THE REPUBLIC OF UGANDA

TREASURY MEMORANDUM

ON THE REPORT OF PARLIAMENT ON THE REPORT OF THE AUDITOR GENERAL FOR THE FINANCIAL YEAR 2023/24

VOLUME III

UGANDA MISSIONS ABROAD

PRESENTED BY

THE HON. MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

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LIST OF ABBREVIATIONS AND ACRONYMS

BC	Business Continuity
Bn	Billion
BoQ	Bill of Quantities
BoU	Bank of Uganda
CDC	Centers for Disease Control and Prevention
CDO	Cotton Development Organisation
CFR	Central Forest Reserve
CID	Criminal Investigations Directorate
CIP	Compliance Improvement Plan
CNDPF	Comprehensive National Development Framework
CoC	Certificate of Compliance
COSASE	Commissions, Statutory Authorities and State Enterprises
Covid-19	Coronavirus Disease
CSC	City Service Commission
DCIC	Directorate of Citizenship and Immigration Control
DDA	Dairy Development Authority
DGF	Democratic Governance Facility
DHoM	Deputy Head of Mission
DLB	District Land Board
DLG	District Local Government
DR	Disaster Recovery
DSC	District Service Commission
DTS	Digital Tracking Solution
EAC	East African Community
EC	Electoral Commission
ECCMIS	Electronic Court Case Management Information System
ECD	Economic and Commercial Diplomacy
EDMS	Electronic Document Management System
EFRIS	Electronic Fiscal Receipting & Invoicing Solution
EIA	Environmental Impact Assessment
EMIS	Education Management Information System
EOC	Equal Opportunities Commission
ERP	Enterprise Resource Planning
ETD	Emergency Travel Document
FIA	Financial Intelligence Authority
FMD	Foot and Mouth Disease
FSA	Foreign Service Allowance
FSO	Foreign Service Officer
FY	Financial Year
GBP	Great British Pound

GFMIS	Government Financial Management Information Systems
GoU	Government of the Republic of Uganda
GPA	Gross Payments Account
HCM	Human Capital Management
HESFB	Higher Education Students' Financing Board
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
HLG	Higher Local Government
HoM	Head of Mission
HSC	Health Service Commission
IAS	International Accounting Standards
IASB	International Accounting Standards Board
ICT	Information and Communications Technology
IDI	Infectious Diseases Institute
IFMS	Integrated Financial Management System
IFRS	International Financial Reporting Standards
IHMIS	Integrated Hospital Management Information System
ILMIS	Integrated Loan Management Information System
IPC	Interim Payment Certificate
IPPS	Integrated Personnel and Payroll System
IT	Information Technology
JICA	Japan International Cooperation Agency
JSC	Judicial Service Commission
JVA	Joint Venture Agreement
KCCA	Kampala Capital City Authority
Km	Kilometer
LC	Letters of Credit
LG	Local Government
LGFC	Local Government Finance Commission
LLG	Lower Local Government
LLIN	Long-Lasting Insecticidal Nets
M&E	Monitoring and Evaluation
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries
MBPS	Megabits Per Second
MCC	Milk Collection Center
MDA	Ministries, Departments and Agencies
MDALG	Ministries, Departments, Agencies and Local Governments
Mn	Million
MoES	Ministry of Education and Sports
MoFA	Ministry of Foreign Affairs
MoFPED	Ministry of Finance, Planning and Economic Development
MoH	Ministry of Health
MoICT&NG	Ministry of ICT and National Guidance

MoJCA	Ministry of Justice and Constitutional Affairs
MoLHUD	Ministry of Lands, Housing and Urban Development
MoPS	Ministry of Public Service
MoTIC	Ministry of Trade, Industry and Cooperatives
MoU	Memorandum of Understanding
MoWT	Ministry of Works and Transport
MTEF	Medium-Term Expenditure Framework
MTR	Mid-Term Review
NAADS	National Agricultural Advisory Services
NAGRC&DB	National Animal Genetic Resources Centre and Data Bank
NARO	National Agricultural Research Organisation
NBI/EGI	National Backbone Infrastructure/E-Government Infrastructure
NCDC	National Curriculum Development Centre
NDA	National Drug Authority
NDP	National Development Plan
NEF	National Environment Fund
NEMA	National Environment Management Authority
NFA	National Forestry Authority
NIN	National Identification Number
NIRA	National Identification and Registration Authority
NITA-U	National Information Technology Authority - Uganda
NL&GRB	National Lotteries and Gaming Regulatory Board
NMS	National Medical Stores
NMTS	National Meteorological Training School
NPA	National Planning Authority
NPC	National Population Council
NSC	National Standards Council
NSSF	National Social Security Fund
NTR	Non-Tax Revenue
NWSC	National Water and Sewerage Corporation
ODPP	Office of the Director of Public Prosecutions
PAC	Public Accounts Committee
PAP	Project Affected Persons
PAU	Petroleum Authority of Uganda
PAYE	Pay as You Earn
PBS	Programme Budgeting System
PCA	Parish Coffee Advisor
PDM	Parish Development Model
PDMIS	Parish Development Management Information System
PFMA	Public Finance Management Act, Cap. 171
PIAP	Programme Implementation Action Plan
PPDA	Public Procurement Disposal of Public Assets
PPR	Peste des Petits Ruminants

PROCAMIS	Prosecution Case Management Information System
PS/ST	Permanent Secretary/Secretary to the Treasury
PSC	Public Service Commission
PVoC	Pre-Export Verification of Conformity
PWD	Persons with Disabilities
RAPEX	Rationalisation of Agencies and Public Expenditure
SACCO	Savings and Credit Cooperative Organisation
SDLC	Systems Development Lifecycle
TB	Tuberculosis
TIN	Tax Identification Number
TREP	Taxpayer Registration and Expansion Program
UBOS	Uganda Bureau of Statistics
UBTEB	Uganda Business and Technical Examination Board
UCDA	Uganda Coffee Development Authority
UDC	Uganda Development Corporation
UEPB	Uganda Export Promotion Board
UESW	Uganda Electronic Single Window
UFZA	Uganda Free Zones Authority
UGX	Uganda Shilling
UHRC	Uganda Human Rights Commission
UIA	Uganda Investment Authority
UIRI	Uganda Industrial Research Institute
ULC	Uganda Land Commission
ULRC	Uganda Law Reform Commission
UMRA	Uganda Microfinance Regulatory Authority
UNBS	Uganda National Bureau of Standards
UNCST	Uganda National Council for Science & Technology
UNMA	Uganda National Meteorological Authority
UNMEB	Uganda National Medical Examination Board
UNRA	Uganda National Roads Authority
UNSA	Uganda National Students' Association
UPPC	Uganda Printing and Publishing Corporation
URA	Uganda Revenue Authority
URBRA	Uganda Retirements Benefits Regulatory Authority
URF	Uganda Road Fund
URSB	Uganda Registration Services Bureau
USD	United States Dollar
USPCL	Uganda Security Printing Company Limited
UTB	Uganda Tourism Board
UVRI	Uganda Virus Research Institute
VAT	Value Added Tax
WHT	Withholding Tax

GLOSSARY OF KEY TERMS IN PUBLIC FINANCE MANAGEMENT

Absorption of Funds: This refers to funds spent by Ministries, Departments and Agencies as a proportion of the funds released from Central Government, or, simply, the proportion of the budgeted funds that have been spent by an entity.

Academic Information Management System: It is an Integrated Information System locally designed and customised to meet the unique needs of the public educational institutions (with special emphasis on colleges and universities).

Accounts Payable: This refers to the amount of an entity's short-term obligation to pay for goods and services which the entity procured on credit. It includes payroll liabilities, third-party liabilities and other payables.

Adoption of the report of the Auditor General: Parliament shall, within six months after the submission of the report of the Auditor General, debate, consider and may adopt the report.

Approved Budget: The budget approved by the Parliament of the Republic of Uganda, normally adopted in May of the preceding Financial Year.

Budget Item: This is the lowest operational level of the budget, and represents the resources necessary to carry out activities.

Chart of Accounts: A list of accounts set up for an organisation, used to classify and record transactions in the organisation's books. This forms the basis for the detailed budget estimates.

Commitment: In the context of a vote, this means entering into a contract or other binding arrangement that creates a future expense or liability.

Contingent Asset: This means a possible asset that arises from past events and whose existence shall be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent liability: This means;

a) a possible obligation that arises from past events and whose existence shall be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

b) a present obligation that arises from past events but is not recognised because:

   i) it is not probable that an outflow of resources embodying economic benefits or service potential shall be required to settle the obligation; or

   ii) the amount of the obligation cannot be measured with sufficient reliability."

Domestic Arrears: These are financial obligations due but remain unpaid beyond the financial year in which they were incurred.

Electronic Government Procurement (e-GP): A web-based tool used to carry out public procurement and disposal, enabling the end-to-end Government procurement and disposal process online. It involves all stages, from procurement planning, bidding, evaluation, award, contract management, invoicing, and payment for supplies, works, and services.

Electronic Tax (e-Tax): It is an Integrated Tax Administration System that provides online services to the taxpayer on a 24-hour basis, making it easy for taxpayers to fulfil their tax obligations.

Entity: This includes a Government vote, fund, body corporate, and other organization and group of persons.

Expenditure limit: This is an amount provided under the annual or supplementary estimates which has been allocated to an entity by the Secretary to the Treasury to spend in a quarter.

Human Capital Management (HCM) System: An integrated system that streamlines and automates the various traditional administrative functions of Human Resource (HR) including; recruiting, training, payroll, compensation, and performance management to drive productivity and business value.

Integrated Financial Management System (IFMS): An integrated system that captures all accounting processes from budgeting, payment processing, cutting through to reporting.

Integrated Personnel and Payroll System (IPPS): It is a computerized automated Government Human Resource Management System. This system is being replaced by HCM.

Integrated Revenue Administration System (IRAS): It is a web and mobile application platform that aids local Government entities in collection of local revenue from registration, assessment, billing, payment, sensitization of taxpayers and linking the citizens to these entities.

Key Performance Indicators: These are measurable values to monitor progress of how effectively an organization is achieving specific objectives.

Letter of Credit: This is a written undertaking by a bank (the issuing bank) given to a supplier (the beneficiary) upon a request from a purchaser (the applicant) according to instructions to pay a specified amount of money on agreed fixed terms.

Microsoft Navision (NAV): This is the system used by Government to handle all payments and financial reporting in Uganda's foreign missions (Embassies, High Commissions and Consulates) as aligned with approved budget.

Programme Budgeting System (PBS): This is an online system used by all Government votes whose budgets are appropriated by Parliament for purposes of planning, budget preparation, and reporting on budget performance in a given financial year.

Programme: This relates to a group of entities (Votes) or parts of institutions which contribute towards a common function, e.g. Human Capital Development, Agro-industrialization, and Private Sector Development.

Reallocation of funds: Parliament may, by resolution, authorize the Minister to move funds from a vote to another vote where the functions of a vote are transferred to that other vote.

Secretary to the Treasury: This means a person appointed as such under Section 10 of the Public Finance Management Act, Cap 171.

Supplementary Budget: This is an in-year addition to an MDA's approved budget, which is also appropriated by Parliament during the course of the Financial Year as provided for in the PFM Act, Cap 171.
Treasury Single Account: This is a bank account held in Bank of Uganda for all Ministries, Departments, Agencies and Local Government entities.
Uganda Consolidated Fund: This is the Government account onto which all Government revenues and funds are paid and from which money is withdrawn to fund all activities of Government as per Article 153 of the Constitution.
Virement: This means the transfer of funds within the budget of a vote, from a budget line to another budget line authorised by the Minister responsible for Finance.
Vote: These are institutions (Ministries, Departments, Agencies and Local Governments) which are the basis of the annual budget and appropriations made by Parliament, and the basis for accountability
Warrant: This is an authority given by the Minister responsible for Finance to the Accountant General to withdraw funds from the Consolidated Fund as specified in section 32 of the Public Finance Management Act, Cap 171. Subsequently, the Accountant General issues quarterly warrants to Government entities to withdraw funds from the Consolidated Fund.

STATEMENT BY THE HON. MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

Rt. Hon. Speaker of Parliament,
Hon. Members of Parliament.

Rt. Hon. Speaker, Parliament passed resolutions on various Public Accounts Committee reports on the report of the Auditor General for the financial year ended 30th June 2024.

Rt. Hon. Speaker, Article 163 of the Constitution of the Republic of Uganda and Section 51 of the Public Finance Management Act, Cap. 171 requires the Minister responsible for Finance to submit a Treasury Memorandum detailing measures taken by each vote to implement the recommendations of Parliament.

This Treasury Memorandum presented before the House consists of six (6) volumes, namely:

Volume	I	–	Consolidated Financial Statements and Treasury Operations
Volume	II	–	Central Government Ministries
Volume	III	–	Uganda Missions Abroad
Volume	IV	–	Public Universities and Referral Hospitals
Volume	V	–	Local Governments
Volume	VI	–	Commissions, Statutory Authorities and State Enterprises

I thank Parliament for considering the report of the Auditor General and for carrying out its oversight role in ensuring that public funds are managed responsibly. The Executive reaffirms its commitment to the timely conclusion of the Public Financial Management accountability cycle.

Matia Kasaija (MP)
MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

STATEMENT BY THE PERMANENT SECRETARY/SECRETARY TO THE TREASURY

Section 10(2)(m) of the Public Finance Management Act, Cap. 171 requires the Secretary to the Treasury to prepare a Treasury Memorandum. Section 51 of the same Act specifies that a Treasury Memorandum shall contain measures taken by each vote to implement the recommendations of Parliament.

In pursuit of the above legal provisions, this Treasury Memorandum has been prepared in six (6) volumes and below are the highlights of the recommendations of Parliament and measures taken to address them:

A. Cross-Cutting Issues

1) Change in Accounting Treatment for Non-Current Assets

The Fixed Assets Module (FAM) of the Financial Management System (IFMS) was re-engineered to support the journey to accrual accounting.

Historical asset data was loaded into the FAM, and a comprehensive asset register for the whole of Government is now in place. The change resulted in a revision to the accounting treatment of non-current assets.

The change in accounting treatment for non-current assets was initially piloted during FY 2022/23 in five (5) votes, namely the Ministry of Defence and Veteran Affairs; the Uganda Police; the Internal Security Organisation; the External Security Organisation; and Kalungu District Local Government.

The change in accounting policy for non-current assets was subsequently rolled out to all Local and Central Government votes in FY 2023/24 and completed in FY 2024/25. This means that all non-current assets of Government are recognised/recorded on the face of the Statement of Financial Position.

2) Implementation of the item master restrictions

To support the above change and the management of assets, effective 1st July 2026, the GoU will implement item master restrictions, starting with the capital development budget. An item master is a centralised database within an Enterprise Resource Planning system, such as the Integrated Financial Management System; it is an inventory system that contains detailed, accurate, and structured information about every product, service, or raw material an organisation handles.

The item master will be enforced for capital expenditure items in the PFM systems of PBS, IFMS, and e-GP. The Item Master will ensure that work plans and budgets are implemented as intended and properly appropriated.

Training is ongoing country-wide for the item master implementation across both central and local Government entities.

3) Management of Non-Tax Revenue

The report of Parliament highlighted instances of under- or over-budgeting of non-tax revenue by entities. Some of these non-tax revenue budgets were not supported by underlying historical data.

To ensure credible revenue projections and to avoid mid-year corrections and supplementary budget requests, Accounting Officers have been requested to submit detailed, realistic source-by-source revenue forecasts to the Ministry of Finance, Planning and Economic Development for validation. You are further required to outline the key reforms and assumptions to improve non-tax revenue collections.

Section 27 of the Public Finance Management Act, Cap. 171 mandates the remittance of all Non-Tax Revenue collected by Votes to the Uganda Consolidated Fund. Accounting Officers have been reminded to comply with this provision of the Public Finance Management Act, Cap. 171.

Non-tax revenue collections against set targets will be one of the parameters for assessing the performance of Accounting Officers for non-tax revenue-collecting institutions.

Accordingly, performance contracts for Accounting Officers of non-tax revenue-collecting entities have been updated. Accounting Officers should ensure that NTR collections are in line with the annual budget forecast as approved by Parliament.

The Integrated Revenue Administration System (IRAS) has been implemented across all Local Governments to facilitate budgeting and revenue collection. The Ministry of Finance, Planning and Economic Development undertook consultative meetings with all votes to determine realistic non-tax revenue budgets.

4) Utilisation of the Wage, Pensions and Gratuity Budgets

The performance of the Wage, Pensions and Gratuity Budgets continues to pose a challenge to Government. One of the key recommendations of the special audit of the payroll by the Auditor General was the full integration of the Human Capital Management (HCM) system with the Integrated Financial Management System (IFMS).

The Government, through the Ministry of Public Service, has deepened the rollout of the Human Capital Management system to replace the Integrated Personnel and Payroll System. The Human Capital Management system offers more robust payroll management features, including salaries, retirement, transfers, and pensions, and this information feeds into the budgeting and payment process for salaries.

Government reiterates its commitment to enhancing the salaries and pensions of civil servants and ensuring they are paid by the 28th of each month.

5) Settlement of Domestic Arrears

Parliament has consistently and correctly recognised the persistent increase in domestic arrears despite various Government interventions. This is further obscured by some Accounting Officers concealing domestic arrears and paying these arrears that were previously neither disclosed nor budgeted for, leading to the diversion of funds and the crowding out of services planned for the year.

It is the duty of Accounting Officers to ensure that budget implementation occurs effectively, adhering to both approved work plans and budgetary constraints, to prevent the accumulation of new arrears.

A phased approach has been adopted to eliminate domestic arrears over the next three (3) financial years. This was informed by a verification conducted by the Auditor General to ensure only confirmed/verified domestic arrears are considered for settlement.

Payments will prioritise suppliers of goods/services in the following categories: statutory obligations; contractors for infrastructure, energy and water; taxes/deductions; utilities; and compensations under the

Uganda Land Commission, the Ministry of Lands, Housing and Urban Development, and the Ministry of Justice and Constitutional Affairs.

In financial year 2025/26, UGX 1.4Tn has been allocated for payment of domestic arrears. The Ministry has instituted the following measures:

i) Sanctioning Accounting Officers for the creation of new domestic arrears by not renewing their contracts as Accounting Officers;
ii) Accounting Officers should not sign any new contracts without confirmation of the availability of resources.

Accounting Officers have been reminded in their appointment letters of their duty to ensure proper utilisation of appropriated budget in line with the approved work plans.

6) Implementation of Approved Work Plans and Activities

The report of Parliament also highlighted instances of partial or non-implementation of approved work plans across several entities.

During budget implementation, Accounting Officers are required to submit quarterly budget performance reports. Expenditure limits are communicated based on the work plans, performance of the previous quarter and the actual cash projections of Government.

Accounting Officers have also been directed to put in place robust monitoring and evaluation frameworks to enable real-time tracking of the execution of ongoing projects. In addition, Accounting Officers were advised to re-scope ongoing projects and activities to address bottlenecks that lead to time and cost overruns.

B. Specific Issues

Uganda Missions Abroad

7) Operationalisation of the Economic and Commercial Diplomacy Strategy

The Economic and Commercial Diplomacy Strategic Plan has been fully rolled out for implementation, enabling Missions abroad to contribute to the Tenfold Growth Strategy.

Accordingly, this Ministry will continue working closely with the Ministry of Foreign Affairs and the National Planning Authority to support the Missions Abroad in fully integrating their Economic and

Commercial Diplomacy interventions into the Programme Implementation Action Plans and the Mission Strategic Plans.

The Economic and Commercial Diplomacy funding is results-based, and consequently, the budget allocations are guided by:

i) Strategic positioning of Missions with regard to economic potential
ii) Implementation performance
iii) Prevailing conditions for implementing activities

8) Exchange Rate fluctuations/Loss of Poundage

Releases to Missions were hitherto transferred in United States dollars on a quarterly basis, which often resulted in a loss of poundage due to foreign exchange rate fluctuations, thereby affecting the implementation of activities.

As a mitigation measure, the release of funds to Missions has been changed to a semi-annual basis and in several major currencies, such as the United States dollar, the euro, the British pound and the Danish krone to hedge against loss of poundage and to enable Missions to meet obligations which require one-off payments, such as rent.

However, the Missions have been advised to continue holding quarterly finance committee meetings to agree on the priority areas of expenditure before the warrants are issued. Once warrants are issued, the Finance Committee meets to review progress.

Public Universities and Referral Hospitals

9) Off-Budget Financing

Off-budget financing continues to persist, especially amongst Public Universities, Referral Hospitals, and Specialised Health Facilities.

The Programme Budgeting System was upgraded with features that make it mandatory for Accounting Officers to declare known and/anticipated external financing during the budgeting process.

Accounting Officers have also been notified not to accept any external financing without prior authorisation from the Minister responsible for Finance.

10) Status of Medical Equipment

The report highlighted that hospitals lacked specialised personnel to operate medical machines, often leaving these machines idle. This is an indication of poor human resource planning as health facilities acquired machines without due regard to the existence of personnel to operate them. In addition, the maintenance of medical equipment was either lacking or inadequate. Idle/non-functional medical equipment denies the community proper health services.

Government adopted the policy of using the Placement Method in the acquisition of medical equipment as opposed to outright purchase of viable medical equipment, such as laboratory and dialysis equipment.

The Ministry of Health has taken lead in addressing the recruitment and placement of health workers at the various health facilities with the appropriate skill sets to operate the machines.

The budget allocation for medical equipment maintenance at health facilities will continue to be addressed through the Government appropriation processes.

Commissions, Statutory Authorities and State Enterprises

11) Rationalisation of Government Agencies and Public Expenditure

H.E. the President assented to 34 RAPEX Bills. The rationalised institutions/functions and their respective budgets have been transferred to the receiving Votes or departments. All Accounting Officers have been advised to ensure that the new functions are fully operationalised.

Ramathan Ggoobi

PERMANENT SECRETARY/SECRETARY TO THE TREASURY

VOTE 501: UGANDA MISSION AT THE UNITED NATIONS, NEW YORK	
Query	**Un-utilised Warrants**

Audit Findings

The entity had total revenue of UGX 17.05Bn, while total expenditure amounted to UGX 17.98Bn, leading to excess expenditure of UGX 0.94Bn, as summarised in the table below;

Table showing Utilisation of warrants

No.	Programme	Receipts from GoU-UGX Bn	Utilisation of Funds-UGX Bn	Funds not Utilised -UGX Bn
1	Governance & Security	16.899	17.836	(0.937)
2	Development Plan Implementation	0.148	0.148	
	Total	**17.047**	**17.984**	**(0.937)**

Audit noted that the Mission not only fully utilised the funds availed, but also incurred excess expenditure, which was funded from funds retained by the Mission from the prior year, which were provided by Treasury for the procurement of an air circulation unit.

The Accounting Officer acknowledged the observation.

Recommendation

The Accounting Officer was advised to ensure that efforts are made to utilise the available funds in accordance with the approved appropriation to implement the planned activities and attain the planned objectives.

Action Status

The unutilised funds from FY 2022/23 were retained and used during FY 2023/24, and as a result, affected the appropriation statements with an overutilisation of UGX 0.94Bn. These were funds used for the procurement and installation of an air circulation unit.

Query	**Outstanding Rental Collection**

Audit Findings

Included in the Mission's Statement of Financial Position are Receivables of UGX 8.13Bn (up from UGX 7.7Bn as at 30th June 2023). This amount comprises uncollected rent from tenants at the properties managed by the Mission.

The audit observed that this amount continued to grow, despite recommendations in the previous audit reports. A total of UGX 1.57Bn was accrued in the year under review alone. Delayed

collection of all rental dues could lead to eventual loss to the Government. Management acknowledged the findings and indicated that notifications had been sent to the tenants of Uganda House and that meetings for those with arrears had been held, in an effort to collect the outstanding rent from tenants.	
Recommendation	
The Accounting Officer was advised to strengthen efforts to collect all outstanding rental dues, and where possible, even seek assistance from responsible stakeholders.	
Action Status	
Management acknowledges the existence of rent arrears and has made efforts to collect rent from tenants. However, it has become increasingly hard to impose penalties for uncollected rent. Rather, management has taken a more diplomatic approach of negotiating with existing tenants to pay as soon as they have funds.	
Query	**Excess Expenditure**
Audit Findings A review of the Statements of Appropriation for the Financial Year ended 30th June 2024, on pages 13 and 14 of the financial statements, revealed that the Mission incurred excess expenditure amounting to UGX 0.98Bn. Audit noted that, as disclosed in the commentary to the Accounts by the Head of Accounts on page 8 of the financial statements, the excess expenditure was funded through retained funds from the prior year. The Treasury had provided these funds for the procurement of an air circulation unit. The delayed receipt of funds from Treasury, coupled with the delayed completion of the procurement processes for the supplier, led to the completion of the contracting process in the subsequent FY 2023/24. Management acknowledged the excess expenditure, occasioned by the receipt of the funding late in June 2023, which necessitated its utilisation during FY 2023/24.	
Recommendation	
The Accounting Officer was advised to always adhere to the approved budget or else use the available options of seeking a supplementary allocation or virement/reallocations, in the event of need.	

Action Status	
Management acknowledges that, whereas there were other appropriate options such as a request for supplementary allocation or virements/reallocations, the nature of the emergencies relating to air circulation of the chancery building necessitated that funds be retained and used for the process since they had been released late.	
Query	**Failure to fully Implement Planned Activities**

Audit Findings

Audit assessed the implementation of three (3) Programmes that were fully quantified with nine (9) activities worth UGX 10.7Bn and noted that, out of the nine (9) quantified activities assessed, one (1) activity exceeded the target, while another one (1) activity was fully implemented. Another five (5) activities representing 56% were partially implemented. Two (2) activities representing 22% were not implemented at all. The details are summarised in the table below;

Table showing the level of implementation of activities

S/n	Reporting	Activities	Performance in%
1	Fully Implemented (equal to or above 100%)	2	22
2	Partially Implemented (less than 100%)	5	56
3	Not Implemented (0%)	2	22
	Total outputs		**100**

The activities that were not implemented included;

i) Organising/hosting Uganda event
ii) Holding Annual Retreat

Some of the major activities that were partially implemented included;

i) Holding performance review meetings
ii) Participation in meetings on the implementation of the UN Global Counter Terrorism Strategy
iii) Participation in meetings on the promotion of international peace and security.
iv) Capacity building opportunities sourced.

Failure to fully implement all planned activities implies that the Mission's annual objectives were not fully attained.

The Accounting Officer explained that due to the heavy work schedule of being NAM and G77 chair, the majority of the staff of the Mission could not implement the above activities due to the heavy workload and extremely busy work schedules. The Mission expects to carry out these activities in the current financial year. The Mission had planned for a retreat scheduled for Q3 in the FY 24/25 to carefully address issues of performance, among others.	
Recommendation	
The Accounting Officer was advised to ensure that the activities not fully implemented are rolled over for implementation in the subsequent period, in order to attain the objectives in the Mission's strategic plan.	
Action Status	
The unimplemented and partially implemented activities were rolled over and carried out in the subsequent financial year 2024/25.	
Query	**Accumulated Security Deposits**
Audit Findings Included in the statement of Financial Position as at year end were security deposits for rental tenants amounting to UGX 1.33Bn. Audit noted that this amount has always been transferred to the UCF by the Mission, in accordance with the requirements of the Ministry of Finance, Planning and Economic Development. However, this practice means that the Mission would have to claim these funds at the time tenants are exiting the rented properties, since the security deposits are remitted to the Treasury. This arrangement has left the Mission in a position of not being able to promptly pay the departing tenants their security deposits, due to the delays in obtaining the funds back from Treasury. By year-end, for example, there was a claim by the Permanent Mission of the Republic of Sierra Leone to the United Nations for a refund of the security deposit made for rent of the 6th Floor of the Uganda House. The lease expired on 30th March 2023, but to date, the Mission has not yet been able to pay the security deposit of USD.18,029 (UGX 66.8Mn), since the funds had been transferred to the UCF, as required by the Accountant General. This exposes the Mission to a risk of costly legal suits in the event of an aggrieved tenant choosing to recover their security deposits from	

the Mission. This can cause diplomatic embarrassment to the Mission and the Country. The Accounting Officer explained that the Mission was liaising with MoFPED on how best to manage the security deposits transferred to the Uganda Consolidated Fund. In addition, the Mission had sent out a communication to the PS/ST requesting permission to use part of the current year NTR collections to refund the security deposit.	
Recommendation	
The Accounting Officer was advised to continue the engagement with the line Ministry and that of Finance, Planning and Economic Development, to avail the funds without further delay, and to consider changing the practice and have the security deposits left at the Mission, in a separately controlled account, to enable prompt settlements once tenants depart.	
Action Status	
While waiting for guidance from MoFPED, management has decided to retain part of the funds from rent collections for the upcoming Financial Year to cater for the payment of Security Deposits of Tenants. These funds will be kept on the rent account to avoid having too many bank accounts held by the Mission.	
Query	**Outstanding Domestic Arrears**
Audit Findings Examination of the statement of financial position as at 30th June 2024 on page 10 of the financial statements revealed that the Mission had outstanding commitments at the year-end amounting to UGX 1.96Bn. The existence of unpaid invoices means that the Mission did not adhere to the Commitment Control System of Government, aimed at avoiding the creation of domestic arrears. Management acknowledged this issue and attributed it to the increased Mission staffing position as well as responsibilities, that were not matched with an increment in the Mission Budget.	
Recommendation	
The Accounting Officer was advised to strictly adhere to the Commitment Control System of Government going forward, and consider engaging the responsible stakeholders, to avail the extra	

resources needed to support the increased staff numbers as well as responsibilities.	
Action Status	
The budget allocations required by the entity to support the increased staff numbers and responsibilities will continue to be addressed through the Government appropriation processes.	
Query	**Use of the Direct Procurement Method**
Audit Findings Section 58(1) of the PPDA Act, Cap 205, requires that a procuring and disposing entity shall, in each financial year, by a date determined by the Secretary to the Treasury, prepare and submit to the Secretary to the Treasury and to the Authority, its annual procurement plan for the following financial year. The PPDA regulations provide for various procurement methods that can be utilised by an entity to procure any goods and services that are included in the annual procurement plan. Audit noted that, although the Mission compiled a procurement plan for the year under review, all procurements were planned to be undertaken using the direct procurement method, even for instances where other modes of procurement could be utilised, such as repairs, furniture, and workshops/conference venues. Use of the direct procurement method does not guarantee attainment of economical prices for goods and services. The Accounting Officer appreciated the observation and indicated that going forward, the Mission was to ensure adherence to the Uganda Public Procurement and Disposal Act.	
Recommendation	
The Accounting Officer was advised to ensure strict adherence to the procurement laws/regulations and utilise appropriate procurement methods going forward.	
Action Status	
These weaknesses were caused by the various costs incurred in adhering to the different procurement processes and the occurrence of emergencies, especially with the heating and cooling system.	

The Mission, in liaison with MoFA and MoFPED, is taking the necessary steps to streamline the procurement processes.	
Query	**Operational Challenges**

Audit Findings

The Permanent Mission of Uganda to the United Nations is mandated under the Mission Service Charter of the MoFA to represent, protect and promote Uganda's interests in the international body.

The Mission is to undertake the above mandate by;

i) Coordinating regional and international peace and security issues
ii) Effective representation of Uganda at the United Nations
iii) Multilateral and bilateral diplomacy, Consular and Protocol services
iv) Management and diaspora relations
v) Information, linkages and contacts on Trade, Tourism and Investment opportunities, education and culture.
vi) Dissemination of information on Uganda's Foreign Policy
vii) Liaison with the Uganda Government Ministries and other entities

A comparison of the entity's strategic and annual work plan with the mandate as stipulated in relevant laws revealed that the entity had, to a large extent, executed the above mandates, as summarised in the commentary by the Accounting Officer, under the Key Performance Highlights on pages 5 to 6 of the financial statements.

Discussions with the Head of Mission and the Accounting Officer revealed that the Mission's performance is currently impacted by several challenges, key among which include the following;

i) The Mission continues to face a problem of a restricted structure that cannot afford to have enough staff to cover all UN agencies. The expanded role of the Mission, with the assumption of the Chair of the Group of 77 and China (G77+1), has left all Mission staff stretched and working long hours, yet the structure was not correspondingly adjusted.

ii) The Mission currently has two Deputy Heads of Missions, with the second one posted, without a corresponding additional budget allocation. iii) The Mission suffered from the passing of the LGBT law in Uganda; the Mission was attacked by unknown persons who broke the front door of Uganda House. iv) The high cost of living in New York also affects the operations of the Mission. The above challenges, if not addressed, could negatively impact the Mission's capacity to deliver on its mandate. The Accounting Officer acknowledged the observation and explained that the Mission has since constantly engaged with the MoFA and MoFPED on its challenges. The constant budget cuts further exaggerate the challenges.	
Recommendation	
The Accounting Officer was advised to continue engaging all responsible stakeholders, especially the MoFA and MoFPED, to ensure that adequate resources are available and structural enhancements are made, enabling the Mission to execute its mandate fully.	
Action Status	
The budget allocations to enable the entity execute its mandate will continue to be addressed through the Government appropriation processes.	
Query	**Diversion of Funds**
Audit Findings Section 10.4.1 of the Treasury Instructions 2017 stipulates that the Accounting Officer has a primary responsibility of ensuring that there is no mischarge and diversion of funds through wrong coding of transactions. It further states that he/she shall be held personally liable for any wrongly charged accounts used for expenditure incurred by his or her vote. In addition, Chapter 6-400 (a) of the Treasury Instructions 2010 requires that transactions be recorded in the books of accounts applying the Government of Uganda Chart of Accounts as prescribed by the Accountant General, and Accounting Officers ensure that all financial transactions are properly coded. The intention is to	

facilitate better and consistent classification of financial transactions and also track budget performance per item. From a sample of transactions reviewed, the audit noted that funds to the tune of USD 31,773.25 (Equivalent to UGX 117.77Mn) were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. Diversion of funds is not only contrary to the financial regulations, but it also negatively affects the delivery of services and negates the purpose of budgeting. Management acknowledged the observation and committed to avoiding mischarging in the future, and to adhering to the expenditure classification and coding as defined by the Government of Uganda Chart of Accounts.	
Recommendation	
The Accounting Officer was advised to ensure that expenditure is charged based on the expenditure classification and coding as defined by the Chart of Accounts, rather than on reasons for the expenditure.	
Action Status	
MoFPED, in liaison with MoFA, guided the Missions during the review of their budget composition and equipped them with measures of managing mischarges. This is in addition to the several reminders by the PSST to Accounting Officers in their appointment letters about their duty to ensure proper utilisation of their vote budgets as per section 43 of the PFMA Cap 171.	
VOTE 502: UGANDA HIGH COMMISSION IN THE UNITED KINGDOM	
Query	**Non-transfer of NTR**
Audit Findings Section 27(2) (a) of the Pubic Finance Management Act Cap 171 states that “revenue collected or received by a vote, state enterprise or Public Corporation shall be paid into and shall form part of the Consolidated Fund. Additionally, the annual Budget implementation circulars issued by the Permanent Secretary and the Secretary to	

the Treasury require that NTR collections by votes are transferred monthly to the Uganda Consolidated Fund (UCF). Audit observed that, although UGX 0.8Bn was collected as NTR during the year, only UGX 0.75Bn was transferred to UCF by the close of the financial year, leaving a balance of UGX 0.05Bn not transferred, contrary to Treasury Instructions. This creates a risk of NTR utilisation at the source. Audit further noted, from Note 21: Cash and cash equivalents, that, as at the close of the financial year, the balance on the Revenue Bank Account was UGX 0.09Bn, implying that even part of the NTR of prior years was still held on the account. This exposes the funds to a risk of irregular utilisation at the source. The Accounting Officer explained that the NTR was transferred before the end of the financial year. The balance was earmarked for security deposits for the tenants, as had previously been advised that some funds should be maintained for security deposits. All funds will be transferred going forward.
Recommendation
The Accounting Officer was advised to ensure that; i) All NTR is transferred monthly to the consolidated fund. ii) The security deposits are planned and budgeted for so that revenues collected in the new financial year can be used for any refunds.
Action Status
All the NTR amounting to UGX 0.75Bn earned during the year was transferred before the close of the FY. The balance on the account amounting to UGX 0.09Bn relates to security deposits refundable to tenants. This amount comprises UGX 0.05Bn for the year under review and UGX 0.04Bn for prior years.
Query — **Unauthorized Reallocations**
Parliament annually appropriates the budget for each entity in accordance with specific item codes. The purpose is to ensure budgetary control over the available funds. The Public Finance Management Act, Cap 171, permits an Accounting Officer to seek necessary authority in the event of a need for variation of the appropriation.

Audit noted that during the year (on 16th October 2023), the Accounting Officer wrote to the PS/ST requesting GBP 42,187 (UGX 0.21Bn) to pay medical bills for an officer. Although there was no evidence that the request was granted/authorized, the High Commission irregularly reallocated funds across various items to clear the bills. In addition, from a review of the expenditures disclosed in the Statement of Financial Performance and Statements of Appropriation, the Audit noted that the High Commission irregularly reallocated funds amounting to GBP 584,049 (equivalent to UGX 2.74Bn). Included in that amount is a total of GBP.203,321 (equivalent to UGX 0.95Bn) diverted from item 211102: Contract staff salaries and paid as Foreign Service Allowance for Home based staff even though the 2021 Chart of Accounts requires that this item shall include Salaries of personnel on contract (not permanent and pensionable) including the salaries of local staff at Uganda Missions/Embassies abroad. Such unauthorised reallocations defeat budgetary controls and distort financial reporting as items are reported with expenditures not related to their activities. The Accounting Officer attributed the mischarges to insufficient funding, including an inadequate medical budget of GBP 5,271 for the financial year 2023/24 and misallocation of Foreign Service Allowance under contract staff salaries. Moving forward, the mission will work with MoFPED to secure adequate funding and prevent future mischarges.
Recommendation
The Accounting Officer was advised to ensure that authorisation is obtained before reallocations and to improve the budgeting formulation process so that items are allocated adequate funding depending on the activities.
Action Status
MoFPED, in liaison with MoFA, guided the Missions during the review of their budget composition and equipped them with measures of managing mischarges.

This is in addition to the several reminders by the PSST to Accounting Officers in their appointment letters about their duty to ensure the proper utilisation of their vote budgets as per section 43 of the PFMA Cap,171.	
Query	**Borrowing from NTR**

Audit Findings

Section 27(2)(a) of the Public Finance Management Act, Cap 171, provides that all revenues or other money raised or received for the purpose of the Government shall be paid into and shall form part of the Consolidated Fund.

Audit noted that Management borrowed an amount of GBP. 42,500 from the NTR Account to finance Mission activities, contrary to guidance from the Ministry of Finance, Planning and Economic Development. However, GBP 18,000 out of GBP 42,500 was refunded, leaving GBP 24,500 (equivalent to UGX 0.12Bn) outstanding by the end of the financial year.

Table showing borrowings from NTR

Date	Document type	Amount - GBP	Purpose	Remarks
19/10/2023	TT-N0034	24,500	Transfer to Operational Acct	No Refund
11/07/2023	TT-N0035	18,000	Transfer to Operational Acct	Refunded on 03/08/2023
Total		**42,500**		

Use and exchange rate of 1GBP = UGX4,682.5 as at 30/06/24

Use of NTR funds without approval is irregular.

The Accounting Officer explained that a supplementary request was made to cover urgent medical bills for an officer hospitalised for two months, but it was not approved. The annual medical budget of GBP 5,271 was insufficient, and the Mission had to settle the hospital payment to prevent additional legal costs.

Recommendation

The Accounting Officer was advised to ensure that authority is always obtained before such a borrowing. Management should also engage the MoFA and MoFPED to lobby for sufficient medical funding for the staff.

Action Status

The annual medical budget of GBP 5,271 was insufficient to settle the hospital payment of GBP 42,187. As indicated earlier, the Accounting Officer wrote to the PS/ST on 16th October 2023, to authorise payment for the officer's medical bills. Based on that, the High Commission borrowed funds to settle the bills, have the officer discharged from the hospital, and to avoid further accumulation of bills.

