Abuse of public funds: AG, MPs draw line in the sand

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BY SYLVIA NAMAGEMBE

The Office of the Auditor General (OAG) and Members of Parliament (MPs) have signalled a firmer stance against the misuse of public funds following revelations of recurring inefficiencies in government spending across public institutions.

During a sensitisation meeting with Parliament's Public Accountability Committees in Kampala on March 12, the Auditor General, Mr Edward Akol, briefed legislators on key findings from the Auditor General's report for the audit year ended December 31, 2025.

He also guided MPs on how to interpret audit queries and use them to strengthen oversight of public resources.

The meeting brought together members of the Public Accounts Committee for Central Government, the Public Accounts Committee for Local Governments, and the Committee on Commissions, Statutory Authorities and State Enterprises (Cosase) to review key audit findings and explore ways of addressing financial management gaps.

According to Mr Akol, the OAG conducted 6,875 audits during the period under review, covering financial audits, procurement audits and value-for-money assessments across ministries, agencies and local governments.

"We conducted 24 value-for-money audits and other specialised audits in areas such as information technology, forensics, engineering and oil cost recovery. We were also able to develop a new strategic plan anchored in the balanced scorecard framework covering the period 2025–2030, providing clear strategic guidance for the next five years," he said.

The audits revealed stark disparities in project costs, inefficiencies in procurement, and operational gaps that undermine service delivery.

"There was a disparity in the cost of construction for ongoing and recently commissioned projects per square metre, ranging between Shs3.7 million and Shs5.27 million. Entities incur different costs for similar common-user goods where the government should standardise specifications and prices," Mr Akol explained.



Auditor General Edward Akol (centre) meets MPs from the Parliament's Public Accountability Committees in Kampala on March 12. PHOTO/IBRAHIM KAVUMA

6,875 DIFFERENT AG AUDITS MADE

He also noted that staff shortages and inadequate transport continue to hinder auditing, particularly in remote areas.

While MPs commended the Office's expanded focus on performance and specialised audits, they raised concerns about weak enforcement of recommendations and unrealistic budgeting, which they said fuels rising domestic arrears.

Ms Gorreth Namugga, the deputy chairperson of the Public Accounts Committee for Central Government, said accounting officers repeatedly ignore audit recommendations without consequences, leading to the recurrence of the same issues every financial year.

"Our sole objective is to ensure that taxpayers receive services and value for the taxes they pay. However, when you read the audit reports, many of these issues keep recurring every financial year, and when we asked how many accounting officers have been reprimanded for committing entities beyond the finances they actually have, none of them has been reprimanded," she said.

She noted that unrealistic budgeting has contributed to the build-up of arrears, which she said have surpassed Shs9 trillion, warning that the slow pace of clearing them threatens private businesses.

Ms Namugga added that the problem largely stems from government entities committing to financial obligations beyond the funds actually released.

"If you are paying Shs200 billion out of almost over Shs9 trillion, simple mathematics shows it could take about 48 years to clear these arrears. Delayed payments continue to suffocate private businesses, many of which borrow heavily from banks to execute government contracts but remain unpaid for long periods," she said.

Stronger audit recommendations

Other MPs also criticised what they described as lukewarm recommendations in audit reports that fail to trigger accountability.

Ms Betty Ethel Naluyima, the Wakiso District Woman MP, said some reports clearly identify offences and cite relevant laws, but the Auditor General offers soft recommendations that make enforcement difficult.

She cited a case involving 32 health facilities in 31 local governments that ordered emergency medicines outside approved plans, leading to the over-ordering of 3,844 items and the under-ordering of 1,128 others—an imbalance that increases the risk of drug expiries and stock-outs.

"Such cases require clear penalties, including the attachment of fines, rather than general recommendations for improvement," Ms Naluyima said.

SHS8.04B

Wastage. According to the audit report, National Medical Stores had non-viable or expired medicines worth Shs8.04 billion by June 30, 2025

According to the audit report, National Medical Stores had non-viable or expired medicines worth Shs8.04 billion by June 30, 2025, partly due to misalignment between national medical needs and procured supplies, as well as changes in treatment protocols by the World Health Organisation after medicines had already been purchased.

Expired stock worth Shs2.648 billion was also poorly managed at health facilities.

Mr Gilbert Olanya, the chairperson of the Public Accounts Committee for Local Governments, said Parliament has limited time to scrutinise audit reports, noting that the committee is required to review accountability for about 178 local government entities, including districts, cities, and their divisions.

"We have to examine each independently and even travel across regions to engage accounting officers on accountability and value for money. The narrow timelines might force Parliament to risk adopting audit findings without thorough verification," he said.

He proposed that reports be submitted earlier to allow six to eight months for review before they are tabled on the floor of the August House. This year, the timeline has been compressed due to the transition to a new Parliament in May, leaving the committee barely a month to complete the review.

The report was submitted to Parliament in accordance with Article 163 of the 1995 Constitution, which mandates the office to audit and report on public accounts.

Responding to the concerns, Mr Akol said the OAG remains committed to working with responsible officers to strengthen compliance and ensure that audit issues are acted upon and addressed in each ministry.

According to the parliamentary accountability committees, domestic arrears have reached about Shs9.6 trillion. However, the Ministry of Finance, Planning and Economic Development disputed the figure last week, saying the total is estimated at Shs8.4 trillion.

Permanent Secretary and Secretary to the Treasury Ramathan Ggoobi added that a revised figure will soon be confirmed by the Auditor General.

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