



PARLIAMENTARY DEBATES

(HANSARD)

OFFICIAL REPORT

FIFTH SESSION - FIRST MEETING

THURSDAY, 11 SEPTEMBER 2025



IN THE PARLIAMENT OF UGANDA

Official Report of the Proceedings of Parliament

FIFTH SESSION - 14TH SITTING - FIRST MEETING

Thursday, 11 September 2025

Parliament met at 2.01 p.m. in Parliament House, Kampala.

PRAYERS

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

The House was called to order.

COMMUNICATION FROM THE CHAIR

THE SPEAKER: Honourable members, I welcome you to this afternoon's sitting. The Uganda Parliamentary Fellowship announces the Ninth Women Forum of the Uganda National Prayer Breakfast, which will take place on Tuesday, October 7th, at Hotel Africana, starting at 7.00 a.m. You are accordingly notified and invited.

Honourable members, since the loan for upgrading Bugiri Hospital was approved yesterday, I have received a number of petitions requesting that all their hospitals be examined. The Ministry of Health needs to comprehensively examine dilapidated hospitals.

The petition I received this morning was from Soroti Hospital, but leaving Soroti aside, there are so many other hospitals that need to be looked at, so that we can work on a number of hospitals. We thank them for the Bugiri Hospital, but we also want the other hospitals in the country to be worked on. I want to thank you so much. If you look at Kamuli Hospital - they call it Mulago - that hospital receives

patients from Buyende and elsewhere; it should also be worked on.

Of course, as I said before, the petition I have received is for Soroti Hospital. The ministry should ensure they work on the regional hospital because we currently have more of a district hospital. Therefore, I want the minister to look at that and report to this House. Yes? *(Hon. Silwany rose_)*

THE SPEAKER: I did not give you; I gave Hon. Walyomu.

2.05

MR MOSES WALYOMU (Independent, Kagoma, Jinja): Thank you, Madam Speaker. I want to thank the House and you for the good work you are doing for this country, especially in the area of health. You know, when you have a healthy population, it means you have a good working population.

Madam Speaker, as you have stated, Kamuli Hospital does not treat only the people of Kamuli. I want to assure you that even we, as the neighbouring district, people from Jinja, also go to Kamuli for the same. When you look at Busoga as a subregion, in the 12 districts, the only referral hospital that we have is Jinja Hospital. However, when you go to Jinja Hospital, it is densely populated.

In addition, we have the new constituencies, Madam Speaker, like my constituency. As of now, it is the policy of this Government for each constituency to have at least a health centre IV,

but up to now, my constituency has only health centre IIs and IIIs. Thank you so much.

THE SPEAKER: Thank you. Government, I hope you are taking note.

2.07

MR SOLOMON SILWANY (NRM, Bukooli County Central, Bugiri): Madam Speaker, I want to take this opportunity to thank you. I rise in reaction to your communication and thank honourable Members for Bugiri Hospital. I want to specifically thank you, as this is the second big achievement we are getting in Busoga under your leadership.

You remember very well that the issue of Busoga University was sorted by you. Yesterday, Bugiri Hospital came and it passed in this House. I know more things are going to come. We are very proud of you, Madam Speaker, as Busoga and as Members of Parliament. I know you will take care of the interests of all the other regions so that we move together in unison. *(Interruption)* Point of information from Hon. Basalirwa.

MR BASALIRWA: I want to thank you, Commissioner, for giving way. The information I want to give is that the Speaker has the right to favour Busoga because she is part of Busoga, as you know. That is the information I wanted to give. *(Laughter)*

THE SPEAKER: Honourable members, I am a national leader. What I do for Busoga is what I do for all other regions. Has he finished? He has not finished. For you, you are even a mayor now. *(Laughter)*

MR SILWANY: Therefore, Madam Speaker, we want to request you, as the head of the Legislature in this country and all of us, honourable Members, that when we are going into the next budgeting cycle, we should give hospitals and our health centres a priority. I saw the happiness and celebration that the people of Bugiri had yesterday. It means when you touch health, you are touching the health and the lives of Ugandans directly.

Therefore, in the next budgeting cycle, I request honourable Members to focus on all these other hospitals, like the ones that have brought petitions and even those that have not petitioned so that we move together and support the health sector in this country.

THE SPEAKER: Thank you. Of course, that improves service delivery. We need a healthy population. You will respond later. Yes, “mayor.”

2.10

MR MBWATEKAMWA GAFFA (NRM, Igara County West, Bushenyi): Thank you, Madam Speaker. We appreciate Parliament’s acceptance of the upgrade of some hospitals. Before we go to that, it is government policy to ensure that every constituency has at least a health centre IV. This assists in decongesting the hospitals and referral hospitals.

However, it is very unfortunate that some of us are celebrating from the other wing. In my constituency, where even the UPDF was –

THE SPEAKER: Which constituency now?

MR MBWATEKAMWA: No, the constituency is still Igara West because I am still representing them up to the end of May 2026. *(Laughter)*

Madam Speaker, it is very unfortunate that in my constituency, the Government had actually brought contractors on site; the UPDF who they have been singing as so effective but I am yet to see them because they normally sit here and I have never seen them anyway.

Madam Speaker, the point I am bringing up is that, as the Government plans to upgrade other hospitals, how about other constituencies without a single health centre IV?

My prayer, Madam Speaker, is that this Government of ours - Are you writing, Hon. Bahati? This Government must pull up its stockings to ensure that our views are taken up. Madam Speaker, you can even see the bench is almost empty.

My prayer is that it is the right of constituencies that are not yet accredited to have health centres IV. We seek your favour since we have a connection. You can also be a *mulamu* from another side so we get that favour. Thank you.

THE SPEAKER: Honourable members, I do not do any favours. It is the Government's responsibility to ensure that it delivers what is expected in terms of service delivery, that is, hospitals, schools, roads - all those things. My work is to chair this House when you are making appropriations for the good of this whole country. I will never tell you, "Let us appropriate for where I come from first". No. I do not look at where I come from first. Yes, Hon. Ethel -

Seriously, honourable minister, we need a comprehensive study on health care issues. We need to look at where you have a subcounty without a health centre IV so we can see how to make it a priority in the next budgeting season. Thank you so much.

2.13

MS ETHEL NALUYIMA (NUP, Woman Representative, Wakiso): Thank you so much, Madam Speaker. Last financial year, we agreed as Parliament and appropriated Shs 80 billion to ensure that the health centres IV were catered for. We agreed here to solve the matter of health and ensure that health centres IV are well-capacitated with key items so that patients can be worked on.

Madam Speaker, we are aware that hospitals are overloaded. In fact, they are overwhelmed right now because health centres I, II, and III do not have the capacity to handle almost anything. For example, Wakiso health centres IV do not even have certain medicines.

Madam Speaker, I pray that as we think of how best to ensure our hospitals, I am saying this because Entebbe General Hospital used to be a district hospital for Wakiso, but currently it is handling five districts. Its capacity; the staffing level is still at district level and many other hospitals are in the same category.

Madam Speaker, can we plan, as we appropriate this financial year, to again look at our prior programme of facilitating health centres IV? Thank you.

THE SPEAKER: Thank you. Honourable members, when I was communicating, I talked about the women's fellowship. The Uganda Parliament hosts the national prayer breakfast every October, that is, the parliamentary fellowship which is headed by Hon. Bahati David. This year's national prayer breakfast is going to be held on 8 October 2025 at State House, Entebbe at 7.00 a.m.

Honourable members, the Chief Guest will be His Excellency President Yoweri Kaguta Museveni. The Chief Host is the Speaker of Parliament. The keynote speaker will be Bishop Masinde, a Senior Pastor from Deliverance Church International- Umoja. The theme of that day will be, "*The Power of Forgiveness and Reconciliation*". I want to invite all of you to attend this prayer breakfast as we forgive each other and reconcile for the good of our country. Yes, *Mukatuliki* -

2.17

MR JOSEPH SSEWUNGU (NUP, Kalungu West County, Kalungu): Thank you, Madam Speaker. In some of the new districts, like Kalungu, we have original hospitals under the Catholic Church Foundation or the Church of Uganda. When you visit Villa-Maria Hospital, it has facilities better than health centres IV.

One time, I went to Zombo - there is another Catholic hospital there. Madam Speaker, there was a policy which helped these hospitals operate. In Kalungu, where I come from, Villa-Maria Hospital works for Ssembabule, Kiruhura -

THE SPEAKER: That is a Primary Health Care (PHC) -

MR SSEWUNGU: Yes. It works for Gomba, but we do not have doctors because these hospitals cannot afford to pay them. Madam Speaker, if a policy can be worked on so that

the Government posts some doctors in these hospitals -

THE SPEAKER: Honourable Minister Bahati, that is a very important point. There are some privately owned hospitals, like church-owned hospitals, and even those privately owned by individuals. Can the Government do one thing; send doctors to those hospitals so they give treatment at a subsidised rate? That would help.

MR SSEWUNGU: Madam Speaker, as I conclude, if you go to Villa- Maria Hospital where I come from and where I was born, there are enough facilities. They have accommodation for doctors - first-class houses, but because they are incapacitated by income, based on the income of the people, they cannot. Otherwise, they seek guidance and help from the Government. *(Interruption)* I am going to give you information -

Madam Speaker, as you have stated, it would solve a lot of issues since they are already established. In fact, the Government is giving little money but employing doctors and nurses is key.

THE SPEAKER: Thank you. I was waiting for Hon. Christine. Now that she has come, let me have Dr Apea, the Member for Aruu, Hon. Atkins and then Hon. JB.

2.19

DR AGNES ATIM (NRM, Woman Representative, Amolatar): Thank you very much, Madam Speaker. I also thank you for your communication and the success.

THE SPEAKER: Before you speak, in the public gallery, we have pupils and teachers from Mengya Primary School in Kween County, Kween District. You are most welcome. Thank you so much for coming. Join me in welcoming them. *(Applause)* They are represented by Hon. William Chemonges and Hon. Rose Emma Cherukut. Welcome, and thank you so much for coming.

DR AGNES ATIM: Thank you, Madam Speaker, for always guiding this House on matters of service delivery. Yesterday, we passed a loan in a record one minute. There was no discussion. We thank you for that because issues affecting our people are always a priority.

Madam Speaker, on Wednesday, I was privileged to be a minister for one hour when the Minister of Health delegated me to hand over an ambulance in my health centre in Amolatar. I made an effort to tour the health centre. However, what I saw there is that our health centres are more sick than patients. The issue of infrastructure in our health system is really wanting. As a House, I think we need to reprioritise and take affirmative action the way we are doing for sports.

Madam Speaker, if only we could stand our ground and pass a budget that would at least renovate the hospital. Even beds to treat patients are not there. The issue of the infrastructure of our health system should really take priority.

Madam Speaker, I know you are a people's person. Our theme for the 11th Parliament has been the People's Parliament. I think for the few months remaining, let us do something in the health sector as it is really wanting. Thank you.

THE SPEAKER: Thank you, and we must walk the talk. Yes, Member for Aruu.

2.21

MR CHRISTOPHER KOMAKECH (Independent, Aruu County, Pader): Madam Speaker, thank you so much for this opportunity. I am humbled that you had to speak about health. There are individuals down there, especially in Aruu, whose lives will change by the speech you made today. I thank you so much for that motherly and kind-hearted spirit.

Madam Speaker, in Pader District, we only have two delivery beds.

THE SPEAKER: Two?

MR KOMAKECH: Two delivery beds, and they are in Pajule Health Centre IV. The last time the Ministry of Health gave out delivery beds –

THE SPEAKER: You have two delivery beds?

MR KOMAKECH: Two delivery beds.

THE SPEAKER: What about admission beds?

MR KOMAKECH: At Pajule Health Centre IV, we have around 10 admission beds for women and 10 for men.

THE SPEAKER: What is the capacity of the labour ward?

MR KOMAKECH: The labour ward takes only one mother.

THE SPEAKER: If you have two, where do you put the others?

MR KOMAKECH: There are rooms for the other beds, but they cannot – most of the mothers deliver on the floor, Madam Speaker.

Madam Speaker –

THE SPEAKER: There is a reaction from a doctor.

DR KAGABO: Thank you very much, Madam Speaker. As you must know, health issues are very sacrosanct and quite expensive. The majority of us are discussing health issues and upgrading facilities, but the most important thing is to work on the preventive aspect of illnesses.

THE SPEAKER: Doctor, what we are saying is that let us equip the available hospitals. Where there are no beds, medicines, or doctors, let us equip those.

DR KAGABO: I agree with you, Madam Speaker, but I am alluding to the fact that as long as we do not work on the preventive

aspect of these patients coming to the hospitals, we shall never get there. It is also important that Members of Parliament and all other stakeholders do the primary prevention of illnesses. *(Hon. Mbwarekamwa rose)*

MR MBWATEKAMWA: Madam Speaker, I respect Dr Kagabo as a credible doctor. However, I am not aware of what he is talking about in terms of prevention. We are talking about pregnant mothers coming to the hospital to deliver. He is talking about preventive mechanisms.

Madam Speaker, is a trained doctor, in order to mislead the House that our women should not conceive. Once they conceive, they would not be able to prevent themselves from delivering. Even to attend family planning, they must go to the hospital. Is that preventive? Is he in order?

THE SPEAKER: Doctor, you cannot say that women should be preventive. Even the Bible says, go out in the world and reproduce. Do not tell us about prevention when somebody is going to give birth.

Honourable members, Hon. Christopher Komakech is raising a pertinent issue regarding women who are going to give birth and there is no delivery bed. If a woman is delivering on the ground, what does it cost us to put delivery beds and admission beds there? Do you get it? These are elementary, very small things that a woman expects out of a hospital.

Yes, Hon. Komakech.

MR KOMAKECH: Madam Speaker, thank you so much. The other issue is, Uganda People's Defence Force (UPDF) was given Shs 600 million to construct and upgrade Awere Health Centre III to IV. To date, work has stalled at 80 per cent. That was last year when they gave them the money. We call upon the Government to –

THE SPEAKER: No, first go back to where the UPDF is working, get a report, and find out what the problem is. Were they given all the money or not? Let us get a report from there so that based on that report, we can be able to act.

MR KOMAKECH: Madam Speaker, they were given all the money. Money actually was sent by –

THE SPEAKER: Okay, give me a report on why they have not finished, and we can follow up from there.

MR KOMAKECH: Thank you very much, Madam Speaker.

THE SPEAKER: We need to act as leaders. Let us not lament.

MR KOMAKECH: Finally, Madam Speaker, there is a pertinent issue happening in this country. Every time there is rehabilitation of hospitals and health centres, there is a special category of patients - and those are the mentally sick - who are left out. They will upgrade the HIV section and maternity wards, but you will never find any upgrades taking place in the mental health clinics.

It is a notion that the mentally ill are now being thrown in the backyard of the hospitals. With a report given one month back by the Executive Director of Butabika National Referral Mental Hospital, Dr Juliet Nakku, they need Shs 2.4 billion so that they can employ more medics to handle these patients -

THE SPEAKER: You see, the problem is that some of you have been trained in that, like you. Now you want to come into politics. He is trained in mental health. They are all running into politics. That is why we are missing out on – *(Laughter)* Anyway, we need that money for mental health.

MR KOMAKECH: Thank you so much, Madam Speaker. Much obliged.

THE SPEAKER: Thank you. By the way, Hon. Komakech is a well-trained mental health personnel. Yes.

MR LUBEGA SSEGGONA: Madam Speaker, thank you very much. I am concerned, and I need your procedural guidance. We are

talking about matters of health, but the Leader of Government Business is not in Parliament. The Minister of Health – Hon. Bahati could write, but you know that lately, Hon. Bahati is hated by those people to the extent that they even rigged him out in the party primaries. I do not know if he can still talk to those people – *(Interjections)* - No, I know they rigged my brother out. Yes, it is a fact. *(Laughter)*

THE SPEAKER: Hon. Lubega Sseggon, you are also going to be rigged out. You wait. *(Laughter)*

MR LUBEGA SSEGGONA: Yes, I know. That is why I am complaining in advance. If it happens to my brother, it can happen to me. I do not know if he can still talk to those people and they understand.

THE SPEAKER: He does. We are all in one Government, do not worry. Yes, Atkins.