Query	Unrecovered Rent Deposits

Audit Findings

According to the tenancy agreements reviewed for the rental of the Officer's residence, tenants are required to pay security deposits for the period they're renting, in addition to rental payments. Upon termination of the tenancy, the deposit is refunded to the tenant if the property is left in good condition.

The Audit noted that GBP 13,103 (Equivalent to UGX 61,354,798) in security deposits was not refunded, despite some occupants having either left the Mission or transferred to other accommodation.

Table showing unrecovered Rent Deposits

Landlord/Location	Occupant	Amount of Deposit (GBP)	Remarks
83 Longland Drive, Tottenham	FSO 1	2,884.61	Changed
Greenfordes Ltd Tillermans	Finance Attache'	1,450	Changed apartment
78 Linkside W Finchley	FSO 2	2,769.23	Recalled in 2022
1 Hillcourt Ave. North F N12 8EY	Former Accounting Officer	6,000	Vacated December 2020
Total		**13,103.84**	

Delays in requesting refunds from the landlords may result in a loss of funds. Besides, although the deposits are supposed to earn interest, there is no evidence that the High Commission has demanded it.

The Accounting Officer committed to recovering all deposits, noting that partial recovery had been made on GBP 14,219.23 from Greenfolds LTD and Linkside W Finchley Apartments, while GBP 8,884.61 remains unrecovered, with negotiations ongoing.

Recommendation

The Accounting Officer should ensure prompt recovery of all deposits on termination of tenancy.

Action Status

Partial recovery of deposits for GBP 1,450 and GBP 2,769.23 from Greenford Ltd and 78 Linkside W Finchley Drive was made, subject

to applicable deductions for repairs and maintenance of the rented properties provided for in the contracts. Negotiations are still ongoing for the remaining two properties on Hill Court Avenue and Longland Drive. Usually, tenants in the UK are not expected to accrue interest on the security deposits for rent.	
Query	**Shortfalls in NTR Collections**
Audit Findings The audit reviewed the NTR estimates, revenue sources and rates charged at the Vote level for the FY 2023/2024. It noted that although the Consulate's budget was to collect NTR of UGX 3.16Bn during the year under review, UGX 0.80Bn was collected as reported in the financial statements, implying that the NTR collected represented 25% of the planned target. Shortfalls in NTR collections at the vote level result in aggregate NTR/revenue shortfalls at the Treasury level, which negatively affect the implementation of planned Government activities. In addition, unrealistic NTR estimates at the vote level propagate to the Treasury level, negatively affecting the budget's credibility. The Accounting Officer stated that the Mission was not consulted on the estimates, but will coordinate with MoFPED to ensure more realistic budgets in the future.	
Recommendation	
The Accounting Officer was advised to engage MoFPED early enough during budget formulation to ensure that realistic budgets are formulated.	
Action Status	
NTR estimates were prepared by MoFPED, including figures remitted directly to URA and not collected by the mission. In the current FY 2025/26, this was rectified, and the Mission will continue to provide estimated projections going forward.	
Query	**Unspent Funds**
Audit Findings Out of the total funds warranted of UGX10.02Bn received during the financial year, the Consulate spent UGX 9.96 Bn, resulting in an unspent balance of UGX 0.06Bn, representing an absorption rate of	

99.5%. The unspent funds were still on the Mission's bank account by the time of the audit. The Accounting Officer explained that these were funds committed for the ongoing renovation of the official residence and works, which were still ongoing. The funds will be paid out once the specific works are completed.	
Recommendation	
The Accounting Officer was advised to ensure that; i) Monitoring mechanisms are strengthened to guarantee the timely completion of projects and the disbursement of funds in line with the planned progress of works. ii) All committed funds are effectively tracked and utilised within the financial year to avoid unspent balances.	
Action Status	
These were funds committed to the ongoing renovation of the official residence, for which works were still underway. The funds were paid out once the specific works were done in accordance with contractual obligations.	
Query	**Failure to Fully Implement Activities**
The audit assessed the extent of implementation of activities for which funds were availed and utilised. A total of 46 activities worth UGX 10.0Bn were assessed, and it was observed that ten (10) activities were fully implemented, while Thirty-six (36) activities were partially implemented. Furthermore, it was noted that 16 outputs under the Agro-Industry programme did not have quantified target plans. Moreover, many of the outputs realised under the programme were not related to the Agro-Industrialisation—instead, the activities related to Tourism promotion. Failure to implement fully funded activities is an indicator of inefficiency and possible diversion of funds. In addition, outputs without targets are difficult to assess their performance. The Accounting Officer explained that the Mission updated its Tourism programme in the Financial Year 2024/25 and will continue working with MoFPED to ensure proper budget planning and programme allocation.	

Recommendation	
The Accounting Officer was advised to desist from diverting funds and to ensure that all funded activities are implemented as planned. In addition, for any activities to be implemented, it is important that they are planned.	
Action Status	
The Mission liaised with MoFPED to update its programmes, and the tourism programme was updated in FY 2024/25.	
Query	**Supplementary Funding that did not Meet Supplementary Expenditure Criteria**
Audit Findings Regulation 18 (5) of the Public Finance Management Regulations, 2016 requires that Parliament may approve a supplementary appropriation or the Minister may approve a supplementary budget, as the case may be, where the supplementary expenditure is un-absorbable (expenditure that cannot be funded through virements), unavoidable (expenditure that cannot be postponed to the next financial year) and unforeseeable (does not include an expenditure that was foreseeable by the vote at the time of preparation of the budget). The audit noted that the supplementary expenditure for Agro-Tourism, amounting to UGX 0.81Bn, was necessary and unavoidable, as the original budget had not allocated any funds for that Programme, despite it being critical to achieving the High Commission and NDP III objectives. However, the supplementary funding of UGX1.2Bn for governance and security did not meet the supplementary expenditure criteria, as the expenditure was avoidable, foreseeable, and absorbable. The funding was used for Contract staff salaries. These could have been budgeted for at the beginning of the financial year. Failure to comply with the criteria for supplementary expenditures undermines budget discipline, results in inefficient use of public funds, and weakens the credibility of the budgeting process. The Accounting Officer explained that the Mission initially requested an increase in budget allocation at the start of the financial year. However, due to budget ceilings, this request was not approved,	

<table>
<tr><td colspan="2">preventing the Mission from budgeting for certain needs. Consequently, a supplementary request was made to address various shortfalls, but only the wage allocation was granted.</td></tr>
<tr><td colspan="2">Recommendation</td></tr>
<tr><td colspan="2">The Accounting Officer was advised to always ensure that future budget planning processes adequately address foreseeable, avoidable, and absorbable expenditures to minimise the need for supplementary funding.</td></tr>
<tr><td colspan="2">Action Status</td></tr>
<tr><td colspan="2">The Mission had requested an increase in budget allocation at the start of the FY, but due to budget ceilings, this was not honoured and therefore could not budget for these items. Supplementary approval was obtained for wages only. The Mission continues to liaise with MoFPED to secure adequate budgetary funding.</td></tr>
<tr><td>Query</td><td>Status of the High Commission Properties</td></tr>
<tr><td colspan="2">Audit Findings
An inspection of the High Commission properties was undertaken on 5th September 2024, with the objective of ascertaining their Physical status, suitability for use by staff and for revenue generation. The following observations were made;

Official Residence
The Official residence is situated at 30 Ingram Avenue, Hampstead and Garden Suburb. The official residence was vacant and undergoing renovations, and the High Commissioner stays in rented premises located at St. John’s Wood, London NW 8 6DB. During the year, an amount of GBP 208,126 was paid to a firm to undertake renovations. Physical inspection of the property revealed that Renovations were almost complete.

Chancery
The Chancery is located at 58-59 Trafalgar Square, London WC2N 5DX. It accommodates tenants from whom NTR is collected. It is in fairly good condition, although it needs significant renovations.

In November 2020, a consultant had recommended various options for refurbishment, including;

i) General refurbishment of the existing building at GBP 2.025Mn</td></tr>
</table>

ii) Refurbishment and Basement reconfiguration at GBP 2.125Mn.
iii) All the above plus an increase in building area at GBP 2.8Mn.

There is, however, no evidence of action taken.

During the year, an amount of GBP 33,440 was paid to acquire and install air conditioners for the Chancery. By the time of inspection, these had been installed and were functioning. Other repairs undertaken include Chancery lift repairs, the purchase of a new commercial boiler, and electrical work, among others.

This piecemeal construction is uneconomical and inefficient, as in the long run, it becomes so costly.

Commercial Property at 189, Wardour Street
The High Commission manages commercial property at 189 Wardour Street, located in a prime area (the London Soho area). The property comprises 11 rooms, which are rented out at nominal amounts. The Consultant also recommended various options, including remodelling them into residential apartments from which the High Commission could yield better rental revenue. Management has not yet considered the options.

The Accounting Officer confirmed the completion of renovation works at the official residence and stated that sourcing for occupancy has begun. The Mission will collaborate with the MoFA and MoFPED to refurbish and remodel other properties as recommended.

Recommendation

The Accounting Officer was advised to engage and liaise with the Ministry of Foreign Affairs and MoFPED to mobilise funding so that the properties are refurbished and remodelled holistically; otherwise, delays will lead to price escalation and further deterioration of the properties.

Action Status

Renovation works of the Official residence were completed, and following consultations with MoFA, it was rented out, and a new tenant occupied it. The Mission is currently engaged with MoFPED to provide funds to fully renovate Uganda House (Chancery) starting

FY 2026/27. Subsequently, the building on Wardour Street will also be renovated.

VOTE 503: UGANDA HIGH COMMISSION IN CANADA, OTTAWA

Query | **Outstanding Arrears**

Audit Findings

The Uganda High Commission in Ottawa owns two properties at 235 Mariposa Avenue and 231 Cobourg Street. In the financial year 2017/18, the High Commission was forced to vacate the properties by the city of Ottawa due to their uninhabitable state. These properties have been incurring city property taxes and interest thereon due to non-payment since they were vacated in 2018.

As at the close of the financial year 2023/24, a sum of CAD.241,411.33 (equivalent to UGX 0.656Bn) was still outstanding, as detailed in the table below;

Table: Showing the principal and interest accumulated in property taxes

S/n	Year	Taxes (UGX)	Interest (UGX)
1.	2024	38,418.75	1,184.09
2.	2023	37,553.82	6,782.42
3.	2022	36,305.20	11,110.34
4.	2021	83,852.71	26,204.00
	Total	**196,130.48**	**45,280.85**
	Total (interest and taxes in CAD)		**241,410**
	Total (interest and taxes in UGX)		**655,910,970**

Source: OAG analysis of payables schedules of the Mission

The failure to pay the amounts due implies that the interest may continue to rise to unmanageable levels.

The Accounting Officer indicated that the matter has been brought to the attention of the PSST and PS-MOFA for redress.

Recommendation

The Accounting Officer was advised to ensure that the above amounts due are promptly paid to avoid any further accumulation of interest.

Action Status

The arrears were property taxes that accrued when the two properties owned by the High Commission lost diplomatic immunity. These were budgeted and released in FY2025/26. A partial payment amounting to UGX 0.33Bn has been made following the first release, and the balance is expected to be paid in January 2026.

Query	**Mis-allocation of Mission Budgets in Various Programmes**

Audit Findings

Effective financial year 2022/2023, appropriation of resources in the budget was done using the Programme approach. Under this approach, entities were appropriated resources in Programmes with the expectation of contributing towards the achievement of the Programme objectives.

The High Commission had a total budget of UGX 11.39 Bn, out of which UGX 0.28Bn (2.4%) was received from Programmes for which the High Commission has no contribution as per the Programme allocation in the NDP-III. The table below refers.

Table: Showing allocation of High Commission's budget per Programme

Programme	Total Budget (UGX Bn)	Amount Warranted (UGX Bn)	Audit Comment
Community Mobilisation and Mindset Change	0.17	0.17	Missions are not listed as contributing entities to this Programme in the NDP-III.
Development Plan Implementation	0.11	0.11	
Sub Total	**0.28**	**0.28**	
Governance And Security	11.11	11.11	Missions are listed as contributing entities to this Programme and therefore eligible for funding from this Programme.
Sub-total	**11.11**	**11.11**	
Grand total	**11.39**	**11.39**	

Source: OAG analysis of Programme allocation as per PBS data

Allocation of funds to the Mission under Programmes for which the Mission has no contributions defeats the purpose of the programmatic approach to budgeting and will, in the long run, affect the achievement of NDP-III.

The Accounting Officer explained that the Mission communicated the matter to the PS-MoFA for guidance.

Recommendation	
The Accounting Officer was advised to follow up with the PS MoFA and National Planning Authority (NPA) to ensure that funding for the embassy is aligned with the programmes that cover the core mandate of the Embassy.	
Action Status	
The Programme under which funds were erroneously budgeted was Community Mobilisation and Mindset Change, which was budgeted for in FY2023/24. This error was noted, and the Mission has not budgeted under the Programme again.	
Query	**Irregularities in the Recruitment of Contract Staff**
Audit Findings Audit reviewed ten (10) of the 11 local contract staff files and observed the following; i) Some staff were irregularly recruited. For example, a local contract staff (pool driver) was appointed to a role of Political Diaspora Mobiliser (Domestic worker) with a monthly pay of CAD 3,950, whose job description was that of a Home-Based staff. The PS MOFA did not approve this appointment as required by the law. Although the staff had been working as a pool driver since joining the High Commission, the previous contract was not on file, yet the audit was informed that it had not expired. ii) Staff files for nine (9) local contract staff provided for review did not have the acceptance letter, contrary to the contractual terms. iii) One local contract staff was given a four (4) year contract contrary to a two (2) year provision/guidance. Audit found this irregular. Ideally, a contract of a local contract staff should not exceed 2 years. The previous contract was not attached to the file, yet the previous contract was still running when a new contract was given to the officer. iv) A contract for one local contract staff had expired and had not been renewed by the time of audit/inspection (October, 2024) Recruitment of local contract staff with job descriptions of a Home-Based staff, employing staff without valid contracts, approvals and acceptance letters, contravenes the Public Service Standing Orders.	

The Accounting Officer explained that the appointment of the Political Mobilizer was referred to the PS-MoFA for guidance, while the Local contract staff with the missing file was terminated.	
Recommendation	
The Accounting Officer was advised i) To investigate and take administrative action against Officers who irregularly recruited (the Political Diaspora Mobiliser) and irregularly awarded long-term contracts without the approval of the PS-MOFA. ii) That local contract staff without acceptance letters should write their acceptance letters to the Head of Mission and ensure that copies are filed accordingly.	
Action Status	
All local staff recruitments have since been regularised through the Ministry of Foreign Affairs.	
Query	**Delays in Construction Works**
Audit Findings On the 4th of August 2023, the High Commission entered into a contract with a contractor to refurbish the Official Residence of the Ambassador at 235 Mariposa at a cost of CAD 9,235,430. The Contractor took possession of the site on 3rd October, 2023, after the existing hydro electricity, water, and gas line utility services were disconnected and an application for temporary hydro power was made. In September 2024, there was a variation in the contract following the change of the project from refurbishment to new construction. Whereas the planned date of the start of construction was 4th August 2023, a review of the contract management records revealed that the actual works started on 3rd October 2023, which was a delay of two (2) months. The delay in starting the construction may result in delays in completing the project, which may result in cost overruns due to price fluctuations. In addition, the delays will result in delays to utilise the premises by the Ambassador while the High Commission continues to incur rent expenses.	

The Accounting Officer explained that the delay was due to the failure by the City Authorities to grant temporary hydro power in time to enable works to commence.	
Recommendation	
The Accounting Officer was advised to enhance contract supervision and ensure that the progress of construction works is not affected by any further delays.	
Action Status	
Construction of the Official residence had experienced delays in approval of construction plans by the City of Ottawa. It commenced in September 2024 and now stands at 75% completion.	
Query	**Delayed Return of the Recalled Officer to Uganda**
The Government of Uganda rented housing for the former Ambassador of the High Commission at a cost of CAD.11,000 per month, as required by Section H of the Public Service Standing Orders, 2021. In September 2024, the Ambassador was recalled from the High Commission and was expected to vacate the premises, among other things, as part of the handover of office. Audit reviewed the processes surrounding the handover and observed the following; i) Whereas the Ambassador was recalled in September, by the time of audit inspection (October, 2024), the premises had not been vacated, despite being paid packing and shipment allowances as well as air tickets for the repatriation of all the family members. This was contrary to Paragraph H-b (8) of the Public Service Standing Orders, 2021, which requires an officer to vacate the housing provided by the Government within a period of 30 days. ii) Paragraph H-c (5) provides that repairs to buildings made necessary by either negligence or willful damage to the property on the part of the tenant shall be assessed and charged to the tenant. According to correspondence from the landlord, claims of damages to the property worth CAD.30,000 were made. However, contrary to the standing orders, the costs of repairs amounting to CAD.119,075.77 were met by the High Commission. There was no evidence that the same amount was charged to the tenant as provided by the Standing Orders.	

iii) In addition, upon vacating the premises, the former Ambassador left behind a number of unpaid personal bills, including maintenance of the pool and compound. However, these bills were settled by the High Commission contrary to the Standing Orders and the employment contract between the Government of Uganda and the Ambassador. iv) At the time of recall, the tenancy still had 17 months pending on the lease, a period which was due given the terms in the tenancy agreement. At the time of inspection, the landlord was demanding payment for the whole lease period, in accordance with the terms of the contract. Given that there was no budgetary provision for the settlement of these obligations, payment of these amounts is likely to result in diversion of funds from planned activities. Furthermore, the failure by the High Commission to recover the funds paid from the former Ambassador implies that this may be nugatory expenditure. The complaints of damage and failure to pay for the repairs as demanded by the landlord may result in damage to the reputation of the Country. The Accounting Officer indicated that this matter has been brought to the attention of the PS-MoFA for appropriate action.
Recommendation
The Accounting Officer was advised to follow up with the PS-MOFA for recoveries of all ineligible expenditure made by the High Commission on behalf of the former Ambassador.
Action Status
Payment of Personal utility and Maintenance expenses by the Mission was made in accordance with the Public Service Standing Orders H-e(3), which provides that all utilities and maintenance costs at the Official residence are a responsibility of the Mission, not the officer. The pending payment for the full Lease Agreement on rent for the recalled officer was fully paid in the subsequent FY2024/25. As for the need to renovate the existing residences and procure Furniture and Motor vehicles, the Official Residence is at 75%

completion and is projected to be fully completed in FY 2025/26. Furniture will be budgeted for in FY 2O26/27. Funds for the Representation Car have been fully released, and the procurement process is ongoing.	
Query	**Irregular Use of Travel Abroad Rates for Inland Travel**
Audit Findings Paragraph (2) of section (E-b) of the Uganda Public Service Standing Orders 2021 requires that in the case of a Foreign Service Officer abroad, night allowance is payable when he or she is travelling on duty away from the duty station, in the country to which his or her Mission is accredited and having to spend nights away from his or her residence. Contrary to the above, during the financial year under review, the High Commission paid out UGX 0.26Bn to the High Commission officials travelling from their duty stations to undertake official activities within Canada, using rates for travel abroad to cater for their allowances. Audit also noted that the Ministry of Public Service had not approved rates to be used in the circumstances where Foreign Service officers have to travel long distances away from their duty stations, but within the same country. Due to a lack of clarity on which rates to use in such circumstances, the Accounting Officer used the per-diem rates for travel abroad. The Accounting Officer explained that the Uganda Public Service Standing Orders (E-b) clarifies that in case of the Foreign Service Officer abroad, the allowance is payable when the officer is travelling on duty away from the duty station. The audit noted that although the Uganda Public Service Standing Orders highlight this matter, there is no specific guidance on the rates to be used for the payment of allowances in question.	
Recommendation	
The Accounting Officer was advised to follow up on the matter with the Permanent Secretaries of MOFA and MoPS so that proper guidance is provided.	

Action Status
The rates were paid in accordance with Section (E-b) Para (2) of the Uganda Public Service Standing Orders, 2021 and Para. 1.11 of the Circular Standing Instruction No.4 of 2008, which stipulates that the night allowance rates applicable for Foreign Service Officers are those payable to Public Officers travelling outside Uganda.

Query	Failure to Effectively Execute the Mission's Mandate

Audit Findings

The Mandate of Uganda's High Commission in Ottawa is to promote and strengthen the friendly relations between the governments and peoples of the Republic of Uganda and Canada. The Uganda High Commission of Ottawa is also accredited to the Bahamas.

Audit reviewed the High Commission's Work plans and performance reports to assess the extent to which the High Commission secured education and business opportunities during the year under review. The findings are summarised in the table below;

Table: Showing Performance Of The Mission In Securing Opportunities

Sn	Opportunity Type	Details	Number Planned As Per Approved Work Plan	Actual Number Verified By Auditor	Variance (Number)
1	Education/ Scholarships	Scholarships For Capacity Building Sourced	15	05	10
2	Business	Uganda Private Sector Actors Linked To Canada And Areas Of Accreditation.	05	03	02

Source: OAG Verification Of Work Plans and Performance Reports for The Year

Failure To Effectively Execute The Mission's Mandate denies citizens and the country in general opportunities for economic growth.

The Accounting Officer explained that the failure to secure business and education opportunities was due to underfunding of the Mission's budget.

Recommendation	
The Accounting Officer was advised to engage MoFPED for resources for implementing the High Commission's core mandate activities.	
Action Status	
The Mission's approved budget for the subsequent financial year 2024/25 improved and the Mission secured; one (1) scholarship in Ottawa University; Two (2) business engagements in garbage recycling and Coffee marketing; a Canadian Gold Company has registered business in Uganda; and another one has ongoing engagements for solar power installation; Bunyonyi Food Forest Foundation in Kabale by Prof.Nadine Cruicksharks and; Barkaine Impex Company imports coffee.	
Query	**Failure to Implement Planned Activities**

Audit Findings

The audit assessed the extent of implementation of activities for which funds were availed and utilised. Four (04) outputs with 27 activities worth UGX 11.39Bn were assessed. It was observed that one (01) output with one (01) activity worth UGX 0.17Bn was fully implemented. Three (03) outputs with 26 activities worth UGX11.22Bn were partially implemented. Out of the 26 activities, nine (9) were fully implemented, while 11 were partially implemented, and six (06) remained unimplemented.

Below is the list of the activities that were not implemented.

Table: Showing un-implemented activities

SN	Activity	Amount warranted (UGX)	Amount Spent (UGX)
1	Construction of a swimming pool and pool house at the official residence	Activity costs were not provided.	Activity costs were not provided.
2	Columns and walls are reinforced at the official residence	Activity costs were not provided.	Activity costs were not provided.
3	Electrical works completed at the official residence	Activity costs were not provided.	Activity costs were not provided.
4	Finishes at the official residential House	Activity costs were not provided.	Activity costs were not provided.
5	Interior and exterior finishing done at the official residence	Activity costs were not provided.	Activity costs were not provided.
6	Plumbing works completed at the official residence	Activity costs were not provided.	Activity costs were not provided.

Source: OAG analysis of work plans, financial statements and performance plans

Failure to implement planned activities affects service delivery.

The Accounting Officer explained that all the above activities relate to refurbishing the Official residence, which the City of Ottawa Authority stopped because the original contract for refurbishment was modified to include the construction of a new building, which required the Mission to apply for and acquire a new Heritage and construction permit, as the Residence is located in a Heritage area. The Mission is in the process of obtaining the permit.

Recommendation

The Accounting Officer was advised to fast-track the process of obtaining the new Heritage and construction permit so that the planned refurbishment can be undertaken.

Action Status

The construction permit has been obtained, and the Official Residence is at 75% completion. It is projected to be fully completed in FY 2025/26.

VOTE 504: UGANDA HIGH COMMISSION IN INDIA, NEW DELHI

Query | **Review of the Implementation of the entity's mandate**

The mandate of the mission in New Delhi is to promote, defend and protect Uganda's national interests in the Republic of India. This mandate also includes securing opportunities for Ugandans in the areas of education and business development.

Audit reviewed the embassy's work plans and performance reports to assess the extent to which the embassy had secured opportunities during the year. The table below summarizes the performance of the embassy.

Sn	Opportunity type	Details	Planned as per approved work plan (No.)	Actual number verified by auditor (No.)	Variance (No.)
1	Business	Investors/ Investments secured	0	0	0
2	Education	Scholarships	430	105	325

Failure to secure business and education opportunities affects the country's efforts to foster human capital development and economic growth. The accounting Officer explained that irrespective of budget constraints, the mission has managed to execute its mandate in this regard.
Recommendation
The Accounting Officer was advised to ensure that subsequent work plans and budgets are tailored to activities that can reasonably be achieved within the available resources.
Action Status
Accounting Officer Instructed the Head of chancery to take action and the Mission has now formalized all contracts in line with Paragraph (1) One Foreign Service Circular No. 1 of 2023.

Query	**Utilisation of warrants and implementation of planned activities.**

i) Utilization of warrants

Out of the total warrants of UGX 4.65Bn was utilized by the close of th financial year. The un-utilized warrants of UGX 0.48Bn were meant for payment of contract staff salaries

The failure to absorb funds as appropriated defeats the purpose for which the funds were provided.
The Accounting Officer acknowledged the observation.

ii) Implementation of funded activities.

Audit assesed the extent of implementation of activities for which funds were availed and utilized.

- One (01) output with three (03) activities and expenditure worth UX 0.25Bn was fully implemented.
- One (01) with two (02) activities worth UGX 0.94 Bn were partially implemented. The two (02) activities in this output were partially implemented as shown in **Appendix I.**

Failure to fully implement planned activities affects service delivery.

Recommendation
i) The Accounting Officer was advised to always ensure funds released are fully utilized to implement all the planned activities. ii) The Accounting Officer was advised to fast-track implementation of all activities for which all funds were released.

Action Status
The Structure is now filled and it was included in the Mission's Strategic Plan for 2025/2026 to 2029/30. High Commissioner Deputy High Commissioner Accounting Officer/ Counsellor Second Secretary Défense Attaché Education Attache First Secretary Financial attaché Administration attaché and 10 local Staff.

Query	**Misallocation of Embassy budgets in various programs**

Effective financial year 2022/2023, appropriation of resources in the budget was done using the programme approach. Under this approach, entities were appropriated resources in programmes if the entities were expected to contribute towards the achievement of the programme objectives.

Audit noted that the mission had a total budget of UGX.4.65 Bn out of which UGX.1.87Bn (40%) was received from programmes for which Mission have no contribution as per the programme allocation in the NDP-III. The table below refers:

Showing allocation of Mission budget per programme

S/N	Programme	Total Budget (UGX)- Bn	Amount Warranted	Audit Remarks
1	Development Plan Implementation	1.00	0.93	Missions are not listed as contributing entities to this programme in the NDP-III

2	Agro-Industrialization	0.47	0.47	Missions are not listed as contributing entities to this programme in the NDP- III
	Sub Total	**1.47**	**1.40**	
3	Governance And Security	3.25	3.25	Missions are listed as contributing entities to this programme eligible
	Sub Total	**3.25**	**3.25**	
	Grand Total	**4.65**	**4.65**	

Allocation of funds to the embassy under programmes for which the entity has no contribution defeats the purpose of the programmatic approach to budgeting and affected the achievement of NDP-III objectives.

The Accounting Officer acknowledged the observation and noted that corrective measures have been taken by MoFA to align all Mission budgets in accordance with programs where Missions directly contribute towards realization of the NDP IV objectives.

Recommendation

The Accounting Officer was advised to liaise with PS MoFA and National Planning Authority (NPA) to ensure that funding for the embassy is aligned to programmes which cover the core mandate of the embassy in NDP-IV.

Action Status

The Mission has tried to engage with local insurance companies over the years however according to the Indian law, there is no insurance provision for non-nationals and as such the Mission went ahead to sign MOU's with various top hospitals in India such as, Medanta, Apollo, BLK Max hospital, etc. to provide medical services to staff of the Mission and their families and also provide various discounts ranging from 10-20% on the total bill sent to the Mission for clearance.

Query	**Inadequate Staffing Establishment**

Section 3(A-C) of the Public Service Standing Orders 2010 provides that all recruitments should be in line with an approved vacancy in line with approved structure and establishment of the Uganda Mission in New Delhi.

I noted that the existing staff structure of only six (06) staff positions (home based) is inadequate to match the high demand for diplomatic engagements and activities in the whole scope of the High Commission's responsibility and Jurisdiction. These includes Republic of India, Republic of Singapore, Democratic Socialist Republic of Sri Lanka, People's Republic of Bangladesh, Kingdom of Bhutan, Federal Democratic Republic of Nepal and Republic of Maldives. Refer to the table below;

Showing Staff establishment.

SN	Title	Approved Establishment	Posta filled	Vacant Posts
1	FSO 1 (Head of Mission)	1	1	0
2	FSO 1 (Deputy Head of Mission)	1	1	0
3	FSO IV/ Accounting Officer	1	1	0
4	Accountant/Financial Attaché	1	1	0
5	FSO III	1	1	0
6	Personal Secretary	1	1	0
	Total	**6**	**6**	**0**

The existing staff is overstretched beyond their capacity, creates job-related stress to the fewer staff and negatively affects the level of provision of economic and commercial diplomacy of the Mission.

The Accounting Officer explained that the Mission has already made its case in writing the PS/MOFA regarding upgrading of the Mission in New Delhi from grade B to a grade A Mission as this comes with extra senior positions in the approved Mission structure.

Recommendation

The Accounting Officer was advised to continue engaging the PS-MOFA with a view of reviewing the existing staff structure and adjusting it to match the mandate scope of the Missions.

Action Status

The Structure is now filled and it was included in the Mission's Strategic Plan for 2025/2026 to 2029/30. It comprises;

i) High Commissioner

ii) Deputy High Commissioner
iii) Accounting Officer/ Counsellor
iv) Second Secretary
v) Defense Attaché
vi) Education Attaché
vii) First Secretary
viii) Financial attaché
ix) Administration attaché and
x) Ten (10) local Staff

Query	Recruitment of Local Contract Staff

Section (A-a) paragraph 9(f) of the Uganda Public Service Standing Orders, 2021 stipulates that the power to appoint, confirm, discipline and remove public officers from office in the Public Service is vested in the Head of a Mission, subject to approval in writing by the Responsible Officer (Permanent Secretary MoFA) in the case of locally recruited staff for the mission.
In a Foreign Service Circular. No-1 dated 25th April, 2023 issued by the PS-MoFA, all Accounting Officers at the missions were reminded that recruitment of local staff had to be done with the express authority of the responsible officer and must be subject to availability of wage.

Audit noted that 12 local staff were hired without approval by the Permanent Secretary of Ministry of Foreign Affairs. In addition, there was no approved staff structure to guide recruitment of the local staff.

Recruitment of local staff without approval by the PS MoFA encourages diversion of funds to cater for the salaries and emoluments for these officers.

The Accounting Officer indicated that all local staff were duly recruited following all the necessary procedures.

However, review of documentation availed to support the response and interviews with PS-MOFA revealed no evidence that authority was granted for the recruitments.

Recommendation	
The Accounting Officer was advised to regularize the recruitments of all the local contracts staff and ensure that in future all local contract staff recruitments are approve by the PS-MoFA.	
Action Status	
The Accounting Officer Instructed the Head of chancery to take action and the Mission has now formalized all contracts in line with Paragraph (1) One Foreign Service Circular No. 1 of 2023.	
Query	**Lack of Medical Insurance**
Section M (m-a) (14) of the Public Service Standing Orders, 2010 requires Foreign Service Officers, while serving in a mission abroad, to be covered by full medical insurance. This should cover both in-patient and out-patient treatment. Medical insurance should also be provided for the spouse and up to four Children. Audit noted that the High Commission spent UGX 0.41Bn on medical expenses for staff. These payments were made directly to the staff of the High Commission as refunds for medical bills instead of medical facilities. This was due to lack of a medical insurance cover with a medical insurance service provider. As a result, the High Commission expenditure on medical expenses is high, cannot be predetermined or ascertained for budgeting purposes, justifying the irregular supplementary request for medical expenses and without an expenditure ceiling a medical insurance cover provides. In addition, the authenticity of the medical bills presented for refunds to staff cannot be verified with reasonable assurance. The Accounting Officer explained that the mission has engaged the local insurance companies over the years, however according to the Indian law, there is no insurance provision for non-nationals and as such the Mission went ahead to sign MoUs with various top hospitals in India such as Mendata, Apollo, BLK Max hospital to directly provide medical services to the Mission staff.	
Recommendation	
The Accounting Officer was advised to engage the Government of the Republic of India for a waiver of this legal provision to have a medical insurance cover for mission staff in place.	

Action Status	
The Mission has tried to engage with local insurance companies over the years. However, according to the Indian law, there is no insurance provision for non-nationals and as such the Mission went ahead to sign MOU's with various top hospitals in India such as, Medanta, Apollo, BLK Max hospital, etc. to provide medical services to staff of the Mission and their families and also provide various discounts ranging from 10-20% on the total bill sent to the Mission for clearance.	
Query	**Irregular use of travel abroad rates for in-land travel**
Paragraph (2) of section (E-b) of the Uganda Public Service Standing Orders 2021 requires that in the case of a Foreign Service Officer abroad, night allowance is payable when he or she is travelling on duty away from the duty station, in the country to which his or her Embassy is accredited and having to spend nights away from his or her residence. Audit observed that during the financial year the embassy management paid out UGX 239.97Mn to the Mission Officials travelling from their duty stations to undertake mission activities with India using rates for travel abroad to cater for their allowances. Audit also noted that the ministry of Public Service has not approved rates to be used in circumstances where Foreign Service Officers have to travel long distances away from their duty stations but within the same country. Due to lack of clarity on which rates to use in such circumstances, the Accounting Officer used the per-diem rates for travel abroad. The Accounting Officer acknowledged the observations and explained the observations and explained that this matter has been brought to the attention of PS-MOFA .	
Recommendation	
The Accounting Officer was advised to follow up the matter with Permanent Secretaries of MOFA and MoPS so that proper guidance is provided.	

Action Status	
According to the chart of Accounts for 2024. 227002 Travel Abroad - This account shall be charged with expenses in connection with overseas travel, per diem, airfare, etc. 227001 Travel Inland - This account shall be charged with expenses in connection with in-country official travel.	
Query	**Follow up on the status of implementation of prior year's Audit recommendations**
The status of the prior year audit findings is as summarized in Appendix III. The analysis shows that not all recommendations made have been addressed by Management. Management's failure to fully implement audit recommendations undermines its ability to undertake the stewardship responsibility of effective management of public resources.	
Recommendation	
The Accounting Officer was advised to always ensure that the recommendations contained in the audit reports are always fully addressed since they are made with the intention of enhancing efficiencies in the management of resources allocated by Parliament.	
Action Status	
VOTE 505: UGANDA HIGH COMMISSION IN KENYA, NAIROBI	
Query	**Recruitment without the Necessary Approval**
Audit Findings Section (A-a) paragraph 9(f) of the Uganda Public Service Standing Orders, 2021 stipulates that the power to appoint, confirm, discipline and remove public officers from office in the Public Service is vested in the Head of a Mission, subject to approval in writing by the Responsible Officer (PS MoFA) in the case of locally recruited staff for the mission. Audit noted that 11 local contract staff who were entitled to an annual salary of UGX 0.33Bn during the year were recruited without approval by the Permanent Secretary of MoFA.	

Recruitment of local contract staff without approval by the PS MoFA encourages diversion of funds to cater for the salaries and emoluments for these officers. The Accounting Officer explained that the local contract staff were recruited before the Public Service Standing Orders came into effect; however, the Accounting Officer pledged to always seek approval from the PS MoFA for the recruitment of local contract staff.	
Recommendation	
The Accounting Officer was advised to regularise the recruitments of all the local contract staff and ensure that in future all local contract staff recruitments are approved by the PS-MoFA	
Action Status	
The Mission wrote to the MoFA seeking approval for the local staff who were irregularly recruited.	
Query	**Staffing Gaps**
Audit Findings Section A-c (3) of the Uganda Public Standing Orders, 2021 provides that appointment in the public service shall be subject to the availability of a vacancy in the approved staff establishment and funds in the approved estimates. The Mission in Nairobi is headed by the High Commissioner (Head of Mission), who is deputised by the Deputy Head of Mission and supported by home-based and locally recruited staff. The Mission has an approved structure of 10 Home-Based staff and 17 locally recruited support Staff. The Mission is also staffed by officers from the Ministry of Foreign Affairs and other Ministries, Departments and Agencies to support the effective and efficient execution of its mandate. Audit reviewed the establishment structure and the staff list and observed that the Mission had no staff structure at the level of FSO Gr. II (Minister Counsellor). However, the audit noted that there were two (2) staff occupying this position, which represents over establishment at the High Commission.	

It was further observed that the Mission has a vacant staff position in the structure for the FSO Gr. III (Counsellor). Audit also noted that the Mission had an approved establishment of three (3) local contract staff at the level of a cook and housekeeper; none of these positions had been filled. The over-establishment relating to home-based staff creates shortages in Foreign Service Allowance budget provision, whereas the under-establishment overstretches the capacity of the existing staff. The Accounting Officer pledged to communicate this matter to MoFA in respect of staffing gaps within Foreign Service ranks. Regarding the understaffing of local staff, the Accounting Officer indicated that the missing employees will be recruited when office bearers are posted to the High Commission.	
Recommendation	
In addition to the above steps taken by the Accounting Officer to address this challenge, the Accounting Officer was advised to consider engaging MoFA and MoPS for a comprehensive review of the staff structure with a view of aligning it to the current Mission staffing requirements.	
Action Status	
The Mission is still awaiting a response from MoFA regarding the alignment of postings in accordance with the Mission's staff structure. The Minister Counsellor has been recalled. The Mission has not yet received a substantive Head of Mission, hence the local staff have not yet been filled.	
Query	**Loss of Non-tax Revenue**
Audit Findings The Uganda House in Nairobi, situated on Kenyatta Avenue and Standard Street, was refurbished, with new floors added, and the works were completed in June 2024 at a cost of UGX 26Bn. During the Generation Z protests in Kenya on 25th June, 2024, the house caught fire before its inauguration. The Mission reported the incident as required by the PFMA, Cap 171. At the time of audit inspection in October, 2024, the consultant had made a detailed assessment for restoration works, which required a	

sum of UGX 7.2Bn. The assessment was forwarded to the PS/ST and PS MoFA for necessary action. Given that the structure is not in use, this has resulted in the loss of expected annual rental income of KES.60Mn (approximately UGX 1.8Bn). The Accounting Officer explained that the High Commission has already communicated to PS MoFA and MoFPED, requesting funds to restore the building so that it can generate NTR.
Recommendation
The Accounting Officer was advised to have the matter considered up to the level of the cabinet with a view to ensuring that the required resources for the restoration works are urgently provided.
Action Status
The Mission has received funds for the restoration of the Uganda house. A contractor has been procured to restore the building.
Query — **Lack of Capital Development Funds**
Audit Findings The Mission is in urgent need of funds for capital development to the tune of UGX 0.2Bn to cater for the replacement of furniture for the Chancery, procuring ICT equipment for staff, procurement of the utility van, undertaking repairs and refurbishment of the Chancery and the maintenance of the Ambassador's residence. Details are in the table below;

Table: Showing unfunded capital budget for FY 2023/2024

S/n	Activity	Unfunded amount (UGX Mn)
1.	Procurement of the utility van	150
2.	Replacement of old furniture at the Chancery	20
3.	Procuring ICT equipment for staff	30
	Total	**200**

Source: High Commission's PBS data

These capital development activities are urgent but have not been allocated and subsequently funded. The current practice is that such expenditures are catered for under the recurrent budget.

