OFFICE OF THE CLERK TO PARLIAMENT
21 OCT 2025
RECEIVED
P. O. BOX

THE REPUBLIC OF UGANDA

REPORT OF THE COMMITTEE ON PUBLIC ACCOUNTS (CENTRAL GOVERNMENT) ON THE REPORT OF THE AUDITOR GENERAL FOR THE AUDIT YEAR ENDED DECEMBER 2025

ON

1. **VOTE 144: UGANDA POLICE FORCE (UPF)**
2. **VOTE 145: UGANDA PRISONS SERVICE (UPS)**
3. **VOTE 009: MINISTRY OF INTERNAL AFFAIRS (MIA)**
4. **VOTE 004: MINISTRY OF DEFENCE AND VETERAN AFFAIRS (MoDVA)**

Clerk to Parliament
Parliament Building, Kampala
October 2026

TABLE OF CONTENTS

LIST OF ACRONYMS ii
1.0 INTRODUCTION 1
2.0 SCOPE 1
3.0 METHODOLOGY 2
PART A: GENERAL ISSUES 2
4.0 BUDGET PERFORMANCE 2
PART B: CROSS-CUTTING ISSUES 3
5.0 DIVERSION OF FUNDS 4
6.0 FAILURE TO UTILISE THE AVAILED WARRANTS 5
7.0 PARTIAL AND NON-IMPLEMENTATION OF FUNDED ACTIVITIES 7
8.0 DOMESTIC ARREARS 9
8.1 Unpaid Long-standing Domestic Arrears 9
8.2 Accumulation of New Domestic Arrears 10
9.0 NON-TAX REVENUE 11
9.1 Unrealistic Budgeting for Non-Tax Revenue 11
9.2 Uncollected Arrears of Non-Tax Revenue 12
10.0 SKYROCKETING CONTINGENT LIABILITIES 14
11.0 MANAGEMENT OF FUNDS ON EXPIRY OF APPROPRIATION 15
12.0 PROCUREMENT VIOLATIONS 17
12.1 Failure to Comply with Procurement Planning and Reporting Requirements 17
12.2 Non-compliance with the Reservation Scheme 18
12.3 Procurement Irregularities in the Evaluation Process 19
12.4 Low Bidder Participation 20
13.0 SYSTEM INEFFICIENCIES (E-GP SYSTEM) 22
14.0 MANAGEMENT OF GOVERNMENT LAND 23
PART C: ISSUES SPECIFIC TO THE ENTITIES 25
15.0 VOTE 144: UGANDA POLICE FORCE 25
15.1 Inaccurate Asset Acquisition and Service Date Records 25
15.2 Logistical Shortfalls in Anti-Stock Theft Unit Operations 26
15.3 Inadequate Firefighting Equipment, Tools and Support 27
16.0 VOTE 145: UGANDA PRISONS SERVICE 28
16.1 Growth in the Prison Population and Persistent Congestion 28
16.2 Low Cotton Production on Prison Farms 29
17.0 VOTE 009: MINISTRY OF INTERNAL AFFAIRS 30
17.1 Award of Contracts above the Confirmed Available Funds 30
18.0 VOTE 004: MINISTRY OF DEFENCE AND VETERAN AFFAIRS 31
18.1 UPDF National Referral Hospital 31
18.2 Construction Works by the UPDF Engineering Brigade 33
19.0 CONCLUSION 36

LIST OF ACRONYMS

Acronym	Meaning
APC	Armoured Personnel Carrier
ASTU	Anti-Stock Theft Unit
Bn	Billion
e-GP	Electronic Government Procurement System
FY	Financial Year
MDAs	Ministries, Departments and Agencies
MIA	Ministry of Internal Affairs
Mn	Million
MoDVA	Ministry of Defence and Veteran Affairs
MoFPED	Ministry of Finance, Planning and Economic Development
MoH	Ministry of Health
MoU	Memorandum of Understanding
NIRA	National Identification and Registration Authority
NTR	Non-Tax Revenue
ODPP	Office of the Director of Public Prosecutions
OWC	Operation Wealth Creation
PFMA	Public Finance Management Act
PPDA	Public Procurement and Disposal of Public Assets
PS/ST	Permanent Secretary and Secretary to the Treasury
Tn	Trillion
UGX	Uganda Shillings
UPDF	Uganda People's Defence Forces
UPF	Uganda Police Force
UPS	Uganda Prisons Service
VAT	Value Added Tax



1.0 INTRODUCTION

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

Article 163(5) further requires Parliament to debate and consider the report and take appropriate action within six months after its submission.

At the 9th Sitting of the 1st Meeting of the 1st Session of the 12th Parliament, held on 14th July 2026, the House passed a motion under Rule 245(2) of the Rules of Procedure of Parliament reinstating the Report of the Auditor General.

The Committee considered the Reports of the Auditor General on Vote 144: Uganda Police Force (UPF), Vote 145: Uganda Prisons Service (UPS), Vote 009: Ministry of Internal Affairs (MIA) and Vote 004: Ministry of Defence and Veteran Affairs (MoDVA) in accordance with Rule 180(3) of the Rules of Procedure of Parliament.

In line with Rule 180(4), the Committee considered the reports to satisfy itself, among others that:

(a) The monies appropriated by Parliament and disbursed were legally available for, and applicable to, the service or purpose to which they were applied or charged;

(b) The expenditure conforms to the authority which governs it;

(c) Re-appropriation has been made in accordance with the provisions of the rules of a competent authority; and

(d) The intended value of the expended monies was attained.

2.0 SCOPE

This report covers the findings, observations and recommendations of the Auditor General on Vote 144: Uganda Police Force, Vote 145: Uganda Prisons Service, Vote 009: Ministry of Internal Affairs and Vote 004: Ministry of Defence and Veteran Affairs for the financial year 2024/25.

3.0 METHODOLOGY

The Committee examined the Report of the Auditor General and the financial statements for the year under review, and held meetings with the Accounting Officers who executed the budgets during the year under review and other relevant technical officers. The Committee further examined and considered the written responses of the Accounting Officers and other documents submitted.

Rt. Hon. Speaker and Hon. Members, I beg to report as follows:

PART A: GENERAL ISSUES

4.0 BUDGET PERFORMANCE

The Auditor General reported that the Uganda Police Force (UPF), the Uganda Prisons Service (UPS), the Ministry of Internal Affairs (MIA) and the Ministry of Defence and Veteran Affairs (MoDVA) had revised budgets of **UGX.1,226.28Bn**, **UGX.383.64Bn**, **UGX.52.467Bn** and **UGX.4,734Bn** respectively, and received **UGX.1,208.14Bn**, **UGX.383.64Bn**, **UGX.51.467Bn** and **UGX.4,593Bn** respectively, as illustrated in the table below:

Table 1: Budget performance of the four entities for FY 2024/25

Vote	Initial Budget (UGX Bn)	Adjustments (UGX Bn)	Revised Budget (UGX Bn)	Actual Performance (UGX Bn)	% Actual Performance
Vote 144: Uganda Police Force	1,012.20	214.08	1,226.28	1,208.14	99
Vote 145: Uganda Prisons Service	357.38	26.26	383.64	383.64	100
Vote 009: Ministry of Internal Affairs	34.022	18.445	52.467	51.467	98
Vote 004: Ministry of Defence and Veteran Affairs	4,501.00	233.00	4,734.00	4,593.00	97

Source: Report of the Auditor General, FY 2024/25

Of the appropriated budgets above, classified expenditure amounted to **UGX.1,200.0Bn**, **UGX.10.75Bn**, **UGX.26.58Bn** and **UGX.2,054.5Bn** for the UPF, UPS, MIA and MoDVA respectively.

All the four entities received over 95% of the funds appropriated by Parliament.

Committee Observations

The budgets of all the four entities were revised upwards during the year, by **UGX.214.08Bn** (21%) at the UPF, **UGX.26.26Bn** (7%) at the UPS, **UGX.18.445Bn** (54%) at the MIA and **UGX.233Bn** (5%) at the MoDVA. Notably,

the upward revision of more than half of the initial budget of the MIA points to weaknesses in its initial budget estimates. Further, a significant share of the budgets of the UPF and MoDVA is classified, which limits the scope of public scrutiny of that expenditure.

Recommendations

The Committee recommends that the Accounting Officers should prepare realistic initial budget estimates in order to minimise in-year revisions, and that the PS/ST should issue warrants in accordance with the budgets appropriated by Parliament.

