

VOTE: 131 Office of the Auditor General (OAG)

I. VOTE MISSION STATEMENT

To provide our stakeholders with independent audit results that promote good governance for better service delivery

II. STRATEGIC OBJECTIVE

Enhance the relevance of audits for improved public transparency, accountability and service delivery.

Enhance institutional capacity to effectively and efficiently deliver the mandate of the Auditor General

III. MAJOR ACHIEVEMENTS IN 2021/22

The Office submitted the Annual Report of the Auditor General for FY 2020/21 to Parliament in accordance with the legal requirements governing the OAG.

Financial Audits

The Office planned to undertake 2638 financial audits (2635 Financial and 3 compliance audit thematic reports) relating to the audit of FY 2020/21. This planned number was subsequently adjusted during the audit year to 3801 financial audits following the inclusion of backlog audits deferred from the previous audit period.

By 31st December 2021, a total of 2,583 financial audits had been undertaken. 1218 financial audits were deferred due to the adverse effects of the COVID 19 pandemic which caused operational disruptions and resource shortfalls.

All lower local government audits relating to FY 2020/21 are scheduled to be undertaken between January and April 2022 as per the annual audit plan.

Value for Money and Specialized Audits

VFM Audits

The Office planned to carry out a total of 21 VFM (Performance) audits the majority of which had been deferred from the previous period. By 31st December 2021, 8 VFM Audits had been finalized and 33 are in progress to be finalized over the course of the FY.

Specialised Audits

For the audit year 2021, the Office planned to conduct specialised audits focused on 240 infrastructure and public works projects. At the time of reporting, audits on 90 projects had been completed while 150 remained in progress.

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IV. MEDIUM TERM BUDGET ALLOCATIONS

Table 4.1: Overview of Vote Expenditure (Ushs Billion)

		MTEF Budget Projections				
		2022/23 Proposed Budget	2023/24	2024/25	2025/26	2026/27
Recurrent	Wage	34.525	34.525	34.525	34.525	34.525
	Non-Wage	39.943	29.902	29.902	29.902	29.902
Dev't.	GoU	1.760	1.760	1.760	1.760	1.760
	Ext Fin.	0.000	0.000	0.000	0.000	0.000
GoU Total		76.228	66.187	66.187	66.187	66.187
Total GoU+Ext Fin (MTEF)		76.228	66.187	66.187	66.187	66.187
Arrears		0.811	0.000	0.000	0.000	0.000
Total Budget		77.039	66.187	66.187	66.187	66.187
Total Vote Budget Excluding		76.228	66.187	66.187	66.187	66.187

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Table 4.2: Budget Allocation by Department for Recurrent and Development (Ushs Billion)

<i>Billion Uganda Shillings</i>	Draft Budget Estimates FY 2022/23	
	Recurrent	Development
Programme:16 GOVERNANCE AND SECURITY	74.468	1.760
SubProgramme:05 Anti-Corruption and Accountability	74.468	1.760
Sub SubProgramme:01 External Audit Services	42.593	0.000
001 Local Authorities	17.938	0.000
002 Central Government One	5.704	0.000
003 Central Government Two	6.556	0.000
004 Value for Money and Specialised Audits	6.776	0.000
005 Forensic Investigations and Special Audits	5.619	0.000
Sub SubProgramme:02 Support to Audit services	31.875	1.760
001 Corporate and Technical Support Services	31.875	1.760
Total for the Vote	74.468	1.760

