and recommendations refer to cross cutting issue number 3.5.2.3

Query 2: Failure to Implement Budget as approved by Parliament

Audit revealed that out of the budgeted revenue of UGX. 19,742,865,532, the district received UGX. 16,869,746 representing 84.4% resulting into a shortfall of UGX.3,070,995,786 representing 15.6%. It was also observed that a number of planned outputs for the same amount of UGX. 3,070,995,786 were not implemented.

For observations and recommendations refer to cross cutting issue number 3.1

Query 3: Lack of Land Titles

Audit revealed that the District does not have titles to its land.

For observations and recommendations refer to cross cutting issue number 3.8

Query 4: Under Staffing at the District Head Quarters

Out of the approved staff structure of 775 positions only 419 representing 54% positions filled leaving a staffing gap of 363 representing 46% positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

98. BUSHENYI DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1: Utilization of Medicines and Health Supplies

1.1 Medicines and Health Supplies Accountability

Medicines and health supplies worth UGX. 17,525,018 from Kyabugimbi HC IV were not accounted for due to a variance between opening stock, what was received from NMS, total quantity issued out and the physical count contrary to the management of medicines and health supplies manual.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

1.2 Stock Outs of Medicines and Health Supplies

Five (5) items out of the 11 (eleven) selected tracer medicines experienced stock outs ranging from 9 to 216 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 2: Failure to implement Budget as approved by Parliament

Audit revealed that out of the budgeted revenue of UGX. 26,382,753,418 the district received UGX. 22,439,170,269 representing 85% resulting into a shortfall of UGX.3,943,583,149 representing 15%. Further observed was the fact that the planned out puts worth an amount of UGX. 1,724,038,511 were not implemented.

For observations and recommendations refer to cross cutting issue number 3.1

Query 3: Understaffing

Out of the approved staff structure of 471 positions, only 347 representing 75% positions were filled leaving 119 positions representing 25% positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

99. RUBANDA DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1: Utilization of Medicines and Health Supplies

1.1 Stock Outs

Audit revealed that one (1) item out of the eleven (11) and 2 (two) out of the eleven (11) tracer medicines experienced stock outs within the audit period in Muko and Hamurwa Health Center IVs respectively.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

1.2 Staffing at the Health Center IVs

It was observed that out of 93 approved positions in the two Health Center IVs of Muko and Hamurwa only 62 representing 67% posts were filled leaving 31 representing 33% positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 2: Failure to Implement Budget as approved by Parliament

Audit revealed that out of the budgeted revenue of UGX. 14,529,568,256 the District received UGX. 12,364,998,689 representing 85.1% resulting

into a shortfall of UGX.2,164,569,567 representing 14.9% and planned outputs worth an amount of UGX. 2,164,569,567 were not implemented.

For observations and recommendations refer to cross cutting issue number 3.1

Query 3: Under Staffing at the District Head Quarters

Out of the 160 approved staff positions at the District Headquarters only 27 representing 17% positions were filled leaving 133 representing 83.1% positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

100. RUBIRIZI DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1: Utilization of Medicines and Health Supplies

1.1 Medicines and Health Supplies Accountability

Audit revealed a variance of UGX. 103,124,212 from Lugazi Health Center IV between opening stock, what was received from NMS, total quantity issued out and physical count.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

1.3 Stock outs

10 out of the 11 (eleven) selected tracer medicines experienced stock outs ranging between 14 and 227 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 2: Understaffing

Out of the approved staffing levels of 131 positions, only 61 positions were filled representing 47%. This leaves 70 positions vacant representing 53%.

For observations and recommendations refer to cross cutting issue number 3.6

Query 3: Lack of Land Titles

Audit revealed that the District did not have titles to its land located in various parts of the District.

For observations and recommendations refer to cross cutting issue number 3.8

101. NPAK DISTRICT LOCAL GOVERNMENT (*Qualified Opinion*)

Query 1: Inadequate Controls Surrounding Management of Domestic Arrears

The Audit revealed that an amount of UGX. 481,835,884 was irregularly incurred as domestic arrears contrary to regulations.

For observations and recommendations refer to cross cutting issue number 3.9

Query 2: Unpaid Pension Arrears

Audit revealed that pension arrears amounting to UGX. 229,666,775 has been outstanding since Financial Year 2015/16.

For observations and recommendations refer to cross cutting issue number 3.15

Query 3: Failure to Implement Budget as approved by Parliament

Audit revealed that out of the budgeted revenue of UGX. 19,571,190,900 the district received only UGX. 15,442,262,861 (79%) resulting into a shortfall of UGX. 4,128,928,039 (21%).

For observations and recommendations refer to cross cutting issue number 3.1

Query 3: Low Absorption/Unspent balances

Audit revealed that the district failed to utilise UGX. 72,733,043 by the end of the financial year.

Observations

The Committee observed that;

- i. Out of the unutilized UGX. 72,733,043, UGX. 37,763,665 was under the Global Fund and UGX. 34,969,378 under UNICEF.
- ii. Failure to utilize the above funds denied the communities services that were meant to be facilitated by these funds
- iii. It is a challenge to effectively work with donors while running different financial years

Recommendation

The Committee recommends that the Accounting Officer should engage the Donors, the Ministry of Local Government and Ministry of Finance Planning and Economic Development to address the matter.

Query 4: Understaffing

Audit revealed that the District has an approved staff structure of 289 positions and only 164 (57%) are filled leaving a staffing gap of 124 (43%) positions.

For observations and recommendations refer to cross cutting issue number 3.6

Query 5: Delayed Deletion of Staff who left service

Audit revealed that contrary to Paragraph 12 of the Public Service Standing Orders (b-a) 2010, which requires that Payment of salary to a Public officer shall be stopped immediately the officer ceases to render services to Government under whatever circumstances including death, there were several employees who had left the district service but remained on payroll.

Observation

The Committee observed that the failure by the Accounting Officer to delete staff who had left the service from the payroll caused a financial loss of UGX 37,763,764 to the district.

Recommendations

The Committee recommends that the Accounting Officer:

- i. Should recover the UGX 37,763,764
- ii. Should ensure that the payroll is regularly updated.

Query 5: Low Recovery of Youth Livelihood program funds.

According to the Auditor General's Report, the district expected to recover UGX. 735,013,320 during the year under review but only UGX. 115,842,000 (16%) was recovered leaving UGX. 619,171,326 (84%) outstanding.

For observations and recommendations refer to cross cutting issue number 3.7

Query 5: Lack of Land Titles

Audit revealed that the District lacked land titles for all its land.

For observations and recommendations refer to cross cutting issue number 3.8

102. NAKAPIRIPIT DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Stock outs of Medicines and health Supplies

Audit revealed that 5 (five) items out of the 11 (eleven) selected /tracer medicines experienced stock outs ranging between 20 and 108 days. The Accounting Officer attributed the shortage to inadequate allocation of funds for drugs and supplies.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 2: Expired drugs

Audit revealed that various medicines had expired and stayed for a period of 6 months without destruction.

For observations and recommendations refer to cross cutting issue number 3.5.2.3

Query 3: Under collection of local Revenue

Audit revealed that out of the budgeted local revenue of UGX. 176,944,000 only UGX. 135,063,211 (76 %) was realized leaving a balance of UGX 41,880,789 (24%).

For observations and recommendations refer to cross cutting issue number 3.3

Query 4: Low Recovery of Youth Livelihood program funds.

Audit showed that the district expected to recover UGX. 601,083,399 from the YLP beneficiary groups during the year but only UGX. 108,429,000 (18%) was recovered leaving UGX. 492,654,399 (82%) outstanding.

For observations and recommendations refer to cross cutting issue number 3.7

Query 4: Non disposal of assets

Audit revealed that the Board of Survey report for 2015/16 recommended for disposal of 17 Motor vehicles and 70 motorcycles after classifying them as obsolete assets. However, these assets had not been disposed by the time of the audit.

For observations and recommendations refer to cross cutting issue number 3.11

103. KATAKWI DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1: Medicines and Health Supplies Accountability

Audit revealed that that there was a variance between opening stock, what was received from National Medical Stores, total quantity issued out and the physical count of UGX 43,425,258.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

Query 2: Stock outs of Medicines and Health Supplies

Audit revealed that 5 (five) items out of the 11 (eleven) selected indicator medicines experienced stock outs within the audit period. Noticeably Coartem 18 was out of stock for 272 days and Coartem 12 for 242 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 3: Expiry of drugs

Audit revealed that the District had expired drugs which had not been destroyed overtime.

For observations and recommendations refer to cross cutting issue number 3.5.2.3

Query 3: Understaffing

Audit revealed that out of 349 approved positions; only 105 (30%) posts were filled, leaving 244 (70%) positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 4: Inadequate controls surrounding management of Domestic arrears

The District irregularly incurred UGX. 315,894,093 as domestic arrears outside the approved estimates appropriated by Parliament.

For observations and recommendations refer to cross cutting issue number 3.9

Query 5: Failure to implement Budget as approved by Parliament

According to the audit, out of the budgeted revenue of UGX 21,548,985,201 the District received UGX 16,538,939,765 (77%) resulting into a shortfall of UGX 5,010,045,436 (23%).

For observations and recommendations refer to cross cutting issue number 3.1

Query 6: Unspent balances

At the end of the Financial Year, the District had unspent balances amounting to UGX. 276,896,149.

Observations

The Committee observed that;

- i. The district failed to utilise UGX. 276,896,149 by the end of the financial year.
- ii. Failure to utilise availed funds denies the communities the intended services.

Recommendation

The Committee recommends that the Accounting Officer should engage Ministry of Local Government and Ministry of Finance Planning and Economic Development to address the bottle necks.

Query 7: Low Recovery of Youth Livelihood Program funds

The district expected to recover UGX. 479,352,517 during the year but only UGX. 76,782,500 (16%) was recovered leaving UGX. 402,570,017 (84%) outstanding.

For observations and recommendations refer to cross cutting issue number 3.7

Query 8: Under Collection of Local Revenue

Out of the budgeted local revenue of UGX. 359,075,500 only UGX. 217,422,670 (61%) was realized resulting into a shortfall of UGX. 141,652,330 (39%).

For observations and recommendations refer to cross cutting issue number 3.3

104. KAABONG DISTRICT LOCAL GOVERNMENT (Qualified Opinion)

Query 1: Un accounted for Funds

According to the Auditor General's Report, a sum of UGX. 186,706,594 lacked supporting documents.

Observation

The Committee observed that the Auditor General was unable to confirm that the funds were utilised for the intended purpose.

Recommendation

The Committee recommends that since there is neither confirmation that the funds were utilized for the intended purposes nor accountability, the Accounting Officer should recover UGX.186,706,594 within a period not exceeding 90 days.

Query 2: Medicines and Health Supplies accountability

According to the Auditor General's Report, Medicines and health supplies worth UGX. 97,084,007 from Kaabong hospital and Karenga Health centre IV main stores were not accounted for arising in variances between medicines received from NMS and drugs dispensed to various departments.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

Query 3: Stock outs of medicines and Health Supplies

Audit revealed that 6 (six) items out of the 11 (eleven) selected tracer medicines experienced stock-outs ranging between 1 and 270 days

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 4: Expired drugs

Audit revealed that there were various medicines worth UGX. 122,246,758 that had expired and stayed for a period of 6 months without destruction.

For observations and recommendations refer to cross cutting issue number 3.5.2.3

Query 5: Human resources

According to the Auditor General's Report, the Committee established that that out of 190 approved positions; only 118 (62 %) positions were filled, leaving 72 (38 %) positions vacant.

For observations and recommendations refer to cross cutting issue number
3.6

Query 6: Inadequate controls surrounding management of domestic arrears

The District irregularly incurred an amount of UGX. 1,001,789,579 as domestic arrears outside the approved estimates appropriated by Parliament.

For observations and recommendations refer to cross cutting issue number
3.9

Query 7: Unauthorized Excess Expenditure

Audit revealed that UGX. 3,187,677,458 was spent in excess of budget estimates under Administration and Production Departments.

Recommendation

The Committee upheld the Auditor General's recommendation that the Accounting Officer should always seek approval for the excess expenditure.

Query 8: Failure to implement budget as approved by Parliament

According to the Auditor General's Report, out of the budgeted revenue of UGX. 23,331,310,510 the district received UGX. 21,839,733,054 (93.6%) resulting into a shortfall of UGX. 1,491,577,456 (6.4%).

For observations and recommendations refer to cross cutting issue number
3.1

Query 9: Lack of Land titles

The District lacked land titles for all its land.

*For observations and recommendations refer to cross cutting issue number
3.8*

Query 10: Low recovery of Youth Livelihood Program Funds

The District was expected to recover UGX. 400,478,323 during the year but only UGX. 188,125,500 (47%) was recovered leaving UGX. 212,352,823 (53%) outstanding

*For observations and recommendations refer to cross cutting issue number
3.7*

105. SOROTI DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1: Stock outs of Medicines and Health Supplies

Audit revealed that 3 (three) items out of the 11 (eleven) selected tracer medicines experienced stock outs ranging between 75 and 233 days.

*For observations and recommendations refer to cross cutting issue number
3.5.2.2*

Query 2: Unpaid Pension Arrears

Audit revealed that Pension arrears to the tune of UGX. 1,388,676,423 have been outstanding since 2013/2014.

*For observations and recommendations refer to cross cutting issue number
3.15*

Query 3: Failure to implement budget as approved by Parliament

Audit revealed that out of the budgeted revenue of UGX. 22,005,400,000 the district received UGX. 18,585,986,875 (84%) resulting into a shortfall of UGX. 3,419,413,125 (16%).

For observations and recommendations refer to cross cutting issue number 3.1

Query 4: Under collection of local revenue

According to the Audit Report, out of the budgeted local revenue of UGX. 533,976,000, only UGX. 318, 666,670 (60%) was realized resulting into a shortfall of UGX. 215, 309,330.(40%).

For observations and recommendations refer to cross cutting issue number 3.3

Query 5: Low recovery of Youth Livelihood Programme Funds

The district expected to recover UGX. 419,738,018 but only UGX. 88,051,650 (21%) was recovered leaving UGX. 331,686,368 (79%) outstanding.

For observations and recommendations refer to cross cutting issue number 3.7

Query 6: Understaffing

Audit revealed that the District has an approved staff structure of 140 positions but only 104 (74%) were filled leaving a staffing gap of 36 (26%) positions.

For observations and recommendations refer to cross cutting issue number 3.6

Query 7: Lack of land titles

Audit revealed that the District did not have titles for a big portion of its land.

For observations and recommendations refer to cross cutting issue number 3.8

106. ABIM DISTRICT LOCAL GOVERNMENT (*Qualified Opinion*)

Query 1: Unaccounted for Funds

Audit revealed that UGX. 437,552,373 lacked supporting documents.

Observation

The Committee established that the Accounting Officer had commenced recoveries and had so far recovered UGX. 48,570, 000.

Recommendation

The Committee recommends that the Accounting Officer continues with the recoveries until the entire total of UGX. 437,552,373 is recovered.

Query 2. Unsupported Pension payments

Audit revealed that pension and gratuity payments worth UGX. 116,432,254 were made to pensioners during the year without supporting records.

For observations and recommendations refer to cross cutting issue number 3.15

Query 3. Utilization of Medicines and Medical Supplies

1.1 Unaccounted for Medicines and Health Supplies

Audit revealed variance between opening stock, what was received from NMS, total quantity issued out and the physical count at drug store of UGX. 22,933,672. There was also a variance between quantities delivered

on the delivery notes from NMS and quantities recorded on the stock cards worth UGX. 4,333,674.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

1.2 Stock Outs

Audit revealed that 6 (six) items out of the eleven (11) selected tracer medicines experienced stock outs within the audit period. Noticeably Coartem was out of stock for 15 days and sutures for 270 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

1.3 Expired Drugs

Audit found piles of expired drugs which had stayed for a period of 3 years in the store without destruction.

For observations and recommendations refer to cross cutting issue number 3.5.2.3

Query 4: Human Resources

Out of the 190 approved positions, only 136 representing 72% posts were filled leaving 54 positions vacant representing 45.6%.

For observations and recommendations refer to cross cutting issue number 3.6

Query 5: Salary Over Payments

Audit revealed overpaid salaries amounting to UGX. 285,458,548.

Observation

The Committee noted that recovery measures had been instituted with UGX. 27,000,000 so far recovered.

Recommendation

The Committee recommends that the Accounting Officer should ensure that all the recoveries are completed up to the tune of UGX. 285,458,548

Query 6: Failure to implement Budget as approved by Parliament

Audit revealed that out of the budgeted revenue of UGX. 22,249,576,000 the district received UGX. 14,788,273,025 representing 66.5%. This resulted in a shortfall of UG.7,461,302,975 representing 33.5%.

For observations and recommendations refer to cross cutting issue number

3.1

Query 7: Non compliance with commitment control procedures

Audit revealed that an amount of UGX. 433,259,193 was irregularly incurred as domestic arrears contrary to regulations.

For observations and recommendations refer to cross cutting issue number

3.9

Query 8: Irregularities in renovation of Abim Hospital

A contract for renovation of Abim Hospital was undertaken in phases at a total cost of UGX. 1,036,651,594. By the time of audit in September 2017 a total of UGX. 1,050,249,995 had been paid for the renovations.

However, the following anomalies were observed:

- phase one contract price was varied by UGX. 31,092,272 raising the contract price to UGX. 697,866,435 from UGX. 666,774,163 without contracts committee approval hence an excess payment of UGX. 31,092,272.
- works both in phase 1 and 2 costing UGX. 252,103,000 paid to the contractor were noted to be defective or incomplete.

Observation

The Committee noted that the responses given by the Accounting Officer, Engineer and District Health Officer were contradictory.