2.29

MR ATKINS KATUSABE (FDC, Bukonzo County West, Kasese): Thank you very much, Madam Speaker.

Health is wealth and health is life. Everything else can wait, but not health. Madam Speaker, I thank you for prioritising the health of our fellow citizens. This is in regard to Bwera General Hospital.

Right now, Bwera General Hospital is a general hospital. As you are aware, Madam Speaker, Kasese District is such a big community district accommodating about 1.4 million Ugandans. You can imagine 1.4 million Ugandans being served by one general hospital.

Madam Speaker, it is my prayer this afternoon that this House considers upgrading Bwera General Hospital to a regional hospital because it not only attends to our fellow citizens, but also to our neighbours in the Democratic Republic of Congo (DRC). This hospital is overwhelmed. We would really request, as a community, that Government upgrades Bwera Hospital to a regional hospital.

On the same note, Madam Speaker, there is a hospital in Kasese Municipality called Mt St Mary's Hospital. It was put in place by the generosity and kindness of the German people through partnership with your 'dad', who also happens to be my 'dad', the Rt Rev. Bishop Francis Kibira Kambale.

Madam Speaker, the hospital and the bishop, your 'dad', who is also my 'dad', have requested that the Government step in to provide us with specialists.

Madam Speaker, if it is fully fledged in terms of infrastructure and equipment from Germany, it would really serve us well as a community and as a country if our government offered specialists to St Mary's Hospital. Madam Speaker, I want to appreciate you for the opportunity.

THE SPEAKER: Thank you. Hon. JB. Let us be brief.

2.32

MR JOHN BAPTIST NAMBESHE (NUP, Manjiya County, Bududa): Thank you very much, Madam Speaker. Why I threw my full weight behind that loan for the refurbishment of Bugiri Hospital is because Bugiri and Bududa Hospitals are among the 22 hospitals that were constructed after independence by the late Dr Milton Obote, and the concern -

THE SPEAKER: By his government - *(Laughter)*

MR NAMBESHE: The concerns that we have about the deplorable state of these hospitals are almost similar. The buildings are dilapidated and the case of Bududa is even worse because during critical health crisis and disasters, it is overwhelmed by casualty cases that are referred to Mbale and you know the sorry hospital state is conjoined to the deplorable state of the road and it becomes very difficult for some of these emergency cases to reach the referral hospital Mbale.

You know, for Bududa Hospital, I must say this petition that has come from Soroti Hospital and

others is a blessing in disguise, so that maybe the House recoils and plans better for all these dilapidated hospitals. Bududa Hospital serves not only Uganda, but also has over five districts within Uganda, from Namisindwa, Manafwa, Sironko, parts of Mbale, and Kenya.

At one time, four years ago, when there was an outbreak of dysentery in neighbouring Kenya, most of those cases were actually brought to Bududa Hospital and we ended up again having many of our people affected by the same.

I will conclude with a plea to my good friend, the Hon. Bahati, about the National Prayer Breakfast. You remember we had agreed - that time I had not been promoted; I was a bishop but I have now been promoted to presiding apostle. We had a unanimous agreement that the National Prayer Breakfast should not be held in the State House, as it cuts off some of the believers who think that the guest of honour, who is none other than the President, is also chairman of a party and this particular prayer breakfast should not have partisan colours. It should be non-partisan.

I do not know why, after we upheld this proposal, the National Prayer Breakfast continues to be held in the State House - *(Interjection)* - Yes, please, because Hon. Abed Bwanika was part of the meeting that agreed on this - *(Interruption)*

DR BWANIKA: Thank you for giving way. Madam Speaker, I am a member of the fellowship and the National Prayer Breakfast. I want to agree with Hon. Nambeshe. Last year, we had the National Prayer Breakfast in the State House. We can alternate and have the National Prayer Breakfast at Kololo, so that everyone will have an opportunity to participate. We want to participate, but there are connotations -

THE SPEAKER: We can even have it in our Parliamentary gardens here.

DR BWANIKA: Yes. I want to call upon the leadership of the National Prayer Breakfast. The fact that we have baptised it a National Prayer Breakfast, and you have rightly mentioned the

wonderful theme of “Forgiveness”. Therefore, we should have an opportunity for everyone. Whether people are in the Opposition or any other party, a venue or a location is very important. We want to call upon the leadership to consider our request that this year’s National Prayer Breakfast be shifted to a place that can attract everyone.

THE SPEAKER: Thank you. Honourable will respond to that - (*Hon. Ssenyonyi rose*) - On the same? I thought you would speak last. Members, let us finish.

2.37

MR MILTON MUWUMA (NRM, Kigulu County South, Iganga): Thank you very much, Madam Speaker. Allow me to thank you for the communication, but also salute you for always giving priority to matters that affect Ugandans.

Madam Speaker, yesterday, after passing that great loan that Hon. Nambeshe has been referring to, I got numerous messages of gratitude to you that you made commitments to Ugandans at some forum that you will always give priority to matters that affect the local person. As your contacts outside, we speak with pride that you are delivering to Ugandans. That hospital has been sick while handling patients, but as we talk, people are now smiling, that yes, we are giving hope.

Madam Speaker, the other day, when Luuka-Iganga-Kamuli Road had stalled, you put the minister, Gen. Katumba Wamala, to task here, and he committed that in October, things are going to take shape. That is the tarmacking of that great road that has been long-awaited. We salute you for always addressing and presiding over a House that speaks to the plight of Ugandans. I thank you and wish you well.

THE SPEAKER: Thank you so much.

2.38

MR MOHAMMED KATO (NRM, Katerera County, Rubirizi): Thank you, Madam Speaker, for allowing me to thank you for fighting for Ugandans. However, something

is disturbing me. I come from Katerera Constituency, where I represent the people of Katerera. I have five sub-counties. The good thing with our Government is that they have provided us with health centre IIIs. Where there is a health centre IV, it is almost 16 kilometres from Katerera. Last year, two women died along with their unborn babies because of a lack of a health centre IV, and at the same time, the roads are very bad.

Madam Speaker, it disturbs my mind, and I need your advice. We have given over \$20 million to rehabilitate Bugiri Hospital, whereas in my constituency, I need only about Shs 1-2 billion to have a health centre IV.

I kindly request our good government to give priority to other constituencies also, so that they have health centre IVs, because our people are dying. I thank you very much, Madam Speaker.

THE SPEAKER: If you heard my original statement, we should take priority over all the hospitals. Let us look at the entire health sector for us to be able to manage, because if you look at it from a distance, the best thing would be to make a health centre III where somebody can go and give birth, rather than going to a district hospital or to the health centre IV. We need to equip those health centres.

MR KATO: Much obliged, Madam Speaker.

THE SPEAKER: Thank you.

2.40

MS JOSEPHINE BEBONA (NRM, Woman Representative, Bundibugyo): Thank you, Madam Speaker, for giving me this opportunity. I thank you very much for your communication, especially on issues concerning the health systems of this country.

Bundibugyo Hospital was built during Obote’s regime and was one of the four hospitals selected to be rehabilitated under the BADEA Project.

THE SPEAKER: Among the 22.

MS BEBONA: First, it was the four, including Yumbe and Kayunga, way back in 2019. Today, it is 2025, and up to now, the hospital has never been considered for rehabilitation.

Madam Speaker, this hospital serves Congo, Ntoroko, and Bundibugyo Districts, and the population has grown. Even the only road which connects us to Fort Portal Regional Referral Hospital has broken down and soon, we shall be cut off completely. This road is not being worked on, and yet it is the only road we have.

The other hospitals have been rehabilitated and commissioned. Yesterday, we passed a loan for Bugiri Hospital under the same project that was supposed to be for Bundibugyo. We have not petitioned, but we shall not stop talking. We pray that Bundibugyo Hospital is urgently considered among the 20 that were mentioned or at any other opportunity that will come, but Bundibugyo Hospital should be prioritised.

THE SPEAKER: Hon. Omara, and then the Leader of the Opposition (LOP)

2.43

MR PAUL OMARA (Independent, Otuke County, Otuke): Thank you, Madam Speaker, for your statement regarding our health services. This morning, I went to Munyonyo to attend the budget conference. In the budget strategy under the human capital development, health issues are appearing prominently. Unfortunately, when it comes to the actual provision of money for health services, it is always very small. For example, we were only given Shs 33 billion this financial year to cater for the reconstruction of health centre IIIs and IVs, which is quite minuscule.

What I would like to propose is that the efforts of the Minister of Health - she has always come to the House here to say, "Why don't we look for some good amount of money, whether it is borrowed funds, so that we deal with these health services across the country in a very comprehensive way?" Some of these health centre IIIs and IVs are in name only. When you look at the standards of infrastructure which is required there, they are lacking.

Therefore, I urge this House that we are the ones with the power of appropriation. Let us start engaging the Executive now, and look for a sufficient amount of money so that we can, in a very comprehensive way, deal with the health infrastructure in the country, especially health centre IIIs and IVs, which are basically our first line of defence in helping the people of Uganda. I submit, Madam Speaker.

THE SPEAKER: Thank you. LOP -

2.45

THE LEADER OF THE OPPOSITION

(Mr Joel Ssenyonyi): Madam Speaker, yesterday we joined the people of Bugiri in celebrating, however momentarily it might be, that Parliament gave a green light for these \$20 million to be gotten to rehabilitate Bugiri Hospital because that hospital is very sick. That is for sure.

I am hoping that the excitement for the people of Bugiri will not be momentary. For many reasons, many times, we borrow money and it remains undisbursed. I hope this will not be the case because, as of the end of last year, in our country's record books, we had Shs 16.4 trillion undisbursed loans, and last year, as a country, we paid Shs 74 billion in commitment fees. Those are fines you pay for money that was lent to you, but you are not utilising it.

Once you have been lent money, they do not care whether you are utilising it or not; they have lent it to you. Last year, this was Shs 74 billion, which is like getting and throwing it in a pit latrine; commitment fees, and the Shs 16.4 trillion remain undisbursed. We need to stop this. Government, come and borrow money when you are ready to use it.

My honourable brother might be excited, but I do not know how many years might elapse before this money is released. The hospital gets to be refurbished, because we have seen this happen again and again. Hopefully, we will get to do better because our debt burden continues to grow. We are now at Shs 107 trillion, but you see a good chunk of that is money we are not utilising. Why do we borrow if we are not

ready to put it to use? Why? It does not make sense at all. I hope this is not one of those cases.

Madam Speaker, we hope that, for the umpteenth time, the Government can come up with a comprehensive plan to refurbish health facilities in this country. Whether it be the infrastructure or staffing, there are numerous challenges.

Busoga region alone, where Bugiri falls, as per the 2024 National Population and Housing Census, has an approximate population of 4.37 million. That is the Busoga region alone. How many functional hospitals are in that region? It is the second-largest population by region. How many can you talk about? And that is why now Bugiri is very excited that at least money has been borrowed to deal with this one.

Widen the circle, go outside of Busoga. If every Member in this House across the aisle got a chance to talk about the health care situation in their constituency, you would be appalled. Health centres are non-functional, no doctors, and the theatres are full of bats and rats. In fact, doctors fear going there. They say, 'We cannot go and work in those places.' People are taken there, and what is there is probably Panadol.

We need a comprehensive plan to revamp healthcare in this country. We cannot just do it piecemeal. Until when? You come with a comprehensive plan, tell us that for all your health centres, we will borrow money, however unsustainable that is, but let there be a plan. Let us come here and debate that plan. Tell us that this is what we want to do. This is how we will find that money to deal with the healthcare challenge in the entire country. Thank you.

THE SPEAKER: Honourable members, in the public gallery this afternoon, we have pupils and teachers from North Road Primary School from Mbale. You are welcome. They are here to observe the proceedings. They are represented by Hon. Connie Galiwango and Hon. Wambede Faith. Thank you so much for coming.

On the other side of the gallery, we have pupils and teachers from Ikweria Negri School for the Disabled in Kwanja District. You are welcome. They are represented by Hon. Okae Bob and Hon. Auma Kelly. Thank you so much for coming. Yes.

2.50

THE CHIEF OPPOSITION WHIP (Mr John Baptist Nambeshe): Thank you, Madam Speaker, for having allowed me to receive this, my own, from North Road. We used to call them "north road academic fighters" because of the academic excellence they have exhibited year in, year out. Actually, in the subregion, they remain the first among equals. You are most welcome to the National Assembly, and please keep that track record up, and may God abundantly bless you.

THE SPEAKER: Amen. Thank you. Honourable minister, the issues of the health sector, as you have heard, about revamping the whole health sector - all these need a multi-sectoral approach. You find that some hospitals have no electricity because they cannot pay for it. Therefore, women are delivering while using torches to give birth.

You have bad roads; for you to reach a hospital, there must be a bad road. Just like when you are entering this city, if you do not encounter potholes, then you have not entered the city.

There is the issue of the personnel. There are no personnel; some of them do not have drugs, and some of them are really in a dire state. So, over to you.

2.51

THE MINISTER OF STATE FOR TRADE, INDUSTRY AND COOPERATIVES (INDUSTRY) (Mr David Bahati): Thank you, Madam Speaker and honourable colleagues, for the discussion on this important matter of health. I thank the Leader of the Opposition for the insight into this debate. I would like to first clear one simple thing. While we were seated there, somebody posted on the Parliamentary website that on a light moment, MP Sseggon challenges Minister Bahati's capacity to

represent the Government on the Floor. I would like to affirm that I have an overwhelming capacity to represent the Government on this Floor.

THE SPEAKER: It is on the record. Hon. Bahati, as you are speaking, we have the Health Sector Strategic Plan, which ends this financial year. So, as the Government, you may need to come out and tell this country what is in your next plan.

MR BAHATI: We have noted the concerns of the Members and I am sure that they have come at an appropriate time when we are actually going to start the budget preparations and we will have the Budget Framework Paper. This Budget Framework Paper lays out the strategy and the outlook of how things will work in the next financial year.

Therefore, we hope that through this Parliament, the Members of Parliament will have valuable input in the Budget Framework Paper. I want to mention two things. One, to confirm that all the issues that have been raised - I do not know, Madam Speaker, how you want us to take this, but I would propose that the Minister of Health comes, if you accept, to again make a presentation here on how we are moving in terms of the health sector and then maybe the Committee on Health can also look at this matter. As we debate and discuss the Budget Framework Paper, we can improve how the health sector will look next financial year.

As you know, the policy of the Government on health is to have, among other things, a national referral hospital, a regional hospital, a district hospital, a health centre IV and a health centre III. We are making some good progress out of this. In some districts, we have covered this. For example, in Kabale District, where I come from, most of these things are in place. We have seen the benefits of the things that can be done when you have a good functional health centre III. In my constituency alone, health centre IIIs help over 600 mothers to deliver every month.

Therefore, this can really make some good progress. Also, you made a point, Madam

Speaker and other Members, that there are foundational bodies that have health units. There are even private sector hospitals. I know some of the hospitals that have 200 beds, but they are not supported by the Government. I know we have PHC money that comes from the Government to support these foundational bodies, but it is not enough.

Therefore, these are some of the things that the Minister of Health will be able to discuss when you give her an opportunity to make a presentation. I think it is a good idea for the Government to work hand-in-hand with the private sector. I know for sure, for example, that in Nansana, one of my friends has a hospital with more than 20 dialysis beds, more than what is at Mulago and other hospitals. We can achieve a lot if we work with the private sector.

I will be able to convey the message and request that when you avail the opportunity, the Minister of Health will be able to make a presentation here on the Floor.

THE SPEAKER: Hon. Bahati, there is information from Hon. Ayume. However, before he gives you that information, Dr Ayume and Dr Mzee will bear me witness. In my private hospital, I have over 200 beds. We do major operations and everything; women give birth for free. What would it cost the Government to say that we should support that hospital by giving it midwives and gynaecologists? Because they give birth for free and get treatment for free. That is giving back to the community, but the Government should be able to support. Yes, Dr Ayume?

DR AYUME: Thank you, Madam Speaker. The health sector has deficiencies, but I think we should not demonise it. There are indicators that we look at when looking at the progress of the health sector. I would like to tell this House and those watching and listening that maternal mortality is one of those indicators that we use to determine the progress of a health sector. The maternal mortality of Uganda, over the last five years, has dropped from 330 deaths to 189, and it is one of the best in the region.