PART B: CROSS-CUTTING ISSUES

During the examination of the audit reports and the subsequent interactions with the Accounting Officers of the UPF, UPS, MIA and MoDVA, the Committee identified diversion of funds from budgeted to unbudgeted activities, expenditure outside the approved work plans, under-absorption of warrants, procurement violations, partial and non-implementation of funded activities, accumulation of domestic arrears, unrealistic budgeting for non-tax revenue (NTR), accumulation of arrears of revenue, poor management of Government land, increasing contingent liabilities and questionable accounting treatments, contrary to the PFMA, Cap. 171, as explained below.

5.0 DIVERSION OF FUNDS

Section 21(1) and (2)(a) of the PFMA, Cap. 171 allows the Minister responsible for finance, upon request by an Accounting Officer, to vary the amount of money allocated within a vote, as long as the virement does not exceed ten per cent of the amount appropriated to a programme by Parliament. A virement in excess of ten per cent of the original budget requires the approval of Parliament.

The Committee analysed the audited financial statements of the UPF, UPS, MIA and MoDVA for the financial year ended 30th June 2025. Whereas all the financial statements are mathematically balanced and received unqualified opinions from the Auditor General, the Committee identified diversions of funds from budgeted items to pay for unbudgeted expenditure items, which undermines the principles of budgeting.

The Accounting Officers of the UPF, UPS and MoDVA diverted **UGX.34.0Bn**, **UGX.39.6Bn** and **UGX.210.14Bn** respectively from budgeted items to pay for

items that were not authorised, without seeking the authority of the Minister or the approval of Parliament as required by the PFMA, Cap. 171.

The Accounting Officers of the UPF and MoDVA attributed the diversion of **UGX.34.0Bn** and **UGX.210.14Bn** respectively to the unavoidable need to pay domestic arrears that had not been budgeted for, while the Accounting Officer of the UPS attributed the diversion of **UGX.39.6Bn** to the urgent need to pay for food for prisoners, which had not been budgeted for. They further informed the Committee that MoFPED sets the budget ceilings for domestic arrears and has, over the years, provided less than the stock of arrears in their respective entities.

Committee Observations

The three entities applied a combined **UGX.283.74Bn** to items that Parliament had not appropriated, without evidence of the Minister's authorisation, contrary to Section 21 of the PFMA, Cap. 171. The failure by the Accounting Officers to budget adequately for domestic arrears, leaving the responsibility to MoFPED, and the later diversion of funds to pay unbudgeted arrears without approval, leads to further accumulation of domestic arrears and the non-implementation of planned activities, which compromises the quality of service delivery. Similarly, food for prisoners is a recurrent and predictable obligation of the UPS, which ought to be provided for in the budget rather than met by diverting funds appropriated for other activities.

Recommendations

The Committee recommends that:

(i) Pursuant to Sections 76(2) and 77(1)(m) of the PFMA, Cap. 171, the PS/ST should hold the Accounting Officers of the UPF, UPS and MoDVA personally liable for contravening Section 21 of the PFMA, Cap. 171;

(ii) The Accounting Officers should always seek and obtain the authorisation required under Section 21 of the PFMA, Cap. 171 before any funds are reallocated, and provide adequately for domestic arrears and other known obligations in their budget submissions; and

(iii) The Minister responsible for finance should report to Parliament on the action taken within three months of the adoption of this report.

6.0 FAILURE TO UTILISE THE AVAILED WARRANTS

Section 16(1) of the PFMA, Cap. 171 provides that an appropriation of public funds by Parliament for a financial year expires at the end of that year. Any unexpended balance under an expired warrant is therefore not available for commitment in the new financial year. Paragraph 19.5.1 of the Treasury Instructions, 2017 further requires Accounting Officers to fully utilise the warrants availed.

The Auditor General reported that, of the warrants of **UGX.1.208Tn**, **UGX.383.64Bn**, **UGX.51.468Bn** and **UGX.4.593Tn** availed to the UPF, UPS, MIA and MoDVA respectively, **UGX.63.377Bn**, **UGX.0.160Bn** and **UGX.0.689Bn** were not utilised by the UPF, UPS and MIA respectively, while the MoDVA utilised all the funds availed.

The Accounting Officer of the UPF attributed the failure to utilise **UGX.63.377Bn** to bounced payments arising from errors in the account details of suppliers, pensioners and active salary earners, while the Accounting Officer of the UPS attributed the unutilised **UGX.0.160Bn** to the failure to purchase food and ICT supplies and to renovate buildings. The Accounting Officer of the MIA did not provide any explanation for the unutilised warrants of **UGX.0.689Bn**.

Committee Observations

(i) The failure by the Accounting Officer of the UPF to pay pensioners their terminal benefits contravened Regulation 30 of the Pensions Regulations made under the Pensions Act, Cap. 286. Bounced payments arising from incorrect account details are within the control of the entity to resolve, and the explanations given by the Accounting Officers point to administrative inefficiencies, which hinder service delivery.

(ii) The Accounting Officer of the MIA did not explain why **UGX.0.689Bn** of the warrants was not utilised. Further, whereas Section 16(5) of the PFMA, Cap. 171 requires the Minister responsible for finance to report to Parliament on the reasons for the non-utilisation of funds upon the expiry of an appropriation, no such report has been made.

Recommendations

The Committee recommends that:

(i) The PS/ST should institute administrative sanctions against the Accounting Officers of the UPF, UPS and MIA for failing to utilise the

availed warrants, contrary to Section 16(1) of the PFMA, Cap. 171 and Paragraph 19.5.1 of the Treasury Instructions, 2017;

(ii) The Minister responsible for finance should explain to Parliament why the Ministry has not complied with the requirement under Section 16(5) of the PFMA, Cap. 171 to report on unutilised funds; and

(iii) The Accounting Officer of the UPF should correct the account details of suppliers, pensioners and salary earners, and ensure that all pensioners whose payments bounced are paid their terminal benefits within the current financial year.

7.0 PARTIAL AND NON-IMPLEMENTATION OF FUNDED ACTIVITIES

Section 43(3) of the PFMA, Cap. 171 and Regulation 14(6) of the PFM Regulations, 2016 require Accounting Officers to have a clear work plan indicating the activities to be implemented with the funds released. The Auditor General reported that activities worth **UGX.605.4Bn**, **UGX.5.01Bn**, **UGX.4.9Bn** and **UGX.1.104Tn** were only partially implemented by the UPF, UPS, MIA and MoDVA respectively, despite the entities receiving and utilising all the availed funds.

The Auditor General further reported that the UPS had activities worth **UGX.2.2Bn** that were not implemented at all, while the MoDVA had activities worth **UGX.80.81Bn** that could not be assessed for lack of performance targets and key performance indicators.

The Accounting Officer of the UPS explained that the **UGX.5.01Bn** was meant for construction works for staff and prisoners' wards, which had not been completed by the end of the financial year although all the required materials had been procured. He further explained that the **UGX.2.2Bn** meant for the activities that were not implemented was applied to other activities that had neither been planned for nor approved by Parliament.

The Accounting Officer of the UPF attributed the partial implementation of funded activities to bounced payments arising from errors in the account details of suppliers, pensioners and active salary earners, while the Accounting Officer of the MIA attributed it to a backlog of new applications for commercial explosives and the failure of applicants to meet the detailed requirements. The Accounting

Officer of the MoDVA disputed the finding of the Auditor General and explained that the Ministry had implemented all the planned activities to the full extent of the funds allocated to each item.

Committee Observations

(i) The partial or non-implementation of funded activities is a high-risk area for fraud, affects service delivery and negates the purpose of budgeting. The UPS applied **UGX.2.2Bn** meant for planned activities to activities that had neither been planned for nor approved by Parliament.

(ii) All the four entities implemented activities following the work plans submitted at the Ministerial Policy Statement stage, and none revised its work plan after the appropriation and the supplementary budgets, or justified such a revision to the Secretary to the Treasury, as required by Regulation 14(6) of the PFM Regulations, 2016.

(iii) Without revised work plans with clearly stated indicators, the Auditor General and the Committee cannot readily assess the performance of the public resources entrusted to the entities. The assertion of the MoDVA that all planned activities were implemented could not, therefore, be verified. Unless Government takes measures to ensure that Accounting Officers implement the approved work plans, losses of public funds are likely to continue.