Recommendation

The Committee recommends that the matter be referred to Police for further investigations.

Query 9: Low Recovery of Youth Livelihood Program Funds

An analysis of recovery of the program funds revealed that the District expected to recover UGX. 186,143,440 but only UGX. 31,278,000 (17%) was recovered.

For observations and recommendations refer to cross cutting issue number 3.7

Query 10: Lack of land titles for school land

It was observed that land for the 21 primary schools sampled lacked titles.

For observations and recommendations refer to cross cutting issue number 3.8

107. KABERAMAIDO DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Utilization of medicines and Health Supplies

1.1 Stock outs of Medicines and Health Supplies

Audit observed that 6 (six) out of the 11 (eleven) selected tracer medicines experienced stock outs ranging between 14 and 244 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 2: Inadequate Controls surrounding management of Domestic Arrears

Audit observed that an amount of UGX. 971,645,944 was irregularly incurred as domestic arrears outside the approved estimates appropriated by Parliament.

For observations and recommendations refer to cross cutting issue number 3.9

Query 3: Low Recovery of Youth Livelihood Program

Audit revealed that the District expected to recover UGX. 419,539,159 during the year but only recovered UGX.106,159,899 (25%) leaving UGX. 313,379,260 outstanding.

For observations and recommendations refer to cross cutting issue number 3.7

Query 4: Understaffing

Out of the approved staff structure of 140 positions, only 44 positions representing 42% are filled leaving a staffing gap of 56 positions representing 58%.

For observations and recommendations refer to cross cutting issue number 3.6

Query 5: Non Disposal of Assets

Audit found that the obsolete assets that the Financial Year 2015/16 Board of Survey report recommended for disposal had not been disposed off at the time of audit.

For observations and recommendations refer to cross cutting issue number 3.11

108. AMURIA DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Salary Arrears

Audit found salary arrears amounting to UGX. 70,543,341 accruing to 43 staff from as far back as 2006/07.

Observation

The Committee established that the arrears have been cleared.

Recommendation

The Committee recommends that the query be dropped.

Query 2: Low Absorption/Unspent Balances

Audit observed that the District failed to utilize UGX. 348,088,475 by the end of the financial year.

Observation

The Committee did not receive any justification for the low absorption of funds by the District.

Recommendation

The Committee recommends that the query be upheld.

Query 3: Low Recovery of Youth Livelihood Program Funds

Audit revealed that the District was expected to recover UGX. 368,505,125 during the year but it only recovered UGX. 73,410,004 (20%) leaving a balance of UGX. 295,095,121 representing (80%).

For observations and recommendations refer to cross cutting issue number 3.7

Query 4: Under Staffing

Out of the approved staff structure of 1091 positions only 479 (44%) positions were filled leaving a staffing gap of 612 representing 56% positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 5: Non Disposal of Assets

Audit found that obsolete assets that the Board of Survey report for 2015/16 recommended for disposal had not been disposed off at the time of audit.

For observations and recommendations refer to cross cutting issue number 3.11

109. AMUDAT DISTRICT LOCAL GOVERNMENT *(Unqualified Opinion)*

Query 1: Inadequate Controls Surrounding Management of Domestic Arrears

Audit revealed that an amount of UGX. 226,968,509 was irregularly incurred as domestic arrears outside the approved estimates appropriated by Parliament.

For observations and recommendations refer to cross cutting issue number 3.9

Query 2: Diversion of Funds

Audit revealed that an amount of UGX. 147,250,000 that was received by the district for the purchase of a tractor was diverted.

Observation

The Committee noted that the diverted funds were lent to departments in the District to help them run the planned activities but they had not yet refunded the money.

Recommendation

The Committee recommends that the Accounting Officer should write to the Permanent Secretary/Secretary to the Treasury seeking retrospective authority to divert the funds.

Query 2: Low Recovery of Youth Livelihood Program Funds

Audit revealed that the District expected to recover UGX. 559,999,670 during the year but only UGX. 78,720,500 representing 4% was recovered leaving a balance of UGX. 481,279,170 representing 86% outstanding.

For observations and recommendations refer to cross cutting issue number 3.7

Query 3: Failure to Deduct and Remit Taxes

Audit revealed that tax deductions amounting to UGX. 63,842,551 had not been remitted to URA by the time of Audit.

For observations and recommendations refer to cross cutting issue number 3.12

Query 4: Under Staffing

Out of the approved staff structure of 129 positions only 99 representing 38% positions are filled leaving a staffing gap of 160 positions representing 62%.

For observations and recommendations refer to cross cutting issue number 3.6

Query 5: Payment for no work done

The District disbursed a total of UGX. 211,680,000 to 5 approved block farms to prepare 100 acres of land by removing stamps and cleaning it ready for ploughing. The audit inspection revealed that no work was done.

Observation

The Committee established that the land was later cleared after the audit period.

Recommendation

The Committee recommends that the Accounting Officer should always ensure that funds are utilized for the intended purposes and in a timely manner.

Query 6: Delays in the Construction of a solar powered mini water supply system

On 26th June 2017 the District awarded a contract for the construction of a solar powered mini piped water supply at Alakas at a contract price of UGX. 219,431,573. The contract start and end dates were 26th June 2017 and 30th September 2017 respectively. At the time of Audit in October 2017, UGX. 83,000,000 had been paid to the contractor but the works were incomplete.

Observation

The Committee established that the works have since been completed.

Recommendation

The Committee recommends that the query be dropped.

Query 7: Unverified Assets

The verification of assets revealed that four vehicles and one motorcycle were not at the District's premises.

Observation

The Committee established the existence of the motor vehicles and the motorcycle.

Recommendation

The Committee recommends that the query be dropped.

110. BUKEDDEA DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Utilization of Medicines and Health Supplies

1.1 Stock Outs of Medicines and Health Supplies

Audit revealed that 3 (three) items out of the 11 (eleven) selected tracer medicines experienced stock outs ranging between 158 and 253 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 2: Inadequate Controls Surrounding Management of Domestic Arrears

Audit observed that an amount of UGX. 942,051,529 was irregularly incurred as domestic arrears outside the approved estimates appropriated by Parliament.

For observations and recommendations refer to cross cutting issue number 3.9

Query 3: Unauthorized Excess Expenditure

Audit revealed that the District spent UGX. 1,768,291,272 under Administration and Education without the approval from Council.

Observation

The Committee established that the Accounting Officer got retrospective approval from Council.

Recommendation

The Committee recommends that the Accounting Officer should always seek appropriate authority before incurring expenditure beyond approved amounts.

Query 4: Failure to Implement Budget as approved by Parliament

Audit observed that out of the budgeted revenue of UGX. 17,851,443,000 for key sectors, the District received UGX. 17, 698,957,054 representing 99.1% resulting in a shortfall of UGX.152,485,946 representing 0.9%. Further observed was the fact that a number of planned outputs for an amount of UGX. 132,663,665 were not implemented.

For observations and recommendations refer to cross cutting issue number 3.1

Query 5: Idle Dental Machine

Audit inspection of Bukedea Health Center IV revealed that the Dental Department is equipped with a dental machine that is not functional due to lack of major parts for its operation.

Observation

The Committee established that the machine is now functional.

Recommendation

The Committee recommends that the query be dropped.

Query 6: Under Collection of Local Revenue

Audit observed that out of the budgeted local revenue of UGX. 174,194,000 only UGX. 118,873,001 representing 68% was realized resulting into a shortfall of UGX. 55,320,999.

For observations and recommendations refer to cross cutting issue number
3.3

Query 7: Low Recovery of Youth Livelihood Program

Audit observed that the District expected to recover UGX. 351,040,965 during the year but only recovered UGX.90,611,480 representing 26%. This left an outstanding amount of UGX.260,429,485 representing 74%.

For observations and recommendations refer to cross cutting issue number
3.7

Query 7: Under staffing

Out of the approved staff structure of 163 only 72 positions representing 45% positions are filled leaving a staffing gap of 91 positions representing 55%.

For observations and recommendations refer to cross cutting issue number
3.6

111. KOTIDO DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1: Inadequate Controls Surrounding Management of Domestic Arrears

Audit observed that an amount of UGX. 258,694,967 was irregularly uncured as domestic arrears outside the approved estimates appropriated by Parliament.

For observations and recommendations refer to cross cutting issue number
3.9

Query 2: Failure to implement Budget as approved by Parliament.

Audit observed that out of the budgeted revenue of UGX. 16,748,521,902 the district received UGX. 12,132,413,250 (72%) resulting into a shortfall of UGX.4,791,706,652 representing 28%. Further it was observed that a number of planned outputs for an amount of UGX. 1,099,663,800 were not implemented.

For observations and recommendations refer to cross cutting issue number 3.1

Query 3: Understaffing

Out of the approved staff structure of 683 positions only 429 positions representing 59% are filled leaving a staffing gap of 254 representing 41% positions.

For observations and recommendations refer to cross cutting issue number 3.6

Query 4: Abandoned construction works of cattle dip at Nakapelimoru Sub County

A contract for construction of a cattle dip at Nakapelimoru Sub-County was awarded to a local firm at a cost of UGX. 54,075,000. However audit inspection revealed that the works were incomplete.

Observation

The Committee established that works worth UGX. 23 million are still ongoing and soon to be completed. The funds have not yet been paid to the contractor.

Recommendation

The Committee recommended that the works be completed in the next two months.

112. MOROTO DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Failure to implement Budget as approved by Parliament

Audit revealed that out of the budgeted revenue of UGX. 16,003,479,092 the district received UGX. 13,908,896,481 representing 87% resulting in a shortfall of UGX.2,094,582,611 representing 13%. Further observed is the fact that planned outputs amounting to UGX. 397,832,361 were not implemented.

For observations and recommendations refer to cross cutting issue number 3.1

Query 2: Under Collection of Local Revenue

Audit observed that out of the budgeted local revenue of UGX. 688,089,780 only UGX. 626,063,751 representing 91% was realized resulting in a shortfall of UGX. 62,026,029 representing 9%.

For observations and recommendations refer to cross cutting issue number 3.3

Query 3: Under Staffing

Out of the approved staff structure of 200 positions only 148 positions representing 49% were filled leaving a staffing gap of 52 positions representing 26%.

For observations and recommendations refer to cross cutting issue number 3.6

Query 4: Failure to implement Board of Survey

Audit observed that contrary to the recommendation of the Board of Survey report for the year ended 30th June 2016 to dispose off the obsolete assets, the items had not been disposed off.

For observations and recommendations refer to cross cutting issue number 3.11

Query 5: Service Delivery

Routine Mechanized Maintenance of Roads under Force Account.

Inspection carried out on Naoi-Lokisilei road revealed that only 1.5 kms had been graveled instead of the full 12kms at a cost of UGX. 150,417,000.

Observation

The Committee established that the bridge had been completed and it is functional.

Recommendation

The Committee recommends that the query be dropped.

113. KUMI DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Utilization of Medicines and Health Supplies

1.1 Stock Out of Medicines and Health Supplies

8 (eight) out of 11 (eleven) selected tracer medicines experienced stock outs ranging between 9 and 272 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

1.2 Expired Medicines

Audit found that drugs worth UGX. 52,103,249 had expired and stayed for a period of 6 months without destruction.

For observations and recommendations refer to cross cutting issue number 3.5.2.3

1.3 Under Staffing

It was observed that out of 190 approved positions in the hospital only 103 representing 54.2% positions are filled leaving 87 representing 45.7% positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 2: Receivables

Audit revealed that an amount of UGX. 436,041,098 disclosed in the statements of financial position represents receivables not recovered during the year.

For observations and recommendations refer to cross cutting issue number 3.3

Query 3: Failure to Implement Budget as Approved by Parliament

Audit observed that out of the budgeted revenue of UGX. 23,073,713,246, the district received UGX. 19,408,608,461 resulting into a shortfall of UGX. 3,665,104,785 representing 15.9%. Further observed was that a number of planned outputs for an amount of UGX. 1,893,592,679 were not implemented.

In some instances the activities were not implemented despite the fact that funds required were released hence occasioning unspent balance of UGX. 571,909,962.

For observations and recommendations refer to cross cutting issue number 3.1

Query 4: Low Recovery of Youth Livelihood Program Funds

It was observed that the district expected to recover UGX. 192,786,600 during the year but only recovered UGX.36,605,800 representing 19% leaving an outstanding amount of UGX.156,180,800 representing 81%.

For observations and recommendations refer to cross cutting issue number 3.7

Query 5: Delays in Completion of the Renovation of Atutur Hospital

At the time of audit in July 2017, UGX. 144,274,824 (60.5%) of the contract amount had been paid to the contractor but civil works worth UGX. 52,755,640 of the paid works had not been completed.

Observation

The Committee established that the works are complete.

Recommendation

The Committee recommends that the query be dropped.

Query 6: Lack of Land Titles

Audit observed that all the thirty six (36) primary schools sampled lacked titles.

For observations and recommendations refer to cross cutting issue number 3.8

114. NGORA DISTRICT LOCAL GOVERNMENT (Unqualified Opinion)

Query 1: Utilization of Medicines and Medical Supplies

1.1 Stock Outs

Audit revealed that 8 (eight) items out of the 11 (eleven) selected tracer medicines experienced stock outs within the audit period.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

1.2 Expired Drugs

Audit found that several medicines had expired and stayed for a period of over six months without destruction.

For observations and recommendations refer to cross cutting issue number 3.5.2.3

1.3 Human Resources

Audit revealed that out of the 40 approved staff positions only 24 positions representing 60% were filled leaving 16 representing 40% positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 2: Un authorized excess Expenditure

Audit revealed that the District incurred excess expenditure of UGX. 1,204,062,004 on various activities without approval by Council.

Observation

The Committee observed that the Accounting Officer exuded laxity in performing his/her roles.

Recommendation

The Committee recommends that the Accounting Officer should desist from spending Government funds outside the law.

Query 3: Failure to Deduct and Remit Taxes

Audit observed that tax deductions amounting to UGX. 621,791,826 had not been remitted to URA by the time of audit.

For observations and recommendations refer to cross cutting issue number 3.12

Query 4: Low Recovery of Youth Livelihood Program Funds

Audit revealed that the District expected to recover UGX. 373,282,500 but only recovered UGX. 48,657,500 leaving an amount of UGX. 324,625,000 outstanding.

For observations and recommendations refer to cross cutting issue number 3.7

Query 5: Under Absorption/Unspent Balances

Audit observed that the District had failed to utilize UGX. 311,954,562 by the end of the financial year.

Observation

The Committee established that the funds were received by the District on 16th June 2017; which period was too short for the District to use the funds before the end of the Financial Year on 30th June 2017.

Recommendation

The Committee recommends that Government should desist from sending money to Local Governments at the end of the Financial Year.

115. SERERE DISTRICT LOCAL GOVERNMENT (*Unqualified Opinion*)

Query 1: Utilization of Medicines and Health Supplies

1.1 Medicines and Health Supplies Accountability

Audit observed an amount of UGX. 33,908,102 of drugs was issued with no records in the stock cards.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

1.2 Stock Outs of Medicines and Health Supplies

Audit revealed that 4 (four) items out of the 11 (eleven) selected tracer medicines experienced stock outs ranging between 34 and 273 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

1.3 Expired Drugs

Audit observed that various medicines had expired and stayed for a period of 6 months without destruction.

For observations and recommendations refer to cross cutting issue number 3.5.2.3

Query 2: Inadequate Controls Surrounding Management of Domestic Arrears

Audit revealed that an amount of UGX. 727,925,247 was irregularly incurred as domestic arrears contrary to regulation.

For observations and recommendations refer to cross cutting issue number 3.9

Query 3: Failure to implement budget as approved by Parliament

Audit observed that out of the budgeted revenue of UGX. 23,643,474,331 the district received UGX. 21,972,052,106 representing 93% resulting in a shortfall of UGX.1,671,422,225 representing 7%. Further observed was the fact that a number of planned outputs worth UGX. 1,579,423,151 were not implemented.

For observations and recommendations refer to cross cutting issue number 3.9

Query 4: Low Recovery of Youth Livelihood Program Funds

Audit found that the District expected to recover UGX. 623,768,064 but only recovered UGX. 73,128,700 representing 12% leaving an outstanding amount of UGX.550,639,364 representing 88%.

For observations and recommendations refer to cross cutting issue number 3.7

Query 5: Abandoned construction of Education Block.

Audit found that the District contracted a local firm for the construction of a District Education Block at a contract sum of UGX. 56,000,000 under Peace Recovery and Development Plan (PRDP) funds. The start

and completion dates were 28th January 2016 and 31st April 2016 respectively.

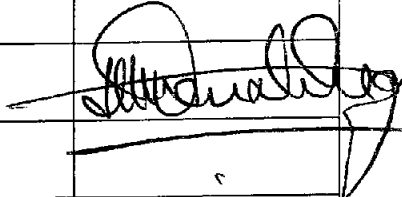
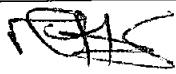



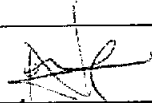
Observation



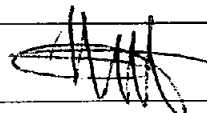
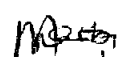
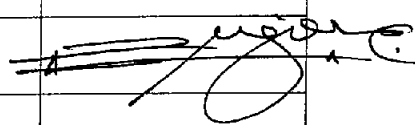
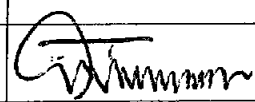


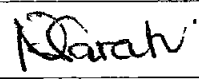
The Committee established that the works have since been completed.

Recommendation

The Committee recommends that the query be dropped.