Remember, we were coming out of COVID-19, Ebola, and the chronic strikes. So, I think that we deserve a clap as the Government and Parliament. There has also been tremendous investment in infrastructure in the health sector and in the LOP's constituency, and we have yet to be one of the best heart hospitals in Africa. I think the Rt Hon. Prime Minister did the ground-breaking in February.

It was a loan from the Saudi Fund, and once it is completed, we shall stop referring our heart patients to Turkey and India. Those are some of the things. I think three weeks ago, there was a loan request for a cancer centre in Arua. The one in Mbale will soon be coming aboard. It was in the same loan request by the Minister of Finance, Planning and Economic Development and then Mbarara and so forth.

Madam Speaker, the issue is appropriation. Once given the right funds, I think the Minister and the Ministry of Health would be on the right track.

As I conclude, the 10th Parliament was able to borrow money, and over 200 health Centres III were built. It is for that same reason that we were able to reduce maternal mortality. I would like to implore the House to avail the necessary funds so that we can revamp all these health centres IV that we are talking about, all the ambulances that we need, and all the general hospitals that we need. I thank you, Madam Speaker.

THE SPEAKER: Thank you. Honourable minister, you can conclude.

MR BAHATI: Thank you, Dr Ayume. In addition, as you know, in terms of the progress we are making in the health sector, our life expectancy has now increased to 63 years, up from 41 years in 1991. This is because of the good programmes of the NRM Government, supported by all of you.

Madam Speaker, one of the questions that has been raised here is the personnel at the health centres III and health centres IV. We plan to recruit medical doctors at health centres III, if resources allow.

These are some of the things that we shall be able to discuss during the Budget Framework Paper, which is coming out in December. At the venue of the National Prayer Breakfast, we will practically look at it at this tail end. I also want to encourage my brother, Hon. Nambeshe, to demystify the State House. State House is for all of us, and where I have also seen - *(Interruption)*

MR SSEMUGGU: Madam Speaker, The Emoluments and Benefits of the President, Vice President and Prime Minister Act, 2010 gives benefits to holders of those offices, including vehicles and houses. Is the President's convoy for everybody? Those benefits are outlined in the law's schedule.

Therefore, when the National Resistance Movement (NRM) people go to State House, they are abusing the law; eating our food and flushing our water. Is the minister in order to mislead Parliament on a statutory matter that is well defined, even to a senior four-dropout to read, that the residence is a benefit to the office holder? That is why you cannot sleep there.

THE SPEAKER: As far as I know, the State House welcomes everybody. At one time, we met there with Hon. Ssemuggu - *(Laughter)* - before he became a politician.

MR SSEMUGGU: Madam Speaker, I have never met you in the State House. You are responsible for many things, including Parliament's record. At least I have been there many times as a journalist to interview President Museveni, but I have never been there with you.

THE SPEAKER: You were there before you became a politician.

MR SSEMUGGU: We did not meet there; you were in FDC, and I was a journalist. However, I want us to restrict ourselves to the issue of the law.

THE SPEAKER: Honourable members, State House is for everybody and I want to welcome all of you there for the prayer breakfast. At least it is on record that he has been there.

MR BAHATI: Thank you, Madam Speaker. Now that we know that he has been there and in the spirit of the theme for the day, “*The power of forgiveness and reconciliation*”, we truly forgive him. Thank you.

THE SPEAKER: - for lying. Next item. Let me vary the Order Paper and have the Chief Opposition Whip make two designations.

DESIGNATION OF MEMBERS TO COMMITTEES

3.04

THE CHIEF OPPOSITION WHIP (Mr John Baptist Nambeshe): Thank you, Madam Speaker. I am re-designating the Opposition members of Parliament to sectoral committees, and they are only two in number. In accordance with Rule 195(1) and Rule 196 of the Rules of Procedure of Parliament, I hereby redesignate the following members of the sectoral committees as follows:

Hon. Adeke Anna Ebaju, the Woman Member of Parliament for Soroti of FDC, is being re-designated from the Committee on Finance, Planning and Economic Development to the Committee on Legal and Parliamentary Affairs.

Lastly, Hon. Nabukenya Brenda, Woman Member of Luweero District of National Unity Platform (NUP), is being withdrawn from the Committee on Education and Sports and hereby re-designated to the Committee on Finance, Planning and Economic Development. I beg to re-designate.

(Question put and agreed to.)

THE SPEAKER: The Members are duly designated—next item.

STATEMENT BY MINISTER ON THE CAUSE OF THE BROWNISH CLOUD, FOUL ODOUR, OILY FILM, AND WHITE CREAM ON LAKE BUNYONYI AND PROPOSED ACTIONS

THE SPEAKER: Honourable members, you will recall that on Tuesday, 9 September 2025, the Minister of Water and Environment

presented a statement on the plight of the state of Lake Bunyonyi. I guided that the shadow minister in charge of water and environment would also present a response to what the minister submitted, then we will debate both after.

So, we will receive the report from the shadow minister and then we will have a debate on that report. Remember, we gave the minister another task to bring the report on all the other water bodies in the country, and they promised to bring that by the end of the month, and that is when we shall have that debate. Yes, Hon. Christine Nakimwero -

3.06

MS CHRISTINE KAAYA (NUP, Woman Representative, Kiboga): Thank you, Madam Speaker. As has already been highlighted, this is a statement in response to the minister’s statement on the causes of brownish cloud, foul odour, oily film, and white cream on Lake Bunyonyi, as well as proposed actions.

While we commend the ministry for finally acknowledging this crisis after weeks of public outcry, the alternative government views the Government’s rapid assessment as shallow and reactive. It fails to address years of neglect that have allowed preventable anthropogenic activities to push the lake to a tipping point.

Madam Speaker, we were supposed to share this statement earlier on 18th September, but the report has just been uploaded, and I request that Members cross-check and follow up.

On the causes outlined in the minister’s statement, he attributes the brownish cloud and turbidity primarily to natural lake turnover triggered by rainfall and temperature variations.

While this process occurs in many Ugandan lakes, it is exacerbated by anthropogenic factors that the Government has failed to adequately regulate.

Environmental reports indicate that intensive agriculture and deforestation in the catchment area exacerbate these natural events, leading to an excessive influx of sediment.

The minister downplays the role of climate change, fuelled by insufficient national adaptation policies, in intensifying these turnovers, as seen in similar disruptions across the Lake Victoria basin.

Run off from steep slopes, agricultural farms, settlements, stone quarrying, and iron ore mining are rightly noted, but the statement understates the severe impact of unregulated mining activities.

Iron ore extraction in the Kigezi Subregion has caused extensive erosion, wetland destruction, and direct siltation into Lake Bunyonyi, posing a glaring time bomb to the ecosystem.

Despite existing environmental impact assessment requirements under the National Environment Act of 2019, the Government has permitted mining operations without stringent oversight, leading to degraded shorelines and persistent brown discolourations. Local leaders and environmentalists have long warned of this and yet enforcement remains very weak.

Poor waste management from markets, car washing bays, and establishments is a key contributor to foul odours, oily films, and white cream, as low oxygen levels threaten aquatic life.

However, this stems from the Government's failure to invest in basic infrastructure such as faecal sludge treatment plants and sanitation facilities at sites like Harutindo landing centre.

Untreated discharges from over 46 hotels and businesses around the lake highlight a broader regulatory lapse where effluent standards are not monitored effectively. Water quality decline is not isolated. It mirrors pollution patterns in other wetlands due to inadequate waste disposal systems.

The uniform brown colour across the lake, linked to mixed sediments and dissolved organic matter, indicates a critical build-up from chronic pollution, rather than a temporary event. This has persisted for weeks, contradicting the minister's portrayal

as a routine occurrence. Independent analysis suggests that the accumulation of silt from mining and agriculture has reached unsustainable levels, posing a risk to long-term water-logging.

The proposed actions in the minister's statement - regular assessments, committee sensitisation, National Water and Sewerage Corporation treatment upgrades, catchment protection, alternative income generation, and waste facilities - are welcome but insufficient and belated. Sensitisation alone has proven ineffective without enforcement, as evidenced by ongoing degradation despite past campaigns.

National Water and Sewerage Corporation's enhancements address symptoms rather than root causes, and the ambiguous promises of "scaled-up protection" lacks clear timelines, budgets, and accountability measures.

From the alternative government perspective, we propose the following immediate and sustainable actions:

- i) Commission an independent, scientific study under the oversight of the parliamentary Committee on Environment and Natural Resources.
- ii) To prevent further siltation, iron ore mining and stone quarrying in the lake's catchment must be halted until comprehensive environmental audits are completed, with strict penalties for non-compliance.
- iii) Accelerate wetland and shoreline restoration through community-led initiatives such as indigenous tree planting and natural regeneration.
- iv) Allocate dedicated funding from the national budget for soil erosion control structures such as bench terraces and check dams, which will be a priority for upstream communities.
- v) Invest in decentralised waste management infrastructure, including faecal sludge and

modern landfills at landing sites, drawing from the lake-wide inclusive sanitation strategy for collaborative regional approaches.

- vi) Mandate all lakeside establishments to install on-site treatment systems within six months.
- vii) Promote diversified livelihoods through ecotourism grants, sustainable aquaculture, and agroforestry training, ensuring incentives are tied to conservation commitments. This should also extend to other threatened water bodies, such as Lake Victoria, where biodiversity loss poses significant security risks if left unaddressed.
- viii) Strengthen legal frameworks by amending the National Environment Management Policy to incorporate adaptive strategies for climate-induced lake turnovers with parliamentary oversight on implementation.

Madam Speaker, the degradation of Lake Bunyonyi is a symptom of a broader environmental mismanagement under the current regime. By adopting these alternatives, we can restore the lake's ecological integrity, safeguard livelihoods, and set a precedent for proactive stewardship across Uganda's water systems.

We urge the House to debate this urgently and hold the Government accountable through a select committee inquiry.

We commit to ongoing monitoring and collaboration for a greener Uganda.

THE SPEAKER: Thank you, shadow minister for Water and Environment. Honourable minister, given that you have received this, we need a comprehensive statement from you on all the water bodies. I will guide you on what to do after you bring the comprehensive statement. Remember, our fish are dying.

MS SEKINDI: Much obliged, Madam Speaker.

THE SPEAKER: When will we get the report?

3.15

THE MINISTER OF STATE FOR WATER AND ENVIRONMENT (WATER) (Ms Aisha Sekindi): We have committed ourselves as a ministry to submit a report by the end of this month.

THE SPEAKER: No, the end of the month will be far because if the fish are dying.

MS SEKINDI: Madam Speaker, it needs thorough and scientific research. It is not easy to come up with a report within a week. Maybe we can bring more alternative reports -

THE SPEAKER: Please provide us with the regular actions being taken to save the fish and the water. Next Item? We are not discussing this. Yes, Hon. Moses.

3.16

MR MOSES KABUUSU (FDC, Kyamuswa County, Kalangala): Thank you. Madam Speaker, the minister will respond. As island dwellers, it may sound funny, but almost every landing site has a challenge with human waste management. The Ministry of Water and Environment must come up with a comprehensive approach. Our people are still dying of diseases that are originating -

THE SPEAKER: Cholera, Mama Mabira, are you hearing? First listen to Hon. Moses.

MR KABUUSU: Thank you, Madam Speaker. As island dwellers, it is not laziness, but the nature of the soil on the landing sites is sandy. It is not easy for the communities, not even local governments, to give pit latrines or toilet facilities to the landing sites. Our people are still suffering from diseases coming from faecal mismanagement. The Ministry of Water and Environment must design an approach to address this problem.

Even when we have the Parish Development Model (PDM), our people still suffer from diseases that could be managed if the ministry had an approach to address faecal management

in the landing sites.

I pray that when the minister comes back, she will tell us what the ministry is doing about the communities with lakes and rivers and their settlements there that have challenges. The minister has no approach to it.

THE SPEAKER: I hope you are taking notes. Ministry of Health and Ministry of Water and Environment. Pastor Eddie?

3.18

MR EDDIE KWIZERA (NRM, Bukimbiri County, Kisoro): Thank you, Madam Speaker, and I thank both the shadow and the Government minister. We have a whole directorate of water development, and they do it. That is their work: to monitor all the water bodies. We also have a department of international waters, which means that they have scientists who check the water every day. If you do not check the water daily, you are putting Ugandans at risk. Based on those reports, we would have a report now.

Secondly, we have the National Environment Management Authority (NEMA), which is supposed to regulate mining in the subregion. We have raised these issues several times that there is uncontrolled mining. A lot of soil erosion is changing the state of the water in the lakes in Kisoro, Kabale, and the rivers. In my place, we do not need research to know that the river has dirty water because of soil erosion -

THE SPEAKER: Hon. Eddie, we are going to get a report. They know they have that department, and that is where they are going to get the report from. Next item?

MOTION FOR ADOPTION OF THE
REPORT OF THE COMMITTEE ON
PUBLIC ACCOUNTS, (COMMISSIONS,
STATUTORY AUTHORITIES AND STATE
ENTERPRISES) ON THE ANNUAL
REPORT OF THE AUDITOR-GENERAL
TO PARLIAMENT FOR THE AUDIT YEAR
ENDED 31 DECEMBER 2024

THE SPEAKER: Honourable members, as per the parliamentary calendar for the fifth session, the House has so far pronounced itself

on the report of the Auditor-General insofar as PAC (Central) and PAC (Local Government) were concerned. Yesterday, the House decided to adopt the recommendations of the Auditor-General with regard to the entities under PAC (Local Government) because the committee was unable to report back in time. Today we will receive a report from PAC (COSASE), and the Leader of the Opposition (LOP) is in the House to have the report on the Floor.

3.20

THE LEADER OF THE OPPOSITION (Mr Joel Ssenyonyi): Madam Speaker, a short while ago, Hon. Sseggona and Hon. Bahati had a friendly exchange. I think they had gone outside to sort it out. Now that Hon. Sseggona is back, we can invite him to the Floor to present his report.

THE SPEAKER: Thank you. Hon. Sseggona, you are supposed to present reports of 93 entities. You will tell us how many entities are ready and how many are outstanding.

3.21

MR MEDARD LUBEGA SSEGGONA (NUP, Busiro County East, Wakiso): Thank you, Madam Speaker. Indeed, Uganda has a ministry for disaster preparedness, and it is working. *(Laughter)* Madam Speaker, I want to thank you for your indulgence. Yes, we have 10 reports ready, and they are being uploaded. I understand that some have already been uploaded. I am only requesting 10 minutes to have them presented with your permission. I thank you.

THE SPEAKER: Do you have 10 reports out of 93?

MR LUBEGA SSEGGONA: Yes.

THE SPEAKER: That is 9.3 per cent.

MR LUBEGA SSEGGONA: It is correct, Madam Speaker.

THE SPEAKER: Go ahead and do the presentation.

MR LUBEGA SSEGGONA: That is the time

you gave us. I just need 10 minutes to put my paperwork in order. I have the minutes, but the reports are being uploaded. Kindly indulge me with those 10 minutes.

THE SPEAKER: So, you do not have the reports here?

MR LUBEGA SSEGGONA: Not here with me. They are on your system – *(Interjections)* - yes, they are uploaded. So, I need 10 minutes to pick and read them.

THE SPEAKER: Honourable members, you have heard from Hon. Sseggona. We will suspend the House for five minutes.

(The House was suspended at 3.23 p.m.)

(On resumption at 3.39 p.m., the Speaker, presiding_)

THE SPEAKER: Honourable members, we broke off because the report was not yet ready, but the chairperson has given me some copies of the reports that he is ready to start with. However, the chairperson also says he has not been able to finish to 100 per cent because of the time he was given. The same time is prescribed under Article 163(5) of the Constitution of the Republic of Uganda.

I am happy that the chairperson was in the House earlier than me and could have been one of the people who drafted that. However, at the same time, the Public Accounts Committee (Central Government) was given the same time, and they delivered. Therefore, time should not be an issue because these reports were forwarded on 21 January, and we are in September. We even gave additional time. Therefore, chairperson, it is not about the time.