Recommendations

The Committee recommends that:

(i) Pursuant to Section 78(1)(a) of the PFMA, Cap. 171, the Minister responsible for finance should institute an inquiry into the suspected loss of funds on partially implemented and unimplemented activities within six months of the adoption of this report;

(ii) The accounting officers should strictly adhere to implementation of the workplan in accordance with Section 43(3) of the PFMA, Cap. 171 and Regulation 14(6) of the PFM Regulations, 2016; and

(iii) The Accounting Officers should revise their work plans, with clear performance targets and indicators, whenever the appropriation or supplementary budgets change the resources available, and submit the revised work plans to the Secretary to the Treasury.

8.0 DOMESTIC ARREARS

8.1 Unpaid Long-standing Domestic Arrears

Government has, over the years, accumulated domestic arrears to the tune of **UGX.8.4Tn**. The Auditor General reported that the UPF, UPS, MIA and MoDVA had accumulated domestic arrears amounting to **UGX.112.9Bn**, **UGX.164.2Bn**, **UGX.6.3Bn** and **UGX.464.6Bn** respectively.

The Accounting Officers attributed the accumulation of domestic arrears to the failure by MoFPED to provide adequate budget ceilings for arrears in their respective budgets. In the financial year under review, only **UGX.21.18Bn**, **UGX.10.35Bn**, **UGX.1.37Bn** and **UGX.5.41Bn** were provided for the clearance of arrears at the UPF, UPS, MIA and MoDVA respectively.

Committee Observations

The provisions made for the clearance of arrears during the year, a combined **UGX.38.31Bn**, amount to about 5% of the combined stock of **UGX.748Bn** owed by the four entities. At this rate, the arrears will take many years to clear, during which suppliers remain unpaid and Government is exposed to interest, penalties and litigation. Notably, the PFMA does not treat arrears that remain unpaid beyond a financial year as debt, which has allowed them to accumulate without a binding schedule for payment.

Recommendations

The Committee recommends that:

(i) Parliament should amend the PFMA, Cap. 171 to treat domestic arrears that remain unpaid beyond one financial year as domestic debt, payable within a mandatory period;

(ii) The Minister responsible for finance should fast-track the settlement of verified outstanding domestic arrears by setting annual clearance targets, and report to Parliament twice a year on the status of implementation, in accordance with Section 17 of the PFMA, Cap. 171; and

(iii) The Budget Committee, before considering the budgets of entities, should ensure that there is proof that each entity has budgeted for its domestic arrears and did not incur new arrears in the preceding financial year.

8.2 Accumulation of New Domestic Arrears

Section 20(2) of the PFMA, Cap. 171 provides that a vote shall not take any credit from any company or body unless it has no unpaid domestic arrears from a debt in a previous financial year and it has the capacity to pay for the expenditure from the approved estimates as appropriated by Parliament for the financial year.

The Auditor General reported that, during the year under review, the UPF, UPS, MIA and MoDVA committed Government to new obligations amounting to **UGX.27.19Bn**, **UGX.82.43Bn**, **UGX.0.050Bn** and **UGX.144.8Bn** respectively, which remained unpaid at the end of the year.

Committee Observations

Despite having unpaid domestic arrears from the previous year of **UGX.112.9Bn**, **UGX.164.2Bn**, **UGX.6.3Bn** and **UGX.464.6Bn** respectively, the Accounting Officers of the UPF, UPS, MIA and MoDVA committed Government to new unpaid obligations of **UGX.254.47Bn** in total, contrary to Section 20(2) of the PFMA, Cap. 171. Notably, the UPF, UPS and MoDVA also diverted funds during the year to pay arrears that had not been budgeted for, which shows that the arrears are not being planned for.

Recommendations

The Committee recommends that:

(i) Pursuant to Sections 76(2) and 77(1)(m) of the PFMA, Cap. 171, the PS/ST should enforce sanctions against the Accounting Officers of the UPF, UPS, MIA and MoDVA for committing Government in excess of the approved budgets; and

(ii) The Auditor General should submit to Parliament a verified stock of domestic arrears by 31st December 2026.

9.0 NON-TAX REVENUE

9.1 Unrealistic Budgeting for Non-Tax Revenue

Paragraph 4.10.2 of the Treasury Instructions, 2017 emphasises realistic planning and budgeting that reflects the policies of the entity over the period.

The Auditor General reported variances in NTR collections during the year under review. The UPF collected **UGX.63.44Bn** against a budget of **UGX.80.1657Bn**, the UPS collected **UGX.45.46Bn** against a budget of **UGX.36.43Bn**, the MIA

collected **UGX.1.849Bn** against a budget of **UGX.1.942Bn**, and the MoDVA collected **UGX.1.927Bn** against a budget of **UGX.1.201Bn**.

The Accounting Officer of the UPF attributed the under-collection to compliance-related sources and service fees, licences, neutralisation and registration, while the Accounting Officer of the MIA attributed it to the halting of the review of the NGO fees regulations.

The Accounting Officer of the UPS attributed the over-collection to institutional changes that shifted the distribution of non-cash NTR from commercial sale to a Government programme, particularly Operation Wealth Creation (OWC), while the Accounting Officer of the MoDVA attributed it to higher than planned proceeds from the disposal of assets.

Committee Observations

The UPF collected 79% of its budget, while the UPS and MoDVA collected 125% and 160% of their budgets respectively. In each case, the targets were not based on a reliable assessment of the revenue potential of the entity. Failure to meet budgeted NTR targets undermines the budgeting process and affects the figures reported in the accounts, while over-collection leaves room for the misappropriation of the excess collections. The Committee noted lower than anticipated demand for services that generate NTR, such as driving permits and motor vehicle fees, and weak enforcement by the UPF of penalties under the Traffic and Road Safety Act.

9.2 Uncollected Arrears of Non-Tax Revenue

During its scrutiny of the audited financial statements, the Committee observed that there were arrears of NTR that the entities had failed to collect in previous years, which are reported in the memorandum statement of arrears of revenue in the audited financial statements.

The Committee found that the UPF, UPS and MoDVA had arrears of revenue of **UGX.49.22Bn**, **UGX.2.2Bn** and **UGX.1.340Bn** respectively.

The Accounting Officer of the UPF attributed the arrears of **UGX.49.22Bn** to the Government's decision to suspend the Express Penalty Scheme and to other miscellaneous revenue. The Accounting Officer of the UPS informed the Committee that the arrears of **UGX.2.2Bn** relate to maize seeds supplied to Members of Parliament and Ministers for supply to farmers in their respective

constituencies in the season of March and July 2024. Although the accounting officer of UPS submitted invoices to account for the arrears, the Members of Parliament who received the seeds did not know they had to pay, they treated UPS as one of the suppliers of Operation Wealth Creation farm inputs, a Government programme that supplied free seeds and farm inputs to ensure food security.

The Accounting Officer of the MIA attributed its arrears of revenue to the halting of the review of the NGO fees regulations, while the Accounting Officer of the MoDVA attributed its arrears to accrued rent owed by NIRA for FY 2021/22 and FY 2022/23.

Committee Observations

Government risks losing these revenues unless prudent measures are put in place to enforce collection.

Recommendations

The Committee recommends that:

(i) The PS/ST should always ensure that Accounting Officers set realistic NTR targets, based on an assessment of all revenue sources, historical collections and the activities planned for the year;

(ii) The Accounting Officers of the UPF, UPS and MoDVA should develop an effective mechanism for recovering the outstanding NTR arrears;

(iii) The Auditor General should undertake a special audit of the maize supplies by the Uganda Prisons Service.

10.0 SKYROCKETING CONTINGENT LIABILITIES

The Accountant General's reporting guidelines, 2024 require contingent liabilities to be disclosed in the memorandum statement of contingent liabilities of an entity where an outflow of economic benefits or service potential from the entity is possible but not probable, or cannot be measured reliably. These comprise Government guarantees, court awards that have been appealed by the Attorney General, and obligations arising from Public Private Partnerships.

The Committee scrutinised the memorandum statements of contingent liabilities of the UPF and MoDVA and observed that **UGX.163.5Bn** and **UGX.108.45Bn** respectively were reported as contingent liabilities. A review of the schedule of contingent liabilities presented worrying figures of cases against UPF; Uganda

Cooperative Union civil suit 815 of 2020 for **11.35Bns**, DTB sued UPF in commercial division for **15bns**, Kireka Estates sued UPF for **50bns**, Springwood capital partner sued UPF in civil suit no 703 of 2020 for **USD 6,350,000**.

The Accounting Officer of the UPF attributed the contingent liabilities to suits against the Force arising from cases of human rights abuse, while the Accounting Officer of the MoDVA attributed them to unverified utility bills.

