

Vote: 131 Auditor General

Vote Summary

VI: Vote Overview

This section sets out the Vote Mission, Strategic Objectives, and provides a description of the vote's services

(i) Snapshot of Medium Term Budget Allocations

Table V1 below summarises the Medium Term Budget allocations for the Vote:

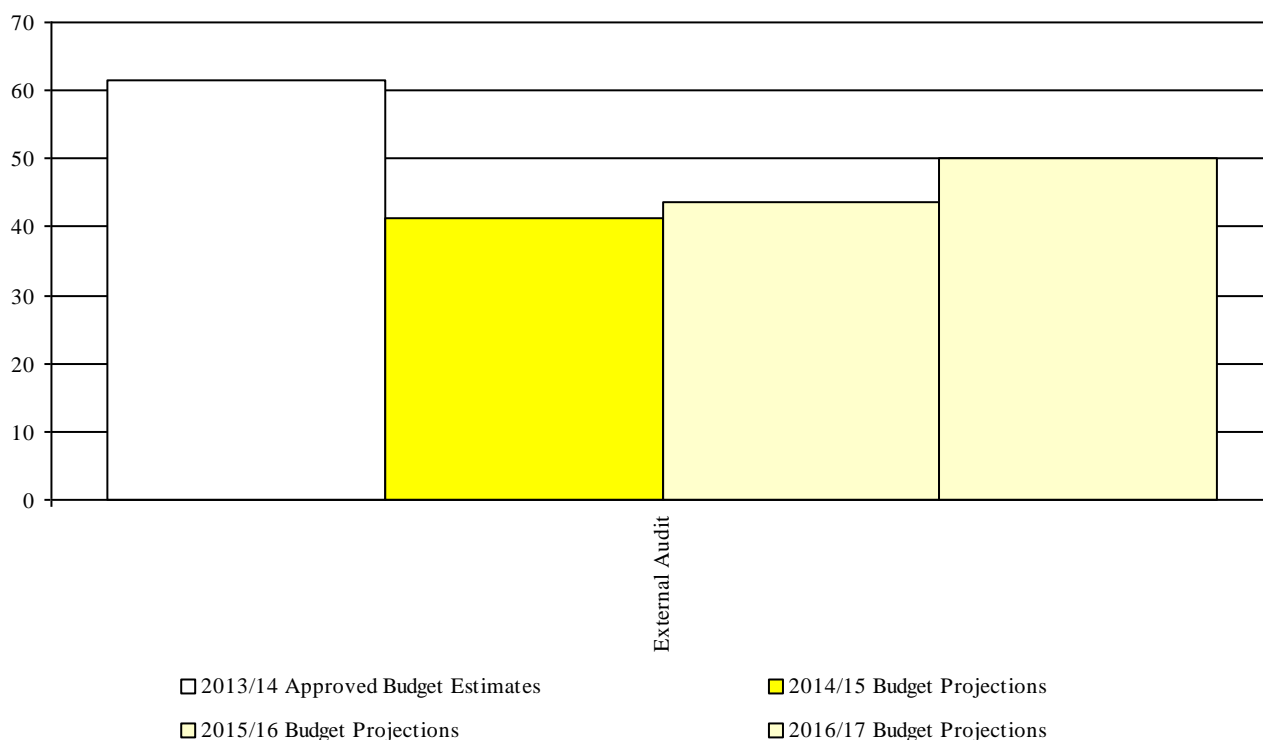
Table V1.1: Overview of Vote Expenditures (UShs Billion)

	2012/13 Outturn	2013/14		MTEF Budget Projections		
		Approved Budget	Spent by End Dec	2014/15	2015/16	2016/17
<i>(i) Excluding Arrears, Taxes</i>						
Recurrent Wage	15.749	17.734	8.532	17.734	17.734	23.138
Recurrent Non Wage	22.274	23.012	13.175	23.012	25.198	26.206
Development GoU	17.267	20.620	5.585	0.620	0.725	0.754
Development Ext. Fin	0.000	0.000	0.000	0.000	0.000	0.000
GoU Total	55.290	61.366	27.292	41.366	43.657	50.098
total GoU + Ext Fin. (MTEF)	55.290	61.366	27.292	41.366	43.657	50.098
<i>(ii) Arrears and Taxes</i>						
Arrears	0.000	0.000	0.000	0.000	N/A	N/A
Taxes	0.100	0.240	0.000	0.240	N/A	N/A
Total Budget	55.390	61.606	27.292	41.606	N/A	N/A

** Non VAT taxes on capital expenditure

The chart below shows total funding allocations to the Vote by Vote Function over the medium term:

Chart V1.1: Medium Term Budget Projections by Vote Function (UShs Bn, Excluding Taxes, Arrears)



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(ii) Vote Mission Statement

The Vote's Mission Statement is:

To audit and report to Parliament and thereby make an effective contribution to improving public accountability and value for money spent.

(iii) Vote Outputs which Contribute to Priority Sector Outcomes

The table below sets out the vote functions and outputs delivered by the vote which the sector considers as contributing most to priority sector outcomes.