3.41

THE CHAIRPERSON, COMMITTEE ON PUBLIC ACCOUNTS (COMMISSIONS, STATUTORY AUTHORITIES AND STATE ENTERPRISES) (Mr Medard Lubega Sseggona): Thank you, Madam Speaker, for the grace extended. Let me first clarify, Madam Speaker, as you have guided.

You are indeed right that the time issue is inscribed in our Constitution. I was not making reference to the person of the Speaker, but the republic, which gave us that time.

We shall have occasion to interrogate that time at a later date. However, I can only thank you profoundly for your patience and guidance. I appreciate that the pressure you exert on us is well-intentioned to ensure delivery as required.

Madam Speaker, as guided by the rules, permit me to lay on the Table the minutes of the proceedings in respect to the reports that I am about to present and the original copies of the reports so far, for secretariat purposes.

THE SPEAKER: Thank you. Those are the minutes for the committee meetings with the ten entities.

MR LUBEGA SSEGGONA: Madam Speaker, with your guidance, a number of reports, as you earlier stated, were forwarded to the committee, and we have been able to process some. I believe as we progress, you will notice that, yes, the committee ordinarily would have wanted more time, but because of the constraints, we shall proceed to present those that are ready.

Madam Speaker, the first is the report of the Public Accounts Committee on Commissions, Statutory Authorities and State Enterprises on the Auditor-General's report on the Uganda Revenue Authority (URA) Corporate Services for the audit year ended December 2024.

I will go to the summary because the reports have been uploaded, and our intention is to review the salient aspects.

The usage of expired appropriations was noticed by the Auditor-General as an outstanding anomaly, contrary to Regulation 17 of the Public Finance Management Regulations, 2016, which requires a vote to repay the unexpended balance of the money to the Consolidated Fund Account by 31st July of the preceding financial year. However, the Auditor-General noted that:

- i) Uganda Revenue Authority (URA) had a cash balance of Shs 46.6 billion as of 30 June 2023 on the expenditure account with Stanbic Bank, of which Shs 4.3 billion was not transferred to the Consolidated Fund Account and was subsequently utilised after the expiry of the appropriation; and
- ii) URA had a cash balance of Shs 26.6 billion as of 30 June 2024 on the expenditure account indicated with Stanbic Bank, but had not transferred the amount by 30 October 2024.
- v) URA subsequently sought supplementary allocation of Shs 15 billion, which was granted. See attached annexure 4.1A - payment advice of the transfer for Shs 4.3 billion - Garnishee Order Nisi; 4.1C - schedule of the outstanding invoices for June 30th, 2024, of Shs 17 billion; 4.1D - consent settlement agreement and 4.1A - the authorisation from the Permanent Secretary and Secretary to the Treasury(PSST) for Shs 15 billion.

The Auditor-General was concerned and noted that expired appropriations contravenes the Public Finance Management Regulations, distorts the Government's planning initiatives, and overstates the entity's budget.

In justification of the same, management informed the committee, as stated on page 5 of the report, that:

- i) The Authority had unutilised funds amounting to Shs 4,356,031,761 that were subsequently returned to the Consolidated Fund Account on 24 November 2023;
- ii) that it operates on an accrual basis of accounting, and as such, invoices worth Shs 17 billion for the financial year were already committed by 30 June 2024;
- iii) As a result, URA's operations account had been garnished by a court order in favour of one Mr John Imaniraguha, for the amount of Shs 26.2 billion, hence preventing the payment of the invoices worth Shs 17 billion that were due and charged against the appropriation for the financial year. The garnishee order remained in force until 8 August 2024, following the consent settlement agreement between URA and the plaintiff for Shs 15 billion;
- iv) The balance of Shs 11 billion was utilised to partially settle the outstanding Shs 17 billion, while the balance of Shs 6 billion was charged to the budget of the Financial Year 2024/2025;

While meeting the committee, the Accounting Officer stated that delays partly emanated from the Garnishee Order in Execution of miscellaneous application no. 641 of 2023, arising from civil suit no. 274 of 2021 - a tax dispute between URA and Mr John Imaniraguha. He further conceded to the delays in transferring the funds and pledged to improve.

The committee observed as follows:

- i) That whereas the money was meant to have been taken to the Consolidated Fund Account by 31st July of the preceding financial year, the funds were only returned in November 2024, contrary to Regulation 17(3) of the Public Finance Management Regulations, 2016, which requires paying the unexpended balance of the money;
- ii) This business person, Mr John Imaniraguha, could have closed or lost his business due to the protracted legal battles. The case had dragged on for over 20 years.
- iii) Despite the garnished amount being Shs 26.2 billion, there was an excess of Shs 4.3 billion after the accounting and audit process, which was not garnished and therefore could have been transferred.
- iv) The decision by URA to settle out of court arose from the fact that it had exhausted the entire appeal process;
- v) The entity's retention of the amount was irregular and may have deprived other entities from access and use of the same

funds, in addition to the distortion of planning.

- vi) The Alternative Dispute Resolution (ADR) process with URA is sanctioned and supervised by the Commissioner-General, against whose assessment may be the subject of dispute, thereby compromising the independence of the process.

The committee, therefore, recommends the following:

- i) The Accounting Officer should ensure compliance with the provisions of Regulation 17 by returning all unused funds to the consolidated fund.
- ii) URA should always endeavour to make the best of ADR or Alternative Dispute Resolution where tax disputes arise to mitigate possible closure or loss of businesses due to protracted tax contestations.
- iii) URA should streamline its process to avoid complicated procedures and make them accessible. Legislative action, such as amendments, would also enhance the independence of the ADR process.

The second significant query, Madam Speaker, raised by the Auditor-General, concerns double government contributions to retirement benefits for staff.

Section 10(1) of the National Social Security Fund Act, Cap. 230 requires that every contributing employer remit to the fund within 15 days following the last day of the month for every month during which he or she pays wages to eligible employees a standard contribution of 15 per cent calculated on the last total wages paid during the month to that employee.

Accordingly, the authority, as the employer, pays a mandatory 10 per cent contribution to the National Social Security Fund.

However, the Auditor-General noted that in addition to the NSSF contribution, the authority contributes an additional 10 per cent to the URA Staff Retirement Benefit Scheme, which is an in-house retirement scheme started by URA in 2007.

As a result, Shs 46 billion was paid out for the retirement benefits for employees, as shown below.

1. NSSF - Shs 24.6 billion; and
2. URA retirement benefit scheme - Shs 22.4 billion and a total of Shs 47 billion.

In the Auditor-General's view, the above amount to double contributions to the retirement benefits.

Management explained that:

- i) The authority introduced the URA staff retirement benefit scheme (SRBS) to augment the employee value proposition. According to the authority, this would attract and retain talent in the highly competitive labour market.
- ii) The SRBS is currently one of the key initiatives supporting the URA employee value proposition. It ranks as one of the most significant factors in attracting and retaining talent, as reflected in the employee satisfaction surveys.

Many employees consider salary and a secure retirement package when making career decisions, contributing to staff longevity.

- iii) Compared to other key government agencies, URA offers relatively lower salaries and does not provide additional allowances to mitigate the rising cost of living and attract and retain staff. Therefore, according to staff, the authority highly depends on other benefits, of which SRBS remains a critical element.

Scrapping SRBS may lead to a spiralling talent attrition that would adversely impede the URA revenue mobilisation agenda and the authority's contribution to the tax GDP ratio, which is pertinent for national development, referred to in Annexe 4.2A, with a comparison between URA pay and other government agencies and Table 4.2B, with the SRBS of other selected government agencies.

- iv) Recently, the authority has faced an increase in staff attrition, and one of the pull factors is the war for talent by other parastatals in private institutions, which is due to a lack of competitive salaries.

If the SRBS is discontinued, the attrition rate is likely to spiral and adversely impact URA's strategic agenda of raising the tax contribution to GDP ratio to 20 per cent. spiralling talent attrition would also have other contingent effects, like increased recruitment and training costs and skills drain.

Committee observations

The committee noted as follows:

- i) Many Government agencies run retirement benefit schemes (RBS) parallel to the pension and National Social Security Fund. These include Uganda Bureau of Statistics (UBOS), Bank of Uganda (BOU), National Water and Sewerage Corporation (NWSC), Uganda Electricity Generation Company Limited, among others. However, each entity has a different contribution;
- ii) The committee did not find any legal or regulatory impediment, especially considering that the amount has always been appropriated by Parliament;
- iii) There is no standard figure/ rate to guide entities on the minimum or maximum contribution that they may provide in their in-house retirement schemes; and
- iv) Withdrawing the benefits already provided for in the Human Resource Manual may amount to breach of the employment contract with attendant legal ramifications.

Recommendations

The committee recommends as follows:

- i) The Government, through URBRA, should streamline the approval processes for retirement benefit schemes across MDAs to avoid budgetary distortion and exaggerations; and
- ii) The Government should streamline and provide a cap for such contributions to avoid distortions across MDAs.

The third significant query raised by the Auditor-General is the high motor vehicle repair and maintenance costs.

The Auditor-General reviewed URA's financial statements and established that Shs 6.4 billion was spent on motor vehicle repairs for the Financial Year ended 2023/24.

The audit reviewed 61 vehicles with the highest repair expenditures and noted that for the last three Financial Years, 2021/2022, 2022/2023, and 2023/2024, an average of Shs 77 million was spent on repairs for each of the selected 61 vehicles.

The highest expenditure on repairs on an individual vehicle in a year was Shs 106 million. This is an indicator of an old, uneconomical fleet.

Management explained as follows:

- i) Vehicles have served on average eight to 12 years and undergone major repairs. Out of the 61 selected vehicles, 12 vehicles had engine overhauls. 21 were deployed in upcountry regions and 16 in enforcement operations; and
- ii) Resources to acquire new vehicles were availed for the Financial Year 2024/25 to the tune of Shs 6.7 billion. The procurement process to acquire an additional 25 vehicles was initiated and is currently at the contracting stage, awaiting approval by the Solicitor-General. See Annex 4.3 - Letter to Solicitor-General

The process of disposing of 38 old vehicles is in its final stages. While interfacing with the committee, it was revealed that 25 vehicles were expected to be delivered in December 2025.

The committee noted as follows:

- i) During Financial Year 2021/2022, URA approached 132 vehicles to replace the ageing fleet;
- ii) The period taken by the supplier to deliver the vehicle is unnecessarily too long,

impacting service delivery since mobility is affected.

Recommendations

The committee recommends as follows:

- i) The Accounting Officer should ensure expeditious procurement and delivery of the new vehicles;
- ii) The disposal and replacement of the ageing fleet of vehicles should be expedited to mitigate the cost of vehicle maintenance. In addition, it will generate Non-Tax Revenue (NTR) and also ease the movement of staff in the execution of the entity's mandate.

3.1.4 The Potential risk of Bank Accounts in Financial Institutions being garnished

Section 44(1) of the Civil Procedure Act, Cap 283, allows a successful party in a legal claim in pursuit of recovering their money to attach property, including money belonging to the unsuccessful party, whether the property is held in the name of the unsuccessful party or by another person in trust for or on behalf of the unsuccessful party. In addition, the accounts are not exempted under Section 44(1)(j) of the Civil Procedure Act.

The Auditor-General noted that in the case of *John Imaniraguha v. Uganda Revenue Authority, Miscellaneous Application No. 2770 of 2023*, the High Court allowed four of URA's bank accounts, held in Stanbic Bank Ltd., to be attached and/or garnished in the recovery of a sum of \$26.3 billion in execution of Miscellaneous Application No.641 of 2023, as shown in the table below. These are accounts No.1 to 4.

The court observed that the funds in those bank accounts were not exempted from attachment by law, and neither were they classified as being part of the Consolidated Fund. Subsequently, the bank accounts were garnished and attached under the orders of the Court until the money owed to the successful party was paid. This implies that the bank accounts are exposed to a high risk of attachment and loss of funds since they are not protected by law.

In response, the management informed the committee that:

- i) URA has taken the proactive approach of being compliant when demands for payment are made, seeking stays of execution where there are pending appeals, and pursuing mediation to settle any legal matters. This has reduced the threat of garnishment of URA accounts.
- ii) In the meantime, management has written to the Attorney-General and will continue to engage with the Judiciary in this regard. The engagement will reference his earlier guidance that URA accounts should not be garnished and how, in practice, this has not been deterred by the Judiciary or applicants. We will also make enquiries on the possible need for legislation to protect accounts from being garnished. (Annexure 4.4 – Letter to the learned Attorney-General).

Management explained, among others, that the Attorney-General had provided guidance on the execution orders in a letter dated 19 May 2022, Annexure 4.4, concerning execution against Government agencies. However, this guidance was disregarded in this case, but has since resolved all the cases with John Imaniraguha; but, other threats to garnish the accounts continued.

The committee observes that the Attorney-General's opinion, although well-intentioned, is misleading, not backed by law and of a zealous interpretation that stretches the law on execution of court orders. There are specific laws that protect specific Government funds from being attached. These include Section 19 (4) of the Government Proceedings Act, Cap 287, and Section 6(2) of the Local Governments Act, Cap. 139.

In addition, it would be unconstitutional to deny persons the fruits of their judgments based on an opinion issued by the Attorney-General to courts of law, especially in cases of gross unfairness and illegality. Indeed, that would amount to unnecessarily limiting the power of the court.

Recommendation

The source is the Audit Report, 2004.

The committee recommends that this query be dropped.

It was established that by September 2023, the contractor had received full payment amounting to Shs 15.7 billion for the entire contract.

3.1.5 Provision of consultancy services for audit of telecoms The Auditor-General established that Uganda Revenue Authority on 31 May 2023 signed a contract with a foreign company for the provision of consultancy services for the audit of telecoms at a contract sum or price of Shs 15.7 billion and an addition 5 per cent of the revenue share of the new revenue recovered by URA from the audit and paid to URA.

However, the Auditor-General noted that there was no documentation indicating that URA had verified the acquisition or delivery of these items as provided for in the contract. Under the circumstances, there is a risk that:

The contract was expected to run for 18 months and would thus end on 30 November 2024. The terms of reference of the consultancy services were:

- i) The equipment may not have been procured;
- ii) The process could result in a conflict at the end of the contract since the procured equipment was not verified, confirmed, and labelled; and
- iii) Value for money may not have been achieved.

- a) To give assurance on the reliability and completeness of all revenues declared by the sector players from all revenue streams for tax computation for the period of 2018 to 2022;
- b) To assess if the associated tax due has been accurately accounted for and paid over the period; and
- c) The consultant was also expected to pass on skills to at least 15 URA telecom auditors through an organised skilling and training programme.

In response, the accounting officer stated that:

A review of the progress of the project by the Auditor-General led to the following observations:

- i) URA Telecom's Audit Project team was able to verify the equipment through a site validation visit. The report verified and confirmed that the hardware and software were purchased. There was, however, a variation of specification from the original scope that was due to meet unforeseen requirements needed to enable completion of the audit work. Such requirements include:

Evidence of delivery of hardware and software components

- a. Increased data than anticipated;
- b. Inconsistent data structure that required more storage;
- c. Telecom data quality issues;
- d. Duplication of data.

The Auditor-General reviewed the contract in which a significant portion of the total cost amounted to Shs 11.4 billion (\$3,073,016), was allocated to hardware and software purchases.

- ii) The contract is a service contract for the provision of professional consultancy for telecom audit services. The amounts in reference were mobilisation fees, including the purchase of hardware, software, and other elements. To enable the consulting work to happen, URA instructed its staff to verify and receive the equipment mobilised and used for consultancy at the end of the contract.

The items are required to be handed over to the Uganda Revenue Authority upon expiry of the contract. The pricing details are as follows. Total hardware costing would be to the tune of \$1,258,470. The total software cost was \$1,814,546, with the total as stated, Shs 11.4.

- iii) Upon the advice of the Auditor-General to verify that the equipment was purchased regardless of the nature of the contract, verification was done to confirm the equipment purchased, and the variations in specifications were observed. Refer to Annexure 4.5 A and B. The verification reports by the expert team was deployed by the project to do the following:
- (iv) Management further explained that the contract fee totaled Shs 15.7 billion and was for the acquisition of hardware, software tools, and other costs to aid the consultant in executing the contract.