**MEMBERS OF THE PUBLIC ACCOUNTS COMMITTEE (LOCAL GOVERNMENT)
APPENDING THEIR SIGNATURES TO THE COMMITTEE REPORT ON THE AUDITOR
GENERAL'S REPORT FOR THE FINANCIAL YEAR 2016/17 COVERING SPECIFIC
QUERIES IN EACH DISTRICT LOCAL GOVERNMENT**

S/N	NAME	CONSTITUTENCY	SIGNATURE
1	HON. OKUMU RONALD REAGAN	ASWA COUNTY	
2	HON. OKIN P.P. OJARA	CHUA WEST	
3.	HON. AJILO MARIA GORETTI ELOGU	DWR KABERAMAIDO	
4.	HON. AKELLO SILVIA	DWR OTUKE	
5.	HON. ANGELLA FRED	MOROTO MUNICIPALITY	
6.	HON. ARINDA GORDON KAKUUNA	BUSHENYI-ISHAKA MUNICIPALITY	
7.	HON. BAFAKI GORDON	KAZO COUNTY	
8.	HON. BAGUMA SPELLANZA MUHENDA	DWR KYENJOJO	
9.	HON. BASEMERA KISEMBO NOELINE	DWR KIBALE	
10.	HON. BYIBESHO SAM	KISORO MUNICIPALITY	
11.	HON. CHRISTINE ACHEN AYO	ALEBTONG DISTRICT	
12.	HON. DULU ANGEL MARK	ADJUMANI COUNTY	
13.	HON. EGUNYU NANTUME JANE PHER	DWR BUVUMA	
14.	HON. ETUKA ISAAC JOAKINO	UPPER MADI COUNTY	
15.	HON. GRACE NAMUKHULA WATUWA	DWR NAMISINDWA	
16.	HON. IBRAHIM KASOZI BIRIBAWA	MAKINDYE EAST	
17.	HON. JONATHAN ODUR	ERUTE SOUTH	

18.	HON. JULIUS OCHEN	KAPELEBYONG COUNTY	
19.	HON. KAJUNGU MUTAMBI ROSETTE CHRISTINE	DWR MBARARA	
20.	HON. KASOLO ROBERT	IKI-IKI COUNTY	
21.	HON. MUGUME ROLAND	RUKUNGIRI MUNICIPALITY	
22.	HON. MUHEIRWE.M.DANIEL	BUHAGUZI COUNTY	
23.	HON. MUKISA ROBINAH HOPE	DWR NAMAYENGO	
24.	HON. MUKULA FRANCIS	AGULE COUNTY	
25.	HON. MUTEBI NOAH WANZALA	NAKASONGOLA COUNTY	
26.	HON. NAMBOOZE BETTY. B	MUKONO MUNICIPALITY	
27.	HON. OCEN PETER	KOLE SOUTH	
28.	HON. ONGIERTHO JOR EMMANUEL	JONAM COUNTY	
29.	HON. ONZIMA GODFREY	ARINGA NORTH	
30.	HON. OULA INNOCENT	UPDF REPRESENTATIVE	
31.	HON. SARAH NAJJUMA	NAKASEKE DISTRICT	
32.	HON. SSEKABIITO JOSEPH	MAWOGOLA COUNTY	
33.	HON. SSEMBATYA EDWARD NDAWULA	KATIKAMU COUNTY SOUTH	
34.	HON. TABAN AMIN	KIBANDA NORTH COUNTY	
35.	HON. WA TONGOLA REHEMA	KAMULI MUNICIPALITY	
36.	HON. WEKOMBA SARAH	BULAMBULI DISTRICT	

PART B. MUNICIPAL COUNCILS

1. ARUA MUNICIPAL COUNCIL (*Unqualified Opinion*)

Query 1: Utilization of Medicines and Health Supplies

The Audit team considered a preselected sample of Oli Health Center IV and made the following observations:

1.1 Sock outs

Audit observed the six items out of the eleven tracer medicines experienced stock outs within the audit period. Noticeably Coartem 18 was out of stock for 3 days and Coartem 6 was out to stock for 3 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

1.2 Expired Drugs

Audit revealed that a number of drugs had expired.

For observations and recommendations refer to cross cutting issue number 3.5.2.3

Query 2: Under-absorption/unspent balances

Audit revealed that the Municipal Council had not utilized UGX. 7,343,068,033 by the end of the financial year.

Observation

The Committee established that these were USMID funds that are exempt from being returned at the end of the Financial Year.

Recommendation

The Committee recommends that the query be dropped.

Query 3: Understaffing

Audit revealed that out of the approved structure of 85 positions only 27 representing 32% were filled leaving a gap of 58 representing 68%.

For observations and recommendations refer to cross cutting issue number 3.6

Query 4: Loss of Council Motor Cycles

A review of the fixed Assets Register and audit verification carried out revealed that three motor cycles purchased on 19th March 2015 at UGX. 42,000,000 were stolen outside the council premises

The Committee learnt that actually 6 motorcycles have been lost as follows:

Planning	6 months ago
Physical Planner	1 year ago
Records	1 year ago
CDO	1 year ago
Division High	3 weeks ago
Audit department	4 years ago.

Observation

The Committee established that the matters were reported to Police.

Recommendation

The Committee recommends that the Accounting Officer follows up with police and reports back to Parliament.

Query 5: Non Compliance to statutory obligations

5.1 Failure to deduct and remit With Holding Tax

Audit observed that tax deductions amounting to UGX. 441,488,004 were deducted but not remitted to URA by the time of audit.

Observation

The Committee established that the funds were later transferred to URA as evidenced in the URA receipts presented.

Recommendation

The Committee recommends that the query be dropped.

5.2 Non acknowledgements of payments by URA

Audit revealed that tax deductions amounting to UGX. 8,780,320 purportedly remitted to URA were not supported by acknowledgement receipts at the time of audit.

Observation

The Committee established that the funds were acknowledged by URA as evidenced in the URA receipts presented.

Recommendation

The Committee recommends that the query be dropped.

Query 6: Illegal Bank Accounts

A review of a special audit report carried out by Internal Audit dated 26th May 2017 revealed that two Municipal Council staff illegally opened bank accounts in the names of Municipal Account Divisions without the knowledge of the Town Clerk.

Observation

The Committee found that the matter was before the Inspector General of Government.

Recommendation

The Committee recommends that the IGG pursues this matter and brings it to conclusion as soon as possible.

Query 7: Failure to recover Council funds from staff as recommended by Internal Audit Report

A review of the Internal Audit report dated 21st November 2014 revealed that the Accounting Officer was instructed to recover UGX. 3,400,000 from various officials but at the time of audit the recoveries had still not been made.

Observation

The Committee noted that the Accounting Officer had no evidence of recoveries being made.

Recommendation

The Committee recommends that the Accounting Officer recovers the UGX. 3,400,000 immediately.

2. NEBBI MUNICIPAL COUNCIL (*Unqualified Opinion*)

Query 1: Failure Implement Budget as approved by Parliament

Out of the budgeted revenue of UGX.5,971,997,365, the Municipal Council received UGX.4,818,198,525 (83%) resulting into a shortfall of UGX.1973,798,840 (17%).

For observations and recommendations refer to cross cutting issue number
3.1

Query 2: Understaffing

The Municipal Council has an approved staff structure of 191 positions out of which only 102 (53%) were filled leaving a staffing gap of 89 (47%).

For observations and recommendations refer to cross cutting issue number
3.6

Query 3: Lack of Land Titles

Audit revealed that the Municipal Council does not have land titles for its land.

For observations and recommendations refer to cross cutting issue number
3.8

3. KOBOKO MUNICIPAL COUNCIL (*Unqualified Opinion*)

Query 1: Failure to Implement Budget as approved by Parliament

Out of the budgeted revenue of UGX.5,546,850,641, the Municipal Council received UGX.4,711,633,015 (85%) resulting into a shortfall of UGX.835,217,626 (15%).

For observations and recommendations refer to cross cutting issue number
3.1

Query 2: Management of Youth Livelihood Program Funds

Audit revealed that out of UGX.118,819,960 disbursed to the Council, a total of UGX.57,802,960 paid to various youth groups remained unaccounted for due to mismanagement of the funds by the groups.

For observations and recommendations refer to cross cutting issue number 3.7

Query 3: Failure to meet the Minimum Education National Standards

Inspections carried out at Abele Primary School and Ombachi Self Help Primary School revealed that the class, teacher, desk and latrine ratios were below the recommended standards.

For observations and recommendations refer to cross cutting issue number 3.10

4. GULU MUNICIPAL COUNCIL (*Unqualified Opinion*)

Query 1. Inadequate Controls Surrounding Management of Domestic Arrears

An amount of UGX 106,391,657 was irregularly incurred as domestic arrears outside the approved estimates appropriated by Parliament and consequently, there has been an increase in domestic arrears (goods and services) over the period of two years which makes the trend unsustainable, though it reduced in the third year.

For observations and recommendations refer to cross cutting issue number 3.9

Query 2. Receivables

Receivables totaling to UGX 370,423,092 remained outstanding by the end of the year.

For observations and recommendations refer to cross cutting issue number 3.3

Query 3 Low Recovery of Youth Livelihood Programme Funds

Audit indicated that the an analysis of the recovery of the funds in a sample of 26 groups revealed low recovery of UGX 36,359,000 (20%) out of UGX 183,344,000 due for recovery leaving a balance of UGX 146,985,000 (80%).

For observations and recommendations refer to cross cutting issue number 3.7

Query 4 Understaffing

The council has an approved staff structure of 161 Positions. Out of the approved structure of 161 positions, only 96 positions representing 60% positions are filled, leaving a staffing gap of 65 representing 40%.

For observations and recommendations refer to cross cutting issue number 3.6

Query 5 Failure to Implement Budget as approved by Parliament

Out of the budgeted revenue of UGX 60,235,542, the entity received UGX 36,789,447 (61%), resulting into a shortfall of UGX 23,446,256,095 (39%).

Observation

The Committee established that the shortfall was the unspent balance of USMID funds brought forward from Financial Year 2015/2016.

Recommendation

The Committee recommends that the query be dropped.

Query 6 Under Collection of Local Revenue

Out of the budgeted local revenue of UGX 2,689,550,000, only UGX 2,426,009,935 representing 90% was realised, resulting into a shortfall of UGX 263,540,065 representing 10%.

For observations and recommendations refer to cross cutting issue number 3.3

Query 7 Under-absorption/Unspent Balances

Audit revealed that Council failed to utilize UGX 26,324,017,645 by the end of the Financial Year.

Observation

The Committee established that the unspent balances were USMID funds.

Recommendation

The Committee recommends that the query be dropped.

5. KITGUM MUNICIPAL COUNCIL (*Unqualified Opinion*)**Query 1: Unaccounted for Funds**

Expenditure amounting to UGX.15,072,100 remained unaccounted for at the end of the Financial Year.

Observation

The Committee observes that the Accounting Officer breached Regulation 43(2) of the Local Governments Financial and Accounting Regulations, 2007.

Recommendation

The Committee recommends that the Accounting Officer should recover the said amounts from the responsible officers.

Query 2: Under collection of Local Revenue

Out of the budgeted local revenue of UGX.632,953,000 only UGX.484,684,069 (76.6%) was collected resulting into a shortfall of UGX.148,268,931 (23.4%).

For observations and recommendations refer to cross cutting issue number 3.3

Query 3: Non Assessment of Taxable Revenue

Audit revealed that Council did not conduct revenue enumeration and assessment for all Council revenue sources. As a result, Council did not ascertain the budget figures for revenue to be billed for the period but instead used collected revenue as amounts billed for the period.

For observations and recommendations refer to cross cutting issue number 3.3

Query 4: Non Maintenance of Local Revenue Register

Audit found that Council did not maintain a revenue register for all local revenue sources as required by Regulation 33(1) and (2) of the Local Governments Financial and Accounting Regulations, 2007.

For observations and recommendations refer to cross cutting issue number 3.3

6. APAC MUNICIPAL COUNCIL (*Unqualified Opinion*)

Query 1: Unaccounted for Funds

Expenditure amounting to UGX. 3,176,000 was identified as funds unaccounted for at the close of the financial year.

Observation

The Committee established that the Accounting Officer obtained accountability documents as was advised by the Auditor General.

Recommendation

The Committee recommends that the query be dropped.

7. LIRA MUNICIPAL COUNCIL (*Unqualified Opinion*)

Query 1. Pension and Gratuity Arrears

Audit revealed an amount of UGX 25,492,338 outstanding as pension liability.

For observations and recommendations refer to cross cutting issue number 3.15

Query 2. Low Absorption/Unspent Balance

Audit found that the Municipal Council failed to utilize UGX 7,487,029,839 by the end of the Financial Year.

Observation

The Committee established that the unspent funds were meant for the USMID Programme.

Recommendation

The Committee recommends that the query be dropped.

Query 3. Funds Unaccounted for

Audit found that an expenditure amounting to UGX 25,486,400 remained unaccounted for by the year end.

Observation

The Committee found the accountabilities presented amounting to UGX 17,420,400 satisfactory:

Recommendation

The Committee recommends that:

- i. the query regarding the UGX 17,420,400 be dropped.
- ii. the outstanding amount be recovered from the relevant officers.

Query 4: Low Recovery of Youth Livelihood Programme

Out of the UGX 61,272,055 (82.5%) due for recovery (including a service charge of UGX 9,534,555), only UGX 61,728,000 (17.5%) was recovered, leaving UGX 289,544,055 outstanding.

For observations and recommendations refer to cross cutting issue number 3.7

8. NANSANA MUNICIPAL COUNCIL (*Unqualified Opinion*)

Query 1: Failure to Implement Budget as approved by Council

Out of the budgeted revenue of UGX.14,002,596,787, the Municipal Council received UGX.12,405,907,664 (89%) leading to a shortfall of UGX.1,596,689,120 (11%).

For observations and recommendations refer to cross cutting issue number
3.1

Query 2: Low Recovery of Youth Livelihood Program Funds

Analysis of recovery of the programme funds by the Municipal Council revealed low recovery of funds. Out of UGX.237,893,000 due for recovery as at 30th June 2018, only UGX.17,215,000 (7%) was recovered leaving a balance of UGX.220,678,000 (93%) outstanding.

For observations and recommendations refer to cross cutting issue number
3.7

Query 3: Understaffing

The Municipal Council has an approved staff structure of 898 out of which only 631 (70%) were filled leaving a staffing gap of 267 (30%).

For observations and recommendations refer to cross cutting issue number
3.6

Query 4: Lack of Land Titles

The Municipal Council does not have titles for the land where its health centres are located.

For observations and recommendations refer to cross cutting issue number
3.8

9. LUGAZI MUNICIPAL COUNCIL (Unqualified Opinion)

Query 1: Inadequate controls surrounding management of domestic arrears

Audit revealed that there has been an increase of 59% in domestic arrears over the period of two years from UGX. 62,198,659 to UGX.118,075,445 which makes the trend unsustainable.

For observations and recommendations refer to cross cutting issue number 3.9

Query 2: Failure to implement Budget as approved by Parliament

Audit observed that out of the budgeted revenue of UGX. 6,793,085,577 the entity received UGX. 6,211,466,237 representing 85% resulting into a shortfall of UGX.994,670,974 representing 15%. Audit further observed that a number of planned outputs for an amount of UGX. 766,541,391 were not implemented.

For observations and recommendations refer to cross cutting issue number 3.1

Query 3: Lack of Land Titles

Audit revealed that the Municipal Council did not have titles to land where 40 of its schools are located.

For observations and recommendations refer to cross cutting issue number 3.8

Query 4: Understaffing

Audit revealed that out of the approved staff structure of 148 positions, only 46 position (31%) are filled leaving a staffing gap of 102 positions representing 69% vacant.

For observations and recommendations refer to cross cutting issue number 3.6

10. KIRA MUNICIPAL COUNCIL (*Unqualified Opinion*)

Query 1: Failure to implement Budget as approved by Parliament

Audit revealed that out of the budgeted revenue of UGX. 13,937,110,754 Council received UGX. 12,564,974,045 representing 90% resulting into a shortfall of UGX.1,372,136,709 representing 10%.

For observations and recommendations refer to cross cutting issue number 3.1

Query 2: UPE Under Releases of Capitation Grant

The policy guidelines for participating Government aided Primary Schools under UPE states that Government shall pay a capitation grant of UGX. 7800 per pupil. However an analysis of the UPE capitation grant received by schools in Kira Municipal Council in comparison with the total number of pupils in these schools revealed that they received a grant of UGX. 3,394 per pupil leading to a shortfall of UGX. 61,866,271.

Observation

The Committee observes that under release of UPE funds from the Treasury compromises the quality of Education of the intended beneficiaries

Recommendation

The Committee recommends that the Accounting Officer should follow up with the Ministry of Education and Sports and the Ministry of Finance Planning and Economic Development to ensure that the releases concerning the UPE grant tallies with the enrollment figures.

Query 3: Understaffing

Audit revealed that out of the approved staff structure of 153 positions only 42 (27.5%) are filled leaving a staffing gap of 111 representing 73% positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

11. MITYANA MUNICIPAL COUNCIL (*Unqualified Opinion*)

Query 1: Stock Outs

Audit observed that 5 items out of the eleven selected indicator medicines experienced stock outs within the audit period. Notably coartem18 and coartetm blue-12 were out of stock for 328 days each and mama kits for 328 days while test kits were out of stock for 25 days, rapid diagnosis test kits for 103 days and oxtocyn for 75 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 2: Failure to meet minimum standards at Mityana HC IV

Audit inspection of Mityana Health Center IV revealed that the incinerator had broken down. The operational area used to accommodate medical waste had broken down leading the risk of contamination to the surroundings.