Table V1.2: Sector Outcomes, Vote Functions and Key Outputs

Sector Outcome 1:	Sector Outcome 2:	Sector Outcome 3:
<i>Efficient service delivery through formulation and monitoring of credible budgets.</i>	<i>Compliance to accountability policies, service delivery standards and regulations.</i>	<i>Accountability Sector's contribution to economic growth and development enhanced</i>
Vote Function: 14 53 External Audit		
<i>Outputs Contributing to Outcome 1:</i>	<i>Outputs Contributing to Outcome 2:</i>	<i>Outputs Contributing to Outcome 3:</i>
None	<i>Outputs Provided</i> 145301 Financial Audits 145302 Value for Money Audits	None

V2: Past Vote Performance and Medium Term Plans

This section describes past and future vote performance, in terms of key vote outputs and plans to address sector policy implementation issues.

(i) Past and Future Planned Vote Outputs

2012/13 Performance

The vote outputs are classified into the following categories; Financial Audits, Value for Money Audits, Policy, Planning and Strategic Management, Construction of Audit House and Support to Office of the Auditor General which includes; Non Residential Buildings, Furniture and Fixtures and Transport Equipments. The subsequent sections therefore, present an account of the achievements for the office as at 30th June 2013.

Financial Audits

The office planned to carry out a total of 1,790 financial audits and as at 28th June 2013, a total of 1,627 audits were completed and reported on.

Value for Money Audits

The office planned to carry out a total of 10 value for money audits and 5 specialised audits. As at 28th June 2013, a total of 9 VFM audits and 15 specialised audits were completed and reported on.

Policy, Planning and Strategic Management

In line with objective 1 of the Office's Corporate Plan; "To improve quality and impact of audit work to promote increased accountability, probity and transparency in the management of public funds", the Office carried out the following activities:

- A stakeholder survey was carried out and report produced;
- Quality Assurance Unit carried out 12 cold audit reviews;

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- A backlog of 1,307 LLG audit reports for the Financial Years 2004/05 -2009/10 were processed and reports for 8 districts were completed and distributed;
- 12 PAC sessions were supported;
- Teammate version 10 acquired pending training of staff;
- Development of the Forensic Audit Guidelines was in progress.

In line with objective 2 of the Office's Corporate Plan; "To Improve efficiency and effectiveness of internal and external communications to raise the corporate image of OAG among the stakeholders", the Office carried out the following activities:

- Produced summarized audit reports for 16 sectors;
- Sensitized Parliamentary committees (COSASE, PAC, LGPAC, and Finance) on audit findings for the FY ended 30th June 2011;
- Audit reports for the FY ended 30th June 2011 were uploaded onto the OAG website;
- Three bi-monthly flyers were produced and disseminated to staff;
- Participated in the government dialogue and PPDA exhibitions.

In line with objective 3 of the Office's 5-Year Corporate Plan; "To strengthen the financial and operational independence of the Office of the Auditor General", the status on development of the various policies and manuals was as follows;

- Final Draft of the Accounting and Financial Manual was in progress;
- Final draft of the Human Resource Manual was completed;
- The Quality Assurance Policy was approved;
- The Transport Policy was approved;
- Final draft of the Communication Policy was awaiting approval;
- Drafting of the OAG Corporate Social Responsibility Policy was in progress;
- The Legal and Compliance Policy was approved;
- Review of the Outsourcing policy was completed;
- Final draft of the Records and Archival Policy was complete;
- The Annual Operational Plan for the audit year 2012/13 was developed;
- Final draft of the OAG IT Policy was completed;
- Final draft of the Enterprise Risk Management Framework was completed;
- Development of the IT inventory Management and troubleshooting systems was complete.

In addition to attaining operational independence, the office planned for the construction of the Audit House in Kampala and a regional Office in Mbarara; renovation of 2 regional Offices in Masaka and Soroti; acquisition of an assortment of furniture and 5 field motor vehicles. At the time of reporting, the following were achieved;

- The three basements of Audit House were complete and construction of level 7 was in progress.
- The process of procuring a contractor for the construction of Mbarara regional Office was at evaluation stage.
- Renovation of Soroti was completed while Masaka was in progress
- An assortment of furniture comprising of 22 items was delivered

In line with objective 4 of the Office's Corporate Plan; "To attain higher organizational performance", the Office planned and achieved the following:

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- The Performance Management Tool was revised;
- Medical and group life Insurance Schemes acquired for all staff;
- 320 staff appraised and feedback provided to appraises;
- The office recruited 3 staff, confirmed 62, promoted 5, transferred 75 staff and retired 46 staff of which 39 retired under the voluntary retirement scheme while 7 staff under mandatory retirement.
- 77 staff were sponsored for various professional courses as follows: ACCA - 33, CPAU - 35, CISA - 8 and CFE - 1 and 4 completed;
- 7 staff were sponsored for various post graduate qualifications and 5 for undergraduate courses of which a total of 4 staff completed;
- A total of 205 staff were trained in-house in procurement audit and public works, use of Navision, performance audit on environmental issues and use of teammate, audit of oracle database, risk based auditing, energy sector audit and fleet management.
- Institutional Capacity Building Framework assessment for 2012 was carried out and report produced;
- Three high volume printers were acquired

The office complied with Government Financial regulations and submitted the following to the relevant authorities:

- Policy Statement for the FY 2013/14;
- Budget Framework Paper for the FY 2013/14;
- Budget Estimates for the FY 2013/14;
- Performance Contract Form AFY 2013/14;
- Four quarterly progress reports (Q.4 - FY 2011/2, Q.1, 2&3 - FY - 2012/13);
- The Annual Government Performance Report for the FY 2011/12;
- Semi- Annual Government Performance Report for the FY 2012/13;
- Operational Plan for the Audit year 2013/14;
- Annual Financial Statements for the FY ended 30th June 2012;
- Six-months and nine-months Financial Statement for the FY 2012/13 submitted to MFPED;
- The Procurement Plan for the FY 2012/13 and 11 monthly reports were prepared and submitted timely;
- Three quarterly internal audit reports were prepared (Q.4 - FY 2011/12, Q.1&2 - FY 2012/13);
- Three special investigations were carried out and reported on;
- 64 contracts awarded through 21 Contracts and 42 Evaluation Committee meetings;
- A board of survey for the FY ended 30th June 2012 was carried out.
- Disposal of boarded off assets was carried out.

