

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:

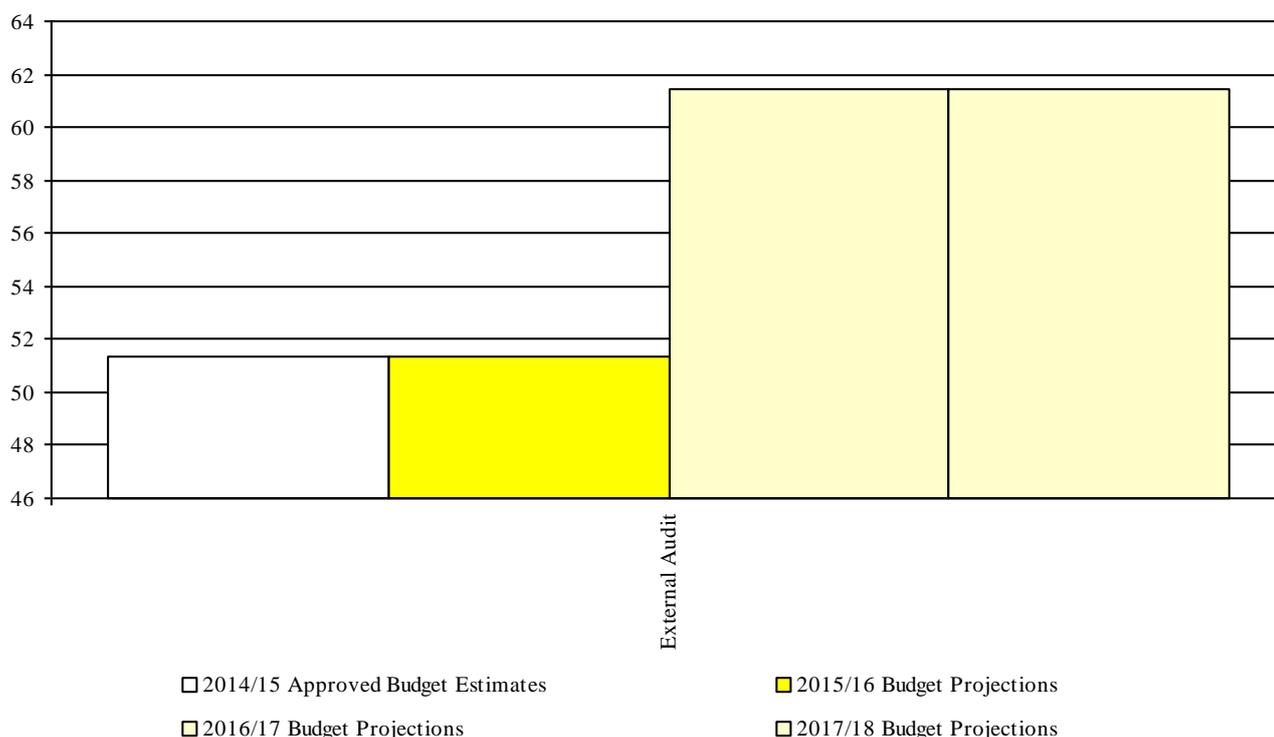
Table V1.1: Overview of Vote Expenditures (UShs Billion)

	2013/14 Outturn	2014/15		MTEF Budget Projections		
		Approved Budget	Spent by End Sept	2015/16	2016/17	2017/18
<i>(i) Excluding Arrears, Taxes</i>						
Recurrent Wage	17.400	19.587	4.765	19.587	23.318	23.320
Recurrent Non Wage	25.633	20.960	5.426	21.160	25.392	25.394
Development GoU	17.955	10.820	1.427	10.620	12.744	12.745
Development Ext. Fin	0.000	0.000	0.000	0.000	0.000	0.000
GoU Total	60.988	51.366	11.619	51.366	61.453	61.459
total GoU + Ext Fin. (MTEF)	60.988	51.366	11.619	51.366	61.453	61.459
<i>(ii) Arrears and Taxes</i>						
Arrears	0.000	0.000	0.000	0.000	N/A	N/A
Taxes	0.200	0.240	0.000	0.000	N/A	N/A
Total Budget	61.188	51.606	11.619	51.366	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

2013/14 Performance

The vote outputs are classified into the following categories; Financial Audits, Value for Money Audits, Special/Forensic 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 2014.

Financial Audits

The office planned to carry out a total of 1,045 financial audits. As at 30th June 2014, a total of 1,615 audits had been completed and reported on while 52 financial audits were in-progress. The 1,615 financial audits included a backlog of 66 schools and 504 Sub-Counties that had remained as work in-progress as at 31st March 2013. In addition, the office received an additional budget of Shs 400mn during the year for audit of 200 schools.

Value for Money Audits

The office planned to carry out a total of 10 value for money audits and 5 specialised audits. As at 30th June 2014, a total of 11 VFM audits and 6 specialised audits were completed and reported on.

Policy, Planning and Strategic Management

In line with objective 1 of the Office's 5-Year 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:

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- A draft copy of the Quality Control Manual was under review;
- 8 hot audit reviews of pilot projects implementing ISSAIs were conducted;
- A methodology for audit of small entities was developed and embedded in the Regularity Audit Manual;
- 3 Teammate libraries updated (Central Government, Local Authorities and VFM);
- 259 staff were trained on the use of the regularity audit manual while training of 88 staff was in progress;
- A review on use of teammate was carried out and a report produced;
- 16 Sector audit reports were prepared and disseminated to the various sector secretariats;
- 600 copies of extracts of key findings in the Annual Report of the Auditor General for the year ended 30th June 2012 and 30 copies for the FY ended 30th June 2013 were prepared and disseminated.
- A data base on status of audit reports discussed by Accountability Committees of Parliament was updated.
- 925 backlog Lower Local Government audit reports for the Fys 2008/9 - 2010/11 were processed and disseminated to audit entities.
- Technical support was provided to 124 PAC sessions, 46 COSASE sessions and 24 LGAC sessions.