For observations and recommendations refer to cross cutting issue number 3.5.1

12. MUBENDE MUNICIPAL COUNCIL (*Unqualified Opinion*)

Query 1: Understaffing

Out of the approved staff structure of 160 positions only 37 (23%) positions were filled leaving 123 positions representing 77% positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

13. MASAKA MUNICIPAL COUNCIL (*Unqualified Opinion*)

Query 1: Low Recovery of Youth Livelihood Funds

An analysis of recovery of the Youth Livelihood Program Funds revealed that the Municipality expected to recover UGX. 120,765,312 during the year but only UGX. 15,091,000 (12.5%) was recovered leaving a balance of UGX. 105,674,312 (88.5%) as at 30th June 2017.

For observations and recommendations refer to cross cutting issue number 3.7

14. MUKONO MUNICIPAL COUNCIL (*Unqualified Opinion*)

Query 1: Utilization of Medicines and Medical Supplies Mukono Health Center IV

1.1 Stock Outs

Five items out of the eleven selected Indicator medicines experienced stock outs within the audit period. Noticeably Coartem-18 and Coartem Blue (12) were out of stock for 328 days each and mama kits for 328 days while Determine test kits were out of stock for 25days, Rapid Diagnosis test kits for 103 days and oxytocin for 75 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 2: Failure to meet minimum standards at Mukono HC IV

Audit inspection of Mukono Health Center IV revealed that the incinerator had broken down. The operational area used to accommodate medical waste had broken down creating a risk of contamination to the surroundings.

For observations and recommendations refer to cross cutting issue number 3.5.1

15. FORTPORTAL MUNICIPAL COUNCIL (Unqualified Opinion)

Query 1: Failure to implement Budget as approved by Council

Audit revealed that out of the budgeted revenue of UGX. 18,632,343,478 the district received UGX. 12,387,232,255 (66%) resulting in a shortfall of UGX. 6,245,121,300 (34%)

For observations and recommendations refer to cross cutting issue number 3.1

16. HOIMA MUNICIPAL COUNCIL (Unqualified Opinion)

Query 1: Under Collection of Local Revenue

Audit observed that out of the budgeted local revenue of UGX. 2,881,383, only UGX. 2,775,117,347 representing 96% was realized resulting into a shortfall of UGX. 356,970,000 representing 57%.

For observations and recommendations refer to cross cutting issue number 3.3

Query 2: Salary Overpayment

Audit revealed that employees were paid in excess of the validated payroll amount totaling to UGX. 6,393,851.

Observation

The Committee established that the salary overpayments arose from systems errors.

Recommendation

The Committee recommends that the overpaid amount of UGX. 6,393,851 be recovered.

17. KASESE MUNICIPAL COUNCIL (*Unqualified Opinion*)**Query 1: Inadequate Controls surrounding Management of Domestic Arrears**

Audit observed that UGX.111,293,179 was irregularly incurred as domestic arrears outside the approved estimates appropriated by Parliament and consequently, there has been an increase in domestic arrears over the period of two years from UGX.74,651,542 (2015/16) to UGX.111,293,179 which is a 33% increase making the trend unsustainable. Audit further observed that there was no budget provision for settlement of domestic arrears totaling to UGX.111,293,179.

For observations and recommendations refer to cross cutting issue number 3.9

Query 2: Understaffing

The Municipal Council has an approved staff structure of 95 positions out of which only 54 (51%) were filled leaving a staffing gap of 47 (49%).

For observations and recommendations refer to cross cutting issue number 3.6

18. MASINDI MUNICIPAL COUNCIL (Unqualified Opinion)

Query 1 Non remittance of Shared Local Revenue

Audit observed that council did not remit 30% of the total revenue collected by Divisions as required by law, amounting to UGX 52,655,224.

Observation

The Committee established that the money had been remitted.

Recommendation

The Committee recommends that the query dropped.

Query 2 Un-prequalified supplier

Audit revealed that there were supplies of 72 bags of cement; 45 tons of sand for Ntuha, Sebagala, Kirura Road worth UGX 4,914,000 by City Cool Company Limited and the supply of stone chips for road works on Kijura Road worth UGX 42,585,000 by Wilza Company Limited. These companies were not prequalified.

For observations and recommendations refer to cross cutting issue number 3.11

19. IGANGA MUNICIPAL COUNCIL (Unqualified Opinion)

Query 1: Inadequate Controls surrounding Management of Domestic Arrears

Council had an outstanding amount of UGX. 362,088,016 in domestic arrears making the position unsustainable. There was also no budget provision for settlement of the said domestic arrears.

For observations and recommendations refer to cross cutting issue number 3.9

Query 2: Lack of Land Titles

The Municipal Council did not have a title to the land where its premises are situated.

For observations and recommendations refer to cross cutting issue number 3.8

Query 3: Low recovery of Youth Livelihood Program (YLP) Funds

An analysis of recovery of the program funds revealed that out of UGX. 91,137,318 due for recovery, only UGX.15,562,000 (14%) was recovered leaving UGX.75,575,318 (86%) outstanding.

For observations and recommendations refer to cross cutting issue number 3.7

20. JINJA MUNICIPAL COUNCIL (Unqualified Opinion)

Query 1: Inadequate Controls surrounding Management of Domestic Arrears

Audit observed that there was no provision for settlement of domestic arrears totaling to UGX.376,576,561 posing a risk of litigation and diversion of funds for settling the obligations.

For observations and recommendations refer to cross cutting issue number 3.9

Query 2: Receivables

Audit observed that UGX. 3,763,911,335 was receivables as at year end.

For observations and recommendations refer to cross cutting issue number 3.3

Query 3: Low Recovery of Youth Livelihood Program Funds

Analysis of recovery of the Program funds revealed that out of UGX. 82,852,500 due for recovery, only UGX. 20,905,000 (22%) was recovered leaving a balance of UGX .61,947,500 (66.2%) outstanding

For observations and recommendations refer to cross cutting issue number 3.7

Query 4: Lack of Land Titles

The Municipal Council did not have titles of some of its properties, which posed risks of land encroachment and disputes.

For observations and recommendations refer to cross cutting issue number 3.8

21. MBARARA MUNICIPAL COUNCIL (Unqualified Opinion)

Query 1: Utilization of medicines and Health Supplies

1.1. Stock Outs

2 items out of the 11 (eleven) tracer medicines experienced stock outs with in the audit period. Noticeably safe delivery mama kits were out of stock for 116 days in the months of October to February 2017.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

1.2 Understaffing at the Health Center

Out of 72 approved positions, only 44 (62%) positions were filled, leaving 28 (38%) positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 2: Lack of Land Titles

The Auditor General observed that some of the municipal land lacked land titles.

For observations and recommendations refer to cross cutting issue number 3.8

Query 3: Delayed pension payments

The audit team revealed that there are delays in pension payments. In the Municipality on the average a pensioner takes 50 months to access the payroll.

For observations and recommendations refer to cross cutting issue number 3.15

Query 4: Exceptions raised in the PPDA audit report of the Municipal Council for the Financial Year ended 30th June 2017.

Audit revealed a number of anomalies in the procurement process.

For observations and recommendations refer to cross cutting issue number 3.11

22. BUSHENYI –ISHAKA MUNICIPAL COUNCIL (*Unqualified Opinion*)

Query 1: Utilization of Medical Supplies

1.1 Unaccounted for Medicines and Health Supplies

Audit revealed that medicines and health supplies worth UGX. 4,564,401 from Bushenyi–Ishaka Health Center IV were not accounted for due to variances between opening stock, what was received from NMS, total quantity issued out and the physical count.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

1.2 Stock Outs

1 (One) out of the 11 (eleven) selected tracer medicines experienced stock outs ranging from 19 and 22 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 2: Inadequate Controls Surrounding Management of Domestic Arrears

Audit revealed that an amount of UGX. 58,963,300 was irregularly incurred as domestic arrears outside the approved estimates appropriated by Parliament and consequently, there has been an increase in domestic arrears over the period of two years. In 2015/16 UGX. 12,896,993 was incurred while in 2016/17, UGX. 58,963,300 was incurred. This makes the trend unsustainable.

Audit further observed that there was no budget provision for the settlement of the UGX. 58,963,300 posing a risk of diversion of funds for settling the obligations.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 3: Purchases and Stores not taken on charge

Audit observed that purchases totaling to UGX. 255,772,120 were not taken on charge.

For observations and recommendations refer to cross cutting issue number 3.11

Query 4: Lack of Land Titles

Audit revealed that council does not have titles for the land it purportedly owns.

For observations and recommendations refer to cross cutting issue number 3.8

Query 5: Understaffing

Out of an approved staffing structure of 89 positions, only 32 positions were filled leaving 57 (64%) positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

23. RUKUNGIRI MUNICIPAL COUNCIL (Unqualified Opinion)

Query 1: Utilization of medicines and Health Supplies

1.1 Stock outs

3(three) out of the 11 (eleven) selected tracer medicines experienced stock outs ranging between 2 and 15 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

1.2 Understaffing at Health Center IV

Audit revealed that out of the 48 approved positions only 26 (54.2%) positions were filled, leaving 22 (45.8%) positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 2: Inadequate Controls Surrounding Management of Domestic Arrears

Audit revealed that in the year under review, UGX. 240,895,862 was irregularly incurred as domestic arrears outside the approved estimates appropriated by Parliament.

For observations and recommendations refer to cross cutting issue number 3.9

Query 3: Lack of Land Titles

Audit revealed that the Municipal Council does not have titles to the land where its premises are located.

For observations and recommendations refer to cross cutting issue number 3.8

Query 4: Under Staffing at the Municipal Council Head Quarter

Out of the approved staff structure of 144 positions only 75 representing 52% positions are filled leaving a staffing gap of 69 (48%) positions.

For observations and recommendations refer to cross cutting issue number 3.6

24. KABALE MUNICIPAL COUNCIL (*Unqualified Opinion*)

Query 1: Inadequate Controls Surrounding Management of Domestic Arrears

The Auditor General observed that an amount of UGX. 217,635,286 was irregularly incurred as domestic arrears outside the approved estimates appropriated by Parliament.

For observations and recommendations refer to cross cutting issue number 3.9

Query 2: Failure to Implement budget as approved by Parliament

The Auditor General revealed that out of the budgeted revenue of UGX. 20,586,029,966, the Municipal Council received UGX. 13,859,209,075 representing 76.3% resulting into a shortfall of UGX.6,726,820,891 representing 32.7%. It was further observed that planned activities for the amount of UGX. 6,726,820,891 were not implemented.

For observations and recommendations refer to cross cutting issue number 3.1

Query 3: Funds not Accounted for

Audit revealed that expenditure amounting to UGX. 23,182,834 was unaccounted for.

Observation

The Committee established that the funds have now been fully accounted for.

Recommendation

The Committee recommends that the query be dropped.

25. KISORO MUNICIPAL COUNCIL (*Unqualified Opinion*)

Query 1: Understaffing

Out of the 207 approved positions, only 138 (67%) positions were filled, leaving 69 (33%) positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

26. BUSIA MUNICIPAL COUNCIL (*Unqualified Opinion*)

1. Utilisation Medicines and Medical Supplies

Query 1; Drug stock out

5 items of the 11 selected tracer medicines experienced stock outs ranging between 17 and 109 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 2: Understaffing at the Health Centre

Audit observed that out 19 approved positions, only 12 (63%) were filled, leaving 7 (37%) positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 3: Inadequate Controls Surrounding Management of Domestic Arrears

Audit observed that Council had outstanding salary arrears of UGX 12,909,924 for the period between 2012 and 2017.

For observations and recommendations refer to cross cutting issue number 3.9

Query 4: Under collection of local revenue

Audit showed that out of the budgeted local revenue of UGX 637,454,755, only UGX 548,569,113 (86%) was realised, resulting into a shortfall of UGX 88,885,642 (14%)

For observations and recommendations refer to cross cutting issue number 3.3

Query 5: Understaffing

Audit observed that out of the approved staff structure of 418 persons, only 293 (70%) are filled, leaving a staffing gap of 125 (30%).

For observations and recommendations refer to cross cutting issue number 3.6

Query 6: Lack of Land Titles

Council does not have titles several pieces of land it owns.

For observations and recommendations refer to cross cutting issue number 3.8

Query 7. Stalled Construction of the Administration Block

Audit found that the Municipal Council awarded a contract of UGX 1,807,699,504 to M/s Engineering Trade Links for construction of the main office block which was to be completed in December 2016. During inspection, it was observed that the contractor had abandoned the site before the completion of the contracted works and yet UGX 572,606,605 had already been spent.

The Committee found that the matter was before the Inspectorate of Government.

Query 8: Poor Amenities at the Health Centre

Audit observed that the Busia Health Centre IV lacks basic facilities: no placenta pit; no ambulance and 8 out of 33 staff.

For observations and recommendations refer to cross cutting issue number 3.5.1

27. NTUNGAMO MUNICIPAL COUNCIL (*Unqualified Opinion*)

Query 1: Inadequate controls surrounding domestic arrears

Audit observed that an amount of UGX. 66,328,080 was irregularly incurred as domestic arrears outside the approved estimates as appropriated by Parliament. Consequently, there has been an increase in domestic arrears from UGX. 44,159,994 for the Financial Year 2015/16 to UGX. 66,328,080 for the Financial Year 2016/17 which makes the trend unsustainable.

For observations and recommendations refer to cross cutting issue number 3.9

Query 2: Un supported payment of Pension and gratuity

Audit revealed that an amount of UGX. 192,171,915 was paid in pension and gratuity without supporting documents.

For observations and recommendations refer to cross cutting issue number 3.15

Query 3: Lack of Land Titles

Audit revealed that the Municipal Council did not have titles for its land.

For observations and recommendations refer to cross cutting issue number 3.8

Query 4: Understaffing

Out of the approved staff structure of 122 positions, only 58 (48%) positions were filled leaving a staffing gap of 64 (52%) positions.

For observations and recommendations refer to cross cutting issue number 3.6

Query 5: Non- operational Theatre at Ntungamo Health Center III

Audit observed that an operation theatre at Ntungamo Health Center III whose construction started in the Financial Year 2014/15 was completed in the Financial Year 2016/17 at a cost of UGX. 275,071,321. However the facility was not operational because of lack of equipment.

For observations and recommendations refer to cross cutting issue number 3.5.1

28. KAMULI MUNICIPAL COUNCIL (*Unqualified Opinion*)

Query 1: Failure to implement Budget as approved by Council

Audit revealed that out of the approved budget of UGX. 4,882,883,127, only UGX. 4,389,417,477 was received by the Municipal Council leading to a funding shortfall of UGX. 493,465,650 (10%).

For observations and recommendations refer to cross cutting issue number 3.1

Query 2: Lack of land titles

Audit observed that the Municipality did not have titles for the land where 20 Primary Schools are located.

For observations and recommendations refer to cross cutting issue number 3.8

29. KUMI MUNICIPAL COUNCIL (*Qualified Opinion*)

Query 1: Un supported adjustments in the statement of change in Equity

Audit revealed that UGX 378,679,332 was adjusted to the opening balance in the statement of changes in Equity without clear explanation and supporting documentation. Unsupported adjustments misleads users of the financial statement.

Observation

The Committee observed that changes in equity without clear explanation and supporting documentation misleads users of the financial statement.

Recommendation

The Committee recommends that the Accounting Officer should provide the required supporting documents

Query 2: Unaccounted for medicines and Health Supplies

Audit revealed that Medicines and Health Supplies worth UGX. 20,614,807 from Kumi Health Centre IV main store were not accounted for due to variance between receipts from NMS, total quantity issued out and physical count contrary to the Management of Medicines and Health Supplies Manual (MMHSM)

For observations and recommendations refer to cross cutting issue number 3.5.2.1

Query 3: Stock outs of medicines and health Supplies

Audit revealed that 4 (four) items out of the 11 (eleven) selected tracer medicines experienced stock outs ranging between 45 and 228 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 4: Expired Drugs

According to the Auditor General's Report, various medicines had expired and stayed for a period of 6 months without destruction.

For observations and recommendations refer to cross cutting issue number 3.5.2.3

Query 5: Inadequate controls surrounding management of Domestic arrears

Audit revealed that an amount of UGX. 106,035,932 was irregularly incurred as domestic arrears outside the approved estimates appropriated by Parliament. In addition, the domestic arrears lacked necessary supporting documentation

For observations and recommendations refer to cross cutting issue number 3.9

Query 6: Outstanding receivables

Contrary to Section 2.3.2.3 of the Local Governments Financial and Accounting Manual (LGFAM), 2007, the Municipality, by the time of audit, had cumulative local revenue arrears totaling to UGX.151, 509,922.

For observations and recommendations refer to cross cutting issue number 3.3

Query 7: Failure to implement budget as approved by Parliament

Contrary to Section 45 (3) of the Public Finance Management Act, 2015, which requires Accounting Officer to deliver on the activities in the work plan of the vote for a financial year, the Municipality Accounting Officer failed to implement budget as approved by Parliament.

For observations and recommendations refer to cross cutting issue number 3.1

Query 8: Lack of land titles

Audit revealed that council did not have titles to its land including the headquarters and dumping site.

For observations and recommendations refer to cross cutting issue number 3.8

30. SOROTI MUNICIPAL COUNCIL (*Unqualified Opinion*)

Query 1: Medicines and Medical Supplies accountability

Audit established that according to the stock cards and the physical count, there was a variance of 13 boxes of coartem worth UGX 2,434,083.60. It further revealed that Stock cards for medicines and health supplies worth UGX. 63,581,914 were not maintained.