Preliminary 2013/14 Performance

The vote outputs are classified into the following categories; Financial Audits, Value for Money Audits, Policy, Planning and Strategic Management, Construction of Audit House and Support to Office of the Auditor General which includes; Non Residential Buildings, Furniture and Fixtures and Transport Equipments. The subsequent sections therefore, present an account of the achievements for the office as at 30th September 2013.

Financial Audits

The office planned to carry out a total of 1,045 financial audits. As at 30th September 2013, a total of 445 APMs were approved while 188 were in progress. Twenty-nine (29) audits covering 25 special audits and 4 statutory authorities had been completed.

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Value for Money Audits

The office planned to carry out a total of 10 value for money audits and 6 specialised audits. As at 30th September 2013, 2 pre-study reports and APMs for 5 engineering audits had been approved. Two (2) main VFM studies, 8 VFM pre-studies and 5 engineering audits were in progress.

Policy, Planning and Strategic Management

In line with objective 1 of the office's Corporate Plan; "To improve quality and impact of audit work to promote increased accountability, probity and transparency in the management of public funds", as at 30th September 2013 the office carried out the following activities:

- Drafting of the Quality Assurance Manual was in progress
- A methodology for audit of small entities developed
- 10 hot audit reviews were in progress
- 3 Teammate libraries updated (Central Government, Local Authorities and VFM)
- Drafting of a strategy for follow up on PAC/OAG recommendations was in progress
- 9 Regional Audit Reports prepared pending dissemination
- Preparation of 16 sector audit reports for the year ended 30th June 2012 was in progress
- A data base on pending and audit reports discussed by PAC updated
- 30 copies of Audit Reports for the year ended 30th June 2013 produced and disseminated

In line with objective 2 of the Office's Corporate Plan; "To Improve efficiency and effectiveness of internal and external communications to raise the corporate image of OAG among the stakeholders", as at 30th September 2013 the Office carried out the following activities:

- Drafting of a policy on PAC/SAI communication was in progress
- The office contributed Shs 5.8m towards the construction of the cancer ward at Nsambya Hospital through voluntary staff contributions
- Draft OAG Corporate Social Responsibility Policy produced and under review
- Information flyers for the period May/June published
- 100 brochures produced and disseminated to stakeholders
- One press conference organised for dissemination of the Annual Report of the Auditor General for the year ended 30th June 2013
- Data base for publication developed
- Procurement process for OAG branded diaries and calendars was at evaluation stage
- Evaluation report for supply of corporate wear was produced
- Procurement process for lapel pins and other OAG branded souvenirs was at bidding stage

In line with objective 3 of the office's 5-Year Corporate Plan; "To strengthen the financial and operational independence of the Office of the Auditor General", as at 30th September 2013, the status on development of the various policies and manuals was as follows:

- Human Resource Manual finalised pending printing and dissemination
- Finalisation with the Finance and Accounting Manual in progress
- Drafting of the Internal Audit Charter was in progress
- Drafting of the Internal Audit Manual was in progress

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In addition to attaining operational independence, the office planned for the construction of the Audit House in Kampala and a regional Office in Mbarara; renovation of 2 regional Offices in Masaka and Soroti ; acquisition of an assortment of furniture and 5 field motor vehicles. As at 30th September 2013, the following were achieved;

- The superstructure for all the 10 levels of the Audit House was completed (55% of the project scope) Works in progress include: Fixing the roof dome, block walling, partitioning, internal preliminary finishes, external works/boundary wall, Water & plumbing installation.
- The contract for construction of Mbarara regional office was awarded.
- The procurement process for motor vehicles was at evaluation stage.
- The procurement process for furniture was initiated pending approval of the procurement methodology by the Contracts Committee.
- Project scoping completed for Fort Portal regional office was completed and preparation of appropriate drawings and bills of quantities was in progress

In line with objective 4 of the Office's Corporate Plan; "To attain higher organizational performance", as at 30th September 2013, the office achieved the following:

- OAG Legal and Compliance Policy disseminated
- OAG library maintained
- OAG legal library replenished
- The Legal Unit represented AG in courts of law and other meetings.
- 50 staff transferred; 85 staff recruited ; 91 staff inducted
- 31 staff retired; 2 under mandatory and 29 under the voluntary retirement scheme
- 33 staff registered for professional exams scheduled for December 2013 (ACCA, 17; CPA, 13; CIPD, 1 and 2 CISA)
- 5 staff trained in engineering material testing.
- 80 Laptop computers procured
- Procurement process for desk top computers; external hard drives; digital camera; portable field scanners and desktop printer was at bidding stage.
- Subscription fee for internet, data and CUG was being processed
- 1 special audit report on assets disposal produced
- 17 contracts awarded
- 7 sets of Contracts Committee minutes produced
- 3 Evaluation Committee reports produced

As at 30th September 2013, the office complied with Government Financial regulations and submitted the following to the relevant authorities:

- Annual Financial Statements for the FY ended 30th June 2013 prepared and submitted
- Asset register updated as at 30th June 2013
- Quarter four progress report for the FY 2012/13 prepared and submitted to MFPED
- Annual Government Performance Report for the FY 2012/13 prepared and submitted to OPM
- Quarter 4 internal audit report for the FY 2012/13 prepared and submitted to AG
- Prequalification list of service providers for 2013/14 produced
- Procurement Plan for the FY 2013/14 submitted to PPDA and MFPED
- 3 monthly procurement progress reports submitted to PPDA and MFPED

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Table V2.1: Past and 2014/15 Key Vote Outputs*

<i>Vote, Vote Function Key Output</i>	Approved Budget and Planned outputs	2013/14 Spending and Outputs Achieved by End Dec	2014/15 Proposed Budget and Planned Outputs
Vote: 131 Auditor General			
<i>Vote Function: 1453 External Audit</i>			
Output: 145301	Financial Audits		
<i>Description of Outputs:</i>	1,045 financial audits carried out and reported on	418 APMs approved for 44 MDAs, 19 Statutory Authorities, 35 Projects and 320 Local Authorities. Preparation of 188 APMs for 57 MDAs, 39 Statutory Authorities and 92 projects was in progress. APMs for 27 special audits approved. 5 draft audit reports produced for 1 Project and 4 Statutory Authorities 25 special audit reports produced including 13 for the FY ended 30th June 2012.	1,387 financial audits carried out and reported on: 1,007 Local Authorities, 109 MDAs, 134 Projects, 41 forensic investigations and special audits, 5 IT Audits and 91 Statutory Authorities
<i>Performance Indicators:</i>			
No of Statutory Bodies Audited	67	4	91
No of special projects audited	51	25	46
No of projects audited	113	1	134
No of MDAs Audited	97	0	109
No of Higher LGs Audited (including Town councils and sub-counties)	715	0	1007
<i>Output Cost: UShs Bn:</i>	21.363	<i>UShs Bn:</i> 5.792	<i>UShs Bn:</i> 21.446
Output: 145302	Value for Money Audits		
<i>Description of Outputs:</i>	16 Audits which include; 10 VFM and 6 Specialised audits.	2 pre-study reports approved 2 main VFM studies in progress 8 pre-studies in progress APMs for 5 engineering audits approved 5 engineering audits in progress	16 VFM audits carried out and reported on; 10 VFM, 2 follow up and 4 engineering audits.
<i>Performance Indicators:</i>			
No of VFM Audits conducted	16	0	16
% of VFM Audits reviewed and recommendations implemented	0	0	0
<i>Output Cost: UShs Bn:</i>	8.438	<i>UShs Bn:</i> 2.101	<i>UShs Bn:</i> 8.644
Vote Function Cost	<i>UShs Bn:</i> 61.606	<i>UShs Bn:</i> 27.292	<i>UShs Bn:</i> 41.366
Cost of Vote Services:	<i>UShs Bn:</i> 61.366	<i>UShs Bn:</i> 27.292	<i>UShs Bn:</i> 41.366

* Excluding Taxes and Arrears

2014/15 Planned Outputs

The vote outputs are classified into the following categories; Financial Audits, Value for Money, Policy,

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Planning and Strategic Management, Construction of Audit House and Support to Office of the Auditor General which includes; Non Residential Buildings, Furniture and Fixtures, and Transport Equipments. The subsequent sections therefore, present the planned outputs for the FY 2014/15.

Financial Audits

Under this output, for the FY 2014/15, the office planned to carry out and report on a total of 1,387 financial audits covering the following entities; 109 MDAs, 91 Statutory Bodies, 134 projects, 41 forensic investigations and special audits, 5 IT audits and 1,007 Local Authorities.

Value for Money Audits

In the FY 2014/15, the office planned to carry out a total of 16 audits which include 10 VFM audits, 4 engineering audits and 2 follow up audits.

Policy, Planning and Strategic Management

In line with objective 1 of the Office's Corporate Plan; "To improve quality and impact of audit work to promote increased accountability, probity and transparency in the management of public funds", the planned outputs for the FY 2014/15 include;

- Quality Assurance Manual finalised and approved
- Standardised internal guidelines on report writing finalised and approved
- Performance Manual customised in line with ISSAIs
- Energy Sector Guidelines developed and approved
- IT Audit Manual developed and approved
- Gender Audit Manual developed and approved
- Stake holder engagement activities implemented
- Technical support provided to staff implementing RAM
- User friendly & cost effective data analysis tools identified
- Quality assurance hot reviews carried out and reports produced
- Teammate library for small entities developed
- Oversight Committee members sensitized on findings in the Audit Report for the year ended 30th June 2014
- Technical support provided to Public Accountability Committees of Parliament
- Data base on status of PAC reports updated
- Audit Reports for the FY ended 30th June 2014 processed and disseminated to stakeholders;
- Annual OAG Performance Report Vol.1 2014 produced and submitted to Parliament
- 9 Regional Audit Reports prepared and disseminated

In line with objective 2 of the Office's Corporate Plan; "To Improve efficiency and effectiveness of internal and external communications to raise the corporate image of OAG among the stakeholders", the planned outputs for the FY 2014/15 include;

- Corporate Social Responsibility Policy finalised and approved
- 377 Closed User Group handsets procured
- Soroti, Jinja, Masaka and Mbale branches connected to Wide Area Network
- One corporate social responsibility activity implemented