In line with objective 2 of the Office's 5-Year 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:

- The Communication Policy was approved;
- A policy on PAC-SAI Communication was developed and embedded within the Communication Policy;
- Development of the Corporate Social Responsibility Policy was in progress;
- Various OAG Corporate Image promotional materials were acquired and disseminated. These included: brochures, calendars, diaries, pens, card holders, bags, caps, Souvenirs and pull up stands;
- Press conference was organised following submission of audit reports to Parliament;
- Contributed towards the construction of the cancer ward at Nsambya Hospital through voluntary staff contributions.

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 following were achieved:

- The Finance and Accounting manual was developed and awaits review and approval;
- Development of the Knowledge Management Policy was in progress;
- Development of the Internal Audit Charter was in progress;
- Development of the Internal Audit Manual was in progress;
- HR manual approved and disseminated to all staff;
- The new performance management tools were disseminated along with the HR manual;
- The OAG Legal Department practicing certificate was renewed;
- The Legal library was restocked with legislation and legal reference books;
- The Enterprise Risk Management Framework was approved;
- The Legal Unit represented AG in courts of law in respect of 9 cases;
- The OAG High level planning meeting and the Budget Conference for the FY 2014/15 were held;
- Staff were sensitised on the Legal and Compliance Policy, QA Policy and Transport Policy and human resources manual;

To attain operational independence, the office planned to complete and commission the Audit House, construct Mbarara regional office, acquire 3 motor vehicles and assorted furniture and renovate 5 regional offices in Jinja, Mbale, Masaka, Soroti and Fort Portal. By the end of the FY the following had been achieved:

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•Construction of the superstructure for all the 10 floors was complete. Internal and external finishes for civil works as well as Air Conditioning, Information and Communication Technology and electrical installations were in progress;

- Construction of Mbarara regional office was at ring beam level representing 60% of the project progress.
- Five motor vehicles were procured and delivered; Two of them were procured and under Irish Aid;
- An assortment of furniture for head office and regional offices was procured;
- Renovation and maintenance works at 5 regional offices of Jinja, Mbale, Masaka, Soroti and Fort Portal were completed;

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

- 426 staff were appraised (92%);
- 131 staff recruited and inducted;
- 550 staff were trained in various skills enhancement areas;
- 2 staff had completed their career development courses;
- 86 staff sponsored for training in professional courses (CPA, ACCA, ICSA etc); 30 for December 2013 sitting and 56 for June 2014;
- 37 staff retired;
- 72 staff promoted;
- 255 computers (249 Laptops and 6 Desktops) were procured and distributed to staff;
- 21 high specification cameras, 18 portable scanners, 5 projectors and 11 printers were acquired;
- Procurement process for 10 printers was in progress
- 19 Contracts Committee meetings held;
- 24 Evaluation Committee meetings held;
- 76 Accountants were registered with the ICPAU by the Auditor General;
- The centralised power backup system was upgraded.

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 and Half- year Financial Statements for the FY 2013/14 were prepared and submitted to the Accountant General;
- Four Quarterly Progress Reports were prepared and submitted to MFPED;
- Annual Government Performance Report for the FY 2012/13 and Semi-Annual Government Performance Report for the FY 2013/14 were prepared and submitted to OPM.
- A Budget Framework Paper and Preliminary Budget Estimates for the FY 2014/15 were prepared and submitted to MFPED;
- Four Quarterly Internal Audit Reports were prepared and submitted;
- 6 Special Investigations Reports were prepared and submitted to the Auditor General;
- A prequalification list of service providers for 2013/14 was updated;
- Procurement Plan for the FY 2013/14 was submitted to PPDA and MFPED;
- Framework contracts for repetitive items were reviewed and updated;
- 12 monthly Procurement Progress Reports were prepared and submitted

Preliminary 2014/15 Performance

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

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Special/Forensic 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 2014.

Financial Audits

In the FY 2014/15, the office planned to conduct a total of 1,387 financial audits. By 30th September 2014, the office had completed and reported on a total of 28 financial audits, 807 financial audits were in progress and 555 mainly Sub-Counties were yet to begin.

Value for Money Audits

Under this Vote function output, the office planned to carry out a total of 10 VFM and 6 specialised audits. By 30th September 2014, a total of 10 Value for Money and 3 specialised audits were in progress.

Policy, Planning and Strategic Management

To achieve objective 1 of the Office's 5-Year Corporate Plan which is "To improve quality and impact of audit work to promote increased accountability, probity and transparency in the management of public funds", by 30th September 2014, the following outputs were achieved:

- Review of the draft Quality Assurance Manual was in progress;
- Customisation of the Performance Audit Manual was in progress;
- Development of the IT audit manual was in progress;
- 9 Regional entry meetings were held;
- Staff at 7 regional offices and 2 CG directorates were supported on implementation of RAM;
- 38 staff were trained on use of the Regularity Audit Manual;
- 1 staff participated in the development of RAM e-learning materials facilitated by AFROSAI-E;
- 26 Quality Assurance Reviews Reports on audit planning and field work were issued;
- OAG staff provided technical support to the Accountability Committees of Parliament during all sessions: 27 briefs prepared: 22 briefs prepared for PAC, 4 briefs for COSASE, 1 brief for LGPAC; verifications were carried out on 12 entities and reports were produced;
- Data base on reports discussed by PAC, LGPAC and COSASE was updated.