For observations and recommendations refer to cross cutting issue number 3.5.2.1

Query 2: Stock outs of Medicines and Health Supplies

Audit revealed that 5 items out of the 11 (eleven) selected indicator medicines experienced stock outs within the audit period. Noticeably sutures and Oxytocin were out of stock for over 90 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 3: Under staffing

According to the Auditor General's Report the approved structure of Princess Dianah HC IV, has 55 positions, but only 37 (67 %) posts were filled leaving 18 (33%) positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 4: Inadequate controls surrounding management of domestic arrears

Audit established that an amount of UGX 374,917,453 was irregularly incurred as domestic arrears outside the approved estimates appropriated by Parliament and consequently, there has been an increase in domestic arrears over the period of three years which makes the trend unsustainable. In addition the bulk of the domestic arrears were not properly accounted for as they lacked the necessary supporting documentation

For observations and recommendations refer to cross cutting issue number 3.9

Query 5: Failure to implement budget as approved by parliament

Audit observed that out of the budgeted revenue of UGX 18,374,294,684 the Council received UGX 13,358,018,380 (73%) resulting into a shortfall of UGX 5,016,276,304 (27%).

For observations and recommendations refer to cross cutting issue number 3.1

Query 6: Understaffing

Audit revealed that out of the approved staff structure of 668 positions, only 545(82%) are filled leaving a staffing gap of 123 (18%) positions.

For observations and recommendations refer to cross cutting issue number 3.6

31. IBANDA MUNICIPAL COUNCIL (*Unqualified Opinion*)

Query 1: Stock outs of Medicines and Health Supplies

According to the Auditor General's Report, three (3) items out of the eleven (11) selected tracer medicines experienced stock outs ranging between 9 and 258 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 2: Outstanding Salary arrears

Audit revealed that the Municipality had accumulated Salary arrears to the tune of UGX. 34,152,922 as at 30th June 2017.

Observation

The Committee observed that failure to pay salaries on time demotivates the employees and negatively impacts on service delivery as show

Recommendation

The Committee recommends that the Accounting Officer should ensure that the staff are paid their salaries and in a timely manner.

Query 3: Understaffing

Audit revealed that the Municipal Council has an approved staff structure of 121 positions but 42 (28%) positions were filled leaving 109 (72 %) positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

32. KAPCHORWA MUNICIPAL COUNCIL (Unqualified Opinion)**Query 1: Inadequate controls surrounding management of domestic arrears**

Audit established that the Municipality had experienced an increase in domestic arrears over the period of two years from UGX. 27,000,000 to UGX. 75,450,936 translating into 64% increment which makes the trend unsustainable. Audit further observed that there was no budget provision for settlement of domestic arrears totaling to UGX. 75,450,936 posing a risk of litigation and diversion of funds for settling the obligations.

For observations and recommendations refer to cross cutting issue number 3.9

Query 2: Failure to implement Budget as approved by Parliament

Audit revealed that out of the budgeted revenue of UGX. 5,342,234,529 the Council received UGX. 5,426,861,280 (101.6%) resulting into an over

realization of UGX. 84,626,751 (1.6%). However despite the excess revenue, a number of planned activities were not implemented. The most greatly affected activities included procurement of Mayor's car, sealing of Ngokit road 0.2Km, Architectural Design for Office Block and supply of Speaker's Robes among others.

Observation

The Committee observed laxity on the part of the Accounting Officer in ensuring that the budget is implemented as approved.

Recommendation

The query should be upheld.

Query 3: Understaffing

Audit revealed that the out of the 167 positions of the approved staff structure for the Municipality, only 38 (22.8%) were filled leaving a staffing gap of 129 (77.2%) positions.

For observations and recommendations refer to cross cutting issue number 3.6

33. SHEEMA MUNICIPAL COUNCIL (*Unqualified Opinion*)

Query 1: Lack of Land Titles

Audit observed that the Municipal Council did not have titles to the land owned by Council.

For observations and recommendations refer to cross cutting issue number 3.8

Query 2: Understaffing

Out of the approved staff structure of 253 positions only 147 representing 58% positions were filled leaving a staffing gap of 106 representing 42%.

For observations and recommendations refer to cross cutting issue number 3.6

34. MOROTO MUNICIPAL COUNCIL (*Unqualified Opinion*)

Query 1: Inadequate Controls Surrounding Management of Domestic Arrears

The Auditor General observed an amount of UGX. 351, 835,975 was irregularly incurred as domestic arrears outside the approved estimates appropriated by Parliament and consequently there has been an increase in domestic arrears over a period of two years from UGX. 171,301,222 in Financial Year 2015/16 to UGX. 233,094,519 in 2016/17 which makes the trend unsustainable.

The Committee established that UGX. 109,664,024 remains outstanding.

For observations and recommendations refer to cross cutting issue number 3.9

Query 2: Low recovery of Youth Livelihood Program Funds

Audit revealed that the Municipality expected to recover UGX. 132,631,681 during the year but only UGX. 36,981,300 (28%) was recovered leaving UGX. 95,650,381 (72%) outstanding.

For observations and recommendations refer to cross cutting issue number 3.7

Query 3: Receivables

Audit revealed that advances totaling to UGX. 110,839,074 remained outstanding by the year end

For observations and recommendations refer to cross cutting issue number 3.3

Query 4: Under Staffing

Out of the approved staff structure of 128 positions, only 40 representing 31% positions are filled leaving a staffing gap of 88 representing 69%.

For observations and recommendations refer to cross cutting issue number 3.6

Query 5: Construction of Bus Terminal Phase 2

The District signed a contract with a local firm for construction of a bus terminal phase 2 at a contract price of UGX. 1,381,561,075 funded under the USMID project. The start and end dates were 15th July 2016 and 16th January 2017 respectively. By the time of audit in October 2017, UGX. 1,938,910,496 had been paid. The following irregularities were noted:

- The Council paid UGX. 714,710,534 for excavation and filling of soil around the bus terminal that had not been part of the scope of work under the phase 2.
- The payment made on the 27th October 2016 had a variation of UGX. 53,253,600 made without approval and instructions for additional works done.

- By the time of audit a water reservoir and sewerage system paid for at UGX. 208,496,400 as per the BOQ had not been executed.

This was attributed to poor contract management and inadequate supervision.

The Committee referred the matter to the USMID Value for Money Audit.

Query 6: Exceptions raised in the PPDA audit report of the Municipal Council for the Financial Year ended 30th June 2017.

Audit revealed a number of anomalies in the procurement process.

For observations and recommendations refer to cross cutting issue number 3.11

35. MBALE MUNICIPAL COUNCIL (*Qualified Opinion*)

Query 1: Funds not Accounted For

Audit revealed that expenditure amounting to UGX. 145,455,416 lacked supporting documents.

Observation

The Committee was satisfied with the accountabilities given although it noted irregularities in the accounting procedures.

Recommendations

The Committee recommends that:

- i. the Accounting Officer should adhere to accounting procedures.
- ii. The query should be dropped.

Query 2: Utilization of Health Supplies

2.1 Drug stock outs

Audit revealed that 7 (seven) out of the 11 (eleven) selected indicator Essential Medicines and Health Supplies experienced stock outs within the audit period.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

2.2 Expired Drugs

Audit revealed that a large quantity of medicines had expired during the period under review without destruction.

For observations and recommendations refer to cross cutting issue number 3.5.2.3

Query 3: Failure to implement Budget as approved by Parliament

Audit revealed that out of the budgeted revenue of UGX. 28,689,485,885 the Municipal Council received UGX. 20,681,891,934 representing 72% resulting into a shortfall of UGX.8,007,593,951 representing 28%. Further UGX 13,743,829,208 worth of projects were not implemented.

For observations and recommendations refer to cross cutting issue number 3.1

Query 4: Under Collection of Local Revenue

Audit observed that out of the budgeted local revenue of UGX. 1,347,814,284 only UGX. 921, 279,618 representing 68% was realized resulting into a shortfall of UGX. 426,534,666 representing 32%.

For observations and recommendations refer to cross cutting issue number 3.3

Query 5: Abandoned Contractual Works

Mbale Municipal Council entered into a contract with M/S Plinth Technical Works Limited on 2nd June 2014 at an initial contract price of UGX. 14,177,506,989. The Contract was extended four times and expired on 30th September, 2016 and liquidated damages period expired on 17th February 2017. However by the time of audit inspection on 8/8/2017, the contractor had abandoned the works yet 80% of the contract sum had been paid on the contract.

Observation

There Committee observed that there were problems with M/s Plinth Technical Works Limited, the contract was terminated and awarded to another contractor who has since completed the works.

Recommendation

For more detailed recommendations on the project refer to the Value for Money Report on USMID

36. TORORO MUNICIPAL COUNCIL (*Unqualified Opinion*)

Query 1 Drug stock out days at Bison health center III

Audit revealed that 5 items out of the 11 (eleven) selected tracer medicines experienced stock outs within the audit period. Noticeably

Mama Kits were out of stock for 103 days and Coartem for 63 days at Bison Health Center III.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 2 Failure to implement Budget as approved by Parliament

Audit observed that out of the budgeted revenue of UGX. 841,426,759 the district received UGX. 761,353,973 resulting into a shortfall of UGX.80,072,786 representing 9.5%.

For observations and recommendations refer to cross cutting issue number 3.1

Query 3 Receivables

A review of the Statement of Revenue Arrears revealed that the arrears figure rose from UGX. 53,480,125 the previous year to UGX.133,552,911 in the year under review.

For observations and recommendations refer to cross cutting issue number 3.3

Query 4 Understaffing

Out of the approved staff structure of 206 positions, only 124 positions were filled leaving a staffing gap of 82 representing 40%.

For observations and recommendations refer to cross cutting issue number 3.6

Query 5 Low Recovery of Youth Livelihood Program Funds

An analysis of the recovery of the Youth Livelihood Program funds revealed that out of UGX. 11,791,666 due for recovery only UGX. 1,500,000 representing 9.75% was recovered leaving a balance of UGX. 10,291,666 outstanding.

For observations and recommendations refer to cross cutting issue number 3.7

37. NJERU MUNICIPAL COUNCIL (*Unqualified Opinion*)

Query 1: Failure to implement Budget as approved by Council

Out of the budgeted local revenue of UGX. 2,830,023,000 the district only collected UGX. 1,221,535,459 representing 43% resulting in a shortfall of UGX. 1,608,487,541 representing 57%, consequently a number of planned activities were not implemented.

For general observations and recommendations refer to cross cutting issue number 3.3

Specific Observation and Recommendation

The Committee observed that the Ministry of Agriculture, Animal Industry and Fisheries had not paid ground rent due to Njeru Municipality to the tune of 1.2bn. This greatly impacted of local revenue collection in the Municipality.

Recommendation

The Committee recommends that the Ministry of Agriculture, Animal Industry and Fisheries should urgently clear the arrears or the Ministry of Finance, Planning and Economic Development directly deducts the amount from the former's budget and transfers it to Njeru Municipality.

Query 2: Lack of Land Titles

It was observed that the Municipality does not have titles to some of its properties where its properties like the division headquarters, schools and health centers are located.

For observations and recommendations refer to cross cutting issue number 3.8

Query 3: Understaffing in Health Sector

Out of the approved staff structure of 120 positions only 57 representing 48% are filled leaving a staffing gap of 63 representing 52%.

For observations and recommendations refer to cross cutting issue number 3.6

38. BUGIRI MUNICIPAL COUNCIL (*Unqualified Opinion*)

Query 1: Lack of Land Titles

Audit revealed that the Municipality did not have titles for land where ten of its properties are located.

For observations and recommendations refer to cross cutting issue number 3.8

Query 2: Lack of Health Centre IIs and IVs

Audit revealed that Bugiri Municipality lacked a Health Center III and IV

For observations and recommendations refer to cross cutting issue number 3.5.1

Query 3: Under Staffing

Out of the approved staff structure of 111 positions only 49 positions representing 44% positions are filled leaving a staffing gap of 62 representing 56%.

For observations and recommendations refer to cross cutting issue number 3.6

39. ENTEBBE MUNICIPAL COUNCIL (Unqualified opinion)

Query 1: Outstanding Receivables

Audit found receivables amounting to UGX. 1,175,588,738 in the financial statements.

For observations and recommendations refer to cross cutting issue number 3.3

Query 2: Failure to Implement Budget as approved by Parliament

Out of the budgeted revenue of UGX. 18,052,571,161 the Municipal Council received UGX. 13,471,492,611 (75%) resulting into a shortfall of UGX. 4,581,078,550 (25%).

For observations and recommendations refer to cross cutting issue number 3.1

Query 3: USMID Project – Under Absorption of Funds

The Audit team found that the Municipality failed to absorb UGX. 4,898,590,269 of USMID funds.

Observation

The Committee noted that the funds in question were disbursed to the account towards the end of the financial year as the project does not follow the financial year. The works are now complete.

Recommendation

The Committee recommends that projects like USMID that do not follow the Financial year should be audited as such to avoid redundant queries.

40. MAKINDYE-SABAGABO MUNICIPAL COUNCIL

Query 1: Utilization of Medicines and Health Supplies

1.1 Stock outs

Six items out of the eleven indicator medicines experienced stock outs within the audit period. Noticeably Coartem 12 was out of stock for 411 days and Mama Kits for 359 days.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 2: Under Staffing

Out of the 48 approved positions; only 33 (69%) posts were filled, leaving 15 (31%) positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 3: Inadequate Controls Surrounding Management of Domestic Arrears

An amount of UGX. 15,143,966 was irregularly incurred as domestic arrears outside the approved estimates appropriated by Parliament. Further observed was the fact that there was no budget provision for the settling of domestic arrears posing a risk of diversion of funds for settling the obligations.

For observations and recommendations refer to cross cutting issue number 3.1

Query 4: Lack of Oxygen at Ndejje HC IV

The audit team found that NMS did not supply oxygen to the health center for the entire financial year.

For observations and recommendations refer to cross cutting issue number 3.5.2.2

Query 5: Untitled Land at Ndejje HC IV

Audit observed that the Municipal Council constructed Ndejje Health Center IV where it has no legal ownership or Memorandum of Understanding between the Municipal and the Landlord.

For observations and recommendations refer to cross cutting issue number 3.8

Query 6: Inadequate Infrastructure Ndejje HC IV

Inspection of Ndejje Health Center IV revealed that the out patients Department (OPD) and In Patients Department (IPD) are housed in the same building.

For observations and recommendations refer to cross cutting issue number 3.5.1

Query 7: Awarding of titles in wetlands

Audit revealed that land titles were issued in Kaliddubi wetland to various individuals and developments in the wetland are ongoing. It was further observed that the wetlands were yet to be mapped.

Observation

The query is misplaced.

Recommendation

The Committee recommends that the query be referred to Wakiso District Local Government.

Query 8: Understaffing

Out of the approved staff structure of 96 positions only 19 positions representing (20%) were filled leaving a staffing gap of 77 representing (80%) positions.

For observations and recommendations refer to cross cutting issue number 3.6

Query 9: Lack of a Physical Development Plan

Section 25 of the Physical Planning Act, 2010 requires councils to develop a physical development plan. However audit noted that the Municipality did not have an approved physical development plan to guide in the development of infrastructure.

Observation

The Committee established that the Physical Development Plan is now in place.

Recommendation

The Committee recommends that the query be dropped.

41. KOTIDO MUNICIPAL COUNCIL (*Qualified Opinion*)**Qualified Opinion****Query 1: Unsupported Cash and Cash Equivalents**

Audit revealed unsupported cash and cash equivalents in the books of Kotido Municipal Council amounting to UGX. 263,015,365.

Observation

The Committee observed weaknesses in the Finance Section of the Municipal Council

Recommendation

The Committee recommends that the Accounting Officer should strengthen the capacity of staff in the Finance section.

Query 2: Funds not Accounted for

At the time of audit UGX. 60,645,500 remained unaccounted for.

Observation

The Committee was satisfied with the accountabilities presented.

Recommendation

The Committee recommends that the query be dropped.

Query 3: Inadequate Controls Surrounding Management of Domestic Arrears

Audit revealed that an amount of UGX. 48,530,667 was irregularly incurred as domestic arrears outside the approved estimates appropriated by Parliament.

For observations and recommendations refer to cross cutting issue number 3.9

Query 4: Failure to implement Budget as approved by Parliament

Audit found that out of the budgeted revenue of UGX. 3,657,715,405 the entity received UGX. 3,251,419,389 representing 89% resulting in a shortfall of UGX.406,296,016 representing 11%. Further observed was the fact that a number of planned outputs for an amount of UGX. 362,912,481 were not implemented.

For observations and recommendations refer to cross cutting issue number 3.1

Query 5: Understaffing

Out of the approved staff structure of 88 posts only 22 positions representing 24% were filled leaving a staffing gap of 66 representing 76%.

For observations and recommendations refer to cross cutting issue number 3.6

Query 6: Lack of Land Titles

Audit revealed that some of the district land does not have land titles.

For observations and recommendations refer to cross cutting issue number 3.8

Query 7: Stalled Tarmacking of 1Km road

The Municipal Council received a total of UGX. 342,000,000 from the Uganda Road Fund in the Financial Year 2015/16 for tarmacking 1km road of which UGX. 112,500,000 was spent on materials, UGX. 129,395,076 diverted to operations and a balance of UGX. 100,104,924 remained on Council account. The following shortcomings were observed:

- The entity failed to utilize the UGX. 100,104,924 that remained on the account and returned the money to the treasury;
- To date the diverted funds have not been refunded.
- The tarmacking project was abandoned
- Construction material that had been procured are deteriorating at the Council yard implying a wastage of funds spent on them.

Observation

The Committee observed that the Accounting Officer:

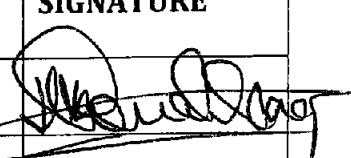
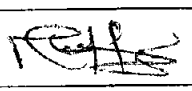

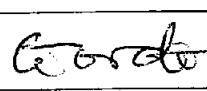
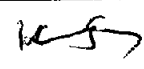
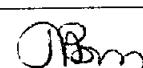

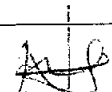
- i. failed to prioritize and adequately plan for the works on the road.
- ii. Was negligent in allowing funds meant for the road works to be returned to the treasury yet the works were still pending with some material already procured.

