



PARLIAMENT OF UGANDA

PARLIAMENTARY DEBATES

(HANSARD)

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SECOND SESSION - THIRD MEETING

WEDNESDAY, 10 MAY 2023



IN THE PARLIAMENT OF UGANDA

Official Report of the Proceedings of Parliament

SECOND SESSION - 36TH SITTING - THIRD MEETING

Wednesday, 10 May 2023

Parliament met at 2.00 p.m. in Parliament House, Kampala.

PRAYERS

(The Speaker, Ms Anita Among, in the Chair.)

The House was called to order.

COMMUNICATION FROM THE CHAIR

THE SPEAKER: Honourable members, I welcome you to this afternoon sitting. I thank you for yesterday's special sitting where we paid tribute to our colleague, Hon. Engola. Some Members are in Kololo and that is why you see the House is like this - and I appreciate Members who are in Kololo.

Honourable members, I request you to spare time to go and send off our colleague on Saturday in Oyam. Please create time to go there.

This afternoon, we have students from Makerere University Business School and Mount Kenya University. They are here to witness today's proceedings. Please stand up. *(Applause)* You are most welcome. This is Parliament of Uganda and a people-centred Parliament.

Honourable members, we have few matters of national importance and one of them, which is urgent is from Hon. Chemonges. Then, we shall proceed to other business. Hon. Chemonges?

MR SILWANY: Thank you, Madam Speaker. I rise on a procedural matter. We all appreciate -

and I know we are not in a good mood because we have lost a fellow Member. Madam Speaker, we are proceeding with parliamentary business and Members are going to raise matters of national importance. However, as you can see, the front bench is totally empty; not even one minister representing Government.

Therefore, would it be procedurally right that you direct so we at least have a quarter of the ministers present? Madam Speaker, I have been at Kololo but not all the 80 ministers are in Kololo.

THE SPEAKER: We are going to find out the ministers in Kololo and where the others are.

MR SILWANY: Some are just hanging around. I was at Kololo but very few ministers were there.

THE SPEAKER: But we have an alternative Government. *(Laughter)* Hon. Chemonges, how I wish you could present your matter when we have a responsible minister. Hon. Ssemujju?

MR SSEMUJJU: Madam Speaker, this is a serious matter. We mainly transact Government business in this House. Of course, I know how lousy this Government is. *(Interjections)* There is no way you are going to receive the Order Paper and not send even - some of the ministerial positions were just given. Remember what the President said in the last Parliament when he was sacking the Hon. Syda Bbumba? He said, "I took her to the Ministry of Gender, Labour and Social Development

which is not very useful.” Some of them are in ministries that are not very useful but at least they act as messengers who can pick information and take it to their boss.

Can I, Madam Speaker, persuade you to suspend Parliament for at least 10 minutes to allow these ministers come to the House? Otherwise, in Kololo, they are not present. Some are still hiding. Can we have at least a few who can take the message. We do not raise these matters thinking we are going to find a solution, but at least they carry the message.

Madam Speaker, I would like to persuade you to suspend Parliament for 10 minutes to allow ministers who are not hiding to come and attend to the business of Parliament.

THE SPEAKER: Can you get for me Hon. Musasizi? Honourable members, I do not like the culture of suspending the House. I will conduct business; whether there is only one Member or not, we shall go ahead. We will know how to sort out that issue when the two-and-a-half years end. So, let us proceed with our business.

MR ALOYSIUS MUKASA: Thank you, Madam Speaker. On Friday, the Constitutional Court declared null and void the Narcotic Drugs and Psychotropic Substances (Control) Act. The basis for that declaration was on the Ninth Parliament because quorum was not considered.

Madam Speaker, we have observed some kind of celebration in most parts of Kampala because there is a misjudgment of the Constitutional Court decision. In order to protect our youth and children, wouldn't it be procedurally right for Parliament to consider reviewing the Act such that we can put sanity in our youth? Thank you.

THE SPEAKER: Honourable member, even after the nullification of Narcotic Drugs and Psychotropic Substances (Control) Act, the same law has provisions that can be used to regulate them. That aside, we already have a law which was brought by Hon. Komakech in regard to narcotics.

This is what I keep telling Members - this was thrown out of court because of quorum. Members of Parliament are paid to come and sit in this House; whether you say nothing - as long as you are able to say “Yes”. *Laughter*) You are spending taxpayers' money, but you are not in the House. The Bills are being thrown out because of quorum and you cannot even afford to come and sit here and just say “Yes” or “No”? Do you get it?

As Members of Parliament, let us be fair to Ugandans. Ugandans should watch Members who do not come to the House other than sending liabilities to the House all the time. - Is it on the same?

MR SSEWUNGU: Madam Speaker, through your guidance, the honourable member could be praying –

THE SPEAKER: For now, we can use the National Drug Authority Act. Next week, we will allow Hon. Komakech to bring his Bill and we reconsider it. Remember that the anti-homosexuality law was also thrown out by court because of lack of quorum. This time, we did the right thing and we are going to have that Bill assented to – and Ugandans will be happy. *(Applause)*

MR SSEWUNGU: Madam Speaker, I was saying that the honourable member could be praying for the Bill to be reintroduced because this Parliament cannot go out looking for –

THE SPEAKER: I have said the Bill is already in place; it will be brought next week.

MR SSEWUNGU: We wanted to hear from the Attorney-General – *(Laughter)*

THE SPEAKER: You mean the Attorney-General is the one that allows matters to be put on the Order Paper?

MR SSEWUNGU: With your indulgence, Madam Speaker –

THE SPEAKER: The Order Paper is the preserve of the Speaker and this House is

managed by the Speaker of Parliament who is none other than “Triple A”. *(Laughter)*

Honourable members, we have the Attorney-General here, together with the Minister of Finance, Planning and Economic Development – smuggler, you are welcome; you have been away. *(Laughter)*

We had issues of mental health yesterday and we are going to start checking the Members of Parliament. *(Laughter)*

Can we go to the next item? Hon. William, we shall bring your issue when the minister is in. It is a very serious issue.

BILLS FIRST READING

THE SUPPLEMENTARY APPROPRIATION BILL, 2023

THE SPEAKER: Honourable members, pursuant to Article 156(3) of the Constitution of Uganda and Section 25 of the Public Finance Management Act, I now invite the Minister of Finance, Planning and Economic Development to table the Supplementary Appropriation Bill, 2023.

The supplementary that is being tabled is for the last financial year – we are finishing the accounting cycle. We cannot go and supply before we have the one of last year sent to the committee.

MR OKUPA: Thank you, Madam Speaker. I rise on a procedural matter regarding what I raised last week and you gave a directive to the Minister of Finance, Planning and Economic Development. It is about Section 77 of the Public Finance Management Act regarding the Minister of Finance, Planning and Economic Development laying the reports on the companies they have exempted from paying taxes. You gave a directive because they had failed to fulfil it last week. You directed them to bring that report today. Last time, they told us that they had communicated to you, yet they had not.

Therefore, before we go into the tax Bills and the supplementary, could the Minister of Finance, Planning and Economic Development honour the law and present those reports on the companies that they have exempted from paying taxes? We are looking for money, Madam Speaker.

THE SPEAKER: Minister of Finance, Planning and Economic Development?

2.15

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi): Thank you, Madam Speaker. On the 30th of March, when the Minister of Finance, Planning and Economic Development laid estimates of expenditure and revenue for Financial Year 2023/2024, he accompanied it with several documents, which included what Hon. Okupa is asking for.

THE SPEAKER: Hon. Elijah Okupa, the document you are asking for was forwarded to the Committee on Budget. So, let us check with the Committee on Budget. If we are not satisfied with it, we can come back. However, the one that we need the most is the one on gold. Let us have the one on gold. Kindly, we want the minister to come and present that report.

MR MUSASIZI: Much obliged, Madam Speaker. With your guidance, can I now lay the Bills?

THE SPEAKER: Please, go ahead.

MR MUSASIZI: Thank you, Madam Speaker. I beg to move that the Bill entitled, “The Supplementary Appropriations Bill, 2023” be read for the first time.

THE SPEAKER: The Bill stands referred to the Committee on Budget – and that is in furtherance of Rule 129(1) of the Rules of Procedure.

MR MUSASIZI: Madam Speaker, for emphasis, the Bill is accompanied by the certificate of financial implications, which I also beg to lay on Table.

THE SPEAKER: Thank you. Just for avoidance of doubt, this Bill is in relation to Financial Year 2021/2022. We are not supposed to go into supply before this Bill is laid on Table and referred to the committee. So, the committee will scrutinise it and report back.

Still, this is what I have been telling Members: The issue of the three per cent. Honourable minister, we may need to see what to do with the three per cent. When we reject anything from the House, you go and hide behind the three per cent. We do not have a law that defines what should be under three per cent.

So, when they come with whatever they have brought, it is retrospective approval. You just have to approve; you cannot do much. I was actually surprised that you left out the three per cent. What you need to do is to allow the three per cent, but bring an amendment such that you know what the three per cent is going for.

So, we need to pass the three per cent – that is on Part A – but give a condition that we should bring a law that defines what the three per cent goes for. *(Applause)*

Next item. - You know, I took this boy to law school and, now, he is making use of the law. *(Laughter)*

MR TEBANDEKE: Thank you, Madam Speaker. Indeed, I appreciate that you give Members time to advance and I am a beneficiary of that.

Under rule 49, we are entitled to raise very urgent matters of national importance – and they are really very urgent. Personally, I have presented to your office more than two issues concerning my constituency. However, time is not provided and the challenges in the constituency are overwhelming.

By virtue of Rule 7 and Rule 8 of the Rules of Procedure, I beg that you grant me permission to raise these issues. Actually, I even fear going back to the constituency. *(Laughter)* I can even shed tears here because the matters in the constituency are very alarming.

THE SPEAKER: Please, do; it helps. *(Laughter)*

MR TEBANDEKE: Thank you, Madam Speaker.

THE SPEAKER: No, I am saying you go ahead and shed tears. *(Laughter)* Honourable member, it is not that I do not want you to raise the issues. Are you raising the issues for the camera or you want the issues to be handled? That is the question. The issues you are going to raise here; none of these ministers can handle them. Hon. Kafuuzi, can you handle these issues? He will only give you legal advice? However –

MR KAFUUZI: I do not know the issues yet, so, I do not know whether I can handle or not. *(Laughter)*

THE SPEAKER: His issues relate to disasters and whichever but Hon. Tebandeke, if the ministers come in between, I will allow you to raise your issues. Otherwise, if you think the three can handle them, please go ahead.

MR TEBANDEKE: Thank you, Madam Speaker -

THE SPEAKER: But do not repeat it.

MR TEBANDEKE: I know the Attorney-General can favourably handle my issues.

THE SPEAKER: Okay.

MR TEBANDEKE: Yes, he is yet to know. Madam Speaker, on the 22nd and 24th of April 2023, two trading centres in my constituency were robbed by unidentified persons and a lot of items were taken away, including items from some clinics, and shops, to mention but a few. Madam Speaker, on the 25th of the same month, Ms Naloongo Rebecca, a wife to Mr Monday, a resident of Kayonza, was murdered at 8.00 a.m.

I am aware of the role of the police as mandated in Article 212 - it is to protect people and their property. However, I am also aware of the Inspector General of Police's directive that

scrapped some of the police stations, creating a vacuum and a challenge for us who have vast areas in the remote places that need security.

Therefore, it is my polite request that the Minister of Internal Affairs - since he is not here - but this is a matter of legality and the Attorney-General is here, can create for us foster measures on how to curb the ongoing undefined murders in our society, and specifically, I would beg, by powers entrusted to the Attorney-General - because even the directive was not properly scrutinised - to reinstate Nakyesa Police Post in order to minimise such incidences.

Away from that, Kayunga District is becoming a place affected by the same incidents. Mr Samanya George of Busaana-Kiwangula in Wanteete Parish was also murdered in the afternoon. Therefore, such matters are too urgent and cannot wait. I regret having breached the rules and procedures of the House. I beg to submit.

THE SPEAKER: Thank You. Okay, there is a point of order - Hon. Tebandeke, these are matters of law and order and they are criminal in nature. Let them go and report to the Police. The Police will investigate and give a response. If it means going to court, then they go to court. These are matters of criminality. Hon. Macho, do you have something to say?

MR MACHO: Yes, madam speaker. I rose on a point of order because it will not be in order for the honourable member who just left the Floor to leave yet you had given him the privilege to cry because he begged for it. Is he in order to leave the Floor before he cries because that was his own prayer?

THE SPEAKER: Hon. Charles, if you had cried, you would have relieved yourself of mental - *(Laughter)* Anyway, next item.

LAYING OF PAPERS

CORRIGENDUM TO THE BUDGET FOR THE FINANCIAL YEAR 2023/2024

THE SPEAKER: Honourable members, the corrigendum is in relation to the proposed revisions in the budget for the Financial Year 2023/2024, which was laid in this House. Whenever the Ministry of Finance feels they need to make a revision - an increase, or a decrease - they prepare what they call a corrigendum. We are told that the corrigendum is ready today for laying. Can I invite the Minister to table the corrigendum?

2.25

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi): Madam Speaker, I beg to lay the corrigendum to the Draft Budget estimates for Financial Year 2023/2024. I beg to lay.

THE SPEAKER: Thank you. The corrigendum is accordingly referred to the Committee on Budget, for consideration. Honourable members, the budgeting process is a very important process for all of you. This is when you know how much is going to your district, your constituency and so, you need to be in this House when we are doing budgeting because one of our core roles is appropriation.

Otherwise, if you decided to stay off, the voters will also know that you are not responsible enough - I thought I was still talking. Procedure on what I am saying? I have not finished communicating. *(Laughter)* Well, we are going to do appropriation on Tuesday. We will supply on Tuesday, and please be here. Thank you.