Committee Observations

Although these contingent liabilities are not recorded as obligations in the statement of financial position, they could impose substantial fiscal costs if they crystallise, with implications for debt sustainability and budget planning. The liabilities of the UPF arise from suits over human rights abuses by its officers, which exposes Government to avoidable costs. Utility bills, on the other hand, are known costs of the entity and do not meet the criteria for disclosure as contingent liabilities, and the treatment of **UGX.108.45Bn** in unverified utility bills as contingent liabilities by the MoDVA may therefore understate its payables.

Committee observed that this area of contingent liabilities if not well handled with put government of Uganda in a hard financial situation. It's a fraud area which is prone to connivance between lawyers and technical people in a *Win a case share proceeds arrangement.*

Recommendations

The Committee recommends that:

(i) The Auditor General should carry out a special audit of the stock and associated risks of all contingent liabilities across Government and report to Parliament within six months of the adoption of this report;

(ii) Officers of the UPF and the UPDF who commit human rights abuses should be held personally liable for their actions; and

(iii) The Accounting Officer of the MoDVA should verify the utility bills, recognise the valid ones as payables, and follow the criteria for recognising contingent liabilities.

11.0 MANAGEMENT OF FUNDS ON EXPIRY OF APPROPRIATION

Section 16(1) of the PFMA, Cap. 171 provides that every appropriation by Parliament expires and ceases to have effect at the close of the financial year for which it is made. Section 16(2) requires a vote that does not spend the money appropriated to it to repay the money to the Consolidated Fund at the close of the financial year, while Section 16(3) requires the vote to revise its annual work plan, procurement plan and recruitment plan to take account of the unspent money.

The Committee established that some entities do not return unspent funds to the Consolidated Fund at the end of the financial year. Instead, some entities retain the funds by opening letters of credit, while others transfer the funds to holding accounts or frontload them to implementing agencies. The Committee noted that the UPF had about **UGX.19Bn** in such funds at the close of the year. At the MoDVA, the books of accounts showed that **UGX.4Bn** was held on the holding accounts of the UPDF Engineering Brigade. However, while appearing before the Committee, the Accounting Officer informed the meeting that the actual amount was about **UGX.28Bn**. It was further submitted that about **UGX.40Bn** had been frontloaded to the National Enterprise Corporation.

Committee Observations

(i) Retaining unspent funds on holding accounts, frontloading them to agencies or tying them up in letters of credit at the close of the financial year circumvents Section 16 of the PFMA, Cap. 171, which requires unspent balances to be returned to the Consolidated Fund. Letters of credit opened for this purpose ought not to remain open beyond the six months permitted.

(ii) The difference between the **UGX.4Bn** shown in the books of the MoDVA and the **UGX.28Bn** disclosed by the Accounting Officer on the holding accounts of the UPDF Engineering Brigade shows that the financial statements do not fully disclose the funds held outside the Treasury.

(iii) The transfer of development funds at the close of the year is largely a result of weak procurement planning. Section 16(3) and Section 22 of the PFMA, Cap. 171 and Section 60 of the PPDA Act, Cap. 205, read together, emphasise the need for entities to plan their procurement in time so that appropriated funds are spent within the financial year.

Recommendations

The Committee recommends that:

(i) The Accounting Officers of the UPF and MoDVA should return to the Consolidated Fund all unspent balances held on holding accounts, frontloaded to agencies or retained without valid commitments, in accordance with Section 16(2) of the PFMA, Cap. 171, within three months of the adoption of this report;

(ii) The Auditor General should verify the funds held on the holding accounts of the UPDF Engineering Brigade and the funds frontloaded to the National Enterprise Corporation, and report to Parliament within six months of the adoption of this report;

(iii) The PS/ST should ensure that letters of credit opened at the close of a financial year relate to valid contracts and are not kept open beyond the period permitted, and that balances on expired letters of credit are returned to the Consolidated Fund; and

(iv) The Accounting Officers should initiate procurements early in the financial year, in line with their procurement plans, so that appropriated funds are committed and spent within the year.

12.0 PROCUREMENT VIOLATIONS

12.1 Failure to Comply with Procurement Planning and Reporting.

Section 60(1) of the PPDA Act, Cap. 205 requires a procuring and disposing entity, in accordance with the budget preparation procedures issued by the Minister, to prepare and submit to the Secretary to the Treasury and to the Authority, in each financial year and by a date determined by the Secretary to the Treasury, its annual procurement plan for the following financial year. Section 60(7) requires the plan to be reviewed and updated quarterly, while Section 60(9) requires the approved plan to be displayed on the procurement and disposal notice board for not less than twenty working days.

The Committee found that the four entities did not have procurement plans and procurement reports as required by the law. During the interactions with the Committee, none of the heads of the Procurement and Disposal Units could produce a report as prescribed under Section 60 of the Act.

Committee Observations

With the introduction of the e-GP system, the requirements under Section 60 of the PPDA Act, Cap. 205 are being ignored. The absence of procurement plans and reports undermines transparency, makes it difficult to monitor procurement against the budget, and contributes to the late transfer of funds at the close of the financial year reported under 11.0.

Recommendations

The Committee recommends that:

(i) The Minister responsible for finance should take disciplinary measures against the PS/ST and the Executive Director of the PPDA for failure to enforce the requirements under Section 60 of the PPDA Act, Cap. 205 on the submission, approval and display of the annual procurement plans of the entities, and report to Parliament within three months of the adoption of this report; and

(ii) The PS/ST should hold the Accounting Officers of the UPF, UPS, MIA and MoDVA liable for contravening Section 60 of the PPDA Act, Cap. 205.

12.2 Non-compliance with the Reservation Scheme

Section 63 of the PPDA Act, Cap. 205 and Paragraph 2 of PPDA Guideline No. 11 of 2024 on promoting the participation of registered associations of women, youth and persons with disabilities require an entity to reserve at least 15% of its annual procurement plan budget for awards to registered associations of women, youth and persons with disabilities.

The Auditor General observed that the UPS, MIA and MoDVA did not indicate the procurements reserved for registered associations, as required by the Guideline. As a result, no contracts were awarded to the registered associations.

The Accounting Officer of the UPS explained that the entity published a consolidated procurement plan, and that the special interest groups were considered by threshold during implementation. The Accounting Officer of the MIA explained that its procurement plan is generated through the e-GP system, which does not allow reservation planning. The Accounting Officer of the MoDVA explained that Guideline No. 11 of 2024 provides a ceiling for supplies, works, consultancy and non-consultancy services whose value does not exceed **UGX:30Mn**, and that the consolidated procurement plan of the MoDVA has no

items below that threshold, which makes it appear that the Guideline was not applied. The Accounting Officer added that the reservation was catered for in various invitations, as evidenced in the contracts.

Committee Observations

None of the Accounting Officers provided evidence to support their explanations. The reservation is a statutory social-policy requirement under Sections 53 and 63 of the PPDA Act, Cap. 205, and the failure to reserve and award contracts defeats the intent of Parliament and limits job creation for the special interest groups. The limitations of the e-GP system are an implementation gap and not a legal defence.

Recommendations

The Committee recommends that the Accounting Officers of the UPS, MIA and MoDVA should ensure strict compliance with Section 63 of the PPDA Act, Cap. 205 and Paragraph 2 of PPDA Guideline No. 11 of 2024, which promotes the participation of registered associations of women, youth and persons with disabilities, and report the resulting awards in their annual procurement reports.

12.3 Procurement Irregularities in the Evaluation Process

The PPDA (Evaluation) Regulations, 2023 require an evaluation to be conducted by an approved evaluation committee, which reports to the contracts committee through the Procurement and Disposal Unit. The Regulations further set out the evaluation rules and procedures to be followed.

The Auditor General reviewed the procurement records and found that three procurements of the UPF worth **UGX.505.94Mn** did not meet the evaluation criteria stated in the standard bidding documents. Some bids lacked trading licences, income tax clearance certificates and PPDA registration certificates, which contradicted the evaluation results and raised doubts about the accuracy and authenticity of the evaluation. The MoDVA had 57 contracts worth **UGX.152Bn** for which the bidding documents required a bid security, but the Accounting Officer irregularly excluded the requirement, which appears to have been intended to enable the procurement of meals ready to eat and ranger boots from the same supplier.

The Accounting Officer of the UPF explained that the contracts were awarded to prequalified companies, whose preliminary documents had been assessed

during prequalification, while the Accounting Officer of the MoDVA explained that the requirement was omitted at the contract drafting stage.