The committee observed, therefore, recommends as follows:

3.1.7 Progress of the project

The Auditor-General noted that the contract for the project was signed on 31 May 2023, with an expected duration of 18 months and an end date of 30 November 2024.

The Auditor-General further observed the following:

- a) The work remains incomplete as only MTN has been audited, and other telecom companies' audits are yet to commence;
- b) The vendor was in the process of obtaining necessary information from Airtel Uganda, indicating delays in completing the required audits. For information, we are one year past the expiration of the contract date.
- c) There were no reports or updates on audits of other telecoms, including Smart Telecom, Roke Telecom, Liquid Telecom, Lyca Mobile, among others; and
- d) The contract stipulated knowledge transfer, especially the training of 15 URA officers to conduct similar audits in the future. However, there was no evidence of knowledge transfer or training sessions as provided, casting doubt on the sustainability of the intervention.

These findings raise concerns about the likelihood of the project fully achieving its intended objectives.

Management explained that all telecom companies were requested to submit big data volumes for the five-year investigative audit period (January 2018 to December 2022). Management also acknowledged delays but clarified that the majority of the companies had submitted the required data and that investigations were ongoing.

The accounting officer informed the committee that the primary reason for the delay was the prolonged time required to obtain data from the telecom companies. Data recovery and submission to URA by the telecoms took long. The final data sets were received by May 2024, leaving the project with only six months to complete work that was originally expected to take 1.5 years.

The accounting officer revealed that MTN engagements have covered an audit period of three years, with an assessment of undeclared tax. There have been prolonged discussions with MTN on the undeclared tax assessed, which contributes to the delays. With momentum gained, URA expects that the telecom audit will be conducted by November 2025. He provided a brief update on the telecom audit progress as follows:

1. MTN is audited, assessed, and under reconciliation.
2. Airtel- analysis in progress;
3. Smart telecom- work in progress;
4. Roke Telecom- work in progress;
5. liquid telecom- work in progress; and
6. Lyca Mobile - work in progress.

Further information provided by URA indicates that three URA staff have been working with the consultant during the first phase of the MTN audit, and other staff will be on boarded for on-the-job upskilling during the other phases of the audit to achieve the expected skills transfer of at least 15 URA telecom auditors.

Committee observations are as follows:

- (i) It is abundantly clear that both parties did not fully appreciate the complex nature of the contract they were entering into.

For example, the contract provided for execution within one and a half years, thereby expiring by November 2024. To date, the work with respect to all the telecom companies is not even a quarter executed;

- (ii) The report on the verification of equipment is itself dated 21 February 2025, three months after the expiry of the contract, implying therefore that the contract expired before the team could get on the ground to start the work;
- (iii) The telecom audit initiated by URA has exceeded the expected contract period, and this affects reporting and recovery of revenue in the undeclared taxes;
- (iv) There is no proof that URA has renegotiated the contract terms to ensure that work is expedited within the new alluded to timelines;
- (v) The contract expired, none of the processes has been concluded, considering that reconciliation between URA and MTN is still ongoing; and
- (vi) With the recent period left with one and a half months to end, only three of the 15 URA staff have been involved in the MTN audit, leaving no possibility for the scaling of the remaining 12 in the short period.

Recommendation

- (i) The accounting officer should engage a contractor to provide a detailed projection on when the project is expected to end and iron out any bottlenecks hindering its realisation. In particular, URA should renegotiate the timelines within which to execute the contract with specific outputs and associated timelines.

Compliance with the relevant regulatory framework on procurement management

3.2.1.1 Multi-year commitments without parliamentary approval

Section 22(1) of the Public Finance Management Act, Cap 171 states that a vote shall not enter a contract, transaction, or agreement that binds the Government to a financial commitment for more than one financial year or which results in a contingent liability, except where the financial commitment or contingent liability is authorised by Parliament.

Contrary to the above, the authority awarded multi-year contracts amounting to Shs 53.9 billion without evidence of approval by Parliament.

The Auditor-General observed that failure to obtain parliamentary approval for these multi-year commitments is irregular and defeats the purpose of the Public Finance Management Act in ensuring proper public financial management and discipline.

In response, the accounting officer informed the committee that URA submitted her multi-year commitments for the FY 2024/2025 to the Minister of Finance, Planning and Economic Development. See Annexes; 4.6A–letter to PS/ST-request for confirmation of multi-year commitments for FY 2024/2025. Annex 4.6B- List of procurements forming multi-year commitments; 4.6C- letter to Minister of Finance, Planning and Economic Development seeking parliamentary approval of multi-year commitments for FY 2024/2025 and going forward.

Management further explained that approval was obtained from the Permanent Secretary to the Treasury (PS/ST).

The committee observes that:

- (i) Whereas it is within the ambit of the Ministry of Finance, Planning and Economic Development to prove commitments from URA and other agencies of Government, the final approval for expenditure lies with Parliament, Section 13(1) of the PFMA.

- Therefore, continuing to approve multi-year commitments without parliamentary approval is a breach of Section 22(1) of the Public Finance Management Act, Cap 171;
- (ii) The committee notes, however, that where Parliament approves the entity's budget and work plan for the financial year under review, it is deemed to have approved. It is apparent that since the entity is allowed to retain some funds, it could have resorted to the same funds, which still would be use of funds without appropriation contrary to the law;
 - (iii) The committee was not presented with the ministerial approval for the multi-year commitment, although the accounting office explained that permission was obtained from the PS/ST. Authority from Parliament was not obtained as required under Section 22 of the PFMA. In the absence of such authority, it is not clear where the entity got the money to execute the multi-year commitment; and
 - (iv) The Ministry for Finance, Planning, and Economic Development is responsible for ensuring, upon request, that the necessary parliamentary approval is obtained before entering into any execution of multi-year contracts.

The committee recommends that the accounting officer always ensure parliamentary approval for a multi-year contract to ensure compliance with the law.

Performance evaluation

Review of the implementation of the entity's mandate

Madam Speaker, the committee went through the entire record and the findings of the Auditor-General, from page 19 through to page 22, and came up with the recommendations thereon. Then a review of the implementation of the approved budget on page 23 is canvassed through to page 26.

Management explained that the recruitment of 1,200 staff is in the final stages. Written assessments were completed on 12 January

2025. Oral interviews commenced on 17 to 28 February 2025, and appointments were effective in March 2025.

It further explained that the procurement of 250 computers was also completed on 11 October 2024, with the supply of laptops.

Procurement of workstations and other furniture was also completed on 19 August 2024.

The progress of the procurement for the construction of the Mbale office was at the bid evaluation stage.

Committee observations

- i. The committee observes that failure to utilise all the allocated funds locks up resources for service delivery in other areas; and
- ii. The presence of inherent structural and operational bottlenecks encountered by Uganda Revenue Authority (URA) in the implementation of planned activities affects optimal budget absorption.

Recommendations

- i) The accounting officer should see to it that all warranted funds are utilised to ensure the timely implementation of the planned activities; and
- ii) All structural and operational bottlenecks encountered by URA in the implementation of planned activities should be assessed and eliminated to achieve optimal budget absorption.

We make an analysis on the implementation of unfunded activities, Madam Speaker, on pages 28, 29, through to page 31, and make observations on pages 30 to 31.

- i) Not all warranted funds were fully utilised on the planned activities; and
- ii) There continue to exist structural and operational bottlenecks that impede the implementation of URA's full mandate, and these include, but are not limited to, persistent strikes by taxpayers.

Recommendations

- i) Accounting officers should see to it that all unwarranted funds are utilised to ensure the timely implementation of the planned activities;
- ii) All structural and operational bottlenecks encountered by URA in the implementation of planned activities should be assessed and eliminated to achieve optimal budget absorption; and
- iii) Tax education should be enhanced, and government intervention expedited to facilitate the entity in executing its mandate.

Madam Speaker, those are the salient features in the audit regarding Uganda Revenue Authority Corporate Services.

THE SPEAKER: Thank you, chairperson.

MR LUBEGASSEGGONA: Also, permit me to Table our report on the Revenue Collection Account of URA. I would like to lay on the Table but also provide a copy to the Speaker.

This report equally raises salient issues that require the attention of the House. I do not intend to go through the preliminary pages or chapters, but take you straight to page six on the revenue collection trend. It is analysed on page six through to page seven.

The Authority's actual gross revenue was Shs 27,938.694 trillion, compared to Shs 25,751.729 trillion for the Financial Year 2022/2023, and the performance represents a revenue growth of 8.5 per cent. However, the above performance resulted in a revenue shortfall of Shs 1,917.470 trillion, as analysed in Table 2.

The Auditor-General noted that failure to attain the set revenue targets affects the overall revenue and cash flow performance of the Government.

The accounting officer or management responded that the shortfall of the Shs 2,101.522 trillion reported by the Auditor-General, was

noted. However, on reconciliation, confirmed that the shortfall was actually as reported.

A number of initiatives to enhance revenue collection are being undertaken, and these include the following:

- i) Enhanced compliance initiatives, which focused on field inspections, return vetting, alternative dispute resolution to free revenues tied up in disputes, and improved arrears management;
- ii) There are also ongoing taxpayer engagements coupled with intensified enforcement actions targeting non-compliant taxpayers;
- iii) Opening up new stations in areas where we have had limited visibility, like Gayaza, Bweyale, Kayunga. I think those ones are now on notice;
- iv) Engaging with the key sector stakeholders, including sugar manufacturers, distilleries, telecoms, and others, to discuss and improve their compliance;
- v) Reorganising the large taxpayer office, public sector office, and medium taxpayers' office, to implement the sector-based approach for enhanced specialised compliance management;
- vi) Utilising data from external sources to bolster compliance efforts, such as the use of National Social Security Fund (NSSF) data for pay-as-you-earn (PAYE) reviews and data on expatriates applying for work permits to assist in PAYE enhancement.
- vii) As a result of the action taken in the first six months of Financial Year 2024/2025, URA has collected Shs 15,248.99 billion - that is Shs 15 trillion - against a target of Shs 14,926.85 billion, representing a performance of 102.16 per cent. This is a surplus of Shs 322.14 billion growth of 16.08 per cent –

THE SPEAKER: Honourable, just a minute before these children go. Sorry about that.

In the public gallery, we have pupils and teachers from Hill Primary School, Kapchorwa. Thank you, so much for coming. They are represented by Hon. Sam Cheptoris, and Hon. Phyllis Chemutai. *(Applause)*

MR LUBEGA SSEGGONA: I join you, Madam Speaker, in welcoming our children. - which is Shs 2,112.25 billion- that is Shs 2 trillion realised compared to the same period in the last financial year.

The committee observes that the achievement of the revenue targets by the tax body is key in stabilising the cash flow of the Government, and therefore, any shortfalls created in revenue affects the implementation of planned activities, hence poor service delivery.

We recommend as following:

- i) Management should enhance initiatives to grow revenue collections and meet the set revenue targets; and
- ii) The accounting officer should develop short-term, medium-term, and long-term strategies

Unpaid Tax Arrears due to Government commitments

The Auditor-General noted that as of June 2024, unpaid taxes relating to Government-related tax waivers amounted to Shs 713.471 billion as reflected in Schedule 4 to the financial statements.

This was a result of tax waivers for several entities on the presumption that the taxes would be cleared by responsible entities, which include the Ministry of Finance, UNRA, the Ministry of Education and Sports, and Ministry of Energy, among others.

However, management explained that URA engaged the Ministry of Finance, Planning, and Economic Development and that a joint team of URA and the Ministry of Finance reconciled the stock of arrears under Government commitment. As a result, government commitments totalling Shs 713,471,258,868 were paid for Financial Year 2023/2024 as of January 31st, 2024. See Annex 4.1.2A for proof of payment of arrears.

The committee observed that:

- (i) Failure by the respective Government agencies to pay the required arrears affects the revenue collection targets of the Uganda Revenue Authority;
- (ii) Whereas URA indicated that by 31st January 2024, the unpaid taxes relating to government-related waivers were paid, audit findings as of June 2024 state otherwise. Indeed, the committee was not given proof of payment of the said taxes. Further, an explanation was not provided as to why reconciliations were not done by the time of the audit.
- (iii) Unguided tax waivers affect revenue collection targets and cripple the country's development trajectory.

We recommend, therefore, as follows:

- (i) The accounting officer should continually engage the Ministry of Finance and other responsible entities to ensure that taxes are cleared in a timely manner.
- (ii) The respective accounting officers should prioritise the timely settlement of tax arrears owed to Uganda Revenue Authority; and
- (iii) The Government should review its tax waiver policy, which cripples URA's ability to achieve its revenue collection targets.

Manual management of Customs Agents' Appeals

Madam Speaker, the Auditor-General noted that Section 230(1) and (2) of the East African Community Customs Management Act (EACCMA) 2004 states as follows:

- “(1) *A person dissatisfied with the decision of the Commissioner under Section 229 may appeal to the Tax Appeals Tribunal established in accordance with Section 231.*
- (2) *A person intending to lodge an appeal under this Section shall act within 45 days after being served with the decision and shall serve a copy of the appeal to the Commissioner.”*

Further, the Auditor-General noted that appeals are received by the Commissioner of Customs on 1st of January as soon as licences are issued and throughout the year (licensing period). In respect of the foregoing, the Auditor-General noted the following:

- i) There is no formal format that details a log of appeal cases. The Customs Department uses a Microsoft Excel Spreadsheet as an appeals register report where cases are classified in accordance with the reasons for the appeal;
- ii) The applicant writes a letter to the Commissioner of the Customs Department with reasons for the appeal, and the Commissioner then appoints the appeals committee to generate recommendations to guide the appeals resolution; and
- iii) There are no timelines for when the appeal should be resolved.

Management explained that the application and issuance process for licensing, although automated, is still undergoing modifications to improve the system's efficiency, and these modifications have been implemented in phases. Management further indicated that appeal processes will thereafter be considered for automation.

Management informed the committee that the automation of the agents' appeals is enshrined in the General Customs Appeals and Objection Module, whose user specification document was prepared and is currently in the queue for software development in line with Section 229 of the East African Community Customs Management Act. See Annex 4.1.3 - The Procedure for the Management of Customs Clearing Agents' Appeals

Committee observes as follows:

Failure to automate and the lack of a clear timeline to resolve the appeals lead to a case backlog. Furthermore, manual processes are prone to human abuse, presenting an avenue for process abuse.

Recommendations

- (i) The Accounting Officer should consider fully automating the appeals process; and
- (ii) The management should develop clear appeals guidelines for timely management and resolution of appeals.

Unsupported change of motor vehicle values/particulars in different clearance regimes

Madam Speaker, this was raised as a significant query, and the committee made observations at page 13. Maybe to explain it a bit, there are three stages as raised by the Auditor General;

- (i) Six hundred and three (603) instances where the motor vehicles had varying information between IM4 and IM7;
- (ii) Of these, 27 vehicles had the years of manufacture changed;
- (iii) Four motor vehicles had their condition changed from used in IM7 to new in IM4; and she moved in very fact;
- (iv) 568 had a change in the price at the two different levels of clearance; and
- (v) Three vehicles had their chassis numbers changed at IM7 and IM4.
- (vi) Importation of motor vehicles above 15 years of manufacture was also noticed.

The Accounting Officer responded.

- (i) For new vehicles, the figures are adjusted for insurance at the point of declaration for home consumption;
- (ii) The valuation of imported used motor vehicles follows the EAC administrative ruling dated 13th December 2013 that guided the use of the fallback method and determining the value of such used vehicles by among others applying the depreciation principles. The change in CIF value for used motor vehicles arose from regular (monthly) review of used motor vehicle valuation databases, where the value applied is the value applicable at the time of declaration for home consumption done in compliance with Section 2(2)(a)

of the East African Customs Management Act 2004, as amended.

system enhancement for this initiative is being considered.

- (iii) Madam Speaker, the 27 vehicles whose years of manufacture were changed.

Committee observation

Change in motor vehicle conditions from used to new and change in motor vehicle, the years of manufacture, as well as change in motor vehicle chassis, are a result of new information being obtained at the point of clearance for home consumption, and an inspection report was generated. Such new information is incorporated through amendment so that the motor vehicle is cleared and registered with appropriate correct particulars as per the attached Annex 4.1.4C and a sample inspection report, Annex 4.1.4D.