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- OAG Information Flyers prepared and disseminated
- Press conference - Submission of the Annual Audit Report held
- OAG corporate image promotional materials procured and disseminated

In line with objective 3 of the Office's 5 year Corporate Plan; "To strengthen the financial and operational independence of the Office of the Auditor General", the planned out puts for the FY 2014/15 include;

- Finance and Accounting Manual finalised
- OAG Internal Audit Charter finalised and approved
- OAG Internal Audit Manual finalised and approved
- 3 field motor vehicles and assorted furniture purchased
- OAG regional offices renovated
- OAG Legal Unit Mini Library restocked
- AG and the OAG represented in court and other legal forum
- OAG Legal Department practicing certificates renewed
- Audit House commissioned

To comply with Government financial regulations, in the FY 2014/15, the office plans to prepare and submit the following to relevant authorities:

- Half-year and nine-months Financial Statements for the FY 2014/15 produced and submitted
- Annual Financial Statements for the FY ended 30th June 2014 produced and submitted
- Quarterly expenditure reports produced and presented to Finance Committee
- Annual Government Performance Report for the FY 2013/14 produced
- Semi-Annual Government Performance Report for the FY 2014/15 produced
- 4 quarterly progress reports produced
- Board of Survey Report for the FY ended 30th June 2014 produced
- Budget Framework Paper for the FY 2015/16 produced
- Budget Estimates for the FY 2015/16 produced
- Policy Statement for the FY 2015/16 produced
- Performance Contract form A for the FY 2015/16 produced
- Asset Register updated as at end of 30th June 2014
- Procurement Plan for the FY 2014/15 prepared and submitted
- Prequalification list for the FY 2014/15 updated
- Monthly reports on procurement and disposal prepared and submitted

In line with objective 4 of the Office's Corporate Plan; "To attain higher organizational performance", the planned outputs for the FY 2014/15 include;

- 500 copies of the OAG HR Manual produced and distributed
- Guidelines to the HR Manual prepared and approved
- Training Evaluation Framework developed and approved
- Archive Policy finalised and approved
- 9 branches audited for compliance and 4 quarterly reports produced
- 15 Contracts Committee meetings held
- 24 Evaluation Committee meetings held
- 18 vacant positions filled
- 15 staff retired
- 90 Staff transferred

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- Approved training plan implemented
- 430 staff appraised
- Job evaluation carried and report produced
- 55 Laptops and related Microsoft Software procured
- 8 heavy duty printers / Copiers for branches procured
- Internal base line survey carried out in OAG and report produced
- Enterprise wide-Risk Management (ERM) implemented
- Operational Plan for the Audit Year 2015/16 prepared and approved
- Staff sensitised on the medical and health benefits offered by the office
- OAG contracts drafted and reviewed on behalf of AG and OAG
- Legal briefs and opinions prepared for the AG and OAG

Table V2.2: Past and Medium Term Key Vote Output Indicators*

Vote Function Key Output Indicators and Costs:	2012/13 Outturn	2013/14		MTEF Projections		
		Approved Plan	Outturn by End Dec	2014/15	2015/16	2016/17
Vote: 131 Auditor General						
Vote Function: 1453 External Audit						
No of Higher LGs Audited (including Town councils and sub-counties)		715	0	1007	1609	1609
No of MDAs Audited		97	0	109	109	109
No of projects audited		113	1	134	135	135
No of special projects audited		51	25	46	46	46
No of Statutory Bodies Audited		67	4	91	91	91
% of VFM Audits reviewed and recommendations implemented		0	0	0	0	
No of VFM Audits conducted		16	0	16	16	16
Vote Function Cost (US\$ bn)	55.390	61.366	27.292	41.366	43.657	50.098
Cost of Vote Services (US\$ Bn)	55.390	61.366	27.292	41.366	43.657	50.098

Medium Term Plans

In accordance with the Five-Year Corporate Plan, the medium term plan of the office is focused on: Improving on the quality and impact of audits; Improving on efficiency and effectiveness of internal and external communications; Strengthening financial and operational independence of the Office of the Auditor General and Attaining higher organizational performance.

(ii) Efficiency of Vote Budget Allocations

The office has been outsourcing some audits due to inadequate resources. To reduce expenditure on outsourced audits, the office plans to continue with its internal capacity building programs.

Table V2.3: Allocations to Key Sector and Service Delivery Outputs over the Medium Term

Billion Uganda Shillings	(i) Allocation (Shs Bn)				(ii) % Vote Budget			
	2013/14	2014/15	2015/16	2016/17	2013/14	2014/15	2015/16	2016/17
Key Sector	29.8	30.1	32.6	39.1	48.6%	72.7%	74.7%	78.0%
Service Delivery	29.8	30.1	32.6	39.1	48.6%	72.7%	74.7%	78.0%

The assumptions made while costing the audits included; stable foreign exchange rate, low staff turnover, timely submission of all the required documents by audit entities and increased supervision to ensure adherence to the approved audit plans.