Committee Observations

Failure to adhere to the PPDA (Evaluation) Regulations, 2023 exposes the entities to the risk of non-performance or under-performance by contractors without any fallback position, which delays service delivery. Prequalification notwithstanding, an evaluation committee ought to confirm that the mandatory documents of bidders are valid at the time of bidding. At the MoDVA, the omission of the bid security from 57 contracts worth **UGX.152Bn** left Government without security against bidders who withdraw their bids or fail to sign contracts.

Recommendations

The Committee recommends that:

(i) The Accounting Officers of the UPF and MoDVA should ensure strict adherence to the PPDA (Evaluation) Regulations, 2023; and

(ii) The Inspector General of Government should investigate the Accounting Officer of the MoDVA and the evaluation committee that omitted the requirement for a bid security, with a view to prosecution, within three months of the adoption of this report.

12.4 Low Bidder Participation

Sections 46(c) and 49 of the PPDA Act, Cap. 205 require all public procurement to be conducted in a manner that maximises competition and achieves value for money, while Section 54 makes open bidding the preferred method of procurement. Section 91(1) restricts direct procurement to exceptional circumstances that prevent the use of competition.

The Auditor General analysed bidder participation and noted that only one bidder was invited and awarded contracts for nine procurements worth **UGX.149.69Mn** at the MIA, while the MoDVA awarded contracts worth **UGX.24.5Bn** for the supply of meals ready to eat and ranger boots to one company without competitive bidding.

The Accounting Officer of the MIA attributed this to the inadequate knowledge of bidders in using the e-GP system, while the Accounting Officer of the MoDVA attributed it to critical needs at a time when the existing framework contracts

were due to expire and the statutory timelines for putting new contracts in place would take long.

Committee Observations

Low bidder participation limits the opportunity to obtain value for money, increases the risk of inflated prices and exposes the procurement process to favouritism or bias, contrary to Sections 46(c) and 49 of the PPDA Act, Cap. 205. The expiry dates of the framework contracts of the MoDVA were known in advance. Under Section 2 of the Act, circumstances that ought to have been foreseen, or that arise from inadequate planning, are not urgent. Notably, Regulation 7(4) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 provides that competition shall not be excluded even in an emergency. At the MIA, inviting a single bidder for nine procurements appears inconsistent with Section 54 of the Act and with the minimum shortlists required under Regulations 20(1) and 23(2)(a).

Recommendations

The Committee recommends that:

(i) The PS/ST should hold the Accounting Officers of the MIA and MoDVA liable for contravening Sections 49 and 54 of the PPDA Act, Cap. 205;

(ii) The PPDA should conduct a procurement audit of the nine procurements worth UGX.149.69Mn at the MIA, and of the contracts worth UGX.24.5Bn for meals ready to eat and ranger boots at the MoDVA, to establish the method used, its approval under Section 85(2) of the Act and whether value for money was obtained, and report to Parliament within six months of the adoption of this report;

(iii) The Accounting Officer of the MoDVA should track the expiry dates of all framework contracts in the quarterly reviews of the procurement plan required under Section 60(7) of the Act, and initiate replacement procurements in good time before the existing contracts expire;

(iv) The Accounting Officer of the MIA should always invite at least the minimum number of bidders prescribed in Regulations 20(1) and

23(2)(a), and document the reasons for any departure, which should be approved by the Contracts Committee; and

(v) The PPDA, in liaison with MoFPED, should train and register more bidders on the e-GP system, with priority to the categories in which single-bidder procurements were recorded.

13.0 SYSTEM INEFFICIENCIES (E-GP SYSTEM)

Section 131 of the PPDA Act, Cap. 205 provides for the communication and submission of procurement information and documents by electronic means, as prescribed by regulations, while Section 57 requires all public procurement to be carried out in accordance with the Act, regulations and guidelines.

The Electronic Government Procurement (e-GP) system is a digital platform used for the creation, submission and management of all procurement processes in Government entities. On 15th February 2024, MoFPED issued the second budget execution circular, which required all entities to enrol on the e-GP system and carry out their end-to-end procurement and disposal processes on the system. This followed the initial pilot of the system in eleven selected entities.

The Auditor General, however, established that the system had several challenges, such as insufficient oversight support, lack of support for electronic submission, duplication of entries, reporting challenges and gaps in procurement planning, which resulted in entities procuring manually outside the e-GP system, contrary to both statutory and policy requirements.

The Accounting Officers of the UPF, UPS, MIA and MoDVA explained that they had reported these challenges to MoFPED, which informed them that the system was being re-engineered to address them.

Committee Observations

Government invested heavily in the system to achieve transparency, accountability, efficiency and competition in public procurement, and where the system does not function as intended, value for money from that investment is not realised. Procurement outside the platform bypasses its transparency safeguards, contrary to Section 57 of the PPDA Act, Cap. 205 and the regulations and guidelines on the use of the e-GP system.

Recommendations

The Committee recommends that:

(i) MoFPED should fast-track the re-engineering of the e-GP system within three months of the adoption of this report; and

(ii) The PPDA should conduct a compliance audit of all transactions conducted outside the e-GP system, and recommend to the PS/ST appropriate action against Accounting Officers who bypassed the platform without authorisation.

14.0 MANAGEMENT OF GOVERNMENT LAND

Paragraph 16.3.1 of the Treasury Instructions, 2017 requires the Accounting Officer to ensure that proper control systems are in place to manage non-current assets, and to implement preventive mechanisms to eliminate theft, losses, wastage and misuse.

The Auditor General reported that the UPF had encumbrances and disputes on two pieces of land in Naguru and Kabalagala measuring 0.987 hectares, and that no significant progress had been made to resolve them. During inspections of police stations in the year under review, the Auditor General further noted encroachment at three locations, namely Nateete (8.7 acres), Mukono (7.4 acres) and Nabingola Police Station in Mubende (2.471 acres).

The Auditor General further noted that, of the 172 pieces of land under the UPS, only 65 had titles, while 107 did not have registered titles. The asset register of the UPS did not show the size of 48 pieces of land, which made it impossible to determine the total land area owned by the entity. The UPS also occupied 70 pieces of land owned by various kingdoms, for which the agreements were not provided for audit.

The Accounting Officer of the UPF explained that the Force secures its land through surveying and titling, and that where encroachment has occurred, dispute resolution processes or evictions are undertaken. He further explained that part of the land accommodating Nabingola Police Station in Mubende District belongs to Kizito Rhoda, who is willing to give it up once compensated, and that the compensation process had been initiated.

The Accounting Officer of the UPS explained that most of the untitled land comprises facilities taken over from local governments, which are situated on

local government land. He noted that the Service continues to engage individual local governments and, where agreement is reached, the land is subdivided and titled in the name of the Uganda Land Commission. For prisons on kingdom land, Government is verifying the claims, after which the occupation will be regularised through agreements, leases or purchase.

Committee Observations

(i) Delays in resolving the disputes over police land, coupled with the lack of ownership records, may result in the loss of public land. Encroachment on and disputed ownership of police land in several locations also expose the UPF to litigation, delays in infrastructure development and additional costs for legal processes or compensation.

(ii) The absence of registered titles for 107 pieces of land, and of size information for 48 of them, points to weak controls over the land assets of the UPS, contrary to Paragraph 16.3.1 of the Treasury Instructions, 2017. Further, the UPS occupies 70 pieces of land owned by kingdoms without documented agreements, which leaves its facilities exposed to claims by the owners.

Recommendations

The Committee recommends that:

(i) The PS/ST should reprimand the Accounting Officer of the UPS for failing to register and title the land of the Service, contrary to Paragraph 16.3.1 of the Treasury Instructions, 2017;

(ii) The Accounting Officer of the UPS should, within 60 days of the adoption of this report, update the asset register with verified acreage for all the 48 parcels of land whose size was omitted, using the GIS mapping systems of the Ministry of Lands, Housing and Urban Development; and

(iii) The Accounting Officers of the UPF and UPS, in liaison with the Uganda Land Commission, should expedite the survey and titling of all untitled land, and the Accounting Officer of the UPS should conclude agreements with the kingdoms on whose land its facilities stand.

PART C: ISSUES SPECIFIC TO THE ENTITIES

15.0 VOTE 144: UGANDA POLICE FORCE

15.1 Inaccurate Asset Acquisition and Service Date Records

The Auditor General reported that a review of the asset register revealed inaccurate and illogical entries in the "Date of Purchase" and "Date Placed in Service" fields. Assets worth **UGX.90.40Bn** were recorded as placed in service before their documented purchase dates. These discrepancies indicate weaknesses in data entry controls and record validation, which may result in the misstatement of asset values, incorrect depreciation and unreliable asset management information for decision-making.

