FIA FAILS TO ANALYSE OVER 1,000 SUSPICIOUS TRANSACTIONS

By Mary Karugaba

The Auditor General (AG) has pinned the Financial Intelligence Authority (FIA) for failing to analyse 1,086 suspicious transaction reports, raising serious concerns over Uganda's ability to fight money laundering.

In a value-for-money audit report for the financial year 2024/2025, the AG, Edward Akol, revealed that out of 9,061 reports received from institutions such as banks and financial bureaus, FIA managed to analyse only 7,975, and of these, just 241 generated actionable intelligence.

The auditors said the remaining 7,734 reports are still pending, delaying investigations and leaving potential criminal activity unchecked.

The audit raised concerns about the FIA's capacity to detect and respond to emerging money laundering threats.

The AG noted that the lack of timely analysis undermines the entire Anti-Money Laundering (AML) chain, delaying investigations and weakening enforcement efforts.

Akol also noted that there were delays in finalising 79% of initiated money laundering investigations by selected law enforcement agencies (LEAs) during the review period.

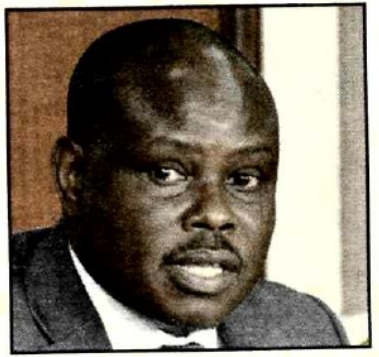
According to the report, FIA attributed the delays in concluding investigations to delayed feedback on information requests, limited co-ordination among stakeholders, parallel investigations and difficulty in tracing money launderers provided in the FIA intelligence reports.

Other factors include the need to re-profile suspects and generate intelligence by LEAs in instances where the FIA intelligence led to wrong suspects and the absence of standard timelines for investigating cases.

According to the report, the FIA accounting officer attributed the pending analysis of reports and, hence, storage of the same, to the delay and/or failure to obtain additional information from stakeholders.

Akol explained that money laundering is a global challenge that has far-reaching consequences on financial systems, economies and societal stability since it undermines legitimate businesses, reduces government revenues, damages financial systems, undermines national economies and currencies, erodes the integrity of a nation's financial institutions and distorts economic data, leading to ineffective policy planning.

He, however, noted that FIA faces challenges in effectively monitoring and enforcing compliance with the Anti-Money Laundering (AML) Regulations due to limited human resources,



Edward Akol

inadequate inter agency collaboration and insufficient technological capacity among accountable institutions.

Additionally, there is lack of public awareness on AML obligations due to limited FIA engagement with the public.

The AG said: "This impacts FIA's capacity to swiftly receive, analyse and distribute intelligence reports to Law Enforcement Agencies (LEAs) and other relevant authorities to support investigations and prosecutions related to financial crimes, thereby hindering the detection of emerging money laundering threats exacerbated by advancements in digital finance."

Akol recommended a series of measures aimed at improving compliance with the Anti-Money Laundering Act (AMLA) and ensuring timely investigation of suspicious transactions.

In his report, Akol urged the FIA to prioritise the registration of all licensed and non-licensed accountable persons operating in the country.

"Prioritisation of registration of accountable persons should be dependent on any latest National Risk Assessment undertaken for the country," he said.

This process should align with the latest National Risk Assessment, focusing first on entities that pose the highest risk.

Akol also advised FIA to bolster its sanctions-based regime by imposing administrative penalties and fines on accountable persons found to be non-compliant with AMLA provisions, including failure to register, in accordance with the latest AML regulations.

The report emphasises the need for ongoing public sensitisation on AML issues.

"Continuous awareness campaigns for accountable persons are critical. FIA should regularly inspect institutional policies and practices, focusing on forming suspicions, reviewing resolved Suspicious Transaction Reports (STRs) and Suspicious Activity Reports (SARs), as well as monitoring transactions to ensure compliance with evolving AML laws," Akol said.

He said educating the public will enable accountable persons to access timely information during due diligence and Know Your Customer processes, helping reduce delays in suspicious transactions and activities.

Akol also called for strengthened collaboration across the AML chain, improved information sharing, and expanded capacity-building programmes for investigating money laundering cases.

"The implementation of these recommendations is vital for enhancing FIA's effectiveness in detecting, investigating and preventing money laundering, thereby safeguarding the integrity of Uganda's financial system," the report concludes.

Akol said addressing these issues will require enhanced co-ordination and collaboration among all AML stakeholders.

"This will not only enhance the FIA's efficiency, but also secure the country's financial systems from ML activities and improve its capacity to respond to evolving money laundering threats."