Table V2.4: Key Unit Costs of Services Provided and Services Funded (Shs '000)

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Unit Cost Description	Actual 2012/13	Planned 2013/14	Actual by Sept	Proposed 2014/15	Costing Assumptions and Reasons for any Changes and Variations from Plan
<i>Vote Function: 1453 External Audit</i>					
Office furniture and fittings (4 lots)	18,430	18,430		16,023	Stable foreign exchange rate. The office met the biggest proportion of its furniture requirements in the FY 2011/12, hence maintaining the allocation in the FY 2014/15.
Number of Offices Renovated	42,955	85,909	42,955	28,636	Timely awarding of contracts. Most of the buildings have been renovated.
Number of Offices Constructed	13,027,000	20,000,000	0		Stable exchange rate leading to minimum project cost overruns.
No of VFM audits carried out	166,579	309,966	210,979	304,731	Resources and personnel available to carry out the audits.
No of Vehicles Purchased	41,330	115,000	0	153,333	Stable foreign exchange rate. The Office recruited more staff and it plans to acquire 3 field vehicles to carry out the Audits.
No of LG entities audited	7,535	15,456		7,652	Personnel availability and stable exchange rate. The directorate shall continue using outsourced audit firms to assist in audit of LLGs.
No of Central Govt One Audits	19,663	33,528	20,857	39,246	Personnel availability, unit costs remain constant, and the number of audit entities remain the same.
No of Central Government Two audits	47,230	26,297	63,510	22,100	Resources and personnel available to carry out the audits. Unit costs changed due to the anticipated inflations.
Management Efficiency	9,899,460	10,330,131	1,028,950	10,389,194	Availability of Personnel and timely procurement.
Forensic Investigations and Special Audits		230,769	44,548	86,132	Stable exchange rate.

(iii) Vote Investment Plans

Budget allocation to capital purchases in the FY 2014/15 reduced to Shs 0.620bn excluding taxes. However, in the financial years 2015/16 and 2016/17, it is projected to slightly increase to Shs 0.725bn and Shs 0.754bn respectively. This will cater for renovation and expansion of existing regional offices, acquisition of transport facilities and office furniture.

Table V2.5: Allocations to Capital Investment over the Medium Term

Billion Uganda Shillings	(i) Allocation (Shs Bn)				(ii) % Vote Budget			
	2013/14	2014/15	2015/16	2016/17	2013/14	2014/15	2015/16	2016/17
Consumption Expenditure(Outputs Provided)	40.7	40.7	43.0	49.5	66.4%	98.5%	98.5%	98.8%
Investment (Capital Purchases)	20.6	0.6	0.7	0.6	33.6%	1.5%	1.5%	1.2%
Grand Total	61.4	41.4	43.7	50.1	100.0%	100.0%	100.0%	100.0%

In FY 2014/15, with support from FINMAP and Government of Uganda, the office planned to complete construction of Mbarara regional office and initiate construction of Hoima and Moroto regional offices.

Table V2.6: Major Capital Investments

(iv) Vote Actions to improve Priority Sector Outcomes

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In the FY 2012/13, the office initiated implementation of a voluntary retirement scheme that was aimed at enabling the office to build capacity by recruiting vibrant professionals who could steer the organizational performance to greater heights as well as help the professionally inactive staff to move on and a total of 68 staff were retired and 85 new staff recruited. In addition, the office centralised all its staff who were sharing office premises with auditees. In the FY 2014/15, the office shall focus on staff capacity building, performance management, enhancing operational efficiency and completion of Audit House.

Table V2.7: Priority Vote Actions to Improve Sector Performance

2013/14 Planned Actions:	2013/14 Actions by Sept:	2014/15 Planned Actions:	MT Strategy:
Sector Outcome 2: Compliance to accountability policies, service delivery standards and regulations.			
Vote Function: 14 53 External Audit			
<i>VF Performance Issue: Development of ICT infrastructure to facilitate automation of the audit processes and enhance internal and external communications</i>			
Connecting 2 branches in Jinja and Mbale to the Wide Area Net work; Deployment of teammate version 10 and training staff	The licences were acquired but deployment is pending training which is to be done in quarter two.	Soroti, Jinja, Masaka and Mbale regional offices connected to the OAG WAN	Modernisation of the current ICT facilities. Building capacity of staff in IT audit and use of audit software.
<i>VF Performance Issue: The Office needs to complete the implementation of the new structure and build the capacity of the staff to improve on timeliness, quality and impact of audit reports.</i>			
Recruitment of 96 staff and establishment of a new directorate of forensic investigations and special audits	85 staff recruited and inducted The directorate of forensic investigations and IT audits	Build the capacity of staff in audit skills (performance audit, engineering audit, IT audit and forensic investigations etc). Support staff for professional courses.	Utilisation of the currently trained staff as Trainer of Trainees and use of private audit firms while simultaneously training and enhancing the capacity of staff.
<i>VF Performance Issue: The Office urgently needs to secure Office accommodation for all its Directorates which are currently scattered in different locations. This will not only enhance independence but will also facilitate an effective Communication network in the Office</i>			
Completion of phase 3 of the Audit House and Phase 1 of Mbarara regional office.	Construction of the superstructure for all the 10 levels of the Audit House was completed. Works which were in progress included: Fixing the roof Dome; block walling/partitioning; internal preliminary finishes; external works/boundary wall; water & plumbing installation. The contract for construction of Mbarara regional office was awarded. All contract documents (Specifications, drawings, BoQs) were in place.	Completion and commissioning of Audit House and Mbarara regional office	Renting extra office space

V3 Proposed Budget Allocations for 2014/15 and the Medium Term

This section sets out the proposed vote budget allocations for 2014/15 and the medium term, including major areas of expenditures and any notable changes in allocations.