Changes in motor vehicle particulars result in revenue loss to the Government through less tax being levied for the importers. These changes could also imply the possibility of importing unauthorised vehicles.

Recommendations

- 1) The Accounting Officer should enforce measures to ensure that custom standard operating procedures are adhered to; and
- 2) All the highlighted changes should be investigated by management and action taken against culpable staff.

- (iv) Three vehicles had their chassis numbers changed at IM7 and IM4;

3.4.3 Potential revenue loss arising from the misclassification of concentrates

The three cases of change of chassis number have been reviewed, and observed that there was no change in chassis numbers; instead, the audit picked and compared the IM4 and deferred IM7, leading to the mismatch of information. Box 7 in the SAD is the agent reference number; the appropriate box for IM7 is box 40 of the SAD, which contains the same information as the IM4. Refer to Annex 4.1.4C.

Madam Speaker, the audit noted that according to the East African Community Customs Union Common External Tariff, Harmonised Commodity Description and Coding System (Version 2022), the animal premixes used in the manufacture of animal and poultry feeds are coded under 2309.90.10 and attract import duty of 0 per cent per kilogramme, while the other preparations of a kind used in animal feeding are coded under 2309.90.90 attracting the import duty of 10 per cent per kilogram.

- (v) Importation of motor vehicles above 15 years of manufacture

Generally, the premixes are used in small amounts in poultry to provide critical micro-nutrients (vitamins, minerals) or additives needed for optimal health and productivity, while animal concentrates focus on macro-nutrients (energy and protein) and make up a significant part of the poultry diet.

The justification for each of the vehicles is provided in Annex 4.1.4C. These include vehicles that were cleared at warehouses as boarded off vehicles and others that were within the timeline of the 15 years, considering their year of manufacture and import year, as seen in Annex 4.1.4c. No staff was found culpable as per the justifications provided.

For the period under review, the Auditor-General extracted data from the ASYCUDA customs system relating to preparations of a kind used in animal feeding and noted the following:

Management further indicated that Uganda Revenue Authority (URA) had initiated an improvement in the clearance process to ensure that the changes in product and value from IM7 to IM4 are streamlined and that the

- a) One thousand two hundred and two (1,202) instances involving imported

- consignments being regarded as animal premixes to be used in the manufacture of animal and poultry feeds and coded under customs code 2309.90.10, and attracting import duty of 0 per cent per kilogramme as opposed to being considered as concentrates (other preparations of a kind used in animal feeding) coded under customs 230990.90 attracting the import duty of per kilogramme;
- b) The custom value of the concentrates being referred to as premixes was Shs 91.2 billion;
 - c) In addition to the 1,202 consignments referred to as pre-mixes, 838 consignments are worth the customs value of Shs 60.97 billion, had been assessed the customs dues of Shs 8.7 billion that the respective importers settled; and
 - d) The 372 importers were exempted from import duty and VAT on importation arising from the classification of animal concentrates as premixes.

Management explained that a proposal was made to the East African Community (EAC) Sectoral Council on Trade, Industry, Finance and Investment (SCTIFI) to provide clarity and harmonisation of the provisions of the EAC Common External Tariff but clarity has not been provided yet.

Accordingly, this matter is still on the Agenda of the Sectoral Council on Trade, Industry, Finance and Investment (SCTIFI). The 45th SCTIFI referred the matter to be reviewed by the technical committee of customs experts. A copy of the SCTIFI report is attached in Annex 4.1.5.

Committee observation

The committee observes that the classification of animal concentrates as premixes had deprived the Government of Uganda of revenue that could be utilised to finance critical Government interventions.

Recommendation

The committee recommends that the Commissioner-General continue engaging

the East African Community (EAC) Sectoral Council on Trade, Industry, Finance, and Investment to streamline the classification of animal feeds and avert potential revenue loss to Governments.

The interchange of codes for imports under question calls for a thorough investigation of the customs staff to ascertain whether there was collusion to defraud the Government.

Uganda Revenue Authority should engage the East African Community (EAC) Sectoral Council on Trade, Industry, Finance, and Investment for an expeditious position on the matter.

We conclude by recommending, Madam Speaker and honourable colleagues, that you be pleased to approve our recommendations.

Madam Speaker, the other entity for which significant issues were raised by the Auditor-General is the accounts of Uganda National Airline Company Limited for the period ending December 2024. With your permission, I would like to lay on the Table the original report for the secretariat and a copy.

THE SPEAKER: Thank you. Please, lay.

MR SSEGGONA: Madam Speaker, again, I will go through only the salient issues: Observations relating to financial statements: page 5 of the report is the financial analysis and assessment of the company's performance provided by the Auditor-General.

Madam Speaker, the Auditor-General analysed the financial information in the company's accounts and summarises the same in Table A, which appears on pages 5 to 7.

The accounting officer explained that the current strategy ended in June 2025 and management is in the process of developing a new 10-year strategy. The new strategy is hinged on the following pillars:

- a) financial sustainability;
- b) operational efficiency;
- c) learning and development; and

d) stakeholder engagement.

The corresponding initiatives are geared towards revenue enhancement and better cost control, and this relates to the following key components. When you read page 5, you will find that the airline company incurred a net loss in the Financial Year 2022/2023 of Shs 323.598 billion. The same was reduced in Financial Year 2023/2024 to Shs 237.855 billion.

Madam Speaker, in the Financial Year 2021/2022, the loss was at Shs 265.909 billion. The company, therefore, incurred significant losses for the year under audit. The net loss for 2024 was reduced compared to 2023, signifying a loss reduction of Shs 26.5. This is a positive indication of cost management and revenue improvements.

Madam Speaker, management should sustain such efforts to improve the revenue and reduce operational inefficiencies. Sustained losses may erode stakeholder value and reduce the ability to sustain operations without external funding.

Madam Speaker, the dividends are reported at zero. Operating margin reported for the Financial Year 2023/24 is at 67.17 per cent. For the year 2023, at -138.17 per cent. The return on assets for the Financial Year 2023/2024 is reported at negative 21.92 per the current ratio of 1.42 times and a debt ratio of 20.09 per cent.

Madam Speaker, the interest cover is negative 96.71, and the average debtors' collection period is 51.86 days. The Accounting Officer explained the strategy, and we made observations.

Committee Observation

- i) Uganda National Airline Company Limited's financial performance in 2024 shows signs of improvement, including reduced net loss, better operating margin, and enhanced liquidity. However, attention is needed to manage debt collections and maintain interest cover.

- ii) Uganda National Airline Company Limited is not performing well in terms of profitability and its ability to sustain the provision of services. Sustained financial loss, negative returns on assets, and rising debtor collection periods threaten the company's financial health and operational capacity.
- iii) The entity was in the process of developing a new strategy, it was reported.

Recommendation

We recommend that:

- i) The Accounting Officer of the airline company should fast-track the implementation of the detailed company strategy. Emphasis should be placed on cost control, revenue enhancement, efficient asset utilisation, and improved working capital management to support sustainable operations.
- ii) Management should prioritise cost control, enhance revenue generation, and focus on asset utilisation to achieve financial sustainability and reduce reliance on Government funding.

3.2.2 Contingent liability

Note 2i-j of the financial statements disclosed contingent liabilities totalling Shs 11.94 billion, which is USD 3,155,715 as of 30 June 2024, primarily related to pending court cases concerning contract terminations, unpaid works, negligence claims, and loss of baggage. The Accounting Officer explained that the contingent liability disclosed relates to pending court cases.

Observations

- i) With such a huge sum of unsettled contingent liability, the company could face significant legal costs, including fees, garnishee orders, and settlements, further straining the financial resources, in addition to reputational damage.
- ii) The company operates direct flights on all its routes. Such measures should minimise or eliminate cases of lost baggage, which

can only be attributed to negligence by the staff.

agreements will now be overseen by the Chief Commercial Officer.

Recommendation

Observation

- i) The Accounting Officer of the airline company should always seek legal guidance from the Solicitor-General in addition to making good use of the legal department before terminating contracts to minimise the risk of such disputes.
- ii) Urgent measures should be taken to settle the outstanding obligations to mitigate further financial and reputational risks.
- iii) The company should establish measures to deal with negligent staff who expose the company to astronomical liability.

The committee observes that the lack of guarantees exposes the company to the risk of non-payment or delayed payments by agents, especially in the event of default. In addition, inconsistent application of guarantee requirements creates an unequal playing field among GSAs and undermines the integrity of the company's governance framework. It may also be a recipe for collusion and conspiracy.

Recommendations

3.2.3 Contract award on General Sales Agency Agreements without Guarantees

The General Conditions of Contract (GCC 25.1) of the Standardised General Sales Agency Agreements requires General Sales Agents (GSAs) to provide Advance Payment Guarantees to protect the Uganda National Airlines Company Limited from financial risks, such as defaults or delays in remittances. However, a review of the GSA agreements of Financial Year 2023/2024 revealed significant non-compliances, including the following:

- i) Certain agents were awarded agreements without being required to provide guarantees, leaving the airline company exposed to potential credit risk, for example, one agent had an outstanding balance of USD 158,876, which is Shs 588.788 million as of June 2024, without guarantees in place.
- ii) Other agents had guarantee requirements in their agreements, but there was no evidence of payment for these guarantees.
- iii) Some agents were not required to provide guarantees, contrary to the standard practices.

The Accounting Officer explained that management has reviewed the template for the agreements with the General Sales Agents, and the compliance with the clauses of the

- i) Ensure all GSA agreements require bank guarantees as stipulated in the general conditions of contract. Agents failing to provide guarantees should not be awarded contracts.
- ii) Take immediate steps to recover the outstanding balance of USD 158,876 from agents that owe the Airlines and enforce stricter controls on payment timelines.
- iii) Establish a dedicated team or person to monitor compliance with GSA agreements, including verifying the receipt of guarantees before contract execution.
- iv) Apply guarantee requirements uniformly to all GSAs to ensure fairness and accountability.
- v) The company should develop a well-streamlined debt recovery plan in its financial manual.

3.2.4 Business transactions with GSAs on expired contracts

The Auditor-General observed that Paragraph 12.5(d) of the Uganda National Airlines Processes and Procedures Manual, 2020 requires valid contracts with General Sales Agencies to govern passenger ticket sales. However, a review of contracts revealed that some GSAs continued to transact with the company after their contracts had expired, leading to total sales of USD 378,143.34, which is Shs 1.43 billion, by 30 June 2024. The sum of USD 708,692, or Shs 2.68 billion, remained outstanding as of 30 June 2024.

The Accounting Officer noted the need to immediately review the processes for tracking the expiration and renewal of GSA contracts. The Accounting Officer further explained that the enforcement of claims shall be carried out on a case-by-case basis.

Committee Observation

- i) The committee observes that transacting with GSAs on expired contracts exposes the company to disputes over unenforceable contract terms. In addition, outstanding balances from GSAs may be contested, potentially leading to non-recovery or additional legal costs.
- ii) There is no standard policy for the procurement of GSAs. While some are required to provide guarantees, others are not.

Recommendation

We recommend:

- i) The Accounting Officer of the Airlines company should implement robust systems to track contract expiration dates and ensure timely renewals or terminations.
- ii) The Accounting Officer should develop a structured approach to recover outstanding balances from GSAs, including legal enforcement if necessary.
- iii) Management should develop a standard policy on procurement of GSAs to avoid arbitrariness in contracting.

3.3 Observations on Compliance with the Relevant Regulatory Framework

3.3.1 Delayed contract execution

Madam Speaker, Regulation 9(1) of the PPDA Regulations (Contract), 2023 states that “A Contract:

- (1) A contract shall—
- (a) clearly identify the obligations of each party;
- (b) correlate all payments by a procuring and disposing entity with the corresponding inputs and the obligations or 1879

- deliverables by a provider, in a specific, identifiable, and measurable manner;
 - (c) where required, provide effective supervision arrangements;
 - (d) where required, provide adequate monitoring and cost control measures;
 - (e) where required, include adequate and clear delivery, acceptance and handover or commissioning arrangements”
- among others

Additionally, Regulation 52(1) of the PPDA Regulations (Contract), 2023 states that “*a contract manager shall –*

- (a) Manage the obligations and duties of procuring and disposing entities specified in the contract,
- (b) Make certain that the provider performs the contract under the terms and conditions specified in the contract.

However, contracts worth Shs 7.42 billion experienced execution delays, and the accounting officer took no corrective actions.

Key Issues included:

- i) Absence of contract management plans or reports,
- ii) Delayed deliveries without follow-up or enforcement of contract terms.

Refer to Table 2 on pages 12 through 13.

Committee observation:

- i) We observed that there are no standard streamlined contract execution and tracking mechanisms aligned with specific deliverables, which poses a risk for the breach of contract or funds.
- ii) Delays in contract execution disrupt operations and service delivery.

Recommendations

- i. The accounting officer of the Airline Company should ensure every contract has a detailed management plan outlining timelines, monitoring and tracking mechanisms, and deliverables.

- ii. The accounting officer should address delays proactively by renegotiating terms, enforcing penalties, and seeking alternative solutions to ensure timely delivery.

Non-compliance with the contract monitoring and reporting requirements.

Section 52(3)(f) and (g) of the PPDA (Contracts) Regulations, 2023, requires contract managers to appraise the provider and provide a performance and submit monthly progress reports to the Procurement and Disposal Unit (PDU) and the accounting Officer.

Furthermore, the PDU must submit quarterly reports on all contracts to the accounting officer, highlighting challenges encountered in managing contracts. However, the review of the contracts totalling Shs 4.75 billion revealed non-compliance, and no performance appraisal reports or monthly progress reports were submitted by the contract managers or the PDU to the accounting officer.

The accounting officer explained that contract management plans and reports had been submitted for verification. However, contrary to management's response, reports for four contracts totalling Shs 4.075 billion were not availed for audit review.

During the interface with the committee, the Accounting Officer confirmed availability and presented the contract, management document for the procurement, and monitoring reports.

Committee observations

- i. Without regular monitoring, performance issues cannot be identified and addressed proactively, leading to delays or substandard outcomes.
- ii. The relevant committee documents and reports were not submitted to the Auditor General during the audit, but were only made available to the committee during the interface.

THE SPEAKER: The relevant "Contract documents" not "Committee."

MR SSEGGONA: Pardon me. Thank you, Madam Speaker.

Recommendations

- i) The Accounting Officer should ensure that contract managers and PDU submit regular performance appraisals and progress reports. This will allow for better oversight, timely intervention and improved contract execution.
- ii) The accounting officer should submit the relevant contract documents and reports to the Auditor General.

Observations on Performance Evaluation

In accordance with Schedule 2 of the Public Finance Management Act, Cap 171, on the presentation of financial statements, and Section 18 of the National Audit Act, Cap 170, the Auditor-General undertook an evaluation of the authority's actual performance in comparison with its planned activities and outputs for the year, as well as its mandate. The section presents the findings from the evaluation of the performance.

Review of the implementation of the entity's mandate is reproduced in Table 3, which appears from page 15 through to page 16.

In response, the accounting officer explained that management is actively engaging stakeholders in the Airline resource mobilisation drive, including submitting a Cabinet proposal for acquiring additional aircraft, engaging development financial Institutions and development capital, and implementing internal revenue enhancement and cost management strategies. Additionally, operational departments have been assigned specific revenue targets to achieve in the Financial Year 2025/2026.

During the interface with the committee, the accounting officer stated that the company is not likely to realise its return on investment

given the lifetime of the aircraft. The lifespan of Canadair Regional Jets (CRJs) is approximately 10 years, implying that they are left with five years of effective functioning since most of them were acquired during the same time, causing a risk of impairment during the same time frame.

Further, the committee was informed that the company from which the aircrafts were procured has since been sold to Mitsubishi, and the process of procuring spare parts is cumbersome, leaving the company at the mercy of speculators in the market.