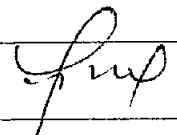
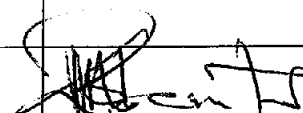

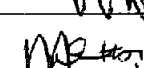
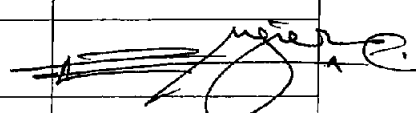
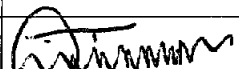
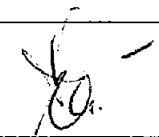

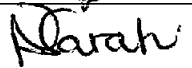
Recommendation

The Committee recommends that the Accounting Officer:

- i. should properly store the materials that are currently deteriorating in the council yard for use when funds are availed.
- ii. Should avoid returning funds that are required by Council as this is a sign of negligence.

**MEMBERS OF THE PUBLIC ACCOUNTS COMMITTEE (LOCAL GOVERNMENT)
APPENDING THEIR SIGNATURES TO THE COMMITTEE REPORT ON THE AUDITOR
GENERAL'S REPORT FOR THE FINANCIAL YEAR 2016/17 COVERING SPECIFIC
QUERIES IN EACH MUNICIPAL COUNCIL**

S/N	NAME	CONSTITUTENCY	SIGNATURE
1	HON. OKUMU RONALD REAGAN	ASWA COUNTY	
2	HON. OKIN P.P. OJARA	CHUA WEST	
3.	HON. AJILO MARIA GORETTI ELOGU	DWR KABERAMAIDO	
4.	HON. AKELLO SILVIA	DWR OTUKE	
5.	HON. ANGELLA FRED	MOROTO MUNICIPALITY	
6.	HON. ARINDA GORDON KAKUUNA	BUSHENYI-ISHAKA MUNICIPALITY	
7.	HON. BAFAKI GORDON	KAZO COUNTY	
8.	HON. BAGUMA SPELLANZA MUHENDA	DWR KYENJOJO	
9.	HON. BASEMERA KISEMBO NOELINE	DWR KIBALE	
10.	HON. BYIBESHO SAM	KISORO MUNICIPALITY	
11.	HON. CHRISTINE ACHEN AYO	ALEBTONG DISTRICT	
12.	HON. DULU ANGEL MARK	ADJUMANI COUNTY	
13.	HON. EGUNYU NANTUME JANEPHER	DWR BUVUMA	
14.	HON. ETUKA ISAAC JOAKINO	UPPER MADI COUNTY	
15.	HON. GRACE NAMUKHULA WATUWA	DWR NAMISINDWA	
16.	HON. IBRAHIM KASOZI BIRIBAWA	MAKINDYE EAST	
17.	HON. JONATHAN ODUR	ERUTE SOUTH	

18.	HON. JULIUS OCHEN	KAPELEBYONG COUNTY	
19.	HON. KAJUNGU MUTAMBI ROSETTE CHRISTINE	DWR MBARARA	
20.	HON. KASOLO ROBERT	IKI-IKI COUNTY	
21.	HON. MUGUME ROLAND	RUKUNGIRI MUNICIPALITY	
22.	HON. MUHEIRWE.M.DANIEL	BUHAGUZI COUNTY	
23.	HON. MUKISA ROBINAH HOPE	DWR NAMAYENGO	
24.	HON. MUKULA FRANCIS	AGULE COUNTY	
25.	HON. MUTEBI NOAH WANZALA	NAKASONGOLA COUNTY	
26.	HON. NAMBOOZE BETTY. B	MUKONO MUNICIPALITY	
27.	HON. OCEN PETER	KOLE SOUTH	
28.	HON. ONGIERTHO JOR EMMANUEL	JONAM COUNTY	
29.	HON. ONZIMA GODFREY	ARINGA NORTH	
30.	HON. OULA INNOCENT	UPDF REPRESENTATIVE	
31.	HON. SARAH NAJJUMA	NAKASEKE DISTRICT	
32.	HON. SSEKABIITO JOSEPH	MAWOGOLA COUNTY	
33.	HON. SSEMBATYA EDWARD NDAWULA	KATIKAMU COUNTY SOUTH	
34.	HON. TABAN AMIN	KIBANDA NORTH COUNTY	
35.	HON. WATONGOLA REHEMA	KAMULI MUNICIPALITY	
36.	HON. WEKOMBA SARAH	BULAMBULI DISTRICT	

PART C: TOWN COUNCILS

1. ZOMBO TOWN COUNCIL (*Unqualified Opinion*)

Query 1: Failure to Implement Budget as approved by Parliament

Out of the budgeted revenue of UGX.387,077,871, the Town Council received UGX.311,183,967 (80%) resulting into a shortfall of UGX.75,893,904 (20%).

For observations and recommendations refer to cross cutting issue number 3.1

2. PAIDHA TOWN COUNCIL (*Unqualified Opinion*)

Query 1: Failure to Implement Budget as approved by Parliament

Out of the budgeted revenue of UGX.532,540,058, the Town Council received UGX.520,176,802 (98%) resulting into a shortfall of UGX.12,363,256 (2%).

For observations and recommendations refer to cross cutting issue number 3.1

3. MOYO TOWN COUNCIL (*Unqualified Opinion*)

Query 1: Failure to Implement Budget as approved by Parliament

Out of the budgeted revenue of UGX.773,658,793, the Town Council received UGX.656,973,733 (85%) resulting into a shortfall of UGX.116,685,060 (15%).

For observations and recommendations refer to cross cutting issue number 3.1

4. YUMBE TOWN COUNCIL (*Unqualified Opinion*)

Query 1: Failure to implement the Budget as approved by Parliament

Out of the budgeted revenue of UGX.626,830,004, the Town Council received UGX.552,577 (81%) resulting into a shortfall of UGX.74,377,427 (19%). A number of planned activities worth UGX.56,438,611 were not implemented.

For observations and recommendations refer to cross cutting issue number

3.1

Query 2: Lack of Land Titles

The Town Council does not have title to the land where its Resource Centre, Works Department, African Quarters and former County Chief Offices are located.

For observations and recommendations refer to cross cutting issue number

3.8

5. PACKWACH TOWN COUNCIL (*Unqualified Opinion*)

Query 1: Failure to implement budget as approved by Parliament

Out of the budgeted revenue of UGX.715,425,950, the Town Council received UGX.583,028,460 (81%) resulting into a shortfall of UGX.132,397,490 (19%). A number of planned outputs amounting to UGX.27,676,831 were not implemented.

For observations and recommendations refer to cross cutting issue number

3.1

Query 2: Understaffing

The Town Council has an approved staff structure of 69 positions out of which only 33 (48%) were filled leaving a staffing gap of 36 (52%).

For observations and recommendations refer to cross cutting issue number 3.6

6. LAMWO TOWN COUNCIL (Unqualified Opinion)**Query 1: Destruction of Council's Double Cabin, Reg. No. LG 005-065**

Audit revealed that Double Cabin, Reg. No. LG 005-065 belonging to Council was violently burnt down by a mob on 2nd February 2017 in Ocula Cell while in possession of a police officer who had picked it from Lukung Police Post where it had been kept for safe custody.

Observation

The Committee observes that:

- i. Requisition procedures were not followed by the Police Officer.
- ii. There is no police report on the incident.

Recommendation

The Committee recommends that the Accounting Officer should write a formal complaint to the Director, Criminal Investigations Department on the matter.

Query 2: Under Collection of Local Revenue

Out of the budgeted local revenue of UGX. 26,850,200, only UGX.23,132,201 (88%) was realized resulting into a shortfall of UGX.3,717,999 (12%).

For observations and recommendations refer to cross cutting issue number
3.3

Query 3: Arrears of Revenue

In the statement of arrears of revenue, it was observed that arrears of revenue at the beginning of the financial year stood at UGX. 30,536,626. This amount remained outstanding at the year end and was not treated as part of cumulative arrears of revenue at the year end.

For observations and recommendations refer to cross cutting issue number
3.3

Query 4: Lack of a Land Title

The Town Council does not have a title to the land where its premises are located.

For observations and recommendations refer to cross cutting issue number
3.8

7. PADIBE TOWN COUNCIL (*Unqualified Opinion*)

Query 1: Under Collection of Local Revenue

Out of the budgeted local revenue of UGX. 21,732,000, only UGX. 16,727,574 (77%) was realized resulting into a shortfall of UGX. 5,004,426 (23%).

For observations and recommendations refer to cross cutting issue number
3.8

Query 2: Irregular Receipting of Local Revenue and Spending at Source

Audit observed the following irregularities:

- i. There were instances where some business owners were issued receipts with the same serial number, that is, one with the original copy and the other with a duplicate copy but only a single payment was recorded in the cashbook
- ii. Duplicate copies were being issued out to business owners instead of original receipts

Observation

The Committee observes that:

- i. Council contracted revenue collectors on the advice of the Accounting Officer, but there was no follow up by the latter to ensure prudent financial management practices.
- ii. the Accounting Officer did not enter into contract agreements with revenue collectors, thereby leading to abuse of the revenues collected.

Recommendation

The Committee recommends that the Accounting Officer should follow up the amounts of money collected and spent at source by the revenue collectors and have it refunded.

Query 3: Lack of Land Titles

The Town Council does not have titles to the land where its premises are located.

For observations and recommendations refer to cross cutting issue number 3.8

8. AGAGO TOWN COUNCIL (*Unqualified Opinion*)

Query 1: Local Revenue Shortfall

Out of the budgeted local revenue of UGX. 26,250,000, only UGX.7,108,000 (27%) was realized resulting into a shortfall of UGX.19,142,000 (73%).

For observations and recommendations refer to cross cutting issue number 3.3

Query 2: Lack of a Land Title

The Town Council does not have titles to the land where its premises are located.

For observations and recommendations refer to cross cutting issue number 3.8

9. PATONGO TOWN COUNCIL (*Unqualified Opinion*)

Query 1: Consumption of Property, Plant and Equipment

Audit observed that Council charged depreciation of UGX. 16,471,830 and UGX. 5,842,640 in respect of motor vehicles and machinery respectively. However, inspection of Council assets revealed that Council had neither vehicles nor machinery during the year under review. Besides, the netbook value of UGX. 79,520,146 included in property plant and equipment balance of UGX. 370,018,890 reported in the statement of financial position could not be supported by documents or physical inspection. The statement of financial position was therefore misleading.

Observation

The Committee observes that there were weaknesses in the Finance Section of Patongo Town Council

Recommendation

The Committee recommends that the Accounting Officer should strengthen the capacity of staff in the Finance Section.

Query 2: Revaluation Reserve

Included in the statements of changes in equity is an adjustment to the opening balance of revaluation reserve of UGX.141,577,711. However, audit observed that during the year under review, there was no revaluation of Council assets that took place.

Observation

The Committee observes that there were weaknesses in the Finance Section of Patongo Town Council

Recommendation

The Committee recommends that the Accounting Officer should strengthen the capacity of staff in the Finance Section.

Query 3: Misstatement of Net Cash in Flow by UGX.60,000,000

A review of cash flow statement revealed cash flow from investing activities of UGX.35,000,000 instead of UGX.95,000,000 leading to overstatement of the reported net increase in cash and cash equivalent of UGX.8,522,017 by UGX.60,000,000 rendering the balances reported in the financial statements of the Council misleading.

Observation

The Committee observes that there were weaknesses in the Finance Section of Patongo Town Council

Recommendation

The Committee recommends that the Accounting Officer should strengthen the capacity of staff in the Finance Section.

Query 4: Under Collection of Local Revenue

Out of the budgeted local revenue of UGX.64,274,697 only UGX.41,333,000 (64%) was realized resulting into a shortfall of UGX.22,941,697 (36%).

For observations and recommendations refer to cross cutting issue number 3.3

Query 5: Lack of a Land Title

The Town Council does not have titles to the land where its premises are located.

For observations and recommendations refer to cross cutting issue number 3.8

10. KALONGO TOWN COUNCIL (Qualified Opinion)**Query 1: Unaccounted for Funds**

Expenditure amounting to UGX.7,064,000 was identified as funds unaccounted for.

Observation

The Committee observes that the Accounting Officer breached Regulation 43(2) of the Local Governments Financial and Accounting Regulations, 2007.

Recommendation

The Committee recommends that the Accounting Officer should recover the said amounts from the responsible officers.

Query 2: Unexplained Movement in the Reserve

An adjustment was made to the opening net worth balance by UGX. 27,858,352. However there was no explanation given in form of supporting documents to support the adjustments made.

Observation

The Committee observes that there were staff capacity gaps in writing books of accounts and financial statements.

Recommendation

The Committee recommends that the Accounting Officer should seek capacity building interventions from upper local governments.

Query 3: Lack of a Land Title

The Town Council does not have title to the land where its premises are located.

For observations and recommendations refer to cross cutting issue number 3.8

Query 4: Local Revenue Shortfall

Out of the budgeted local revenue of UGX.75,280,000, only UGX.38,082,380 (51%) was realized resulting into a shortfall of UGX.37,197,620 (49%).

For observations and recommendations refer to cross cutting issue number 3.3

11. OMORO TOWN COUNCIL (Disclaimer)

All queries on Omoro own Council do not apply because during the period under review, the entity was still under the District.

12. ANAKA TOWN COUNCIL (Unqualified Opinion)

Query 1: Failure to conduct Property Valuation

Audit observed that there was no evidence to verify that Management carried out any property valuation exercise yet there are a number of ratable properties within the Council. This was contrary to Section (4) of the Property Rates Act, 2005.

For observations and recommendations refer to cross cutting issue number 3.3

Query 2: Understaffing

The Town Council has an approved staff structure of 55 positions out of which only 3 (24%) were filled leaving a staffing gap of 42 (76%).

For observations and recommendations refer to cross cutting issue number 3.6

13. DOKOLO TOWN COUNCIL (Unqualified Opinion)

Query 1: Under Collection of Local Revenue

Out of the budgeted local revenue of UGX.128,005,776, only UGX.73,350,913 (57%) was realized resulting into a shortfall of UGX.54,654,863 (43%).

For observations and recommendations refer to cross cutting issue number 3.3

14. AMOLATAR TOWN COUNCIL (*Unqualified Opinion*)

Query 1: Under Collection of Local Revenue

Out of the budgeted local revenue of UGX.87,509,994, only UGX.48,003,206 (55%) was realized resulting into a shortfall of UGX.39,506,788 (45%).

For observations and recommendations refer to cross cutting issue number 3.3

Query 2: Unaccounted for Funds

Expenditure amounting to UGX.2,417,000 was identified as funds unaccounted for at the close of the financial year.

Observation

The Committee observes that the Accounting Officer had part of the funds accounted for except UGX.1,863,000 from Mr. Aguma Tom Edward who had absconded duty.

Recommendation

The Committee recommends that:

- i. the Police should investigate the whereabouts of Mr. Aguma Tom Edward.
- ii. The rest of the query be dropped.

15. NAMASALE TOWN COUNCIL (*Unqualified Opinion*)

Query 1: Local Revenue Shortfall

Out of the budgeted local revenue of UGX.98,457,982, only UGX.89,34,000 (90.4%) was realized resulting into a shortfall of UGX.9,423,982 (9.6%).

For observations and recommendations refer to cross cutting issue number 3.3

16. KATWE KABATORO TOWN COUNCIL (*Unqualified Opinion*)

Query 1: Diversion of Uganda Road Funds

Audit revealed that UGX. 3,000,000 sent as part of Uganda Road Fund was diverted and spent on purchase of a laptop.

Observation

The Committee:

- i. observed that the diversion amounted to abuse of the road fund.
- ii. established that a refund was made.

Recommendation

The Committee recommends that the Chief Administrative Officer should exercise administrative sanctions on the Town Clerk for the diversion.

17. KARUGUTU TOWN COUNCIL (*Unqualified Opinion*)

Query 1: Lack of Land Titles

Audit observed that the Town Council does not have a title to its land where its premises are located.

For observations and recommendations refer to cross cutting issue number 3.8

Query 2: Understaffing

Audit revealed that out of the approved staff structure of 66 positions, only 23 position representing 33% are filled leaving a staffing gap of 43 positions representing 65% vacant.

For observations and recommendations refer to cross cutting issue number 3.6

18. KIBUKU TOWN COUNCIL (Unqualified Opinion)

Query 1: Staffing

Audit revealed that out of the approved staff structure of 25 positions only 12 representing (48%) positions are filled leaving a staffing gap of 13 representing (52%) positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 2: Lack of Land Titles

Audit observed that the Town Council does not have a title to its land where its premises are located.

For observations and recommendations refer to cross cutting issue number 3.8

19. RWEBISENGO TOWN COUNCIL (Unqualified Opinion)

Query 1: Under Staffing

Audit revealed that out of the approved staff structure of 66 positions only 24 positions representing (36%) are filled leaving a staffing gap of 42 (64%) positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 2: Lack of Land Titles

Audit observed that the Town Council does not have a title to its land where its premises are located.

For observations and recommendations refer to cross cutting issue number 3.8

20. KANARA TOWN COUNCIL (Unqualified Opinion)

Query 1: Under Collection of Local Revenue

Audit revealed that out of the budgeted local revenue of UGX. 149,017,725 only UGX. 123,070,500 (83%) was realized resulting in a shortfall of UGX. 25,947,225 (17%).

For observations and recommendations refer to cross cutting issue number 3.3

Query 2: Under Staffing

Audit revealed that out of the approved staff structure of 74 positions only 37 (50%) positions are filled leaving a staffing gap of 37 representing (50%) positions vacant.