To achieve objective 2 of the Office's 5-Year Corporate Plan which is "To Improve efficiency and effectiveness of internal and external communications to raise the corporate image of OAG among the stakeholders", by 30th September 2014, the following outputs were achieved:

- The draft Corporate Social Responsibility Policy was under review;
- Specifications for the 377 Closed User Group handsets approved and submitted;
- Specification for connecting Soroti, Jinja, Masaka and Mbale branches to Wide Area Network were developed;
- Contributed Shs 500,000/- to the Rotary club of Kiwatule during its fundraising drive;
- The office participated in one Corporate Image Promotion event (exhibited during the 100 years Uganda Police celebrations);
- 2 Bi-monthly information flyers were produced (May/June and July/August);
- 650 Corporate Shirts were delivered and distributed to staff;

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• Procurement process for the year 2015 diaries and calendars was in progress.

To achieve objective 3 of the Office's 5-Year Corporate Plan which is "To strengthen the financial and operational independence of the Office of the Auditor General", by 30th September 2014, the following outputs were achieved:

- Final draft of Finance and Accounting Manual was in place awaiting approval;
- The draft Internal Audit Function Charter was reviewed, 2 review meetings were held;
- The draft OAG Internal Audit Manual was reviewed, 2 review meetings were held;
- The OAG Legal Library was stocked with reference books;
- Staff of the Legal Unit represented Office of the Auditor General in courts of law;
- The OAG Legal Chambers were inspected and approved by Law Council. The certificate of practice was obtained from Law Council;
- The legal department drafted and reviewed contracts;
- Legal opinions were provided on all disciplinary matters as and when requested;
- Parliamentary Liaison were provided with technical support;
- The external lawyer was supervised; 1 Report was submitted by the external lawyer;
- Preparatory meetings for the Audit House Commissioning were held; Communications budget and draft action plan developed.

The office also fulfilled its statutory reporting and compliance requirements as indicated below:

- Annual Financial Statements for the FY ended 30th June 2014 was produced and submitted to Accountant General by 15th August 2014;
- Annual Government Performance Report for the FY 2013/14 was produced and submitted to Office of the Prime Minister;
- Quarter IV progress Report for the FY 2013/14 was produced and submitted to the Ministry of Finance, Planning and Economic Development;
- Board of Survey for the FY ended 30th June 2014 was carried out and the report submitted to MFPED
- The Asset Register was updated as at end of 30th June 2014;
- Consolidated Procurement Plan for 2014/2015 was submitted to PPDA;
- Prequalification list for the FY 2014/2015 was updated;
- 3 Procurement Monthly Reports were prepared and submitted to PPDA.

To attain operational independence, the office planned for the completion of the Audit House in Kampala and a regional Office in Mbarara; acquisition of office furniture, renovations works at Arua, Soroti and Masaka Regional Offices, acquisition of 5 field motor vehicles and land for construction of Moroto and Hoima regional offices. As at 30th September 2014, the following were achieved;

- The Audit House project was 97% complete from 87% by end of FY 2013/14. Internal and external finishing was progress;
- Suitable land for the proposed construction of Hoima and Moroto regional had been identified and the procurement process was on-going;
- The bidding documents for the designs of both regional offices were reviewed and forwarded to kfw for a no objection before submission to Contracts Committee for approval;
- The construction of Mbarara regional office was 75% complete from 60% by end of FY 2013/14;

To achieve objective 4 of the Office's Corporate Plan which is "To attain higher organisational Performance", a summary of the planned outputs and status of implementation as at 30th September 2014,

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the following outputs were achieved.

- Staff salaries for July, August and September were paid in time;
- Gratuity for contract staff for the period October 2013 – Sept. 2014 was paid;
- Pay slips were printed as per the requests received;
- Final Draft of the Archive Policy was under review;
- Quarter IV internal audit report for the FY 2013/14 produced; Quarter I audit for the FY 2014/15 in progress;
- 2 Special Investigations Reports were produced;
- 5 Contracts Committee meetings were held and 10 contracts awarded;
- 3 Evaluation Committee meetings were held;
- An internal advertisement for 3 vacant positions was made;
- 2 staff were retired;
- 15 were transferred;
- 284 staff were trained in various skills enhancement and career development areas;
- 211 staff were appraised;
- Specifications for 55 lap top computers were developed;
- Quarter One report on implementation of ERM was produced;
- 70% of the staff were sensitised on the medical and health benefits offered by the office.

Table V2.1: Past and 2015/16 Key Vote Outputs*

<i>Vote, Vote Function Key Output</i>	Approved Budget and Planned outputs	2014/15 Spending and Outputs Achieved by End Sept	2015/16 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>	1,387 Audit Plan Memoranda approved for 1,007 Local Authorities, 109 MDAs, 134 Projects, 41 forensic investigations and special audits, 5 IT Audits and 91 Statutory Authorities.	626 APMs approved; 53 for MDAs, 46 for SBs, 422 for Local Authorities, 59 for FIIT and 46 for projects audits.	1,444 Audit Plan Memoranda approved for 1,007 Local Authorities, 113 MDAs, 195 Projects, 55 special forensic investigations and special audits, 5 IT Audits and 69 Statutory Authorities.
	1,387 Management letters issued for 1,007 Local Authorities, 109 MDAs, 134 Projects, 41 forensic investigations and special audits, 5 IT Audits and 91 Statutory Authorities.	242 Management Letters issued: 11 for Statutory Authorities, 19 for forensic investigations, 15 for projects and 197 for schools audits.	1,444 Management Letters issued for 1,007 Local Authorities, 113 MDAs, 195 Projects, 55 forensic investigations and special audits, 5 IT Audits and 69 Statutory Authorities.
	1,387 Financial audit reports produced for 1,007 Local Authorities, 109 MDAs, 134 Projects, 41 forensic investigations and special audits, 5 IT Audits and 91 Statutory Authorities.	28 audit reports produced: 9 Statutory Authorities' audit report and 19 special investigation report	1,444 Financial audit reports produced for 1,007 Local Authorities, 113 MDAs, 195 Projects, 55 forensic investigations and special audits, 5 IT Audits and 69 Statutory Authorities.
<i>Performance Indicators:</i>			
No of Statutory Bodies Audited	91	9	69
No of projects audited	134	0	195