The lack of a capital budget implies that the Mission cannot undertake any development activities, which affects the operations of the Mission. The Accounting Officer explained that the High Commission has written to underscore the need for a new and befitting Chancery, the importance of the property maintenance budget and to request capital development budget for retooling the Mission.	
Recommendation	
The Accounting Officer was advised to continue engaging the PS/ST and the Ministry of Foreign Affairs for capital development funds.	
Action Status	
The Mission has received funds to purchase one vehicle. The Mission anticipates additional funding in the subsequent budget.	
Query	**Use of Travel Abroad Rates for Inland Travel**
Audit Findings During the financial year under review, the Mission paid out UGX 0.85Bn to the High Commission's officials travelling from their duty station to undertake Mission activities within Kenya, using travel abroad rates to cover their allowances. The Ministry of Public Services had not approved rates for use when Foreign Service officers travel long distances from their duty stations, within the same country.	
Recommendation	
The Accounting Officer was advised to continue following up on the matter with the Permanent Secretaries of MoFA and MoPS so that proper guidance is provided.	
Action Status	
The travel rates paid were in accordance with Section (E-b) Para (2) of the Uganda Public Service Standing Orders, 2021 and Para. 1.11 of the Circular Standing Instruction No.4 of 2008, which stipulates that the night allowance rates applicable for Foreign Service Officers are those payable to Public Officers travelling outside Uganda.	
Query	**Failure to Fully Utilise Funds**
Audit Findings Out of the total warrants of UGX 12.53Bn, the High Commission utilised UGX 10.69Bn. The balance of UGX 1.84Bn that was not	

utilised was meant for the improvement/renovation of the chancery, as shown in the table below;

Table: Showing activities affected by the underutilisation of warrants

No.	Programme	Warrants not Utilised (UGX Bn)	Activities affected by the underutilisation	Audit comment
1	Governance & Security	1.835	Renovation of the chancery	The underutilisation of the available warrant indicates that the planned renovations were not fully carried out.
	Total	**1.835**		

Source: OAG analysis of work plans and performance plans

Failure to absorb warrants that had been provided defeats the purpose for which the warrants were provided to the Mission and denies resources to other entities that could have put these warrants to better use.

The Accounting Officer explained that during the financial year under review, the Uganda shilling appreciated against the Kenyan currency, which gave more purchasing power to funds availed/warranted. In addition, a VAT exemption on building materials, which reduced the cost of materials, also contributed to unspent balances on the account.

Recommendation

The Accounting Officer was advised to consider seeking the PS/ST's authority to repurpose these funds to other critical Mission activities where the Mission can make such savings.

Action Status

The Mission has taken note of the recommendation of Parliament.

Query	**Misallocation of Mission Budgets in Various Programmes**

Audit Findings

Effective FY 2022/23, budgetary resources were allocated using the Programme approach. Under this approach, entities were appropriated resources in Programmes with the expectation of contributing towards the achievement of the Programme objectives.

Audit noted that the Mission had a total budget of UGX 12.53Bn out of which UGX 0.23Bn (1.8%) was received from Programmes for which the Mission has no contribution as per the Programme allocation in the NDP-III. The table below refers.

Table: Showing misallocation of the mission budgets in various programmes

Programme	Total Budget (UGX Mn)	Amount Warranted (UGX Mn)	Audit Comment
Agro-Industrialization	140.74	140.74	Missions are not listed as contributing entities to this Programme in the NDP-III.
Development Plan Implementation	88.10	88.10	
Sub Total	**228.84**	**228.84**	
Tourism Development	150.00	150.00	Missions are listed as contributing entities to this Programme, hence eligible.
Governance And Security	12.15	12.15	
Sub Total	**12.30**	**12.30**	
Grand Total	**12.53**	**12.53**	

Source: OAG analysis of mission budgets in various programmes

Allocation of funds to Missions under Programmes for which the Missions have no contributions defeats the purpose of the programmatic approach to budgeting and will, in the long run, affect the achievement of NDP-III.

The Accounting Officer explained that the Mission has communicated to MoFA and MoFPED to assist in aligning Missions' activities to the programmes it contributes to under NDP IV.

Recommendation

The Accounting Officer was advised to continue engaging with the PS MoFA and the National Planning Authority to ensure that funding for the Mission is aligned with Programmes that cover the Mission's core mandate.

Action Status

The Embassy has been working hand in hand with MoFA and NPA, and during the development of the NDP IV, the Mission's contribution to the relevant Programmes, through which funding is provided, was clearly defined.

VOTE 506: UGANDA HIGH COMMISSION IN TANZANIA, DAR ES SALAAM	
Query	**Poor State of Mission Property**

Audit Findings

a) Land/Official Residence (Unoccupied)

This land is located on Plot 1967, Dar es Salaam, on Yasser Arafat Road, an area/size of 3254m2. It holds the Official Residence (OR) that comprises the main house, a boys' quarter and a guard house. The structures have not been renovated for more than 3 years and continue to waste away.

The deteriorating condition of the OR is a wastage of Government resources and taints Uganda's image.

The Accounting Officer explained that plans to develop the above property have been brought to the attention of the Permanent Secretary (PS) of the Ministry of Foreign Affairs (MOFA), and NSSF has expressed interest in developing the property.

b) Land at Kaunda Drive

The land at Kaunda Drive is located on Plot 1949, Dar es Salaam, measuring approximately 3,308M2. This is an open plot that is idle with no development. There is a risk that the offer could be withdrawn due to failure to plan and develop the Plot. The continued failure to develop this land denies GOU revenue that would have been earned from timely development.

Management explained that plans to develop this land are already underway, and NSSF Uganda expressed interest in developing the land.

c) Land at Dodoma

This land, estimated to be 8 acres, is located on Plot 59 Block B, Dodoma. This was an offer from the Government of the United Republic of Tanzania as a result of a policy to shift Government Offices to Dodoma. Currently, the land is idle and bushy, surrounded by a good road network/infrastructure.

The overgrown bush reflects badly on the image of Uganda.

The Accounting Officer is committed to ensuring that the bush is cleared accordingly. **d) Progress of construction of the Offices** An interview with management and review of some correspondence showed that the design of the Chancery has been developed, and the contract for the supervising Engineer has already been signed, with the plan to start construction soon.
Recommendation
The Accounting Officer was advised to; i) Continue following up on the matter with the PS/MoFA to speed up the process of developing the property so that it is put to proper use. ii) Expeditiously follow up with the PS/MoFA for the timely development of this land. iii) Plan and have the bush cleared as plans are being concluded to start construction of the Embassy Offices.
Action status
i) The Mission received funding for the construction of the Chancery Building during FY2024/25, and construction is ongoing. ii) The Mission has also engaged NSSF Uganda, which expressed interest in the joint development of the plot at Yasser Arafat, where the former official residence is located and the plot at Kaunda Drive. To date, designs and several due diligence engagements have been held to ensure the best use of the plots.

Query	**Poor State of the Registry**
Audit Findings Audit inspected the store/registry and observed that the store/registry lacks shelves for holding the High Commission records, stationery and other office items. As a result, documents/files which are largely Accounts records were kept in boxes and piled up on the ground. In the current state, it is not easy to trace a file or records for reference. There is a risk that the boxes/documents piled up on the ground could be destroyed by dampness/humidity.	

Management pledged to fix the shelves for good record-keeping.	
Recommendation	
The Accounting Officer was advised to plan and budget for the installation of shelves in the registry/store to properly manage the High Commission records and arrange the store.	
Action Status	
The shelves were purchased and fitted in the store/registry during the FY2024/25.	
Query	**Operational Challenges**

Audit Findings

The Uganda Consulate in Arusha, located on Plot 20B, Haile Selassie Road, Arusha Municipality, operates from a rented property at a cost of USD 24,000 per annum.

The Consulate started operations as a subvention of the Uganda High Commission in Dar es Salaam, in the financial year 2023/2024. Inspection of the Consulate and review of the transactions/documents for the financial year under review showed the following issues that affect its operations;

i) Lack of an approved Staff Structure to implement the mandate

The Consulate started operating without an approved staff structure. Except for the Consular General, the Consulate has no technical staff appointed/posted to the station. The rest of the seven (7) staff are Local contract staff.

This affects the smooth operations of the Consulate and negatively impacts service delivery.

Without an approved staff structure in place, it is difficult to appropriately assess the staff requirements of the Consulate; besides, the Consulate cannot perform its duties as envisaged.

The Accounting Officer committed that engagements with MOFA and Public Service would be held to have an approved staff structure for the Consulate.

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ii) Lack of Vehicles for operations

The operations of the Consulate require having vehicles to facilitate operations and, most especially, to handle consular and protocol services. The Consulate lacks a utility vehicle to support day-to-day operations. It has only one (1) vehicle that was received from the Uganda High Commission, Dar es Salaam and is used by the Consular General and at the same time shared for operations. Inadequate facilities affect service delivery and diplomatic services at the Consulate. The Accounting Officer pledged to take up the matter with MOFA.

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<tr><td colspan="2">Recommendation</td></tr>
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The Accounting Officer was advised to take up the matter with the PS MOFA in consultation with the;

i) Ministry of Public Service, so that an approved staff structure of the Consulate is set up and technical staff deployed for the Consulate operations.
ii) PS/ST to ensure that the Consulate acquires utility vehicles in the shortest time possible for effective service delivery.

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<tr><td colspan="2">Action Status</td></tr>
<tr><td colspan="2"></td></tr>
<tr><td>Query</td><td>Failure to Achieve Mandate</td></tr>
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Audit Findings
The mandate of Uganda's High Commission in Dar es Salaam is to promote, defend and protect Uganda's national interests in Tanzania, Madagascar, Malawi, Mauritius, Mozambique, Zambia, and Comoros, the Common Market for East and Southern Africa (COMESA) and East African Community (EAC). This mandate also includes securing opportunities for Ugandans in the areas of education and business development.

Audit reviewed the High Commission's work plan and performance reports to assess the extent to which the Mission had secured education and business opportunities during the year. The table below summarises the findings.

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Table: Performance of the High Commission in Securing Opportunities for Ugandans

Sn	Opportunity type	Details	Number as per the approved work plan	Actual number verified by the Audit	Variance
1	Business	Pipeline of bankable priority NDP3 Projects developed for private investment.	One (1) Joint Permanent Commission (JPC) was organised.	JPC was not organised.	One (1) JPC not organised.
2.	Business/ Collaboration	National Content Policy implemented.	02 Private Sector Oil and Gas Symposia organised in both the United Republic of Tanzania (URT) and the Republic of Uganda.	Organised one (1) symposium, that is the 2nd Uganda-Tanzania Oil and Gas Symposium on 18th April 2024 in Kampala.	One (1) symposium not organised

Source: OAG verification of work plans and performance reports

Failure to effectively execute the High Commission's mandate denies citizens and the country opportunities for economic growth.
The High Commission Management explained that the failure to implement the above activities was due to the failure by MoFPED to release all the funds as per the approved budget and work plan.

Recommendation

The Accounting Officer was advised to engage the PS/ST for adequate resources to enable the High Commission implement its mandated activities that were not implemented in the subsequent period.

Action Status

The Mission continuously engaged MoFPED, and during the FY 2024/25, all the funds were released as per the approved budget and workplan. This enabled the Mission to undertake all its planned activities, including those that had not been implemented in the prior year 2023/24.

Query	Shortfall on Revised Budget

Audit Findings

The High Commission had an approved budget of UGX9.25 Bn, out of which UGX8.96Bn was warranted, resulting in a shortfall of UGX0.29 Bn, representing a 97% performance. The UGX0.29Bn that was not warranted was meant for the following activities;

Table: Unfunded Priorities for the Year

Programme	Funds not warranted (UGX Bn)	Activities not implemented (Affected activities)	The purpose of the unimplemented activity, which was not achieved
Sustainable Petroleum Development	0.117	One (1) out of the planned two (2) Private Sector Oil and Gas Symposium that was to be organised in URT and the Republic of Uganda was not held.	To create linkages between different stakeholders in the Oil and Gas sector and to attract potential investors to the sector. It further facilitates knowledge exchange in the Oil and gas sector on a wider scale.
Private Sector Development	0.037	One (1) Joint Permanent Commission not held out of the planned 2 JPC	The JPC enhances bilateral relations between the 2 countries, during which there is monitoring of performance in different sectors such as immigration, trade, work, the Prisons service, etc. The 2 countries agree and sign minutes with timelines of meetings and areas of improvement.
Governance and Security	0.075	Two (2) of the planned eight (8) National and International events were not participated in.	Promote the Uganda goods and services.
Governance and Security	0.006	3 financial reports: 6 months accounts, 9 months and 12 months.	Facilitate the preparation of the reports
Private Sector Development	0.055	Provision of welfare to the staff	Provision of welfare to the office staff.
Grand Total	**0.29**		

Source: OAG analysis of work plans, financial statements and performance plans

Failure to provide funds for activities that were budgeted negatively affected their implementation and achievement of the expected services.
Management indicated that this was due to a lack of funding.

Recommendation

The Accounting Officer was advised to take up the matter with the PS MoFA and the PS/ST on funding, then plan and roll over the unfunded activities to the subsequent year for implementation.

Action Status	
The Mission continued engaging MoFPED to ensure the release of all approved budgets, and in FY2024/25, all funds were released, which allowed implementation of all the activities.	
Query	**Non/Partial Implementation of Activities**

Audit Findings

A total of four (04) outputs with thirty-five (35) activities worth UGX 8.09Bn were assessed, and the following were observed;

i) One (01) output with two (02) activities and expenditure worth UGX0.32Bn was fully implemented.

ii) Three (03) outputs with thirty-three (33) activities worth UGX7.76Bn were partially implemented. Out of the 33 activities, 29 activities worth UGX 7.17Bn were fully implemented. Three (03) activities worth UGX0.53Bn were partially implemented, while one (01) activity worth UGX0.07Bn remained unimplemented.

a) Partially implemented activities

Table: Showing partially implemented activities

Sn	Planned Activity	Amount Budgeted (UGX Bn)	Amount warranted (UGX Bn)	Amount Spent (UGX Bn)	Audit Comments
1	02 Private Sector Oil and Gas Symposia organised in both URT and the Republic of Uganda	0.232	0.115	0.115	Only 1 of the 2 Private Sector Oil and Gas Symposia was organised due to a low level of warrants.
2	04 meetings to follow up and monitor the progress of implementation of the Host Government Agreement of the East African Crude Oil Pipeline Project between URT and the Republic of Uganda, under the pipeline construction phase, participated in	0.003	0.003	0.003	Only two (2) meetings were held out of the four (4) expected despite the availability of all the budgeted funds.

3	08 National and International events participated in.	0.485	0.409	0.409	Participation in six (6) out of the planned eight (8) National and International events because of low warrants compared to the budget.
	Total	**0.720**	**0.527**	**0.527**	

Source: OAG analysis of work plan, financial statements and performance plans.

The partial implementation of planned activities implies that the intended objectives were not fully attained.

b) Un-implemented activities

The Audit noted that one (1) activity budgeted at 0.104Bn remained unimplemented because of low warrants compared to the budget, as shown in the table below;

Table: Un-implemented Activities

Sn	Activity	Amount budgeted (UGX Bn)	Amount warranted (UGX Bn)	Amount Spent (UGX Bn)	Audit Comments
1	01 Joint Permanent Commission (JPC) not organised	0.104	0.067	0.067	The activity was not implemented despite the release of some funds because of low warrants compared to the budget.

Source: OAG analysis of work plans, financial statements and performance plans

Failure to implement the planned/budgeted activities negatively affects service delivery and leads to failure to achieve the targeted objectives. Management explained that the funds that were budgeted for the above activity were not released, which affected the implementation.

Recommendation

The Accounting Officer was advised to;

i) Plan and roll over the unimplemented activities to the subsequent period for implementation.
ii) Take up the matter with the PS MoFA and the PS/ST so that adequate funding is made available in the subsequent period for the implementation of incomplete activities, if they are still relevant then.

Action Status	
The Mission made engagements with MoFA and the PS/ST for adequate funding. These were provided in the FY2024/25, which enabled the implementation of all the uncompleted activities.	
~~VOTE 507: UGANDA HIGH COMMISSION IN NIGERIA, ABUJA~~	
~~Query~~	
~~Audit Findings~~	
~~Recommendation~~	
~~Action Status~~	
VOTE 508: UGANDA HIGH COMMISSION IN SOUTH AFRICA, PRETORIA	
Query	**Maintenance of the Official Residence of the Ambassador**
Audit Findings The audit noted that the Official Residence had remained unrenovated for a long time without being renovated, and over the period, the extreme weather conditions (winters and summers) have had negative effects on the condition of the building. There were leaks through the walls and ceilings. These, if not urgently attended to, will result in extended damage that may be more expensive to repair. The audit noted that the High Commission was not allocated sufficient funds in its budget for building maintenance to undertake the repair and maintenance works required annually due to climatic conditions. Management Response i) The vote will constitute a technical team to assess the extent of renovation works required for the official residence of the Ambassador.	

ii) The vote will allocate funds to undertake repairs of the existing damage and channel the rainwater from the roof away from the walls of the residence.	
Recommendation	
i) The Government should allocate sufficient maintenance funds in the annual budgets to enable the management of the High Commission carry out annual maintenance of the Official Residence to avoid regular expensive repairs. ii) The Accounting Officer should constitute a technical team to assess the extent of damage, plan to undertake the required repairs and channel the rainwater from the roof away from the walls.	
Action Status	
The process of hiring competent and qualified personnel to inspect, survey and quote the estimated funding required is ongoing. Immediately thereafter, a funding requirement report will be submitted to MoFPED for consideration.	
Query	**Limited Office Space**
The High Commission operates in the Chancery building, which was acquired by the Government of Uganda in April 2001, with restrictions on being used for residential purposes only. As a result, there are apparent operational challenges in using the building for office purposes, with the following observable ones; i) The immigration and the Finance attachés operate from small rooms in the boys' quarters, with a small space not conducive to their operations. ii) The clients are made to sit in the compound as they wait to be served. The tent that had been erected to serve as a shelter for waiting clients was blown and damaged by the wind. iii) Office spaces for officers are in what used to be bedrooms, and there is a small boardroom in a former sitting room. iv) The furniture that is meant to be used in this tent is piled in the open, covered with a tarpaulin, and is affected by harsh weather conditions. v) The furniture used by staff at the Chancery is old and needs to be replaced. vi) There is no store to keep all the old immigration documents and other documents. While some were kept in a garage at the Official Residence, others were kept behind the boy's quarters	

and covered with a plastic sheet. These documents have been affected by the rain. These challenges impair the capacity of the High Commission and inhibit management from delivering its mandate. Management explained that the Mission wrote and notified the Government of Uganda of the need to reconstruct and repurpose the Chancery.		
Recommendation		
The Government of Uganda should consider reconstructing and repurposing the Chancery from a residential to an office structure.		
Action Status		
The Mission identified a house being sold by the neighbour and brought this to the attention of the PS MoFA. Discussions are ongoing to procure the property and resolve the issue of limited space at the chancery.		
Query	**No Budget Allocations For Commercial and Economic Diplomacy Activities**	
Audit Findings The Uganda High Commission in Pretoria is accredited to six countries (South Africa, Zimbabwe, Botswana, Lesotho, Eswatini, and Namibia), in which it is mandated to undertake the following: i) Strengthening Uganda's bilateral/ international relations with these countries ii) Promotion of Commercial/Economic Diplomacy iii) Provision of Diplomatic, Protocol and Consular Services iv) Mobilisation and Empowerment of Ugandans in Southern Africa for National Development v) Promotion of Uganda's Public Diplomacy and enhancement of its image in Southern Africa vi) Empowering the Mission to implement its Charter. Audit reviewed the strategic plan together with the annual work plans, the budgetary allocations and utilisation and noted that the High Commission was faced with the following challenges: - **i) Inadequate staff numbers** Restricted staff structure of 1+3 because of being categorised under group "B" by the Ministry of Public Service. A Deputy Ambassador		

was posted to the High Commission without adjusting its structure or budget. **ii) Inadequate funding** Only UGX4.185Bn was allocated for the FY under audit, leading to; i) No budget allocations for commercial and economic diplomacy activities ii) low wage bill that does not permit recruiting additional local staff iii) being affected by high energy bills (electricity and fuel) for cars, heaters and generators iv) eroded the actual released budget by loss on poundage, v) The high cost of living in our area of accreditation, which requires more funds to operate, is not catered for vi) The freeze on travel abroad restricted the movement/travels to other countries of accreditation Amidst the many challenges, the High Commission continued to execute the mandate. These challenges are likely to impair the capacity of the High Commission and inhibit it from delivering on its mandate. Management explained that; i) The vote will engage the relevant authorities in Kampala to review and revise the staffing structure, as well as provide adequate resources for the execution of the Mission mandate in the 6 countries of accreditation. ii) The Mission wrote and notified the Government of Uganda of the need to reconstruct and repurpose the Chancery.
Recommendation
The Head of Mission, together with the Accounting Officer through the Ministry of Foreign Affairs should engage the Ministries of Finance, Planning and Economic Development and that of Public Service to review and revise the staff structure of the High Commission and to also ensure that adequate resources are provide to enable the High Commission to fully execute its mandate in the six (6) countries of accreditation.

Action Status	
i)	There were budget enhancements provided by MoFPED through Economic and Commercial Developments funding, hence supporting the Mission in executing its mandate in the areas of accreditation. In the financial year 2025/26, UGX 2.5BN was allocated to coordinate and run the economic and commercial diplomacy with its corresponding activities.
ii)	Funds were released to procure the solar lights in the financial year 2025-26, hence reducing the high energy bills at the official residence.
iii)	Due to economic and commercial diplomacy funds received by the mission, the issue of restricted travel to the areas of accreditation has been addressed.
iv)	However, there were no wage bill enhancements in the financial year 2025/26. Discussions are ongoing with MoFA to ensure budget enhancements and salary increments, especially for the locally recruited staff.

Query	Failure to Fully Implement Activities

Audit Findings

Audit assessed the extent of implementation of activities for which funds were availed and utilised. A total of three (03) outputs with 26 activities worth UGX 3.93Bn were assessed, and the following were observed;

All three (03) outputs with 26 activities worth UGX 3.93Bn were partially implemented. Out of the 26 activities, management fully implemented 14 activities, six (06) were partially implemented, while three (03) remained unimplemented. The remaining four (04) activities were not quantified, making it difficult to assess the level of their implementation.

Examples of the activities that were partially or not implemented at all are illustrated in the tables below;

Table: Showing partially implemented activities

Sn	Activity	Audit Comments
1	183 national IDs issued out of the planned 200 IDs under PIAP - 16070801. Passports and other travel documents were issued	The activities were not costed separately
2	283 out of the planned 1000 national identity card applications were processed during the period under PIAP-16111710. Citizens issued passports	The activities were not costed separately
3	Issued 300 out of the planned 600 CIs.	The activities were not costed separately.
4	10 out of the planned 100 dual citizenship certificates processed.	The activities were not costed separately
5	4 out of the planned 12 Citizenship renunciation letters have been issued.	The activities were not costed separately
6	18 out of the planned 40 Letters confirming that Uganda allows dual citizenship have been issued.	The activities were not costed separately

Source: OAG analysis of work plans, financial statements and performance plans

Table: Showing un-implemented activities

Sn	Activity	Audit Comments
1	Conduct 4 Outreach programmes to sensitise Ugandans in the Diaspora.	The activities were not costed separately.

Source: OAG analysis of work plans, financial statements and performance plans

Management explained that;

i) The partially implemented activities include processing of national identity cards, passports and other travel documents, certificates of identity, dual citizenship certificates and citizenship renunciation letters. While the mandate of processing these documents primarily lies with the National Identification and Registration Authority (NIRA) and the Directorate of Citizenship and Immigration Control (DCIC), the Mission mainly plays a support role in the implementation of the activities of the 2 institutions due to its physical presence. Most of the activities are partially implemented due to system challenges at these institutions' Head offices in Kampala.

These include, but are not limited to, long turnaround time for National IDs, lack of standardisation of diaspora requirements for processing documents, etc. ii) The Mission included outreach programmes to sensitise Ugandans in Diaspora in the annual and quarterly work plans. We have since undertaken over 10 diaspora outreach missions in South Africa, Zimbabwe, Botswana, Namibia and Lesotho. iii)
Recommendation
The Accounting Officer was advised to provide an explanation for the partial and unimplemented activities.
Action Status
The Mission was allocated UGX 2.5BN in the financial year 2025/26 to coordinate and run the economic and commercial diplomacy with its corresponding activities. Implementation of all the outstanding activities is ongoing and will be completed before the year ends.

VOTE 509: UGANDA HIGH COMMISSION IN RWANDA, KIGALI	
Query	**High Rental Costs**
Audit Findings Paragraph (H - e) (1) of the Public Service Standing Orders, 2021 states that there shall be one official residence either owned or rented by the Government in each country to which a Mission is accredited, which shall be occupied by the Head of Mission. During the audit, it was noted that the Mission was incurring high rental costs, which were due to renting the official residence for the Ambassador and five other Mission staff. During the year, about UGX 0.6Bn was expensed on rent by the Mission. This constitutes 18.48% of the total Mission expenditure of UGX 3.22Bn. The high administrative costs, such as rent, reduce the amount of funds available in the budget for implementation of the Mission activities and improved service delivery that would have been considered had there been adequate funds available. The Accounting Officer explained that the Mission has engaged both the host Government and the Government of Uganda to identify the land/property for construction or acquisition. This will solve the high costs of rent.	

Recommendation	
The Accounting Officer of the Mission was advised to prioritise this activity as a way of saving on further spending of public funds on administrative costs.	
Action Status	
The Mission engaged both the host Government of the Republic of Rwanda and the Government of the Republic of Uganda to identify land/property for the construction or acquisition of the official residence.	
Query	**Low Foreign Service Allowance**
Audit Findings The Ministry of Foreign Service categorises Missions for decision-making. Kigali Mission is categorised as Group B, and as such, its Foreign Service Allowance (FSA) rates were set. Audit noted that the FSA rates paid out to the Foreign Service Officers (FSOs) have been in force for over 10 years, and yet the cost of living has been increasing over time. The monthly Consumer Price Index (CPI) figures issued by the National Institute of Statistics of Rwanda have shown an increase in the CPI over the years. The average Urban CPI for August 2024 increased by 5%, compared with the same month the previous year. This implies 5% increase in prices of essential items/services, including food & beverages, housing, water, electricity, transport, etc. This therefore implies that the FSOs are constrained by the applicable foreign service rates, which affect their livelihood.	
Recommendation	
Management should engage MoFA and MoFPED to consider reclassifying the Mission and thus revising the applicable FSA rates to reflect the current cost of living in the country.	
Action Status	
The Mission has engaged the Ministry of Foreign Affairs on the issue of low Foreign Service Allowance and awaits guidance on the matter.	
Query	**Failure to Dispose of Obsolete Items**
Audit Findings The High Commission owns several assets, and the audit noted that they were well managed, with an asset register which is well	

maintained. Audit, however, reviewed other asset-related matters and made the following observations;

i) The High Commission had obsolete assets that were due for disposal. The Board of Survey team also pointed this out.
ii) Two (2) vehicles belonging to the High Commission were old and had become expensive to maintain/service. Details of the vehicles are given below;

SN	Number Plate	Type	Year of Purchase	Chassis Number	Mileage
1	15CD028R	Land Cruiser	2015	JTMHX05J604095155	202,773
2	15CD015R	Land Cruiser	2012	JTMHV05J104079600	330,950

The delay to board off obsolete assets leads to further diminution of value. The failure to replace the old vehicle fleet implies high maintain/service costs for the Mission.

Recommendation

The Accounting Officer was advised to;
i) Ensure that the obsolete assets are boarded off to avoid further diminution in value.
ii) Engage the relevant authorities and lobby for funding to acquire new vehicles to avoid the high maintenance costs and for better Mission representation in the foreign service circles.

Action Status

The Mission is in consultations with MoFA and MoFPED to secure funding for the acquisition of motor vehicles.
With regard to obsolete items, the Mission has planned for their disposal in the FY 2025/26.

Query | **Unfunded Programmes**

Audit Findings

In the period under review, the Programmes of Tourism Development, Community Mobilisation and Mindset change were not funded. This was caused by the budget cut imposed by MoFPED.

The failure to fund the two (2) programmes led to the failure to implement the planned activities. This situation highlights the challenges in resourcing Mission key programme activities, which hinder the achievement of broader mandate objectives. However, during the interviews conducted with the management of the High Commission (in October 2024), it was revealed that the two programmes had received funding in the FY 2024/25. Specifically, the Tourism Development programme was allocated UGX 100Mn, while the Development Plan Implementation programme received UGX 1.1Bn. Despite this, management indicated that the funding was insufficient to effectively implement all the planned activities under the two (2) programmes. The Accounting Officer stated that the Mission engaged MoFPED and Parliament during appropriation to consider Kigali and other regional Missions as key in promoting Economic and Commercial Diplomacy.	
Recommendation	
Given the funding that was subsequently received, the Accounting Officer was advised to ensure that the mandated activities under the two (2) programmes are implemented in the subsequent period.	
Action Status	
The Mission will continue to engage MoFPED and MoFA to consider the Kigali Mission as key in promoting Economic and Commercial Diplomacy.	
Query	**Failure to Quantify Outputs and Activities**
Audit Findings The mandated activities that were implemented under the Governance and Security programme could not be assessed due to the High Commission's failure to quantify outputs and activities effectively. The High Commission just had a listing of implemented activities. Audit, therefore, could not evaluate the progress and impact of the activities and initiatives undertaken in the period under review.	

According to the Accounting Officer, by the time of the audit, the Ministerial Policy Statement had already been concluded without quantifying the activities. However, the issue has since been addressed, following staff training.	
Recommendation	
The Accounting Officer was advised to ensure the quantification of outputs and activities in subsequent periods to enable assessment of progress towards the attainment of programme objectives.	
Action Status	
MoFPED organised a PBS capacity building training to enable the concerned staff to use the PBS system, and activities are now well quantified and costed on the PBS system.	
Query	**Under Absorption of Funds**
Audit Findings Out of the total Government of Uganda (GoU) receipts of UGX 4.66Bn, the High Commission spent (operational expenditure) a total of UGX 4.59Bn (98.5%), resulting in a balance of UGX 71.9Mn. From the balance, UGX 55.7Mn (77.5%) was eroded/depleted by the exchange loss incurred in the period under review due to adverse exchange rate fluctuations. The exchange loss increased by 356% from the figure of UGX 12.2Mn suffered the previous year. The above performance implies that the High Commission absorbed funds as expected to implement planned activities to achieve the entity's mandate. The Accounting Officer stated that the forex volatility continues to be a challenge, and the High Commission had faced both the transaction forex risk as well as the translation risk at reporting. There were, however, initiatives to help mitigate the problem in the future.	
Recommendation	
The Accounting Officer was advised to always engage MoFA and MoFPED for additional funding to mitigate the impact of exchange losses.	

Action Status	
Foreign exchange loss is based on the budget rates, and it is compared with the exchange of the day at the time of release from the Bank of Uganda and the National Bank of Rwanda. The Government of Uganda mitigates foreign exchange fluctuations by releasing funds to Missions on a semi-annual basis. Missions are also advised to operate an account in the local currency of the country of operation and a second account in one of the major currencies for transactions in foreign currency.	
VOTE 510: UGANDA EMBASSY IN THE UNITED STATES OF AMERICA, WASHINGTON	
~~**Query**~~	~~**Failure to Fully Utilise Funds**~~
~~Failure to Fully Utilise Funds~~	
~~**Recommendation**~~	
~~**Action Status**~~	
Query	**Failure to Fully Implement Activities**
Failure to fully implement all planned activities implies that the Mission's annual objectives were not fully attained. The activities that were not implemented included; i) Facilitation of diplomatic courtesies ii) Holding performance review meetings iii) Asset management Plan developed iv) Lobbying for support of Uganda's candidature to International organizations Some of the major activities that were partially implemented included; i) Stakeholder engagement activities to promote a positive image of Uganda ii) Participating in/organising media engagements iii) Processing of passports iv) Issuance of Visas v) Enrolment of National IDs vi) Issuance of temporary travel certificates to Ugandans with lost/expired passports vii) Authentication of documents	

Recommendation	
The Accounting Officer was advised to ensure that the activities not fully implemented are rolled over for implementation in the subsequent period, in order to attain objectives in the Missions strategic plan.	
Action Status	
Activities that were not undertaken were rolled over to the subsequent Financial Years and implemented as follows; Lobbying for support for Uganda's candidature to the International Civil Aviation Organisation's Council. Uganda was elected for the 2025–2028 term, following an election at the 42nd ICAO Assembly in Montreal, Canada. Passports and national IDs. The Embassy received new ID kits from NIRA and a mobile passport enrollment machine from the MIA during FY2025/26. Four (4) outreach enrollment exercises in New Orleans (during UNAA - August), Atlanta (September), Denver (September) and Boston (October). Over 1000 National IDs were issued and or renewed. More outreaches are planned in the 3rd and 4th Quarters.	
Query	**Diversion of Funds**
Audit Findings Funds to the tune of USD 26,045.96 (Equivalent to UGX 0.10Bn) were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. Diversion of funds is not only contrary to the Public Finance and Management Act, but it also negatively affects the delivery of services and negates the purpose of budgeting The Accounting Officer took note of the Auditor's recommendation and explained that the figures reported were at variance with the actual situation on the ground. In practice, a single payment is made to an officer's bank account in respect of various claims/ reimbursements (such as utilities: water, electricity and medical), to avoid making multiple payments, with each attracting bank charges from both the payer (Embassy – USD 35.00) and the recipient (officer	

– USD 15.00). In addition, the respective invoices for reimbursements had multiple lines charged.	
Recommendation	
The Accounting Officer is to ensure that charging of expenditure is based on the expenditure classification and coding as defined by the Chart of Accounts and not on the reasons for the expenditure.	
Action Status	
The PSST has repeatedly reminded Accounting Officers in the appointment letters of their duty to ensure the proper utilisation of their vote budgets as per section 43 of the PFMA Cap,171. In liaison with MoFA, MoFPED guided the Missions during the review of their budget composition and equipped them with measures of managing Diversions/mischarges.	
Query	**Irregular Use of the Direct Method of Procurement**
Audit Findings All procurements were planned to be undertaken using the direct procurement method, even for instances where other modes of procurement could be utilised, such as repairs, furniture, and workshops/conference venues. Use of the direct procurement method does not guarantee attainment of economical prices for goods and services.	
Recommendation	
Accounting officer to ensure adherence to the procurement laws and regulations	
Action Status	
The Embassy has undertaken in-house training on the procurement processes, and there has been improved understanding of the procurement processes under Ugandan laws and regulations, as well as the market conditions of the host country, which at times is in conflict with the Ugandan situation.	
Query	**Failure to Streamline Purchase of Air Tickets**
Audit Findings The Mission's system of procuring air tickets is not streamlined, given that in most cases, individual officers obtain air tickets from travel agents and claim refunds from the Mission. There is no planned schedule of travel that could facilitate proper planning for procurement of such air tickets, especially for travels that are well known in good time, to facilitate the purchase of such tickets at	

lower prices, through an approved provider with framework contracts with the Mission.	
Recommendation	
The Accounting Officer should ensure strict adherence to the public procurement legal framework, streamline the procurement of air tickets and utilise appropriate procurement methods.	
Action Status	
The Mission has taken the relevant steps to streamline the purchase of Air tickets, including the signing of framework contracts with Service Providers. The Mission has also issued guidance on the process of requisitioning for air travel facilitation and ticketing.	
VOTE 511: UGANDA EMBASSY IN EGYPT, CAIRO	
Query	**Failure to Prioritise Key Mandate Activities**
Audit Findings During the year under review, the Embassy had a number of unfunded priorities, but critical among these included; a) Funding for Commercial and Economic Diplomacy (CED) The Mission was not included among those Missions receiving funds earmarked for promoting Economic and Commercial Diplomacy, despite Egypt being a very strategic Country Economically and commercially. However, this had been budgeted at UGX300M. In addition, the Mission was left out on the Tourism and Agro – Industrialization programmes in Financial Year 2023/24 under review. As a result, the mission did not participate in the Agro-industrialisation programme, yet Egypt is a very industrious country. Uganda can benefit from funding for this Embassy to tap into the opportunities in this sector, especially with regard to value addition and export promotion. On the tourism front, Egypt is a very big tourism destination annually. Since the two countries share the Nile River, Uganda can leverage its wildlife, especially the big five animals, buffalo, Elephants, Leopards, Lions, and Rhinos. In response, the Accounting Officer explained that the embassy had considered them while preparing the PIAP for the upcoming NDP IV and was hopeful that funds would be allocated to these Programmes.	

b) Pending Second (2nd) Session of the Joint Permanent Commission (JPC) and Joint Ministerial Sessions

In 2018, a JPC was held in Cairo, with the two Heads of State (Uganda and Egypt) agreeing on a number of issues, most of which have not been implemented. For example, the MOU between the host country and Uganda on Labour Externalisation was not concluded and may strain the bilateral relationship.

This makes most of the Ugandan diaspora vulnerable to unfair terms of recruitment and employment. In addition, the Embassy is currently grappling with a high number of Ugandan migrant workers in Egypt. This activity had been budgeted for at UGX 50Mn during the year, but no funding was received.

The Accounting Officer emphasised the need for the Mission to hold the second JPC to finalise issues, such as the MOU on labour Externalisation. The current budget is overstretched in anticipation of the newly added programmes under the NDP IV.

c) Failure to make visits to countries of its accreditation

The Uganda Embassy in Cairo is also accredited to Israel, Syria, Lebanon and the Arab League. However, during the year, the Embassy did not establish any contact or develop any relationships, nor travel to any of the accredited countries due to the non-provision of a budget for the purpose.

This strains our bilateral relationships with each of the above countries.

The Accounting Officer explained that the Embassy will continue engaging with the Mission support officer at the Ministry of Finance, Planning and Economic Development.

d) Requirement to shift to the New Administrative Capital (NAC)

Reference is made to a commentary made by the Head of Accounts on other information deemed relevant. The Embassy is required to move to the New Administrative Capital (NAC) to improve its operational effectiveness, given that all Government Ministries, including the Ministry of Foreign Affairs, are now located in the NAC.

However, due to the high cost of purchasing land in the NAC (USD.600 per square metre), various Embassies opted to move to New Cairo, a fast-growing metropolitan city situated between the New Administrative Capital (NAC) and Old Cairo. With the majority of the African Diplomatic community (83%) moving to New Cairo, Embassies like the Uganda Embassy, if left in Old Cairo, will be disadvantaged by the long distance to services from the Egyptian Ministries, Agencies and Departments.

Three (03) of the East African Community counterparts, i.e. Kenya, Rwanda and Tanzania, have already moved to New Cairo for easier access to the NAC, and it would greatly advantage the Mission to shift to the New Cairo.

It is also important to note that the mission has 2 properties: the Chancery and the Official Residence, located in Old Cairo. With the new requirements, these 2 properties should be considered when a decision is taken on shifting.

The Accounting Officer explained that the Mission was actively engaging the relevant authorities to ensure that this activity is given priority.

Recommendation

i) The Embassy should develop a strategy for tapping into these opportunities in the area of accreditation. In addition, the Government should consider funding the programme, which has the potential to increase the number of tourists visiting Uganda.
ii) There is a need for funding to coordinate and organise a second JPC. This would address issues like the pending MOU on Labour Externalisation.
iii) The Government should consider allocating resources for this activity to enable the embassy reach out as envisaged.
iv) The above matter requires urgent attention by the relevant stakeholders, taking into consideration our bilateral relationship with the host country.