MR MPUUGA: Thank you, Madam Speaker. I suppose the Minister of Finance is alive to the provisions of the Public Finance Management Act, specifically, Section 13(11)(c), which requires that one of the attachments to the budget is a statement attesting to the reliability and completeness of the information provided under this section.

By laying the corrigendum, the Minister is attesting to the incompleteness of the figures laid hitherto. And the Advanced Learners Oxford Dictionary, 8th edition, defines corrigendum as a thing to be corrected, typical on record. I would have expected the minister, alongside the corrigendum, to lay a fresh statement of completeness, because the old figures, by laying the corrigendum, attest to incompleteness.

Therefore, Madam Speaker, wouldn't it be procedurally proper that the corrigendum stands withdrawn until a fresh statement of completeness is laid and confirmed it is laid before the House? If the minister forgot it in his jacket, he then lays it, so that we can have the corrigendum received properly.

THE SPEAKER: We will not withdraw the corrigendum. You can still give -

MR MUSASIZI: Madam Speaker, the corrigendum I have laid is in accordance with Section 13 of the PFM Act, under which we fulfill all the requirements for the budget, which is further operationalised by the regulations whose Regulation 12(1) of 2016 states thus: *“An accounting officer of a Vote may, at any time before Parliament considers the estimates of the Vote, make a correction of an error or omission made in the estimates submitted by the accounting officer to Parliament.”*

Madam Speaker, our intention in this corrigendum - and even in the dictionary definition - the corrigendum is a statement of a correction of errors. What we are doing -

THE SPEAKER: From the perspective of budgeting, it is a statement of revision.

MR MUSASIZI: Yes, and that is what we are doing.

THE SPEAKER: Now, we are speaking as accountants. *(Laughter)* If you want a statement from him, he will bring it but this is for revision. We can have it before we pass the budget on Tuesday. We need it. Let us proceed - I hope you are not going to also chase Hon. Musasizi.

MR IBRAHIM SSEMUJJU: No, Madam Speaker. The only person we chased was charged in the courts of law. Court granted him temporary freedom to go to hospital, but also to defend himself. That is why when we were in the Committee on Budget, I asked him whether he thought the committee was a hospital. *(Laughter)*

In the case of Hon. Musasizi, not yet -

THE SPEAKER: We cannot discuss a person who is not here so talk about what you wanted to say.

MRSSEMURJU: I was only giving information. Madam Speaker, I sit on the Committee on Budget. This has become a practice and it is not a good one. Government begins to present documents relating to the budget - the Budget Framework Paper. We make proposals and they now bring the estimates themselves, but it is a habit that when you announce, like you have announced today, Madam Speaker; that on Tuesday, we will supply, they come running with the corrigendum, making it very difficult for the Committee on Budget to scrutinise it because of the timelines involved.

The guidance I need from you, Madam Speaker - because my friend, Hon. Musasizi - because of what they are going through, they are not very stable. *(Laughter)* The guidance I need from you is whether the corrigendum must necessarily be brought at the eleventh hour. We have spent almost a whole week - Madam Speaker, you even extended our time in a retreat - looking at the budget and the figures. After completing our work, Hon. Musasizi walks into Parliament with a corrigendum because the law provides for it, as if the law says you must bring it one day to supply - *(Interruption)*

MR OKUPA: Hon. Ssemujju, can you clarify to us; you are saying “because of what they are going through” which we do not know. I see like Hon. Musasizi is very stable; the way he is seated there. Can you clarify the stability you mean?

THE SPEAKER: Hon. Elijah, we are handling very serious issues. Let us not bring

personal issues into the House. Whatever they are going through is their business, not ours.

First of all, the budget has to balance. You know, it is unfortunate you are coming from that world - not the world of figures. However, when you come from the world of figures - for those people who went to school and know that debits must be equal to credits - you will need that corrigendum for you to be able to balance. Not so, Hon. Musasizi? I know you are from the accounting world. You should not bring the corrigendum at the last minute; that should not happen again. At the same time, we also need it for us to be able to balance the budget.

The issues that they are going through are their issues. We will sort them out after two and a half years. Next item?

STATEMENT BY THE PRIME
MINISTER ON ALLEGED ENFORCED
DISAPPEARANCES BY THE STATE

THE SPEAKER: The Prime Minister is the chief mourner at the burial of the late Col Charles Engola; she is not hiding. She lost her minister, our colleague, a Member of Parliament and now that the burial is not tomorrow, we will hear what she says tomorrow.

We all know that they are in Kololo and all of us were invited there, but because we had a lot of work, we had to be here. Therefore, let us push that item to tomorrow. At the end of the day, we will have that item. - I have never known you as somebody to rise on points of procedure because first of all, you have a right to speak and that is by law.

MR MPUUGA: Thank you, Madam Speaker. I am much obliged. For the same reason that we are mourning the fallen comrade we eulogised yesterday, may it really impress you that you are pleased to have the matter of the Prime Minister as one of the priorities tomorrow. This is because the biggest worry for the citizenry out there, and mainly these people's families, is that they could also be dead.

Therefore, the Prime Minister should not run away from presenting her statement of either contentment or whatever she has been packaging for all these weeks. May it please you that we prioritise it tomorrow so that the families can rest their worries or we can actually join them in mourning these people that have disappeared for more than two years.

THE SPEAKER: Yes, Government?

2.37

THE DEPUTY ATTORNEY-GENERAL (Mr Jackson Kafuuzi): Thank you, Madam Speaker. I know this position puts me in a particular area but I have listened to my elder brother, the Leader of the Opposition and I do understand his concerns. However, this House has lost a Member and the Prime Minister is heading the processes of burial because he is being given a befitting burial.

While the Leader of the Opposition has suggested that we prioritise the matter for tomorrow, I would like to pray that we do it next week on Tuesday, when we have enough time to make resolutions on it.

THE SPEAKER: Honourable members, I have always reminded you that there is one Speaker and once the Speaker rules, that is final. Next item?

BILLS
SECOND READING

THE TRAFFIC AND ROAD SAFETY
(AMENDMENT) BILL, 2023

THE SPEAKER: Honourable members, last week on Thursday, 4 May 2023, we stood over the consideration of the Traffic and Road Safety (Amendment) Bill, 2023 pending further clarification from the Minister of Works and Transport.

I do not know if anybody has powers – Hon. Musasizi said he had been given powers to come and defend that Bill and its legal implications. Is he still in? If he does not have the powers – Hon. Musasizi, we are on – let us get clarification from him.

BILLS
SECOND READING

THE CONVENTION ON MUTUAL
ADMINISTRATIVE ASSISTANCE IN TAX
MATTERS (IMPLEMENTATION) BILL,
2023

MR SSEMURUJU: Under Rule 114 of our Rules of Procedure, a minister who is standing in for a colleague must inform you, Madam Speaker. However, you are now asking whether he has the power, which means they have not communicated to you under rule 114 -

THE SPEAKER: I am saying he informed me that he has been instructed; I want to know the limits of his instruction. We are looking at the Bill's second reading, which was stood over, that is, the Traffic and Road Safety (Amendment) Bill, 2023. It was stood over because we needed clarification from the Ministry of Works and Transport, and legal guidance. What we are asking you is: Do you have powers to defend this Bill?

2.41

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES) (Mr Henry Musasizi): Madam Speaker, the minister is not here but the information is with us and we can be able to present it.

THE SPEAKER: Did they give you permission to do that?

MR MUSASIZI: Madam Speaker, I have the information.

THE SPEAKER: We want the Minister of Works and Transport to be in the House, and handle this Bill because there were issues raised from the minority report. If you are not ready, we can stand over it.

MR MUSASIZI: Madam Speaker, since the matters are specific to the Ministry of Works and Transport, I pray that we handle the Bill when the works minister is able to come to the House. *(Applause)*

THE SPEAKER: Thank you.

THE SPEAKER: Honourable members, the communication we received from the chairperson of the Committee on Finance, Planning and Economic Development is that there was a deferral of this Bill. In the interest of time, let us invite the chairperson to tell the House what he thinks and the proposals he has.

2.43

THE CHAIRPERSON, COMMITTEE ON FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (Dr Keefa Kiwanuka): Madam Speaker, these are treaties that have been signed over the years; some date back to 2010, 2013 and 2014. The committee has not received these treaties. Although they promised us they are readily available, we have not received them in order to compare them with what they have in the Bill.

The Bill itself is intended to give force to those treaties that we have signed so that they can exchange information here in Uganda. The committee is recommending that the Convention on Mutual Administrative Assistance in Tax Matters (Implementation) Bill, 2023 be deferred on the basis that there is need for more information and adequate time given to the committee to examine in detail and make inquiries in relation to the Bill.

We have agreed on this with the Ministry of Finance, Planning and Economic Development and the Attorney-General.

THE SPEAKER: Thank you. Minister of Finance, Planning and Economic Development?

2.45

MR DICKSONS KATESHUMBWA (NRM, Sheema Municipality, Sheema): Madam Speaker, this is a very important convention. What is very surprising is that the ministry is not able to present to the committee enough information to take a decision on such a very important convention that would help the ministry mobilise revenue.

This convention is to enable our revenue authorities to obtain information, especially when doing multinational auditing where you have companies involved in tax schemes like transfer pricing. This is an instrument that would help them reach out to other destinations to get information, so that we can be able to assist the right tax.

I am very surprised because this is the very ministry that has tabled Bills here - We are also dealing with the budget - As you said, Madam Speaker, the debit must balance with the credit. So where are you going to get money, if you continue to be unprepared by withdrawing clauses of the Bills and not giving information to enable committees to give the House the right information? It is very disappointing that we are not able to move forward on that particular amendment because of unpreparedness by the ministry.

Madam Speaker, by the time the minister tables Bills here, we need to be sure that they have prepared enough. It is high time we started receiving these Bills at the same time with the Budget Framework Paper so there is enough time for us to examine them so that by the time we reach such a stage, we have enough information to move forward. I submit, Madam Speaker.

THE SPEAKER: Honourable members, I want to refer the House to rule 14 in regard to treaties, protocols and international agreements. The ministry should always adhere to that and have that information available for you.

Before you lay a Bill on the Table, you should have all that in place. That is basically from the Government not anyone else. So, the committee cannot continue once the Government has not provided them with what they need.

MR SONGA: Thank you, Madam Speaker. It was in this House when we raised the issue of treaties, protocols and conventions. At that time, signing or ratifying treaties, conventions and protocols had implications, including financial. So, we wanted the Minister of Foreign Affairs to come to this House and lay on the Table a list of all the treaties and conventions. This was to allow us select treaties, conventions and protocols that are beneficial to Uganda since they have financial implications in terms of subscription, membership and so on. But up to now, we have not received that list in this House.

Would it not be procedurally right for the Ministry of Foreign Affairs to bring to this House the entire list of conventions and treaties that Uganda has signed and ratified? Thank you.

THE SPEAKER: Rule 40 (1) says: *“The Minister responsible for treaties, protocols or international agreements shall lay before Parliament a treaty, protocol or international agreement entered into by the Government of Uganda, within six months after it has been concluded.”*

(2) The Committee on Foreign Affairs shall examine the treaty, protocol or international agreement laid before Parliament and shall report to the House within 45 days.”

The question is: Do we have any treaties? Do we have any protocols? Do we have any international agreements? Have they been laid on the Floor of the House? Let us first hear from the minister.

2.49

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES)

(Mr Henry Musasizi): Madam Speaker, it is true that when we had a discussion with the committee, we realised the need for the committee to have more time to be given the agreements. So, we agreed that this Bill be deferred to a future date to allow us time to satisfy the committee with all the information to enable them make a justified and convincing recommendation.

THE SPEAKER: Isn't this one of the ways for you to raise money to finance your budget?

MR MUSASIZI: It is one of the ways of facilitating us to raise money.

THE SPEAKER: It is a facilitating measure. So, aren't we losing out on the facilitation to raise money? *(Laughter)*

MR MUSASIZI: Madam Speaker, this will not take long. By the 1st of July, we shall have passed this Bill.

THE SPEAKER: So, are we passing the Bill after the supply? *(Laughter)*

2.51

MR DENISOGUZU (FDC, Maracha County, Maracha): Thank you, Madam Speaker. The information I have is that Uganda has executed tax agreements with about 11 countries. These agreements have very gross implications for this country. It has been established that these treaties actually erode our tax base and facilitate profit-shifting from this country.

Since we have to pass the budget on Tuesday, as you have guided, Madam Speaker, if we do not review these treaties between now and Tuesday, there will be a serious problem. What we do in passing the budget must align with the proposals they are going to have in those treaties. The ministry had indicated to us that they were going to review these treaties, but to date, nothing has happened.

Therefore, we must find a way. You could initiate a team of technical people to go out, consult and maybe report to the House so that a middle ground is found to deal with this matter. Otherwise, you have asked very good questions.

THE SPEAKER: Clarification?

MS AMERO: Thank you, Madam Speaker. The clarification I would like to seek from Hon. Oguzu Lee is in regard to the agreements that Uganda has signed with those 11 countries. Could he lay them on Table? Otherwise, we would be legislating in anticipation.

THE SPEAKER: Whatever you are saying should be backed by evidence. If you are saying they signed the agreements with 11 countries, do you have the evidence? Or, is it just hearsay?

MR OGUZU: Madam Speaker, this Government has signed double tax agreement with Mauritius -

THE SPEAKER: Give us the agreement.

MR OGUZU: The responsibility to lay them on Table lies with the Ministry of Foreign Affairs.

THE SPEAKER: Now that you do not have them, let the people with the authority – who have the agreements – talk. We want you to bring those agreements. Can we agree that you come and lay them on Table and the committee takes them up? Can we have the agreements?

MR MUSASIZI: Madam Speaker -

THE SPEAKER: First of all, have you signed any treaty?