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Table V3.1: Past Outturns and Medium Term Projections by Vote Function*

	2012/13 Outturn	2013/14		MTEF Budget Projections		
		Appr. Budget	Spent by End Sept	2014/15	2015/16	2016/17
Vote: 131 Auditor General						
1453 External Audit	55.390	61.366	11.328	41.366	43.657	50.098
Total for Vote:	55.390	61.366	11.328	41.366	43.657	50.098

(i) The Total Budget over the Medium Term

In the FY 2014/15, the Vote was allocated a total budget of Shs 41.606bn including taxes of which wage is Shs 17.734bn, non-wage is Shs 23.012bn and development is Shs 0.860bn. In the Financial Years 2015/16 and 2016/17, the budget allocation is projected to increase to Shs 43.657bn and Shs 50.098bn respectively.

(ii) The major expenditure allocations in the Vote for 2014/15

The external audit function in the Accountability Sector is responsible for ensuring that public resources are utilized as appropriated by Parliament. The Key objectives of the function are to ensure accountability, transparency and value for money from the utilisation of public funds hence contributing to the promotion of effective public accountability.

In the FY 2014/15 the function was allocated Shs 41.366bn excluding taxes. This includes Shs 17.734bn for wage, Shs 23.012bn for non-wage and Shs 0.620bn for development.

The budget allocation by program is as follows; Program 1: Head quarters - Shs 10.656bn; Program 2: Directorate of Central Government One - Shs 4.212bn; Program 3: Directorate of Central Government Two - Shs 4.884bn; Program 4: Directorate of Local Authorities - Shs 12.351bn; Program 5: Value for Money - Shs 4.717bn and Program 6: Directorate of Forensic Investigations and IT Audits - Shs 3.927bn.

The allocation of GoU development is as follows: Renovation of regional offices - Shs 0.085bn, procurement of 3 field motor vehicles - Shs 0.460bn, office furniture and fittings - Shs 0.074bn and taxes Shs 0.240bn.

(iii) The major planned changes in resource allocations within the Vote for 2014/15

In the FY 2013/14, the office received additional funding of Shs 2.3bn for implementation of phase 2 of the voluntary retirement scheme and in the FY 2014/15, the funds were reallocated to bridge existing funding gaps in respect of financial, value for money, forensic and IT audits as well as employee costs.

Table V3.2: Key Changes in Vote Resource Allocation

Changes in Budget Allocations and Outputs from 2013/14 Planned Levels:				Justification for proposed Changes in Expenditure and Outputs
2014/15	2015/16	2016/17		
<i>Vote Function: 1402 External Audit</i>				
Output: 1453 02 Value for Money Audits				
<i>US\$ Bn:</i> 0.206	<i>US\$ Bn:</i> 0.417	<i>US\$ Bn:</i> 0.018		<i>As a mechanism to assess the level of implementation of recommendations made in previous VFM audits, the office plans to carry out 2 follow up audits.</i>
The increase in budget allocation is for follow up audits, medical insurance and staff training	The increase in budget allocation is for follow up audits, medical insurance and staff training	The increase in budget allocation is for follow up audits, medical insurance and staff training		
Output: 1453 03 Policy, Planning and Strategic Management				
<i>US\$ Bn:</i> -0.288	<i>US\$ Bn:</i> -0.555	<i>US\$ Bn:</i> -0.555		<i>As a result of the interventions aimed at improving operational efficiency, the office managed to mobilise and reallocate funds from the Policy, Planning and Strategic Management to</i>
The funds were reallocated to financial and value for money audit outputs	The funds were reallocated to financial and value for money audit outputs	The funds were reallocated to financial and value for money audit outputs		

Vote: 131 Auditor General

Vote Summary

Changes in Budget Allocations and Outputs from 2013/14 Planned Levels:			Justification for proposed Changes in Expenditure and Outputs
2014/15	2015/16	2016/17	
			<i>Financial and Value for Money audit outputs.</i>
Output: 1453 72 Government Buildings and Administrative Infrastructure			
US\$ Bn: -20.000	US\$ Bn: -20.000	US\$ Bn: -20.000	<i>In the MTEF for the FY 2014/15, there was no budget allocation to the Construction of the Audit House project on assumption that by 30th June 2014, it would be complete.</i>
Construction of the Audit House was assumed to be complete by end of FY 2013/14	Construction of the Audit House was assumed to be complete by end of FY 2013/14	Construction of the Audit House was assumed to be complete by end of FY 2013/14	

V4: Vote Challenges for 2014/15 and the Medium Term

This section sets out the major challenges the vote faces in 2014/15 and the medium term which the vote has been unable to address in its spending plans.

The major challenges being faced by the office include; the ever increasing audit scope with static financial resources, improvement on the quality and impact of audit, improving organisational performance and strengthening operational independence.

Table V4.1: Additional Output Funding Requests

Additional Requirements for Funding and Outputs in 2014/15:	Justification of Requirement for Additional Outputs and Funding
<i>Vote Function: 1401 External Audit</i>	
Output: 1453 01 Financial Audits	
US\$ Bn: 54.251	<i>To address the above challenges, the office requires an additional funding of Shs 54.251bn as detailed below:</i>
A backlog of 4,943 audits will be cleared if the funding gap is addressed	
	<i>Wage enhancement - Shs 7.920bn</i>
	<i>At the commencement of the National Audit Act in October 2008, Parliament approved an enhanced salary structure for the office. The enhanced salary was however fixed and did not provide for inflationary adjustments as with the main stream public service and other institutions. OAG approached Parliament with proposals to enhance staff salary in the course of the FY 2013/14 but due to resource constraints, this was not possible. We are proposing an average increment of 35% (amounting to Shs 6.232bn) in the FY 2014/15, with reviews taking place every three years. The proposed increment will also generate additional NSSF contributions and gratuity payments amounting to Shs 1.688bn.</i>
	<i>Completion of Audit House – Shs 21.210bn</i>
	<i>The original contract price was Shs 44.060bn but this has been revised to Shs 64.270bn due to contractor's claims, inclusion of omitted items at the design stage and revised prime cost sum items. Therefore, in the FY 2014/15 the office requires an additional funding of Shs 21.210bn inclusive of the operation and maintenance costs.</i>
	<i>Clearing of Audit back log and Expansion of Audit Coverage - Shs 19.194bn</i>