Committee Observations

- i) That limited execution of planned actions has restricted route expansion, fleet growth and customer engagement initiatives.
- ii) Following the closure of the company manufacturing the CRJs, the manufacturing and acquisition of some of the essential spare parts have become cumbersome, leaving the company at risk of market speculators. It is apparent that the team that did the feasibility studies did not adequately address their minds to these possibilities. Thereby impairing the ability of the company to realise the return on investment.
- iii) That the airline is an intricate industry that calls for heavy capital investment, expert-driven human resource management, well-motivated staff, and adequate preparations and benchmarking. Good practices would give proper direction to the board and management through sufficient comparative studies.
- iv) Management did not consider cheaper but effective alternatives in the acquisition of the aircraft.
- v) In aviation, the option of leasing is a modern way of fleet management that avoids heavy initial investments as well as minimising maintenance costs. The option to free capital for other essential needs like route expansion, marketing, staff motivation, and fuel purchase. It allows flexibility in fleet sizing depending on demand and seasonal peaks and downturns. It helps the phasing

out of older aircraft and the adoption of new technology-driven products. It also allows the company to maintain some cash flow that may attend to emerging needs and demands.

- vi) Had the task force considered these options, the company would have acquired more and better technology-driven aircraft.

Recommendations

The committee recommends that the Accounting Officer should:

- i) Ensure all core mandates are reflected in the strategic and annual work plans and allocate appropriate resources for their implementation;
- ii) Accelerate engagements with stakeholders and explore alternative funding sources to address resource gaps;
- iii) The government should increase funds to enhance the operation and revenue of Uganda National Airline Company Limited (UNACL);
- iv) UNACL management should ensure continuous motivation of staff through training to enhance skills, and knowledge;
- v) The company management should consider undertaking benchmarking visits for learning and sufficient comparative studies on the management of aircraft;
- vi) The minister should cause a review of the management, administration, and staff structure to ensure that the team is up to the task in terms of training, expertise, and experience so as to meet the international competitive and comparative standards.

Review of the implementation of the approved budget

Madam Speaker and Members -

THE SPEAKER: Honourable Chairperson, just a minute. In the public gallery, we have pupils and teachers of ABC Primary School located in Pader District. They are represented by Hon. Komakech Christopher and Hon. Aciro Paska Menya. You are most welcome. Thank you so much for coming. You can see your

Member of Parliament is there, very attentive. Therefore, you should tell those people to bring him back. Thank you, chairperson?

MR SSEGGONA: The review of the implementation of the approved budget is represented on pages 18, 19, and 20. The accounting officer responded that management is taking a medium to long-term approach to its revenue mobilisation strategy. This approach entails optimising Entebbe as a hub where traffic feeds and de-feeds into the larger network, increasing the aircraft utilisation rates by opening additional routes where the CRJ fleet can be utilised and moving towards daily operations on all routes across the network.

The committee observes that failure to realise funds for the activities that were budgeted negatively affected the implementation and achievement of the expected services.

Recommendations

- i) We recommend that the accounting officer of the airline company should expedite the implementation of the revenue mobilisation strategy to minimise shortfalls and ensure all planned activities are adequately funded.
- ii) The government should provide adequate funding for the activities of the national airline company to boost its revenue and minimise shortfalls.
- iii) The national airline company should consider the leasing option, which will increase the fleet at minimum cost.

The airline should consider partnerships and alliances with other reputable airline companies across the globe to increase its visibility and competitiveness within the industry.

Implementation of planned activities

The Auditor-General assessed the extent of implementation of planned activities for which funds were realised. A total of 19 outputs with 53 activities worth Shs 456.28 billion were assessed, and the following were observed;

- a) Five outputs with five activities and expenditures worth Shs 269.8 billion were fully implemented;
- b) Five outputs with 26 activities worth Shs 96.6 billion were partially implemented. Out of 26, the entity fully implemented six activities with Shs 1.784 billion, seven activities worth Shs 91.4 billion were partially implemented, while 12 activities worth Shs 3.4 billion remained unimplemented;
- c) Nine outputs with 22 activities worth Shs 89.88 billion were not implemented at all. Examples of the activities that were partially implemented are reproduced in table seven below.

The accounting office explained that management is taking a medium to long-term approach to its revenue mobilisation strategy. This approach entails optimising Entebbe as a hub where traffic feeds and de-feeds into the larger network; increasing aircraft utilisation rates by operating additional routes where CRJ aircraft or fleets can be utilised, and moving towards daily operations.

Observation

- i) The activities under Table seven include activities for which monies were provided but were partially implemented, with corresponding figures whose use and accountability were not provided by the accounting officer.
- ii) Money to the tune of Shs 88,714,747,923 was allocated, activities implemented were worth Shs 43,375,807,211, leaving a sum of Shs 45,333,940,712 unexplained.
- iii) Failure to execute planned activities undermined the company's ability to meet strategic goals, reducing operational efficiency and effectiveness.

Recommendation

- i) The Auditor-General should undertake a value for money audit and provide it to Parliament within six months.

- ii) The accounting officer should engage stakeholders to secure the necessary funding for priority activities and explore alternative financing mechanisms to address funding gaps.
- iii) Adopt realistic budgeting and enhance activity planning by ensuring alignment between resources, timelines, and expected outcomes.

Observations on audit findings from other audit engagements

Forensic investigations on the audit of the training costs for the initial cabin crew trainings made by the Uganda National Airline Company Limited.

In a letter dated 8 August 2022 under that reference, the Inspector General of Government, IGG, requested the Auditor-General to conduct a forensic audit on the financial transactions and the two initial cabin crew trainings made by Uganda National Airline Company Limited and to establish whether there was a financial loss suffered by the National Airline Company Limited.

Pursuant to Article 163 of the Constitution of the Republic of Uganda 1995 as amended, the National Audit Act Cap 170, the Auditor-General instituted a forensic audit into the financial transactions regarding the training undertaken by the Uganda National Airline Company Limited in the Financial Year 2020/2021 and 2021/2022.

The overall objective of the forensic investigation was to establish whether the company suffered a financial loss and, if so, establish the amount of the financial loss suffered in conducting the two initial cabin crew trainings and the culpable individuals.

The following are key findings;

In the period 3rd to 30th December 2020, when the Uganda National Airline Company Limited organised an initial cabin crew training for 40 cabin crew members to fulfil regulatory

requirements for licensing, the company had a detailed, comprehensive airline cabin crew training manual. The review revealed the following.

- i) The manual provided specific guidelines and procedures on how cabin crew training should be conducted. It outlined the fundamental initial cabin crew courses, the training modes for each course or module, and ensured compliance with Uganda Civil Aviation Authority regulations governing air operator certificate holders.
- ii) The manual, developed by the company, was reviewed and approved by the UCAA in 2019 to ensure that all training activities met the highest regulatory standards and contribute to the effective preparation and licensing of cabin crew.

Assessment of the extent to which the cabin crew training met the Uganda Civil Aviation Authority standards and the Uganda National Airline Company Limited cabin crew training manual requirements.

It was established that the training programmes were implemented by training companies for the 40 cabin crew members. The following were the key findings noted;

Phase one of the initial cabin crew training for 40 members was conducted, and the course or training content covered included safety management systems, aviation security, transport of dangerous goods by air, and crew resource management.

The training programme was not approved by UCAA before training was conducted by the training company, contrary to the guidelines. The training exceeded the 20-attendee threshold without obtaining the necessary UCAA approvals, and the training venue was not approved by the Uganda Civil Aviation Authority, and the training on dangerous goods was conducted for 3 hours instead of the required 7 hours.

The Uganda Civil Aviation Authority rejected the training provided by one training company because the Uganda National Airline Company failed to demonstrate that all the mandatory training areas were thoroughly covered.

Phase two of the initial training of 40 cabin crew members conducted from May to July 2021 for \$36,400, which phase included safety emergency procedures, training (ditching drill) and CRJ 900 and A330 – 800 conversion courses was found to be compliant with Uganda Civil Aviation Authority (UCAA) standards and Uganda National Airlines Company Limited (UNACL) Cabin Crew Training Manual requirements.

The total cost incurred in the initial and supplementary trainings amounted to \$148,400. The Auditor-General noted, and I quote, “Based on the observations in relation to which the training programmes were implemented, there is no sufficient and appropriate evidence to consider that the initial training costs of \$148,400 constituted a financial loss.”

The committee observes as follows:

- i. In deciding whether there was financial loss or not, the committee is guided by the objective of both the training and the forensic audit. The following questions are relevant:
 - a) Whether the training complied with the regulatory framework and standard of the regulator;
 - b) Whether the training programme was approved by the Uganda Civil Aviation Authority in accordance with the guidelines;
 - c) What is the effect of exceeding the 20-attendee threshold without obtaining the necessary UCAA approval on the quality of the training?
 - d) What is the effect of training at a venue not approved by UCAA?
 - e) What is the effect of training for three hours instead of the required seven hours?
- f) What is the effect of the failure to train in all the mandatory training areas?
- g) What is the effect of the UCAA’s rejection of the entire training?
- ii. The effect of the above is that the training did not meet the standards, the objectives and the regulatory requirements, and was not training at all, thereby causing a financial loss of the entire amount.

Recommendation

The committee recommends that the accounting officer should;

- i. Ensure that all the amounts spent on training for the 40-member crew team in respect of phase one, which did not meet the standard and was rejected by UCAA, should be treated as a financial loss;

THE SPEAKER: Wouldn’t it be better for you to say that all the amount spent on the “purported training” since you have already answered above that there was no training?

MR LUBEGA SSEGGONA: I am gratified by that fortification, Madam Speaker.

- ii. The persons responsible for organising the training should be investigated by the Inspectorate of Government with a view to prosecuting any possible culprit;
- iii. Those who will be found culpable should refund the money;
- iv. UCAA should review and approve all training programmes prior to implementation. Adherence to UCAA guidelines, including approval of training venues, course content and participant threshold, should be strictly enforced to avoid regulatory rejections.
- v. Establish robust internal mechanisms to verify that all mandatory training areas and content align with UCAA requirements before engaging training providers. This will help prevent deficiencies that could lead to regulatory non-compliance.

- vi. Reduce costs and duplication by consolidating training phases and aligning timelines with annual refresher training schedules. This approach would optimise resources and improve efficiency; and
- vii. Implement a process to evaluate training programmes upon completion to ensure that all regulatory standards have been met and to identify areas of improvement.

Having reviewed the audited accounts of the Uganda National Airline Company Limited for the year under review, the committee is cognisant of the struggles the airline has faced since its revamp a few years ago and the prospect of a bright future if the areas of improvement identified can indeed be addressed. We, therefore, ask the House to adopt this report with its recommendations. I beg to move.

THE SPEAKER: Thank you, committee chairperson. Clerk, you need to extract all these recommendations and refer them to the Inspector General of Government (IGG).

MR LUBEGA SSEGGONA: Madam Speaker, permit me now to present the report of the Uganda Electricity Transmission Company Limited (UETCL) for the audit year ended December 2024, with the original laid on the Table and a copy to you. With your permission, I would like to start.

At page two of the report, we make observations on the audit queries. The first under 3.1.2 being long-standing receivables amounting to a total of Shs 889.59 billion.

The accounting officer explained that:

- (i) These relate to amounts withheld by Umeme on account of non-payment of power bills by Ministries, Departments, and Agencies (MDAs). The schedule of MDAs in question is enclosed in Annex (i) attached, and the letter requesting direct recovery by the Ministry of Energy and Mineral Development from the MDAs is enclosed as Annex (ii).

- (ii) The company will continue to engage various distributors in an effort to enhance collection;
- (iii) The balance of the money relates to debit notes and late payment interest invoices, and a bulk has been settled after closure, save for a few, which were disputed. Investigations are ongoing between UETCL and Umeme to have the issue resolved. Section 5.3(d) of the agreement allows Umeme to offset against UETCL revenues in case Government entities fail to pay their bills;
- (iv) The Ministry of Finance, Planning and Economic Development requested Umeme to settle the amount withheld for UETCL. However, Umeme insists that the amount is still due from Government of Uganda entities as per the attached list of MDAs with arrears;
- (v) UETCL continues to engage Umeme and Government through Ministry of Energy and Mineral Development and Ministry of Finance, Planning and Economic Development to have this matter resolved and the amount refunded. Accordingly, management wrote to the Ministry of Finance to offset this amount from defaulting MDAs and remit funds directly to UETCL. Letters of engagement with Umeme and the Ministry of Energy are enclosed as Annex (iii);
- (vi) The balance of Shs 22.79 billion related to debit notes and late payment interest invoices, which have since been settled by Umeme. A copy of the letter from Electricity Regulatory Authority (ERA) to the ministry referencing the outstanding amount is enclosed as Annex (iv);
- (vii) UETCL received an arbitration award in its favour in April 2024, for the payment by Ferdsult of Shs 40 billion. UETCL filed its bill of costs for arbitration, and the taxation award was delivered in

- March 2025. A copy of the arbitration award is also attached as Annex (v);
- (vii) UETCL has filed an application for enforcement of its award as a decree of court and is awaiting a court date for the hearing of the application. Upon obtaining the leave of the court to enforce the award, UETCL shall commence execution proceedings for recovery of outstanding amounts. A copy of the application is attached as Annex (vi). This relates to the amount withheld by UEDCL on account of their claim for the losses incurred in their network as a result of evacuation of energy from the small embedded generation plants, which was disputed by UETCL and the matter is before the regulator for review and determination. A letter is annexed as (vii);
- (viii) (ix) The long-term solution is a wheeling agreement between the Uganda Electricity Distribution Company Limited(UEDCL) and the Uganda Electricity Transmission Company Limited(UETCL), which will provide modalities for compensation of UEDCL for such losses. The draft agreement with UEDCL was finalised and submitted to the Electricity Regulatory Authority (ERA) for approval, and the copy is enclosed as annex (viii);
- (ix) Licences were not renewed by ERA. However, the Public Service Announcement(PSA) provides that obligations incurred prior to termination survive termination. Shs 6 billion relates to the Bundibugyo Energy Cooperative Society (BECS) and REA requested UETCL not to disconnect BECS and committed to pay the amount Bundibugyo Energy Cooperative Society owed UETCL. The amount to be offset against the Rural Electrification Levy payable to REA/Ministry of Energy and Mineral Development, evidence of the correspondence is attached.
- (x) Shs 2.17 billion relates to claims of losses incurred by Kilembe Investments Limited(KIL) in the process of evacuating power from the small generation plant within the KIL area of operation. UETCL referred this matter to ERA for determination. ERA provided compensation for evacuation losses going forward.
- However, it did not compensate for the earlier losses incurred. KIL appealed; however, their licence expired before the appeal was determined by ERA. UETCL wrote to ERA to compensate UETCL Shs 2.85 billion relating to the Pader-Abim Community Multipurpose Electric Co-operative Society (PACMECS). The reason given by the client was non-payment of power bills by Government entities and delay by REA to refund their reimbursable costs.
- UETCL wrote to REA demanding that the amount payable be remitted directly to UETCL. This amount was offset against the Rural Electrification Levy payable to REA/MEMD. Copies of correspondence between UETCL, PACMECS and REA are enclosed.
- (xi) Management continues to engage the Government through MEMD and MoFPED to have this amount reimbursed by the Government of Uganda or written off. In the interim, the amount has been attached against the rural electricity levy payable to the Government.
- Observations of the committee
- (i) UETCL's failure to collect the outstanding receivables reflects laxity on the part of company management. Considering that the termination of the UMEME concession was foreseeable and known to UETCL, there was no strong buffer/fallback position to enable UETCL to recover the monies owed by UMEME, contrary to the company's debt management policy.

- (ii) Despite UMEME being paid off by the Government, it did not settle its obligation. Currently, it is uncertain how UETCL will recover over Shs 500 billion from UMEME, seeing that they have exited the service
- (iii) In 2022, a Cabinet decision was taken to terminate the UMEME contract following a resolution of Parliament.

However, no concrete steps were taken to assertively take over the infrastructure/properties and assets that UMEME had taken over and used to claim a buy-out, thereby shrinking the likelihood of recovery of the money owed. These properties and assets would have had value to offset the debt owed by UMEME to UETCL.

- (iv) The long outstanding receivables may become bad debts, leading to potential write-offs and losses for the company.
- (v) The pending court case negatively impacts service delivery, and protracted disputes become costly in the long run.
- (vi) The long time taken by ERA to resolve disputes as a regulator impacts negatively on the company achieving its targets.

Recommendations

- (i) The Accounting Officer should institute mechanisms to ensure the timely recovery of the outstanding receivables in accordance with the company's debt management policy, to minimise potential losses.
- (ii) UETCL should explore expeditious ways of settling court cases, including out-of-court settlements, to avoid protracted disputes that become costly in the long run.