*For observations and recommendations refer to cross cutting issue number
3.6*

21. MUGUSU TOWN COUNCIL (*Unqualified Opinion*)

Query 1: Under Staffing

Audit revealed that out of the approved staff structure of 43 positions only 2 representing (5%) positions are filled leaving a staffing gap of 41 (95%) positions vacant.

*For observations and recommendations refer to cross cutting issue number
3.6*

22. KARAGO TOWN COUNCIL (*Unqualified Opinion*)

Query 1: Under Collection of Local Revenue

Audit revealed that out of the budgeted Local Revenue of UGX. 102,134,729 only UGX. 79,035,100 representing 77% was realized resulting into a shortfall of UGX. 23,099,629 representing 23%.

*For observations and recommendations refer to cross cutting issue number
3.3*

Query 2: Failure to implement Budget as approved by Parliament.

Audit revealed that out of the budgeted revenue of UGX. 179,685,592 the Council received UGX. 162,592,388 representing 90% resulting into a shortfall of UGX. 17,093,204 representing 10%.

*For observations and recommendations refer to cross cutting issue number
3.1*

Query 3: Irregular Accumulation of Domestic Arrears

Audit noted that Karago Town Council irregularly accumulated domestic arrears amounting to UGX. 3,080,000.

For observations and recommendations refer to cross cutting issue number 3.9

Query 4: Under Staffing

Audit revealed that out of the approved staff structure of 55 positions only 24 (44%) positions are filled leaving a staffing gap of 31 (56%) positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 5: Land Titles.

Audit observed that the Town Council does not have a title to its land where its offices are located.

For observations and recommendations refer to cross cutting issue number 3.8

23. KIKO TOWN COUNCIL (Unqualified Opinion)

Query 1: Understaffing

Audit revealed that out of the approved staff structure of 61 positions only 22 (36%) positions are filled leaving a staffing gap of 39 (64%) positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

24. KAMWENGE TOWN COUNCIL (*Unqualified Opinion*)

Query 1: Failure to implement budget as approved by Parliament

Out of the budgeted revenue of UGX.426,329,547, Council received UGX.349,062,785 (82%) resulting into a shortfall of UGX.77,266,762 (18%). A number of planned outputs worth UGX.77,266,762 were not implemented.

For observations and recommendations refer to cross cutting issue number 3.1

Query 2: Under Collection of Local Revenue

Out of the budgeted local revenue of UGX.142,078,655, only UGX.127,478,676 (9%) was realized resulting into a shortfall of UGX.14,599,979 (10%).

For observations and recommendations refer to cross cutting issue number 3.3

25. KAHUNGE TOWN COUNCIL (*Unqualified Opinion*)

Query 1: Under Collection of Local Revenue

Audit observed that out of the budgeted local revenue of UGX. 29,298,000 only UGX. 25,415,840 (87%) was realized resulting into a shortfall of UGX. 3,882,160 (13%).

For observations and recommendations refer to cross cutting issue number 3.3

Query 2: Budget Performance

Audit revealed that out of the budgeted Government Grants of UGX. 199,349,441 only UGX. 105,158,443 (53%) was received resulting in a shortfall of UGX. 94,190,998 (47%)

For observations and recommendations refer to cross cutting issue number 3.1

26. BULIISA TOWN COUNCIL (*Unqualified Opinion*)

Query 1: Under Collection of Local Revenue

Out of the budgeted local revenue of UGX.79,987,000, only UGX.68,101,065 (85%) was realized resulting into a shortfall of UGX.11,885,935 (15%).

For observations and recommendations refer to cross cutting issue number 3.3

Query 2: Lack of Land Title

The Town Council did not have title to the land where its premises are located.

For observations and recommendations refer to cross cutting issue number 3.8

27. KYENJOJO TOWN COUNCIL (*Unqualified Opinion*)

Query: Under Collection of Local Revenue

Out of the budgeted local revenue of UGX.281,833,301, only UGX.257,313,922 (91%) was realized resulting into a shortfall of UGX.24,519,379 (9%).

For observations and recommendations refer to cross cutting issue number 3.3

28. KATOOKE TOWN COUNCIL (*Unqualified Opinion*)

Query 1: Lack of Land Titles

The Town Council does not have titles to its land, contrary to Regulation 58(4) of the Local Governments Financial and Accounting Regulations, 2007.

For observations and recommendations refer to cross cutting issue number 3.8

29. KYARUSOZI TOWN COUNCIL (*Unqualified Opinion*)

Query 1: Lack of Land Titles

The Town Council does not have title to the land where its offices are located, contrary to Regulation 58(4) of the Local Governments Financial and Accounting Regulations, 2007.

For observations and recommendations refer to cross cutting issue number 3.8

30. KYEGEGWA TOWN COUNCIL (*Unqualified Opinion*)

Query 1: Under Collection of Local Revenue

Out of the budgeted local revenue of UGX.202,793,550, only UGX.180,008,733 (89%) was released resulting into a shortfall of UGX.22,784,817 (11%).

For observations and recommendations refer to cross cutting issue number
3.3

Query 2: Lack of Land Titles

The Town Council did not have titles to the land where its premises are located.

For observations and recommendations refer to cross cutting issue number
3.8

31. AMURU TOWN COUNCIL (Unqualified Opinion)

Query 1 Under-collection of Local Revenue

Out of the budgeted local revenue of UGX 38,564,188, only UGX 8,266,853 (21.4%) was realised resulting into a shortfall of UGX 30,297,335 (78.6)

For observations and recommendations refer to cross cutting issue number
3.3

32. ADUKU TOWN COUNCIL (Unqualified Opinion)

Query 1. Local Revenue shortfall

Out of the budgeted local revenue of UGX 99,907,232, only UGX 55,437,400 representing 55% was realized, resulting into a shortfall of UGX 44,469,832 representing 45.5%.

For observations and recommendations refer to cross cutting issue number
3.3

Query 2: Unaccounted for funds

Audit revealed that expenditure amounting to UGX 2,275,000 was unaccounted for.

Observation

The Committee found the accountability presented by the Accounting Officer satisfactory.

Recommendation

The Committee recommends that the query be dropped.

Query 3 Lack of Land Titles where the premises of the Town Council are located.

Audit found that the Town Council did not have titles to its land.

For observations and recommendations refer to cross cutting issue number 3.8

33. ALEBTONG TOWN COUNCIL (Unqualified Opinion)

Query 1. Revenue shortfall

Out of the budgeted local revenue of UGX 69,107,045, only UGX 14,224,579 representing 21% was realised, resulting into a shortfall of UGX 54,882,446 representing 79%.

For observations and recommendations refer to cross cutting issue number 3.3

Query 2 Lack of Land Titles

Audit revealed that the Town Council does not have titles to the land where its premises are located.

For observations and recommendations refer to cross cutting issue number 3.8

Query 3 Understaffing

Out of the approved staff structure of 64 positions, only 12 representing 19% are filled, leaving a staffing gap of 52 representing 81% positions.

For observations and recommendations refer to cross cutting issue number 3.6

34. AYER TOWN COUNCIL (Qualified Opinion)

Query 1. Unaccounted for Funds

Audit noted that expenditure amounting to UGX 14,660,000 was identified as funds unaccounted for.

Observation

The Committee received accountabilities which it found unsatisfactory.

Recommendation

The Committee recommends that the Accounting officer recovers the funds from the respective officers immediately.

Query 2. Under collection of Local Revenue:

Audit revealed that out of the budgeted local revenue of UGX. 14,121,981, only UGX 9,081,000 (64%) was realised, resulting into a shortfall of UGX.5,040,981 representing 36%.

For observations and recommendations refer to cross cutting issue number 3.3

Query 3. Lack of Land Titles

Audit revealed that the Town Council does not have titles to the land where its premises are located.

For observations and recommendations refer to cross cutting issue number 3.8

35. OTUKE TOWN COUNCIL (Unqualified Opinion)**Query 1. Local Revenue Shortfall**

Audit revealed that out of the budgeted revenue of UGX 96,114,956, only UGX 64,828,541 (67%) was realized, resulting into a shortfall of UGX 31,286,415 (33%).

For observations and recommendations refer to cross cutting issue number 3.3

Query 2. Funds Unaccounted for

Audit revealed that expenditure amounting to UGX 1,765,000 was unaccounted for.

Observation

The Committee noted that the accountabilities presented were satisfactory.

Recommendation

The Committee recommends that the query be dropped.

Query 3. Understaffing

Out of the approved staff structure of 64 positions, only 22 (34%) are filled, leaving a staffing gap of 42 (66%) positions.

For observations and recommendations refer to cross cutting issue number 3.6

Query 4. Lack of a Land Title

Audit observed that the Town Council does not have titles to the land where its premises are located.

For observations and recommendations refer to cross cutting issue number 3.8

36. NYAHUKA TOWN COUNCIL (*Unqualified Opinion*)

Query 1 Lack of Land Titles

Audit revealed that the town council did not have titles to the land of the council.

For observations and recommendations refer to cross cutting issue number 3.8

37. BUNDIBUGYO TOWN COUNCIL (*Unqualified Opinion*)

Query 1 Lack of Land Titles

Audit revealed that the town council did not have titles to the land of the council.

For observations and recommendations refer to cross cutting issue number 3.8

Query 2 Understaffing

The town Council has an approved staff structure of 67 positions, out of which only 23 (34%) are filled, leaving a staffing gap of 44 (66%).

For observations and recommendations refer to cross cutting issue number 3.6

38. NTANDI TOWN COUNCIL (*Unqualified Opinion*)

Query 1 Under collection of local revenue

Audit revealed that out of the UGX 51,769,740 budgeted for, only UGX 12,836,561 was realized, leaving a balance of UGX 38,933,179 (75%).

For observations and recommendations refer to cross cutting issue number 3.3

Query 2 Lack of Land Titles

Audit revealed that the Town Council did not have titles to the land where their premises are located.

For observations and recommendations refer to cross cutting issue number 3.8

49. KAKUMIRO TOWN COUNCIL (*Unqualified Opinion*)

Query 1 Under collection of Local revenue

Audit revealed that out of the budgeted local revenue of UGX 344,456,206, only UGX 307,024,037 (89%) was realized resulting into a shortfall of UGX 37,432,167 (11%).

For observations and recommendations refer to cross cutting issue number
3.3

Query 2 Understaffing

Audit revealed that there was understaffing at the Town Council.

For observations and recommendations refer to cross cutting issue number
3.6

40. BWEYALE TOWN COUNCIL (Unqualified Opinion)

Query 1 Unrealised government grants

Out of the budgeted Government grants of UGX 757,130,061, only UGX 684,639,720 (90%) was received, resulting into a shortfall of UGX 72,490,341.

For observations and recommendations refer to cross cutting issue number
3.1

Query 2 Understaffing

The Town Council has an approved staff structure of 55 positions out of which only 22 (38%) are filled, leaving a staffing gap of 34 (62%) positions.

For observations and recommendations refer to cross cutting issue number
3.6

41. KIRYANDONGO TOWN COUNCIL (Unqualified Opinion)

Query 1 Budget performance-Budget Allocation

Council budgeted to receive UGX 478,898,812 out of which UGX 408,478,305 was received, translating into an 85% out-turn for the financial year. This created a funding gap of UGX 70, 420,507 (15%).

For observations and recommendations refer to cross cutting issue number 3.1

Query 2 Under Collection of Local Revenue

Out of the budgeted local revenue of UGX 65,397,250, only UGX 49,416,765 (76%) was realised, resulting into a shortfall of UGX 15,980,485 (24%).

For observations and recommendations refer to cross cutting issue number 3.3

Query 3 Understaffing

The Town Council has an approved staff structure of 43 position, out of which only 21 (49%) are filled, leaving a staffing gap of 22 (51%) positions.

For observations and recommendations refer to cross cutting issue number 3.6

42. KIGUMBA TOWN COUNCIL (*Unqualified Opinion*)

Query 1 Irregular Accumulation of Domestic Arrears

Audit revealed that the Town Council irregularly accumulated domestic arrears of UGX 10,463,400 during the year and UGX 21,303,000 was accrued without due regard to the law.

For observations and recommendations refer to cross cutting issue number
3.9

Query 2 Local Revenue Shortfall

Out of the budgeted local revenue of UGX 262,101,436, only UGX 195,594,998 (75%) was realised, resulting into a shortfall of UGX 66,506,438 (25%).

For observations and recommendations refer to cross cutting issue number
3.3

Query 3 Failure to remit taxes

Audit revealed that tax deductions amounting to UGX 9,199,975 had not been remitted to Uganda Revenue Authority.

For observations and recommendations refer to cross cutting issue number
3.12

43. ADJUMANI TOWN COUNCIL (Unqualified Opinion)

Query 1 Failure to implement Budget as approved by Parliament

Out of the budgeted revenue of UGX 1,555,462,505 the Town Council received UGX 1,043,172,826 (67%) resulting into a shortfall of UGX 512,289,679 (33%).

For observations and recommendations refer to cross cutting issue number
3.1

44. KIGOROBYA TOWN COUNCIL (Unqualified Opinion)

Query 1 Under collection of Local Revenue

Audit revealed that out of the budgeted local revenue of UGX 110,695,387, only UGX 100,559,471 (91%) was realised, resulting into a shortfall of UGX 10,235,916 (9%).

For observations and recommendations refer to cross cutting issue number 3.3

45. BUYENDE TOWN COUNCIL (*Unqualified Opinion*)

Query 1: Lack of Land Title for the Office Land

Audit observed that the Town Council did not have a title for the land where it sits.

For observations and recommendations refer to cross cutting issue number 3.8

46. KATUNA TOWN COUNCIL (*Unqualified Opinion*)

Query 1: Lack updated valuation List

Audit revealed that Council did not have an up to date valuation list.

Observation

The Committee noted that a valuation list is dependent on a physical plan prepared by the District.

Recommendation

The Committee recommends that Katuna Town Council should work with the District to ensure that the Town Council has a Physical Plan.

Query 2: Lack of Land Titles

Audit observed that the Town Council did not have a title for its piece of land where the office is situated.

For observations and recommendations refer to cross cutting issue number 3.8

47. RYAKAMIRA TOWN COUNCIL (Unqualified Opinion)

Query 1: Under Collection of Local Revenue

Audited noted that out of the approved local revenue budget of UGX. 8,900,000 only UGX. 6,298,000 representing 70.7% was collected leading to a shortfall of UGX. 2,602,000 representing 7%.

For observations and recommendations refer to cross cutting issue number 3.3

Query 2: Irregular Direct Procurements

Audit observed that direct procurements worth UGX. 14,100,000 were undertaken without justification.

For observations and recommendations refer to cross cutting issue number 3.11

48. KATERERA TOWN COUNCIL (Unqualified Opinion)

Query 1: Lack of land titles

Audit observed that the Town Council did not have titles to its land.

For observations and recommendations refer to cross cutting issue number 3.8

Query 2: Lack of a structural Urban Plan

Audit revealed that since its inception in Financial Year 2010/11, Katerera Town Council has not secured an approved Structural Plan of the Town Council from the Ministry of Lands, Housing and Urban Development.

Observation

The Committee established that Katerera Town Council has written to the Ministry of Lands, Housing and Urban Development on the matter but has not received a response yet.

Recommendation

The Committee recommends that the Accounting Officer should liaise with the Ministry of Lands, Housing and Urban Development to have an approved structural plan for the Town Council.

49. MALABA TOWN COUNCIL (*Qualified Opinion*)

- Non Recognition of Receivables from URA amounting to UGX. 158 million
- Misstatement of cash and cash equivalents balance
- Unrecognized and undisclosed staff salaries

Observation

The Committee observed that capacity is lacking in the Finance Section of the Town Council.

Recommendation

The Committee recommends that the capacity of the staff in the Finance Section of the Town Council should be strengthened.

Query 2: Under Collection of Local Revenue

Audit revealed that out of the budgeted local revenue of UGX. 528,400,000 only UGX. 288,773,000 representing 55% was realized leading to a shortfall of UGX. 239,627,000 representing 45%.

For observations and recommendations refer to cross cutting issue number 3.3

Query 3 Under Staffing

Out of the approved staff structure of 64 positions, only 26 positions representing 40.6% positions were filled leaving a staffing gap of 38 positions representing 59.4%.

For observations and recommendations refer to cross cutting issue number 3.6

Query 4: Irregular Accrual of Councilors Allowances

Audit revealed that the entity had accrued councilor's allowances of UGX. 41,247,866 contrary to the Standing Orders.

Observation

The Committee observed that accumulating of arrears in councilor's allowances was unfair to the councilors and irregular.

Recommendation

The Committee recommends that the Accounting Officer should ensure that all Councilor's allowances are paid within the Financial Year.

Query 5: Receivables

Audit revealed that the Town Council had receivables amounting to UGX. 129,440,050 outstanding.

For observations and recommendations refer to cross cutting issue number 3.3

Query 6: Unplanned Procurements

During the year under review council procured culverts worth UGX.10,593,800 which were not planned for and were not installed.

For observations and recommendations refer to cross cutting issue number 3.11

Query 7: Non remittance of shared local revenue

Audit revealed that the Town Council collected local revenue of UGX. 288,773,000 but failed to remit UGX. 14,438,650 to the wards and UGX.57,754,600 to the village councils.

Observation

The Committee established that the Town Council has still not remitted the funds to the lower local government units.

Recommendations

The Committee recommends that the Accounting Officer should ensure that all the shared local revenue is remitted as required by the law.

Query 8: Long Outstanding Payables

Audit noted that payables for the entity had increased by 63% from UGX. 44,297,876 to UGX.72,243,427 during the year under review.

Observation

The Committee established that the obligations were still outstanding.