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V. PERFORMANCE INDICATORS AND PLANNED OUTPUTS

Table 5.1: Performance Indicators

Programme: 16 GOVERNANCE AND SECURITY				
SubProgramme: 05 Anti-Corruption and Accountability				
Sub SubProgramme: 01 External Audit Services				
Department: 001 Local Authorities				
Budget Output: 460081 Financial and Value For Money audits				
PIAP Output: Enhanced Quality and Impact of Audits				
Indicator Name	Indicator Measure	Base Year	Base Level	Performance Targets
				2022/23
Percentage of planned financial and compliance audits undertaken	Percentage	2019/20	50%	85%
Department: 002 Central Government One				
Budget Output: 460081 Financial and Value For Money audits				
PIAP Output: Enhanced Quality and Impact of Audits				
Indicator Name	Indicator Measure	Base Year	Base Level	Performance Targets
				2022/23
Percentage of planned financial and compliance audits undertaken	Percentage	2019/20	98.3%	95%
Department: 003 Central Government Two				
Budget Output: 460081 Financial and Value For Money audits				
PIAP Output: Enhanced Quality and Impact of Audits				
Indicator Name	Indicator Measure	Base Year	Base Level	Performance Targets
				2022/23
%-age of Cost Recovery/PSA audits undertaken	Percentage	2018/19	100%	100%
%age of recoverable cost claims Allowed	Percentage	N/A	0	90%
Number of Cost Recovery/PSA audits planned	Number	2018/19	4	4
Percentage of planned financial and compliance audits undertaken	Percentage	2019/20	53.4%	85%

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Sub SubProgramme: 01 External Audit Services				
Department: 004 Value for Money and Specialised Audits				
Budget Output: 460081 Financial and Value For Money audits				
PIAP Output: Enhanced Quality and Impact of Audits				
Indicator Name	Indicator Measure	Base Year	Base Level	Performance Targets
				2022/23
Number of performance audits undertaken	Number	2019/20	7	12
Number of SDG – Focused Audits undertaken	Number	2019/20	1	4
Percentage of planned financial and compliance audits undertaken	Percentage	2019/20	87.2%	90%
Percentage of planned real time audits undertaken	Percentage	N/A	N/A	70%
Department: 005 Forensic Investigations and Special Audits				
Budget Output: 460082 Audits and Forensic Investigations				
PIAP Output: Enhanced Quality and Impact of Audits				
Indicator Name	Indicator Measure	Base Year	Base Level	Performance Targets
				2022/23
%-age coverage of the audit population	Percentage	2019/20	14%	15%
%-age level of compliance with International Audit Standards (ISSAIs)	Percentage	2018/19	64.3%	70%
%-age level of stakeholder satisfaction with OAG products	Percentage	2018/19	31%	40%
%-age level of stakeholder satisfaction with OAG work	Percentage	2018/19	73.6%	76%
%-age of audit recommendation implemented	Percentage	2019/20	24%	35%
%-age of forensic and special audits requests undertaken	Percentage	2019/20	22%	30%
Aggregate Nominal value of recurring cross-cutting audit issues identified in audit reports	Value	N/A	N/A	500,000,000,000

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Sub SubProgramme: 01 External Audit Services				
Department: 005 Forensic Investigations and Special Audits				
Budget Output: 460082 Audits and Forensic Investigations				
Indicator Name	Indicator Measure	Base Year	Base Level	Performance Targets
				2022/23
Aggregated nominal value of savings/recoveries resulting from audits	Value	N/A	N/A	350,000,000,000
Level of stakeholder satisfaction with Integrated system for tracking audit recommendations	Percentage	N/A	N/A	75%
Number of e- government system Audits undertaken	Number	2019/20	5	8
Number of Forensic audits, VFM, specialized PSA and any others audits undertaken	Number	2019/20	75	102
Number of judicial/administrative sanctions arising from audit reports	Number	N/A	N/A	10
Number of policy changes/administrative instructions resulting from audit	Number	N/A	N/A	2
Number of staff trained	Number	2020/21	0	10
Number of staff trained in the use of Big Data Analytics	Number	2020/21	0	10
Percentage of planned financial and compliance audits undertaken	Percentage	2019/20	98%	98%
Proportion of audit recommendations uploaded and tracked	Percentage	N/A	N/A	25%
Sub SubProgramme: 02 Support to Audit services				
Department: 001 Corporate and Technical Support Services				
Budget Output: 000014 Administrative and Support Services				
PIAP Output: Improved internal governance structures and systems for effective operations in the OAG				