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<i>Vote, Vote Function Key Output</i>	Approved Budget and Planned outputs	2014/15 Spending and Outputs Achieved by End Sept	2015/16 Proposed Budget and Planned Outputs
No of MDAs Audited	109	0	113
No of Higher LGs Audited (including Town councils and sub-counties)	1,007	0	1,007
No of forensic investigations and special audits conducted	46	19	60
<i>Output Cost: US\$ Bn:</i>	<i>21.564</i>	<i>US\$ Bn: 5.409</i>	<i>US\$ Bn: 21.430</i>
Output: 145302	Value for Money Audits		
<i>Description of Outputs:</i>	10 VFM audit pre-study reports approved 6 Audit Plan Memoranda approved for 2 follow up audits and 4 engineering audits 6 Management letters issued for 2 follow up audits and 4 engineering audits 10 main VFM audit reports produced 6 Audit Reports produced for 2 follow up audits and 4 engineering audits	Pre study reports for 10 VFM audits approved APMs for 3 specialized audits approved	10 VFM audit pre-study reports approved 6 Audit Plan Memoranda approved for 2 follow up audits and 4 engineering audits 6 Management letters issued for 2 follow up audits and 4 engineering audits 10 main VFM audit reports produced 6 Audit Reports produced for 2 PPP audits and 4 engineering audits
<i>Performance Indicators:</i>			
No of VFM Audits conducted	16	0	16
<i>Output Cost: US\$ Bn:</i>	<i>8.539</i>	<i>US\$ Bn: 2.500</i>	<i>US\$ Bn: 7.961</i>
Vote Function Cost	US\$ Bn: 51.606	US\$ Bn: 11.619	US\$ Bn: 51.366
Cost of Vote Services:	US\$ Bn: 51.366	US\$ Bn: 11.619	US\$ Bn: 51.366

* Excluding Taxes and Arrears

2015/16 Planned Outputs

The vote outputs are classified into the following categories; Financial Audits, Value for Money, 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 the planned outputs for the FY 2015/16.

Financial Audits

Under this output, for the FY 2015/16, the office planned to carry out and report on a total of 1,444 financial audits covering the following entities; 113 MDAs, 69 Statutory Bodies, 195 projects, 55 forensic investigations and special audits, 5 IT audits and 1,007 Local Authorities.

Value for Money Audits

In the FY 2015/16, the office planned to carry out a total of 16 audits which include 10 VFM audits, 4 engineering audits and 2 PPP audits.

Policy, Planning and Strategic Management

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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 2015/16 include;

- 15 stakeholder engagement workshops held
- OAG policies printed and disseminated
- Annual Report of the Auditor General for the year ended 2015 processed and disseminated
- Stake holder engagements – participation in regional entry meetings
- Mobile archives & Library shelves procured
- Technical support provided to staff implementing RAM
- Advanced MS Excel guide for data analysis developed
- Finalise the Quality Control Manual
- 10 Reports issued on pre-issuance reviews (Hot review)
- 20 Reports issued on post -issuance reviews (Cold reviews)
- 20 Peer review reports produced
- Teammate library for small entities developed
- Teammate library for parastatals developed
- Financial reporting framework evaluated
- Standardised internal guidelines on quality report writing developed
- Parliamentary Committees' sensitised on audit findings and best practices on consideration of audit reports.
- Data base on status of audit reports produced by the Auditor General updated.
- Technical support provided to Oversight Committees of Parliament
- Feedback provided to AG on the status of reports and recommendations adopted by Oversight Committees and the House
- 4 technical update workshop/conferences attended
- Technical advice provided to Parliament Committee Sessions on request

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 2015/16 include;

- Corporate Social Responsibility Policy finalised
- 3,000 OAG calendars, diaries, Christmas cards procured (1000 each)
- OAG promotional material procured
- A documentary about the mandate, functions and activities undertaken by OAG developed
- Press conference - Submission of the Annual Audit Report
- OAG Staff sensitised on the OAG Communication Policy
- 6 bi-monthly OAG Information Flyer
- OAG Bulletin produced
- 700 OAG Corporate Shirts procured
- Subscription to news paper publishers paid
- Business directory produced
- 1 Corporate Social Responsibility activity implemented

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 2015/16 include;

- OAG Finance and Accounting Manual disseminated
- Internal Audit Manual finalised and approved

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- Internal of Audit Charter finalised and approved
- Review of implementation of the OAG Corporate Plan 2011-16 conducted - COO
- OAG Quarterly Reviews carried out and progress reports for the FY 2015/16 produced
- DCS Quarterly Reviews carried out and progress reports for the FY 2015/16 produced
- Provisions of Constitution and NAA, 2008 on the mandate of AG and OAG reviewed
- AG and the OAG represented in courts of law and other legal forum
- OAG Legal Unit mini library restocked with reference materials
- Maintenance of online Law sites
- Legal briefs and opinions prepared for the AG and OAG
- OAG Legal Department Practicing Certificates obtained
- 2 regional offices constructed in Hoima and Moroto Districts
- 3 field motor vehicles procured
- Assorted office furniture procured
- 2 regional offices in Gulu and Masaka renovated

To comply with Government financial regulations, in the FY 2015/16, the office plans to prepare and submit the following to relevant authorities:

- Budget Framework Paper for the FY 2016/17 produced
- Budget Estimates for the FY 2016/17 produced
- Policy Statement for the FY 2016/17 produced
- Performance Contract Form A for the FY 2016/17 produced
- Annual Operational Plan for the FY 2016/17 produced
- OAG Annual Government Performance Report for the FY 2014/15 as part of the overall Government performance produced
- OAG Semi-Annual Government Performance Report for the FY 2015/16 as part of the overall Government performance produced
- Annual OAG Performance Report Vol. 1 2015
- 4 special investigation reports produced
- 10 branches audited for compliance and 4 quarterly reports produced
- Consolidated Procurement Plan for FY 2015/2016 prepared and submitted to the stakeholders.
- Board of Survey Report produced and disposal plan implemented
- 12 monthly reports on procurement & disposal submitted to PPDA

In line with objective 4 of the Office's Corporate Plan; "To attain higher organizational performance", the planned outputs for the FY 2015/16 include;

- Expenditure and service management for Security, Utilities (Water, Electricity and Telephone), Cleaning, Transport, Maintenance of buildings and equipment.
- Facilitation of international obligations for AG, AAG, COO and DCS
- 4 quarterly support supervision visits to branch offices by AG, AAG and COO
- OAG payroll managed
- Staff social security benefits managed (NSSF and Gratuity)
- Procurement of a printer for printing pay slip
- Staff pay slips printed and distributed
- Staff performance managed
- OAG Health Insurance and Group life Schemes managed
- OAG staff trainings managed
- Vacant position(s) filled

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- OAG annual staff meeting held
- 15 staff prepared for retirement
- 90 OAG Staff transferred
- Training Evaluation Framework developed and disseminated
- DCS team building activities implemented (Bench marking and retreats)
- Maintenance of internet and data services
- Maintenance of Closed User Group services
- Management and maintenance of IT equipment
- 4 Quarterly Progress Reports produced
- 100 Laptops procured
- OAG Management Information Systems procured
- Phased implementation of Enterprise wide- Risk Management (ERM)
- 24 Contracts Committee meetings held and minutes produced
- 30 Evaluation Committee meetings held and reports produced
- Up-to-date prequalification list for FY 2015/2016 produced
- 8 procurement adverts placed in the newspapers
- Technical support provided to the HR Advisory Committee
- Contracts drafted and reviewed on behalf of the AG and OAG
- Staff sensitised on the medical and health benefits offered by the office, Staff Regulations and office policies

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

Vote Function Key Output Indicators and Costs:	2013/14 Outturn	2014/15		MTEF Projections		
		Approved Plan	Outturn by End Sept	2015/16	2016/17	2017/18
Vote: 131 Auditor General						
Vote Function: 1453 External Audit						
No of forensic investigations and special audits conducted		46	19	60	60	60
No of Higher LGs Audited (including Town councils and sub-counties)		1,007	0	1,007	1007	1007
No of MDAs Audited		109	0	113	113	113
No of projects audited		134	0	195	195	195
No of Statutory Bodies Audited		91	9	69	69	69
No of VFM Audits conducted		16	0	16	16	
Vote Function Cost (US\$ bn)	61.188	51.366	11.619	51.366	61.453	61.459
Cost of Vote Services (US\$ Bn)	61.188	51.366	11.619	51.366	61.453	61.459

Medium Term Plans

In accordance with the Five-Year Corporate Plan, the medium term plan of the office is focused on: Improvement on impact of audit through effective stakeholder engagement; Improvement on the timeliness and quality of audit reports; Improving organisation performance; Strengthening operational independence and increasing audit coverage through establishment of regional offices in hard to reach areas.

(ii) Efficiency of Vote Budget Allocations

Following completion of the Audit House, in the FY 2015/16, the office has reallocated resources saved from rent to operation and maintenance of the building. In addition, the office shall focus on staff capacity building, performance management, enhancing operational efficiency to reduce o the number of outsourced audits. This will result into an increment in the audit coverage.

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

(i) Allocation (\$hs Bn)	(ii) % Vote Budget
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Billion Uganda Shillings	2014/15	2015/16	2016/17	2017/18	2014/15	2015/16	2016/17	2017/18
Key Sector	30.1	29.4	35.7	35.7	58.6%	57.2%	58.0%	58.0%
Service Delivery	30.1	29.4	35.7	35.7	58.6%	57.2%	58.0%	58.0%

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)

Unit Cost Description	Actual 2013/14	Planned 2014/15	Actual by Sept	Proposed 2015/16	Costing Assumptions and Reasons for any Changes and Variations from Plan
<i>Vote Function: 1453 External Audit</i>					
Office furniture and fittings (4 lots)	54,088	16,023		18,430	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	243	28,636		42,955	Timely awarding of contracts. Most of the buildings have been renovated.
Number of Offices Constructed	12,946,669	10,000,000	1,430,000	4,030,608	Stable exchange rate leading to minimum project cost overruns.
No of VFM audits carried out	216,869	304,731		274,281	Resources and personnel available to carry out the audits.
No of Vehicles Purchased	64,042	153,333		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	9,637	12,217		11,758	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	30,386	39,246	162,220	28,500	Personnel availability, unit costs remain constant, and the number of audit entities remain the same.
No of Central Government Two audits	21,400	22,100		22,121	Resources and personnel available to carry out the audits. Unit costs changed due to the anticipated inflations.
Management Efficiency	10,510,000	10,389,194	2,280,000	11,217,127	Availability of Personnel and timely procurement.
Forensic Investigations and Special Audits	129,926	86,132	59,474	77,674	Stable exchange rate.