MR MUSASIZI: Yes, we have the agreements.

THE SPEAKER: So, where are you keeping them?

MR MUSASIZI: Madam Speaker, I would like to beg for the indulgence of the House that for this Bill we are allowed time to provide the committee with the information, which they have asked for.

We are not withdrawing the Bill, but asking for time to have more interactions with the committee. We will present the agreements to them and when the committee comes to report to the House, all of this information shall be provided.

THE SPEAKER: When can you give the committee those agreements?

MR MUSASIZI: I am now focused on supply. *(Laughter)* After the supply, I will provide the information. *(Members rose)*

THE SPEAKER: Whom are you raising the point of order against?

2.56

THE LEADER OF THE OPPOSITION (Mr Mathias Mpuuga): Thank you, Madam Speaker. Even a baby can tell a government in disarray when they see one. You do not have to have a PhD in political science to see that the Government is in disarray. Certainly, there is a reason why a committee can demand for these agreements over a matter before Parliament – and they are not coming through.

Definitely, Members who are keen will know that some of these agreements have far-reaching implications even on citizens, including their ability to access their bank accounts and so forth.

Therefore, Madam Speaker, the minister is not ready and does not sound confidently informed.

Secondly, for this particular afternoon, enough shame has been visited on this House. May it please you, Madam Speaker, to adjourn it?

THE SPEAKER: The shame is not on this House; it is on the persons.

MR MPUUGA: Certainly -

THE SPEAKER: For us, we shall move to more serious business. Let the shame remain with them. We are now going to get the reports.

MR MPUUGA: Madam Speaker, what is very serious – the Government has three Prime Ministers. The Order Paper, in most cases, is made in consultation with the Speaker, to do - *[Mr Macho: "Information."]*

THE SPEAKER: You do not do that to the Leader of the Opposition.

MR MPUUGA: The Leader of Opposition can cede ground, but let me first make this point. The Order Paper is congested and Members have business, but they leave their business because Government business is a priority under the rules.

However, we are skipping issue after issue on the Order Paper, Madam Speaker. It is not just absence; they are just lacklustre. I think one of the reawakening issues is for you to be pleased to halt this business. Under the Public Finance Management Act – section 14(2) – you can actually stay supply.

You can see that he is eager for supply such that he can go and supply air -

THE SPEAKER: No, he is eager because I have given him a deadline.

MR MPUUGA: Invoke your powers under section 14 –

THE SPEAKER: Can we have the traffic Bill and the conventions, first thing, on Tuesday? Go and provide the information required. I want that Bill on the Floor on Tuesday before we go to supply. *(Applause)*

MR MUSASIZI: Much obliged, Madam Speaker. On Tuesday, we shall have finalised. We are going to start tomorrow -

THE SPEAKER: You are going to present it on the Floor on Tuesday.

MR MUSASIZI: Yes, on Tuesday, we are going to present it. I already have part of the information here.

THE SPEAKER: You were supposed to give the documents to the committee, but you never did it. We must have that on Tuesday. The two Bills must be on the Floor on Tuesday.

2.59

MR MUWANGA KIVUMBI (NUP, Butambala County, Butambala): Madam Speaker, I beg your indulgence; I do not know why ministers find it hard to speak the truth. We conversed about this issue when we were harmonising and agreed that given the weight of this mutual Bill, we go through the whole tax and expenditure process. And that when we are done - because I do not know why the ministers fail to stand with the commitments they make in these meetings.

[Mr Muwanga Kivumbi]

In the meeting, we analysed and agreed that the other Bill is fairly big and has fairly far-reaching implications. We also agreed that we needed to give it proper time –

THE SPEAKER: Before you conclude, the agreements we are talking about are from 2014 to 2021. So, if you cannot update House regularly, in the six months provided, you will find a challenge in all this.

MR MUWANGA KIVUMBI: Madam Speaker, we agreed with the minister that the Mutual Conventional Agreement requires deeper scrutiny than the time available to us during the budget process. And so, for us to do justice to that we required time and that time would be available when we have offloaded the tax Bills and the Expenditure Schedule. This is when we would be able to critically analyse the content of this agreement because it has far-reaching implications.

We also noticed that it would even require a committee to work extraordinarily, maybe in a retreat, and so, we agreed that time is not available – (*Interjections*) - I am not in for it, and I do not sleep in hotels. Do not laugh; those who work with me know it –

THE SPEAKER: *Haji*, I have never seen you lose your head like that.

MR MUWANGA KIVUMBI: No, when I talked about a retreat, the Attorney-General laughed.

THE SPEAKER: But do you want him to be gloomy all the time?

MR MUWANGA KIVUMBI: Okay, let me continue. We agreed that we would continue with this work to give it clear due justice when we are done with tax Bills and the Expenditure Schedule. We were alert sometime back. When Parliament tried to ratify the Terrorism Convention, we realised there had been a lot of “local engineering” in the definition and on scrutiny, had we adopted the definition suggested in the Bill, we would have really tightened up that law for Ugandans. These agreements, on the surface, look innocent as

if they are here for ratification but when you look into the details of how they are going to have access to your private bank accounts, uncontrolled access, they have a lot of implications.

Therefore, Madam Speaker, we beg your indulgence that we do not press the issue of the convention on Tuesday and that we go back to it as we agreed –

THE SPEAKER: I want to refer you to rule 222. A decision has already been taken; let them come back.

Honourable members, before we go to the next item, I have been talking about matters of wealth declaration to IGG in this House. Some of you have not declared your wealth up to now. What is wrong with my Members? I have a list of 21 names of Members who have not declared. Please go and declare your liabilities, if you do not have assets. You can declare your income, assets and liabilities. So, if you do not have assets, at least you have income.

I want you to cross-check; I have been calling a number of you. I hope you have sorted it out yourselves. Otherwise, I have a letter with 21 names of Members who have not declared and you know that is good enough to get you out of this House. Look at Hon. John-Ken Lukyamuzi’s case; it is already a precedent to that effect. So, make sure you declare.

MR SSEWUNGU: Madam Speaker, on that very matter, I remember raising a concern here and laying a letter you asked me to bring, about the President stopping the IGG from asking senior officers in the army to declare their wealth. I recall you directed the Attorney-General to come and explain the legality of that letter because, among the 25, there might be some UPDF –

THE SPEAKER: They are not UPDF. I am talking about my Members of Parliament; do not divert us. Let us first sort out our Members of Parliament; let us first protect ours.

MR SSEWUNGU: But Madam Speaker, they are also Members of Parliament.

THE SPEAKER: No, they are not involved.

MR SSEWUNGU: With your indulgence, you directed -

THE SPEAKER: I am the one with the list. If you have not got my call, then you are not part of it. Okay?

MR SSEWUNGU: Madam Speaker, I am talking about the letter I laid here.

THE SPEAKER: Let us go on to the next item.

MOTION FOR ADOPTION OF THE
REPORT OF THE COMMITTEE
ON PUBLIC ACCOUNTS (LOCAL
GOVERNMENTS) ON THE REPORT OF
THE AUDITOR-GENERAL FOR THE
FINANCIAL YEAR 2021/2022

THE SPEAKER: Honourable members, Article 163 of the Constitution requires Parliament to conclude consideration of the Auditor-General's reports within six months. I am pleased to note that the Public Accounts Committee (Local Governments) is ready to report.

I thank you, Hon. Mathias Mpuuga, for your leadership that you can now present reports within six months. I am humbled and grateful that this is happening. We now have the chairman of the Committee on Public Accounts (Local Governments). He has been a very organised chairperson. Thank you, chairperson. Can you now present to us the report of the committee?

3.07

**THE CHAIRPERSON, COMMITTEE
ON PUBLIC ACCOUNTS (LOCAL
GOVERNMENTS) (Mr Martin Ojara):**

Thank you, Madam Speaker, for the opportunity – *(Interruption)*

MR SSEMUJJU: Madam Speaker, chairpersons of committees are appointed by political parties. And you know I am a whip of a political party. As far as I know, that particular

“organised chairperson” was withdrawn by the party that appointed him. So, under whose authority is this particularly “organised chairperson” making this presentation?

THE SPEAKER: The chairperson does not belong to a political party but to the Parliament of Uganda and I do not remember that chairperson being re-designated. I am the whip of independent Members of Parliament, for your information and my independent member is a chairperson of the Committee on Public Accounts (Local Governments).

MR MARTIN OJARA: Thank you, Madam Speaker, for the opportunity –

THE SPEAKER: Hon. LOP and your team, thank you for giving my Independents to also chair committees.

MR MARTIN OJARA: Thank you very much, Madam Speaker, for giving my committee the opportunity to present this report. I have the honour to present the report of the Committee on Public Accounts (Local Governments) on the Auditor-General's audited reports for the Financial Year 2021/2022 on 27 district local governments, three cities, four divisions and five municipalities. As I do that, Madam Speaker, permit me to begin by first laying on the Table, the minutes of the committee meetings from which this particular report that I am presenting was developed. I beg to lay.

THE SPEAKER: Please lay.

MR MARTIN OJARA: Madam Speaker, permit me to also lay a copy of the report that I am presenting. I beg to lay.

THE SPEAKER: Thank you. Please lay.

MR MARTIN OJARA: Madam Speaker, as you could have already noticed from the report, we are prepared. It is a report of over 500 pages covering about 38 local government entities and because of that, as a committee, we prepared an executive summary. I request that you grant me the permission to take you through.

In case the Members would like to get more details, they can look at the bigger document.

I present an executive summary of the report of the Committee on Public Accounts of on audited reports on 27 district local governments, three cities, four divisions and five municipal councils for the Financial Year 2021/2022.

In accordance with Article 163(5)(a) of the Constitution and the rule 185 of the Rules of Procedure, the Committee on Public Accounts - Local Government considered the report of the Auditor General for the Financial Year 2021/2022 and wishes to report its findings to this House.

This report covers the key issues in the report which will be categorised into sections namely; key issues in local governments and key audit matters; that is to say general and cross cutting queries in the local governments.

This report has been compiled based on the findings of the Auditor-General and observations of the committee mainly to show the current state of local governments and to aid policymakers in improving the performance of local governments, as highlighted below.

Madam Speaker, permit me to start with key issues in Local Governments:

Vote 578: Buliisa District Local Government (a qualified opinion) Non-recognition of advanced advances paid to various contractors The audit report revealed after a review of the IMF's payment file that the district made advances payments amounting to Shs 638,562,778 to various suppliers. However, a review of the trial balance noted that respective journal entries were not done to recognise them as receivables. The accounting officer gave his part of the story and the committee observed the following: The explanation given by the accounting officer did not have any valid evidence. There was negligence on the side of the accounting officer by failing to prepare the necessary ledgers for purposes of posting these transactions to the trial balance.

Therefore, the committee recommended that the accounting officer should be held personally liable for failure to prepare the necessary ledgers and omitting transactions from the trial balance.

Absence of a schedule of verified arrears The audit report revealed after review of note 24 on page 25 of the financial statements that the entity disclosed payables amounting to Shs 238,839,782. However, there were no shadows of verified areas by the internal audit department attached showing the breakdown of amounts owed to the respective suppliers and employees. The accounting officer explained that this was an oversight and the schedules would be availed.

The committee observed that the failure by the accounting officer to provide verified creditors and other liability account lists that tally with the schedule of domestic arrears contravene guideline 69 of the Financial Reporting Guide 2008.

The recommendations are:

1. The accounting officer should be held personally liable by the Permanent Secretary/Secretary to Treasury (PS/ST).
2. The accounting officer should ensure that verified creditors and other liabilities lists are always availed for purposes of preparation of financial statements.

Absence of schedule of deposit received. The audit report revealed after a review of note 25 on page 26 of the financial statement that the district total deposit (that is under the Youth Livelihood Programme (YLP) and the Uganda Women Entrepreneurship Programme (UWEP) amounting to Shs 482,985,250. However, there were no details schedule showing amounts received from the Ministry of Gender, Labor and Social Development repayments made and the outstanding amounts as the year end.

The accounting officer explained that this was an oversight and the schedules would be availed.

The committee observed that the lack of schedules is a sign of negligence by the

accounting officer and his staff, but also creates room for misappropriation.

Madam Speaker, the committee provided the recommendation and we refer to the earlier recommendation we gave.

Unaccounted for funds

The audit report revealed after reviewing expenditure vouchers that payments amounting to Shs 240,409,967 were not accounted for at the time of the audit. For example, there were no payment sheets, reports, receipts, and invoices.

The committee observed that this was later on availed with documents pertaining to the Shs 240 million and found it satisfactory. The committee therefore recommends that the accounting officer should be cautioned by PS/ST for his negligence.

Vote 628: Kikuube District Local Government which is unqualified audit opinion –

THE SPEAKER: Are you looking at vote by vote because most of these things are generic.

MR MARTIN OJARA: There are only three entities that I am providing specific issues and then we look at the general cross cutting ones. Thank you, Madam Speaker.

THE SPEAKER: Hon. Tebandeke, first wait and pass your report. This is an Opposition report. *(Applause)*.

MR MARTIN OJARA: Thank you, Madam Speaker.

Under Kikuube District Local Government is: Funding and absorption of wage pension and gratuity

The audit report revealed that Kikuube District received 100 per cent of its budget amounting to Shs 13,140,576,822 and spent Shs 10,819,867,416, resulting to an unspent balance of Shs 2,320,709,406 representing 18 per cent under absorption.

The accounting officer explained that the under absorption of salaries was caused by:

1. Delayed completion of recruitment process by the District Service Commission.
2. Under absorption of pension and gratuity was caused by the IPPs issues that made them unable to pay pension and gratuity.
3. Absence of a functional District Service Commission.