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Sub SubProgramme: 02 Support to Audit services				
Department: 001 Corporate and Technical Support Services				
Budget Output: 000014 Administrative and Support Services				
Indicator Name	Indicator Measure	Base Year	Base Level	Performance Targets
				2022/23
% level of internal audit recommendations implemented	Percentage	2018/19	85%	90%
% of planned strategic activities implemented	Percentage	2020/21	81%	85%
Number of legal litigation cases against AG and OAG	Number	2019/20	8	5
PIAP Output: Improved OAG human resource capacity to deliver				
Indicator Name	Indicator Measure	Base Year	Base Level	Performance Targets
				2022/23
% of OAG staff with satisfactory performance	Percentage	N/A	N/A	70%
Percentage increase in overall staff performance	Percentage	N/A	N/A	5%
Percentage level of compliance with HR Policies	Percentage	N/A	N/A	70%
PIAP Output: Improved financial management and operational efficiency in the OAG				
Indicator Name	Indicator Measure	Base Year	Base Level	Performance Targets
				2022/23
% level of implementation of external Audit recommendations	Percentage	2018/19	85%	85%
% of supplier satisfaction(including audit firms)	Percentage	N/A	N/A	70%
% reduction of avaregae fleet maintenance and inventory cost	Percentage	N/A	N/A	4%
Budget performance rating	Percentage	2018/19	81%	85%
Level of staff satisfaction with Office accomodation and ammenities	Percentage	N/A	N/A	85%

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Sub SubProgramme: 02 Support to Audit services				
Department: 001 Corporate and Technical Support Services				
Budget Output: 000014 Administrative and Support Services				
PIAP Output: Improved ICT Infrastructure, IT support and automation of OAG business processes				
Indicator Name	Indicator Measure	Base Year	Base Level	Performance Targets
				2022/23
% of security incidences resolved	Percentage	N/A	N/A	70%
% level of user satisfaction with Integrated Management Informatiuon System	Percentage	N/A	N/A	75%
% of network uptime	Percentage	N/A	N/A	85%
% of staff satisfaction with IT support services	Percentage	N/A	N/A	75%
PIAP Output: Enhanced utilization of audit results, increased public demand for accountability and improved profile of the OAG				
Indicator Name	Indicator Measure	Base Year	Base Level	Performance Targets
				2022/23
% level of stakeholder satisfaction	Percentage	2018/19	73.6%	76%
% of audit reports discussed by parliament	Percentage	N/A	N/A	90%
% of planned collaboration activities undertaken	Percentage	N/A	N/A	90%

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VI. VOTE NARRATIVE

Vote Challenges

Funding Gap: Over the years the Office registered significant funding gaps which adversely affected implementation of planned activities. With the current workload, the funding gap for FY 2021-22 is UGX 28.94Bn (29% of our requirement of UGX 101.196Bn)

In addition, regular budget cuts and under releases especially related to Consumptive items and the Development Budget have impeded budget execution. The freeze on travel abroad particularly has led to accumulation of backlogs in the audit of missions abroad.

Negative effects of COVID 19: The overall circumstances related to the COVID 19 pandemic posed the biggest challenge to the Office in recent years as these led to delays and deferment of planned activities. The restrictions instituted to curb the unprecedented threat posed by COVID 19 led to operational disruptions. Also, the fact that most of our staff are predominantly field based, implies that they are at a high risk of exposure and this is of high concern to the Office.

Increasing Audit Scope: The Office is challenged by the ever expanding audit scope arising from newly established audit entities namely: Institution of the Parish Development Model (PDM); Cities; Districts; Town councils; Sub – counties; Schools and tertiary institutions

In addition to this is the increasing demand for VFM audits, specialized audits and forensic investigations. This coupled with limited staff numbers and constant budgetary shortfalls poses a challenge to the execution of audit plans resulting in accumulation of audit backlogs.

Plans to improve Vote Performance

The Office has undertaken deliberate efforts to fully align all its operations and business processes to the OAG Strategic plan 2020 – 2025. This was done through engagements with staff and external stakeholders in order to ensure that we are better able to meet their expectations while also delivering on the mandate in a way that creates value to society.