(iii) Vote Investment Plans

Budget allocation to capital purchases in the FY 2015/16 did not change compared to FY 2014/15. The office was allocated Shs 10.820bn excluding taxes. However, in the Financial Years 2016/17 and 2017/18, it is projected to slightly increase to Shs 12.984bn and Shs 12.985bn 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			
	2014/15	2015/16	2016/17	2017/18	2014/15	2015/16	2016/17	2017/18
Consumption Expenditure(Outputs Provided)	40.5	40.7	48.5	48.5	78.9%	79.3%	78.9%	78.9%

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Investment (Capital Purchases)	10.8	10.6	13.0	13.0	21.1%	20.7%	21.1%	21.1%
Grand Total	51.4	51.4	61.5	61.5	100.0%	100.0%	100.0%	100.0%

In FY 2015/16, with support from FINMAP and Government of Uganda, the office planned to construct Hoima and Moroto regional offices. In addition, the office plans to procure a comprehensive Management Information System.

Table V2.6: Major Capital Investments

Project, Programme Vote Function Output <i>US\$ Thousand</i>	2014/15		2015/16
	Approved Budget, Planned Outputs (Quantity and Location)	Actual Expenditure and Outputs by September (Quantity and Location)	Proposed Budget, Planned Outputs (Quantity and Location)
Project 1248 Construction of the Audit House			
145372 Government Buildings and Administrative Infrastructure	Completion and furnishing of the Audit House	The Audit House Project was 97% complete.	Retention payments made to the contractor. Defects repaired
Total	10,000,000	1,427,458	10,000,000
<i>GoU Development</i>	<i>10,000,000</i>	<i>1,427,458</i>	<i>10,000,000</i>
<i>External Financing</i>	<i>0</i>	<i>0</i>	<i>0</i>

(iv) Vote Actions to improve Priority Sector Outcomes

Reducing the number of audits outsourced through staff capacity development. Due to shortage of staff and some specialised audit skills, the office hires private audit firms to carry out such audits which is costly. Therefore, following implementation of the VRS and recruitment of staff, the office has prioritised building staff capacity to carry out such audits internally hence increasing audit coverage.

Rolling out the use of the Computer Aided Audit Tools: Currently, the coverage is at 50% and in the FY 2015/16 the office plans to achieve 100% coverage. This is aimed at improving the quality of audits.

Procurement of a comprehensive Management Information System to facilitate automation of business processes.

Consolidation of operational independence at both the headquarters and branches. By end of FY 2014/15, all existing OAG offices will be operating in OAG owned premises. In addition, in the FY 2015/16, the office plans to construct two regional offices in Hoima and Moroto districts. This will save the time spent travelling hence improving audit coverage and quality of reports.

Ensuring effective engagement of the OAG stakeholders. In order to improve on the impact of audits, the office plans to build the capacity of its stakeholders at district level in utilisation of audit reports.

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

2014/15 Planned Actions:	2014/15 Actions by Sept:	2015/16 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>			
Soroti, Jinja, Masaka and Mbale regional offices connected to the OAG WAN	Specifications were developed	Hoima, Mbarara and Moroto Regional Offices connected to the OAG WAN; Management Information System procured and operationalised; Teammate licenses procured	Modernisation of the current ICT facilities. Building capacity of staff in IT audit and use of audit software.

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2014/15 Planned Actions:	2014/15 Actions by Sept:	2015/16 Planned Actions:	MT Strategy:
		and deployed.	
<i>VF Performance Issue:</i>	<i>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>		
Building the capacity of staff in audit skills (performance audit, engineering audit, IT audit and forensic investigations etc). Support staff for professional courses.	15 VFM staff were trained on efficiency measurement and 8 in VFM modules 1 and 2. 38 staff from the Directorate of Forensic Investigation and IT audit were trained on use of the Regularity Audit Manual 20 staff were trained on Information Security Assessment Methodology (ISAM) 50 staff were trained on use of IFMS 5 staff were trained on use of IDEA/CAAT	Building the capacity of staff in audit skills (performance audit, engineering audit, IT audit and forensic investigations etc). Support staff for professional courses.	Increased utilisation of in-house resource pool of trainers Continue with on job training of new recruits Continue with building capacity of Auditors in emerging new audit areas
<i>VF Performance Issue:</i>	<i>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 and commissioning of Audit House and Mbarara regional office. Acquisition of land for construction of Hoima and Moroto Regional Offices Construction of Hoima and Moroto Regional Offices	The Audit House Project was 97% complete. To be commissioned in Q.2 Mbarara Regional Office was 75% complete. The procurement process for acquisition of land for construction of Hoima and Moroto Regional Offices was at its final stages The bidding documents for the designs of both regional offices were reviewed and forwarded to kfw for a no objection before submission to Contracts Committee for approval.	Hoima and Moroto Regional Offices constructed	Establishing branch offices in hard to reach areas. Renovation of existing branch offices.

V3 Proposed Budget Allocations for 2015/16 and the Medium Term

This section sets out the proposed vote budget allocations for 2015/16 and the medium term, including major areas of expenditures and any notable changes in allocations.

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

	2013/14 Outturn	2014/15		MTEF Budget Projections		
		Appr. Budget	Spent by End Sept	2015/16	2016/17	2017/18
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1453 External Audit	61.188	51.366	11.619	51.366	61.453	61.459

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	2013/14 Outturn	2014/15		MTEF Budget Projections		
		Appr. Budget	Spent by End Sept	2015/16	2016/17	2017/18
Total for Vote:	61.188	51.366	11.619	51.366	61.453	61.459

(i) The Total Budget over the Medium Term

In the FY 2015/16, the Vote was allocated a total budget of Shs 51.606bn including taxes of which Wage is Shs 19.587bn, Non-Wage is Shs 20.960bn and Development is Shs 11.060bn. In the Financial Years 2016/17 and 2017/18, the budget allocation is projected to increase to Shs 61.453bn and Shs 64.459bn respectively.