The committee observed the following:

1. The district did not have a functional district service commission and the accounting officer did not provide the required technical guidance to the district executive or council on the need to borrow the services of another district service commission
2. Later, in an attempt to recruit, the district hired the services of Kibaale District Service Commission, but the recruitment process was suspended due to allegations of bribery in the recruitment process. The district went ahead to re-advertise the same positions in total disregard of the earlier advertisement and applicants who had showed interest.
3. The committee observed clear signs of conflict of interest, sabotage and ring fencing of certain positions to favour some officers who are in acting positions, hence, stalling and putting into question the credibility of the recruitment process.
4. Most of the senior positions, and those include heads of departments and sectors were in acting capacity. For example, the district engineer, district education officer, district health officer, principal human resource officer, district planner, head of production, district committee, development officer and others were all in acting capacity.
5. Despite clearance from the Ministry of Public Service to fill the vacant positions, the accounting officer had failed to proceed due to constant conflict of interest in the district.

6. The Principal Assistant Secretary, Mr Muganzi Samuel, was acting in several administrative positions: Secretary to the Land Board, transport officer and Chairperson Physical Planning Committee, among others. This has serious implications on his performance and also raises suspicion on the motives of the assignments.
 7. There was negligence and connivance by staff to ring-fence key positions.
 8. The committee observed that the Principal Assistant Secretary and the Senior Human Resource Officer had presented forged accountability documents to the committee.
- Madam Speaker, in the interest of time, the next is Hoima City and I will request that Members look at the details and I will go to observations and recommendations. But just to throw more light, the audit report revealed after a review of the trial balance that the division did not disclose account item codes for transactions amounting to Shs 720,895,147 and that is under Hoima City West Division.
- The committee made observations and recommends that;
1. The PS/ST should reprimand the accounting officer and hold him personally liable for contravening guideline 2.8 as mentioned above,
 2. The accounting officer should always ensure strict adherence to guideline 2.8 as stipulated.

Committee recommendations

- i. The PS/ST should hold the accounting officer personally liable and reprimand him for failing to perform his duties and causing the return of funds to the consolidated fund.
 - ii. The accounting officer should relieve the current secretary to the District Service Commission (Mr Joel Munyagire) who has been on assignment and replace him with a more competent officer as the district undertakes the process of substantively filling the vacant positions of Secretary Districts Service Commission.
 - iii. All the vacant positions that have been cleared by the Ministry of Public Service should be filled expeditiously.
 - iv. The PS/ST should hold the accounting officer personally liable for causing financial loss to the Government through the unnecessary re-advertisement of the same position which had already been advertised earlier on.
 - v. The Principal Assistant Secretary (Mr Samuel Muganzi) and the Senior Human Resource Officer (Mr Patrick Businge) be investigated by police for the alleged forgery of accountability documents with a view of possible prosecution.
- Vote 537: Mbarara District Local Government with (unqualified audit opinion). Madam Speaker, under this we are looking at titling and transfers. The audit report noted that the entity had 78 pieces of land measuring approximately 235.6533 hectares. The entity did not have land titles for 68 pieces of land measuring approximately 113.9423 hectares and the entity had taken 49 years from the time of acquisition without obtaining those documents.
- Just to take you to the observations, the committee observed that;
- i. Laxity by the accounting officer to title the land and this contravenes Section 49(c) of the Land Act, cap 227.
 - ii. Some steps had been undertaken to have certain land titled;
 - iii. The district is involved in a number of land disputes. A case in point is one involving one of its tenant called King of Kings (2.5 acres) which matter had been hampered by the prosecution case at the anti- corruption court, and another case is one involving the district and a company called AMPROC Inc., where AMPROC Inc. sought for 49 years lease of district land and paid a total of Shs 200 million out of Shs 1.1 billion premium as per the

agreement, and was supposed to settle an outstanding balance of Shs 900 million within five years, following delays by the tenant. The district, on the other hand, assumed that the Shs 200 million was meant for monthly rent contrary to the agreement.

- iv. There was also laxity on the side of the tenants to fulfil the agreement as it had been suggested.

The committee recommends that;

- i. The accounting officer should engage AMPROC Inc. and have this matter resolved as advised by the Solicitor-General since the company had already made a down payment of Shs 200 million. This would save the district from unnecessary legal consequences and causing financial loss to the Government.
- ii. AMPROC Inc. should fulfil its obligation as guided by the Solicitor-General and complete the payment (balance) left as per the valuation report.
- iii. The accounting officer should make sure that follow up is made to obtain the ruling from the Anti-Corruption Court to guide on the process of engaging King of Kings ministries in resolving the land matter.
- iv. Finally, the accounting officer should ensure that all lands belonging to Mbarara District Local Government that have been encroached upon are freed from all encumbrances and fully documented and titled.

Unutilised land

Madam Speaker, to take Members faster, I will go to the recommendations. The committee again recommended that;

- i. Since there are several land issues in Mbarara District Local Government, the committee recommends that a forensic audit be conducted on all public lands and land owned by the entity.

- ii. The accounting officer to ensure that all untitled land are given priority in the next financial year.

OTHER KEY AUDIT MATTERS IN LOCAL GOVERNMENTS (GENERAL AND CROSS CUTTING ISSUES)

3.1 Budget performance for Financial Year 2021/2022.

The committee has considered audit reports for 35 votes under local government for Financial Year 2021/2022 that were appropriated public funds and in total 39 entities audit reports were considered.

1. Total appropriated budget to local government for Financial Year 2021/2022. Madam Speaker, Parliament appropriated a total sum of Shs 5,995 billion to all local governments out of which Shs 5,426 billion an equivalent of 91 per cent of the approved budget was warranted and released to local governments for service delivery. The shortfall in revenue performance is Shs 568 billion during the financial year based on the warrants.

2. Local revenue performance

The total local revenue approved for all the local governments is Shs 223 billion, of which Shs 131 billion was released back to the local government representing 59 per cent. These warrants/releases are based on what the local government collects, and is deposited with the consolidated fund, as part of the requirement of Section 29(2) of the Public Finance Management Act, 2015.

The 35 local government votes considered in the audit report had a total approved budget of Shs 41.4 under local revenue.

THE SPEAKER: Committee Chairperson of Natural Resources, let us approve this report and then you go. Can you summarise your report?

MR MARTIN OJARA: Thank you, Madam Speaker. By close of the financial year, a total of Shs 25.89 billion was availed to local governments translating into 63 per cent release.

iii. Local government absorption capacity
The 35 local government votes considered were warranted to a total of Shs 1,278.2 billion an equivalent of 21.3 per cent of the total warrants to the local governments' budget during the Financial Year 2021/2022 and this excludes the local revenues.

Out of the Shs 1.278.2 billion resources warranted to 35 local governments, only Shs 1,163.9 trillion was expended representing 91 per cent absorption of the budget released. In this regard, Shs 114 billion was returned to the consolidated fund as a result of failure to absorb the resources, and this is from the 38 local governments that we are reporting.

Madam Speaker, in overall out of the Shs 5,426.9 billion that was appropriated to all local governments, Shs 4,723 billion was utilised hence leaving unspent balance of Shs 703 billion return back to treasury.

Madam Speaker, I have provided a detailed breakdown and even indicated the performance of the respective local government entities, showing those that performed well and those that did not perform well. This includes details of how much money each entity returned.

For example, Madam Speaker, Mbarara City returned Shs 18 billion, Isingiro District Local Government returned Shs 10.8 billion, Kyegegwa returned Shs 9.8 billion, Kagadi district returned Shs 9.48 billion – and many others.

Madam Speaker, there are also local governments that performed well. These local governments include districts like -

THE SPEAKER: Honourable members, the issue of absorption is why it is not good for us to approve these supplementaries at the last moment. This is because you are giving somebody money, yet the person cannot absorb the money. *(Applause)* We have just given them money; are you sure they are going to spend that money? They are not going to spend the money.

MR MARTIN OJARA: Madam Speaker, as I had said, there are local government

entities that are equally performing well, with very high absorption levels. These local governments include Bushenyi-Ishaka Municipality, Ibanda District, Rukungiri District, Kamwenge and many others.

There are also districts that have performed terribly and need to be mentioned. These include Mbarara City with 67 per cent absorption capacity, Ntungamo (64 per cent), Ntoroko (76 per cent), Fort Portal City (77 per cent), Hoima City (77 per cent) and Kabale Municipal Council (77 per cent). These were below expectations.

Madam Speaker, we have provided recommendations – and just to be specific, most of the local governments explained that their poor absorption was majorly rotating around the failure to recruit, failure to have teachers posted by Ministry of Education and Sports as well as the issue of USMID, where large sums of monies meant for road works were returned because the procurement processes got delayed. There was also the issue of delayed completion of projections under UGIFT.

Madam Speaker, we have provided recommendations.

1. The Ministry of Finance, Planning and Economic Development should account for the under-release of funds to the local governments.
2. Entities whose absorption of funds was below 80 per cent should be subjected to further investigation to ascertain the underlying factors for the gross underperformance.
3. The accounting officers should develop clear revenue enhancement plans to assist the districts in future revenue mobilisation.
4. Finally, accounting officers should make a follow up with the Ministry of Finance, Planning and Economic Development on the shortfalls affecting service delivery.

3.2 Government preparedness to implement the Parish Development Model (PDM)

Without having to give the background – of course you already know the background – during Financial Year 2021/22, 169 local governments had an approved total budget of Shs 175,429,879,581 for PDM activities. Out of this, the entities received Shs 108,857,715,367 only (representing 62 per cent), leading to a total shortfall of Shs 66.5 billion (38 per cent).

Madam Speaker, a review of the audit on government preparedness to implement this intervention indicated that during the financial year mentioned, a number of local governments received funds for implementation of PDM activities without guidance on how funds would be used, contrary to Regulation 16(1) of the PFMR, 2016. Therefore, the initially planned activities under gadgets and tools and staff cost and administrative expenses were not implemented.

iii) Underfunding of PDM SACCOs

Madam Speaker, the audit report noted that a number of SACCOs received varying amounts in the particular financial year we are reporting on, ranging from Shs 2.3 million to about Shs 17 million, while other SACCOs did not receive any funding. The funding variations were due to lack of accurate data on the number of parishes.

iv) Payment of PDM SACCOs before registration

Madam Speaker, the audit report revealed that in some local governments, money for revolving funds was transferred to the SACCOs that were neither registered under the Cooperative Societies Act nor had signed Parish Revolving Fund financing agreements.

v) Failure to send funds directly to the PDM SACCOs

Madam Speaker, audit report revealed that in some local government entities, funds were released by the Ministry of Finance, Planning and Economic Development to the district accounts instead of the beneficiary PDM SACCO accounts, contrary to the guidelines. As a result, some of these local governments diverted the money from the revolving fund to administrative activities without the PS/ST's

guidance. For example, in Ibanda Municipal Council, a total of Shs 32,787,050 was diverted from “gadgets and tools” to the revolving fund for subsequent disbursement to registered SACCOs.

vi) Unutilised funds on SACCOs accounts

Again, the committee realised that there are several SACCOs that have redundant money on their accounts – even the money sent during the last financial year has not been utilised.

vii) Irregularities in the recruitment of Parish Chiefs

These were people meant to carry out mobilisation, sensitisation and creation of awareness on the PDM programmes.

Madam Speaker, the committee would like to recommend that;

- i. The PS/ST should always ensure that funds are channeled directly to the registered PDM SACCOs, in line with the guidelines.
- ii. The Government, through the Ministry of Finance, Planning and Economic Development, should harmonise the issuance of guidelines. Madam Speaker, there are a lot of contradictions. The PDM Secretariat would send a guideline and then another one comes from the Ministry of Finance, Planning and Economic Development. This is causing a lot of conflict and the entities are failing to do their part.
- iii. Release of funds and issuance of implementation guidelines should be handled concurrently. Madam Speaker, you find that money is sent today and the guideline comes after several months – and that is causing problems.
- iv. All monies that were sent back, relating to PDM activities, be re-Voted for continuity of the project.

3.3 Payroll management and local governments
Madam Speaker, the audit report revealed a

number of challenges that persisted despite the previous recommendations and resolutions. I would like to request that Members look through them.

3.3.1 Funding and absorption of wage, pension and gratuity

The report indicated that Shs 554.583 billion was appropriated to these entities – that I am reporting on – to meet salaries, gratuities and pension obligations by close of the financial year. By the end of financial year, Shs 554.29 billion had been availed to pay salaries, but only 524.44 billion was absorbed, causing the un-absorption of Shs 29.845 billion, which was returned back to the Consolidated Fund.

Madam Speaker, we have also realised that lack of absorption stems from delays by the districts to constitute the District Service Commissions. For example, Ntoroko District Local Government took almost two years to identify and fully constitute their service commission.

There is also late release of recruitment and wage funds by the Ministry of Finance, Planning and Economic Development. Most local governments received this funding towards the end of the financial year and, were, therefore, not able to recruit timely.

There are also cases of receiving monies that are in excess of what is planned. For example, in Rukiga District, they received Shs 850,962,074 in excess.

There are also delays in the submission of the requirements for access to pension and gratuity payrolls, and inconsistencies in the biodata between the IPSS and NIRA. We have provided observations, Madam Speaker and now, permit me to take you straight to recommendations.