Long outstanding payables

The Auditor-General established that Shs 750.91 billion of payables reported under Note 30 includes a balance of Shs 132.12 billion due to the Ministry of Energy and Mineral Development, which has been outstanding for over two financial years. The payables resulted

from rural electrification levy charges on local energy purchases that occurred before the amendment of the Electricity Act.

While interfacing with the committee, the accounting officer further explained that management is aware of the outstanding obligation.

However, the delayed settlement was mainly due to financial constraints imposed on UETCL as a result of certain commitments from the Government of Uganda.

This has been brought to the attention of the Government of Uganda through several letters. The latest is a letter dated 13 May 2022 in which UETCL responded to a letter from the Ministry of Energy and Mineral Development dated 14 February and clarified the accumulated outstanding 5 per cent rural electrification levy via a letter dated 13 May 2022.

In the quoted letter, UETCL clarified that Shs 103 billion had been offset from the amount payable on to the own account of the rural electrification Levy pending settlement of the following obligations by the Government.

- (i) First, during the energy crisis of 2011, with the concurrence of the Government, UETCL applied part of the collected 5 per cent levy funds towards the settlement of power bills so that once the Government reimburses UETCL, the same would be remitted to REA, Shs 33 billion but the Government has not availed the above fund to UETCL.
- (ii) UMEME claims that Government entities owe them over Shs 64.779 billion on account of non-payment of their bills. Due to this, UMEME limited in accordance with Section 5.3(d) of the Power Sales Agreement (PSA), withheld and paid itself Shs 64.779 billion against UETCL invoice for delivered/ supplied energy.

This was done after giving due notice to the Government, the Ministry of Finance, Planning, and Economic Development. As an interim measure, UETCL offset this amount

from the rural electrification Levy collected through the tariff and payable to REA/MEMD. The same was used to pay generators to avert a possible power crisis.

- (iii) Shs 6 billion was offset on account of the outstanding BECS amount. This follows REA's request of UETCL to stay the disconnection of the power supply to BECS and commit to paying all the outstanding monies that the cooperative owed UETCL.
- (iv) An amount of Shs 33 billion paid to power generators during the power crisis of 2011, and Shs 15.6 billion pension arrears was paid to former Uganda Electricity Board(UEB) employees and their lawyers.
- (v) UETCL will continue to engage Government agencies to have all the withheld funds paid so that UETCL can meet this obligation.

Finally, the Government of Uganda has been informed of all the above through several correspondences. UETCL will continue to engage Government agencies to have all the withheld funds paid so that the company can meet its obligations.

Observation

We observe that the failure to set outstanding obligations affects UETCL and the ministry in their obligation to implement the rural electrification programme.

Recommendations

We recommend that the accounting officer continues engaging the relevant stakeholders to ensure settlement of long outstanding payables as prioritised.

Recognition of revenue from power sales

The Auditor-General noted that UETCL previously recognised revenue in full at the point of power sales without considering that revenue is recognised as the performance of the obligation is fulfilled.

The Auditor-General further noted that there have been insufficient disclosures in relation to the deferred revenues under International Financial Reporting Standards (IFRS) 15.11, which requires that the company disclose sufficient information to enable the users to understand the nature, amount, timing, and uncertainty of revenue arising from the contracts with the customers. However, the company did not disclose the following:

- i) Revenue recognised in the period that was included in the deferred liability balance at the beginning of the year;
- ii) Performance obligations satisfied, partially satisfied, and unsatisfied as at the year-end;
- iii) Payments made during the year for which no performance obligation has been fulfilled, for example, WIP, and
- iv) The timing of the satisfaction of the performance obligation and the amount allocated to the performance obligations.

The committee observes that:

- i) Insufficient disclosures affect the user's understanding of the financial statements;
- ii) Following the Auditor-General's recommendation, an adjustment for Shs 22 billion was made, as well as the disclosure, and this is depicted on the face of the statement of financial position under the non-current liabilities.

We recommend that:

- i) The accounting officer should enhance the subsequent disclosures to include information as required by IFRS 15 and enable traceability of the future investment plans;
- ii) As a standard practice, reconciliations and adjustments of the financial statements should be done before the audit exit meeting or else be subjected to a fresh audit.

Observations on compliance with the relevant regulatory framework.

Unimplemented procurement

Madam Speaker, I will be presenting pages 9 to 10.

The committee observes that the failure to fully implement or plan the procurement delays the services for which the procurement of works, services, or goods was intended.

We recommend that the accounting officer ensure planned procurements are executed in a timely manner and that unimplemented procurements are rolled over to the following period.

Low bidder participation

In accordance with Section 46 of the Public Procurement and Disposal of Assets, Cap. 205, all public procurements should be conducted to maximise competition and achieve value for money.

The Auditor-General analysed the bidder's participation by comparing the number of invited bidders with the corresponding number of participants and noted a low bidder turn up for up to 11 procurements worth Shs 5.44 billion.

The accounting officer explained that most of the services and supplies required by Uganda Electricity Transmission Limited (UETCL) are highly specialised, rendering the supply market limited. However, the company will continue to use competitive methods in accordance with the PPDA thresholds.

Further, low bidder participation can be attributed to unacknowledged bid invitations, unclear instructions to bidders, and impractical requirements that affect the bidder's ability to respond and comply.

The committee observes that low-bidder turn-up limits effective competition and defeats the motive of enhanced competition to achieve value for money.

We recommend that the accounting officer investigate and address the causes of low bidder turn-up to maximise competition in accordance with the basic principles of procurement.

We noted delayed procurement of consultancy services and observed that inadequate funds affect timely execution of planned activities and service delivery. This depicts a lack of adequate planning on the part of the agency or entity.

Recommendations:

- i) The Accounting officer should improve on planning and budgeting to ensure the timely execution of the planned activities;
- ii) The Government should increase its funding to the agency to be able to execute its mandate.

Completion of the pending 34.7-kilometre Tororo-Lira 132 Kv transmission line

Audit established that the company awarded a contract on 13th December 2023 to MS Kalpataru Projects International Limited to complete the pending works of 34.7 kilometres 132 kV transmission line of Tororo-Lira at a contract price of \$5,359,246 and Shs 8.22 billion under procurement reference number UETCL/WORKS/2022-23/01061. On review of the procurement file, the Auditor-General noted the following anomalies:

- i) Contrary to Regulation 37 of the PPDA (Rules and Methods) 2014, the statement of requirements and the bill of quantities for the procurement were inadequate. The bills eliminated items such as mobilisation, demobilisation, soil investigations due to changes in the corridor, site security deployment and reassembling of some towers. As a result of amending the bills of quantities (BoQs), the contract price was adjusted by \$289,243.87 and Shs 0.71 billion
- ii) The procurement was initiated on 31st January 2023; however, the bid invitation was sent out on 24th May 2023, four months later, which indicates inefficiencies in the procurement process.

The Accounting Officer explained that since the contract was for completion of ongoing work, the user department at the time of procurement initiation had not envisaged the need for these items in the BoQ, but they were established during pre-award negotiations as justification for Kalpataru's price increase.

Going forward, management will ensure that user departments conduct adequate technical needs assessments to prepare a sufficient statement of requirements to avoid such cost changes.

We observed that:

- i) The user department did not do an adequate needs assessment, and the entity did not add sufficient supervision of the project in the respective phases;
- ii) Inadequate needs assessment and incomplete BoQs result in increased project cost. The delays in the procurement process affect contract implementation

Recommendation

- i) The accounting officer should ensure that technical teams and user departments support procurement requirements with proper needs assessments and accurate BoQs;
- ii) The accounting officer should ensure that all staff are adequately trained and skilled to be brought to the required standards of their respective departments;
- iii) The Auditor-General should undertake A value for money audit in respect of the entire project to ascertain whether the work done was commensurate with the money with the funds expended.

Report on performance evaluation

We assessed the company's financial performance—its operating margin, Madam Speaker—and observed on page 16 that a fall in the operating margin below the desired level of 15 per cent signifies a decline in profitability. Indeed, the decline posted, for example, in profitability in forex exchange is Shs 10.8 billion, a sharp and radical departure

from the previous year's exchange rate gain of Shs 60.1 billion. The committee does not treat this as innocent.

The committee recommends that the Auditor-General undertake a special audit of this aspect and report to Parliament within six months.

Profit for the year (PAT)

Madam Speaker, a consistent increase signifies financial health and sustainable operations, which indicate effective revenue generation, cost management, and operational efficiency. This enables the company to reinvest in infrastructure, technology, and innovation, which can lead to improved efficiency, enhanced service reliability, and reduced operational costs over time.

The company's PAT decreased by 13.36 per cent from Shs 94.9 billion in 2022/2023 to 82.25 billion reported in 2023/2024, suggesting reduced profitability.

The reduced profitability is majorly attributable to the portion of the energy sales revenue that have been deferred to exclude revenue for the future investments within the tariff whose performance obligation has not been achieved.

The accounting officer explained that the company continues to implement policies and actions that ensure a sustainable and consistent profitable position of the company accordingly.

We observe reduced profitability points towards unsustainable operations of the company in the medium and long term unless the Uganda Electricity Transmission Company Ltd. (UETCL) adopts policies or actions that could reverse this trend.

The accounting officer provided no details on the measures taken to improve the company's profitability.

Recommendation

The accounting officer should implement policies that ensure the sustainability and consistent profitability of the company.

Return on investments

The Auditor-General noted that although the company's return on investment increased from 1.70 per cent in the previous year to 1.89 per cent in the current year, which suggests a slight improvement, the return is still way below the desired 5 per cent. This indicates a suboptimal utilisation of the company's assets to generate income.

The accounting officer explained that the company continues to fast-track projects to completion to generate revenue and increase its return on assets.

We observed that the company's inability to generate revenue and, therefore, low asset turnover is attributable to the fact that over 60 per cent of its assets are still in progress.

We recommend that the accounting officer should fast-track the completion of the projects under the work in progress to enhance revenue collection or generation.

Liquidity assets

The liquidity ratio measures a company's ability to meet short-term financial obligations using current assets. A quick ratio between 1 and 1.5 is generally considered healthy.

The Auditor-General noted that the company had a quick ratio of 2.17 for the year under review, which is well within the desirable range. The Auditor-General further noted that the quick ratio increased by 0.15 from last year's ratio of 2.02, which suggests improved liquidity.

The healthy liquidity position is majorly attributable to the operation of funds from energy sales of Shs 508 billion and the Government of Uganda's contribution of Shs 236 billion to PAP implementation and project implementation.

The accounting officer explained that the above funds are not excess in nature; however, they are tagged and committed to several disbursement

activities pending conclusion of the relevant processes underway, like procurement, RAP processes, and fixed funds on bank accounts for treasury management purposes.

The committee agrees with the Auditor-General's observation that although the ratio suggests a low liquidity risk, excessive liquidity may indicate that the company is not optimally investing funds for grid service improvement.

We recommend that the accounting officer fast-track the implementation of the activities attributable to the committed funds and that excess funds be invested in relevant infrastructure projects to improve grid services.

Debt ratio analysis

The debt ratio assesses the proportion of a company's assets financed by debt and is a critical indicator of its financial stability. A debt ratio exceeding 50 per cent is generally deemed undesirable.

The Auditor-General established that the company's debt ratio as of 30 June 2024 was 55 per cent, which is higher than the desired 50 per cent. This indicates that a significant portion of the company's assets is financed by debt.

The Auditor-General noted that the undesirable ratio is attributed to the on-lent loans for the International Development Agency (IDA), Exim Bank of China, African Development Bank (ADB), and the Japanese International Cooperation Agency (JICA).

The Auditor-General further noted that although the company indicates that the Government has no intention of recovering the loans in the foreseeable future, the ratio implies a high financial risk that may hinder the company's access to future loans.

The accounting officer explained that the company has engaged the Government of Uganda on the matter of conversion of debt to grants and will continue to follow up on the same. The conversion will significantly

improve the company's gearing ratio since the loans will no longer be a component of the company's long-term debt.

We make our observations and recommendations on page 20. Let us now move to payment of dividends, where we make our observations and recommendations on page 21.

In the implementation of the entity's mandate and unachievable strategic targets, Madam Speaker, from page 21 to page 22, we make our findings, observations, and recommendations.

Our observations and recommendations on the high rejection rate for the costs submitted to errors approval are on page 24.

On the review of the implementation of the approved budget, we make our observations on pages 25 through 26, with attendant recommendations.

Madam Speaker, on the underperformance of the Government of Uganda's disbursements, we make observations on page 26 and recommendations on page 27.

On operations and maintenance costs, we make our observations on page 28 with attendant recommendations on the same page.

Madam Speaker, we make several observations from page 30 to page 38.

By addressing the above-stated challenges, the company could improve its financial and operational outlook to deliver better services to its clients and stakeholders.

With that, I beg to move that Parliament be pleased to adopt the recommendations.

Madam Speaker, the other report relates –

THE SPEAKER: Can the *Hansard* capture the whole report?

(The report is attached hereto.)

MR LUBEGA SSEGGONA: Yes. The other observations and recommendations relate to the following entities: The Electoral Commission for the audit year ended December 2024, which I beg to lay on the Table.

THE SPEAKER: Please do.

MR LUBEGA SSEGGONA: Madam Speaker, the other relates, to the operations and the audit of financial statements of the Uganda Registration Services Bureau, which I beg to lay on the Table.

THE SPEAKER: Please do.

MR LUBEGA SSEGGONA: The other, Madam Speaker, relates to the Insurance Regulatory Authority for the audit year ended December 2024, which I beg to lay on the Table.

THE SPEAKER: Please do.

MR LUBEGA SSEGGONA: The other one relates to the statements of Kilembe Mines Limited for the audit year ended December 2024.

The other, Madam Speaker, concerns the statements of New Vision Printing and Publishing Company Limited for the financial year ended June 30th, 2024.

I already laid this on the Table. In summary, Madam Speaker, we have been able to provide the following: Uganda Revenue Authority Corporate Services, Uganda Revenue Authority Collection Accounts, Uganda Registration Services Bureau operations, the New Vision Printing and Publishing Corporation, Kilembe Mines Limited, the Electoral Commission, Uganda Electricity Transmission Company, the Insurance Regulatory Authority, and the Ugandan National Airlines Company.

With that, Madam Speaker, we invite Parliament to find pleasure in adopting these. We thank you for your patience. Finally, permit me to thank the Members of the committee and

our staff assigned to us for a job I believe was well done, after some sleepless nights.

The last days have been tense, with the tone going up at times. It was a work hazard. They should bear with me. I thank you, Madam Speaker, and I beg to submit. *(Applause)*

THE SPEAKER: Thank you so much for the exhaustive reports.

Honourable members, you have heard the reports the chairperson has read. Any comment? In the absence of a comment, I put the question that the reports of the Committee on Public Accounts (Commissions, Statutory Authorities and State Enterprises) on Annual Reports of the Auditor-General to Parliament for the Audit Year ended 31 December 2024, with the entities and authorities that have been mentioned, be adopted by this august House.

(Question put and agreed to.)

Reports, adopted.

THE SPEAKER: As you have heard, the other authorities - the reports are not ready and as precedence has already been set, I now put the question that the House adopts the recommendations of the Auditor-General on the entities that remain unconsidered by the Committee on Public Accounts (Commissions, Statutory Authorities and State Enterprises) as contained in the Annual Report of the Auditor-General to Parliament for Audit Year ended 31 December 2024.

(Question put and agreed to.)

THE SPEAKER: Honourable members, we have considered all the reports, and I have sent you more. I hope you find time in this critical period of campaigns to consider them. I wish you could consider whichever report comes and not wait for all the reports. Those are the problems we have, especially at this time, but I want to thank you for these reports. Get time and read all these reports.

There are some issues that border on criminality.

I want to ask the Clerk to extract them and have them forwarded, especially the one for the national airline. It should be forwarded to the Inspector General of Government(IGG) for action.

I want to thank all of you, Members, who have endured being in the House up to this time. God will pay you by bringing you back to the 12th Parliament.

I now adjourn the House sine die.

(The House rose at 6.02 p.m. and adjourned sine die.)