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Vote Summary

Additional Requirements for Funding and Outputs in 2014/15:	Justification of Requirement for Additional Outputs and Funding
	<p><i>In the FY 2014/15, the office requires additional funding of Shs 19.194bn to clear audit backlog and expand audit coverage as summarised below:</i></p> <ul style="list-style-type: none"> •Shs 2.905bn for clearing the back log of 1,168 sub-counties for the FY 2012/13 •Shs 0.681bn for FY 2013/14 audit of 681 Sub-Counties which were not catered for under the current MTEF; •Shs 4.985bn for FY 2011/12 audit of 997 secondary schools and tertiary institutions •Shs 5.400bn for FY 2012/13 audit of 1,197 secondary schools and tertiary institutions which were not catered for under the current MTEF; •Shs 4.485 bn for FY 2013/14 audit of 897 secondary schools and tertiary institutions which were not catered for under the current MTEF; •Shs 0.392bn for audit of 2 Private Public Partnerships. •Shs 0.347bn to facilitate PSAs/Cost Recovery Reviews <p><i>Capacity Building and Staff Welfare - Shs 1.915bn</i></p> <p><i>In view of the ever increasing audit demands, the office needs to respond by undertaking thorough training in financial audits, emerging specialized audit areas, professional certification and management development. This will require additional funding of Shs 1.405bn. In addition due to the recent recruitment of new staff, the office requires an additional budget of Shs 0.510bn to cater for their medical insurance scheme.</i></p> <p><i>Improvement on quality and impact of audits - Shs 1.658bn</i></p> <p><i>The office needs to develop and maintain effective communication with various stakeholders and communicate its outputs in a manner that increases stakeholders' knowledge and understanding of its role and responsibilities. In this regard, in the FY 2014/15, the office requires an additional budget of Shs 1.045bn to increase its levels of stakeholder engagement by carrying out sensitization workshops and seminars for District Public Accountability Committee, Sessional Committees of Parliament, and District and Town Council Mayors, Speakers & Executive Members. In addition, to successfully deliver on its mandate and improve on coverage, timeliness and quality of audits, the office with the planned 11 regional offices needs to effectively and efficiently replace its fleet on a regular basis. The current budget can only provide for 3 motor vehicles. Therefore, in the FY 2014/15, it requires an additional funding of Shs 0.613bn for acquisition of 4 motor vehicles.</i></p> <p><i>ICT infrastructure development – Shs 2.173bn</i></p> <p><i>As with any modern organisation, information and communication technology is essential for an effective working environment. The main aspect to this strategy will be: consolidation of the Microsoft licenses, maintaining annual subscription for Teammate licenses, procurement of a complete forensic IT laboratory and establishment of establishment of Disaster Recovery Data Center. In this regard, the office requires</i></p>

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Additional Requirements for Funding and Outputs in 2014/15:	Justification of Requirement for Additional Outputs and Funding
	<p><i>an additional budget of Shs 2.173.</i></p> <p><i>Support to the INTOSAI Work Group on Extractive Industries Secretariat – Shs 0.180bn</i></p> <p><i>The Office of the Auditor General was nominated to chair the INTOSAI Work Group on Extractive Industries. As such it is responsible for coordinating all activities of the Work Group both within and outside Uganda. Therefore, in the FY 2014/15, the office requires an additional budget of Shs 0.180bn for facilitating Work Group meetings, hosting and maintaining its website and making periodic publications on achievements.</i></p>
Output: 1453 03 Policy, Planning and Strategic Management	
UShs Bn: 0.000	

This section discusses how the vote's plans will address and respond to the cross-cutting policy, issues of gender and equity; HIV/AIDS; and the Environment, and other budgetary issues such as Arrears and NTR..

(i) Cross-cutting Policy Issues

(i) Gender and Equity

In the FY 2014/15 the office planned to develop a Gender Audit Manual. In addition, the office advocates for the principle of equal opportunity at the work place for both male and female employees. Activities of the OAG Women's Forum with the major purpose of discussing issues affecting gender at the work place are mainstreamed in the vote budget.

(ii) HIV/AIDS

The office shall continue supporting the non-discriminatory approach with respect to HIV/AIDS positive Staff. In the FY 2014/15 the office shall support and fund HIV/AIDS positive staff with their spouses to access the required medical services through a health insurance scheme which was introduced in FY 2011/12.

(iii) Environment

The office has mainstreamed environment in the external audit function by integrating environmental audits in both Financial and Value for Money audits.

(ii) Payment Arrears

The table below shows all the payment arrears outstanding for the Vote:

The Office of the Auditor General does not have any outstanding arrears.

(ii) Non Tax Revenue Collections

The table below shows Non-Tax Revenues that will be collected under the Vote:

The Office of the Auditor General does not collect non-tax revenue.