



ACCOUNTING FOR PUBLIC FUNDS

Performance of the Central Government on the Public Audit

Article 163(3) of the constitution of the republic of Uganda and section 13 and 19 of the National Audit Act 2008 mandates the Auditor General to audit and report on the public accounts of Uganda. The Auditor General writes a report every year and records instances of where the public accounts do not give satisfactory explanation of how money has been spent. This info sheet basically looks at the funds that have been queried by the Auditor General over the last five years. The aim of this info sheet is to provide information to the citizens to be able to demand for better utilisation of public funds.

The amounts queried over the years tend to fluctuate with no clear trend. Over the period of the five financial years from 2006/07 to 2010/11, there was a tremendous decline in the amount of funds queried from UGX 433.44 billion in 2006/07 to UGX 197.11 billion in 2007/08. The queried funds increased to UGX 202.71 billion in 2008/09 and UGX 411.88 billion in 2009/10, but dropped to UGX 393.87 billion the following year. Table 1 below shows the amounts queried by the Auditor General in the different sectors over the last five years.

Table 1: Trends in Performance of the Sectors on Public Audit (UGX Billions)

Sector	2006/07	2007/08	2008/09	2009/10	2010/11	Total
Security	18.31	5.33	66.61	64.33	0.72	155.29
Works And Transport	0.14	2.78	3.91	175.42	157.64	339.89
Agriculture	9.83	1.71	11.74	11.10	16.94	51.33
Education	22.36	39.50	20.15	26.15	13.00	121.15
Health	10.66	7.68	16.15	14.63	13.34	62.47
Water And Environment	5.68	1.57	0.58	1.88	1.26	10.97
Justice/Law And Order	12.85	46.79	41.18	85.72	5.35	191.90
Accountability	262.15	14.57	4.95	2.44	4.74	288.84
Energy And Mineral Development	-	0.10	0.07	0.00	149.58	149.75
Tourism ,Trade And Industry	0.24	0.39	0.01	0.22	0.20	1.06
Lands, Housing And Urban Development	1.70	0.92	-	-	-	2.62
Social Development	0.91	0.16	1.54	1.24	0.27	4.12
Information And Communication Technology	0.12	-	10.11	0.85	0.21	11.29
Public Sector Management	1.75	61.09	4.63	2.11	16.54	86.11
Public Administration	83.56	14.52	20.56	18.22	13.55	150.41
Legislature	3.19	-	0.51	7.57	0.53	11.80
Total	433.44	197.11	202.71	411.88	393.87	1,639.00

Source: Author's calculations based on the Auditor General Reports (2006/07-2010/11)

Table 1 indicates that the Works and Transport Sector registered the highest amount of queried expenditure at UGX 339.89 billion followed by the accountability sector at UGX 288.84 billion.

The reasons for querying expenditure by the Auditor General have been consistently dominated by unauthorised expenditure, which refers to expenditure above appropriation by parliament followed by expenditure that is not supported