Recommendation

The Committee recommends that the Accounting Officer should ensure that Council commitments are settled.

Query 9: Unaccounted for Funds

It was observed that UGX. 20,245,000 was not accounted for by the time of audit.

Observation

The Committee was satisfied with accountability worth UGX. 10,000,000 while the accountability of UGX. 10,245,000 remains outstanding.

Recommendation

The Committee recommends the Accounting Officer to recover the of UGX. 10,245,000 that remains outstanding.

Query 10: Non-Deduction of NSSF

Audit revealed that the Town Council did not deduct NSSF from contract staff.

Observation

The Committee observes that non deduction of NSSF by Council exposes it to penalties.

Recommendation

The Committee recommends that the Accounting Officer rectifies the anomaly immediately.

Query 12: Non-Remittance of Taxes

Audit revealed that Pay As You Earn (PAYE) worth UGX. 1,822,800 deductible from councilor's allowances was not remitted to URA.

For observations and recommendations refer to cross cutting issue number 3.12

Query 13: Utilization of Uganda Road Fund Grants

During the year Council received Urban Road Fund Grants of UGX. 85,993,697 intended for maintenance of various roads. However there was no noticeable work done on any of the roads inspected. Furthermore the department used UGX. 25,047,000 on fuel and lubricants, UGX.11,270,000 on roads and bridges and UGX. 21,863,289 on goods and services but it had no implementation plans, no schedules for activities undertaken, no reports for any works undertaken with a breakdown of bills of quantities for the purported works implemented during the period.

Observation

The Committee observes that the funds may have been misappropriated.

Recommendation

The Committee recommends that the Accounting Officer should ensure that the funds are used for the intended purpose.

Query 14: Poor Garbage Management

During Audit inspections it was observed that the Town Council was collecting gabbage and disposing it off in a poor manner at a rented site within the community.

Observation

The Committee observed that poor disposal of gabbage is a health risk.

Recommendation

The Committee recommends that the Accounting Officer should ensure proper disposal of gabbage in the town council.

50. NAGONGERA TOWN COUNCIL (*Unqualified Opinion*)

Query 1: Failure to implement Budget as approved by Council

Audit revealed that out of the budgeted revenue of UGX. 411,587,659 the Town Council received UGX. 398,993,979 representing 97% resulting into a shortfall of UGX.12,593,680 representing 3%.Planned activities of UGX. 4,070,000 were not implemented.

For observations and recommendations refer to cross cutting issue number 3.1

Query 2: Under staffing

Out of the approved staff structure of 34 positions, only 12 positions representing 35.3% were filled leaving a staffing gap of 22 representing 64.7%.

For observations and recommendations refer to cross cutting issue number 3.6

Query 3: Excess Expenditure on Councilors Allowances

Audit revealed that Council spent a total of UGX. 25,298,261 instead of UGX.14,313,496 resulting into irregular excess expenditure of UGX. 10,984,765.

Observation

The Committee noted failure to observe financial regulations.

Recommendations

The Committee recommends that the Accounting Officer should limit expenditure within the statutory provision.

Query 4: Unaccounted for Funds

Audit revealed unaccounted for funds amounting to UGX. 2,285,000 in the year under review.

Observation

The Committee was not satisfied with the accountabilities presented.

Recommendation

The Committee recommends that the funds be recovered.

Query 5: Lack of land titles

Audit revealed that Council did not have title deeds for land and buildings it owns.

For observations and recommendations refer to cross cutting issue number 3.8

51. PALISA TOWN COUNCIL (*Unqualified Opinion*)

Query 1 Failure to implement Budget as approved by Council

Out of the budgeted revenue of UGX. 701,592,325 the Town Council received UGX. 574,529,892 representing 81.9% resulting into a shortfall of UGX.127,062,433 representing 18.1%. Further observed was that some planned activities relating to road maintenance were not implemented.

For observations and recommendations refer to cross cutting issue number 3.1

Query 2 Long Outstanding Receivables

Receivables totaling to UGX. 50,974,982 remained outstanding at the year end.

For observations and recommendations refer to cross cutting issue number 3.3

Query 3 Understaffing

Out of the approved staff structure of 88 positions only 26 representing 29.5% positions filled leaving a staffing gap of 62 (70.5%).

For observations and recommendations refer to cross cutting issue number 3.6

52. SERERE TOWN COUNCIL (*Unqualified Opinion*)

Query 1: Inadequate Controls Surrounding management of Domestic Arrears

Audit revealed that an amount of UGX. 16,238,722 was irregularly incurred as domestic arrears outside the approved estimates appropriated by Council.

For observations and recommendations refer to cross cutting issue number 3.9

Query 2: Failure to implement Budget as approved by Parliament

Audit observed that out of the budgeted revenue of UGX. 581,589,191, the town council received UGX. 510,665,915 (88%) resulting into a shortfall of UGX.70,922,276 (12%). Further observed was the fact that a number of planned activities worth an amount of UGX. 37,568,250 were not implemented. In some instances all activities were not implemented despite the fact that funds required were released occasioning unspent balances amounting to UGX. 12,369,682.

For observations and recommendations refer to cross cutting issue number 3.1

Query 3: Under Staffing

Out of the approved staff structures of 289 positions only 25 positions representing 38% of the positions are filled leaving a staffing gap of 41 representing 62%.

For observations and recommendations refer to cross cutting issue number 3.6

Query 4: Lack of Land Titles

It was observed that council does not have titles to its land.

For observations and recommendations refer to cross cutting issue number 3.8

53. KASILO TOWN COUNCIL (*Unqualified Opinion*)

Query 1: Lack of Land Titles

It was observed that Council does not have titles to its land.

For observations and recommendations refer to cross cutting issue number 3.8

Query 2: Abandoned Construction of Administration Block as Kamod

Audit found that there was an abandoned administration block project at Kamod and there were no prospects for project completion.

Observation

Audit observed the project is still incomplete.

Recommendation

The Committee recommends that the Accounting Officer should engage the District Administration, the Ministry of Local Government and the Ministry of Finance, Planning and Economic Development to ensure that the project is completed.

54. MITOOMA TOWN COUNCIL (*Unqualified Opinion*)

Query 1: Lack of comprehensive information technology policy

The Council has various computers and laptops that are set up in the local area network but the Council does not have an IT policy which poses a danger to the ICT assets.

Observation

The Committee observed that there was no ICT Policy in place

Recommendation

The Committee recommends that the Accounting Officer should ensure that the Town Council has an ICT Policy to safeguard the ICT equipment.

Query 2: Lack of Land Titles

Audit found that the Town Council does not have titles to the various pieces of land in the different parts of the Town Council.

For observations and recommendations refer to cross cutting issue number 3.8

55. KASHENSHERO TOWN COUNCIL (Unqualified Opinion)

Query 1: Shortfall in Government Releases

Audit found that out of the budgeted revenue of UGX. 151,014,698 the town council received UGX. 136,170,926 (90.2%) resulting into a shortfall of UGX14,843,772 (9.8%).

For observations and recommendations refer to cross cutting issue number 3.1

56. KANUNGU TOWN COUNCIL (Unqualified Opinion)

Query 1: Under collection of local revenue

Out of the budgeted local revenue of UGX 108,727,300, only UGX 73,727,3000 (67%) was realised, resulting into a shortfall of UGX 35,000,000.

For observations and recommendations refer to cross cutting issue number 3.3

57. KAMBUGA TOWN COUNCIL (*Unqualified Opinion*)

Query 1: Under collection of Local revenue

Out of the budgeted local revenue of UGX 39,749,918, only UGX 35,033,299 (88.1) was realised resulting into a shortfall of UGX 4,176,619 (11.1%).

For observations and recommendations refer to cross cutting issue number 3.3

Query 2: Understaffing

Out of the approved staff structure of 34 positions, only 15 (44%) are filled, leaving 19 positions vacant.

For observations and recommendations refer to cross cutting issue number 3.6

Query 3: Lack of Urban Structural Plan

Audit found that since inception in 2010/11, the Town Council did not have an approved structural plan from the Ministry of lands, Housing and Urban Development.

Observation

The Committee observed that there had been no effort from the Accounting Officer to have a structural plan for the Town Council.

Recommendation

The Committee recommends that the query be upheld and that the Accounting Officer should engage the Ministry of Lands, Housing and Urban Development to ensure the Town Council obtains a structural plan.

Query 4: Lack of Land Titles

Audit found that the Town Council did not have land titles to its land.

For observations and recommendations refer to cross cutting issue number 3.8

58. BUTOGOTA TOWN COUNCIL (Unqualified Opinion)

Query 1: Shortfall in Government Releases

Audit found that out of the budgeted local revenue of UGX 151,041,698, only UGX 136, 270, 926 (90.2%) was realised, resulting into a shortfall of UGX 14, 843,772 (9.8%).

For observations and recommendations refer to cross cutting issue number 3.3

Query 2: Lack of Urban Structural Plan

Audit found that since inception in 2010/11, the Town Council had no approved structural plan from the Ministry of Lands, Housing and Urban Development.

Observation

The Committee observed that the Town Council still does not have an Urban Structural Plan.

Recommendation

The Committee recommends that the query be upheld.

Query 2: Lack of Land Titles

Audit observed that the Town Council did not have titles for its land.

For observations and recommendations refer to cross cutting issue number 3.8

59. KANUNGU TOWN COUNCIL (Unqualified Opinion)

Query 1: Under-collection of Local Revenue

Audit revealed that out of the budgeted local revenue of UGX 108,727,300, only UGX 73,727,300 (67%) was realised, resulting into a shortfall of UGX 35,000,000 (33%).

For observations and recommendations refer to cross cutting issue number 3.3

60. KABUYANDA TOWN COUNCIL (Unqualified Opinion)

Query 1: Under-collection of Local revenue

Audit found that out of the budgeted local revenue of UGX 32,000,000, only UGX 27,985,500 (87.5%) was realised, resulting into a shortfall of UGX 4,014,500 (12.3%).

For observations and recommendations refer to cross cutting issue number 3.3

61. KABEREHERE TOWN COUNCIL (*Unqualified Opinion*)

Query 1: Local Revenue Assessment

Audit found that the town Council did not carry out revenue assessment.

For observations and recommendations refer to cross cutting issue number 3.3

62. BUDUDA TOWN COUNCIL (*Unqualified Opinion*)

Query 1: Understaffing

Audit found that out of the approved staff structure of 61 positions, only 24 (41%) are filled, leaving a staffing gap of 28 (59%) positions.

For observations and recommendations refer to cross cutting issue number 3.6

63. BUSOLWE TOWN COUNCIL (*Unqualified Opinion*)

Query 1: Failure to Implement Budget as Approved by Parliament

Audit observed that out of the budgeted revenue of UGX 338,424,990, the Town Council received UGX 311,681,358 (92%), resulting into a shortfall of UGX 26,743,632 (7.9%).

For observations and recommendations refer to cross cutting issue number 3.1

Query 2: Understaffing

Audit found that the district has an approved staff structure of 34 positions out of which only 12 (35.3%) are filled, leaving a staffing gap of 22 (22.7%).

For observations and recommendations refer to cross cutting issue number 3.6

Query 3: Unaccounted for Funds

Audit found that expenditure amounting to UGX. 722,000 was unaccounted for.

Observation

The Committee established that the funds were accounted for.

Recommendation

The Committee recommends that the query be dropped.

64. BUTALEJA TOWN COUNCIL (*Qualified Opinion*)

Query 1: Misstatement of Reserves (*Matter accidentally skipped by the Committee*)

Audit found that the reported capital reserves of UGX 335,384,944 in the balance sheet could not be reconciled to the net book value of fixed assets of UGX 280,321,060. Relatedly, the annual revenue of UGX 4,513,489 was disclosed in the balance sheet.

Observation

The Committee observes weakness in the Accounts Department

Recommendation

The Committee recommends that the Accounting Officer should build the capacity of the officers in the Finance Department

Query 2: Understaffing

Audit found that out of the approved staff structure of 56 positions, only 21 (38%) are filled, leaving a staffing gap of 35 (62%).

For observations and recommendations refer to cross cutting issue number 3.6

65. BUKWO TOWN COUNCIL (*Unqualified Opinion*)

Query 1: Failure to Implement Budget as approved by Council

Audit found that out of the budgeted local revenue of UGX 338,424,990, the town Council received UGX 311,681,358 (92.1%), resulting into a shortfall of UGX 26, 743,632 (7.9%).

For observations and recommendations refer to cross cutting issue number 3.1

Query 2: Understaffing

Out of the approved staff structure of 54 positions, only 35 (64.8%) were filled, leaving a staffing gap of 19 (35.2%) positions.

For observations and recommendations refer to cross cutting issue number 3.6

Query 3: Excess Expenditure on Councilors' Allowances

The Council spent a total of UGX 11,205,861 instead of UGX 2,390,200 (20%) of the local revenue collected the previous year of UGX 11,961,000) resulting into irregular excess expenditure of UGX 8,815,661).

Observation

The Committee established that the excess expenditure accrued because the councilors passed a council resolution to pay councilors the excess allowance despite technical advice to the contrary.

Recommendation

The Committee recommends that amount of UGX. 8,815,661 be recovered from the affected Councilors.

Query 4: Lack of land titles

Audit established that the Town Council does not have titles to the land and buildings it owns.

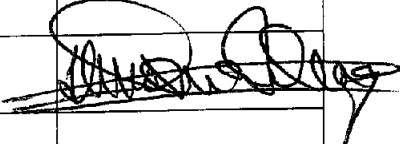

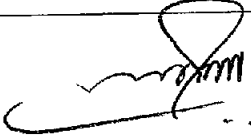
For observations and recommendations refer to cross cutting issue number 3.8

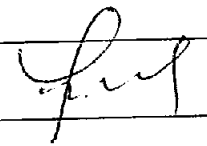
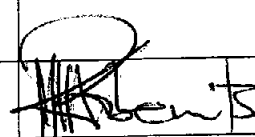
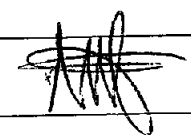
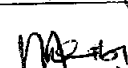


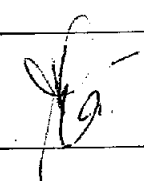
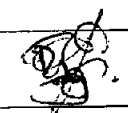
4.0 Conclusion

Rt. Hon Speaker, Hon. Members,

I beg to move that this report be adopted.

**MEMBERS OF THE PUBLIC ACCOUNTS COMMITTEE (LOCAL GOVERNMENT)
APPENDING THEIR SIGNATURES TO THE COMMITTEE REPORT ON THE AUDITOR
GENERAL'S REPORT FOR THE FINANCIAL YEAR 2016/17 COVERING SPECIFIC
QUERIES IN EACH TOWN COUNCIL**

S/N	NAME	CONSTITUTENCY	SIGNATURE
1	HON. OKUMU RONALD REAGAN	ASWA COUNTY	
2	HON. OKIN P.P. OJARA	CHUA WEST	
3.	HON. AJILO MARIA GORETTI ELOGU	DWR KABERAMAIDO	
4.	HON. AKELLO SILVIA	DWR OTUKE	
5.	HON. ANGELLA FRED	MOROTO MUNICIPALITY	
6.	HON. ARINDA GORDON KAKUUNA	BUSHENYI-ISHAKA MUNICIPALITY	
7.	HON. BAFAKI GORDON	KAZO COUNTY	
8.	HON. BAGUMA SPELLANZA MUHENDA	DWR KYENJOJO	
9.	HON. BASEMERA KISEMBO NOELINE	DWR KIBALE	
10.	HON. BYIBESHO SAM	KISORO MUNICIPALITY	
11.	HON. CHRISTINE ACHEN AYO	ALEBTONG DISTRICT	
12.	HON. DULU ANGEL MARK	ADJUMANI COUNTY	
13.	HON. EGUNYU NANTUME JANEPHER	DWR BUVUMA	
14.	HON. ETUKA ISAAC JOAKINO	UPPER MADI COUNTY	
15.	HON. GRACE NAMUKHULA WATUWA	DWR NAMISINDWA	
16.	HON. IBRAHIM KASOZI BIRIBAWA	MAKINDYE EAST	
17.	HON. JONATHAN ODUR	ERUTE SOUTH	

18.	HON. JULIUS OCHEN	KAPELEBYONG COUNTY	
19.	HON. KAJUNGU MUTAMBI ROSETTE CHRISTINE	DWR MBARARA	
20.	HON. KASOLO ROBERT	IKI-IKI COUNTY	
21.	HON. MUGUME ROLAND	RUKUNGIRI MUNICIPALITY	
22.	HON. MUHEIRWE.M.DANIEL	BUHAGUZI COUNTY	
23.	HON. MUKISA ROBINAH HOPE	DWR NAMAYENGO	
24.	HON. MUKULA FRANCIS	AGULE COUNTY	
25.	HON. MUTEBI NOAH WANZALA	NAKASONGOLA COUNTY	
26.	HON. NAMBOOZE BETTY. B	MUKONO MUNICIPALITY	
27.	HON. OCEN PETER	KOLE SOUTH	
28.	HON. ONGIERTHO JOR EMMANUEL	JONAM COUNTY	
29.	HON. ONZIMA GODFREY	ARINGA NORTH	
30.	HON. OULA INNOCENT	UPDF REPRESENTATIVE	
31.	HON. SARAH NAJJUMA	NAKASEKE DISTRICT	
32.	HON. SSEKABIITO JOSEPH	MAWOGOLA COUNTY	
33.	HON. SSEMBATYA EDWARD NDAWULA	KATIKAMU COUNTY SOUTH	
34.	HON. TABAN AMIN	KIBANDA NORTH COUNTY	
35.	HON. WATONGOLA REHEMA	KAMULI MUNICIPALITY	
36.	HON. WEKOMBA SARAH	BULAMBULI DISTRICT	