Action Status	
The Mission has been contributing to two programmes only, that is, Governance and Security and Development Plan Implementation. Following the allocation of Economic and Commercial Diplomacy funding of UGX3bn in FY 25/26, the Mission now contributes to an additional four programmes under the fourth National Development Plan (NDP IV), which commenced on 1st July 2025. These programmes include Tourism development, Agro-industrialisation, Sustainable Extractives Industry Development and Innovation, Technology Development, and Transfer. This funding will enable the Mission to execute and prioritise its key mandate activities. Moving to the New Administrative Capital The Mission has submitted documentation detailing the estimated costs of acquiring land in Egypt's New Administrative Capital to both the Ministry of Finance, Planning and Economic Development and the Ministry of Foreign Affairs. Over UGX 38.9Bn is required to relocate Uganda's Mission in Cairo to the new designated premises following administrative changes within the Egyptian Government.	
Query	**Lack of Title Deeds for the 2 Mission properties**
Audit Findings The mission owns two properties. a) The Official Residence The Official Residence: a villa situated on Plot 48, Orouba Street, Helipolis, Cairo, with a surface area of 221.50 square meters, 2 floors, and a basement, was purchased by the Government of Uganda in 1967 and has served as the Official Residence since its acquisition. However, the only document confirming ownership is a sale agreement duly signed by the Uganda Ambassador at the time and duly registered at the Cairo Notary Office under No.910 dated 23rd February 1970. b) The Chancery The Chancery is a villa located on plot 66 in Maadi, Cairo, occupying 750 square meters. It occupies 3 floors and was acquired by the	

Government on 27th March 2002, to house the Chancery. However, in a letter dated 18th March 2003, the then Ambassador indicated that they had embarked on securing the title deed for this property. However, the Accounting Officer could only present a copy of the purchase agreements without the title deed. Refer to the attached agreements in Appendix 1. Management explained that engagements with the previous Ambassadors were ongoing, and the progress would be documented and shared.	
Recommendation	
The Accounting Officer should engage the former Ambassador for further guidance to help move forward the process so that the 2 title deeds are acquired.	
Action Status	
The villa on 48 Orouba Street, Heliopolis, serves as the Official Residence. The property was purchased by the Government of Uganda in 1967 and has since been used as the Official Residence for the successive Uganda Ambassadors in Egypt. The only document that confirms Uganda's ownership of the Official Residence is the sales contract, duly signed by the Uganda Ambassador at the time of sale, and duly registered at the Cairo Notary Office under no.910 on 23 February 1970. The Embassy's legal advisor assured the Embassy that the sales contract agreement serves as the title deed. The villa on Plot 66, Street 10, Maadi, was acquired by the Uganda Government on 27 March 2002 to house the Chancery. The Mission has now embarked on securing a title deed for this property.	
Query	**Poor State of Mission Buildings**
Audit Findings Audit inspected the mission properties to establish their status, and below are the observations, as also indicated in the board of survey report.	

a) Chancery This is located on plot 66, road, Maadi, Cairo. It has three (3) floors, including a basement. The building is relatively old and requires regular maintenance to befit the function of a Chancery. b) Official Residence This is a villa located on 48 Orouba Street, Heliopolis. The residence is in a very sorry state and requires immediate renovations to suit its purpose. At the time of inspection, the house was not occupied due to the fact that the ambassador had travelled back to Uganda for medical reasons. Refer to Appendix 2 for pictorial evidence. The Accounting Officer responded as follows; a) Disposal of old and unwanted furniture at the Official Residence is slated for this current financial year. b) Furnishing the residence highly depends on the funding that the Mission will be provided to shift to the New Administrative Capital. c) The Mission had proposed two options in the concept note to the planning unit in MOFA: either renovate and stay in the old addresses or sell/dispose of these properties in their current states. The Mission has not yet received guidance on this matter.
Recommendation
The Accounting Officer is advised to follow up with the responsible stakeholders, with a view to having the above matters addressed.
Action Status
The minimum requirements for renovating old buildings in Egypt involve structural assessment, adherence to heritage laws, and principles of minimal intervention and conservation. Key requirements include assessing the building's physical stability, maintaining its historical and architectural integrity, ensuring the new use is compatible with its character, and ensuring all work is documented and uses appropriate, reversible techniques. The average lifespan of a building is 50 to 60 years. The Official residence is 58 years old, and it requires extensive modifications to fit current architectural and construction standards.

The Mission engaged a consultant to assess the Chancery and to establish renovation costs. The consultant submitted a quotation of $50,000, which was equivalent to UGX187.5Mn. The Mission civil maintenance budget for that period was only UGX 78.31Mn.

Query	**Failure to Quantify Outputs**

Audit Findings

The mandate of the Mission is to promote, defend and protect Uganda's national interests in Egypt and countries of accreditation, including Israel, Lebanon and Syria. This mandate also includes securing opportunities for Ugandans in the areas of education and business development.

Audit reviewed the Mission's work plans and performance reports to assess the extent to which the mission had secured Education and Business opportunities during the year. The table below summarises the findings. Details are in Appendix 1.

Table1: Showing Performance of the Mission in Securing Opportunities for Ugandans

Sn	Opportunity type	Details	Planned as per the approved work plan (No.)	Actual number verified by auditor (No)	Variance (No.)
1	Business	Bilateral and multilateral agreements were initiated, negotiated, signed and implemented to increase the agricultural export market.	Not Quantified	3	
2	Business	Export promotion activities with AFREXIM Bank participated in.	Not Quantified	Participated	
3	Education	Training slots for military personnel in various courses are being lobbied.	Not Quantified	7 secured	
	Total				

Source: OAG verification of work plans and performance reports

The audit noted that 07 outputs were not quantified, making it impossible to assess the level of implementation of the activities and outputs themselves.

In response, the Accounting Officer explained that the Mission's planners undertook refresher training on PBS to ensure accuracy and completeness in the budget cycle processes. Outputs for the current financial year were properly quantified.	
Recommendation	
The Accounting Officer should ensure that outputs are clearly quantified for easy assessment during implementation.	
Action Status	
The Mission's planners undertook refresher training on PBS to ensure accuracy and completeness in the budget cycle processes. With guidance from MoFA and MoFPED, outputs for the Financial Year 2024/25 were more appropriately quantified.	
Query	**Failure to Fully Utilise Warrants**
Audit Findings The mission had total warrants of UGX 4.11 Bn, out of which UGX 3.98Bn was absorbed, representing 95.4% performance. The non-utilised funds were meant for payment of contract staff salaries, acquisition of furniture and fittings, and acquisition of light ICT hardware, all amounting to UGX 0.13Bn. The Accounting Officer explained that the Mission received an additional UGX 117 M for contract staff salaries in Q4. This extra release was meant to assist in the growing expenses on Contract staff in terms of facilitations and allowances. This was, however, an overstatement of the estimated Staff costs, which caused the surplus.	
Recommendation	
The Accounting Officer should adequately review the contract staff costs to inform the budget estimates for this item.	
Action Status	
The discrepancy between the budget and actual expenditure figures entered into the Navision system and the Programme Budgeting System (PBS) was attributed to movements in foreign currencies. The Mission has two functional currencies, namely the United States Dollar (USD) and the Egyptian Pound (EGP), and reports in Uganda Shillings (UGX).	

To alleviate this situation, MoFPED resolved to release funds to all Missions Abroad twice a year, rather than quarterly, to mitigate the effects of exchange rate fluctuations arising in the course of the year.

Query	**Supplementary Funding not Requested by the Accounting Officer**

Audit Findings

Regulation 18 (2) of the Public Finance Management Regulations (PFMR) 2016 requires that an Accounting Officer who intends to spend money as supplementary expenditure shall request the Minister's approval in writing.

The audit noted that supplementary funding amounting to UGX1.064Bn was not formally requested for by the Accounting Officer, contrary to the PS/ST communication dated 2nd October, in which he requested all Accounting Officers to do so not later than 6th October 2024 to facilitate the timely releasing and warranting of funds. The table below refers.

Table: Requests for Supplementary Funding

S/n	Type of the supplementary	Supplementary amount received (UGX)	Purpose
1	Recurrent	894,486,927	Various requirements
2	Development	170,000,000	Furniture and ICT equipment
	Total	**1,064,486,927**	

Failure by the Accounting Officer to formally requisition for the supplementary funding is contrary to the PFMR and the Treasury Instructions.

The Accounting Officer explained that a request was formally made for supplementary funding in the previous financial year. The Mission, through the Chairman of the Committee on Foreign Affairs, received an increment to the budget ceiling of UGX500Mn. The other supplementary of UGX400Mn was given to the Mission following the desk officer's guidance to the PS/ST on Missions that require increased budget ceilings. The development funding was granted based on reports that the Accounting Officer submitted to the Planning Unit at MoFA.

Recommendation

The Accounting Officer should always ensure that the Mission complies with the supplementary approval guidelines.

Action Status	
Reference is made to a communication from the PS/ST to the Auditor General (BPD/267/268/01) requesting the authorisation of supplementary funding for the MDAs whose Accounting Officers had submitted requests for additional financing. The Mission is committed to improving its document archiving and retrieval process.	
VOTE 512: UGANDA EMBASSY IN ETHIOPIA, ADDIS ABABA	
Query	**Outstanding payment for Uganda's assessed contributions to the African Union**

Audit Findings

The mandate of the Uganda Mission - Addis Ababa (Ethiopia) is to promote, defend, and protect Uganda's national interests in Ethiopia, Djibouti, the African Union (AU), the InterGovernmental Authority on Development (IGAD), and the United Nations Economic Commission for Africa (UNECA). Uganda, being a member of the African Union, Rule 23(1) of the AU financial rules (FR) stipulates that statutory contributions from member countries are due on the 1st of January of the financial year.

Accordingly, in line with EX.CL/Dec 1265(XLV) of the July 2024 for the African Union 2025 budget adopted during the 45th ordinary session of the executive council, the assessed contribution was found to be USD 3.65mn as shown in the table below:

Table1: Outstanding Government of Uganda Contribution to the African Union

S/n	Description	Amount USD
1	Outstanding arrears on the regular budget up to 2023	178,664.40
2	Outstanding arrears on the Peace Fund budget up to 2023	708,655.97
3	Contribution towards the 2024 regular budget	2,763,913.41
	Total	**3,651,233.78**

Non-settlement of country membership dues to the AU is in contravention of Rule 23(1) of the AU Financial Rules (FR).

The Accounting Officer indicated that the Mission brought this issue to the attention of the Ministry of Foreign Affairs and the Ministry of Finance, Planning and Economic Development to have the above arrears settled. Failure to pay our contributions attracts sanctions against the country. At the moment, Uganda is under cautionary

sanctions of the African Union. As such, it is prohibited from speaking on any matter on the agenda of the African Union. Given that Uganda is due to host the Extraordinary Session of the Assembly that will consider the Post-Malabo Comprehensive Africa Agriculture Development Programme (CAADP) Agenda from 09-11 January 2025, it is important that it settles its outstanding contributions to avoid embarrassment.		
Recommendation		
The Accounting Officer was advised to liaise with MoFPED and MOFA to secure funds to settle the outstanding arrears.		
Action Status		
The Mission engaged both MoFA and MoFPED, and on 11th February 2025, Uganda's outstanding contribution of USD 3,651,233, as assessed, was paid off.		
Query	**Slow Progress of Construction of the Chancery and Official Residence**	

Audit Findings

The Uganda Mission in Addis Ababa owns land with a land title in YEKA Sub-City Woreda 05 House No. 046 along Fikremariam Aba Techan Street - Addis Ababa, measuring 3,831 (m^2).

The Mission Strategic Plan for FY 2020/21 to FY 2024/25, provided a capital budget of UGX21.94Bn for the construction of the Chancery and the official residence of the Ambassador at this Land and made the following financial projections towards development of the Project;

Table 2: Budget for Construction of Addis Ababa Chancery (Amounts in Bn UGX)

Output	2022/23	2023/24	2024/25
Designs and BOQ produced	1.5		
The Chancery building and official residence were constructed	4.11	6	10.89
Total	**5.61**	**6**	**10.89**

Source: Mission Strategic Plan

Accordingly, Section 5.2 of the Urban Land Lease Agreement entered into on the 15th of October, 2015, between Addis Ababa City Land Development and Management Bureau Office of Land Banking and Transfer (the Lessor), and the Embassy of Uganda in Addis Ababa,

Ethiopia (the Lessee) for a lease period of 99 years (renewable) states that; In accordance with the lease proclamation, the lessee shall be allowed a period of 36 months (3 years) for the completion of the construction work. At the time of audit inspection on 18th October 2024, the following progress was established. i) A consultant, Ms K2N Architecture and Engineering Plc, had been procured to develop designs for the construction of the chancery. ii) A topographic survey of the Land had been carried out by the consultant and a report submitted to the Embassy on 20th August 2024. iii) An inception report for the design, supervision and contract administration of the chancery and official residence had been drafted by the consultant and submitted to the embassy on 18th Sept 2024. In the circumstances, there is a risk that the construction works may not get completed within the period of 36 months, leading to loss of the already acquired land since the development is still at the preparatory stages. As at the time of audit, October 2024, the consultant had not yet come up with detailed designs for the construction of the chancery and Official Residence. Any delays towards the start of construction imply continued payment of high rental costs for the chancery and the Ambassador's official residence at USD 10,200 and USD 6,000, respectively. The Accounting Officer explained that he had taken note of the recommendations and would implement them.
Recommendation
The Accounting Officer was advised to take up the matter with the PS MoFA and expedite the process of development of the Chancery and Official Residence.
Action Status
The Mission, with guidance from MoFA, is progressing the construction activity. Consultancy work is ongoing, and the following reports have been completed; i) Final Topography Report (Survey work)

ii) Approved Inception Report iii) Feasibility Report The Ministry of Works and Transport project technical team was contacted and has been inspecting and engaging the consultant from time to time on the progress registered. The Consultant is currently working on the preliminary design report, approval of which shall trigger the architectural drawings design phase.	
Query	**Under Collection of Non-Tax Revenue**
Audit Findings Audit reviewed the approved Non-Tax Revenue (NTR) estimates/budgets, revenue sources and rates charged at the vote level for the financial year 2023/2024 and noted that the Embassy budgeted to collect NTR of UGX 0.18 Bn, of which only UGX 0.0 39Bn was collected, representing a performance of 21.73 % of the planned target. Shortfalls in NTR collections at the vote level result in aggregate NTR/revenue shortfalls at the Treasury level, which negatively affect the implementation of planned activities by the Government. The Accounting Officer explained that the budget figure of UGX 0.18Bn set by MoFPED is over ambitious and as a Mission will seek audience and engage with staff at the Ministry for all stakeholders to come up with a realistic Budget figure regarding the collections of NTRs in Addis Ababa.	
Recommendation	
The Accounting Officer was advised to continue engaging MoFPED in coming up with realistic NTR estimates so that accurate and realistic NTR projections are included in the budget.	
Action Status	
An engagement with the mission inspection team from MoFPED was undertaken to devise ways to harmonise the NTR estimates, given that Entry Visas, which used to form the bulk of NTR collections, are now paid directly to URA through the online immigration portal. The only NTR collected from Entry Visas is in those few cases of physical requests. Some NTR is also derived from document certification and emergency travel documents, which are, to a large extent, issued freely to distressed Ugandans on repatriation.	

In a Circular letter TPD 167/293/03 dated 3rd October 2024, the Ministry of Finance, Planning and Economic Development (MoFPED) undertook consultative meetings with all votes to determine realistic NTR figures to inform the Budget for FY 2025/26. The upgraded PBS is currently used to provide NTR collection data to inform trend analysis and forecasting.

Query	**Failure to Fully Implement Activities**

Audit Findings

Audit assessed the extent of implementation of activities for which funds were availed and utilised. A total of three (3) outputs, comprising 32 activities and expenditures worth UGX 4.02Bn, were assessed, and the following was observed.

Table 3: Assessment of implementation of budgeted outputs and activities

S/n	Budget Programme output code	Programme Description	No of Activities	Fully Implemented	Partially Implemented	Not implemented
1	000003	Facilities and Equipment Management	8	2	3	3
2	000014	Administrative and Support Services	13	4	9	Nil
3	560009	Cooperation Frameworks and Development Assistance	11	4	7	Nil
	Total		32	**10**	**19**	**3**

Source: OAG Audit Analysis

From the above table, after review of the three (3) budget Programme outputs with expenditure worth UGX 4.02Bn, the audit noted that out of the 32 activities, ten (10) activities were fully implemented, nineteen (19) activities were partially implemented, and three (3) activities were not implemented.

Failure to utilise all required funds affects the implementation of activities, which in turn negatively impacts service delivery to the intended beneficiaries.

The Accounting Officer explained that the Mission will make sure all planned activities are implemented and realistic targets set while budgeting.

Recommendation

The Accounting Officer was advised to ensure that;

i) All activities are implemented as planned.

ii) Realistic targets are set by management to ensure that all planned activities are undertaken.

Action Status

The PS/ST in the Budget Execution Circular for FY 2024/25 directed Accounting Officers to put in place robust monitoring and evaluation frameworks to enable tracking of the execution of ongoing projects/activities. The Accounting Officers were also requested to re-scope ongoing projects/activities to address bottlenecks leading to time and cost overruns.

The Mission is taking positive strides to ensure that all planned activities are implemented and that realistic targets are set during budgeting. Further, the mission requested MoFPED for more training on the matter.

Query	**Funding of the Strategic Plan**

Audit Findings

A comparative analysis of the annual budget for FY 2023/24 and the strategic plan 2020/21-2024/25 forecasts indicated 73.80% variance in the funding requirements for the year under review to implement activities and deliver on the strategic plan objectives. Details are shown in the table below;

Table 4: Inconsistencies between the annual work plan and the forecasted Strategic Plan funding requirements for FY 2023/2024

Classification	Strategic Plan Cost Estimate Fy 23/24 (Bn)	Project Strategic Plan Cost Fy 24/25 (Bn)	Operational Plan Cost Estimate Fy 23/24 (Bn)	Variance (Bn) Fy 2023/24	Variance (Bn) Fy2024 /25	% Variance Fy23/24	% Variance Fy 2024/25
Recurrent (wage)	1.517	1.517	1.058	0.459	0.459	30.26	30.26
Recurrent (Non-wage)	7.833	7.833	2.594	5.239	5.239	66.88	66.88
Capital Development	6	10.89	0.370	5.63	10.52	93.83	96.60
Total	**15.35**	**20.27**	**4.022**	**11.328**	**16.248**	**73.80**	**80.00**

Source: OAG analysis of the approved annual budget work plan for the FY 2023/2024, FY 2024/2025 and the Strategic Plan 2020/2021-2024/2025

From the analysis of the table above, the costing of the operational plan and Budget for the Financial year under review is below the strategic plan costing for the FY 2023/24 by UGX 11.33Bn.

Further projection for the FY 2024/25 indicated that this continued to fall short by UGX 16.25Bn. The analysis indicated that overall, capital development expenditure and recurrent expenditure (non-wage) suffered the most variances of 93.83% and 66.88%, respectively. **Implication** Failure to align the strategic plan funding requirements with those of the annual work plan made it difficult to implement all planned activities in the strategic plan and achieve desired objectives, further affecting the achievement of the overall national development objectives. The Accounting Officer explained that the Mission would liaise with MoFPED as recommended to ensure that Indicative Planning Figures (IPF's) are revised to cater for the Strategic Plan funding projections.	
Recommendation	
The Accounting Officer was advised to liaise with MoFPED to ensure that the entity's Indicative Planning Figures (IPFs) are revised to cater for the Strategic Plan funding projections.	
Action Status	
The Mission engaged MoFPED and MoFA, and the indicative planning figures were revised upwards in the subsequent National Development Plan IV, 2025/26 – 2029/30.	
Query	**Failure to undertake a mid-term review of the strategic plan**
Audit Findings Section 6.2.3 of the Comprehensive National Development Planning Framework (CNDF), 2009 states that the 5-year plans will be subjected to mid-term reviews for the purpose of ensuring that appropriate development control and direction are maintained. In addition, section 8.4 of the Mission's Strategic Plan, 2020/21-2024/25 states that a comprehensive mid-term review of the implementation of the Strategic Plan will be undertaken in the first six months of the third year of plan implementation. Contrary to the above requirement, it was noted that the Mission did not undertake a mid-term review of the Addis Ababa 2020/21-2024/25 Strategic Plan by the time of the audit.	

Failure to undertake a timely mid-term review poses a risk of continued implementation of the strategic plan initiatives that may not adequately address the overall achievement of both the entity and country development goals. The Accounting Officer explained that the Mission will engage with the relevant stakeholders to see that the midterm review is fast-tracked.	
Recommendation	
The Accounting Officer was advised to fast-track the completion of the mid-term review as required by Section 6.2.3 of the Comprehensive National Development Planning Framework (CNDF), 2009.	
Action Status	
The National Planning Authority, in consultation with relevant stakeholders, undertook a mid-term review of the third NDP to assess progress towards achieving the objectives of the NDPIII. Subsequently, the new NDP IV was developed to align with MPS 2025/26 – 2029/30, and this has been submitted to NPA for approval.	
VOTE 513: UGANDA EMBASSY IN CHINA, BEIJING	
Query	**Overstatement of Cash Position**
Audit Findings Audit reviewed the financial statements of the Embassy and noted that UGX 0.323 Bn was reported by the Accounting Officer as cash and cash equivalents. However, included in this balance is UGX 0.32 Bn, which was cash in transit. Discussion with management revealed that this balance represented a case of missing cash collections reported years back in 2015/16, which was handled by the Ministry of Foreign Affairs. The amount was included in the financial statements pending resolution of the case. No evidence was provided on how the case was concluded and the fate of this money, or whether any disciplinary measures have been taken by the Ministry of Foreign Affairs (MoFA). Under the circumstances, there is a possibility of overstatement of the cash position with funds which may be unrecoverable.	

The Accounting Officer explained that the Embassy raised the matter and would engage the Ministries of Foreign Affairs and that of Finance, Planning and Economic Development to have the issue resolved.	
Recommendation	
The Accounting Officer was advised to follow up on the matter with the MoFA to establish the current status of the investigation.	
Action Status	
~~The Accounting Officer wrote seeking guidance from the Ministry of Finance, Planning and Economic Development~~.	
Query	**Irregular recruitment of local contract staff**
Audit Findings Section (A-a) paragraph 9(f) of the Uganda Public Service Standing Orders, 2021 stipulates that the power to appoint, confirm, discipline and remove public officers from office in the Public Service is vested in the Head of a Mission, subject to approval in writing by the Responsible Officer (Permanent Secretary MoFA) in the case of locally recruited staff for the mission. In a Foreign Service Circular No. 1 dated 25th April, 2023, issued by the PS-MoFA, all Accounting Officers at the Missions were reminded that recruitment of local staff had to be done with the express authority of the responsible officer and must be subject to the availability of wages. Audit noted that twelve (12) local contract staff who were paid a total of UGX 0.42Bn during the year were recruited without approval by the Permanent Secretary of MoFA. Recruitment of local contract staff without approval by the PS-MoFA encourages diversion of funds to cater for the salaries and emoluments for these officers. The Accounting Officer explained that the staff were recruited several years ago, before the PS MOFA's communication, ref. no. ADM/258/545/01, dated 25th April 2023. The Mission will liaise with PS-MoFA for further guidance on the matter.	

However, a review of documentation available to support the response and interview with the PS-MoFA revealed no evidence that authority was granted for the recruitments.	
Recommendation	
The Accounting Officer was advised to regularise the recruitments of all the local contract staff and ensure that in future all local contract staff recruitments are approved by the PS-MoFA.	
Action Status	
Recruitments of all the local contract staff were regularised and approved by the PS-MoFA as they were within the available wage provision.	
Query	**Irregular use of Travel Abroad Rates for Inland Travel**
Audit Findings Paragraph (2) of section (E-b) of the Uganda Public Service Standing Orders 2021 requires that in the case of a Foreign Service Officer abroad, night allowance is payable when he or she is travelling on duty away from the duty station, in the country to which his or her Embassy is accredited and having to spend nights away from his or her residence. During the financial year under review, the Embassy management paid out UGX 0.58Bn to the Embassy officials travelling from their duty stations to undertake Embassy activities within China, using rates for travel abroad to cater for their allowances. Audit also noted that the Ministry of Public Service (MoPS) has not approved rates to be used in circumstances where Foreign Service officers have to travel long distances away from their duty stations, but within the same country. Due to a lack of clarity on which rates to use in such circumstances, the Accounting Officer used the per-diem rates for travel abroad. The Accounting Officer explained that the Embassy would bring this matter to the attention of the Permanent Secretaries of MoFA and MoPS for guidance.	

Recommendation	
The Accounting Officer was advised to follow up on the matter with the Permanent Secretaries of MoFA and MoPS so that proper guidance is provided.	
Action Status	
The rates are paid in accordance with Section (E-b) Para (2) of the Uganda Public Service Standing Orders, 2021 and Para. 1.11 of the Circular Standing Instruction No.4 of 2008, which stipulates that the night allowance rates applicable for Foreign Service Officers are those payable to Public Officers travelling outside Uganda.	
Query	**Failure to Fully Implement the Embassy's Mandate**

Audit Findings

The mandate of the Embassy in Beijing is to promote, defend and protect Uganda's national interests in the Republic of China. This mandate also includes securing opportunities for Ugandans in the areas of education, tourism and business development.

Audit reviewed the Embassy's work plans and performance reports to assess the extent to which the Embassy had secured opportunities during the year. The table below summarises the findings.

Table 1: Performance of the Embassy's Mandate

Sn	Opportunity type	Details	Number Planned as per the approved work plan	Actual number verified by auditor	Variance (Number)
1	Trade promotion and engagements	Trade promotion engagements /events, investment promotion forums, engagements with Potential investors, outbound investment missions, and Coordinate Uganda private sector linkages with counterparts in China.	20	15	5
2	Tourism	Tourism promotion engagements/exhibitions, tourism familiarisation tours for major tourist companies from China to Uganda, and Sign an agreement/MoU	6	3	3

		between Chinese and Ugandan agencies to cooperate in tourism promotion, including benchmarking the Chinese approach to promoting inbound tourism.			
3	Education	Source for training opportunities and scholarships	659	No data provided	NA

Source: OAG verification of work plans and performance reports

Failure to effectively execute the Embassy's mandate denies citizens and the country in general opportunities for economic growth.

The Accounting Officer explained that the implementation of some activities as laid out in the strategic plan was largely affected by budgetary constraints. The annual Government budgetary provision to the Embassy has consistently been far below the annualised strategic plan funding requirements.

Recommendation

The Accounting Officer was advised to engage MoFPED on the increased funding for the affected activities and also to reassess the relevance of the affected activities and consider rolling over these activities into the work plans and budgets for the subsequent financial years.

Action Status

The Mission engaged MoFPED to secure additional funding to exploit the vast economic and commercial opportunities in China.

In FY 2024/25, the budget for securing opportunities for Ugandans in the areas of education, tourism, trade, and business development was increased to UGX 3.7 Bn, while the budget for the implementation of Commercial and Economic Promotion activities for the benefit of Uganda was increased to UGX 3.3 Bn.

Query	**Failure to Fully Implement Activities**

Audit Findings

Audit assessed the extent of implementation of activities for which funds were availed and utilised. A sample of four (04) outputs with 32 activities worth UGX1.05Bn were assessed, and the following was observed;

i) One (01) output with 21 activities and expenditure worth UGX 0.26Bn was fully implemented. ii) Three (03) outputs with 11 activities worth UGX 0.80Bn were partially implemented. Six (06) out of 11 activities worth UGX 0.52Bn were fully implemented, while five (05) activities worth UGX 0.28Bn were partially implemented. The failure to implement all the planned activities affected service delivery. The Accounting Officer explained that activities in the annual work plan were drawn from the strategic plan. He further stated that the FY 2023/24 resource requirement as per the strategic plan was UGX 38.76 Bn, while the actual budget provision for the financial year was UGX 5.38Bn of the required amount. Therefore, failure to fully implement the Embassy's mandate and some of the planned activities was mainly due to budgetary constraints.
Recommendation
The Accounting Officer was advised to engage MoFPED on the increased funding for the affected activities and also to reassess the relevancy of the affected activities and consider rolling over these activities into the work plans and budgets for the subsequent financial years for implementation.
Action Status
MoFPED was engaged for additional resources for Commercial and Economic Promotion activities. In the FY 2024/25, the budget for the implementation of Commercial and Economic Promotion activities was increased to UGX 3.3Bn.

Query	**Misallocation of Embassy Budgets in Various Programmes**
Audit Findings Effective financial year 2022/2023, appropriation of resources in the budget was done using the Programme approach. Under this approach, entities were appropriated resources in Programmes if the entities were expected to contribute towards the achievement of the Programme objectives. Audit noted that the Embassy had a total budget of UGX 5.38Bn out of which UGX 0.59Bn (11%) was received for Programmes for which	

the Embassy has no contribution as per the Programme allocation in the NDP-III. The table below refers.

Table: Mis-allocation of Embassy budgets to various Programmes

Programme	Total Budget (UGX Bn)	Amount Warranted (UGX Bn)	Audit Comment
Agro-Industrialization	0.33	0.33	Embassies are not listed as contributing entities to this Programme in the NDP-III.
Development Plan Implementation	0.27	0.27	Embassies are not listed as contributing entities to this Programme in the NDP-III.
Sub Total	**0.59**	**0.59**	
Tourism Development	0.20	0.20	Embassies are listed as contributing entities to this Programme and thus eligible.
Governance and Security	4.58	4.58	
Sub Total	**4.78**	**4.78**	
Grand Total	**5.38**	**5.38**	

Source: OAG analysis of approved budgets and warrants

Allocation of funds to the Embassy under Programmes for which the entity has no contribution defeats the purpose of the programmatic approach to budgeting and affects the achievement of NDP-III objectives.

The Accounting explained that the Embassy's core mandate is linked to the mentioned Programmes, as detailed in the Embassy's Strategic Plan, which was approved and certified by the National Planning Authority.

The Accounting Officer's attention was drawn to par. 31 of the NDP-III, which provides that the goal of the agro-industrialisation Programme is to increase commercialisation and competitiveness of agricultural production and agro-processing. Furthermore, par. 484 of the NDP-III provides that the goal of the Development Plan Implementation Programme (DPI) is to increase efficiency and effectiveness in the implementation of NDP-III, through increased GDP growth rate and revenue-to-GDP ratio, and to maintain the proportion of supplementary budget expenditure within 3 per cent, among others. This matter was brought to the attention of the NPA, which indicated that this activity is not within the mandate of the Embassy.

Recommendation	
The Accounting Officer was advised to liaise with PS MoFA and NPA to ensure that funding for the Embassy is aligned with the programmes that cover the core mandate of the Embassy in NDP-IV.	
Action Status	
The Embassy has been working hand in hand with MoFA and NPA, and during the development of the NDP IV, the Mission's contribution to the relevant Programmes through which funding is provided was clearly defined.	
VOTE 514: UGANDA EMBASSY IN SWITZERLAND, GENEVA	
Query	**Failure to Budget for Non-Tax Revenue**
Audit Findings The audit reviewed the NTR outturn and noted that the Mission collected UGX10.3Mn. However, the NTR outturn could not be assessed against the budget, given that NTR was not included in the budget for the financial year. As a result, there was no comparative benchmark to evaluate the performance of NTR in the year under review. According to the accounting Officer, the Mission's only source of NTR collection is certification and legalisation of documents, which is unpredictable for budgeting purposes. The least that the Mission can do is set targets. Although the uncertainty of the NTR revenue sources in the Mission is acknowledged, budgeting is still necessary for all revenue sources. Whether the Mission achieves the targets set is a different matter altogether.	
Recommendation	
The Accounting Officer was advised to ensure that the Mission, in liaison with MoFPED, budgets for NTR to facilitate revenue planning and effective year-end performance assessment.	
Action Status	
In the Budget Execution Circular Ref. Under BPD 86/179/01 of 15th July 2024, the PS/ST committed to assessing the performance of Accounting Officers based on NTR-set targets (Par. 46).	

Vide Circular letter TPD 167/293/03 dated 3rd October 2024, MoFPED undertook consultative meetings with all votes to determine realistic NTR figures to inform the Budget for FY 2025/26. The PBS is being used to provide NTR collection data to inform trend analysis and forecasting.	
Query	**Inadequate Foreign Service Staff at the Mission**
Audit Findings Uganda Permanent Mission in Geneva is accredited to the United Nations & fourty other International Organisations, as well as bilaterally to Switzerland. In addition, it represents Uganda in 250 Non-Governmental Organizations (NGOs). The wide mandate requires commensurate Foreign Service Officers (FSOs) for Uganda to have better representation. The audit noted that the Mission's approved staff structure of (1+5) was filled with four (4) FSOs, the Permanent Representative (PR) and his Deputy. However, the number of FSOs is insufficient to effectively execute Uganda's diplomatic responsibilities/ engagements bilaterally and multilaterally. The situation is at times made worse when some engagements take place concurrently. This issue has been reported many times in the Auditor General's audit reports, but has never been addressed. Consequently, this impacts the effectiveness of diplomatic efforts/representation, thereby affecting the Mission's performance insofar as the attainment of the mandate objectives.	
Recommendation	
The Accounting Officer was advised to continue engaging the relevant authorities to revise the staffing structure and increase staffing levels for effective country representation in the bilateral and multilateral engagements.	
Action Status	
The matter of revising the staff structure to match the current workload has been brought to the attention of MoFA and is being followed up to ensure its conclusion.	
Query	**High Foreign Exchange Loss**
Audit Findings The Mission had a revised approved budget of UGX10.20 Bn, which was all warranted, implying 100% performance.	

Out of the total GoU receipts of UGX10.20Bn, the Mission spent (appropriation based on classification of expenditure) UGX9.64Bn (94.5%) on compensation of employees, goods and services consumed and purchase of Property, Plant and Equipment (PPE), leaving a balance of UGX0.56Bn. The details are in the table below;

SN	Particulars	Amount (UGX 'Bn)
1	Compensation of employees	6.003
2	Goods and services consumed	3.433
3	Purchase of PPE	0.204
Total		**9.640**

From the balance, UGX 0.56Bn (99%) was eroded by the exchange loss incurred in the period under review. The exchange loss increased by 203% from the figure of UGX0.184Bn reported the previous year.

The above performance implies that the Mission absorbed all funds as expected to implement planned activities to achieve the entity's mandate.

Recommendation

The Accounting Officer was advised to continue liaising with the Ministry of Finance, Planning & Economic Development for full funding of the Mission budget to enable implementation of planned activities.

Action Status

MoFPED is committed to full funding of the budgets, as was the case with 2023/24.

To mitigate against Foreign Exchange fluctuations that occur throughout the year, MoFPED undertook to release funds to Missions Abroad twice a year, rather than quarterly.

Query	**Failure to Cost Activities**

Audit Findings

Regulation 11(2)(d) of the Public Finance Management Regulations, 2016 requires work plans of votes to indicate the funding allocated to each activity. The audit noted that the Mission outputs were not supported by individual activity costing and budgets by way of quantification of outputs and activities.

Consequently, the audit could not assess the extent of implementation of outputs and the associated activities to ascertain the Mission's performance.

This issue was reported in the previous audit period as well, indicating a systemic challenge that requires attention. The Accounting Officer acknowledged the anomaly and committed to liaise with MoFPED for guidance on how to cost activities on workplans, extending beyond the costing of outputs in the Programme Budgeting System (PBS).	
Recommendation	
The Accounting Officer was advised to follow up on the matter with MoFPED and ensure that the relevant staff are trained on detailed output and activity costing during budgeting, to enable proper assessment of performance at year-end.	
Action Status	
The PSST in the Budget Execution Circular for FY 2024/25 directed the Accounting Officer to put in place robust monitoring and evaluation frameworks to enable the robust tracking of execution of ongoing projects/activities. The PBS provides for the quantification of activities at the budget output level. The votes prepare their individual Ministerial Policy Statements, including an individual activity costed work plan. MoFPED shall continue providing support for better application of the PBS.	
Query	**High Cost of Living**
Audit Findings The Ministry of Foreign Affairs (MoFA) categorises Missions into Groups for decision-making. The Foreign Service Allowance (FSA) rates are determined based on the group categorisation. The Audit noted that the FSA rates paid to the Foreign Service Officers (FSOs) have remained unchanged for over a decade, and yet the cost of living keeps increasing. This implies increased prices of essential items/services, including food & beverages, housing, water, electricity and transport, etc. This affects the financial well-being and standard of living of FSOs. The Accounting Officer stated that the Mission had on numerous occasions brought the issue to the attention of MoFA and MoFPED, and that they were committed to continuing to engage to ensure that the FSA rates are revised to reflect the high cost of living in Switzerland.	
Recommendation	

Management was advised to engage MoFA to conduct a comprehensive review of the current Foreign Service Allowance rates to determine whether they adequately reflect the current cost of living for the personnel at the Mission, with a view to reviewing.	
Action Status	
The Mission continues its engagements with MoFA and MoFPED to revise the FSA rates to match the high cost of living in Switzerland.	
~~**VOTE 515: UGANDA EMBASSY IN JAPAN, TOKYO**~~	
~~**VOTE 516: UGANDA EMBASSY IN SAUDI ARABIA, RIYADH**~~	
~~**VOTE 517: UGANDA EMBASSY IN DENMARK, COPENHAGEN**~~	
VOTE 518: UGANDA EMBASSY IN BELGIUM, BRUSSELS	
Query	**Failure to Fully Warrant**
Audit Findings The entity had total warrants of UGX 8.82 Bn, of which UGX 6.34Bn was utilised by the close of the financial year. This has resulted in 71.8% performance on warrants utilised. The unspent funds were deposited with a Notary Public and are intended for the construction of the new official residence, to be located on the Embassy's plot, which has been vacant for a long time. Construction is yet to commence. The Embassy awaits a response from the Commune regarding the documents submitted for the granting of authority to commence construction. The Accounting Officer explained that the Mission was advised by the consultant for the construction project of the new official residence that it is common practice in Belgium for the contractor to request that all funds for a construction project are available throughout the duration of the work. This serves as an additional guarantee for the contractor that funds for the project are available. It is based on this that the Embassy opened a third-party account through a Notary Public to deposit the capital development funds, and any additional funds remitted to the Mission for this Project will be deposited into this account as well. This is in light of the fact that funds towards this project are being released in small instalments. This was done with the two-year renovation of the Chancery as well.	
Recommendation	

The Accounting Officer was advised to liaise with the Supervising consultant to follow up with the Commune for the grant of authority, to enable the construction of the new official residence to commence.	
Action Status	
The unspent funds were deposited with a Notary Public and are meant for the construction of the Official residence at the 'empty plot' at plot 35, Clos de Laurier, Brussels. Funds for the construction of the official residence were also provided by Finance. On 15th March 2024, the construction plans were submitted to the Woluwe Saint Pierre Commune (equivalent of KCCA) for approval. The approval was eventually done on 13th February 2025. Authority to retain the capital development funds into the next financial year from PS/ST was sought in June 2024. Additionally, the Solicitor General's approval of a contract for construction in Missions abroad was sought.	
Query	**Unspent Funds**
Audit Findings Out of the warranted amount, the Embassy spent a total of UGX 6.34 Bn, representing 71.8%. The unspent funds are mainly related to the construction of the Official residence in the Embassy's empty plot which had not commenced as the Embassy awaited the grant of authority from the Commune to commence construction. The unspent funds earmarked to commence construction of the Official residence were deposited with a notary, and a third-party account was opened on behalf of the Embassy, and a deposit of Euros 707,203.18 was made. Authorisation by PS/ST to open this account with a Notary was not provided at the time of the audit.	
Recommendation	
The Accounting Officer was advised to always seek authority to open a Bank Account from the Accountant General, and to retain funds from the Permanent Secretary/Secretary to the Treasury	
Action Status	
Authority to retain the capital development funds into the next financial year was sought from PS/ST in June 2024. The account was opened by the Notary Public as is required for large construction projects in Belgium. A letter was written to PS/ST in this regard. The Accounting Officer and Financial attaché co-sign the instruction to pay letters to the Notary Public, who instructs the Bank to pay the	

Contractor accordingly. This is upon issuance of the payment certificate by the Consultant and approval of the same by the Contract Management Team (CMT) of this project. The Solicitor General's approval of the contract for construction in Missions abroad was also obtained. The construction process began with the procurement of the consultant in January 2024, followed by contract signing in June 2025, with earnest work on site beginning in July 2025 and site clearance and bringing utilities like water and power on site. Groundbreaking for construction - first brick laying- was on 5th October 2025.	
Query	**Failure to Fully Implement Activities**
Audit Findings The audit assessed the extent of implementation of activities for which funds were availed and utilised. A total of 4 (four) outputs with 28 activities worth UGX 6.34Bn were assessed. All four (4) outputs were partially implemented as detailed in Appendix I. Out of 28 activities, the entity fully implemented eleven (11) activities, partially implemented fourteen (14) activities, did not implement two (2) activities and one (1) activity was not assessed because it did not have targets set during planning. The Accounting Officer explained that the impact of the lack of funding for most of the planned activities, coupled with the effect of the anti-Homosexuality Act, affected the delivery of most of the planned Mission activities, with a number of the BENELUX countries cutting or reducing their support, which affected planned outputs. The Mission has consistently requested ECD funding but has yet to receive it.	
Recommendation	
The Accounting Officer was advised to ensure that all activities are implemented as planned and that realistic targets are set by management to ensure that they are attained.	