The Accounting Officer explained that, owing to an ongoing validation of fixed assets, depreciation periods had not been closed quarterly, which resulted in a default in-service date of 30th September 2024 being applied to the affected assets, and that MoFPED had been engaged to resolve the issue.

Committee Observations

Inaccurate asset records undermine the reliability of financial information, depreciation and asset management decisions. Section 43(4) of the PFMA, Cap. 171 requires Accounting Officers to manage, control and safeguard assets through proper records.

Recommendations

The Committee recommends that the Accounting Officer should complete the asset validation exercise, correct all erroneous records and institute periodic reviews and reconciliation of the asset register with the supporting acquisition documents, in accordance with the PFMA, Cap. 171 and the PFM Regulations, 2016.

15.2 Logistical Shortfalls in Anti-Stock Theft Unit Operations

The Auditor General reported significant shortfalls in the operational fleet of the Anti-Stock Theft Unit (ASTU). Of the 248 mobile assets required, only 168 (68%) are available, of which 115 are running and 53 are grounded, leaving a gap of 80 (32%), as shown in the table below:

Table 2: Logistical shortfalls in the ASTU

SN	Fleet	Required	Available/Status		Gaps
			Running	Grounded	

1	Motor Vehicles	32	11	6	15
2	APCs	35	3	4	28
3	Motorcycles	143	77	42	24
4	Lorries	6	5	1	0
5	Ambulances	4	1	0	3
6	Donkeys	9	9	0	0
7	Canine	16	9	0	7
8	Water bowser	3	0	0	3
Total		**248**	**115**	**53**	**80**

Source: Review of records and interviews with staff

These shortfalls undermine the ability of the ASTU to conduct timely operations, provide medical evacuation, support field deployment and maintain sustained patrols.

The Accounting Officer explained that the management of the UPF was engaging MoFPED for additional funding to provide adequately for the Unit.

Committee Observations

Armoured personnel carriers are the most affected category, with only seven of the 35 required available (three running and four grounded), an availability rate of 20%. The 53 grounded assets could potentially be returned to service through repair, which is cheaper than new procurement, and the cost of repairs ought to be presented separately from any request to MoFPED for new assets.

Recommendations

The Committee recommends that the Accounting Officer should prioritise the repair and rehabilitation of the grounded ASTU vehicles, and prepare a costed plan, separate from the cost of repairs, for the acquisition of the critical missing logistics, with priority given to high-risk regions.

15.3 Inadequate Firefighting Equipment, Tools and Support

Section 2.2.2 of the National Policy for Disaster Preparedness and Management, 2011 identifies fire hazards, including unplanned and massive fires that may destroy property, equipment, settlements and life, as priority risks requiring preparedness interventions.

The Policy requires fire brigade institutions to be adequately equipped and supported through the acquisition of firefighting equipment, sensitisation and public awareness campaigns. As the lead agency for fire hazard management under the Policy, the Directorate of Fire Prevention and Rescue Services is

required to maintain an operational and adequately equipped firefighting capacity.

The Auditor General reported that, of the 104 fire trucks, only 71 were operational, while 33 had either broken down or were pending disposal. Essential firefighting equipment, including breathing apparatus, foam branches, hoses and protective clothing, was either insufficient in quantity or in disrepair.

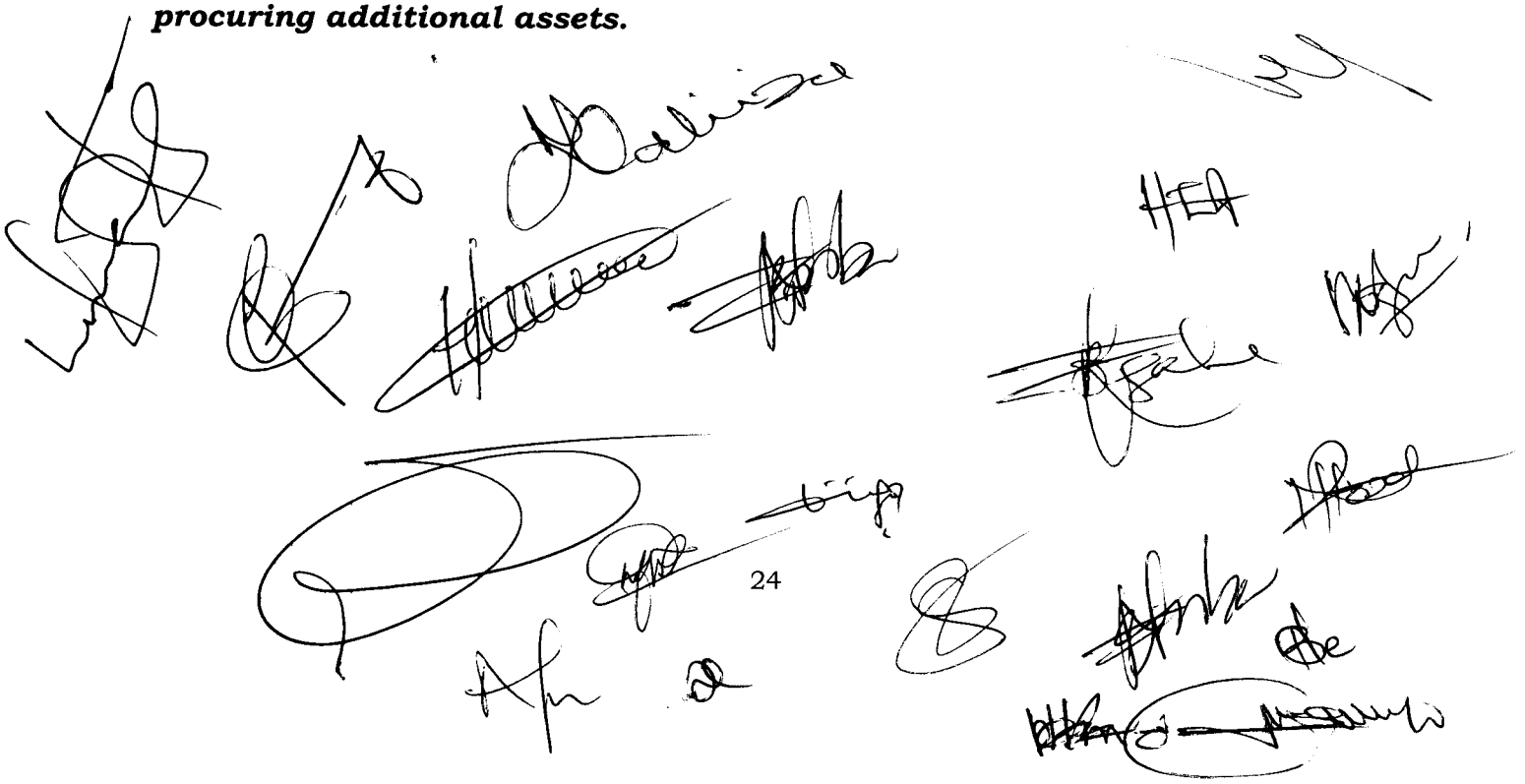
The Accounting Officer explained that, over the past five years, the number of fire trucks had increased, but the maintenance costs of this specialised equipment had not been factored in. Of the 33 grounded fire trucks, 14 had since been repaired, bringing the number of operational fire trucks to 85, compared with 71 at the time of audit. He added that the UPF was procuring three water tankers and four fire trucks in FY 2025/26.

Committee Observations

The fleet of fire trucks was expanded without providing for the maintenance of the specialised equipment, which is a planning and budgeting failure and not only a shortage of resources. Inadequate maintenance and availability of firefighting equipment compromise emergency response and expose the public to a greater risk of loss of life and property. The reliance on borrowed private-sector equipment for fire response is itself an operational risk, in terms of availability, response time and liability, which the audit did not assess.

Recommendations

The Committee recommends that the Accounting Officer should establish a funded preventive maintenance programme for specialised firefighting equipment, and ensure the timely repair of grounded equipment before procuring additional assets.