1. PS/ST should hold all accounting officers who fail to ensure the timely recruitment of staff, personally liable and reprimand them for causing a return of funds to Consolidated Fund;
2. The accounting officers should institute measures that will ensure the timely declaration of vacant positions to the respective district service commissions;
3. The Education Service Commission should ensure strict and timely adherence to recruitment plans to avoid delays in staff recruitment;
4. Local governments should ensure that there are fully-constituted district service commissions to facilitate the timely recruitment of staff;
5. The provision of the Negotiating, Consultative and Disputes Settlement Machinery Act, 2008 should be adhered to;
6. The Ministry of Local Government should review the policy on the constitution of the district service commissions and create a specific timeframe within which district councils can constitute. Madam Speaker, there are many district councils that engage in mere politicking and fail to constitute and we are recommending that the Ministry of Local Government should give a specific time within which each district should have this service commission fully constituted the moment the positions fall vacant;
7. The Ministry of Public Service should ensure that there is a specific timeframe within which responses to permission to recruit from local governments are granted. We experienced, Madam Speaker, like in Kabarole where they requested for permission to recruit last year in July, but up to March this year, they had never received any response from the Ministry of Public Service. That caused serious delays in the recruitment of staff; and
8. Accounting officers who fail to ensure that vacant positions are filled after permission to recruit has been granted, should be held personally liable and reprimanded for undermining service delivery.

Payment of ineligible persons

Madam Speaker, Government lost billions of money due to the payment of salaries to ineligible teachers in various local governments. The individuals discovered in secondary school and tertiary institutions used forged minute numbers to access Government payroll. A case in point is Kanungu District Local Government with 12 individuals who forged minutes and earned a total of Shs 97.7 million, and in Kasese District Local Government, eight secondary school teachers forged documents and earned a total of Shs 83.9 million. There are also cases of overpayment and underpayment of salaries, pensions, and gratuity. We have provided details and we have also provided observations as a committee. Now, permit me to take you to the recommendations.

1. Accounting officers of the affected local governments should, in the future, ensure that they adhere to Section B (a) (7) of the Uganda Public Service Standing Orders (2021);
2. Accounting officers should ensure recovery of overpaid amounts from the affected persons;
3. Accounting officers should ensure the processing of payments of top-up salary amounts in respect of the persons who were underpaid;
4. Accounting officers should liaise with the Ministry of Public Service to reconcile the different salary amounts paid to their respective entity employees; and
5. Finally, for the use of wrong bans, accounting officers should ensure correct payments are made in compliance with Section B (a) (6) and (7) and Section B (c) (1) of the Uganda Public Service Standing Orders.

Madam Speaker, we have management of deductions under 3.6. We have provided details. The committee has also provided observations that members can look through. Further, we have provided recommendations under that and please permit me to just

mention these two recommendations.

1. Government, through the Ministry of Public Service, should ensure that the Human Capital Management System accurately deducts a Local Service Tax from all employees in accordance with the Income Tax Act; and
2. In the meantime, accounting officers should make sure recoveries are done from staff whom less Local Service Tax was deducted

None-Tax deductions

We have provided details and observations but we have recommendations wherein:

1. The Ministry of Public Service should harmonise the deductions with the respective financial entities to avoid financial loss to staff. This is informed by the fact that the Government of the Republic of Uganda, represented by the Ministry of Public Service, entered into a service agreement with UCLA and UBA on 3 January 2020, to manage loan deductions for all civil servants;
2. The Ministry of Public Service should review the agreement signed with the lenders with a view of streamlining the irregularities in the management of salary loans;
3. Accounting officers should ensure strict adherence to Section 2.12 and 2.14 of the Service Agreement between the Government of Uganda and these lenders; and
4. Finally, we recommend that Government should expeditiously roll out the Human Capital Management System (HCMS) to resolve most of the irregularities that local governments are experiencing.

Delayed access to payroll

The committee found out that there are still local government entities that take between five to 12 months before staff are enrolled onto the payroll. Madam Speaker, we also found out that there are local governments that take between

50 to 110 months before pensioners begin to access their benefits. This is absurd. We have provided observations but we recommend as follows:

1. Accounting officers should, in the future, ensure to adhere to Section B (a) (11) of the Uganda Public Service Standing Orders, which requires accounting officers to ensure that public officers access payroll within four weeks from the date of assumption of duty;
2. Accounting officers should ensure the payment of salary arrears to newly appointed staff that accrued from delayed access to payroll;
3. We also recommend that NIRA should expeditiously handle the processes of issuing national identification cards since that is hindering the processes of accessing the payroll; and
4. Accounting officers should adhere to paragraph 5.1 of the Submission Notice Number 01 of 2020, which bestows on the responsible officers the responsibility of initiating and completing the processing of retirement benefits within six months to the mandatory retirement date;
5. Accounting officers should ensure the expeditious processing of pension arrears that accrue on account of delayed access to the pension payroll;
6. The Ministry of Public Service should initiate a system that automatically transitions employees from the salary payroll to the pension payroll once they clock the retirement age.
7. Madam Speaker, we would like to emphasise that many retirees are suffering because they have to start afresh getting documents and submitting to access their details when they have actually been in the system. So, we think the ministry needs to develop that a system that automatically moves them to benefit from their retirement efforts; and
8. Finally, pensioners need to be prepared for access to retirement benefits prior to obtaining the mandatory retirement age to avoid time lax. We are recommending this, Madam Speaker, because we have experienced in many districts where some pensioners give up because they do not know what to do.

Delayed deletion of staff from payroll
We observed, Madam Speaker, that there are many officers who have either abandoned, absconded, transferred services or died, but continue to draw salaries. And this is contrary to Section B (a) (12) of the Uganda Public Service Standing Orders. Even people who are no more; people who have died, you find money still being paid to their accounts. It is illegal and contravenes Section B (a) (12), as I stated. We have provided observations, Madam Speaker, together with recommendations as follows:

1. Going forward, Accounting Officers should ensure the management of an accurate staff salary payroll, in line with Section B-a(12) of the Uganda Public Service Standing Orders, 2021;
2. The accounting officers should recover the said money from the beneficiaries within three months from the time of adoption of the report.

We have provided the details in the bigger report for each entity that have paid money to people who should have not received. We are recommending that recoveries be made or those individuals should be forced to pay from their pockets.

Under 3.9, it talks about the Micro Scale Irrigation Programme that is in about 47 local government entities. We have provided the details. There are a number of challenges that we have indicated; I pray that Members read through.

We have recommended that this programme should be tailored towards promoting inclusivity, with the intent of enhancing the capacity of farmers. We found out that this programme is not fair to many farmers. Some

of them are not able to raise the money they are expected to and we think there should be inclusivity.

Uganda Inter-Governmental Fiscal Transfers We have also provided details and I pray that Members look through them.

a. Transfer of full project funds

We have also indicated details and I pray that Members read through, in the interest of saving time.

The committee has made the following observations:

- i. It was wrong for the accounting officers to transfer all funds for the project to the Ministry of Defence and Veteran Affairs. Madam Speaker, I would like to clarify on the Transfer Full Project Funds. This is common with the Uganda Intergovernmental Fiscal Transfer (UgIFT), where Government decided that the UPDF Engineering Brigade should help in the construction of these projects. I want to be specific by giving examples, where local government entities pay 100 per cent of the project funds.

On the other hand, the UPDF Engineering Brigade, even after receiving the money in full, still failed to finish the completion of the project and this is affecting many local government entities.

Therefore, we are saying that it is wrong for accounting officers to pay 100 per cent of the project funds because the procurement laws require that you pay an advance of 30 per cent.

- ii. The works in many of these local governments were still incomplete, despite payment up to the tune of 100 per cent.

We have the following recommendations:

1. The Permanent Secretary/Secretary to Treasury (PS/ST) should hold the accounting officers who made 100 per cent payment personally liable and reprimand them for contravening Article 7.8 of the Contract Agreement and Procurement laws;

2. The UPDF Construction Brigade should desist from breaching contractual terms and ensure full completion of projects within the contractual timeframe.

b. Failure to absorb project funds

We have also provided details, Madam Speaker. In the interest of time, I will request Members to look through.

We have provided observations and the committee observed that there is a big challenge related to the hybrid procurement modality under UgIFT across the country, where one contractor is given several projects and they fail to complete.

We have recommended that:

1. The two line ministries, the Ministry of Education and Sports and the Ministry of Health, should ensure timely award of contracts to contractors with the right capacity.
2. There should be limits on the number of projects per contractor, so that contractors are able to finish projects timely.
3. The accounting officers should ensure close supervision and monitoring of the UgIFT project by the district executive and the rest of the stakeholders, and provide timely reporting.

In conclusion, there is the issue of recoveries. Based on the interactions the committee had with the 39 different local government entities, the committee has since made a total recovery of Shs 118,207,072 out of the Shs 162,556,179, with an outstanding balance Shs 46,745,281. These are recoveries that we directed and the monies have been returned. We have provided details in Annex 2. *(Applause)*

Madam Speaker, with all this, and with the full belief that you and the honourable members will look through the bigger document, I would now like to beg that this report be adopted by this House. Thank you. *(Applause)*

THE SPEAKER: Thank you very much another, committee chairperson. From what the chairperson has presented, you have

heard that most of these local governments face challenges of budget absorption. That is usually occasioned by late release and that is what I was telling you.

When they bring a supplementary in a rushed manner, you give them money but they do not absorb it and you do not know where the money is going. That should be an issue with the Minister of Finance, Planning and Economic Development.

If you want these local governments to spend this money, bring your supplementary budgets early. Even before bringing supplementary budgets, why don't you include these in the main Budget? *(Applause)* Late release leads to poor absorption.

The non-accountability of funds remains a challenge to most of the local governments yet this is against Article 164 of the Constitution that we must respect. If you do not account for public funds, you will be held accountable.

Also, protection of local government assets requires strengthening to avoid loss of these assets. I do not know whether – did you find that they have asset registers? Are they well maintained and updated?

MR MARTIN OJARA: Madam Speaker, we have stated this in the big report. Many local government entities do not have asset registers. I will give you the example of Mbarara that did not have any clue, in as far as some of their assets are concerned.

THE SPEAKER: How do you know that you have a vehicle, land or other assets? You need to have an asset register that is updated regularly. When you dispose of an asset, it must be reflected in the asset register. So, some of the things are a problem.

There is also the issue of poor local revenue collection. You will find that collections are too little in most of these local governments, yet at the same time, that is the money supposed to be used for most of these projects. However, at the same time, these people collect Non-

Tax Revenue (NTR) but the finance ministry takes it. When the local governments ask for money, they are not given. We really have a problem on this with the finance ministry because it takes long to release funds.

You find that garbage in Soroti is too much but you cannot even provide them with just one truck to collect the garbage, yet they have collected funds, given to you but you cannot send back the money.

The local governments need to improve on capacity building of their members; people working with them. The Parish Development Model has been taken there but it is like a white elephant. The money is not being utilised; it is just given out. I think our people are making accountability.

Payroll management and the accounting officers that we have are still a problem. If we have accounting officers that are not performing, why don't we sack them? Even as Members of Parliament, when we do not perform, we are removed, not so? However, we have accounting officers who are not performing. They transfer them from Amuria to Bukedea, Masaka and Kikoni. You are simply recycling them and taking the vice from one district to the other. How shall we improve?

So, there is that problem. We want these accounting officers to be removed. I remember an accounting officer who was very good. Now, because he was good, he is now a Member of Parliament. We cannot afford to have accounting officers who are not performing and you keep recycling them. At the end of the day, the vice goes through the whole country.

Minister of Finance, Planning and Economic Development, we need action on accounting officers. It will be a big surprise from the finance ministry that we have fired these accounting officers.

Clerk, can we have that report uploaded for Members to be able to read? Debate is open but let us start with Mbarara, the worst performing district.

3.59

MR NATHAN TWESIGYE (Independent, Kashari South County, Mbarara): Thank you, Madam Speaker. As a district, we have had issues with the Chief Administrative Officer. When you look at the *Emyooga* report when you sent us to do oversight on, we found many ghost groups including groups of fishermen yet there is no lake in Mbarara for fishing. *(Laughter)* We said something should be done with the accounting officer.

Parish Development Model in Mbarara -

THE SPEAKER: How can you fail to have fishermen in Mbarara when we have in Parliament? *(Laughter)*

MR NATHAN TWESIGYE: Madam Speaker, there is no lake in Mbarara and so, there is no fishing activity in Mbarara District.

On Parish Development Model, even last weekend, we had a meeting and people are still complaining. The money has reached the parish but there is no progress. There are ghost groups and ghost members in the groups. They are going back to do auditing to ensure they get the right people.

There is a contractor constructing seed secondary schools in the entire region but the work is hopeless. This CAO paid all the contractors 100 per cent even when the work was not done.

Finally, on land grabbing and-

THE SPEAKER: I thought a contractor is paid after being issued a certificate of completion? Who is that CAO?

MR NATHAN TWESIGYE: Because of our complaints, this CAO now has been transferred to Rubirizi District.

THE SPEAKER: Honourable minister, can that CAO be dropped as an accounting officer.

MR NATHAN TWESIGYE: The gentleman should be retired in public interest not transferring a liability to another district.

THE SPEAKER: First leave him there to be investigated rather than continuing to be an accounting officer.

MR NATHAN TWESIGYE: Madam Speaker, I need your intervention because as you have heard, this is a young district. We have just been cut off from the city. We are struggling and with this kind of administration and financial management, the district is going to suffer more. Thank you.

THE SPEAKER: Honourable members, as we do the forensic audit, which the committee has the requested, someone else can be the accounting officer. Do not sack him before we have evidence. Let us have another accounting officer other than him.

4.03

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (General Duties) Mr Henry Musasizi: Madam Speaker, in the Public Finance Management Act, which I proudly associate myself with, we were explicit on accounting officers with audit queries arising from the Auditor-General's reports.

Where an accounting officer has queries, he or she should not be appointed. Here we are, faced with a scenario where the accounting officer of Mbarara District has been found with audit queries that he cannot justifiably deal with. Therefore, I would like to commit to this House that we shall take action and inform the House about our action through the Treasury memoranda. Thank you.

THE SPEAKER: Hon. Mapenduzi, can you give us the list of accounting officers with all those queries that are performing badly before we give more money to their districts? Those accounting officers should first be dropped.

Before we supply, please lay on the Table a list of accounting officers with issues.