Action Status	
The Mission received ECD funding during the FY 2025/2026 to drive the new focus of the Country towards Economic and Commercial Diplomacy as a tool for National Development.	
Query	**Failure to Undertake Mid-term Review of the Mission's Strategic Plan**
Audit Findings Section 6.2.3 of the Comprehensive National Development Planning Framework (CNDF), 2009 states that the 5-year plans will be subjected to mid-term reviews for the purpose of ensuring that appropriate development control and direction are maintained. In addition, section 8.4 of the Embassy's Strategic Plan, 2020/21-2024/25 states that a comprehensive mid-term review of the implementation of the Strategic Plan will be undertaken in the first six months of the third year of plan implementation. A Mid-term review of the Strategic Plan was not available at the time of the audit, and it was not possible to ascertain if the mid-term review was done. Failure to undertake a timely mid-term review poses a risk of continued implementation of the strategic plan initiatives that may not adequately address the overall achievement of both the entity and country development goals. The Accounting Officer explained that the Mission's strategic plan 2020-2025 ends this year. The Mission intends to review the previous five-year strategic plan while working on the new year strategic plan 2025-2030. This will coincide with the implementation of NDPIV and Uganda's Chairmanship of NAM 2024-2027.	
Recommendation	
The Accounting Officer was advised to fast-track the review of the Embassy's 2020-2025 Strategic plan and embark on the process of drafting the 2025-2030 Strategic plan since the current plan (2020-2025) is due to expire by 30th June 2025.	

Action Status	
The review of the Embassy's 2020-2025 Strategic plan was undertaken. The Mission Service Delivery Standards were also reviewed. These reviews, in addition to the guidance from NPA and MoFA, facilitated the development of the Five-year strategic plan for 2025-2030, which began in 2024. As a result, more realistic targets were developed. The 2025-2030 Strategic Plan also emphasised the new mandate of Economic and Commercial Diplomacy (ECD) guided by the newly adopted ECD Implementation Strategy and Uganda's Chairmanship of NAM from 2024 to 2027. All this has been done in the context of NDP IV	
VOTE 519: UGANDA EMBASSY IN ITALY, ROME	
Query	**Failure to Budget for NTR**
Audit Findings Unbudgeted NTR of UGX 8.9M was realised, implying the possibility of underassessment of revenue sources.	
Action Status	
The Mission has been liaising with MoFPED to provide realistic NTR figures. Arising from these engagements, the NTR estimates were revised to UGX 5M for the two subsequent financial years 2024/25 and 2025/26. It should be noted that the Mission only collects NTR from document legalisation and unspent balances.	
Query	**High Cost of Rent**
Audit Findings The Mission incurs Euros 168,000 annually on rent for the chancery and official residence, implying a major outflow of foreign exchange, which could be mitigated if it acquired its own premises.	
Action Status	
The matter has been brought to the attention of the MoFA for urgent consideration, as the current premises are not suitable for both the Chancery and the official residence. In the meantime, the Mission has retooled both the chancery and the official residence. The Mission rent budget has also been enhanced, and more suitable premises to house the Embassy and	

Official residence are being sought. Emphasis is on premises that portray a good image for the Embassy, as well as being conducive to executing its duties	
Query	**Lack of Disposal**
Audit Findings Lack of a disposal plan resulted in non-disposal of an assortment of 55 items.	
Action Status	
The Board of Survey undertaken in the FY 2024/25 identified assets for disposal, and as a result, a disposal plan has been developed. Disposal of the obsolete items shall be undertaken in the FY 2025/26.	
Query	**Unutilised Warrants**
Audit Findings The Mission had unutilised warrants of UGX 0.25Bn due to failure to identify suitable premises for the official residence, as well as recruitment of local staff.	
Action Status	
The search for a suitable official residence is underway, and relocation is due in 2025/26. The vacant position of a cleaner has been filled. Interviews for the position of driver of the utility van have been conducted, nominations made awaiting clearance from Headquarters.	
Query	**Mischarged Expenditures**
Audit Findings Euros 5,839.45 was mischarged on some items contrary to the intentions of the appropriating authority.	
Action Status	
The PSST has repeatedly reminded Accounting Officers, in their appointment letters, of their duty to ensure the proper utilisation of their vote budgets as per section 43 of the PFMA Cap. 171. In liaison with MoFA, MoFPED also guided the Missions during the budget review on their composition. This also equipped them with measures of managing mischarges.	

VOTE 520: UGANDA EMBASSY IN DRC, KINSHASA	
Query	**Over-budgeting for Contract Staff Salaries**

Audit Findings

Paragraph 8.5.2 of the Treasury Instructions, 2017 states that the implementation of the budget shall strictly follow the work plans, procurements and recruitment plans as approved by Parliament.
The audit observed that during the year, the Embassy had a total budget for contract staff salaries of UGX 1.82 Bn, all of which was warranted and spent.

Audit compared the total contract staff salaries required by the Embassy as per the validated payroll for the local contract staff and noted that what was budgeted and warranted was in excess of the local contract staff requirements of the Embassy by UGX 1.21 Bn, as summarised in the table below;

Table: Over Budgeting for Contract Staff Salaries

S/n	Details	Amount (UGX Bn)
1	Budget for contract staff salaries (A)	1.82
2	Warrants (B)	1.82
3	Total expenditure (C) *(from actual payment file)*	1.75
4	Recomputed contract staff salaries (budget requirement) (D) (Recomputed based on the payroll of the local staff)	0.60
	Excess Salaries budget E= (A-D)	**1.21**

Source: OAG analysis of PBS data and local staff payroll

Over-budgeting encourages mischarging of expenditure.

The Accounting Officer explained that the excess arose from the need for additional funding to adequately meet employees' requirements. Recognising this challenge, the Mission formally wrote to the Ministry of Finance, Planning and Economic Development (MoFPED) requesting an enhancement of the wage ceiling, which was granted for FY 2023/24.

Audit took note of the response of the Accounting Officer but noted that the activities for which this additional wage was requested, such as enhancement of contract staff salaries and recruitment of more staff, were not undertaken.

Recommendation	
The Accounting Officer was advised to ensure that budgeting for contract staff salaries is based on the actual requirements as per the local contract staff numbers in place and any planned recruitments going forward.	
Action Status	
The Mission budgeted for the available and planned contractual staff following a wage enhancement requested in FY 2023/24 to align the budget to salary requirements. The increase in the wage ceiling allowed the Mission to align its budget with the actual salary requirements, ensuring proper compensation for its staff while adhering to financial regulations.	
Query	**Irregular Recruitment of Local Contract Staff**
Audit Findings Section (A-a) paragraph 9(f) of the Uganda Public Service standing orders, 2021 grants the power to appoint, confirm, discipline and remove public officers from office in the Public Service, which is vested in the Head of a Mission, subject to approval in writing by the Responsible Officer (PS-MoFA) in the case of locally recruited staff for the mission. Audit noted that 16 local contract staff who were paid a total of UGX 0.6Bn during the year were recruited without approval by the PS MoFA. Recruitment of Local contract staff without approval by the PS MoFA encourages diversion of funds to cater for the salaries and emoluments for these officers. The Accounting officer indicated that going forward, the Embassy would strictly adhere to the Uganda Public Service Standing Orders, 2021 and will obtain the necessary approvals from the Permanent Secretary before any appointments are made.	
Recommendation	
The Accounting Officer was advised to regularise the recruitments of all the local contract staff and ensure that in future all local contract staff recruitments are approved by the PS-MoFA.	
Action Status	
The Mission sought retrospective approval for the contractual staff, noting that all staff were recruited over 10 years ago and that tracing	

their recruitment records did not yield positive results. This was compounded by the burning of Embassy property during the riots of January 2025, in which such vital staff records were destroyed.	
Query	**Irregular Use of Travel Abroad Rates for Inland Travel**
Audit Findings Paragraph (2) of section (E-b) of the Uganda Public Service Standing Orders 2021 requires that in the case of a Foreign Service Officer abroad, night allowance is payable when he or she is travelling on duty away from the duty station, in the country to which his or her Embassy is accredited and having to spend nights away from his or her residence. Audit noted that during the financial year, the Embassy paid out UGX 107.83 M to Embassy officials travelling from their duty stations to undertake Embassy activities within the DRC using rates for travel abroad to cater for their allowances. However, the audit also noted that the Ministry of Public Service (MoPS) had not approved rates to be used in the circumstances where Foreign Service officers have to travel long distances away from their duty stations but within the same country. Due to a lack of clarity on which rates to use in such circumstances, the Accounting Officer used the per-diem rates for travel abroad. The Accounting Officer explained that Circular Standing Instructions (CSI) No.6 of 2018 set out the night allowances payable to officers outside Uganda as specified under section 1.7. The Embassy has relied on the same to make payments to officers. Audit took note of the Accounting Officer's response; however, the circular referred to does not apply to public servants on deployment outside Uganda for a long time.	
Recommendation	
The Accounting Officer was advised to follow up on the matter with the Permanent Secretaries of MoFA and MoPS so that proper guidance is provided.	
Action Status	
The rates were paid in accordance with Section (E-b) Para (2) of the Uganda Public Service Standing Orders, 2021 and Para. 1.11 of the	

Circular Standing Instruction No.4 of 2008, which stipulates that the night allowance rates applicable for Foreign Service Officers are those payable to Public Officers travelling outside Uganda.	
Query	**Failure to Fully Implement Activities**

Audit Findings

The Audit assessed the extent of implementation of activities for which funds were availed and utilised. A total of four (04) outputs with 18 activities worth UGX 9.03Bn were assessed, and the following was observed;

i) One (01) output with four (04) activities and expenditure worth UGX 2.86Bn was fully implemented.

ii) Three (03) outputs with 14 activities worth UGX 6.17Bn were partially implemented. Out of the 14 activities, the entity fully implemented eight (08), four (04) activities were partially implemented, while two (02) activities remained unimplemented, as shown in the table below.

Table: Showing un-implemented activities

SN	Activity	Audit Comments
1	2 meetings for follow-up of the 10th Regional Oversight Meeting (ROM) summit decisions coordinated and participated in.	No follow-up meetings on the Regional Oversight Meeting resolutions were held to track progress made in attaining peace and security in the region.
2	2 Credentials of the New Ambassador presented to DRC and the areas of accreditation.	No credentials were presented. As a result, the Ambassador is unable to conduct official business in the DRC.

Source: OAG analysis of work plans, financial statements and performance plans

However, the audit noted that the activities were not costed by management, which affected the depth of my analysis.

Failure to follow up on ROM summit decisions hinders the fast-tracking of implementation of the resolutions made, while the failure to present the credentials of the Ambassador affects the official Embassy work.

The Accounting Officer explained that the Embassy prepared and submitted all the necessary documents/credentials and was awaiting feedback from the DRC Government. In addition, scheduling of the follow-up meetings for the ROM summit is beyond the Embassy's control.

Recommendation	
The Accounting Officer was advised to continue following up on un-implemented activities and ensure they are fully implemented.	
Action Status	
The Mission implemented its outputs within the framework of the Joint Permanent Commission convened in November 2023, which addressed all the Mission's planned activities for that Financial year. The planned Credentials for DRC that had not been carried out were implemented in April 2025.	
VOTE 521: UGANDA EMBASSY IN SUDAN, KHARTOUM	
Query	**Irregular Recruitment of Local Contract Staff**
Audit Findings Section (A-a) paragraph 9(f) of the Uganda Public Service Standing Orders, 2021 stipulates that the power to appoint, confirm, discipline and remove public officers from office in the Public Service is vested in the Head of the Embassy, subject to approval in writing by the Responsible Officer (Permanent Secretary Ministry of Foreign Affairs (PS- MoFA) in the case of locally recruited staff for the Embassy. On the contrary, the audit noted that 17 local contract staff were recruited without approval by the PS-MoFA. Recruitment of local contract staff without approval by the PS-MoFA encourages diversion of funds to cater for the salaries and emoluments for such staff. The Accounting Officer explained that all the local contract staff at the Embassy were recruited at least eight (8) years back, and the documents relating to their recruitment were all destroyed during the ongoing war in Khartoum.	
Recommendation	
The Accounting Officer was advised to regularise the recruitments of all the local contract staff and ensure that in future, all local contract staff recruitments are approved by the PS-MoFA.	
Action Status	
The Embassy wrote a letter to the Permanent Secretary of the Ministry of Foreign Affairs, requesting the regularisation of all local staff working with the Mission.	

Most of the local staff at the Mission have worked with the Mission for over 10 years.

Query	Under-budgeting for Rent

Audit Findings

Paragraph 8.5.2 of the Treasury Instructions, 2017 states that the implementation of the budget shall strictly follow the work plans, procurements and recruitment plans as approved by Parliament.

A review of the Embassy's PBS and Navision reports, financial statements and budgets revealed that the entity had a total budget for rent of UGX 1.3Bn, which was all warranted. However, the audit observed that the Embassy spent UGX 1.35 Bn, resulting in an over expenditure of UGX 0.04Bn.

Audit re-computed the total rent required by the Embassy as per the rental agreements and noted that what was budgeted and warranted was lower than the rent requirements of the Embassy by UGX 0.04Bn as summarised in the table below;

Table: Showing analysis of budgeting for rent

S/n	Details	Amount (UGX Bn)
1	Budget for rent (A)	1.304
2	Warrants (B)	1.304
3	Total expenditure (C)(from the rent code)	1.345
4	Recomputed based on the various rental agreements-D	1.345
	Shortfall on rent budget E= (A-D)	**0.041**

Source: OAG analysis of PBS data and rental agreements

Under-budgeting for rent encourages mischarging of expenditure.

The Accounting Officer explained that as a result of the war in Khartoum, the embassy was relocated to Port Sudan, where the rental rates were very high against the budgeted rent provision.

Recommendation

The Accounting Officer was advised to ensure that the rent budget provision for the subsequent years is based on the new rental agreements.

Action Status	
During the preparation of the budget for the subsequent FY 2024/25, the Embassy adequately budgeted for rent to reflect the higher rent rates in Port Sudan.	
Query	**Irregular Use of Travel Abroad Rates for Inland Travel**
Audit Findings Paragraph (2) of section (E-b) of the Uganda Public Service Standing Orders 2021 requires that in the case of a Foreign Service Officer abroad, night allowance is payable when he or she is travelling on duty away from the duty station, in the country to which his or her mission is accredited and having to spend nights away from his or her residence. Contrary to the above, the Embassy paid UGX 111.94Mn to Embassy officials travelling from their duty station to undertake Embassy activities within Sudan using travel abroad rates to cover their allowances. Audit also noted that the Ministry of Public Service had not approved rates to be used in the circumstances where Foreign Service officers have to travel long distances away from their duty stations, but within the same country. Due to a lack of clarity on which rates to use in such circumstances, the Accounting Officer used the per-diem rates for travel abroad. The Accounting Officer explained that this matter has been brought to the attention of the PS-MOFA.	
Recommendation	
The Accounting Officer was advised to follow up on the matter with the Permanent Secretaries of MoFA and MoPS so that proper guidance is provided.	
Action Status	
The rates were paid in accordance with Section (E-b) Para (2) of the Uganda Public Service Standing Orders, 2021 and Para. 1.11 of the Circular Standing Instruction No.4 of 2008, which stipulates that the night allowance rates applicable for Foreign Service Officers are those payable to Public Officers travelling outside Uganda. The Embassy therefore used the above rates for inland travel because the activity was in a city of Sudan outside Port Sudan.	

Query	Failure to Cost and Implement all Activities

Audit Findings

The audit assessed the extent of implementation of activities for which funds were availed and utilised. A total of two (02) outputs with 12 activities worth UGX 4.65Bn were partially implemented. Audit, however, noted that ten of the twelve activities had been appropriately costed. The details of the activities that were not costed are in the table below;

Table: Showing activities that were not costed

Sn	Activity	Amount warranted (UGX)	Amount Spent (UGX)	Audit Comments
1	4 Political and diplomatic visits facilitated	Amounts not provided by the Accounting Officer	Amounts not provided by the Accounting Officer	Held a meeting with the Minister of Trade and Investment of Morocco on ways of improving the balance of trade between countries, especially in coffee and tea.
2	40 academic and other official documents certified	Amounts not provided by the Accounting Officer	Amounts not provided by the Accounting Officer	Only four (4) out of 40 engagements with the Ugandan diaspora in Port Sudan to discuss their continued stay and working conditions in Sudan were held.

Source: OAG analysis of work plans, financial statements and performance plans

Out of 10 activities that were costed, the Embassy fully implemented eight (8) activities worth UGX 4.42Bn while two (02) activities worth UGX 0.23Bn were partially implemented. The activities that were partially implemented are provided in the table below;

Table: Showing partially implemented activities

Sn	Activity	Amount warranted (UGX Mn)	Amount Spent (UGX Mn)	Audit Comments
1	13 computers purchased for the staff at the Embassy	120	120	3 computers out of 13 were purchased
2	3 tourism promotion events hosted and participated in	106.28	106.28	One (1) out of three (3) tourism promotion events was held at Port Sudan.
	Total	**226.28**	**226.28**	

Source: OAG analysis of work plans, financial statements and performance plans

Failure to procure all the computers affected the Embassy's operations, while failure to undertake tourism promotions affected the Embassy's ability to secure tourism opportunities for the country. The Accounting Officer explained that the ongoing war led to an increase in the inflation rate from 120% to 285%, which affected the ability of the available funding to facilitate implementation of the planned activities.
Recommendation
The Accounting Officer was advised to always revise the work plans and budget to match the purchasing power of the available funds in such hyper-inflationary situations. In addition, the Accounting Officer should consider including un-implemented activities in the budgets and work plans for the subsequent financial years.
Action Status
i) Partial Implementation of activities. Due to the ongoing civil conflict, which broke out in 2023 in the Republic of the Sudan, and the 260% hyperinflation, the Mission was unable to carry out all planned activities. However, more realistic costs were used in the subsequent financial year. ii) Failure to Quantify all Activities The Mission acknowledged this anomaly. However, during preparation for FY 2024/25, all activities were properly quantified.

VOTE 522: UGANDA EMBASSY IN FRANCE, PARIS	
Query	**Mischarge of Expenditure**
Audit Findings Paragraph 10.3.1 (step 4-approval of payments) states that in reviewing payment requests, an Accounting Officer shall have a primary responsibility of ensuring that there is no mischarge and diversion of funds through wrong coding of transactions. An Accounting Officer shall be held personally liable for any wrong charge accounts used for expenditure incurred.	

It was noted that the Mission mischarged 397,133.7 EUR (equivalent to UGX 1.59Bn) during the year from the approved expenditure lines. Out of this, UGX 0.04Bn was made from the item for contract staff salaries without seeking and obtaining the necessary approvals. Such diversions are contrary to the PFMA Cap. 171, leads to non-implementation of planned activities, and negates the purpose of budgeting. Mission submitted that the mischarge was a result of the payment of social security for the local staff. In the FY 2023/24, the Mission did not receive money for Social Security Contribution for Quarter 1 and Quarter 2. And yet, Social Security contributions are mandatory under French law. This prompted the Mission to charge Contract Staff salary for Social Security contribution in Quarter 1 and Quarter 2, since they are all employee-related costs. Further, mischarge was also caused by the payment of rent for home-based staff. In France, there is an annual increment in rent, and this is not catered for in the Mission budget. For most of the contracts for home-based staff, rent payment has to be made three months in advance. So if a month ends in June 2023, then you have no option other than mischarge to ensure that rent is paid in time to comply with the legal requirement.
Recommendation
The Accounting Officer was advised to adequately budget in line with the Uganda Chart of Accounts and adhere to the approved budget and work plans while executing the budget. Any system challenges should be brought to the attention of MoFPED.
Action Status
The PSST has repeatedly reminded Accounting Officers in the appointment letters of their duty to ensure the proper utilisation of their Vote budgets as per section 43 of the PFMA Cap, 171. In addition, MoFPED, in liaison with MoFA, guided the Missions during the review of their budget composition and equipped them with measures of managing mischarges.

Query	Incomplete Works at the Chancery
Audit Findings Status of the Chancery Building located on 13 Avenue Raymond Poincaré 75116 in Paris. Renovation works on this building started way back in February 2020 and were expected to be completed in August 2023. In August 2023, the Chancery was reoccupied on advice from the Contract Management Team (CMT) at MoFA upon 90% completion. This arose out of the fact that the main contractor, Ms L'Atelier des Compagnos, had been declared bankrupt in July 2023 before completion. The remaining renovation works were at a standstill and still are. The embassy sought guidance from the Solicitor General, who advised them to seek legal guidance; the process is still ongoing. In November' 2023, the Embassy engaged the services of Cabinet Menant & Associates, a law firm, to handle the legal obligations that had arisen as a result of the incomplete works. Incomplete works include; Leakage through the walls on the 3rd floor, balconies were not renovated, the front door is yet to be completed and fixed with security, the basement area requires completion, the wooden floor was not renovated, among others. Cost for the remaining works Arising from the various court engagements and physical verifications of the incomplete works done to ascertain the defects, the judicial expert proposed EUR 59,463 to the court for his services, which had to be paid by the Embassy with a court order before 9th October 2024. This was authorised by the CMT and was paid through the Mission lawyers in terms of the court order. According to the project consultant, the remaining works were estimated at EUR. 326,046.20 for remaining works and EUR.173,379.07 for additional works required but were not part of the original contract. All totaling to EUR 499,425.27, (equivalent of UGX1.998Bn)	

The Mission submitted that the court process is ongoing, and it is not clear when the case will be disposed of. However, engagements with the Project Manager are ongoing to obtain a quotation from the subcontractors of the incomplete work and to obtain approval from the Contracts Committee and CMT.

Concerning the leakages on the third floor of the chancery building, it was not in the previous BOQ nor in the additional quotation, and the Embassy is waiting for the quotation from the Project Manager after assessing the extent of the damage and will bring it to the attention of the MoFA and MoFPED.

Recommendation

The legal process should be expedited so that the renovation works can resume for completion, given the availability of project balances worth UGX 2.17Bn as at the end of the year. Further, the Embassy should adequately budget for the additional funding required to complete all the required renovations.

Action Status

The court process is ongoing, and the Judicial Expert's final report is expected to be submitted to the court for its final decision. The Mission will then resume renovation works.

In the meantime, the Mission re-engaged the project Manager/consultant, Mr Phillipe HENNEQUIN of Alcycone Architects, and a road map for the resumption of renovation works was provided. In addition, the project Manager shared quotations from subcontractors for the remaining works in the areas of electricity, carpentry, garden, metal works, stair carpet, fire safety and consultation fees.

The quotations and roadmap were submitted to the CMT and MoFA for validation. The CMT held a virtual meeting with the Embassy and the Project Manager in October 2025 to resume the renovation works. The CMT from Kampala made a physical visit to the Embassy in November 2025 and met with the Consultant. Renovation works will start in January 2026 once the procurement processes are complete.

Query	Non -remittance of NTR Collected
Audit Findings Section 29(2) of the PFMA requires that all Non-Tax revenue collected by votes be remitted to the Uganda Consolidated Fund (UCF). The PFMA specifically requires that the revenue collected or received by a vote, state enterprise or public corporation under 29 (1) be paid into and shall form part of the Consolidated Fund. Audit reviewed the bank account ledger entries of the Mission's revenue collection account and observed that a total of UGX 0.16Bn was collected as NTR during the financial year. However, none was remitted to UCF, resulting in under remittance of NTR worth UGX 0.16Bn. Non-remittance of NTR collected is irregular and exposes the NTR to the risk of unauthorised use/diversion. Management submitted that the direct NTR was remitted as UGX 0.07 Bn, and the unspent balance remitted was UGX 0.06Bn. The money amounting to UGX0.16Bn was as a result of reimbursement of the security deposit that the Embassy has paid on rent, which forms part of the Embassy budget. The Embassy had requested through MoFPED to retain the same amount since the Embassy does not have within its budget the retention money to pay for the incoming staff posted. The Accounting Officer's response was noted. However, evidence of transfer provided indicates that the AO wrote to the bank on 13th Aug 2024 to transfer Euros 1,430 and also on 29th Oct 2024 to transfer Euros 17,548,.47. This was done well after the closure of the financial year under review.	
Recommendation	
The Accounting Officer should ensure that all NTR collected by the Mission is remitted to the UCF. In circumstances that may require the Mission to use some of the NTR collected, prior authorisation should be sought from the PS/ST.	
Action Status	
The Auditor's observation is noted. The Government of Uganda, having introduced the policy of collecting Visa fees online through DCIC/URA tremendously reduced on NTR collected by the Mission.	

It has become easier to monitor and transfer the limited NTR in the subsequent financial years.

Query | **Failure to Fully Utilise Warrants**

Audit Findings

The mission had total warrants of UGX 7.79 Bn, out of which UGX 7.46Bn was utilised, leading to under absorption of UGX0.32Bn.

Table: Showing activities affected by the under-utilisation of warrants

No.	Programme	Warrants not Utilised (UGX)	Activities affected by underutilisation	Audit comment *(effect on service delivery)*	Management response
1	Governance & Security	324,302,341	• Contract Staff Salaries • Allowances (Incl. Casuals, Temporary, sitting allowances) • Medical expenses (Employees) • Social Security Contributions • Payment for water	There is an over-budgeting for activities on given expenditure codes, which leads to mischarges and diversion of funds.	
	Total	**324,302,341**			

Source: OAG analysis of work plans, financial statements and performance plan

The Accounting Officer explained that the Mission had planned to recruit an additional 3 staff locally, but was not in a position to do so, given that the chancery building was still under renovation.

The same budget catered for their social security contribution, which is mandatory in France.

Recommendation

The Accounting Officer was advised to roll over the un-implemented activities and ensure they are fully implemented in the subsequent period.

Action Status

The unspent balances are especially related to the development activities of the chancery renovation, which is still ongoing.
Other variances usually arise from differences in the time of recall and deployments, particularly for the Head of Mission and the Deputy. For instance, the mission after the recall did not have a substantive Head of Mission until July 2022. The head and her

domestic staff only worked for four months, resulting in an unspent balance on local staff payments. The Mission continues its engagement with the MoFA to ensure alignment of recall and deployment.	
Query	**Supplementary Funding not Requested by the Accounting Officer**
Audit Findings Regulation 18 (2) of the Public Finance Management Regulations (PFMR) 2016 requires that an Accounting Officer who intends to spend money as supplementary expenditure shall request the Minister's approval in writing. On the contrary, the mission received supplementary funding amounting to UGX 0.17 Bn, not requested for by the Accounting Officer as required by the PFMR. Failure by the Accounting Officer to requisition for the supplementary is contrary to the PFMR and the Treasury Instructions. The Accounting Officer clarified that the Mission did not receive a supplementary budget. The budget released to the Mission was less by UGX 0.17 Bn, but later on released in the course of the financial year as a fulfilment of the Mission's budget, not as a supplementary. Audit took note of the Accounting Officer's response. However, the PS/ST in his communication referenced BPD 267/268/01 and dated 2nd October 2023 indicated that Paris Mission was scheduled to receive supplementary funding worth UGX 0.17Bn and requested the AO to submit details for this supplementary expenditure and revised work plan on the PBS together with a request letter not later than 6th October 2023, which was never complied with.	
Recommendation	
The Accounting Officer should always comply with the relevant laws regarding supplementary funding.	
Action Status	
The Auditor's observation has been noted. The amount released was a fulfilment of the Mission's annual budget, although MoFPED	

mistakenly referred to it as supplementary. That is the reason the revised workplan was not provided, but instead explained the position to MoFPED, who then concluded the warranting process. The Mission continues complying with the relevant laws and seeking guidance in its implementation of the budget.	
Query	**Failure to Quantify Outputs**
Audit Findings Audit noted that four (4) outputs were not quantified, making it impossible to assess the level of implementation of the activities and outputs themselves. It's not possible to measure performance for such unquantified outputs. The Mission commits to improving its work plan and performance reports. However, there are challenges of reporting within the PBS system, and the Mission is in touch with the PBS team to ensure the possibility of reporting using the PBS system.	
Recommendation	
The Accounting Officer should engage the team at MoFPED for support in resolving the PBS challenges.	
Action Status	
The Mission continues its engagement with the PBS team to ensure smooth reporting using the PBS system.	
VOTE 523: UGANDA EMBASSY IN GERMANY, BERLIN	
Query	**Diversion of Funds**
Audit Findings The audit noted that funds to the tune of EUR 18,981.39 (UGX 72.9Mn) were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals.	
Action Status	
The IFMS has been upgraded to lock up the Item master right from the time of requisition. This ensures that funds can only be picked from the appropriate item code with a clearly embedded description. Capacity building is being undertaken to help users appreciate the item codes and how they relate to the expenditure areas (descriptions).	

MoFPED, in liaison with MoFA, also guided the Missions during the review of their budget composition. This also equipped them with measures of managing mischarges.	
Query	**Unutilised warrants**
Audit Findings The embassy had unutilised warrants of UGX 0.14Bn, which were attributed to the delayed recruitment of staff and tax refunds.	
Action Status	
The underutilised warrants totalling UGX 0.08Bn are related to tax refunds and understaffing. Some of the staff positions had not been filled due to delayed clearance from headquarters. However, in the subsequent Financial Year 2024/25, clearance was provided and recruitment undertaken.	
Query	**Irregular Receipt of Funds for Programmes where the Mission had no Contribution**
Audit Findings The Mission received UGX 0.19Bn (2.3%) from Programmes for which it had no contribution in the NDP-III Programme allocation.	
Action Status	
Funds were released in areas of Agro-Industrialisation, Community Mobilisation, Private sector Development, Development Plan implementation, Investment Promotion and tourism promotion, which are areas of mandate for the mission. Missions reflect Uganda abroad, and so the fulfilment of these Programmes is vital. During the development of the NDP IV, the Mission's contribution to the relevant Programmes and the funding requirements were clearly defined.	
Query	**Under Collection of NTR**
Audit Findings Whereas the Embassy's approved NTR budget was UGX 0.05Bn, actual collections were only UGX 0.03Bn, resulting in a variance of UGX 0.02Bn (34%).	
Action Status	
With the introduction of online passport and visa processing/payment, where clients pay directly to URA, the Mission's reported revenues tremendously decreased. Currently, the Mission only collects NTR in limited areas, such as the renunciation of citizenship and certification of documents. The VISA fees are	

budgeted for under the Directorate of Citizenship and Immigration Control (DCIC). In a Circular letter TPD 167/293/03 dated 3rd October 2024, the Ministry of Finance, Planning and Economic Development (MoFPED) undertook consultative meetings with all votes to determine realistic NTR figures to inform the Budget for FY 2025/26. The upgraded PBS is currently used to provide NTR collection data to inform trend analysis and forecasting. This followed the Budget Execution Circular Ref BPD 86/179/01 dated 15th July 2024, in which the PS/ST committed to assessing the performance of Accounting Officers based on NTR-set targets (Par. 46).	
Query	**High Expenditure on Rent for the Chancery and Official Residence**
Audit Findings The annual expenditure of Euros 220,033.2 on rent for the chancery and official residence constitutes a major outflow of foreign exchange, which could be mitigated by acquiring premises.	
Action Status	
Germany is indeed one of the central countries in Europe, and Berlin therefore becomes the Centre of European business. Because of this fact, the cost of rent has skyrocketed to unprecedented levels. The crisis in the Middle East and Ukraine has made the situation even more precarious. There is a need to own properties to cushion the Mission from the skyrocketing rent. The facilities to implement these do exist in Germany. The Minister of Foreign Affairs presented a Cabinet paper to the Cabinet on the acquisition of properties abroad. When implemented, this shall be a permanent solution to the challenge of the high cost of renting the official residence and the Chancery.	
Query	**Failure to engrave assets**
Audit Findings During the year, the Embassy procured ICT equipment worth UGX 0.026 Bn, comprising desktop computers and laptops, which were, however, not engraved.	

Action Status	
The current furniture stock the Mission uses was donated by the South African Embassy when they replaced theirs. The Mission is yet to receive the retooling budget to buy its own furniture. Given this background, the Mission attempted to engrave, but the cost became prohibitive. The Mission shall endeavour to find cost-effective ways to engrave the existing furniture, irrespective of how it was acquired.	
Query	**Over Expenditure on Foreign Service Allowance**
Audit Findings Owing to discrepancies between the approved structure and the actual staff of 510, there is a monthly overexpenditure of USD 4,497.7 on foreign service allowances, which translates into an annual over expenditure of USD 53,972.4.	
Action Status	
Overexpenditure on Foreign Service Allowance resulted from the promotion of Ambassador Dora Kutesa from Minister Counsellor to Ambassador. However, following the posting of the Ambassador to open a new Mission in Vienna, Austria, the overexpenditure ceased.	
VOTE 524: UGANDA EMBASSY IN IRAN, TEHRAN	
Query	**Irregular recruitment of local contract staff**
Audit Findings Section (A-a) paragraph 9(f) of the Uganda Public Service Standing Orders, 2021 stipulates that the power to appoint, confirm, discipline and remove public officers from office in the Public Service is vested in the Head of a Mission, subject to approval in writing by the Responsible Officer (Permanent Secretary MoFA) in the case of locally recruited staff for the Mission. In a Foreign Service Circular No. 1 dated 25th April 2023, issued by the PS-MOFA, all Accounting Officers at the Missions were reminded that recruitment of local staff had to be done with the express authority of the responsible officer and must be subject to the availability of wages. The audit noted that eight (08) local staff who were paid a total of UGX 0.31Bn during the year were recruited without approval of the PS-MoFA.	

Recruitment of local staff without approval by the PS MoFA encourages diversion of funds to cater for the salaries and emoluments for these officers.

Although the Accounting Officer indicated that all local contract staff were duly recruited following all the necessary procedures, a further review of documentation available to support the response and interviews with PS-MoFA revealed no evidence that authority was granted for the recruitments.

Recommendation

The Accounting Officer was advised to regularise the recruitment of all local contract staff and to ensure that, in the future, all such recruitments are approved by the PS-MoFA.

Action Status

Approvals were sought and obtained from the PS MOFA, and all the staff files have been updated with the relevant documents to support the authorisation.

Query	**Irregular Use of Travel Abroad Rates for Travel Inland**

Audit Findings

Paragraph (2) of section (E-b) of the Uganda Public Service Standing Orders 2021 requires that in the case of a Foreign Service Officer abroad, night allowance is payable when he or she is travelling on duty away from the duty station, in the country to which his or her Embassy is accredited and having to spend nights away from his or her residence.

During the financial year, the Embassy management paid UGX 0.09Bn to its officials travelling from their duty stations to undertake Embassy activities within Iran, using travel abroad rates to cover their allowances.

Audit also noted that the Ministry of Public Service has not approved rates for travel when Foreign Service officers travel long distances from their duty stations, but within the same country.

Due to a lack of clarity on which rates to use in such circumstances, the Accounting Officer used the per-diem rates for travel abroad.

The Accounting Officer explained that this matter was brought to the attention of PS-MoFA.

Recommendation

The Accounting Officer was advised to follow up on the matter with the Permanent Secretaries of MoFA and the Ministry of Public Service to ensure proper guidance is provided.

Action Status

The rates were paid in accordance with Section (E-b) Para (2) of the Uganda Public Service Standing Orders, 2021 and Para. 1.11 of the Circular Standing Instruction No.4 of 2008, which stipulates that the night allowance rates applicable for Foreign Service Officers are those payable to Public Officers travelling outside Uganda.

Query	**Failure to Prioritise Key Mandate Activities**

Audit Findings

The mandate of the Embassy in Tehran is to promote, defend and protect Uganda's national interests in the Republic of Iran. This mandate also includes securing opportunities for Ugandans in the areas of education and business development.

Audit reviewed the Embassy's work plans and performance reports to assess the extent to which the Embassy had secured opportunities during the year. The table below summarises the performance of the Embassy.

Table: Showing performance of the Embassy's mandate

Sn	Opportunity type	Details	Number as per the approved work plan	Actual number verified	Variance
1	Security	Secure specialised military training for the Uganda Police Force (UPF) and UPDF in advanced methods of counter terrorism.	1	0	1

2	Employment	Source employment opportunities for Ugandan youths in Iran and the countries of accreditation.	1	0	1
		Lobby for support from partners for Uganda's candidates and placement at International Organizations.	1	0	1

Source: OAG verification of work plans and performance reports

Failure to secure employment affects the country's efforts to source jobs, while failure to secure placement for Ugandans denies the country the opportunity for international representation.

The Accounting Officer explained that, due to budget constraints, the Embassy was unable to establish a liaison office in Baghdad, which made securing these opportunities difficult. In addition, the unstable political situation in Iran and Pakistan made it difficult to follow up on employment and placement opportunities.

Recommendation

The Accounting Officer was advised to ensure that subsequent work plans and budgets focus on activities that can be implemented in the prevailing circumstances, so that funds are appropriated only to implementable activities.

Action Status

The unstable political situation made the follow-up on opportunities, such as the specialised military training promised by the Government of Pakistan, difficult to realise. This was worsened by the untimely death of the Ambassador, who was personally coordinating some of the opportunities.

The Mission has since followed up with the relevant authorities to ensure the Mission's mandate activities are carried out.

Query	**Unutilised Warrants**

Audit Findings

Out of the total warrants of UGX 4.15Bn, UGX 3.79Bn was utilised by the close of the financial year. The unutilised warrants of UGX 0.36Bn were intended for the payment of contract staff salaries.
The failure to absorb funds as appropriated defeats the purpose for which the funds were provided.

The Accounting Officer explained that the unspent balance was due to failure to carry out planned recruitment for the positions of communications officer, consular assistants and front desk officer, resulting from the untimely death of the Ambassador and the increased political unrest in the country.

Recommendation

The Accounting Officer was advised to obtain approval from the PS-MOFA to undertake recruitment of the local contract staff in line with section (A-a), paragraph 9-f of the Public Service Standing Orders.

Action Status

A Charge d'Affaires (Acting Head of Mission) has been posted to the Embassy, and the vacant positions have been filled.

Query	**Mis-allocation of Embassy Budgets in Various Programmes**

Audit Findings

Effective FY 2022/2023, budgetary resources were allocated using the Programme approach. Under this approach, entities were appropriated resources in Programmes if the entities were expected to contribute towards the achievement of the Programme objectives.

The Embassy had a total budget of UGX 4.21 Bn, out of which UGX 0.28 Bn (7%) was received from the Programmes for which the Embassy has no contribution, as per the Programme allocation in the NDP-III. The table below refers.

Table: Misallocation of Embassy budgets in various programmes

Programme	Total Budget (UGX Bn)	Amount Warranted (UGX Bn)	Audit Comment
Human Capital Development	0.02	0.02	Embassies are not listed as contributing entities to this Programme in the NDP-III.
Development Plan Implementation	0.25	0.25	
Sub Total	**0.28**	**0.28**	
Tourism Development			Embassies are listed as contributing entities to this Programme and therefore eligible.
Governance And Security	3.93	3.87	
Sub Total	**3.93**	**3.87**	
Grand Total	**4.21**	**4.15**	

Source: OAG analysis of approved budgets and warrants

Allocation of funds to the Embassy under Programmes for which the entity has no contribution defeats the purpose of the programmatic approach to budgeting and affects the achievement of NDP-III objectives. The Accounting Officer explained that the Embassies contributed to Human Capital Development by sourcing employment opportunities through labour Externalisation, scholarships, and training programmes, and that this position has been agreed upon by both MoFA and MoFPED. In addition, the Embassies contribute to the Implementation of the Development Plan by sourcing grants and loans from various development partners. The Audit explained to the Accounting Officer that paragraph 365 of the NDP-III provides that the goal of the Human Capital Development Programme is to improve labour productivity, thereby increasing competitiveness and improving the quality of life for all. Further, paragraph 484 of the NDP-III provides that the goal of the Development Plan Implementation Programme (DPI) is to increase efficiency and effectiveness in the implementation of NDP-III through higher GDP growth rates and a higher revenue-to-GDP ratio, and maintain the proportion of supplementary budget expenditure within 3%, among others. This matter was brought to the attention of the NPA, which indicated that this activity is not in the mandate of the Missions.
Recommendation
The Accounting Officer was advised to liaise with PS MoFA and the National Planning Authority (NPA) to ensure that funding for the Embassy is aligned with Programmes that cover the Embassy's core mandate in NDP-IV.
Action Status
The Embassy has been working hand in hand with MoFA and NPA, and during the development of the NDP IV, the Mission's contribution to the relevant Programmes through which funding is provided was clearly defined. The Mission has aligned its Programmes according to the NDPIV.