(ii) The major expenditure allocations in the Vote for 2015/16

The external audit function in the Accountability Sector is responsible for ensuring that public resources are utilised 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 2015/16 the function was allocated Shs 51.366bn. This includes Shs 19.587bn for wage, Shs 20.960bn for non-wage and Shs 10.820bn for development.

The budget allocation by program is as follows; Program 1: Head quarters - Shs 11.16bn; Program 2: Directorate of Central Government One - Shs 4.253bn; Program 3: Directorate of Central Government Two - Shs 4.889bn; Program 4: Directorate of Local Authorities - Shs 12.288bn; Program 5: Value for Money - Shs 4.388bn and Program 6: Directorate of Forensic Investigations and IT Audits - Shs 3.573bn.

The allocation of GoU development is as follows: Renovation of regional offices - Shs 0.285bn, procurement of 5 field motor vehicles - Shs 0.460bn, office furniture and fittings - Shs 0.074bn and taxes, Audit House project Shs 10bn.

(iii) The major planned changes in resource allocations within the Vote for 2015/16

The vote will reallocate the Shs 200m used to acquire land for Moroto and Hoima regional offices back to Non Wage where it was borrowed in the FY 2014/15.

Table V3.2: Key Changes in Vote Resource Allocation

Changes in Budget Allocations and Outputs from 2014/15 Planned Levels:				Justification for proposed Changes in Expenditure and Outputs
2015/16	2016/17	2017/18		
<i>Vote Function: 1402 External Audit</i>				
Output:	1453 02 Value for Money Audits			
<i>US\$ Bn:</i>	<i>-0.578</i>	<i>US\$ Bn: 0.978</i>	<i>US\$ Bn: 0.978</i>	<i>Following the commissioning of Audit House, the office realised savings from rent and re-allocated the resources to operation and maintainance of Audit House.</i>
The changes in budget allocation has no impact on the outputs.	The increase in budget allocation is to cater for increments in the audit population.	The increase in budget allocation is to cater for increments in the audit population.		
Output:	1453 03 Policy, Planning and Strategic Management			
<i>US\$ Bn:</i>	<i>0.912</i>	<i>US\$ Bn: 2.370</i>	<i>US\$ Bn: 2.377</i>	<i>Following the commissioning of Audit House, there was need to provide for additional operation and maintenance costs estimated at Shs1.57bn in respect of the following budget items: electricity, water, cleaning and sanitation, maintenance - Civil, maintenance –machinery, equipment & furniture and security services.</i>
The reallocation has no impact on the outputs.	To provide for operation and maintainance costs for Audit House.	To provide for operation and maintainance costs for Audit House.		

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Changes in Budget Allocations and Outputs from 2014/15 Planned Levels:			Justification for proposed Changes in Expenditure and Outputs
2015/16	2016/17	2017/18	
Output: 1453 71	Acquisition of Land by Government		
<i>UShs Bn:</i> -0.200	<i>UShs Bn:</i> -0.200	<i>UShs Bn:</i> -0.200	<p>In the FY 2014/15, the office received funding from the Financial Management and Accountability Program for construction of two regional offices in Hoima and Moroto Districts and it was required to acquire land.</p> <p>However, due to the inadequate Development Budget, the office re-allocated Shs 200,000,000 from Non-Wage to Development for acquisition of the land. Therefore, in the FY 2015/16, the funds will be reallocated back to Non-Wage to provide for Audit House operation and maintenance costs.</p>
Acquisition of land was a one off expenditure in the FY 2014/15.	The resources were reallocated to Non-wage to provide for part of the Audit House operation and maintenance costs	The resources were reallocated to Non-wage to provide for part of the Audit House operation and maintenance costs	

V4: Vote Challenges for 2015/16 and the Medium Term

This section sets out the major challenges the vote faces in 2015/16 and the medium term which the vote has been unable to address in its spending plans.

The major challenges being encountered by the office are: meeting operation and maintenance costs for Audit House, clearing audit backlog for Lower Local Governments and schools; expanding audit coverage; strengthening physical independence at regional offices and building staff capacity. In addition, the Office of the Auditor General was appointed to Chair the Working Group on Extractive Industries tasked to ensure that Governments manage Extractive Industries in the best interest of the public through formulation of guidelines and promotion of transparency, accountability and knowledge sharing among others. However, due to inadequate funding, it has been unable to fully operationalise the secretariat.

Table V4.1: Additional Output Funding Requests

Additional Requirements for Funding and Outputs in 2015/16:	Justification of Requirement for Additional Outputs and Funding
<i>Vote Function: 1401 External Audit</i>	
Output: 1453 01	
<i>UShs Bn:</i> 32.562	
The office requires additional funding of Shs 32.562bn and the expected outputs include:	To address the above challenges, the office requires an additional funding of Shs 32.562bn as detailed below:
<ul style="list-style-type: none"> • A backlog of 1,891 and 1,978 sub-county and schools audit cleared. • Resource center equipped with modern knowledge management hard and soft ware tools • 2 regional offices expanded • 27 motor vehicles procured • Court awards cleared • Estates Unit beefed up with 6 staff • Video conferencing facilities procured • Annual subscription for Teammate licenses paid 	<p><i>Strengthening operational independence - Shs 15.942Bn</i></p> <p><i>The priority interventions include: operation and maintenance of Audit House, expansion of Arua and Soroti regional offices, replacement of the fleet at regional offices, strengthening the Estates Unit, payment of assessed bill of costs.</i></p> <p><i>(i) Operation and maintenance of Audit House</i></p> <p><i>Following the commissioning of the Audit House, there is need to provide for additional operation and maintenance costs estimated at Shs 1.57bn in respect of the following budget items :electricity, water, cleaning and sanitation, civil maintenance, maintenance of machinery, equipment & furniture and Security services. Considering the savings of Shs 560,000,000 from rent, the office requires additional funding of Shs 1.01bn.</i></p> <p><i>(ii) Expansion of existing regional offices</i></p>