16.0 VOTE 145: UGANDA PRISONS SERVICE

16.1 Growth in the Prison Population and Persistent Congestion

The Auditor General reported that the trends in prison population and capacity had persistently worsened over the last five years, despite gradual improvements in infrastructure, as detailed below:

(a) The prison population increased from 61,614 inmates in FY 2020/21 to 79,153 in FY 2024/25, a rise of 28.5%, against a modest increase in holding capacity from 19,986 to 22,419, or 12%, over the same period; and

(b) The congestion rate worsened from 208% in FY 2020/21 to 253% in FY 2024/25, which means that prisons held about three and a half times their intended capacity.

Committee Observations

The mismatch between the prison population and the available holding capacity is caused by, among other factors, the prolonged stay of pre-trial remandees and other unconvicted prisoners, delays by the Police in completing investigations, and the low rate of case prosecution by the ODPP. Over the five years, the holding capacity grew by 2,433 places while the prison population grew by 17,539, and investment in infrastructure alone is therefore unlikely to resolve the congestion.

Recommendations

The Committee recommends that:

(i) MoFPED should provide sufficient development budget to the UPS to bridge the widening capacity deficit, while the Judiciary should mainstream alternative dispute resolution to reduce the prison congestion rate of 253%; and

(ii) The Committee on Defence and Internal Affairs, together with the Committee on Legal and Parliamentary Affairs, should provide policy guidance on the matter to Parliament and the sectors involved.

16.2 Low Cotton Production on Prison Farms

The Auditor General noted that, although the national cotton productivity standard is 800 kgs per acre[1], the UPS produced an average of 291kgs per acre

over the five years, which is only 36% of the national standard, as shown in the table below:

Table 3: Cotton production on prison farms, FY 2020/21 to FY 2024/25

FY	Acres	Seed Cotton produced (000' kgs)	Yield /Acre (Kgs)
FY 2020/21	4,893	1.25	255.64
FY 2021/22	5,169	1.88	362.76
FY 2022/23	5,145	1.48	287.99
FY 2023/24	5,455	1.47	270.1
FY 2024/25	5,007	1.39	278.02

Source: UPS statistical abstract reports

The Accounting Officer attributed the low cotton production to inadequate production systems, including the lack of farm machinery and irrigation infrastructure, low utilisation of inputs and the prolonged use of low-yield seed varieties. He added that the UPS had engaged MoFPED for additional funding and had adopted a new high-yield seed variety (BP 2015) as a corrective measure.

Committee Observations

Yields remained between 256kgs and 363kgs per acre over the five years, with no sustained improvement. The low yields are a missed opportunity to generate more non-tax revenue and to promote the self-sustainability of the Prisons Service.

Recommendations

The Committee recommends that:

(i) The Accounting Officer should consider modern irrigation systems to counter unreliable rainfall, and mechanise farm operations; and

(ii) The Committee on Defence and Internal Affairs should take interest in the matter and offer policy guidance to the House and the entity.

17.0 VOTE 009: MINISTRY OF INTERNAL AFFAIRS

17.1 Award of Contracts above the Confirmed Available Funds

Regulation 7(1) of the PPDA (Contracts) Regulations, 2023 provides that the certification of the availability of funds shall be made by the Accounting Officer or by any officer authorised by the Accounting Officer.

The Auditor General noted that management awarded contracts worth **UGX.278.23Mn** against confirmed available funds (estimated cost) of **UGX.243.25Mn**, exceeding the confirmed available funds by **UGX.34.99Mn**, with no indication of the source of the extra funding. Exceeding confirmed available funds and reserve prices could expose the Ministry to the accumulation of domestic arrears and the accompanying nugatory expenditure.

The Accounting Officer explained that this arose because users initiated procurements without factoring in the tax component, particularly the 18% VAT, when estimating prices, and added that the Ministry would address this capacity gap through additional training on whole-life costing at procurement initiation.

Committee Observations

This is contrary to Regulation 105(3) of the PPDA (Contracts) Regulations, 2023 and to the commitment controls under Section 20(2) of the PFMA, Cap. 171, and it generates avoidable domestic arrears. The omission of VAT from cost estimates is a basic costing failure and not an isolated error.

Recommendations

The Committee recommends that the Accounting Officer should ensure that, in future, all contract awards are strictly aligned with the available budget and the PPDA Regulations, to prevent the over-commitment of funds.

18.0 VOTE 004: MINISTRY OF DEFENCE AND VETERAN AFFAIRS

18.1 UPDF National Referral Hospital

The Auditor General noted that on 6th October 2017, the MoDVA signed a contract with an international engineering company for the construction of the UPDF National Referral Hospital at Lower Mbuya at a contract price of **UGX.106.3Bn**. The initial completion date of the project was 30th July 2020; however, the contract underwent numerous extensions, with the final completion date set at 30th July 2025.

The Auditor General inspected the hospital on 7th November 2025 and observed that various suppliers had been awarded contracts totalling **UGX.54.16Bn** to supply, fit and commission the hospital. However, by the time of audit, the following were observed:

(a) Medical Equipment

A total of 241 items of equipment listed in the various contracts had not been delivered, and 308 items supplied were found to be non-compliant and incompatible with the operational requirements of the hospital. Equipment such as laundry machines and kitchen equipment worth **UGX.1.96Bn**, ordered in 2020, had become outdated owing to technological advancements.

(b) Civil Works at the Hospital

The Auditor General further observed that the construction of the helicopter pad had been abandoned; the hospital experiences heavy flooding during the rainy seasons and some building structures have no water channels, which is likely to damage them; sections of the hospital, such as the outpatient department in Block A, the nursery ward for newborn babies and the recovery rooms, did not have medical gases such as oxygen, medical air and vacuum; and the VIP section had not been completed and was undergoing several structural changes. Only one of the two lifts for the VIP section was functional, as the second had not been installed.

The Accounting Officer explained that management had engaged the medical equipment suppliers to meet their contractual obligations by replacing the rejected equipment within specified periods, through an extension of the contract time. She further explained that there were delays in securing permission to construct the helicopter pad, that the design and works for improving the drainage were under way, and that the need to consult different stakeholders

during the works in this part of the hospital had delayed the completion of the VIP section.

Committee Observations

Eight years after the contract was signed, the hospital is still not fully commissioned, with 241 items of equipment undelivered and 308 rejected as non-compliant. Equipment worth **UGX.1.96Bn** ordered in 2020 had become outdated before use, which points to poor coordination between the procurement of equipment and the progress of the civil works. The absence of medical gases in key sections, together with the flooding of the premises, puts patients and the structures at risk.

Recommendations

The Committee recommends that:

(i) The Auditor General should conduct a forensic audit of the construction and equipping of the UPDF National Referral Hospital at Mbuya and report to Parliament within six months of the adoption of this report;

(ii) The Accounting Officer should enforce the contract terms against suppliers who have not delivered or replaced the rejected equipment, including the recovery of liquidated damages where applicable; and

(iii) The Accounting Officer should present to Parliament, within 90 days of the adoption of this report, a costed plan and timeline for the completion and full commissioning of the hospital, including the helicopter pad, the drainage works and the supply of medical gases.

18.2 Construction Works by the UPDF Engineering Brigade

The Auditor General observed that the UPDF Engineering Brigade under the Ministry has continued to implement projects of Ministries, Departments and Agencies (MDAs) under the Presidential Directive of July 2021. Since inception, the Brigade has signed up to undertake 394 projects, of which 216 (54.8%) were completed and 178 (45.2%) were ongoing.

The Auditor General requested documents relating to the Brigade, such as signed contracts or Memoranda of Understanding (MoUs), bills of quantities, approved designs, cashbooks, bank statements, payment records and progress

reports, among others. These were not provided for audit; however, a review of the available documents and correspondence established the following:

A total of **UGX.1.4Bn** was transferred to the Ministry for the construction of hospital wards and staff houses in four District Local Governments, namely Busia, Butambala, Kamwenge and Kanungu; however, these projects had not commenced. The Ministry also received a partial payment of **UGX.2.2Bn** to construct health infrastructure, such as outpatient departments, theatres and maternity wards, and to carry out general renovations in seven Local Governments. However, there were no signed MoUs between the Ministry of Health (MoH) and the MoDVA, and the Auditor General was therefore unable to establish the scope of works and the timelines for their completion.

The Ministry implemented a project for the supply and installation of transformers, stabilisers and associated cabling for 15 oxygen plants at **UGX.8.0Bn**, although it had not received the corresponding funds from the MoH at the time of implementation. Over 30 projects worth **UGX.20Bn** were paid for in full by the Government agencies concerned; however, these projects remain incomplete and behind schedule.