VOTE 525: UGANDA EMBASSY IN RUSSIA, MOSCOW	
Query	**Over-budgeting for Contract Staff Salaries**

Audit Findings

Paragraph 8.5.2 of the Treasury Instructions, 2017 states that the implementation of the budget shall strictly follow the work plans, procurements, and recruitment plans as approved by Parliament.

Audit observed that during the year, the Embassy had a total budget for contract staff salaries of UGX 0.66 Bn, which was warranted and spent.

Audit compared the total contract staff salaries required by the Embassy as per the validated payroll for local contract staff and noted that what was budgeted for and warranted was in excess of the contract staff requirements by UGX 0.11 Bn, as summarised in the table below;

Table: Over Budgeting for Contract Staff Salaries

S/n	Details	Amount (UGX Mn)
1	Budget for contract staff salaries (A)	659.96
2	Recomputed contract staff salaries (budget requirement) (B) (Recomputed based on the payroll of the local staff)	552.26
3	Excess Salaries C= (A-B)	**107.7**

Source: OAG analysis of PBS data and local staff payroll

Over-budgeting encourages mischarging of expenditure.

The Accounting Officer pledged to adhere to the contract staff requirements going forward.

Recommendation

The Accounting Officer was advised to always ensure that budgeting for contract staff salaries is based on the actual local contract staff numbers in place and any planned recruitments.

Action Status

In the subsequent period, the budgeting for contract staff salaries has been updated based on the actual local contract staff numbers in place and planned recruitments.

Query	Irregular Recruitment of Local Contract Staff
Audit Findings Section (A-a) paragraph 9(f) of the Uganda Public Service Standing Orders, 2021 stipulates that the power to appoint, confirm, discipline and remove public officers from office in the Public Service is vested in the Head of a Mission, subject to approval in writing by the Responsible Officer (Permanent Secretary MoFA) in the case of locally recruited staff for the mission. On the contrary, the audit noted that 10 local contract staff who were paid a total of UGX 0.54Bn during the year were recruited without approval by the Permanent Secretary of MoFA. Recruitment of local contract staff without approval from the PS MoFA is an internal control weakness that encourages the diversion of funds to cover the salaries and emoluments of these officers. The Accounting Officer explained that the Appointing Authority, who is the Head of Mission, renewed all contracts for the local contract staff that had lapsed after appraisal during the financial year. The Audit took note of the Accounting Officer's response. However, the authority to recruit the local staff was not availed to me.	
Recommendation	
The Accounting Officer was advised to regularise the recruitment of all local contract staff and to ensure that, in future, new local contract staff recruitments are approved by the PS MoFA.	
Action Status	
Recruitment of local staff has been regularised, and contracts signed by both parties.	
Query	**Payment of FSA from Other Expenditure Codes**
Audit Findings Section (E-e) of the Public Service standing orders grants payment of an allowance to each staff member in the Foreign Service, as well as every Home Service Officer posted to a Ugandan Embassy, for a tour of duty, a period of duty outside Uganda for a continuous period of 36 to 48 months, to meet the cost-of-living expenses while posted abroad. In addition, the GoU Chart of Accounts 2023 provides that Foreign Service allowance shall be charged from the budget and expenditure code 211106-Allowances.	

On the contrary, the audit noted that a total of UGX 1.07Bn was paid as Foreign Service allowance to six (6) Embassy staff. Out of this, UGX 1.01Bn was charged from the right expenditure code, whereas UGX 0.06Bn was charged on other codes not approved for FSA expenditure. This is a violation of the budget implementation Circular issued by the PS/ST, the GoU chart of accounts and the Appropriation Act of Parliament FY 2023/24. The Accounting Officer explained that in July 2024, the outgoing Accounting Officer developed health complications and returned to Uganda only in April 2024. During this period, her statutory entitlements were duly paid from the allowance code: 211106. However, her prolonged treatment depleted the funds for code 211106, necessitating an expenditure outside the code for FSA payment.
Recommendation
The Accounting Officer was advised to always seek reallocations or supplementary funding in such circumstances in line with Regulation 18 of the PFMR to avoid diversion of funds.
Action Status
The PSST has repeatedly reminded Accounting Officers in the appointment letters of their duty to ensure the proper utilisation of their vote budgets as per section 43 of the PFMA Cap,171. In addition, MoFPED, in liaison with MoFA, also guided the Missions during the review of their budget composition. This equipped them with measures of managing mischarges.

Query	**Diversion of Funds**
Audit Findings The audit further noted that expenditure totalling UGX 26.01Mn was irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. Diversion of funds is not only contrary to the Public Finance Management Act, but it also negatively affects service delivery and undermines the importance of the budgeting process.	

The Accounting Officer explained that payments charged on code 227001 (Travel inland) are not reflected in the Navision Chart of Accounts. Audit took note of the Accounting Officer's response. However, the Chart of Accounts provides appropriate guidance on the codes on which various categories of expenditure should be charged.	
Recommendation	
The Accounting Officer was advised to always adhere to the approved work plans and budgets and always seek authority in case of need for reallocations within the budgets.	
Action Status	
The PSST has repeatedly reminded Accounting Officers in the appointment letters of their duty to ensure proper utilisation of their vote budgets as per section 43 of the PFMA Cap,171. In addition, MoFPED, in liaison with MoFA, also guided the Missions during the review of their budget composition. This equipped them with measures of managing mischarges.	
Query	**Irregular use of Travel Abroad Rates for Inland Travel**
Audit Findings Paragraph (2) of section (E-b) of the Uganda Public Service Standing Orders 2021 requires that in the case of a Foreign Service Officer abroad, night allowance is payable when he or she is travelling on duty away from the duty station, in the country to which his or her embassy is accredited and having to spend nights away from his or her residence. Audit observed that during the financial year, the Embassy paid out UGX 0.17Bn to Embassy officials travelling from their duty stations to undertake Embassy activities in Russia using rates for travel abroad to cater for their allowances. Audit also noted that the Ministry of Public Service has not approved rates to be used in the circumstances where Foreign Service officers have to travel long distances away from their duty stations, but within the same country.	

Due to a lack of clarity on which rates to use in such circumstances, the Accounting Officer used the per-diem rates for travel abroad. The Accounting Officer explained that the circular standing instructions No. 4 of 2008 issued by the PS/MoPS states that the rates applicable to Foreign Service Officers are those payable to public service officers outside Uganda. Audit took note of the Accounting Officer's response. However, the circular referred to does not apply to Public Servants on deployment outside Uganda for long periods.	
Recommendation	
The Accounting Officer was advised to bring this matter to the attention of the Permanent Secretaries of MoFA and MoPS so that proper guidance/review of the rates to use in such circumstances is provided.	
Action Status	
The rates were paid in accordance with Section (E-b) Para (2) of the Uganda Public Service Standing Orders, 2021 and Para. 1.11 of the Circular Standing Instruction No.4 of 2008, which stipulates that the night allowance rates applicable for Foreign Service Officers are those payable to Public Officers travelling outside Uganda.	
Query	**Failure to Fully Implement Activities**
Audit Findings The audit assessed the extent of implementation of activities for which funds were availed and utilised. A total of eight (08) outputs with (30) activities worth UGX 4.97Bn were assessed, and it was observed that seven (07) outputs with 14 activities and expenditure worth UGX 0.98Bn were fully implemented. One (01) output with 16 activities, worth UGX 3.99Bn, was partially implemented, of which the entity fully implemented 14 activities, worth UGX 3.85Bn. The remaining two (02) activities worth UGX 0.15Bn were partially implemented. The activities that were partially or not implemented at all are provided below;	

Table: Showing partially implemented activities

Sn	Activity	Amount warranted (UGX Bn)	Amount Spent (UGX Bn)	Audit Comments
1	04 retreats held to review performance and work plans.	0.051	0.051	Two (2) out of four (4) retreats were held.
2	10 stranded Ugandans were issued emergency travel certificates to enable them to travel back to Uganda.	0.10	0.10	Three (3) Ugandans were facilitated with emergency travel certificates.
	Total	**0.151**	**0.151**	

Source: OAG analysis of work plans, financial statements and performance plans

Failure to implement planned activities affects the Embassy's performance; for example, the Embassy was unable to conduct quarterly reviews because only two retreats were held.

The Accounting Officer explained that the Embassy's funds were rationalised to increase participation in exhibitions to market Ugandan goods and services, and the work plan was revised to acknowledge the adjustment.

However, during the verification, the audit was not provided with a copy of the revised work plan.

Recommendation

The Accounting Officer was advised to ensure that planned activities for which funds were availed are implemented and that, where reallocations are made, appropriate adjustments to the work plans are made.

Action Status

The PS/ST in the Budget Execution Circular for FY 2024/25 directed Accounting Officers to put in place robust monitoring and evaluation frameworks to enable the tracking of execution of ongoing projects. In addition, he requested Accounting Officers to re-scope ongoing projects so as to address bottlenecks that lead to time and cost overruns.

Query	**Misallocation of the Embassy's Budget in various Programmes**

Audit Findings

Effective FY 2022/23, appropriation of resources in the budget was done using the Programme approach. Under this approach, entities were appropriated resources in Programmes if the entities were expected to contribute towards the achievement of the Programme objectives.

The audit noted that the Embassy had a total budget of UGX 4.98 Bn, out of which UGX 0.48 Bn (9.6%) was received from the Programmes for which the Embassy has no contribution, as per the Programme allocation in the NDP-III. The table below refers.

Table: Showing allocation of Programmes for Embassy budget

Programme	Total Budget (UGX Bn)	Amount Warranted (UGX Bn)	Audit Comment
Human Capital Development	0.08	0.080	Embassies are not listed as contributing entities to these Programmes in the NDP-III.
Innovation, Technology Development, and Transfer	0.12	0.12	
Manufacturing	0.28	0.28	
Sub Total	0.48	0.48	
Tourism Development	0.31	0.31	Embassies are listed as contributing entities to these Programmes and therefore eligible.
Governance and Security	4.18	4.18	
Sub Total	**4.49**	**4.49**	
Grand Total	**4.98**	**4.97**	

Source: OAG analysis of Programme allocation as per PBS data

Allocation of funds to Embassies under Programmes for which the Embassies make no contribution defeats the purpose of the programmatic approach to budgeting and, in the long run, will affect the achievement of NDP-III.

The Accounting Officer explained that alignment with the three (3) Programmes is captured in the Embassy's strategic plan, chapter three (3), which was approved by the National Planning Authority, and that the Embassy's annual activities are derived from the strategic plan.

However, audit explained to the Accounting Officer that paragraph 308 of NDP-III provides that the goal of Human Capital Development is to increase productivity of the population for increased competitiveness and better quality of life for all, paragraph 328 of NDP-III provides that the goal of Innovation, technology development and transfer is to increase development, adoption, transfer and

commercialization of technologies & innovations through the development of a well-coordinated STI eco-system. Furthermore, paragraph 234 of NDP-III provides that the goal of the manufacturing Programme is to increase the product range and scale for import replacement and to improve terms of trade.	
Recommendation	
The Accounting Officer was advised to liaise with PS MoFA and NPA to ensure that funding for the Embassy is aligned with programmes that cover the Embassy's core mandate.	
Action Status	
Query	**Supplementary Funding did not meet the criteria.**
Audit Findings Regulation 18 (5) of the Public Finance Management Regulations, 2016 requires that Parliament may approve a supplementary appropriation or the Minister may approve a supplementary budget, as the case may be, where the supplementary expenditure is un-absorbable (expenditure that cannot be funded through virements), unavoidable (expenditure that cannot be postponed to the next financial year) and unforeseeable (does not include an expenditure that was foreseeable by the vote at the time of preparation of the budget). The audit noted that all the supplementary expenditure totalling UGX 1.06Bn did not meet the supplementary expenditure criteria. The funds were used for travel inland for ordinary Mission activities, travel abroad, welfare and entertainment. None of these expenditures was unavoidable, unforeseeable and could not be absorbed through reallocations or virements. This practice amounts to abuse of controls surrounding requests and utilisation of supplementary expenditure. The Accounting Officer explained that the approved Embassy budget was insufficient due to budget cuts. In addition, the available funds covered fixed costs, and the supplementary funds received were used to cover budget shortfalls and carry out activities as per the revised work plan.	

Recommendation	
The Accounting Officer was advised to ensure that supplementary funding is utilised in accordance with the Public Finance Management Regulations.	
Action Status	
VOTE 526: UGANDA EMBASSY IN AUSTRALIA, CANBERRA	
Query	**Non-Disclosure of NTR Budget**
Audit Findings According to approved NTR budget estimates for the financial year 2023/24, sent out by MoFPED, the Uganda High Commission to Australia had a budget of UGX 0.18Bn to be collected from NTR during the financial year 2023/24. It was, however, noted that the Statement of Appropriation did not disclose this figure nor explain the zero outturn in NTR collections during the financial year. The implication is that the Statement of Appropriation is misstated.	
Recommendation	
The Accounting Officer was advised to make the necessary adjustments in the financial statements.	
Action Status	
The necessary adjustments in the financial statements were made.	
Query	**Funding Gap**
Audit Findings Part III Section (13) (6) PFMA CAP. 171, Cap 171 states that the annual budget shall be consistent with the National Development Plan, the Charter for Fiscal Responsibility and the Budget Framework Paper. Accordingly, all votes are required to prepare their Annual Budgets and Strategic Plans in compliance with this requirement. The Strategic Plan for Uganda High Commission Canberra is guided by Uganda Vision 2040, NDP III programmes priority areas, and MoFA's Strategic Plan III and it provides the overall strategy and implementation framework for execution of the Mission's priority interventions in the next five financial years (FY 2020/21-2024/25) with the overall goal of "increasing the Mission's contribution to the improved household incomes for Ugandans". A review of the Canberra mission strategic plan for the period 2020/21 to 2024/25 established that UGX 91.642 Billion had	

budgeted for the implementation of the Canberra Mission Strategic Plan over the five-year period, as shown in the Table below;

Table 1: Summary of Strategic Plan Budget (in Bns. of Shillings)

CLASSIFICATION	2020/21	2021/22	2022/23	2023/24	2024/25	Totals
Wage	0.928	0.974	1.023	1.074	1.128	5.127
Non-Wage Recurrent	4.635	4.891	5.055	5.296	5.520	25.395
Total Recurrent	**5.563**	**5.865**	**6.078**	**6.370**	**6.648**	**30.522**
Total Development	0.080	30.460	30.080	0.460	0.040	61.120
Grand Total Budget	**5.643**	**36.325**	**36.158**	**6.830**	**6.688**	**91.642**

The Major cost drivers identified over the strategic plan period included the following:

i) Planned Purchase of properties for Chancery and official Residence, each estimated at Ugx 30 Billion.
ii) Activities for Commercial and Economic Diplomacy promotion
iii) Overhead Statutory staff, and Office operation expenses.
iv) Purchase of Mission Vehicles, Equipment, and Furniture & Fittings.

A comparative analysis of the Annual Budget for FY 2023/2024 and the Strategic Plan 2020/21-2024/25 forecasts indicated a 13.53% variance in funding requirements for the year under review to implement activities and deliver on the Strategic Plan objectives. Details are shown in the table below;

Table 2: Inconsistencies between the Annual Workplan and the forecasted Strategic Plan funding requirements for FY 2023/2024

CLASSIFICATION	STRATEGIC PLAN COST ESTIMATE FY 2023/2024 (BN)	OPERATIONAL PLAN COST ESTIMATE/REVISED BUDGET FY 2023/2024 (BN)	VARIANCE (BN) FY 2023/24	% VARIANCE FY 2023/24
Recurrent (wage)	1.074	0.989	0.085	7.91
Recurrent (Non-wage)	5.296	4.767	0.529	9.99
Capital Development	0.460	0.150	0.310	67.39
Total	**6.830**	**5.906**	**0.924**	**13.53**

Source: OAG analysis of the approved annual budget work plan for the FY 2023/2024, and the Strategic Plan 2020/2021-2024/2025

From the analysis of the table above, the costing of the operational plan and budget for the financial year under review is below the strategic plan costing for the FY 2023/2024 by UGX 0.924 Bn.

The analysis indicated that the overall capital development expenditure suffered the most variance of 67.39% and wage UGX 0.085 Billion. Failure to meet all strategic plan funding requirements directly impacts the implementation of the annual work plan, as it makes it difficult to implement all planned activities in the strategic plan and achieve the resultant objectives, further affecting the achievement of the overall National Development objectives.	
Recommendation	
The Accounting Officer of Canberra Mission was advised to liaise with MoFPED to ensure that the funding gap of UGX 0.924 billion is availed before the end of the strategic year period 2024/25, to enable the mission to achieve all planned activities in the 5-year period 2021/22 to 2024/25.	
Action Status	
An engagement of MoFPED through MoFA has seen the Mission's funding gap addressed in subsequent years, with additional funds sent to cover Tourism and extractives industry development.	
Query	**Failure to Undertake Mid-Term Review of the Strategic Plan**
Audit Findings Section 6.2.3 of the Comprehensive National Development Planning Framework (CNDF), 2009, states that the 5-year plans will be subjected to mid-term reviews to ensure that appropriate development control and direction are maintained. In addition, section 8 of the Mission's Strategic Plan, 2020/21-2024/25 states that a comprehensive mid-term review of the implementation of the Strategic Plan will be undertaken. This review will aim to evaluate the cumulative successes of the plan and focus on the remaining half-period. The review will further assess whether the Mission will be on track to meet all its targets as set out in the plan, or whether it will be necessary to vary the targets accordingly, especially to accommodate any emerging issues in the accreditation area. Contrary to the above requirement, the Mission had not undertaken a mid-term review of the Canberra Mission 2020/21-2024/25 Strategic Plan by the time of the audit.	

<table>
<tr><td colspan="2">Failure to undertake a timely mid-term review poses a risk of continued implementation of the strategic plan initiatives that may not adequately address the overall achievement of both the entity's and the country's development goals.</td></tr>
<tr><td colspan="2">Recommendation</td></tr>
<tr><td colspan="2">The Accounting Officer was advised to fast-track the completion of the mid-term review as required by Section 6.2.3 of the Comprehensive National Development Planning Framework (CNDF), 2009, and to start preparing the next Strategic Plan, as the current one is due to expire in the Financial Year 2024/25.</td></tr>
<tr><td colspan="2">Action Status</td></tr>
<tr><td colspan="2">The Mission is consulting with NPA to have a review undertaken.</td></tr>
<tr><td>Query</td><td>Expiry of Rental Agreement for the Official Residence (OR) of the Ambassador</td></tr>
<tr><td colspan="2">Audit Findings
The Uganda Mission to Australia – Canberra entered into a Tenancy agreement with Lessors Aseem Passi and Roible Kapur of 75 Kondelea Way, Denman Prospect ACT 2611, 12 Bulwarra CI, O'Malley ACT 2606 for the Head of Mission as the Official Residence of the Ambassador, at a rent of Aus $2,300 per week on a tenancy agreement term running from 1st January 2024 to 31st December 2024
Audit inspection of the property established the following;

i) The new residence of the Ambassador/Head of Mission (HOM) replacement was found to address the performance gaps in respect of size, stature, capacity to host peers, and comfort noted in the previous residence of the Head of Mission.
ii) The furniture that was procured during the year to furnish the residence of the HOM was delivered and in place.
iii) Audit also established that the tenancy agreement of the residence for the period 1st January to 31st December 2024 was due to expire at year's end.
Management of the Mission indicated that it is exploring the option of purchasing property to save on rental costs and undertaking a trial with the purchase of the Chancery.</td></tr>
<tr><td colspan="2">Recommendation</td></tr>
<tr><td colspan="2">The Accounting Officer was advised to ensure that the Rental agreement is renewed as soon as possible to ensure the HOM doesn't</td></tr>
</table>

suffer inconveniences in the discharge of her diplomatic duties, and further pursue the options of purchase with the Lessor	
Action Status	
The rental agreements for the Mission properties are automatically renewed unless the lessor or lessee terminates the lease agreement.	
VOTE 527: UGANDA EMBASSY IN SOUTH SUDAN, JUBA	
Query	**Mischarge to Pay Foreign Service Allowances**
Audit Findings Section (E-e) of the Public Service standing orders grants payment of an allowance to each staff member in the Foreign Service, as well as every Home Service Officer posted to a Ugandan Embassy, for a tour of duty, a period of duty outside Uganda for a continuous period of 36 to 48 months, to meet the cost-of-living expenses while posted abroad. In addition, the GoU Chart of Accounts 2023 provides that Foreign Service allowance shall be charged from the budget and expenditure code 211106-Allowances. A total of UGX 0.49Bn was paid as Foreign Service Allowance to the Embassy staff by charging codes not approved for FSA expenditure. This implies that FSA expenditure is misstated and violates the budget implementation circular issued by the PS/ST and the Appropriation Act of Parliament for FY 2023/24. The Accounting Officer explained that this was caused by an obligation to facilitate the Deputy Head of Embassy, who was deployed without enhancing the budget to facilitate the due entitlements. In addition, the Embassy's request for a supplementary was never provided.	
Recommendation	
The Accounting Officer was advised to ensure; i) That adequate funds are budgeted for Foreign Service Allowances ii) To liaise with MoFPED and MoFA for the provision of more funds before deployment of additional staff to the Embassy.	
Action Status	
The mischarged expenditure was caused by an obligation to pay Foreign Service Allowance to the Deputy Head of Mission, who was posted mid-year without increasing the budget to cover the due entitlements.	

Although the Mission's request for supplementary funding was not granted, the following year, the budget shortfalls were regularised.	
Query	**Irregular Recruitment of Local Contract Staff**
Audit Findings Section (A-a) paragraph 9(f) of the Uganda Public Service Standing Orders, 2021 stipulates that the power to appoint, confirm, discipline and remove public officers from office in the Public Service is vested in the Head of an Embassy, subject to approval in writing by the Responsible Officer (Permanent Secretary MoFA) in the case of locally recruited staff for the Embassy. Contrary to the above, Audit noted that 10 local contract staff who are entitled to an annual pay of UGX 0.38Bn were recruited without approval by the Permanent Secretary of MoFA. Recruitment of local contract staff without the approval of the Permanent Secretary (PS) of the MoFA encourages the diversion of funds to cover the salaries and emoluments of these officers. The Accounting Officer pledged to comply with this regulation when undertaking future recruitments of contract staff.	
Recommendation	
The Accounting Officer was advised to regularise the recruitments of all the current local contract staff and ensure that in future all local contract staff recruitments are approved by the PS MoFA.	
Action Status	
The Accounting Officer acknowledges the observation and pledges to comply with this regulation when undertaking future recruitments of contract staff.	
Query	**Over Budgeting for Contract Staff Salaries**
Audit Findings Paragraph 8.6.2 of the Treasury Instructions, 2017 states that the implementation of the budget shall strictly follow the work plans, procurements, and recruitment plans as approved by Parliament. During the year, the Embassy had a total budget for contract staff salaries of UGX 0.42 Bn, which was all warranted and utilised. Audit reviewed the total contract staff salaries required by the embassy as per the validated payroll for local staff and noted that	

what was budgeted and warranted was in excess of the contract staff requirements by UGX 41Mn as shown in the table below;

Table: Analysis of budgeting for contract staff salaries

S/n	Details	Amount (UGX Mn)
1.	Budget for contract staff salaries (A)	423.024
2.	Warrants (B)	423.024
3.	Recomputed contract staff salaries (budget requirement) (C) (Recomputed based on the payroll of the local staff)	381.466
4.	**Excess budgeted salaries D= (A-C)**	**41.557**

Source: OAG analysis of PBS data and local contract staff payroll

Over-budgeting for contract staff encourages mischarging of expenditure.

The Accounting Officer pledged to adjust the budget to match the available staff.

Recommendation

The Accounting Officer was advised to always ensure that budgeting for contract staff salaries is based on the actual requirement as per the local contract staff numbers in place and any planned recruitments.

Action Status

The budgets for contract staff in the subsequent years have been reviewed and adjusted downwards to match the number of existing contract staff.

Query	**Failure to Plan for Business and Educational Opportunities**

Audit Findings

The Embassy is mandated to promote, defend and protect Uganda's national interests in the Republic of South Sudan. This mandate also includes securing opportunities for Ugandans in the areas of education and business development.

Audit reviewed the Embassy's strategic plan, work plans and performance reports to assess the extent to which the Embassy had secured opportunities during the year. It was noted that the Embassy had not planned for any business and educational opportunities, and as such, no opportunities were secured during the year.

Failure to ensure that all mandated activities are provided for in the strategic plans and annual work plans implies that no resources will be earmarked for the activities, and the associated service delivery benefits will not be achieved.

The Accounting Officer explained that, given the state of South Sudan's economy, there are currently no academic scholarships that can be sourced for Ugandans. In addition, the Accounting Officer indicated that South Sudan is one of Uganda's three major export destinations. Uganda is also in the final stages of concluding a power trade agreement with South Sudan to supply electricity.

The Accounting Officer's response was noted, but the business opportunities referred to in the response were not included in the Embassy's work plans and budgets as required.

Recommendation

The Accounting Officer was advised to always develop work plans that cover the entire mandate of the Embassy. These work plans should take into account prevailing circumstances to ensure resources are allocated to implementable activities.

Action Status

The Embassy was financially constrained from organising business forums during FY2023/24. However, these have been planned in FY 2025/26.

With regard to educational opportunities, the host country is constrained in providing educational opportunities to its own citizens. In such circumstances, this activity may not be a priority for the embassy.

Query	**Failure to Fully Warrant Funds**

Audit Findings

The Embassy had a revised budget of UGX 4.67 Bn, out of which UGX 4.59Bn was warranted, resulting in a shortfall of UGX 0.08 Bn, representing a 98.3% performance.

The shortfall was intended to promote access to regional and international markets (UGX 50Mn) and to develop cooperation frameworks and provide development assistance (UGX 28.99Mn).

It was further observed that the budget output (000086), on which UGX 50Mn was budgeted, did not have corresponding activities in the Embassy's approved work plan, indicating over-budgeting. Work plans for outputs without detailed supporting activities may lead to the misuse of funds allocated to these outputs. The Accounting Officer explained that this was an oversight during budgeting for PBS and pledged to rectify it going forward.	
Recommendation	
The Accounting Officer was advised to always quality-assure the Embassy's work plans and budgets before uploading them to the Programme-Based Budgeting System (PBS).	
Action Status	
During budget implementation, quarterly expenditure limits are communicated based on the performance of the previous quarter and the actual cash position of the respective votes. Accounting Officers are responsible for the quality assurance of their work plans and budgets.	
Query	**Unspent Warrants**
Audit Findings Out of the total warrants of UGX 4.59Bn, UGX 4.57Bn was utilised by the close of the financial year. The un-utilised warrants of UGX 15Mn were meant for payment of medical insurance for staff. Despite the underutilisation of the warrants, the Embassy did not incur any arrears in regard to medical insurance, which is an indicator of over-budgeting. Over-budgeting denies the entity resources which could have been allocated to other activities. The Accounting Officer explained that not all the funds were paid to the medical insurance service provider due to a disagreement between the medical facilities and the Embassy's medical insurance provider. The Embassy opted to provide medical expenses refunds to staff where medical services were provided.	
Recommendation	
The Accounting Officer was advised to ensure that the medical insurance budgets are realistic and to explore securing another medical insurance provider for staff going forward.	

Action Status	
Budgets for insurance are usually realistic, but in South Sudan, medical service providers are often reluctant to accept medical insurance. The Embassy therefore opted to pay staff's medical expenses directly until the issue is harmonised.	
Query	**Failure to Appropriately Quantify Activities**
Audit Findings The audit assessed the extent of implementation of activities for which funds were availed and utilised. It was noted that out of three (3) outputs worth UGX 4.29Bn, one (1) output worth UGX 4.06Bn (output 000014-Administrative and Support Services) was not appropriately quantified. The audit assessed the extent of implementation of the two (2) quantified outputs, comprising four (4) activities worth UGX 227Mn, and observed that all activities were fully implemented. Failure to appropriately quantify all activities casts doubt on the reasonableness of the output costs and makes it impossible to assess the level of performance. The Accounting Officer indicated that, going forward, all the activities of the Mission would be quantified in the work plans and budgets.	
Recommendation	
The Accounting Officer was advised to always quality-assure the Embassy's work plans and budgets to confirm that all activities are quantified before uploading them into the Programme Based Budgeting System (PBS).	
Action Status	
The architecture of the PBS provides for the quantification of activities at the budget output level. The Missions are advised to prepare their individual costed work plans and activities.	
Query	**Mis-allocation of Embassy Budgets in Various Programmes**
Effective financial year 2022/23, appropriation of resources in the budget was done using the Programme approach. Under this approach, entities were allocated resources in Programmes if they	

were expected to contribute to the achievement of the Programme objectives.

On the contrary, the Embassy had a total budget of UGX 4.67Bn out of which UGX 0.53Bn (11%) was received from the Programmes for which the Embassy has no contribution as per the Programme allocation in the NDP-III. The table below refers.

Table: Mis-allocation of Embassy budgets in various programmes

Programme	Total Budget (UGX Bn)	Amount Warranted (UGX Bn)	Audit Comment
Manufacturing	0.300	0.303	Embassies are not listed as contributing entities to this Programme in the NDP-III.
Private Sector Development	0.150	0.150	
Development Plan Implementation	0.155	0.077	
Sub Total	**0.605**	**0.53**	
Governance And Security	4.063	4.058	Embassies are listed as contributing entities to this Programme (It is eligible)
Sub Total	**4.063**	**4.058**	
Grand Total	**4.668**	**4.589**	

Source: OAG analysis of work plans, financial statements and performance plans

Allocation of funds to the Embassy under Programmes for which the Embassy has no contribution defeats the purpose of the programmatic approach to budgeting and will, in the long run, affect the achievement of NDP-III.

The Accounting Officer explained that these Programmes were highly relevant to the case of the Uganda Embassy in South Sudan, given that Uganda shares a border with a country recovering from instability, and with less developed major sectors of its economy. This presents many business opportunities for Ugandans living in South Sudan.

Audit explained to the Accounting Officer that paragraph 484 of NDP-III provides that the goal of Development Plan implementation is to increase efficiency and effectiveness through increased GDP growth rate, revenue to GDP ratio, and maintain the proportion of supplementary budget expenditure within 3%, among others. Furthermore, the goal of Private Sector Development is to increase the competitiveness of the private sector to drive sustainable inclusive growth, while the Manufacturing Programme aims at

increasing the product range and scale for import replacement and improved terms of trade. This matter was brought to the attention of the NPA, which indicated that this activity is not in the mandate of the missions.
Recommendation
The Accounting Officer was advised to liaise with the PS MoFA and the National Planning Authority to ensure that funding for the Embassy is aligned with programmes that cover the Embassy's core mandate.
Action Status
The Embassy worked with MoFA and NPA during the development of the NDP IV. In the process, the Embassy's contribution to the relevant Programmes, through which funding is provided, was clearly defined.

VOTE 528: UGANDA EMBASSY IN UNITED ARAB EMIRATES, ABU DHABI	
Query	**Irregular Recruitment of Local Staff**
Audit Findings Section (A-a) paragraph 9(f) of the Uganda Public Service Standing Orders (2021) stipulates that the power to appoint, confirm, discipline and remove public officers from office in the Public Service is vested in the Head of a Mission, subject to approval in writing by the Responsible Officer (Permanent Secretary MoFA) in the case of locally recruited staff for the Mission. In a Foreign Service Circular No. 1 dated 25th April 2023 issued by the PS MoFA, all Accounting Officers at the missions were reminded that recruitment of local staff had to be done with the express authority of the responsible officer and must be subject to availability of wage. Audit noted that ten (10) local staff were recruited without approval by the Permanent Secretary of MoFA and paid a total of UGX 1,136,711,181 during the year. Recruitment of local staff without approval by the PS/MoFA encourages diversion of funds to cater for the salaries and emoluments for these officers.	

The Accounting Officer took note of the observation and indicated that all subsequent recruitments will be done with the approval of the PS/MoFA.

Recommendation

The Accounting Officer was advised to regularize the recruitments of all the local contract staff and ensure that in future, all local contract staff are hired in accordance with the guideline.

Action Status

The Embassy always writes to PS/MoFA seeking approval to hire Local staff.

Query	**Misallocation of Embassy Budgets in Various Programmes**

Audit Findings

Effective financial year 2022/23, appropriation of resources in the budget was done using the programme approach. Under this approach, entities were appropriated resources in programmes if the entities were expected to contribute towards the achievement of the programme objectives.

Audit noted that the Mission had a total budget of UGX 9.28 Bn, out of which UGX 3.32 Bn (36%) was received from Programmes for which the embassies have no contribution, as per the Programme allocation in the NDP-III. The table below refers;

Programme	**Total Budget (UGX)**	**Amount Warranted (UGX)**	**Audit Comment**
Agro-Industrialization	1.26	0.93	Missions are not listed as contributing entities to this programme in the NDP-III.
Community Mobilization and Mindset Change	0.74	0.82	
Development Plan Implementation	1.60	1.56	
Sub Total	**3.60**	**3.31**	
Governance and Security	5.68	5.86	Missions are not listed as contributing entities to this programme and therefore not eligible for funding from this programme.
Sub Total	**5.68**	**5.86**	
Grand Total	**9.28**	**9.18**	

Source: OAG Analyss of approved budgets and warrants

Allocation of funds to the Embassy under programmes for which the entity has no contribution defeats the purpose of the programmatic approach to budgeting and the affected the achievement of NDP-III objectives. The Accounting Officer explained that the Embassy contributes to the various programmes in the NDP-III, including the ones under which the embassy funds were allocated.
Recommendation
The Accounting Officer was advised to liaise with the PS/MoFA and National Planning Authority (NPA) to ensure that funding for the Embassy is aligned to programmes which cover the core mandate of the Embassy in NDP-IV.
Action Status
As per the approved budget for FY2022/2023, the Uganda Embassy in Abu Dhabi contributed to four Programmes, namely; i) Programme 01: Agro Industrialization ii) Programme 15: Community Mobilization and Mindset Change iii) Programme 16: Governance and Security iv) Programme 18: Development Plan Implementation. However, during the Approval of the budget estimates for FY2023/2024, two programmes (Programme 01: Agro Industrialization and Programme 15: Community Mobilization and Mindset Change) were not allocated funds equivalent to UGX 2,003,331,580. These funds were later reinstated through a supplementary release of UGX 2Bn after continuous engagements with the Ministry of Foreign Affairs and the Ministry of Finance. As per the Approved Budget of FY2025/2026, the mission now contributes to Four Programmes. i) Programme 01: Agro Industrialization ii) Programme 05: Tourism Development iii) Programme 16: Governance and Security iv) Programme 18: Development Plan Implementation

<table>
<tr><td colspan="2">VOTE 529: UGANDA EMBASSY IN BURUNDI, BUJUMBURA</td></tr>
<tr><td>Query</td><td>Failure to Fully Implement Activities</td></tr>
<tr><td colspan="2">Audit Findings
The audit assessed the extent of implementation of activities for which funds were availed and utilised. A total of 4 (four) outputs with 18 activities and expenditure worth UGX 3.40Bn were assessed.
One (1) output with one (1) activity and expenditure worth UGX0.145Bn was fully implemented.

Three (3) outputs with 17 activities and expenditure worth UGX3.258Bn were partially implemented. Out of 17 activities, the entity fully implemented thirteen (13) activities, partially implemented two (2) activities, and two (2) activities could not be assessed due to a lack of performance targets and indicators.</td></tr>
<tr><td colspan="2">Recommendation</td></tr>
<tr><td colspan="2">The Accounting Officer was advised to ensure that all activities are implemented as planned.</td></tr>
<tr><td colspan="2">Action Status</td></tr>
<tr><td colspan="2">The Mission continued to lobby the Ministry to enhance the Budget. In FY2025/26, the embassy’s budget was enhanced by UGX 1Bn to support activities in Economic and Commercial Diplomacy in line with its strategic objectives. The enhanced budget will enable the Mission to undertake all its planned activities.

Also, during the Mid-term review of the Strategic Plan in May 2024, measurement of performance targets and indicators was given priority. The Mission engaged NPA and MoFA for guidance on appropriate performance indicators during the preparation of the Strategic Plan for the period of 2025/26 to 2029/2030.</td></tr>
<tr><td>Query</td><td>Failure to Undertake a Mid-term Review of the Strategic Plan</td></tr>
<tr><td colspan="2">Audit Findings
Contrary to the Comprehensive National Development Planning Framework (CNDF) and specifically the Embassy’s 2020/21-2024/25
The Strategic Plan states that a comprehensive mid-term review of its implementation should be undertaken in the first six months of the third year of its implementation. The Embassy did not have a Mid-term review of the Strategic Plan by the time of the audit.</td></tr>
</table>

Action Status
During the year under audit, management undertook a mid-term review of the Mission's Strategic Plan 2020/21-2024/25 and submitted the report to MoFA for approval. MoFA wrote, instructing a team to spearhead the exercise and mid-term review report.

Query	Variance in the Funding Requirements

Audit Findings

Comparative analysis of the annual budget for FY 2023/2024 and the strategic plan 2020/21-2024/25 forecasts indicated an overall funding variance of 41.42% for the year under review, to implement activities and deliver on the strategic plan objectives. Details are in the table below;

Table1: Inconsistencies Between the Annual Work Plan and the Strategic Plan for FY 2023/2024

Classification	Strategic plan cost estimate fy 2023/2024 (UGX'BN)	Operational plan cost estimate fy 2023/2024 (UGX'BN)	Variance (UGX'BN)	% Variance
Recurrent (wage)	0.434	0.456	(0.022)	(5.1)
Recurrent (Non-wage)	5.336	2.810	2.526	47.3
Capital Development	0.061	0.15	(0.089)	(145.90)
Total	**5.831**	**3.416**	**2.415**	**41.4**

Source: OAG analysis of the approved annual budget work plan for the FY 2023/2024 and the Strategic Plan 2020/2021-2024/2025

From the table above, the costing of the operational plan and budget for the year under review is still below the strategic plan costing for FY 2023/2024 by UGX 2.415 Bn, representing an overall variance of 41.4% of the strategic plan funding requirements.

The funding gap between the Strategic Plan estimates and the FY 2023/2024 budget may undermine the delivery of key objectives due to underfunding of critical activities.

In his response, the Accounting Officer concurred with the audit findings and indicated that Management is liaising with MOFPED to ensure increased funding to enable delivery of all key objectives of the Strategic Plan.