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Additional Requirements for Funding and Outputs in 2015/16:	Justification of Requirement for Additional Outputs and Funding
	<p><i>In line with the office objective of strengthening operational independence, the office plans to expand Soroti and Arua regional offices and to provide a conducive working environment for staff. This requires an addition funding of Shs 4.0bn.</i></p> <p><i>(iii) Replacement of fleet at regional offices</i></p> <p><i>Majority of the vehicles that are currently deployed at the regional offices are all above 5 years old resulting into high expenditure on maintenance and repair. In this regard, there is need to replace the aging fleet at the regional offices to improve operational efficiency. This requires a total budget of Ushs 4.183bn to procure 27 vehicles and deploy three vehicles at each regional office.</i></p> <p><i>(iv) Strengthening the Estates Unit</i></p> <p><i>Maintaining and operating the installations at Audit House requires specialised skills which are not provided for in the current structure of the Estates Unit. Therefore, the office proposes restructure the estates unit to provide for the following positions: Estates Officer- Civil (U4); Estates Officer- Power Technician (U5); Estates Officer - AC Technician (U5); Plumber (U5); CCT Operator (U5) and Manager Estates - Principal Estates Officer (U2). The financial implication for the above proposals amounts to Shs 0.250bn including 10% NSSF contribution and the other associated operational costs.</i></p> <p><i>(vi) Payment of assessed bill of costs (Court Award)</i></p> <p><i>In the process of executing its mandate, the office of the Auditor General was sued and the court ruled that the office pays the plaintiff Shs 6.5bn.</i></p> <p><i>Clearing of Audit Backlog and Expansion of Audit Coverage - UGX 13.886Bn</i></p> <p><i>Section 13 of the National Audit Act 2008 requires the Auditor General to audit and report on all public accounts of Uganda and of all public offices. However, due to inadequate funding the office is unable to cover its entire audit population especially Local authorities and schools resulting into accumulation of audit backlog. In addition due to on-going developments in the country, new audit areas have emerged.</i></p> <p><i>Therefore, in the FY 2015/16, the office requires additional funding of Shs 13.886bn to clear audit backlog and expand audit coverage as summarised below:</i></p> <ul style="list-style-type: none"> <i>• Shs 0.597 for clearing audit back log of 702 Sub-Counties for the FY 2013/14;</i> <i>• Shs 2.884bn for audit of 1,189 Sub-Counties for the FY 2014/15</i> <i>• Shs 4.445bn for audit of 889 secondary schools and tertiary institutions for the FY 2013/14</i> <i>• Shs 4.60bn for audit of 1,089 secondary schools and tertiary institutions the FY 2014/15</i>

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Additional Requirements for Funding and Outputs in 2015/16:	Justification of Requirement for Additional Outputs and Funding
	<ul style="list-style-type: none"> • Shs 0.300bn for audit of 2 Private Public Partnerships; • Shs 0.800bn for audit of 4 PSAs/Cost Recovery Reviews. <p><i>Improvement on Knowledge Management - Shs 0.525Bn</i></p> <p><i>The office established a resource centre to facilitate timely accessibility of information by both internal and external stakeholders. However, the resource centre is currently being managed manually which makes information storage and retrieval tedious. Therefore, in the FY 2015/16, the office requires additional funding of Shs 0.525 to equip the resource center with the necessary knowledge management hard and soft ware.</i></p> <p><i>Capacity Building - Shs 1.762Bn</i></p> <p><i>In view of the ever increasing demand for quality audits, the office needs to respond by undertaking thorough training of staff in financial audits and emerging specialised audit areas. This will require additional funding of UGX1.762bn.</i></p> <p><i>ICT Infrastructure Development – UGX 0.446Bn</i></p> <p><i>The office is rolling out the use of computerised audit tools (Teammate) whose coverage is currently at 50%. Under FINMAP, the office will be procuring 100 licences in the FY 2015/16 and this will increase the coverage to 100%. In this regard, the office requires additional funding of Shs 0.246bn for annual licence renewal. In addition, the office plans to acquire video conferencing equipment for the training centre at the Audit House estimated cost of Shs 0.2bn.</i></p>
Output: 1453 03 Policy, Planning and Strategic Management UShs Bn:	

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

Objective: To build the capacity of OAG staff in gender audit
<i>Issue of Concern :</i> In response to the Government call to mainstream gender in all programs, the office is in the process of building the capacity of staff in gender audit
<i>Proposed Interventions</i>
Training of staff in gender audit
<i>Budget Allocations</i> UGX billion 0.2728206
<i>Performance Indicators</i> 2 staff trained in gender audit

(ii) HIV/AIDS

Objective: To minimise the impact of HIV/AIDS on staff quality of life and productivity
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Issue of Concern : The office has staff leaving with HIV/AIDS whom it supports to leave a health life and maintain their productivity levels.

Proposed Interventions

The office shall continue supporting the non-discriminatory approach with respect to HIV/AIDS positive staff. In the FY 2015/16 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.

Budget Allocations UGX billion 1.4

Performance Indicators Annual subscription to the medical service provider paid.

(iii) Environment

Objective: To build the capacity of staff in environmental audit

Issue of Concern : In line with the Government policies and guidelines on mainstreaming environmental issues in planning, resource allocation and implementation of development programmes, the office is currently mainstreaming environment in external audit.

Proposed Interventions

Training of staff in environmental audit

Budget Allocations UGX billion 0.03545908

Performance Indicators 1 staff trained

(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.