A total of 14 health centre projects worth **UGX.16.6Mn** had stalled pending additional funding from the MoH, while 48 projects worth **UGX.117.85Bn** showed slower physical progress than financial progress. Of the funds released, **UGX.79.03Bn** (67%) was outstanding.

The Accounting Officer explained that some of these issues were partly attributable to MDAs disbursing funds to the Ministry without MoUs, while some entities provide funds in phases. The Accounting Officer further explained that the failure to provide documents was due to the ongoing investigation by the Board of Inquiry.

Committee Observations

(i) Public funds from other votes are held by, or pass through, the MoDVA without auditable MoUs, cashbooks or bank statements, while a Board of Inquiry is ongoing. This is a significant accountability gap. Paying in full for unfinished works, commencing works without MoUs, and pre-financing works worth **UGX.8.0Bn** for which the MoH had not provided funds are contrary to Section 20 of the PFMA, Cap. 171.

(ii) The directive requiring entities to give construction works to the UPDF Engineering Brigade sets aside the competitive procurement required under the PPDA Act, Cap. 205, and the works are being implemented without the MoUs required by law. With several projects ongoing and many of them behind schedule or not started despite full payment, the Brigade does not appear to have the capacity to undertake all the works assigned to it, and whereas the directive was intended to create efficiency, it does not appear to be achieving that purpose.

(iii) The books of accounts of the MoDVA showed **UGX.4Bn** on the holding accounts of the Brigade, whereas the Accounting Officer informed the Committee that the amount was about **UGX.28Bn**. The investigation by the Board of Inquiry does not relieve the Accounting Officer of the duty to provide records to the Auditor General.

Recommendations

The Committee recommends that:

(i) Government should review the directive requiring MDAs to give construction works to the UPDF Engineering Brigade, so that the Brigade competes for works with other providers under the PPDA Act, Cap. 205 and is assigned only the works it has the capacity to deliver;

(ii) The PS/ST should ensure that no MDA transfers funds to the MoDVA for any project without a signed MoU specifying the scope, cost and timelines of the works;

(iii) The Auditor General should conduct a forensic audit of all projects undertaken by the Brigade on behalf of MDAs, including the funds held on its holding accounts, and report to Parliament within six months of the adoption of this report;

(iv) The Accounting Officer should, within 30 days of the adoption of this report, submit to the Auditor General all the documents relating to the projects implemented by the Brigade, including MoUs, bills of quantities, cashbooks and bank statements; and

(v) The Accounting Officer should submit to Parliament the report of the Board of Inquiry once it is concluded.

19.0 CONCLUSION

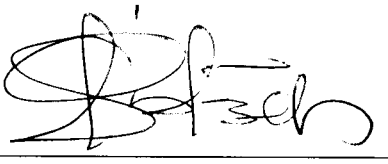
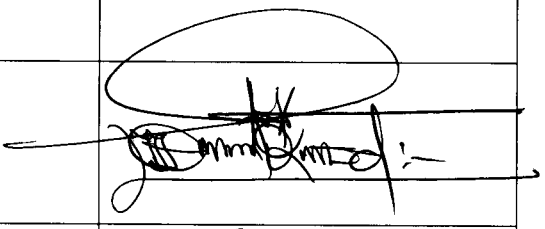
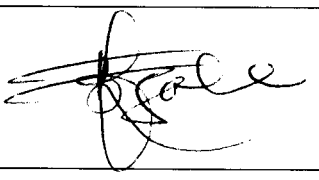
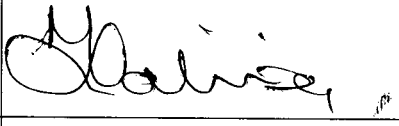
The Committee has examined the reports of the Auditor General on the Uganda Police Force, the Uganda Prisons Service, the Ministry of Internal Affairs and the Ministry of Defence and Veteran Affairs for the financial year ended 30th June 2025. The issues raised, including the diversion of funds, the accumulation of domestic arrears, the retention of funds beyond the close of the financial year and the disregard of procurement laws, recur across the four entities. The Committee urges the House to adopt the recommendations in this report, and the Accounting Officers, MoFPED and the PS/ST to implement them.

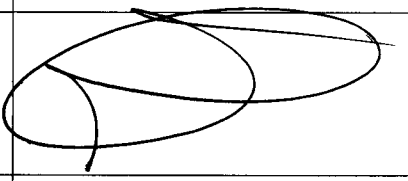
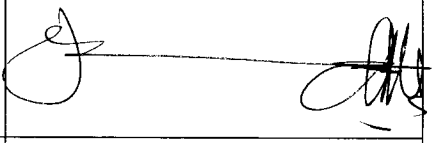
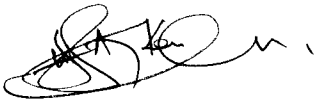
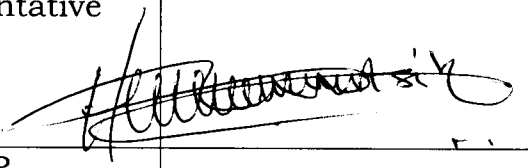
I beg to move.

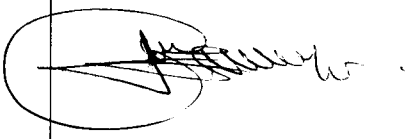
SIGNATURES OF MEMBERS OF THE COMMITTEE ON PUBLIC ACCOUNTS (CENTRAL GOVERNMENT)

S/N	NAME	CONSTITUENCY	SIGNATURE
1.	Hon. Nsamba Patrick Oshabe (Chairperson)	Kassanda North	
2.	Hon. Lwansasula Sarah (Deputy)	DWR Jinja City	
3.	Hon. Nantongo Fortunate Rose	DWR Kyotera District	
4.	Hon. Naluyima Betty Ethel	DWR Wakiso	
5.	Hon. Amaniyo Sheila Draville	DWR Mukono	
6.	Hon. Kanaabi Jimmy	Buikwe South	
7.	Hon. Lukyamuzi David Kalwanga	Busujju County	
8.	Hon. Kirya Grace Wanzala	Butembe County	
9.	Hon. Angura Fredrick	Tororo South Const.	

S/N	NAME	CONSTITUENCY	SIGNATURE
10.	Hon. Nsegumire Muhammad K.	Mityana North	
11.	Hon. Baseke Fred	Ntenjeru South	
12.	Hon. Karungi Annet Pamela	Kabarole District	
13.	Hon. Natumanya Flora	Kikube	
14.	Hon. Tumusiime John Bosco	Kashari South	
15.	Hon. Wanyama Richard	Samia Bugwe Central	
16.	Hon. Kambale Ferigo	Kasese Municipality	
17.	Hon. Ogama Ali Ismail	Lower Madi Okollo	
18.	Hon. Kugonza Emely	Buyanja East	
19.	Hon. Cadet Benjamin	Bunyaruguru	

S/N	NAME	CONSTITUENCY	SIGNATURE
20.	Hon. Waluswaka James	Bunyole West	
21.	Hon. Allan Atugonza	Buliisa	
22.	Hon. Katushabe Doreen B.	Kabula	
23.	Hon. Modoi Isaac	Lutsheshe	
24.	Hon. Herbert Edmund Ariko	Gweri County	
25.	Hon. Kahima Moses Mugabe	Ruhama East	
26.	Hon. Namujju Cissy Dionizia	DWR Lwengo	
27.	Hon. Kaliisa Jovrine Kyomukama	Ibanda	
28.	Hon. Nabirye Annet	DWR Luuka	
29.	Hon. Nazziwa Margaret	DWR Kagadi	

S/N	NAME	CONSTITUENCY	SIGNATURE
30.	Hon. Mwine Mpaka Rwamirama	Mbarara City South	
31.	Hon. James Kaberuka Niringiyama	Kinkizi County West	
32.	Hon. Namara Dennis	Buyaga West	
33.	Hon. Aogon Silas	Kumi Municipality	
34.	Hon. Kwizera Eddie W.	Bukimbiri County	
35.	Hon. Tumwesigye Anthony	Isingiro West	
36.	Hon. Wamakuyu Ignatius M.	Elgon County	
37.	Hon. Masaba Karim	Industrial Division	
38.	Hon. Maj. Gen. Henry Masiko	Army Representative	
39.	Hon. Hope Grania Nakazibwe	Mubende DWR	

S/N	NAME	CONSTITUENCY	SIGNATURE
40.	Hon. Gilbert Olanya	Kilak South	
41.	Hon. Godfrey Ocen	Kyoga North	
42.	Hon. Abdullah Kiwanuka	Mukono North	