MR KAHONDA: Thank you, Madam Speaker. I would like to thank the chairperson of the committee. The issues he has raised in the report are very pertinent for the development of our country.

The Minister of Local Government, who is responsible for these districts is not in the House and yet, you have just directed the Clerk to ensure the report is uploaded on our iPads so that Members can read and be able to debate it.

Wouldn't it be procedurally right, Madam Speaker, that you give Members time to internalise the report and direct that we debate this report when the Minister of Local Government is in the House? For example, the CAO they are referring to has just been transferred last week by the Minister of Local Government. Wouldn't it be procedurally right that the Minister of Local Government is in the House as we debate this report?

THE SPEAKER: Honourable members, we are not going to work according to these ministers. If we decide to work according to them, then we will not finish work in this Parliament.

4.06

THE DEPUTY ATTORNEY-GENERAL: (Mr Jackson Kafuuzi): Madam Speaker, I would like to thank you for your guidance on this.

THE SPEAKER: Before you go ahead, when they laid the report of accounting officers, it was forwarded to the Committee on Public Accounts (Committee, Local Government), Committee on Public Accounts (Central Government) and the Committee on Public Accounts (Commissions, Statutory Authorities and State Enterprises (COSASE) and they are supposed to report.

MR KAFUUZI: I would like to thank the chairperson, Hon. Mapenduzi for the presentation. However, I have a small concern. When I heard of Mbarara, I was surprised but the next one was my district, Kyegegwa.

From your guidance, Madam Speaker, you are saying the CAOs should be held accountable and indeed, the list came out. But it turns out that the CAO we have in Kyegegwa is new so he cannot be held accountable for whatever happened before he came.

THE SPEAKER: Article 164 of the Constitution refers to the accounting officer at the time.

MR KAFUUZI: Yes, that is where I was heading. As the Ministry of Finance, Planning and Economic Development takes up your directive to act on these accounting officers, as Attorney-General, I would like us to avoid as much as possible being sued by accounting officers who will feel unjustly treated.

I would like us to give them fair hearing and deal with them in accordance with the law so that they do not come back to sue the Government for one reason or another. Otherwise, I am firmly behind your directive that the Ministry of Finance, Planning and Economic Development to act on this. Thank you.

THE SPEAKER: Attorney-General, Article 164 of the Constitution of the Republic of Uganda is on accountability. It says: "*Article 164 Accountability*

1. *The Permanent Secretary or the accounting officer in charge of a Ministry or department shall be accountable to Parliament for the funds in that Ministry or department.*
2. *Any person holding a political or public office who directs or concurs in the use of public funds contrary to existing instructions shall be accountable... - that person at that time.*

If you were brought yesterday, you will not be accountable for the works of the former Attorney-General before you came to office. It is personal to holder.

4.09

MS RITA ATUKWASA (Independent, Woman Representative, Mbarara City):

Thank you, Madam Speaker. I thank the committee for the elaborate report. One thing that cuts across Mbarara, Ntungamo and Kabale and has not left this Floor is the USMID project. It has really been a pain in our necks for the last three years.

The contractor, multiplex, has not left either the ears of the developed partners or parliament. We wonder: what exactly is happening that all those projects are given to a contractor that has no capacity in terms of finance, equipment and human resource? I think the forensic audit that is being proposed would alleviate the pain.

The other issue could be about priorities. I have already briefed you on what is going on in Mbarara City, with the broken bridges of Kanyeite, Katete and Nyakaizi. They have even caused the loss of three lives – a 23-year-old student of Mbarara University and a 19-year-old student of one of the high schools were buried yesterday. However, money is being returned to the Consolidated Fund.

I chair the Road Fund for Mbarara City. It is like a practice for you to be called to, in three weeks, sit and effect a programme that has been planned for three months.

The ministry for finance cannot go unmentioned here. Whereas we may want to blame the technical officers, the Government should be able to take that blame.

Lastly, we need to expedite the issue structures in the cities. The structure came out, but it is still wanting. In some areas, you cannot have a city engineer handling the issue of roads without the assistance of the different divisions. As we look at Mbarara City having returned all those monies, we really need help with USMID so that our roads can be repaired to the desired standards.

However, I thank the committee and wish that this report, indeed, attracts actions by the concerned entities.

THE SPEAKER: Thank you. Member for Soroti City? Now that we are in cities, let us hear from Soroti City. *(Laughter)*

4.12

MR JONATHAN EBWALU (Independent, Soroti West Division, Soroti): Madam Speaker, as my sister has said, we have a big problem with the issue of structures in the cities. The structures have not been effected up to now.

Secondly, the cities are still operating within the budgets of the former municipalities. We curved out a number of parishes into the cities, but it is very unfortunate that up to now, the cities are running using the budgets of the former municipalities.

In Soroti City, we are still borrowing graders from the district to grade our roads. Madam Speaker, you rightly said it here that when you pass by the streets of Soroti, especially the main market, you find that the skips are like anthills. We do not have skips up to now. You wonder where the problem is.

Soroti City collects money like other cities do. The money is sent to the Centre and our people request for the money, but the Ministry of Finance, Planning and Economic Development and Ministry of Local Government take time to give this money back to the cities for operations. For instance, if money is requisitioned on the 30th of August, it will come on the 30th of September. During that time, what should we use for running of the city? I thank you.

4.15

MS SANTA OKOT (PPP, Aruu North County, Pader): Thank you, Madam Speaker. Like my colleagues have already said, it looks like the Government is not serious about helping the people that we represent. I say this because the issue of returning money to the Consolidated Fund did not start yesterday. Year in and year out, districts return the money and the people who voted for us think that the districts do not want to use the monies.

Until today, the Government has not come up with what should be done to make sure that money sent to the districts to offer services to the people is handled and utilised at the district level. This gives me a lot of worries.

The second issue is about the PDM. By today, we should have already got Shs 100 million on the parish SACCOs' accounts. However, the Government cannot come out clearly to explain why the money has not reached Shs 100 million.

Why are they not allowing people to use the money –?

THE SPEAKER: The question should be on why we have not received the money, yet we budgeted for it and it is presumed to have been released at 100 per cent.

MS SANTA OKOT: That is exactly what I am saying. The communities we represent will not believe in us. People go to the banks every day to check their accounts, but they bounce. As MPs, we have failed to explain it because there are guidelines coming from the finance ministry and those coming from the PDM Secretariat. If a local person asks, you cannot guide. That issue is very important.

On the road infrastructure in the districts – and I am sure that much of the money, which is being returned, is always for the road infrastructure. The bureaucracy in the tendering process is very long. It takes about three months for somebody to be given a contract to grade a road. In Pader, for example, we have one grader. The excavator, which is supposed to help us get murram, is in the pool in Gulu and it is meant for the whole of northern region.

You cannot get that excavator. That is the delay that makes money not to be utilised.

I beg that the Government comes out clearly with a solution on how we can stop this issue of keeping and returning money. No money should be given to the districts in March or April because it will not be utilised. The supplementary budget brought in March or February should not be passed because the money is always not used. Thank you.

THE SPEAKER: The poor absorption is due to late release. The finance ministry should take note.

4.18

MS JANE PACUTO (NRM, Woman Representative, Pakwach): Madam Speaker, I want to thank you and the chairperson, for this good report presented. I have two things to say and one is about the failure or delay to recruit at the district level.

As a country, when you look at the population pyramid, you notice that most of our young people are the ones down the pyramid. That means we are not utilising the young and productive labour that we have in this country. When we delay recruitment or not recruiting at all, we are not doing this country any good.

Madam Speaker, we are grappling with the issue of revenue collection, I believe that once this planned recruitment is effected, and our people join the employment, families, or companies, they would add to the revenue that this country desires to collect in terms of VAT, Pay-As-You-Earn and so on.

I, therefore, wish to implore the finance minister, if it is a matter of delay of releases, then we are failing. If it is a matter to do with the respective district service commissions, then I think those respective Chief Administrative Officers are failing this country.

The other issue I want to talk about relates to payment to dead staff -

THE SPEAKER: To ghost staff.

MS PACUTO: Yes, to ghost staff, Madam Speaker. What the report did not bring out clearly is whether these monies or funds are on accounts of those dead people. If they are not –

THE SPEAKER: Can the money be paid to an account and it remains there?

MS PACUTO: If they are dead, the CAO definitely knows that in this year or quota, I lost a staff or this number of staff. So, we want to know, whom are they paying and is there money? If the money is being withdrawn, then by whom.

THE SPEAKER: Paying of ghost workers, is the responsibility of the accounting officer. They are supposed to know which people are available and which people are there, which accounts - first of all, do you have those people? Are they beneficiaries? Often, we hear of cleaning of the payroll, what do they clean?

MS PACUTO: Lastly, Madam Speaker, on the late releases - we operate a cash economy. True, the funds may not be enough, however, by the fact that you release them, it means the funds are available.

The question is - there is what we call framework procurement. I am wondering why the accounting officers cannot be authorised or allowed to use that option to procure and ensure service delivery to our people on time. I am saying this because, within a quota, they would be able - imagine if funds were released this week, why would they say, "By 30th June, they had not utilised those funds", yet the framework procurement allows them not to go through the full length of the procurement processes? I need that clarification from the honourable minister.

THE SPEAKER: Thank you. The good thing is that you are the chairperson of the finance committee, to which the Ministry of Finance, Planning and Economic Development reports. You are actually the one supposed to give us that feedback.

4.22

MS JESCA ABABIKU (NRM, Woman Representative, Adjumani): Thank you Madam Speaker. I appreciate the work done by the committee. My concern is about the unspent monies, which end up being returned. That means that prioritised activities were not done, and this affects all of us, Parliament and local government leaders, especially the politicians because in the end, we remain more accountable, and at times we even get voted out yet we do our part as Parliament.

Madam Speaker, I propose that instead of only holding the accounting officers responsible for this mismanagement, we need to also hold

other line ministries accountable. For example, in relation to USMID, the Ministry of Lands delays in planning and producing plans for the project. Ministry of Finance, Planning and Economic Development delays the release of funds.

It is on this basis that I propose we also hold the line ministries accountable and officers in those ministries should be held liable.

Second, on the poor management of assets, I am more concerned about land. Land conflicts in our districts are increasing daily. I propose that our local governments prioritise the registration and titling of the land they own. I am saying this because there are cases of subcounty officials fighting among themselves, and people are dying.

Madam Speaker, on the issue of domestic carriers; I believe strongly that it is the last person who suffers most. When the accounting officers do not have these documents, prepared rightly, it is the service provider or a person who is supposed to be paid who suffers more than the accounting officers.

I strongly believe that is one of the reasons some people get off the payroll and in the end suffer. For example, in Adjumani District, my secondary teachers have not been paid for the last two months. Who failed to compile their lists yet these people have been on the payroll?

Madam Speaker, I pray that the issues of payroll, which causes domestic arrears be sorted. Thank you so much.

THE SPEAKER: Thank you. Now, takes us to - David before you come in, Hon. Mwijukye has something to say about the nurses.

4.26

MR FRANCIS MWIJUKYE (FDC, Buhweju County, Buhweju): Thank you, Madam Speaker. The medical workers' strike commenced last night. As we talk, the senior medical workers are not in health facilities. Emergency cases are not being attended to. Patients are at risk of death. They are actually dying.

Madam Speaker, as money is being returned, as excess money is being sent, the medical workers cannot be paid. It is an emergency for Parliament to find a solution first of all, to the strike of the medical workers. I see the Chairperson of the Committee on Health is here.

Anyway, for purposes of this very discussion, why do districts collect the money in the districts, send it to the centre first, and then it is sent back late? In whose interest is this happening? Why don't we actually leave the money collected in districts to stay in those districts and do some work? Why do they have to first collect it, and send it to the centre – *(Interjections)* - yes, but is it helping? Yes, it is a dictate of the law and I have no problem with the law, but what I am asking is, why? You give it to the district, ask them to keep it, and then later send it back at the eleventh hour. What is your interest?

Madam Speaker, even with these excesses and the very good laws we have, Ugandans are suffering because the medical workers are on strike. So, I do not know what Parliament can do since the ministers are not here - although whether they are here or not, the patients are dying.

THE SPEAKER: Hon. Francis Mwijukye, returning the money at the end of the financial year is a requirement of the law. However, much as it is a requirement of the law, we also have issues relating to prioritising issues.

Health workers are a priority. Minister of Finance, Planning and Economic Development, what can we do for the health workers who are striking?

4.28

THE MINISTER OF STATE FOR FINANCE, PLANNING AND ECONOMIC DEVELOPMENT (GENERAL DUTIES)

(Mr Henry Musasizi): I will give a comprehensive statement to this House, but I also know that on Monday, this is a standing item that we want to discuss in the Cabinet. So, I pray that the Minister of Health comes to the House and gives you her response.

THE SPEAKER: Honourable minister, you know very well about Shs 80 billion that was returned by Mulago National Referral Hospital alone and Uganda Cancer Institute, among others. Dr Ayume, do you have information to that effect? Uganda Cancer Institute and Mulago National Referral Hospital returned Shs 80 billion.

4.29

DR CHARLES AYUME (NRM, Koboko Municipality, Koboko): Madam Speaker, before I answer that, on the issue of the strike, there is a petition that was brought to your office and the committee was able to process the strike by the medical interns and the “senior house officers.”

We were able to interact with the Ministry of Finance, Planning and Economic Development; there is Shs 8 billion –

THE SPEAKER: Imagine paying school fees for five years for a doctor and this doctor cannot practice anywhere because he has not done internship. *(Applause)* Which other priority areas should we have other than health and education, among the professions? Tell us.

MR MUSASIZI: Madam Speaker, on a lighter note, I have been a Member of this House since 2011. I represent Rubanda County East, Rubanda District, former Kabale-Kigezi Subregion.

THE SPEAKER: And you are just starting your term now; you still have 20 years.