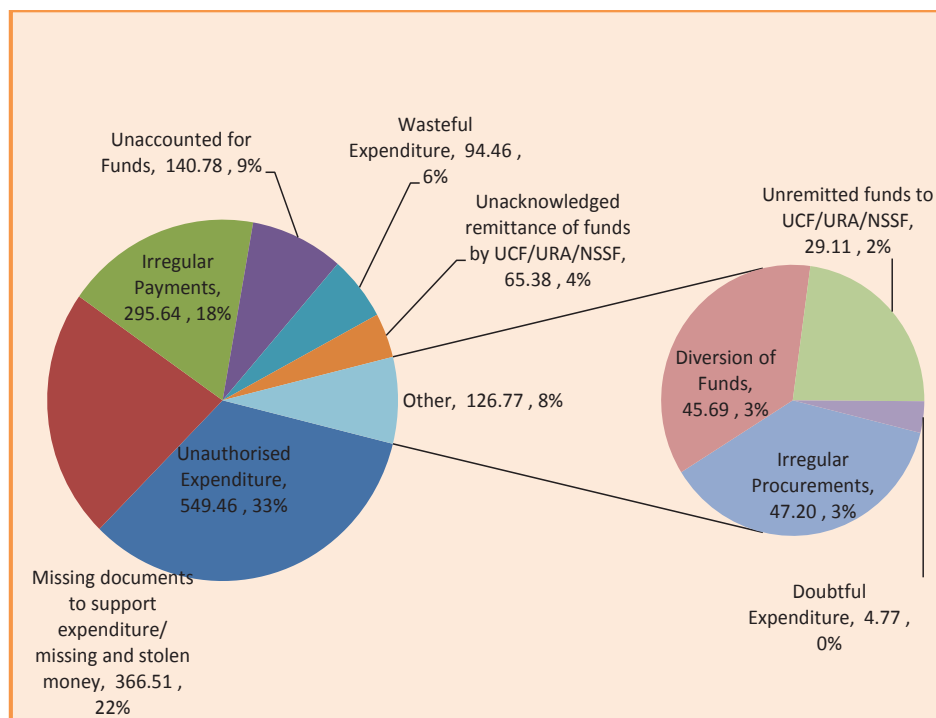
with adequate documentation (also construed as missing or embezzled money). It is also noted that there has been drastic reduction in the amounts of funds queried due to irregular payments where payments are made without following proper procedures, unacknowledged remittance of funds by UCF/URA/NSSF, and irregular procurements. Table 2 shows the trend of amounts of funds queried

Table 2: Reasons for the queried expenditure (UGX Billions)

Reasons	2006/07	2007/08	2008/09	2009/10	2010/11	Total
Unauthorised Expenditure	65.19	63.97	99.32	206.44	114.55	549.46
Missing documents to support expenditure/ missing and stolen money	28.42	20.25	72.19	89.97	155.68	366.51
Irregular Payments	229.06	11.51	2.49	15.64	36.95	295.64
Unaccounted for Funds	14.79	69.03	12.41	20.69	23.85	140.78
Wasteful Expenditure	9.40	3.84	1.92	37.02	42.29	94.46
Unacknowledged remittance of funds by UCF/URA/NSSF	48.08	2.11	4.01	7.83	3.35	65.38
Irregular Procurements	33.77	4.08	0.36	6.67	2.31	47.20
Diversion of Funds	0.94	11.77	2.56	24.10	6.31	45.69
Unremitted funds to UCF/URA/NSSF	3.19	10.49	5.66	2.74	7.02	29.11
Doubtful Expenditure	0.59	0.06	1.80	0.77	1.55	4.77
Total	433.44	197.11	202.71	411.88	393.87	1,639.00

Source: Author’s calculations based on the Auditor General Reports (2006/07-2010/11)

Figure 1: Showing the percentage share of the reasons for the queried Expenditure (UGX Billions)



In aggregate terms, over the last five years, un-authorized expenditure was cited for querying up to UGX 549.46 billion (33 percent), followed by expenditure with inadequate supporting documents at UGX 366.51 billion (22 percent). Figure 1 shows the amounts of funds queried for different reasons while Figure 2 shows the total expenditure queried for different Ministries, Agencies and Departments over the same period.

Source: Author’s calculations based on the Auditor General Reports (2006/07-2010/11)

Figure 2: Sector Disaggregation of Queried Expenditure (2006/07 to 2010/11)



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About ACODE and CBTIC

The Advocates Coalition for Development and Environment (ACODE) is an independent public policy research and advocacy think tank registered in Uganda with operations in the Eastern and Southern Africa sub-region. Our mission is to make public policies work for people. Through our work, we empower citizens to demand for justice and promote public participation in the decision making processes that affect livelihoods and the environment. ACODE has become the premier organization that facilitates policy dialogue and debate on emerging and cutting edge public policy issues.

The Citizens' Budget Tracking and Information Centre (CBTIC) is one of ACODE's premier initiatives that seek to put control of public expenditure and the budget in the hands of citizens. The goal of the Centre is "to increase accountability and transparency in the allocation and utilization of both local revenue and donor funds by raising citizens' awareness." Funding for the CBTIC is provided by The Netherlands Embassy, Kampala, the Hewlett Foundation and the Think Tank Initiative (TTI) through core funding.