COVID 19 posed an unprecedented challenge in terms of its impact on staff livelihoods, resources and operations. Therefore, a COVID 19 Mitigation strategy was developed to alleviate the adverse effects of the pandemic on the Office. The strategy provides guidelines on business continuity to ensure that the office can function optimally at all times. Implementation of the strategy is monitored and reported on.

Follow up on the implementation of audit recommendations provides a platform for improvements in public accountability and enables the Office to validate its impact and relevance to the country. It also creates avenues for inclusiveness of the public in demanding for accountability. Correspondingly, the OAG customized TeamMate Audit software to provide a mechanism for effective tracking of audit recommendations. Additionally, the office is spear heading the development of a shared platform to track the status of oversight recommendations arising from audits and investigations. The platform is being piloted in 2022.

VII. Off Budget Support

Table 7.1: Off Budget Support by Project and Department

N / A

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VIII. VOTE CROSS CUTTING POLICY AND OTHER BUDGETARY ISSUES

Table 8.1: Cross- Cutting Policy Issues

i) Gender and Equity

OBJECTIVE	To mainstream gender and equity in all audit activities in line with the SDGs so as to promote equitable service delivery and inclusive growth
Issue of Concern	There is need to conduct audits targeting the creation of value to society in an indiscriminate manner.
Planned Interventions	Mainstream gender and equity in all work plans and audit activities in line with the SDGs so as to promote effective service delivery and inclusive growth. Undertake gender audits focused on National gender policies, interventions and actions.
Budget Allocation (Billion)	0.650
Performance Indicators	Level of satisfaction with audit products among vulnerable and marginalized groups - 70% Annual EOC Gender and Equity Budget compliance rating - 70% Number of gender performance audits mapped onto SDGs undertaken - 1
OBJECTIVE	To provide equitable, all - inclusive opportunities in terms of welfare and career growth for all staff.
Issue of Concern	The need to have balanced career growth for all staff regardless of sex, race, religious affiliation or disability.
Planned Interventions	Provide equitable, needs-based training to all staff. Conducting fair and transparent recruitment and promotions. Support activities of the OAG Women's forum. Annually assess the level of staff satisfaction disaggregated by gender.
Budget Allocation (Billion)	1.830
Performance Indicators	Number of OAG staff trained (disaggregated by gender) - 120 Number of OAG Women's forum activities held (2) Level of satisfaction of staff and applicants disaggregated by gender - 70% Number of staff promoted and recruited disaggregated by Gender - 12

ii) HIV/AIDS

OBJECTIVE	To equitably and sustainably minimize the impact of HIV/AIDS on staff quality of life and productivity.
Issue of Concern	The office has staff living with HIV/AIDS whom it impartially supports to live a healthy life and maintain productivity levels. The office also plans to raise awareness levels about issues to do with HV/AIDS.

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Planned Interventions	Continued support to HIV positive staff and their families to equitably access required medical and counselling services through the medical insurance scheme. Review of the OAG HIV/AIDS Policy Internal HIV Sensitization campaigns conducted
Budget Allocation (Billion)	1.700
Performance Indicators	Number of awareness campaigns undertaken (2) Level of staff satisfaction with medical services accessed through medical insurance scheme (75%) Percentage of OAG non-wage recurrent budget spent on HIV/AIDS mainstreaming (3%)

iii) Environment

OBJECTIVE	To all-inclusively enhance staff awareness on environmental issues pertaining to climate change and its effects.
Issue of Concern	Knowledge gaps among staff in matters pertaining to climate change, its effects and sustainable environmental conservation efforts. Need to mainstream Environmental considerations in Audit activities and office work plans.
Planned Interventions	Conduct Internal Environmental awareness campaigns Undertake environmental audits focused on SDGs, National Environmental policies and interventions Build staff capacity in Environmental – based audits Participate in INTOSAI – WGEA Activities as a member
Budget Allocation (Billion)	0.500
Performance Indicators	Number of Environmental awareness campaigns undertaken (1) Number of environmental audits mapped onto SDGs undertaken (1) Number of Environmental – based Audit trainings undertaken (1) Number of WGEA Forums/Seminars attended (2)