MR MUSASIZI: I still have more 20 years to go, because I have just made 42 years. *(Laughter)* Madam Speaker on top of that, yes, I am a parent and my sister who follows me is a doctor. Therefore, this subject is so dear to me.

I can see Hon. Kamara passionately listening to me. The issue that is happening, which I presented to the committee, is one which is clearly understandable even to us, the lay people as far as health management is concerned.

However, the chronology is that this financial year, on medical interns, including those who

have finished and are waiting to be taken on - they called them “senior house officers” plus those who are still in school; the bill has been Shs 80 billion.

In the next financial year, because of the constraints we have, the Ministry of Health needs to discuss with us at policy level and we see what we can do.

THE SPEAKER: He needs clarification.

DR MUSA: Thank you very much, honourable minister. Recently, this Government increased the salaries for scientists by about 300 per cent. Now, we are seeing a situation where we cannot absorb the interns because we do not have money. I just want to know how this can be possible; that we cannot absorb interns because the Government does not have money, and yet the Government was in a position to increase salaries by over 300 per cent. *(Hon. Ssewungu rose)*

THE SPEAKER: Self-imposed LOP?

MR SSEWUNGU: Thank you, Madam Speaker. I want to thank the minister for giving way. In most of the hospitals, it is the interns who carry out most of the work and other doctors just give guidance.

As a matter of fact, Madam Speaker, you are informed and you directed the Minister of Education and Sports here to come and explain why they have closed teachers’ training institutions.

Now, if they stop taking interns, as they are doing for doctors, it means we have many doctors and we cannot afford to pay them. So, can you tell this House that you are also soon going to close the medical schools, because you have them in excess and you do not have the money?

In this House you are chairing, we agreed that even if – because the challenges of local governments returning back money is not their wish; it is from finance, they send money late and the procedures become difficult for them.

We asked them that in case this money is returned back, let it be ring-fenced in the interest of those particular districts and local authorities, other than using them for other ventures. Can you answer those two questions?

Lastly, do you ring-fence this money as you take back in the interest of those districts or local governments?

THE SPEAKER: There is another point of clarification.

MS LUCY AKELLO: Thank you. The clarification I seek from the minister is that as Government, we have come up with a policy to promote sciences. I want to give one specific school where in a class of 500 senior six students, only 80 students are doing arts and the rest are doing sciences.

Now, we are failing to absorb; just this year, 1,900 – and by the time these children graduate and become scientists, we shall have 20,000 scientists. *(Applause)* Will we really be capable of absorbing all these scientists? Are we serious about the policies that we make? Are we ready? Do we plan for this country? That is the clarification I seek from you, Sir.

THE SPEAKER: Thank you. You get all the points of clarification and I wish you could be noting them down.

MS AMERO: Madam Speaker, the clarification I would like to seek from the Minister of Finance, Planning and Economic Development is on the monies that are returned back to their ministry. We have never, at any one time, got to know how much was returned back from several local governments and administrative units. How come you have unfunded priorities and yet money is coming back? Can you present to this House how much money you collect back every financial year? Where does it go and what does it do?

THE SPEAKER: How much money do you collect from the unused funds? We have another point of clarification from Zombo.

MR SONGA: Thank you, Madam Speaker. To the minister, we have been talking about employing medical doctors in health centres III at the subcounty level. With all the constraints you are talking about, will this work?

MS AKAMPURIRA: Thank you, Madam Speaker. There is information I would like to give the House about doctors. I was in hospital on Tuesday and Wednesday, and I received information from some senior doctors that there is a game going on in the Ministry of Health. There are doctors who are supposed to be elevated to become consultants. These are doctors who have been studying and are supposed to leave chairs for the young doctors who have nowhere to go, but they have not been elevated deliberately and yet there is room. The Ministry of Health is playing a game that no one can tell. These doctors are supposed to be elevated so that young doctors can get space to work.

Madam Speaker, I think there is a need for Parliament to look at it. What is exactly happening and where is the problem?

The other thing I would like to mention about the -

THE SPEAKER: Regarding what you said, when you look at Uganda, the doctor-to-patient ratio, is 1:25,000. Yet, according to the World Health Organisation, it is supposed to be 1:1000. We need to scale up in order to meet the World Health Organisation's needs.

MS AKAMPURIRA: Lastly, I would like to talk about accounting officers. Sometimes, we condemn and punish them when they have done a mistake. Madam Speaker, I have been seeing something going on in different districts. First of all, money comes late in districts and these accounting officers are advised by the ministries -

THE SPEAKER: By the way, as Parliament, we do not punish anybody because they do not report to us.

MS AKAMPURIRA: Madam Speaker, some of these accounting officers are advised to fix money in different projects in their districts.

THE SPEAKER: Who advises them? Hon. Prossy, speak with evidence.

MS AKAMPURIRA: Madam Speaker, I have seen this and I am talking about this with-

THE SPEAKER: Do you have evidence? Where is the evidence that an accounting officer was advised to fix money and by who?

MS AKAMPURIRA: Madam Speaker, I can gather information and bring it because I know it.

THE SPEAKER: Now that you do not have the information -

MS AKAMPURIRA: Give me permission, Madam Speaker, to bring it.

THE SPEAKER: Do not speak like a Mukiga. (*Laughter*) Now that you do not have the information, withdraw that statement until you have evidence to lay here and we shall have that person punished.

MS AKAMPURIRA: Madam Speaker, I will withdraw it but with permission-

THE SPEAKER: Do not say "I will withdraw". Hon. Akampurira, you are a commissioner. Withdraw the statement until you bring evidence and lay it on the Table so that we hold those people culpable.

MS AKAMPURIRA: Thank you. I will withdraw the statement, but I request for your permission that once I have it, I will bring it here in Parliament. Why I am saying this-

THE SPEAKER: There is a point of order.

MS CECILIA OGWAL: Madam Speaker, I am not speaking as a former commissioner; I think it is important that all of us should keep reading our rules.

Once the Speaker guides and directs that a statement be made, it must be made according to the directives of the Speaker. When the Speaker says "withdraw the statement", you withdraw. You are saying, "I will withdraw

but” - that is not allowed. I am just guiding – and it is not my work; it is the work of the Government Chief Whip and the Chief Opposition Whip. I am just advising that we must respect the Speaker. When the Speaker gives instructions, we must obey them. Is she, therefore, in order, Madam Speaker?

THE SPEAKER: Of course, Hon. Prossy is not in order. I have always said, when debating, produce evidence of what you say. I have said withdraw the statement until you have it. Once you have it, nobody will deny you the opportunity to bring evidence in this House. Let us have respect for each other. Let us not just talk like weaverbirds. Can I have that withdrawn?

MS AKAMPURIRA: Thank you, Madam Speaker. I withdraw the statement. *(Applause)*

MR OGUZU: Madam Speaker, rule 72 talks about the contents of a speech. Rule 72(1) says “*A speech of a Member must have reference to the subject under discussion*”.

Madam Speaker, the matter under discussion is consideration of the report of the Committee on Public Accounts (Local Government) and I have seen a number of issues emerge such as this one, which you have advised must be withdrawn. Would you kindly guide this House on how we should proceed? Thank you.

THE SPEAKER: Hon. Oguzu Lee, the matter regarding the under-absorption, return of funds and failure to pay the workers is what is under debate now. We are saying, doctors have not been paid because the monies have been returned and the failure to pay these doctors is because the monies were returned.

I gave an example of Mulago Cancer Institute where Shs 80 billion was returned and there was no accountability. It has not been taken back yet these people have not been paid. The interns work under local governments - in Bukedea, I only have interns, but they cannot work. That is the local government report we are looking at. From the health perspective, we are within the same topic; local government. That is why we are telling her to withdraw.

4.46

MR DAVID LAGEN (NRM, Agago County, Agago): Thank you, Madam Speaker. Allow me to join colleagues to appreciate the chairperson and the committee for the report.

I am very concerned, especially on the issue of the contractor on the project of the Uganda Intergovernmental Fiscal Transfers (UgIFT). The chairperson of the committee actually gave an elaborate report and mentioned the issue of the contractor and the challenges they have experienced.

I have a case in my constituency; there is a contractor that was awarded a contract for the construction of a seed secondary school. The contractor is called Mescos Uganda Limited. Madam Speaker, the site was handed over in January this year but to date, the contractor hired the local community to dig the foundation and the community was not paid their money. There is a lot of chaos now the reason being, the contractor has almost over 10 contracts. There are three contracts in Agago District, it has a contract in Otuke; other contracts are in other districts.

I am wondering why the Central Government gives contracts to one contractor that is not effective and delays the process of the implementation of the contracts; this is a problem. Parliament needs to come up with a decision. If we talk about decentralisation, why don't we give the opportunity to local governments to manage such contracts? This will make the work more effective.

It is my humble appeal that Parliament comes up with a decision which is concrete on the issue of the contractors. I thank you.

THE SPEAKER: Honourable minister, the issue of decentralisation of those contracts should be looked into; it is a very big problem. You find that one contractor has over 10 schools and they cannot manage them.

You talk about the interns, contractors and the under-absorption of funds.

MR MUSASIZI: Madam Speaker, I would like to thank honourable colleagues for this debate -

THE SPEAKER: Hon. Julius, come back. Let us finish the report. *(Laughter)* Hon. Susan, close that door. *[Ms Amero: “Madam Speaker, I am not the Sergeant-At-Arms.”]* *(Laughter)* Today, I have promoted you. *(Laughter)*

MR MUSASIZI: Madam Speaker, let me, first of all, take this opportunity to congratulate Hon. Susan Amero upon her promotion.

THE SPEAKER: That was a joke. *(Laughter)*

MR MUSASIZI: Madam Speaker, on this whole issue of the interns and the “senior house officers”, when we are budgeting and planning, we are informed by needs. The need I am picking from here – and from the affected people themselves – is that as Government, we need to go back and reconsider so that this category of people remains a priority.

I undertake that we shall go back, discuss with the Ministry of Health and Cabinet and come back with a position, which addresses the needs we are picking from this challenge.

Madam Speaker, the question of “when” is coming up. We are in the process of budgeting. From your programme, on Tuesday, we are supposed to be here the whole day, debating the budget. We shall be able to give you feedback on what we shall have decided on the way forward.

On money returned in Financial Year 2021/2022, which closed on 30 June 2022, we had returned funds amounting to Shs 685 billion. The question is: what happens to this money?

I wish to inform the House that whereas there were returns to the Consolidated Fund amounting to this figure, at the same time, the Consolidated Fund closed with a deficit of over Shs 3 trillion. So, ideally, this money is not reserved somewhere. It is utilised for other purposes – *(Interjections)*

Madam Speaker, I wish honourable colleagues could listen to me; I am telling you the facts.

THE SPEAKER: That is why one of the Members was asking: do you ring-fence this money to go back to what it was supposed to do?

MR MUSASIZI: Madam Speaker, we do not ring-fence the money, save for specific projects funded by external resources such as UgIFT and USMID. I normally come back here to ask for supplementary appropriation for this – *(Interruption)*

MR AMOS OKOT: Madam Speaker, I thank the minister for giving way.

Madam Speaker, in the past once the money was in the local government, they would not take it back to the Consolidated Fund.

However, these days, for every money that goes to the local governments – whether the money is for a project that is being implemented or not – you hear the report from the district that the money has been sent back to the Central Government. It leaves the burden on leaders like us to explain.

Could he clarify on the money that has been committed and the project is ongoing, yet they ask that the money be brought back to the Centre?

MR MUSASIZI: Hon. Amos Okot -

THE SPEAKER: Maybe we, first, need to harmonise our figures. What was returned from local governments, in total, was Shs 703 billion, according to the report. However, you are saying that it is Shs 685 billion. Now, Shs 703 billion is only for the local governments. Remember, there are other MDAs and statutory institutions that returned the money to the Consolidated Fund.

You need to give us the whole figure as opposed to what you are giving us. The figure you gave us is not the correct one.

MR MUSASIZI: Madam Speaker, yes, we can reconcile the figure and report back. However, for that figure, perhaps, since it is from local governments, you are also looking at UgIFT and USMID. That is why we need to reconcile the figures because when I am reporting to the Consolidated Fund, sometimes we categorise -

THE SPEAKER: But you still come back and ask for that money for USMID.

MR MUSASIZI: I will come back with reconciled figures, which have Central Government Votes and local government Votes.

Madam Speaker, Hon. Amos Okot wants to know whether committed funds are also returned to the Consolidated Fund. The answer is “no”. Where funds have been committed, they remain with the spending Vote.

There is another -

THE SPEAKER: Clarification from your professor.

MR KYOOMA: Thank you, Madam Speaker. I thank the honourable minister for giving way. I need clarification from you, honourable minister. You have said that while funds were sent back to the Consolidated Fund, the Consolidated Fund had a deficit. This is where I need your explanation. How does the deficit come about?

The only way the deficit would come about would be where you have planned for Shs 43 trillion, but only received say Shs 35 trillion, in the form of taxes, NTR and borrowings. There, you would talk of the Shs 8 trillion deficit.

However, in this case, at the Consolidated Fund level, there is no deficit. The deficit is in terms of releases when money is being released to MDAs. Where MDAs spend more than what they have received, they experience arrears. During the budgeting process, these arrears are budgeted for. So now, which deficit are you talking about at the Consolidated Fund level?

Madam Speaker, the big question has been about funds that are swept back. Whenever

we appropriate, we never have anything like balance brought down at the Consolidated Fund – *(Applause)* – to enable us add taxes to NTR and borrowings for us to have an entire basket to appropriate. We only have taxes, NTR and borrowings; that is what we appropriate.

What normally happens to this balance swept back to the Consolidated Fund? I need clarification.

THE SPEAKER: Do you always report back what is on the Consolidated Fund Account at the end of the financial year, as the balance carried forward to the next financial year?