Recommendation	
The Accounting Officer was advised to continue the engagement with MoFPED to ensure that the entity's Indicative Planning Figures (IPFs) are revised to cater for the Strategic Plan funding projections.	
Action Status	
Management continued to liaise with MOFPED to increase funding for the Mission's activities. In FY2025/26, the embassy budget was enhanced by 1bn to support Economic and Commercial Diplomacy activities aligned with the strategic objectives. The enhanced budget will enable the mission to fully undertake all its planned activities.	
Query	**Prolonged Load Shedding that Necessitates Renewable Energy Sources**
Audit Findings The audit noted that the Embassy experienced prolonged load shedding (power cuts) that lasted several days in some cases, and this was amidst a scarcity of fuel in the country of Burundi. This disrupts the general operation of the Embassy since even running on a generator is curtailed, given the scarcity of fuel, which ultimately affects performance. The Accounting Officer indicated that Management is liaising with the Ministry of Foreign Affairs and the Ministry of Finance, Planning and Economic Development on the provision of funding to get an alternative power source.	
Recommendation	
The Embassy was advised to explore alternative, more reliable sources of renewable energy, such as solar.	
Action Status	
An inspection team from the Ministry of Foreign Affairs in Kampala visited the Mission in April 2025 to verify and assess, among other things, the situation regarding prolonged power supply. The team made a report and recommendations to the Permanent Secretary of the Ministry of Foreign Affairs on the need to enhance power supply. The Embassy awaits funding to install an alternative power supply.	
VOTE 530: UGANDA EMBASSY INCHINA, GUANGZHOU	
Query	**Mischarge of Expenditure**
Audit Findings Audit noted that during the year, the Mission wrote to the PSST (25th March 2024) requesting authority to reallocate UGX 69.15Mn	

within the Consulate's budget to cater for shortfalls in various budget items: fuels and lubricants, official functions and ceremonies, welfare and entertainment, and travel inland. There was no evidence that the request was granted. The Mission was found to have irregularly mischarged funds across various items, amounting to USD 46,661.16 (equivalent to UGX 176 Mn). Such unauthorised reallocations defeat budgetary controls and distort financial reporting, as items are reported with expenditures unrelated to their activities. In its response, management appreciated the concern and noted that, except for the money indicated in the reallocation request letter (UGX69,146,000), no other reallocations of funds were made. The Consulate would like to clarify that these arose as a result of the following; i) Missions were guided/advised not to budget under the line of Workshops and Seminars in a communication from the PS/ST. One of the Consulate's core mandates is promoting Economic and Commercial diplomacy, which involves organising and attending promotional events, workshops and seminars. The mission, therefore, has to charge expenses related to seminars and conferences to similar budget lines such as allowances, travel inland, official ceremonies and state functions, among others. ii) All amounts for lunch and overtime subsidy are part of the respective local staff's monthly salaries, as indicated in their contracts.
Recommendation
The Accounting officer was advised to ensure that authorisation is obtained before reallocations. Management should also improve the budgeting formulation process so that items are allocated adequate funding depending on the activities.
Action Status
This observation was duly noted. However, except for the UGX 69.15 Mn indicated in the reallocation request letter, no other funds were reallocated. The additional amount relates to potential mischarges.

The Consulate would like to clarify that these arose as a result of the following; i) Missions were guided and advised not to budget on the budget lines of Travel Abroad, Workshops, and Seminars. One of the Consulate's core mandates is promoting Economic and Commercial diplomacy, which involves organising and attending promotional events, workshops and seminars. The mission, therefore, charges expenses related to promotional events and conferences to similar/related appropriate budget lines, for example, Allowances, travel inland, official ceremonies and state functions, among others. ii) The Consulate budgeted for items like management fees for the Official Residence under the Rent budget line. Currently, the more appropriate line 223001-Property management expenses is being used. iii) All amounts with the narration of lunch and overtime subsidy are all part of respective local staff monthly salaries as indicated in their respective contracts, hence charged on the item 211102 (Contract staff salaries). iv) Direct postings on Foreign Exchange Gains/Loss Account (221018). The only direct postings to this account are those made when adjusting for transfers to and from the treasury. The remaining transactions are auto-generated. Those that appear as invoices or payments directly to this account are a result of invoices and the corresponding payment in a currency other than the base currency (functional currency) being made at different exchange rates. Any transaction with a description of an exchange batch is automatically generated as a result of running a foreign exchange batch by the system administrators at the Accountant General's office. This batch converts all the balances on balance sheet items which are held in foreign currency (base currency) into reporting currency (Uganda Shillings) at the closing rate as per IAS 21. v) A significant proportion of the entities highlighted in the appendix were planned for and charged on their respective correct budget line.	
Query	**Outstanding Insurance Claims**
Audit Findings The Audit noted that an amount of CNY21,933.71 was claimed as a refund for medical insurance from the service provider. However, by	

the end of the year, only CNY8,000 had been refunded, leaving a balance of CNY13,933.71. It was not explained why all the funds hadn't been refunded. Management responded by providing a schedule detailing the approved and disapproved claims, along with the reasons.	
Recommendation	
The Accounting Officer was advised to ensure that recovery mechanisms are strengthened to ensure the outstanding amount is cleared by the insurance company.	
Action Status	
The claims that were not approved mainly related to medical services that are generally not covered by insurance companies across China. Such services include: pregnancy and maternity care, dental care and treatment and specialised eye care.	
Query	**Under Budgeting for Non-Tax Revenue**
Audit Findings The audit reviewed the NTR estimates, revenue sources, and the rates charged at the vote level for the financial year 2023/2024. It noted that although the Consulate's budget was to collect NTR of UGX 2Mn. during the year under review, UGX 6.70Mn was collected as reported in the financial statements, implying that the NTR collected represented 235% of the planned target. Although the Mission is commended for surplus NTR collections, this may indicate that the target was underestimated. Management responded and noted that out of the UGX 6.70Mn collected during the FY 2023/24, only UGX 2.36Mn was from the issuance of Emergency travel documents, whereas UGX 4.34Mn was from miscellaneous receipts, i.e. interest on bank balances. The Consulate's major source of NTR is currently the issuance of Emergency Travel Documents (ETDs) / Certificates of identity and occasionally receipts from disposal of assets and miscellaneous revenue, including interest payments from the bank. As a result, NTR budget estimates are based on ETD issuance revenue collections from the previous financial years.	
Recommendation	
The Accounting Officer was advised to ensure that a comprehensive assessment of all revenue sources is done to ensure realistic budgeting.	

Action Status	
During FY 2023/24, UGX 6,703,556 was collected as NTR. Of this amount, only UGX 2,361,051 was from the issuance of Emergency travel documents, whereas UGX 4,342,505 was from miscellaneous receipts, i.e. interest on bank balances. The Consulate's major source of NTR is currently the issuance of Emergency Travel Documents (ETDs) / Certificates of identity, and occasionally receipts from disposal of assets and miscellaneous revenue, including interest payments from the bank. As a result, NTR budget estimates are based only on ETD issuance revenue collections from the previous financial years.	
Query	**Unspent Balances**
Audit Findings Out of the UGX 11.51Bn warranted and received during the financial year, the Consulate spent UGX 7.52 Bn, resulting in an unspent balance of UGX 3.99 Bn, representing an absorption level of 65%. The unspent funds were banked on the project account and are intended for the partially implemented activity of constructing the Chancery and official residence. Management attributed the failure to utilise all the released funds under the development budget to delays in commencing construction. The delays were mainly attributed to; i) Clearance of the lengthy Local Government procedures necessary to obtain permission to commence construction. ii) The project is located in a special geographical area, where a number of high-voltage and fibre-optic cables run along the red line on the north side of the project. The cables and fibre-optic cables belong to different companies and agencies, including Guangzhou Television Tower, Guangzhou Television Station, and other key units, which made it challenging to coordinate their relocation. While the Guangdong Foreign Affairs Office had assisted in relocating most of the cables, some remained within the Consulate plot, thereby delaying the commencement of construction while awaiting all cables to be relocated. iii) Request by the Contractor for advance drilling works to be undertaken before the commencement of construction. The Contractor explained that, while this exercise is not mandatory	

for their company, they require the client to undertake it to avoid future project delays and to ensure the foundation and subsequent works pass the Government quality tests.

However, all the above issues were addressed, and construction started on 19th July, 2024.

Recommendation

The Accounting Officer was advised to expedite project implementation to achieve the planned objectives and eventual service delivery.

Action Status

All the impediments were addressed, and construction started on 29th July, 2024. To date, the project is on course with 75% of construction works complete

Query | **Failure to Implement Fully Funded Projects**

Audit Findings

The audit assessed the extent of implementation of activities for which funds were availed and utilised. A total of 21 outputs worth UGX 11.5Bn were assessed, and the following was observed:

i) Eighteen (18) outputs were fully implemented.
ii) Three (3) outputs were partially implemented.

Activities that were partially implemented are provided in Table 3 below.

Table: Partially Implemented Activities

Summary of major Outputs	Forecast Performance for FY 2023/24	Actual performance	Variance	Remarks
4 Visits to Ugandans in prisons & detention Centres	4	3	1	75% achievement, yet 100% of funds were received
Organising and attending quarterly Performance Reviews, Annual Retreat, and Capacity Development Conferences	6	4	2	
Construction of Chancery and Official Residence	1	Commenced		Delayed commencement despite the availability

Failure to implement fully funded projects is an indicator of inefficiency and possible diversion of funds. Management Response i) The Consulate had earlier planned to carry out the Q4 prison visit in June 2024. However, upon application to the prison bureau to undertake the visit, the Consulate was informed that the period was fully booked and the visit was therefore deferred to the next financial year. However, the Consulate made follow-up calls to inmates who had welfare issues during the previous prison visits. ii) Among the consulates' planned conferences was the annual Ambassador's conference organised by the Ministry of Foreign Affairs, which was not held during the Financial year. iii) Despite the challenges that caused the delays as highlighted earlier, construction of the Chancery and Official residence commenced on 19th July 2024.	
Recommendation	
The Accounting Officer was advised to ensure that planned activities for which funds were availed are implemented and that, where reallocations are made, appropriate adjustments to the work plans are made to avoid project delays.	
Action Status	
Despite the challenges encountered, construction of the Chancery and Official residence commenced on 29th July 2024 and is currently at 75% completion.	
Query	**Supplementary Funding Not Meeting Criteria**
Audit Findings Regulation 18 (5) of the Public Finance Management Regulations, 2016 requires that Parliament may approve a supplementary appropriation or the Minister may approve a supplementary budget, as the case may be, where the supplementary expenditure is un-absorbable (expenditure that cannot be funded through virements), unavoidable (expenditure that cannot be postponed to the next financial year) and unforeseeable (does not include an expenditure that was foreseeable by the vote at the time of preparation of the budget).	

During the Audit, it was noted that, whereas there was no evidence of a formal request, the supplementary funds for Manufacturing and Tourism development amounting to UGX 265Mn were actually needed and unavoidable as the original budget had not allocated any funds for those Programmes despite their criticality in achievement of the Mission and NDP III objectives.

However, the supplementary funding of UGX46Mn for governance and security did not meet the supplementary expenditure criteria as the supplementary expenditure was avoidable, foreseeable and absorbable. The funding was for Welfare and Entertainment (UGX 31Mn), Equipment acquisition (UGX 12Mn), and ITC services (UGX 3Mn). These could have been budgeted for or could have waited for the next financial year.

Besides, not all the funds were utilised by the end of the financial year, as UGX 8.70Mn had remained on the account and was to be remitted back to the UCF.

Failure to comply with the criteria for supplementary expenditures undermines budget discipline, results in inefficient use of public funds, and weakens the credibility of the budgeting process.

In its response, management noted that Economic and Commercial diplomacy are among the Consulate's core functions. However, during the financial year 2023/24, the Consulate's budget was cut by UGX 311 M across four NDP III Programmes, for which supplementary funding was requested and provided. Under the supplementary fund provided, UGX 46Mn was allocated under Governance and Security because the implementation of some Economic and Diplomacy activities cuts across various Programmes and budget lines.

An erroneous entry was made on the Navision system, charging the Consulate-approved budget twice. Upon correction of this entry towards the end of the Financial year, UGX 8.70Mn became available for spending. Given that the financial year had almost come to an end by the time of observing and rectifying this error, the Consulate remitted these unspent funds to the UCF.

Recommendation	
The Accounting Officer was advised to always ensure that supplementary funding is utilised in accordance with the Public Finance Management Regulations.	
Action Status	
The Consulate duly took note of this observation. During the financial year 2023/24, the Consulate's budget was reduced by UGX 0.311Bn due to budget cuts in four NDP III Programmes. This affected the implementation of Economic and Commercial diplomacy, a core function of the Consulate. As a result, supplementary funding was requested and provided. During the allocation of supplementary funding, UGX 46 m was allocated under Governance and Security because implementation of some Economic and Diplomacy activities cut across various Programmes and budget lines. Regarding the unutilised funds at the end of the Financial Year, an erroneous entry was made on the Navision system, charging the Consulate's approved budget twice. Upon correcting this entry towards the end of the financial year, an amount of UGX 8.70Mn became available. Given that the financial year had almost come to an end by the time of observing and rectifying this error, the Consulate remitted these unspent funds to the UCF as per Annex 3.	
Query	**Delays in the Construction of Chancery and Official Residence**
Audit Findings During the financial year, the Consulate finalised procurement of the Contractor after numerous delays. The Procurement had started way back in the financial year 2016/17 when a Consultant for the project was engaged at RMB2,979,960. The Contract evaluation committee proposed the best evaluated bidder for the Contractor for the construction of the Chancery and Official residence as M/s Guangzhou Hengsheng Construction Engineering Company Ltd at a total price of RMB 32,351,602.27 (Tax inclusive). The contract was signed in December 2023. The following was noted:	

a) In accordance with the contract schedule, the contractor was paid an advance payment of RMB 4,852,470.34 on 27th December 2023 upon presentation of an advance payment security in the form of an unconditional bank guarantee.

b) Despite the advance payment, the Commencement order was issued on 8th May 2024, which was also not honoured. The construction did not start until July 2024, almost seven (7) months after the initial expected commencement date.

c) Although the Consultant had finalised designs and paid almost 50% of the contract price by 2019, the site conditions and construction terms had changed significantly by 2022, which required additional costs of RMB6,919,855, including:
   i) Hire of a third-party company to undertake project inspection and monitoring quality of construction works on behalf of the local Government at RMB1,342,52.
   ii) Re-commissioning of the surveying and mapping unit to set new boundary stake points and datum points, as the ones set in 2019 had all been destroyed at a cost of RMB24,247.02
   iii) Relocation of Greenery, such as trees, within the plot redline zone, which would affect construction works at a cost of RMB 242,900.
   iv) Urban infrastructure service fee at RMB457,716.42

   Consequently, the entire project's estimated costs had gone up from RMB30m in 2019 to RMB42.966Bn at completion, expected to be in June 2025.

d) According to a communication from the Accounting Officer to the Consultant, dated 15th July 2024, there were concerns about the deteriorating performance of the Consultant in terms of project management and supervision, which had led to the delayed commencement of works. The issues of concern raised by the Accounting Officer were;
   i) Non-submission of monthly progress reports
   ii) Replacement of personnel without the written approval of the PDE
   iii) Poor Quality of project-related reports/documents
   iv) Informal Mode of Communication
   v) Delays in project commencement due to known procedural issues, which could have been addressed earlier

vi) Introduction of new miscellaneous expenses. It is thus evident that the Consultant has not performed to expectations. This can compromise the time and quality of the building. More delays in Project implementation will lead to additional project cost escalations, yet the Consulate continues to incur high rental costs for both the Chancery and Official residence. The Accounting officer explained that to ensure tight supervision of the project, during submission of monthly project progress reports, the Consulate holds a meeting with the Consultant to ensure that any pending issues related to the construction project are addressed. Also adhoc meetings are held with the Consultant whenever there are issues to be addressed urgently.
Recommendation
The Accounting Officer was advised to ensure that tight supervision and follow-up are undertaken to expedite the construction.
Action Status
The Consulate continues to ensure tight supervision of the project through meetings held whenever the Consultant submits the monthly project progress report. At such meetings, any pending issues related to the construction project are raised and addressed. In addition, adhoc meetings are held with the Consultant whenever there are issues to be addressed urgently.
~~**VOTE 531: UGANDA EMBASSY IN TURKEY, ANKARA**~~
VOTE 532: UGANDA EMBASSY IN SOMALIA, MOGADISHU
Query — **Under Budgeting for Contract Staff Salaries**
Audit Findings The audit observed that during the year, the Embassy had a total budget for contract staff salaries of UGX 216.41Mn, all of which was warranted. Out of this, the Embassy utilised UGX 216.39Mn. Audit reviewed the total contract staff salaries required by the Embassy as per the Embassy's validated payroll for local contract staff, and noted that the Embassy under-budgeted by UGX 77.71Mn as summarised in the table below;

Table: Analysis of budgeting for contract staff salaries

S/n	Details	Amount (UGX Mn)
1.	Budget for contract staff salaries (A)	216.41
2.	Warrants (B)	216.41
3.	Recomputed contract staff salaries (budget requirement) (C) (Recomputed based on the payroll of the local contract staff)	294.12
4.	Budgeting shortfall on salaries D= (A-C)	77.71

Source: OAG analysis of PBS data and local contract staff payroll

As a result of the under-budgeting, UGX 34.58 M was charged to other codes not approved for contract staff salaries to pay salaries. This is a violation of the budget implementation circular issued by the PSST, the Appropriation Act of Parliament 2023/2024 and the GoU chart of accounts.

Under-budgeting for contract staff salaries implies that, at the time of budgeting, the budgets for contract staff salaries were not based on the actual numbers of contract staff in post or on expected changes arising from recruitments or retirements.

The Accounting Officer explained that several communications were made to the PS/ST regarding the shortfall, and supplementary funding was sought, but not granted. It was further indicated that going forward, contract staff salaries shall be adequately provided for in the Embassy's budget.

Recommendation

The Accounting Officer was advised to ensure that budgeting for contract staff salaries is based on the actual number of contract staff in place and any planned recruitments.

Action Status

The shortfall in Contract Staff Salaries was duly communicated to the PS/ST, and in the subsequent FY, funds were fully provided towards this cause.

Query	**Irregular Use of Travel Abroad Rates for Inland Travel**

Audit Findings

Paragraph (2) of section (E-b) of the Uganda Public Service Standing Orders 2021 requires that in the case of a Foreign Service Officer abroad, night allowance is payable when he or she is travelling on duty away from the duty station, in the country to which his or her

Embassy is accredited and having to spend nights away from his or her residence. Contrary to the above, it was observed that during the financial year under review, the Embassy paid out UGX 25.88Mn to Embassy officials travelling from their duty station to undertake Embassy activities within Somalia using rates for travel abroad to cater for their allowances. It was also noted that the Ministry of Public Services had not approved rates for use when Foreign Service Officers travel long distances from their duty stations, but within the same country. Due to a lack of clarity on which rates to use in such circumstances, the Accounting Officer used the per diem rates for travel abroad. The Accounting Officer stated that the Embassy will seek guidance from PS-MoFA and MoPS, given that most areas in Somalia are inaccessible by road and that only domestic or United Nations/African Union Transition Mission in Somalia flights can facilitate movement to attend meetings and conferences, which are key to the Embassy in fulfilling its mandate.	
Recommendation	
The Accounting Officer was advised to bring this matter to the attention of the Permanent Secretaries of MoFA and MoPS so that proper guidance/review of the rates to use in such circumstances is provided.	
Action Status	
The rates were paid in accordance with Section (E-b) Para (2) of the Uganda Public Service Standing Orders, 2021 and Para. 1.11 of the Circular Standing Instruction No.4 of 2008, which stipulates that the night allowance rates applicable for Foreign Service Officers are those payable to Public Officers travelling outside Uganda.	
Query	**Non-Implementation of the Mission's Mandate**
Audit Findings The Embassy is mandated to promote, defend and protect Uganda's national interests in the Republic of Somalia. This mandate also includes securing opportunities for Ugandans in the areas of education and business development.	

Audit reviewed the Embassy's strategic plan, work plans and performance reports to assess the extent to which the Embassy had secured opportunities during the year. It noted that the Embassy had not planned for any business or educational opportunities for Uganda, and as such, none were secured during the year. Failure to ensure that all mandated activities are provided for in the strategic plans and annual work plans implies that no resources will be earmarked for these activities, and the associated service delivery benefits will not be achieved. The Accounting Officer explained that in light of the security situation in Somalia, the Embassy has been unable to lobby for academic scholarships. However, through the joint Uganda-Somalia investment and business summit, some trade and business opportunities have been identified to benefit Uganda's economy.	
Recommendation	
The Accounting Officer was advised to focus on trade and business opportunities and ensure that these activities are prioritised in the work plans and budgets.	
Action Status	
i) Uganda hosts over 4,100 University students, over 1,000 secondary students and 2,500 primary pupils of Somali origin as part of Edu-Tourism. ii) In the financial year 2025/26, the Mission was included in the Private Sector Development Programme for Economic and Commercial Diplomacy.	
Query	**Failure to Fully Implement Activities**
Audit Findings The audit assessed the extent of implementation of activities for which funds were availed and utilised. A total of three (03) outputs with eight (08) activities worth UGX3.11Bn were assessed, and it was observed that two (02) outputs with five (05) activities and expenditure worth UGX 2.89Bn were fully implemented. However, one (01) output with three (03) activities worth UGX214.25Mn was partially implemented. Out of the three (03) activities, the entity fully implemented two (02) activities while one (01) activity remained unimplemented.	

Audit, however, noted that the activities were not costed by management, which affected the depth of the analysis.

Table: Showing un-implemented activities

Sn	Activity	Planned target	Actual performance	Variance (Number not implemented)
1	Prepare emergency travel documents for distressed Ugandans, especially for youthful women.	100	6	94

Source: OAG analysis of work plans and PBS Data

Failure to fully implement planned activities affects service delivery.

The Accounting Officer explained that the ongoing war affected the movement of the distressed Ugandans and the mission staff who required emergency travel documents.

Recommendation

The Accounting Officer was advised to always ensure that the targets in the work plans and budgets are realistic and take into consideration the prevailing circumstances in the host country.

Action Status

The ongoing war significantly affected the movement of the distressed Ugandans and the Mission staff.

Query	Supplementary Funding did not meet the Criteria

Audit Findings

Regulation 18 (5) of the Public Finance Management Regulations, 2016 requires that Parliament may approve a supplementary appropriation or the Minister may approve a supplementary budget, as the case may be, where the supplementary expenditure is un-absorbable (expenditure that cannot be funded through virements), unavoidable (expenditure that cannot be postponed to the next financial year) and unforeseeable (does not include an expenditure that was foreseeable by the vote at the time of preparation of the budget).

Contrary to the above, the Audit noted that supplementary expenditure totalling UGX 1.49Bn did not meet the supplementary expenditure criteria. The supplementary funding was used to pay contract staff salaries, guards and security services, allowances, welfare and entertainment expenditures, among others. None of

these expenditures was unavoidable, unforeseeable and could not be absorbed through reallocations or Virements.
This practice amounts to abuse of controls surrounding requests and utilisation of supplementary expenditure.
The Accounting Officer explained that the expenditure was for the local contract staff gratuity, which was due, and in order to avoid litigation as well as a shortage of contract staff salaries, this necessitated seeking supplementary funding.

Recommendation

The Accounting Officer was advised to always ensure that all foreseeable expenditures, such as salaries, allowances and local staff gratuity, are adequately provided for in the budget.

Action Status

The Supplementary was for the unforeseen emergencies in light of the African Union Transition Mission in Somalia (ATMIS) troops drawdown, and prevailing security threats by Al-Shabaab in Somalia.

Query	**Mis-allocation of Embassy Budgets in Various Programmes**

Audit Findings

Effective FY 2022/23, appropriation of resources in the budget was done using the Programme approach. Under this approach, entities were allocated resources in Programmes if they were expected to contribute to the achievement of the Programme objectives.
Contrary to the above, Audit noted that the Embassy had a total budget of UGX 6.99Bn out of which UGX 1.19Bn (17%) was received from the Programmes for which the Embassy has no contribution as per the Programme allocation in the NDP-III. The table below refers.

Table: Showing allocation of Embassy budget per Programme

Programme	Total Budget (UGX Bn)	Amount Warranted (UGX Bn)	Audit Comment
Private Sector Development	1.46	1.19	Embassies are not listed as contributing entities to this Programme in the NDP-III.
Sub Total	**1.46**	**1.19**	
Governance and Security	5.55	5.88	Embassies are listed as contributing entities to this Programme and hence are eligible.
Sub Total	**5.55**	**5.88**	
Grand Total	**6.99**	**7.08**	

Source: OAG analysis of approved budgets and warrants

Allocation of funds to the Embassy under Programmes for which the Embassy has no contribution defeats the purpose of the programmatic approach to budgeting and, in the long run, will affect the achievement of NDP-III. The Accounting Officer explained that the Embassy contributes to the Private Sector Development Programme in light of the joint Uganda - Somalia Investment and Business Summit, which has immensely contributed to Uganda's economy. However, paragraph 245 of the NDP-III provides that the goal of the Private Sector Development Programme is to increase the competitiveness of the private sector to drive sustainable inclusive growth. This includes reducing the informal sector, increasing non-commercial lending to the private sector, boosting export value, and increasing the proportion of public contracts awarded to local firms. This matter was brought to the attention of the National Planning Authority (NPA), which indicated that this activity is not in the mandate of the Missions.
Recommendation
The Accounting Officer was advised to liaise with PS MoFA and the NPA to ensure that funding for the Embassy is aligned with the programmes that support the Embassy's core mandate.
Action Status
The Mission has since liaised with PS MoFA and NPA to ensure that the Embassy's activities and programmes are aligned, especially in Private Sector Development for Economic and Commercial Diplomacy.
VOTE 533: UGANDA EMBASSY IN MALAYSIA, KUALA LUMPUR
Query — **Irregular Use of Travel Abroad Rates for Inland Travel**
Audit Findings Paragraph (2) of section (E-b) of the Uganda Public Service Standing Orders 2021 requires that in the case of a Foreign Service Officer abroad, night allowance is payable when he or she is travelling on duty away from the duty station, in the country to which his or her Mission is accredited and having to spend nights away from his or her residence.

During the financial year under review, the High Commission paid out UGX 163Mn to High Commission officials travelling from their duty station to undertake Mission activities within the host country, using travel abroad rates to cover their allowances. The audit also noted that the Ministry of Public Services had not approved rates for travel when Foreign Service officers travel long distances from their duty stations within the same country. Due to a lack of clarity on which rates to use, the Accounting Officers irregularly used the per diem rates for travel abroad. The Accounting Officer explained that the State of Malaysia is quite big with several Federal States which are semi-independent, often activities require staff to travel far distances and to stay out of station, requiring payments for hotels most of which are at the level of international standards and hence the international rates apply but committed to engage the MoFA and MoPS for guidance on more appropriate rates.
Recommendation
The Accounting Officer was advised to bring this matter to the attention of the Permanent Secretaries of MoFA and MoPS so that proper guidance/review of the rates to use in such circumstances is provided.
Action Status
The rates were paid in accordance with Section (E-b) Para (2) of the Uganda Public Service Standing Orders, 2021 and Para. 1.11 of the Circular Standing Instruction No.4 of 2008, which stipulates that the night allowance rates applicable for Foreign Service Officers are those payable to Public Officers travelling outside Uganda.
Query — **Failure to Effectively Execute the High Commission's Mandate**
Audit Findings The mandate of Uganda's High Commission in Kuala Lumpur is to promote, defend and protect Uganda's national interests in Malaysia and in the eight (8) other accredited countries of Indonesia, Thailand, Brunei Darussalam, the Philippines, the Socialist Republic of Vietnam, Cambodia, Myanmar and Lao PDR. This

mandate also includes securing opportunities for Ugandans in the areas of education and business development.

Audit reviewed the High Commission's work plan and performance reports to assess the extent to which the mission secured opportunities during the financial year under review. The table below summarises my findings.

Table: Showing performance of the High Commission in securing opportunities for Ugandans

Sn	Opportunity type	Details	Number Planned as per the approved work plan	Actual number verified by the Auditor	Variance
1	Education	30 Scholarships secured for Ugandans.	30	20	10 not secured.

Source: OAG verification of work plans and performance reports

Failure to effectively execute the High Commission's mandate denies citizens and the country as a whole opportunities for economic growth.

The Accounting Officer explained that, in addition to the 20 scholarships, the High Commission negotiated the extension of the 160 scholarships offered to Uganda by the University of Selangor in 2022.

Recommendation

The Accounting Officer was advised to fast-track negotiations to extend the scholarship and create more opportunities for Ugandans.

Action Status

While the Mission has tried to source Scholarships from various Universities, most have not been taken up because some require counterpart funding. In other instances where the scholarships are forwarded to the Ministry of Foreign Affairs and the Ministry of Education and Sports, feedback on their uptake is not given. This makes it difficult to source again, where utilisation of formally allocated scholarships has failed.

The Mission continues to engage the Ministry of Foreign Affairs and the Ministry of Education on this matter.

Query	Increasing Rate of Detention Cases
Audit Findings Analysis of the Performance report for Quarter 4 showed that during the financial year under review, 36 Ugandans (18 Males and 18 females) were repatriated or assisted to return home, while 92 were assisted to travel back home from Detention centers and other areas (20 Males & 72 females). However, analysis of the budget showed that the repatriation exercise was not budgeted for. At that rate, there is a risk that the numbers could get unmanageable. Besides, the current trend could affect the opportunities available for Ugandans through possible restrictions. The Accounting Officer explained that management has continued to engage MoFA on the issue and stated that while it is an advantage to have visa-free access to Malaysia, Singapore and the Philippines for tourism purposes and connecting people, it has also been used by the traffickers to lure Ugandan youth, promising them nonexistent job opportunities in this region. He hoped that an allocation for this activity would be provided in the forthcoming budget, empowering the Mission to respond when Ugandans need quick intervention.	
Recommendation	
The Accounting Officer was advised to take up the matter with the PS MoFA and other relevant authorities in Kampala to develop strategies to minimise detention cases that signal potential dilemmas that could affect opportunities and the good image of Uganda.	
Action Status	
The Mission continues to sensitise Ugandans about the challenges of accessing employment in Malaysia. While the mission does not have a budget towards repatriation of Ugandans, some organisations (such as the International Organisation for Immigration - IOM and NGOs) have come in to assist with Air tickets for Ugandans returning home. The Mission only caters for the Officers who sometimes have to travel to detention centres.	

The Mission continues to engage the Ministry of Gender, Labour, and Social Development, the Ministry of Foreign Affairs, and the Ministry of Finance, Planning, and Economic Development on funding for this activity, as Asia remains a human trafficking hot spot.	
Query	**Inadequate Staff Structure to Implement the Mission's Mandate**

Audit Findings

Audit noted that the Kuala Lumpur High Commission has an approved staff structure of five (5) home-based staff. However, during the financial year, only four (4) positions were filled, leaving one (1) position vacant as shown in the table below;

Table: showing the staffing levels of the Kuala Lumpur High Commission

	Title	Scale	Status
1.	Head of Mission/High Commissioner	FSO GR. I- U1SE	Filled
2.	Third Secretary/Accounting Officer	FSO GR VI- U4	Filled
3.	Minister Counsellor	FSO GR. II -U1SE	Filled but not provided for in the structure
4	Foreign Service Officer III	FSO GR III- U3	Vacant
5.	Administrative Attaché/Personal Secretary	U4	Filled
6.	Financial Attaché	U4	Filled

Source: Analysis of the High Commission staff structure

Audit also noted that the Mission has a Minister-Councillor and a Head of the Chancery (FSO II, UISE scale), positions not provided for in the structure.

Further assessment of the staffing structure and levels, in consideration of the areas accredited to the High Commission, showed an inadequate staffing structure.

Inadequate staffing overstretches available staff and may fail to effectively deliver the High Commission's mandate in the areas of accreditation.

The Accounting Officer explained that the High Commission has written to the PS MOFA and hoped that MOFA would work to improve the High Commission's structure. She stated that the High

Commission is developing a new strategic Plan under NDP IV for the FY 2025/26 - FY2029/2030 and would make a case for adjustments to the High Commission Structure.

Recommendation

The Accounting Officer was advised to continue following up on the matter with the PS MoFA to engage further with the Ministry of Public Service to ensure improved staffing levels and a reviewed structure commensurate with the mandate of the Mission for effective service delivery.

Action Status

The function of posting and recalling staff to and from the Mission is within the mandate of the PS MoFA. However, increasing staff at the Mission has to be aligned with the budget. The Mission continues to engage the MoFA over the matter.

Query	**Failure to Fully Implement Activities**

Audit Findings

The Audit assessed the extent of implementation of activities for which funds were availed and utilised. A total of three (03) outputs with 23 activities worth UGX 3.49Bn were assessed, and the following were observed;

i) Two (02) outputs, comprising 18 activities and expenditures totalling UGX 1.76Bn, were fully implemented.

ii) One (01) output with five (05) activities worth UGX 1.73Bn was partially implemented. Out of the five (05) activities, the High Commission fully implemented three (03) activities worth UGX 1 Bn, while two (02) activities worth UGX 0.73Bn were partially implemented. The partially implemented activities are summarised below;

Table: Showing the partially implemented activities

Sn	Activity	Amount warranted (UGX Bn)	Amount Spent (UGX Bn)	Audit Comment
1	20 (6 males and 14 females) Travel Documents planned to be Issued to Ugandans;	0.171	0.171	Amounts cannot be disintegrated from the output figure due to a

	however, 11 (07 males & 04 females) Ugandans were assisted with visa transfers and extensions in Malaysia and other areas of accreditation.			lack of costing sheets.
2	Planned 10 visits (2 Males and 8 Females) to be visited and update the status of Ugandans in Prisons, Deportation Centers, Shelter Homes, and Police Custody. However, 3 visits were made to Prisons and Deportation Centres (Malaysia and other areas of accreditation), where 22 Ugandans (08 males & 14 females) are held.	0.562	0.562	Amounts cannot be disintegrated from the total output figure due to a lack of costing sheets.
	Total	**0.733**	**0.733**	

Source: OAG analysis of work plans, financial statements and performance plans

Failure to disaggregate the amount from the output to activities at the planning level causes ambiguities in the performance assessment.

The High Commission failed to participate/honour invitations in various programmes under Commercial diplomacy due to limited budget/resource, which leaves a lot of untapped potential and denies
opportunities to Uganda. In addition, failure to fully implement all planned activities while all funds were available negatively impacts service delivery.

The Accounting Officer explained that the High Commission commits to continuously improving its budgeting process, especially in the costing of its activities, and stated that, at implementation, the efforts are challenged by poundage and currency exchange fluctuations, as well as emerging unplanned issues that require quick interventions. She further stated that the budgeting process does not allow for contingency or emergency planning.

Recommendation

The Accounting Officer was advised to always disaggregate the amount/cost from outputs to activities for easy assessment of activity performance and to ensure that incomplete activities are rolled over to the subsequent period for implementation.

Action Status	
The Mission was initially constrained by funding. However, it has since been allocated a budget under the new Economic and Commercial Diplomacy. Going forward, the Mission will honour invitations and participate in the programme.	
Query	**Supplementary Funding not Requested by the Accounting Officer**
Audit Findings Regulation 18 (2) of the Public Finance Management Regulations (PFMR) 2016 requires that an Accounting Officer who intends to spend money as supplementary expenditure shall request the Minister's approval in writing. Audit noted that supplementary funding totalling UGX 0.11Bn was not requested by the Accounting Officer. Warranting unrequested supplementary funding by the Accounting Officer was irregular and contrary to the PFMR and Treasury Instructions. The Accounting Officer explained that the Mission received UGX 0.11Bn in supplementary funding, just like other Missions. This was in respect of funds lost due to budget cuts across all Missions during the budget appropriation process. The funding was utilised in the urgent rescue operations for Ugandan victims of human trafficking from Myanmar.	
Recommendation	
The Accounting Officer was advised to always seek clarification from the MoFPED whenever supplementary funds are released without request.	
Action Status	
In the FY ended June 2024, the Mission, alongside other Missions, lost critical funding that was budgeted under Tourism. MoFPED noted the error during budget implementation and reimbursed the Missions through a supplementary equivalent to the loss.	

Query	Irregular Diversion of Funds
Audit Findings Section 7.10.3 of the Treasury Instructions, 2017 stipulates that the Chart of Accounts provides a basis for a uniform budget classification and execution; therefore, it is mandatory for all votes to use the coding structure to budget and execute the budget. Audit noted that expenditure totalling UGX 0.02Bn was irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. This was attributed to poor budgeting practices and failure to adhere to the financial management controls put in place. Diversion of funds negatively affects the delivery of services, undermines the importance of the budgeting process, and undermines the intentions of the appropriating authority. It further undermines the accuracy and credibility of the financial statements.	
Recommendation	
The Accounting Officer was advised to always adhere to the approved work plans and budgets and to seek approval for any reallocations within the budget.	
Action Status	
The mischarges were caused by unforeseen expenditures and inadequate budgetary provisions for critical activities. The Mission has since accessed funding under the Economic and Commercial Diplomacy (ECD), which has eased budgetary pressures. The Mission will therefore not mischarge going forward.	
VOTE 534: UGANDA CONSULATE IN KENYA, MOMBASA	
Query	**Over Budgeting for Rent**
Audit Findings Audit observed that during the year, the Consulate had a total budget for rent of UGX 0.52 Bn, all of which was warranted, and UGX 0.51 Bn was spent during the period. Audit recomputed the total rent required by the mission based on the rental agreements and noted that the budgeted and warranted amounts exceeded the mission's rent requirements, as summarised in the table below.	

Table: Over budgeting for rent

S/n	Details	Amount(UGX)
1	Budget for rent (A)	520,000,000
2	Warrants (B)	520,000,000
3	Total expenditure as per Financial Statements(C)	513,573,257
4	**Excess rent E= (A-C)**	**6,426,743**

Source: OAG analysis of PBS data and rental agreements

Overbudgeting for rent tied up funds that could have been allocated to other demanding activities of the Consulate.

Recommendation

The Accounting Officer is to ensure that budgeting for rent is based on the signed rental agreements.

Action Status

The Mission adequately budgeted for rent expenses. However, the Mission budgets are in Ugandan shillings, while it receives funds in US Dollars and pays rent in Kenyan shillings. During FY2023/24, the Kenyan shilling weakened against the dollar, resulting in a foreign exchange gain.

Query | **Failure to Allocate Funds to some Programmes**

Audit Findings

Effective FY 2022/23, budgetary resources were allocated using the programmatic approach. Under this approach, entities were allocated resources in Programmes if they were expected to contribute to the achievement of the Programme objectives.

The audit noted that the Consulate had a total budget of UGX 10.09Bn, all of which was received under the Programme, for which the Consulate has a contribution as per the Programme allocation in the NDP-III. The table below refers.

Programme	Total Budget (UGX)	Amount Warranted (UGX)	Audit Comment
Governance and Security	10,086,487,807	10,086,487,807	Missions are listed as contributing entities to this Programme
Total	**10,086,487,807**	**10,086,487,807**	

According to the Consulate Strategic Plan and Annual work plan, the Consulate contributes to other Programmes such as Tourism Development and Agro-Industrialisation. The related outputs in these other Programmes were not allocated IPFs at the time of budgeting.

Non-allocation of funds to all Programmes to which the Consulate contributes limits its ability to achieve the planned outputs in all Programmes. This also led to the allocation of funds for Governance and Security to other activities in the different Programmes.

The Accounting Officer explained that during FY2022/23, the Mission received funds for the Agro-Industrialisation, Tourism Development, Governance, and Security Programmes. However, for FY2023/24, the funds for Agro-Industrialisation and Tourism Development were not allocated to the Consulate by the Programme Sector Working Groups, on the assumption that Missions abroad do not contribute to the said programmes. The Mission ended up losing UGX 730Mn of its budget.

The Consulate engaged MoFPED to have the funds reinstated, but in vain. Subsequently, the Mission was allocated UGX100Mn for the FY2024/25 under the Tourism Development Programme. However, this was not sufficient to carry out all tourism promotion-related activities.

Recommendation

The Consulate should continue to liaise with MoFPED and engage Programme Heads to allocate funds to all Programmes in which the Consulate contributes.

Action Status

The Consulate continues to engage MoFPED and relevant Programme Working Groups to ensure that all Programmes to which the Consulate contributes, including Tourism development, are considered for future budget allocations.