iv) Covid

OBJECTIVE	To minimize and mitigate the effects of Covid 19 on staff productivity and operations of the Office of the Auditor General.
Issue of Concern	Increasing number of Covid cases and the rate at which the virus impacts on the health of individuals. Operational disruptions related to restrictions arising from the Covid 19 pandemic Limited knowledge on the Virus and its broader impact on society
Planned Interventions	Implement the OAG Covid 19 response plan Conduct Covid 19 awareness and vaccination campaigns Procurement and distribution of Personal Protective Equipment (PPE) to all staff Procurement and distribution of software licenses to enable mobile operations
Budget Allocation (Billion)	0.550

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Performance Indicators	Percentage Covid 19 response plan implemented (70%)
	Number of Covid 19 campaigns undertaken (2)
	Number of lots of IEC materials on Covid 19 procured (1)
	Number of lots of PPE procured and distributed (2)
	Percentage of Staff with remote connectivity (80%)

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IX. PERSONNEL INFORMATION

Table 9.1: Staff Establishment Analysis

Title	Salary Scale	Number of Approved Positions	Number of filled Positions
PRINCIPAL SPECIALIST/AUDITOR	OAG -6	32	3
ADMINISTRATIVE ASSISTANT	OAG-9C	26	11
ASSISTANT DIRECTOR OF VFM AND SPECIALISED AUDITS	OAG -4	4	1
AUDITOR	OAG-8	795	213
DIRECTOR OF AUDIT - LG	OAG -3	2	1
MANAGER PLANNING, MONITORING AND EVALUATION	OAG -5	1	0
OFFICER QA/AD	OAG-8	8	2
PRINCIPAL AUDITOR	OAG-6	30	16
SENIOR SPECIALIST / AUDITOR	OAG -7	90	16
SENIOR AUDITOR	OAG -7	70	27
SENIOR EXECUTIVE ASSISTANT	OAG-7	3	0
SENIOR PRINCIPAL AUDITOR	OAG-5	11	4
SENIOR PRINCIPAL SPECIALIST/AUDITOR	OAG-5	14	3
SPECIALIST / AUDITOR	OAG - 8	289	63

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Table 9.2: Staff Recruitment Plan

Post Title	Salary Scale	No. Of Approved Posts	No. Of Filled Posts	No. Of Vacant Posts	No. Of Posts Cleared for Filling FY2022/23	Gross Salary Per Month (UGX)	Total Annual Salary (UGX)
PRINCIPAL SPECIALIST/AUDITOR	OAG -6	32	3	29	1	9,104,310	109,251,720
ADMINISTRATIVE ASSISTANT	OAG-9C	26	11	15	1	2,812,047	33,744,564
ASSISTANT DIRECTOR OF VFM AND SPECIALISED AUDITS	OAG -4	4	1	3	1	14,574,956	174,899,472
AUDITOR	OAG-8	795	213	582	18	13,386,822	963,851,184
DIRECTOR OF AUDIT - LG	OAG -3	2	1	1	1	20,881,850	250,582,200
MANAGER PLANNING, MONITORING AND EVALUATION	OAG -5	1	0	1	1	11,230,977	134,771,724
OFFICER QA/AD	OAG-8	8	2	6	1	4,462,274	53,547,288
PRINCIPAL AUDITOR	OAG-6	30	16	14	5	18,208,620	546,258,600
SENIOR SPECIALIST / AUDITOR	OAG -7	90	16	74	3	14,630,008	263,340,144
SENIOR AUDITOR	OAG -7	70	27	43	7	21,945,012	614,460,336
SENIOR EXECUTIVE ASSISTANT	OAG-7	3	0	3	1	7,315,004	87,780,048
SENIOR PRINCIPAL AUDITOR	OAG-5	11	4	7	2	11,230,977	269,543,448
SENIOR PRINCIPAL SPECIALIST/AUDITOR	OAG-5	14	3	11	1	11,230,977	134,771,724
SPECIALIST / AUDITOR	OAG - 8	289	63	226	4	8,924,548	214,189,152
Total					47	169,938,382	3,850,991,604