MR MUSASIZI: Madam Speaker, I wish to inform Hon. Kyooma – *(Interjection)* – why don’t you allow me to speak, then you respond? Madam Speaker, I wish to inform Hon. Kyooma, my Professor and friend and the House that there is a difference between a Budget and the Consolidated Fund Account. The Consolidated Fund Account, like my account, is the bank account of the Government.

For budgeting purposes, we report to you the resource envelope, our sources of revenue and how we intend to spend it.

THE SPEAKER: You should also be able to tell us that this is the balance carried forward. *(Applause)*

MR MUSASIZI: Madam Speaker, it is also important to note that our budget starts from zero every financial year.

THE SPEAKER: Afande, do you have something to say? Come and say it. *(Laughter)* Honourable members, let us stick to the Auditor-General’s report. Aren’t you the ones who talked about the rules? Please stick to what is being reported. Let us focus our debate on the Auditor-General’s report. We shall discuss the “carried forward and balance brought down” in the next debate.

5.02

MAJ. GEN. SAM KAVUMA (UPDF Representative): Thank you very much, Madam Speaker, for giving me the opportunity to also contribute to the debate about the report that was presented by the chairperson of the committee.

In the report, he mentioned something to do with the UPDF Engineering Brigade undertaking some projects in local governments, and he raised the two areas of concern. One is that they are contravening the PPDA by giving 100 per cent payment, even before the commencement of the project.

This law normally requires that when a company wins a contract, they are given 30 per cent as advance payment and the rest is paid according to the certificate of completion. However, for the UPDF Engineering Brigade, they get 100 per cent. That is the first issue he raised.

However, to the best of my knowledge - and fortunately enough, I see the Attorney-General - is about the law on this. I think that law only applies to private companies, which can sue or can be sued, can go to the banks and borrow and then undertake projects.

This time - (*Interjection*) - well, we will get -

THE SPEAKER: First leave the General to speak.

GEN. KAVUMA: This time, the UPDF Engineering Brigade is not a private company; it is a Government body. So, I do not know whether -

THE SPEAKER: There is a point of procedure from Hon. Teira. You sit at the frontbench here.

MR TEIRA: Thank you, Madam Speaker. I seek clarification from the Hon. Gen. Sam Kavuma on which law exactly regulates the UPDF Engineering Brigade to undertake contracts from Government. I need to be guided on the law that you are making specific reference to, under which the UPDF Engineering Brigade gets contracts to undertake public projects.

THE SPEAKER: Also, under which law are they paid 100 per cent? That opens more on the engineering brigade. First, sit down. We gave money to the UPDF Engineering Brigade to work on Mandela National Stadium at Namboole. We need a report from the Leader of the Opposition. My brother, Hon. Oboth, will bear me witness; not much has been done. Let us not cover up things. Not much is being done. If they are not doing well, they are not.

Hon. Oboth, I have seen you. Hon. Gen. Sam Kavuma, you conclude.

GEN. SAM KAVUMA: The clarification sought about the law under which the UPDF Engineering Brigade, which is a government entity, gets, or undertakes Government contracts; that is Government to Government now. (*Laughter*) Do we require a law in the first place? (*Laughter*)

THE SPEAKER: Honourable members, Hon. Gen. Sam Kavuma is trying to defend the UPDF Engineering Brigade and he has a right to defend his team. Do you get it? That is his opinion and he has presented it very well. Let the minister first say it; Hon. Oboth, we will need a report on Namboole.

5.08

THE MINISTER OF STATE FOR DEFENCE AND VETERAN AFFAIRS (DEFENCE) (Mr Jacob Oboth): Thank you, Madam Speaker, for your guidance. I am just hearing from you that there is a pending report from the Leader of the Opposition; that would be very much welcome.

However, as the supervising minister of the UPDF Engineering Brigade, probably when you give us that opportunity, we will come and give this Parliament what that wonderful Brigade of the army is doing and how we got -

THE SPEAKER: By the way, the UPDF Engineering Brigade, in terms of construction of schools and hospitals has done a perfect job. The only problem they have is Namboole, because they do not have -

MR OBOTH: I have a quick one on Namboole. I have been there; it is true that we lost four months of our contract time. It is true that we have never renovated any stadium in Uganda or anywhere. Where we are lacking the experience, we have been able to outsource, especially on planting grass and getting that grass. It is not the ordinary grass in our village schools.

However, if it is the wisdom of the guidance of the Speaker, we can give a full account. We have about 131 contracts, and out of which, I think, about 56 are complete. We have a story, but where there is a story - I think that if -

THE SPEAKER: Why don't we have respect for each other?

MR OBOTH: I might not be saying what you want to hear, but I am speaking the truth and I will always speak the truth. Whether you interrupt me or not, it will never change the truth that the UPDF came into this following a presidential directive.

The issue that we are grappling with in this Parliament is the misfortune that the laws that we make causes people to suffer. For example, honourable Minister of Finance, Planning and Economic Development, we make laws. We have constituencies and districts but the law that requires us to return the money affects everyone. When the law affects everyone, it is upon us to try to review and look for a solution.

THE SPEAKER: Hon. Oboth, as a lawyer, is it right for an accounting officer to pay 100 per cent, when the contract is just being given without certificates of completion?

MR OBOTH: That is what Gen. Kavuma was speaking about. This is a policy shift that will need the support of this House. If we see it work, we can fortify it by bringing the law here -

THE SPEAKER: Before the law comes in place, is it correct as of now?

MR OBOTH: Yes. *(Laughter)* I can say yes 100 times because if the same Government of the Republic of Uganda has a project - *(Interjection)* - I will explain.

THE SPEAKER: He has something to say. We need to learn from each other. I am asking him if it is correct. We are saying that the advance payment should be 30 per cent. Now, in this case, the advance payment is 100 per cent. As a lawyer, can you advise this House for us not to punish the accounting officers? We are punishing the accounting officers for that. We need to understand if it is correct for us to punish those accounting officers.

MR OBOTH: Madam Speaker, those are two things. I would like to handle the issue of the UPDF Engineers Brigade. Was it correct to give them 100 per cent money, which is not in all cases? It is only in a few cases relating to Ministry of Health. We have had challenges with the Ministry of Education and Sports, including Namboole. We have been given 25 per cent of the money and they expect 100 per cent of the work.

Now, Government -

THE SPEAKER: Let us hear from him.

MR OBOTH: I am being put on the spot that I answer the question. I am trying to answer the question and the straight answer to whether it is right to give the UPDF Engineers Brigade 100 per cent - by the way, for the record, the answer is "yes."

THE SPEAKER: Using which law?

MR OBOTH: The law that one would use - *(Laughter)*

THE SPEAKER: Honourable members, please calm down. The honourable has answered that the law one would use - that is good enough -

MR OBOTH: I wanted to give information, but the House seems to be hostile -

THE SPEAKER: No, the House is not hostile. It is just inquisitive.

MR OBOTH: Matters of the law, Madam Speaker - and I know you are a lawyer - are

not matters that - others are saying that you do not have –

THE SPEAKER: Leader of the Opposition, can I hear from you?

MR OBOOTH: If you get the concept of how the UPDF Engineering Brigade came into place, then you would know that it is 100 per cent in order.

5.15

THE LEADER OF THE OPPOSITION (Mr Mathias Mpuuga): Thank you, Madam Speaker. Good, old Hon. Oboth is a friend of our good old times and as a good lawyer, he knows what it means to die intestate. *(Laughter)*

In other words, he was here to make an application for letters of administration or for an intestate - but we can understand where he is coming from.

THE SPEAKER: He comes from Tororo.

MR MPUUGA: He knows what it takes for letters of administration to be granted to an applicant. I am afraid his application has very many voids that render it *void ab initio*; it collapses therefore.

The report from the chairperson is good and I would like to appreciate him for that effort. Absorptive capacity -

THE SPEAKER: Honourable members, you cannot even clap for local government?

MR MPUUGA: Challenges of release, absorption, staff recruitment, corruption, connivance, ghost workers and pension challenges all speak to an intestate situation that the good Hon. Jacob Oboth was trying to explain.

Madam Speaker, it is not part of the mandate of the committee to give a verdict on the functionality, feasibility and viability of decentralisation. I want to invite the House, probably this 11th Parliament that beyond the general debate I have heard over the last 10-

plus years I have been here, we have never made a proper diagnosis of this problem; but the cancer has been eating deep until now. It is eating the bone marrow. I have no doubt that this patient will be a cripple sooner than later.

We need a potent conversation as to whether decentralisation as a policy, in the way it is crafted, is viable. I had an informal conversation here with a good General, about decentralisation and we were speaking about the several local governments we created; the small entities under the guise of taking services closer to the people.

Instead of taking services, we actually took corruption closer to the people; we decentralised corruption. Corruption is nearer to the people than services. When you ask an ordinary man, he is chairing corruption. If local governments were in the equation and we have variables, corruption would be a permanent variable, we would therefore need a bulldozer to solve that equation.

I would like to invite this House - I hear both sides of this House are discussing constitutional and electoral reforms. On my side, sooner than later, I will table to the country what we are proposing and I want to invite legislators who will be the final arbiters in this conversation to rethink the whole idea of devolution of powers.

In other jurisdictions where devolution is serious, there is a formula for devolving funds to local entities that the centre cannot touch. If Hon. Musasizi does not think well about me, my release will come ten days to the end of the financial year and return. That is how they work; I am not saying he does it.

THE SPEAKER: They return and do not account for it.

MR MPUUGA: Of course, that is another conversation, Madam Speaker, and that is why, we need to think of serious reforms. This is no longer a short-term problem. In planning, the good minister knows when you have a long-term problem, you go for reforms. If it is short-term, you go for adjustment and this requires reforms, including changing legislation.

For instance, who said that we cannot alter the Public Finance Management Act to demand that the returned funds become part of the next financial year for that entity? What stops us from changing legislation to ensure monies that are returned become part of the ceiling for that entity during the following financial year?

As part of stopping the lamentation of legislators, a private Member can move that and we change the legislation. Otherwise, there is no legal bar; in fact, the bar is Parliament.

THE SPEAKER: This is why I need a private Member to move on the 3 per cent. Parliament should know what that 3 per cent is being used for. (*Applause*) But that does not stop us from passing what has been passed because it has already gone. We will need to pass what has already been passed and then bring an amendment to the Public Finance Management Act.

MS CECILIA OGWAL: The information I would like to give to the Leader of the Opposition is that while we are looking for ways and means of coming up with legal reforms, we should address our minds to the supplementary budgets we normally pass at the exit door of a financial year.

We have raised that we pass billions, sometimes trillions as we are doing now at the exit door of a financial year. So, what happens to that money? Most of it involves procurement and with procurement, you have to go through PPDA regulations and so on. There is no way one can spend trillions of shillings within a space of one month or three weeks.

Madam Speaker, we need to address our minds to the issue of supplementary. The Ministry of Finance, Planning and Economic Development must come back and tell us; this is the money you passed before July and this is how we spent it. Otherwise, that money just disappears. We have never been able to know what happens to the trillions of shillings we pass at the exit door of a financial year.

MR MATHIAS MPUUGA: Thank you, Hon. Cecilia. Rightly so, and part of that reform will

relate to operationalising the Contingency Fund. When we operationalise it, we actually do not need a supplementary; the law is very clear. In fact, a supplementary is indiscipline, it is abuse and so we need to find a way of stopping it.

Finally, I would like to encourage colleagues here to become active in their district road fund committees because the law makes us bonafide members of these committees and amongst yourselves, choose a chair. Over the last ten years, I have been active on the district roads committee. Five years ago, I chaired it and I turned around the community. These five years, Dr Abed Bwanika is the chair. We follow every penny voted to Masaka for the Road Fund; it is small money but please follow it; get interested. Part of this is a bonanza for some of the technical people there.

Part of the reason is Members of Parliament are lax in following the Road Fund so get interested. You will see a difference. Probably, you could come to Masaka and see how we work. You cannot touch it. Every quota, we sit, evaluate what has been done, go and visit the roads physically to see what has been done. You cannot show us roads on paper; no way.

THE SPEAKER: That is what we call oversight, and it is one of the roles of a Member of Parliament.

MR MPUUGA: I want to encourage you because you are members of the roads committee as per Roads Funds Act. In fact, buy the booklet of the Act and read the obligations that rest upon your shoulders as Members of Parliament. This small money - before Hon. Musasizi says it is "*Poteya*", please go and supervise how it is used because he needs it badly to go do whatever God knows what.

I hope at the end of this report, which I would like to invite Parliament to adopt, we follow-up some of the recommendations, especially on areas of open abuse of public funds and part of it is being condoned by recycling perennial corrupt officers. You recycle them and make corruption endemic until they are retired. Just imagine retiring as declared corrupt and every

report says you are corrupt. We need to follow up and probably a timely Treasury Memorandum will stand this report in stead. Thank you.

THE SPEAKER: We need a Treasure Memorandum within six months of the adoption of this report.

I put the question that the report of the Committee on Public Accounts (Local Government) on the report of the Auditor-General for the Financial Year 2021/2022 on 27 district local governments, three cities, four divisions and five municipal councils be adopted by this House.

(Question put and agreed to.)

Report adopted.

THE SPEAKER: I now instruct the Clerk to extract the resolutions of the report and the actions to be taken and report back to this House on the actions taken, by Treasury Memoranda – and that is under Section 53 (1) of the Public Finance Management Act.

To all the chairpersons of committees, now that we have the corrigenda, I request and urge you to go and see the harmonisation of the corrigenda. You are Ex-Officio members of the Committee on Budget. We are going to start on the supply on Tuesday morning.

I now adjourn the House to Tuesday at 10.00 a.m.

(The House at 5.28 p.m. and adjourned until Tuesday, 16 May 2023 at 10.00 a.m.)