Query	Delay in Receiving VAT Refund Claims
Audit Findings The Consulate's expenditures on procurements are subject to VAT refunds claimable from the Kenya Revenue Authority (KRA). It was noted that although the Consulate claimed VAT refunds through the Uganda High Commission in Nairobi, these had not been authorised by KRA. The Consulate submitted VAT refund claims after payments had been made to suppliers. This was done by submitting tax invoices and receipts to the Uganda High Commission in Nairobi, where the invoices are uploaded on the Ministry of Foreign Affairs system for zero rating. Once approved, the invoices are sent back to the Uganda High Commission for submission to KRA to be granted a refund. The VAT refund is granted within 6 months of the invoice date on a first-come, first-served basis. Upon consultation with the Uganda High Commission in Nairobi on matters concerning the delay in receiving approval of the VAT refund claim from KRA, the audit was informed that MoFA-Kenya receives very many claims from different diplomatic entities, which creates a backlog in the system. By the time an exemption is granted, some suppliers have already filed their returns, as required by law, by the 15th of the next month.	
Recommendation	
The Accounting Officer should engage the Kenya Ministry of Foreign Affairs and the Kenya Revenue Authority through the Uganda High Commission in Nairobi to negotiate a viable mechanism that allows VAT refunds within the allowable six months.	
Action Status	
The Consulate, through the Uganda High Commission, engaged the Ministry of Foreign Affairs and Diaspora of Kenya (MoFDA) to obtain a VAT refund for the ongoing construction project. All the relevant documentation was submitted. The MoFDA later stated that all VAT refunds for construction materials invoices will be processed within the allowable six-month	

period. The KRA advised MoFDA that the Consulate act on the already-granted express zero rating.	
VOTE 535: UGANDA EMBASSY IN ALGERIA, ALGIERS	
Query	**Outstanding Domestic Arrears**

Audit Findings

Paragraph 10.9.17 of the Treasury Instructions 2017 states that "An Accounting Officer will ensure that no payments due in any financial year remain unpaid at the end of that year.

On the contrary, the audit noted that by the close of the financial year, the Embassy had arrears totalling UGX 0.05Bn as shown in the table below, having reduced by UGX 0.30Bn from the previous year's balance of UGX 0.35Bn;

Table 1: Domestic Arrears Trend Analysis

SN	Year End	Arrears at year end (UGX Bn)	%age Decrease
1	30th June 2023	0.350	
2	30th June 2024	0.048	86%

Source: OAG review of payment records and financial statements

Domestic arrears adversely hamper budget performance in the subsequent year, as outputs anticipated in the appropriated budget cannot be attained due to the settlement of the arrears.

The Accounting Officer explained that these arrears were associated with urgent expenses that could not be postponed, including unpaid electricity bills, unpaid rent, and fines from overdue social security contributions.

Recommendation

The Accounting Officer was advised to ensure that all crucial utility items, such as electricity, rent, and water bills, are adequately provided for in the budget and payments made accordingly.

Action Status

Gratuity payments were discontinued in FY 2023/24 following queries raised in the Auditor General's report dated 8th December 2023.

Query	Irregular Recruitment of local contract staff
Audit Findings The Permanent Secretary of the Ministry of Foreign Affairs (MoFA) issued an instruction to all Embassies to seek approval before the recruitment of any local contract staff. On the contrary, 12 local contract staff, who were paid a total of UGX 0.78Bn during the year under review, were recruited without the approval of the Permanent Secretary of MoFA. At the time of the audit (November, 2024), contracts for five (5) staff had not been renewed, and as a result, the Embassy was operating without local contract staff. This subsequently affected the operations of the Embassy in achieving the mandate objectives and resulted in work overload for the Home-based staff. The Accounting Officer explained that, following the PS MoFA's circular, the Embassy is still awaiting the Head of Mission to seek clearance from the PS MoFA for the recruitment of various local contract staff.	
Recommendation	
The Accounting Officer was advised to follow up with the PS MOFA and have these positions filled without further delay.	
Action Status	
The follow-up with the PS MoFA was undertaken to have the vacant positions filled. Confirm the status of clearance from the PS MoFA During the process, some existing local staff members agreed to discontinue their services and were compensated for the time worked without contracts, as well as three months' salary in lieu of non-renewal. The PS MoFA approved these payments, and all the other affected staff have since exited the Mission.	
Query	**High rental costs for the Embassy**
Audit Findings During the year, UGX 1.52 Bn was spent by the Embassy to pay rent obligations for the Chancery and Officers' residences. The cost of	

rent accounted for 39% of the total Embassy expenditure, which is relatively high, given that the Embassy has other statutory obligations, such as Contract Staff salaries and Foreign Service Allowances for staff. The relatively high rental costs imply that the funds available to the Embassy to undertake activities will be significantly reduced and also strain the Embassy's meagre resources. The Accounting Officer explained that the Mission moved the Chancery from a building costing DZD.880,000 to one costing DZD.700,000 to reduce rental costs. The Accounting Officer also initiated a process to procure a cheaper but befitting official residence, but this process was halted following the Head of Mission's preference to stay at the current official residence until the end of the contract in June 2025.	
Recommendation	
The Accounting Officer was advised to bring this matter to the attention of the PS-MOFA, so that a sustainable solution to the challenge can be found.	
Action Status	
To reduce costs, the Chancery was relocated to a building costing DZD 700,000 per month, saving DZD 180,000 monthly. Efforts were made to secure a more economical residence for the Head of Mission; however, he declined to move out of the current residence until the expiry of the current rent period in June 2025.	
Query	**Irregular use of Cash by the Embassy**
Audit Findings Paragraph 10.5.1 of the Treasury Instructions, 2017 states that, in general, all Government payments processed through the GFMIS shall be made by Electronic Funds Transfer (EFT) to the beneficiary bank accounts. Contrary to this, the Embassy made cash withdrawals to pay suppliers, amounting to Euros. 321,800 (UGX1.23Bn) during the year under review. The table below refers.	

Table 2: Monthly Cash Payments

Sn	Month	Total payments (Euros)	Total Payments (UGX Bn)
1.	July	5,000	0.019
2.	August	82,500	0.315
3.	September	112,500	0.430
4.	November	7,600	0.029
5.	December	5,000	0.019
6.	February	90,000	0.344
7.	April	7,500	0.028
8.	May	4,200	0.016
9.	June	7,500	0.028
	Total	**321,800**	**1.228**

Source: OAG review of the Embassy bank statements and payments

Cash transactions contravene the Public Finance Management Regulations and increase the risk of fund abuse.

The Accounting Officer explained that this was due to a combination of factors, including Algiers's cash-based economy; lengthy bank transfer processes; supplier practices; landlord preferences for cash transactions; and the Embassy's reliance on rented properties.

Recommendation

The Accounting Officer was advised to emphasise to the suppliers and the Landlords the requirement for the Embassy to transact through the bank system in line with the provisions of the Treasury Instructions.

Action Status

Despite the Mission's efforts to encourage landlords to accept bank payments, they have remained adamant. They suggest increasing rental fees to cover tax obligations on their properties, but this would be detrimental to them, as they would bear the tax burden even after tenancy agreements expire. They have put their preference for cash payment in writing.

The Mission has engaged suppliers to provide bank details on their pro forma invoices, but the majority do not accept them. The few who do will supply at a much higher cost. One supplier who accepted bank payments had very few of the supplies needed.

For day-to-day operations of the Mission, cash payments are considered necessary, especially for car and equipment maintenance, fuel, utilities, stationery, and medical bills, due to the absence of Health Insurance in the country.

Payments in Algeria are predominantly made in cash rather than through Electronic Fund Transfer (EFT) due to several interrelated factors that reflect the country's economic and banking landscape, as detailed in the earlier audit response.

This problem is expected to continue until the Algerian economy is liberalised. Until then, the Mission, like the rest operating in the economy, will have no option but to conduct a significant portion of its financial transactions in cash.

Query	**Mis-allocation of Embassy budget in various Programmes**

Audit Findings

Effective financial year 2022/23, appropriation of resources in the budget was done using the Programme approach. Under this approach, entities were allocated resources based on their expectations of contributing to the achievement of the Programme objectives.

It was noted that the Embassy had a total revised budget of UGX 4.56Bn, out of which UGX 0.20Bn (4%) was received from Programmes for which the Embassy has no contribution, as per the Programme allocation in the NDP-III. The table below refers.

Table 3: Mis-allocation of budgets to various Embassy programmes

Programme	Total Budget (UGX Bn)	Amount warranted (UGX Bn)	Audit Comment
Development Plan Implementation	0.197	0.197	Embassies are not listed as contributing entities to this Programme and hence are not eligible.
Sub Total	**0.197**	**0.197**	
Governance And Security	4.360	4.166	Embassies are listed as contributing entities to this Programme and thus eligible.
Sub Total	**4.360**	**4.166**	
Grand Total	**4.558**	**4.363**	

Source: OAG review of the Embassy work plan and budget

Allocation of funds to the Embassy under Programmes for which the Embassy has no contribution defeats the purpose of the programmatic approach to budgeting, which, in the long run, affects the achievement of NDP-III. The Accounting Officer explained that the decision on which Programmes' funds should be allocated was entirely a responsibility of the Ministry of Finance, Planning and Economic Development, for which the Accounting Officer had no control, but to align the Mission under these Programmes as provided. The audit noted the Accounting Officer's response but explained that the work plans are generated with input from the Embassy and MoFA. As such, there is a need to better align the Embassy's activities with the relevant Programmes in Algiers.	
Recommendation	
The Accounting Officer was advised to liaise with the PS MoFA and the National Planning Authority to ensure that funding for the Embassy is aligned with Programmes that cover the Embassy's core mandate.	
Action Status	
Work plans and budgets for Missions are generated with input from the Embassy and MoFA to ensure better alignment with the relevant Programmes and activities.	
Query	**Failure to Fully Implement Mandate**
Audit Findings The mandate of the Embassy in Algiers is to promote, defend and protect Uganda's national interests in the Republic of Algeria. This mandate also includes securing opportunities for Ugandans in the areas of education and business development. Audit reviewed the Embassy's work plans and performance reports to assess the extent to which the Embassy had secured opportunities during the year. The table below summarises my findings.	

Table 4: Performance of the Embassy in achieving its mandate

Sn	Details	Number planned as per the approved work plan	Actual performance	Audit Comment
1	**Education opportunities** To secure scholarships, sourced from Algeria and Countries of accreditation	120	200 Scholarships secured	Of the 200 scholarships secured and shared with the Ministry of Education, only 37 were taken up by Ugandan Students. The 163 were not taken up.
2	**Business opportunities** To source markets for Uganda's products.	Market worth 500m USD for Uganda's milk powder secured	500m USD Market for powdered milk secured.	Although the Market was secured, actual trading is yet to begin.

Source: OAG verification of work plans and performance reports

Failure to utilise all available business and scholarship opportunities defeats the purposes for which they were secured.

The Accounting Officer explained that the underutilisation of the secured scholarships was due to the late submission of applications by students or the submission of applications in the wrong format. However, the Mission engaged the Algerian Government to reconsider the 164 additional students to be accommodated in the academic year 2024/25, which was accepted.

Regarding milk export to Algeria, the Accounting Officer explained that the Embassy is currently awaiting the call for bids, which will be communicated by the Ministry of Foreign Affairs of Algeria.

Recommendation

The Accounting Officer was advised to engage the Ministries of Foreign Affairs and Education to ensure that adequate sensitisation of applicants for education scholarships is undertaken going forward.

The Accounting Officer was also advised to follow up with the Algerian Ministry of Foreign Affairs to invite bids from Ugandan companies ready to start exporting milk products.

Action Status	
i) Scholarships The Embassy of Algeria in Uganda received the scholarships late and forwarded them to the Ministry of Foreign Affairs - Kampala for onward submission to the Ministry of Education - Kampala for awarding to qualifying students. The Ministry of Education delayed awarding these scholarships. However, the Uganda Mission - Algeria followed up with the Ministry of Higher Education in Algeria and successfully resolved the matter. As a result, 265 students were awarded scholarships and arrived in Algeria for the 24/25 academic year. ii) Milk Export Opportunity The Mission is actively facilitating trade negotiations to capitalise on this opportunity. Engagements with the relevant stakeholders are ongoing to establish a framework for the export of milk products from Uganda to Algeria.	
Query	**Budget Shortfall**

Audit Findings

The Embassy had a revised budget of UGX 4.56Bn, out of which UGX4.36Bn was warranted, representing a 96% performance. The shortfall amounted to UGX 0.19Bn.

The UGX 0.19Bn that was not warranted was meant for the acquisition of vehicles for the Embassy, laptops, cameras and air conditioning equipment. These items were only partially funded in the budget, and as a result, they were never procured. The table below refers.

Table 5: Items affected by budget shortfalls

Sn	Item	Revised Budget (UGX Bn)	Warrants (UGX Bn)	Un-funded (UGX Bn)
1	Light Vehicle-Utility car	0.25	0.12	0.13
2	ICT equipment- Laptops, cameras	0.08	0.02	0.06
	Total	**0.33**	**0.14**	**0.19**

Source: OAG analysis of approved budgets and warrants

Due to the failure to procure utility cars, the Embassy continues to face challenges with the transportation of officers and visitors. In addition, the failure to procure laptops and cameras has affected the work at the Embassy and also compromised security.

The Accounting Officer explained that a follow-up request for the unrealised funds was submitted to MoFPED for subsequent funding of the affected activities in the FY 2024/2025.

Recommendation

The Accounting Officer was advised to follow up with the MoFPED for the funding for the activities. In the event that the funds are not availed, the Accounting Officer was advised to consider including these activities in the budgets and work plans for the subsequent financial year.

Action Status

Only UGX 195Mn out of the budgeted UGX 390Mn was received by year-end; ICT equipment was procured at UGX 111Mn. However, vehicle acquisition was deferred due to funding shortages. Unutilised funds were remitted back to the Consolidated Fund.

Query | **Unutilised Warrants**

Audit Findings

Out of the total warrants of UGX 4.36Bn, a sum of UGX 3.97Bn was utilised by the close of the financial year. The unutilised warrants of UGX0.39Bn were meant for the part payment of the acquisition of a utility Vehicle as per the table below;

Table: Showing activities affected by the under-utilisation of warrants

No.	Programme	Warrants not Utilised (UGX Bn)	Activities affected by the underutilisation	Audit comment
1	Governance And Security	0.392	Procurement of One (01) Utility car	The Mission received partial funding for the procurement of a Utility Van. As a result, the procurement process was not concluded, and hence the contract was not signed by the close of the financial year since the funds to pay for the supplies were not fully available.
	Total	**0.392**		

Source: OAG analysis of work plans and performance plans

The failure to complete the procurement processes and to absorb the funds has resulted in continued transport challenges for the Embassy.

The Accounting Officer indicated that the Embassy has already submitted a request for the funding required for the purchase of the vehicle.	
Recommendation	
The Accounting Officer was advised to follow up with the MoFPED for the funding for the activities. If the funds are not availed, the Accounting Officer should consider including this procurement in the budgets and work plans for the subsequent financial year.	
Action Status	
Due to partial receipt of funds (UGX 195 million), procurement processes could not be completed. Remaining funds were remitted back to the consolidated Fund.	
Query	**Failure to fully quantify outputs**
Audit Findings One output (0005600) with 14 activities worth UGX0.197Bn was not fully quantified. Some of the activities in this output did not have measurable performance indicators but rather were stated in generic terms, for example; • Awareness of business and tourism • Detailed information on the location of Ugandan citizens • Information availability for business and investment opportunities • Maintain a good image of the Country • Provide relevant consular services and • Staff trained in consular services In the circumstances, it is impossible to assess the extent to which the activities in this particular output were implemented and if the funds provided for the implementation of these activities were put to proper use. The Accounting Officer explained that this anomaly was attributed to the limitation of orientation about output-based budgeting and the Programme-based budgeting tool.	
Recommendation	
The Accounting Officer was advised to request and seek technical assistance and capacity building from MoFPED regarding the output-based budgeting system and the PBS tool to address the challenge of quantification of work plans and budgets.	

Action Status
The Embassy contacted MoFPED, and arrangements have been made to train its officers on output-based budgeting systems and the use of the PBS tool to address challenges related to the quantification of work plans and budgets.

Query

Audit Findings

One output (00014) with 12 activities that were fully quantified was partially implemented. Out of the 12 activities, seven (7) activities were fully implemented, while five (5) activities were not implemented at all. I was, however, not provided with activity costs for each activity, which limited my analysis. The activities that were not implemented are as indicated below;

Table: Showing activities that were not implemented

Sn	Planned activity	Activity Cost (UGX Bn)
1	02 peace and security pacts/protocols, and agreements signed	Not provided
2	03 repatriation agreements for convicted offenders from Algeria and countries of accreditation were negotiated	Not provided
3	Agreement in the field of Environment and Sustainable Development	Not provided
4	Agreement on Cultural Cooperation	Not provided
5	MoU in the field of Plant Protection and Vegetal	Not provided

Failure to implement planned activities for which funds were provided defeats the purpose for which these activities were planned and affects service delivery.

The Accounting Officer explained that activities that were not fully implemented are often dependent on third parties for their conclusion. For example, final investment decisions lie with the investors. However, going forward, the Embassy will implement activities as planned.

Recommendation

The Accounting Officer was advised to reassess the relevance of these activities. If found relevant, the activities should be rolled over and implemented in the work plans and budgets of the subsequent financial years.

Action Status	
The Mission assessed the relevance of the activities that were not implemented. Those found relevant were rolled over and are being implemented in the new financial year. Those not found relevant were dropped.	
Query	**Supplementary funding not requested by the Accounting Officer.**
Audit Findings Regulation 18 (2) of the Public Finance Management Regulations (PFMR) 2016 requires that an Accounting Officer who intends to spend money as supplementary expenditure shall request the Minister's approval in writing. The audit noted that supplementary funding amounting to UGX 0.28Bn was not requested by the Accounting Officer as required by the PFMR. Utilisation of warrants which the Accounting Officer did not request is irregular and contrary to the PFMR and the Treasury Instructions. The Accounting Officer explained that these funds were not supplementary funding but rather a reinstatement of the Embassy's budget that had been cut during budget preparation and approval. Audit took note of the Accounting Officer's explanation but highlighted the fact that the funds were released as a supplementary release by Treasury and should have followed the procedures for a supplementary budget.	
Recommendation	
The Accounting Officer was advised to always ensure that only funds that are formally requested for as supplementary are spent by the Embassy. The Accounting Officer was further advised to always seek clarification from MoFPED in cases where funds not requested are provided before spending them.	
Action Status	
The UGX 280 million were not supplementary funding but rather a reinstatement of the Embassy's budget that had suffered budget cuts during budget preparation and approval.	

However, the Mission also took note of the Auditors' guidance and, going forward, will ensure that only funds formally requested as supplementary are spent by the Embassy. Additionally, as further advised, the Accounting Officer will always seek clarification from MoFPED in cases where funds not requested are provided before spending them.	
VOTE 536: UGANDA EMBASSY IN QATAR, DOHA	
Query	**Distressed Ugandans in Qatar**
Audit Findings The Audit noted several cases of distressed Ugandans in Qatar. The number of cases totalled 1,520 in the financial year ended 30th June 2024. Further examination of the cases revealed that this is mainly due to Ugandans who had sought employment in Qatar, but a) their employment efforts turned out to have been done through irregular processes; b) did not have readily available employment, c) did not meet the requirements of the Qatar employers, d) were not properly screened to confirm whether they meet the employment criteria or e) the individuals got involved in illegal activities. Although the Government of Uganda signed an agreement with the Government of the State of Qatar on the regulation of the employment of workers from Uganda to Qatar, the Ministry of Gender, Labour and Social Development has yet to enforce its terms fully concerning proper recruitment, screening and selection of workers that travel to the State of Qatar.	
Recommendation	
The Accounting Officer was advised to follow up on the matter with MoFA to ensure that the Ministry of Gender, Labour and Social Development fully enforces the terms of the agreement between the two countries for the proper recruitment, screening, and selection of workers who travel to the State of Qatar.	
Action Status	
The Bilateral Labour Agreement was signed in April 2024. The Embassy, in coordination with the Ministry of Gender, Labour and Social Development, is implementing the BLA provisions. The 1st	

<table>
<tr><td colspan="2">Joint Technical Committee (JTC) between Uganda and Qatar is scheduled for 27th -28th October 2025 in Kampala.

The Embassy has urged the Government of Uganda, through the Ministry of Gender, Labour, and Social Development, to establish a desk at the airport to screen those departing for work in Qatar, only allowing those with verified contracts. Also, to ensure that only those with a certificate indicating they have undergone the mandatory pre-departure training are allowed.

Other areas proposed include: a heavy penalty for traffickers as a deterrent for involvement in the vice, and a multi-sectoral meeting to discuss the issue of trafficking.
The Embassy is also in the process of profiling the perpetrators of trafficking, and the list will be submitted to Uganda and the host country authorities for action.</td></tr>
<tr><td>Query</td><td>Mission Staffing Position not Aligned with Approved Structure</td></tr>
<tr><td colspan="2">Audit Findings
A review of the approved Mission structure and the number of staff on the payroll revealed that the Mission had staff not provided for in the approved structure. The Mission’s current staffing position is therefore not aligned with the approved structure.</td></tr>
<tr><td colspan="2">~~Recommendation~~</td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="2">Action Status</td></tr>
<tr><td colspan="2">The Financial Attachés are not provided for in the Foreign Mission’s staffing structure but were introduced along the way by the Ministry of Finance.

The Mission’s approved structure is not filled by three Officers (FSO Grade III, IV & FSO Grade VI) due to a lack of a budget. |The Mission will continue to engage the Ministry of Finance, Planning and Economic Development for the budget.</td></tr>
<tr><td>Query</td><td>Inadequate Recording and Monitoring System</td></tr>
<tr><td colspan="2">Audit Findings
The Mission performance reports showed that the Mission had outperformed on most of its planned activities. However, the audit</td></tr>
</table>

review revealed that the Mission did not have an adequate system of performance recording and, monitoring and evaluation to properly support the performance reported. The inadequate recording and monitoring system hinders proper evaluation of the Mission performance and identification of areas for improvement.	
Recommendation	
The Accounting Officer was advised to put in place an adequate system of performance recording, monitoring and evaluation to support the performance being reported	
Action Status	
The embassy with technical support from IOM has commenced the process of automating its system for recording, monitoring and evaluating performance. This will hasten the Mission's ability to track performance on a daily, weekly, monthly, quarterly, and annual basis.	
Query	**Failure to Budget for External Assistance**
Audit Findings The Mission received a total of UGX 0.435Bn as external assistance from the Government of Qatar, to facilitate payment for rent for the 514 Chancery and the Official residence of the Head of Mission. The amount was spent without inclusion in the original Mission work plan and budget or seeking for revision of its original budget.	
Action Status	
The support funds cater for eight months' rent for the official residency and the chancery. The fund is released towards the end of the FY (March). The two support facilities are the face of the Republic of Uganda in Qatar. The Embassy is uncertain about budgeting for a support fund whose release does not align with the prompt monthly rent requirement by the landlords. The Embassy will request MoFPED to consider external assistance as a supplementary as soon as it is received, effective FY 25/26. The Mission is also planning to include the rent for the Chancery and Official residence as part of the Mission budget funded under the Government of Uganda releases.	

VOTE 537: UGANDA EMBASSY IN HAVANA, CUBA	
Query	**Irregular Recruitment of Local Contract Staff**

Audit Findings

Section (A-a) paragraph 9(f) of the Uganda Public Service Standing Orders, 2021 stipulates that the power to appoint, confirm, discipline and remove public officers from office in the Public Service is vested in the Head of a Mission, subject to approval in writing by the Responsible Officer (Permanent Secretary MoFA) in the case of locally recruited staff for the Mission.

In a Foreign Service Circular No. 1 dated 25th April, 2023, issued by the PS-MOFA, all Accounting Officers at the missions were reminded that recruitment of local contract staff had to be done with the express authority of the responsible officer and must be subject to the availability of wages.

The Permanent Secretary of MoFA issued an instruction to all Missions/Embassies to seek permission/approval before recruiting any local contract staff.

On the contrary, 13 local contract staff who were paid a total of UGX 0.43Bn during the year were recruited without approval by the Permanent Secretary of MoFA.

Recruitment of local contract staff without approval by the PS MoFA encourages diversion of funds from other essential activities to cater for the salaries and emoluments for these officers.

The Accounting Officer explained that the Embassy needed to begin operations immediately upon opening and thus recruited essential staff. However, a list of staff positions and personnel has been formally submitted to the Permanent Secretary, MoFA, for approval as required.

The audit noted the Accounting Officer's response and observed that the documentation provided to support the response, and interviews with PS-MoFA, confirmed that authority was not sought to regularise the recruitments.

Recommendation	
The Accounting Officer was advised to regularise the recruitment of all local contract staff and to ensure that, in future, all local contract staff recruitments are approved by the PS-MoFA.	
Action Status	
The Mission sought approval from the PS-MoFA for its local staff structure and personnel. PS-MoFA approved the local staff structure. The Mission still awaits approval of individual local staff.	
Query	**Termination of the Contract of Accounts Assistant**
Audit Findings During the appraisal assessment in April, the Head of Embassy announced her intention not to renew the contract for the Accounts assistant, which was expiring on 4th May, 2024. The decision was further communicated in a letter dated 30th April, 2024, by the Head of Mission to the Accounts Assistant. However, the decision was rescinded, and the Accounts Assistant was offered a 12-month appointment from 5th May 2024 to 6th May 2025, which she accepted. Audit, however, observed that the Head of Mission did not seek the authority of the PS of MoFA contrary to Section (A-a) paragraph 9(f) of the Uganda Public Service Standing Orders, 2021, before granting this additional contract. Recruitment of local contract staff without approval by the PS MoFA encourages the diversion of funds from other essential activities to cater for the salaries and emoluments of these officers. The Accounting Officer explained that the Embassy has sought and is still waiting for guidance from the PS-MoFA on the matter.	
Recommendation	
The Accounting Officer was advised to ensure that, in the meantime, the Mission adheres to the terms of the contract signed with the local contract staff until its expiry on 6th May, 2025.	
Action Status	
The Head of Mission received authority from the PS-MoFA to terminate the contract before its expiry, in consultation with the host authorities.	

Query	Possession of Diplomatic ID by Local Staff

Audit Findings

Article 5(1) of the Vienna Convention on Diplomatic Relations, 1961 requires that the sending State may, after it has given due notification to the receiving States concerned, a Head of Mission or assign any member of the diplomatic staff, as the case may be, to more than one State, unless there is express objection by any of the receiving States.

During the initial setup of the Embassy in May 2023, the Embassy was advised to seek assistance from any Ugandan living in Cuba for translation and account opening. Subsequently, the accreditation for a Ugandan in Cuba was sought, and diplomatic card number 026/F/2023 was issued by the Ministry of Foreign Affairs - Cuba.

The Embassy recruited local contract staff to undertake the roles previously executed by the earlier recruited Ugandan, who had now been redesignated as an office assistant on local terms, implying that he was no longer a translator for the Embassy.

Despite the re-designation, the local contract staff's diplomatic card was never withdrawn. In the circumstances, there is a risk of irregular representation of the staff during official and business engagements, which may impair the Embassy's image.

The Accounting Officer explained that the Embassy informed the Ministry of Foreign Affairs, Cuba, that the local contract staff is not a member of the Diplomatic Staff, but rather is local contract staff for the necessary action.

Recommendation

The Accounting Officer was advised to continue engaging the MoFA-Cuba until the matter is resolved.

Action Status

MoFA-Cuba was informed that the office Assistant is not a diplomat, but a local staff member with Ugandan nationality. The MoFA-Cuba issued a new residence card to the local staff.

Query	Use of Travel Abroad Rates for In-Land Travel

Audit Findings

Paragraph (2) of section (E-b) of the Uganda Public Service Standing Orders 2021 requires that in the case of a Foreign Service Officer

abroad, night allowance is payable when he or she is travelling on duty away from the duty station, in the country to which his or her Embassy is accredited and having to spend nights away from his or her residence.
During the financial year, the Embassy paid out UGX 210.67 Mn to its officials travelling from their duty stations to undertake activities within Cuba, using travel abroad rates to cover their allowances.

Audit also noted that the Ministry of Public Service has not approved rates for travel when Foreign Service officers travel long distances from their duty stations, but within the same country.

Due to a lack of clarity on which rates to use in such circumstances, the Accounting Officer used the per diem rates for travel abroad.

The Accounting Officer explained that circular standing instruction No. 4 of 2008 issued by the PS/MoPS states that the rates applicable to Foreign Service Officers are those payable to public service officers travelling outside Uganda.

The Audit took note of the Accounting Officer's response; however, the circular referred to does not apply to Public Servants on deployment outside Uganda for long periods.

Recommendation

The Accounting Officer was advised to bring this matter to the attention of the Permanent Secretaries of MOFA and MoPS so that proper guidance/review of the rates to use in such circumstances is provided.

Action Status

The Embassy paid rates in accordance with Section (E-b) Para (2) of the Uganda Public Service Standing Orders, 2021 and Para. 1.11 of the Circular Standing Instruction No.4 of 2008, which stipulates that the night allowance rates applicable for Foreign Service Officers are those payable to Public Officers travelling outside Uganda.

However, the Embassy wrote to the Ministry of Foreign Affairs seeking guidance on the latest applicable rates for officers travelling inland from Havana.

Query	Failure to Effectively Execute the Embassy's Mandate

Audit Findings

The mandate of Uganda's Embassy in Havana is to promote regional and International Peace and Security, economic and commercial diplomacy, the well-being of Ugandans, and the promotion of Uganda's image abroad. This mandate also includes securing opportunities for Ugandans in the areas of education and business development.

Audit reviewed the Embassy's work plans and performance reports to assess the extent to which the Embassy had secured education and business opportunities during the year. The table below summarises my findings.

Table: Performance of the Embassy in Securing Opportunities

Sn	Opportunity type	Details	Number planned as per the approved work plan	Actual number verified by the auditor	Variance
1	Business	Familiarisation trips organised to attract Investors in NDP III priority areas	8	8	0
2	Education	Scholarships	5	0	5

Source: OAG verification of work plans and performance reports

Failure to effectively execute the Embassy's mandate denies citizens and the country as a whole opportunities for economic growth.

The Accounting Officer explained that since the closure of the Embassy in 2001, all education scholarships had been reduced from five (5) to one (1) per year. However, with the reopening in September 2023, the Embassy has been engaging the Cuban Government to increase scholarships for Ugandans, and an MoU in the field of education and scholarship management has been drafted and is yet to be signed.

Recommendation

The Accounting Officer was advised to fast-track the signing of the MoU to tap into increased education and scholarship opportunities for Ugandans.

Action Status	
Management has since built capacity in budgeting and budget implementation. In the previous FY 2024-25, management ensured that it fulfilled its mandated activities as per the work plan and budget.	
Query	**Unspent Balance**

Audit Findings

The Embassy had total warrants of UGX 3.29Bn, out of which UGX 2.96Bn was absorbed. The balance of UGX 0.33Bn remained utilised by the close of the financial year. The funds that were not utilised were meant for the following activities, as shown below;

Table: Showing un-utilised warrants

S/n	Activity	Amount (UGX Mn)
1	Recruitment of local staff	61.30
2	Payment of rent	106.38
3	Payment of Utilities	41.25
4	Maintenance of vehicles and other serviceable equipment	34.88
5	Provision of consular services and diplomacy	83.22
	Total	**327.04**

Source: OAG review of PBS data and work plans

Failure to absorb funds defeats the purpose for which these funds are provided to the entity.

The Accounting Officer explained that the Embassy was barely a year old since its official reopening in September 2023, so most activity budgets were based on estimates to determine which activities were relevant to our bilateral relations with Cuba. The Embassy has since started basing its expenditure on the actual expenses on the ground, and allocation of costs has been based on planned activities.

Recommendation

The Accounting Officer was advised to reassess the relevance of the affected activities and consider rolling them over into the work plans and budgets for the subsequent financial years.

Action Status

Authority to use the unspent balances was sought from PS/ST, and funds were re-allocated to the Mission in FY 24/25 for use as supplementary funding. The activities were accordingly implemented.

Query	Failure to Implement Planned Activities

Audit Findings

Audit assessed the extent of implementation of activities for which funds were availed and utilised. One (01) output with ten (10) activities worth UGX 2.96Bn was assessed, and it was observed that the entity fully implemented seven (07) activities while three (03) activities were partially implemented as summarised in the table below;

Table showing the Embassies' Activity performance

Sn	Activity	Planned target	Actual performance	Variance
1	Participating in International Peace and Security engagements	2	1	1
2	Consular visits made to Ugandans in Prisons	4	1	3
3	Scholarships, training, and capacity building opportunities sourced for all Ugandans, including the youth, girls and PWDs	5	0	5

Source: OAG analysis of work plans and PBS Data

Failure to implement planned activities affects service delivery.

The Accounting Officer explained that only one engagement was undertaken under international peace engagements because most of the activities were bilateral in nature, as the Embassy was trying to re-establish itself in Cuba.

In addition, two (2) consular visits were held for Ugandans in prison, during which their release was negotiated, and the Embassy has been engaging the Cuban Government to increase scholarships for Ugandans through the drafted MoU.

Recommendation

The Accounting Officer was advised to reassess the relevance of the affected activities and to consider rolling them over into the work plans and budgets for the subsequent financial year for implementation.

Action Status	
Management has since built capacity in budgeting and budget implementation. In the subsequent FY 2024-25, management fulfilled its mandated activities as per the work plan and budget.	
VOTE 538: UGANDA EMBASSY IN ANGOLA, LUANDA	
Query	**Irregular Use of Travel Abroad Rates for In-Land Travel**
Audit Findings Paragraph (2) of section (E-b) of the Uganda Public Service Standing Orders 2021 requires that in the case of a Foreign Service Officer abroad, night allowance is payable when he or she is travelling on duty away from the duty station, in the country to which his or her Embassy is accredited and having to spend nights away from his or her residence. It was observed that during the financial year, the Embassy paid out UGX1.07Bn to the Embassy officials travelling from their duty stations to undertake activities within Angola, using rates for travel abroad to cater for their allowances. It was also noted that the Ministry of Public Service has not approved rates to be used in circumstances where Foreign Service officers have to travel long distances away from their duty stations, but within the same country. Due to a lack of clarity on which rates to use in such circumstances, the Accounting Officer used the per-diem rates for travel abroad. The Accounting Officer explained that Circular Standing Instruction No. 6 of 2018, dated 26th June 2018, from the Ministry of Public Service, provides that USD.360 is to be used when Foreign Service officers travel long distances from their duty stations within the same country. In addition, the high cost of living in Angola necessitates frugality and innovation to remain within the allocated budget. The Audit took note of the Accounting Officer's response; however, the circular referred to does not apply to public servants deployed outside Uganda for a long time.	

Recommendation	
The Accounting Officer was advised to follow up on the matter with the Permanent Secretaries of MoFA and MoPS to ensure proper guidance is provided.	
Action Status	
The rates paid were in accordance with Section (E-b) Para (2) of the Uganda Public Service Standing Orders, 2021 and Para. 1.11 of the Circular Standing Instruction No.4 of 2008, which stipulates that the night allowance rates applicable for Foreign Service Officers are those payable to Public Officers travelling outside Uganda.	
Query	**Failure to Effectively Execute the Mission's Mandate**

Audit Findings

The mandate of the embassy in Luanda is to promote, defend and protect Uganda's national interests in the Republic of Angola. This mandate also includes securing opportunities for Ugandans in the areas of education and business development.

Audit reviewed the Embassy's work plans and performance reports to assess the extent to which the Embassy had secured opportunities during the year. The table below summarises the Embassy's performance.

Table: Showing the performance of the Embassy's mandate

Sn	Opportunity type	Details	Number Planned as per the approved work plan	Actual number verified by the auditor	Variance (number)
1	Business	06 cooperation agreements and MoUs initiated.	6	0	6
		10 businesses of interest to Uganda were identified.	10	4	6

Source: OAG verification of work plans and performance

Failure to effectively execute the Mission's mandate denies citizens and the country opportunities for economic growth.

The Accounting Officer explained that the execution of the activities in question relies heavily on coordination between the Mission and the Ministry of Foreign Affairs in Kampala, on one hand, and between the Mission and the Ministry of External Relations of Angola, while obtaining approvals from all stakeholders in good time has proved difficult. A new approach to engage each stakeholder separately has been devised.
Recommendation
The Accounting Officer was advised to ensure that subsequent work plans and budgets focus on activities that can be implemented in the prevailing circumstances, so that funds are appropriated only to implementable activities. In the meantime, the Accounting Officer was advised to continue engaging the Ministry of External Relations in Angola to secure the necessary approvals.
Action Status
The process of getting approvals from all stakeholders on time has proved difficult. The Mission now deals directly with Desk Officers in Kampala and the Provinces in Angola. Thereafter, it engages the Ministry of External Relations in Angola after appointments have been tentatively fixed.

Query	**Failure to Fully Implement Activities**
Audit Findings The audit assessed the extent of implementation of activities for which funds were availed and utilised. One (01) output with twelve (12) activities, worth UGX 2.42Bn, was assessed, and the audit observed partial implementation of the output. Out of 12 activities, the Embassy fully implemented nine (9) activities, one (01) activity was partially implemented, while two (2) remained unimplemented. Management did not provide detailed cost estimates for each planned activity. The activities that were partially or not implemented at all are summarised in the table below;	

Table: Showing partially implemented activities

Sn	Activity	Amount warranted (UGX)	Amount Spent (UGX)	Audit Comments
1	10 businesses of interest to Uganda were identified.	Amounts not provided by management	Amounts not provided by Management	Only four (4) out of 10 businesses were provided. Management did not provide the detailed cost of this activity.

Source: OAG analysis of work plans, financial statements, and performance plans

Table: Showing un-implemented activities

Sn	Activity	Amount warranted (UGX)	Amount Spent (UGX)	Audit Comments
1	06 cooperation agreements and MoUs initiated.	Amounts not provided	Amounts not provided	Management did not provide the cost of this activity
2	01 consultative meeting hosted with Kampala-based stakeholders on areas of interest identified in Angola.	Amounts not provided	Amounts not provided	Management did not provide the cost of this activity

Source: OAG analysis of work plans, financial statements, and performance plans

The partial or failure to implement activities defeats the purpose for which the funds were appropriated and availed.

Recommendation

The Accounting Officer was advised to always ensure that activities are costed in the work plans and budgets, and to rollover unimplemented activities to subsequent periods for implementation.

Action Status

The PBS provides for quantifying activities at the budget output level. The votes are expected to prepare detailed activity costed work plans and budgets.

However, the main challenge was the wide fluctuations in Angola's exchange rates, which rendered budgeted funds inadequate.

Query	Staffing Gaps

Audit Findings

Section A-c (3) of the Public Service Standing Orders on appointment procedures stipulates that appointments in the Public Service shall be subject to the availability of a vacancy in the approved staff establishment and funds in the approved estimates.

A review of the approved structure for the Embassy revealed that of the six (6) approved posts, only two (2) were filled, leaving four (4) (67%) vacant. Details are in the table below;

Table: showing approved establishment and vacant posts at the Luanda Embassy

Sn	Positions	Scale	Number of posts	Position filled	Vacant positions
1	Foreign Service Officer/Head of Mission	U1SE	1	1	0
2	Foreign Service Officer/Deputy Head of Mission	U1SE	1	0	1
3	Foreign Service Officer. III	U1E	1	1	0
4	Foreign Service Officer. IV	U2	1	0	1
5	Foreign Service Officer VI	U4	1	0	1
6	Personal Secretary	U4	1	0	1
	Total			**2**	**4**

Source: MoFA approved staff structure for missions abroad

Understaffing increases the workload on the existing staff, negatively impacting service delivery.

Recommendation

The Accounting Officer was advised to liaise with the Ministries of Foreign Affairs and Public Service to ensure that the staffing gaps are filled.

Action Status

In consultation with MoFA, the Financial Attaché was deployed in FY 2025/26. In the same way, an Administrative Attaché is planned to be deployed in FY 2026/27.

VISION

A Competitive Economy for National Development.

MISSION

To formulate sound economic policies, maximise revenue mobilisation, ensure efficient allocation and accountability for public resources so as to foster sustainable economic growth and development.

MANDATE

Formulate policies that enhance economic stability and development, Mobilise local and external financial resources for public expenditure, Regulate financial management and ensure efficiency in public expenditure, and Oversee national planning and strategic development initiatives for economic growth.

FOR MORE INFORMATION PLEASE CONTACT US

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