

THE REPORT NOTES THAT THE UNIVERSITY ADMINISTRATION FAILED TO ACCOUNT FOR 16,239 OF ITS STUDENTS

By Cecilia Okoth

Makerere University has incurred a loss of sh21.8b in a series of irregularities, ranging from shoddy procurement practices, illegal payments to staff, including some who quit the university long ago and overpayment of staff salaries.

Part of the loss was attributed to payments to staff on study leave or payments to bridge gaps created by teaching staff who have failed to clock the minimum 10-hour teaching load per week.

The above details emerged after the nine-member Makerere University Visitation Committee, appointed by President Yoweri Museveni, in November 2016, carried out an audit of systems at the university, unearthing fraud at the institution.

From a sample of procurements reviewed, the audit team noted that the university could have incurred a financial loss of sh807m in the period under review resulting from procurement and contract management irregularities, according to the report.

A review of a sample of procurements worth sh14.8b was riddled with fraud, while other procurements totalling sh936m were conducted without adherence to procedures laid out in the Public Procurement and Disposal of Public Assets Act (PPDA).

"Many of these led to financial losses; some of which audit teams could quantify with a reasonable degree of accuracy, while others could not be quantified due to certain limitations," the report states.

The committee concluded that the university's procurement arm is weak, and, that in many instances, the user departments had 'hijacked' the role of the Procurement and Disposal Unit (PDU) without consequence, resulting in mischievous violation of procurement regulations, "sometimes with intention of fraud".

The report recommends that the "IGG (Inspector General of Government) investigates the university procurement system with a view of bringing errant officers to book". The irregularities include procurements without requisition; lack of approval by the contracts committee and no formal solicitation documents.

The report paints a picture of a university marred by irregularities and weaknesses, particularly in the office of the academic registrar, the PDU and in its financial planning and budgeting process, riddled with incidents of huge financial leakages and undisclosed bank accounts, among others.

Ghost students

The report notes that the university administration failed to account for 16,239 of its students, raising fears that they could be 'ghosts'. These exist in the university records,

Makerere University spends sh21.8b on illegal payments



The spokesperson of the Makerere University Academic Staff Association (MUASA), Deus Muhwezi (left) and MUASA vice-chairman Gilbert Gumoshabe catch-up in argument over lecturers decision on whether to call off the strike or not during the MUASA assembly meeting at Makerere University on December 15, 2016. Photo by Mary Kansime

but did not turn up for the visitation committee's students' headcount.

"There is a risk that some of these students may not actually be genuine students of the university," the report notes. A total of 29,889 students were counted.

"Additionally, there is need to follow up on the remaining 99 students disowned by the university, as well as the 2,774, who had university identity cards and admission letters, yet the university did not know of their existence," the report notes.

Payroll management

On the issue of management of the university payroll, the report notes that the university, lacks a centralised system for managing all its several payrolls for its staff, saying it uses different IT systems.

"Whereas the government payroll is maintained using the Integrated Personnel and Payroll System (IPPS), the other payrolls are manual."

This, the committee notes, presents a major weakness, which exposes the university to a high risk of errors and fraud going undetected, leading into financial losses.

Departed staff on payroll

The report reveals that a total of sh256m was paid to individuals who had ceased to render services to the university for a number of reasons which

BETWEEN THE LINES:

The visitation committee recommended that all staff incentives and allowance irregularly paid, be recovered from beneficiaries and that the university secretary should ensure that the University Council decisions are implemented.

included: resignation, death, retirement and dismissal. This was attributed to failure by the finance department to effect timely changes to the payroll as communicated by the human resources department.

"Payments of salaries for no services rendered is a loss to the university," the report notes and recommends the accounting officer to promptly update the payroll to remove any staff exiting the university, and, to recover the amounts in question which could also be done from the terminal benefits that are to be paid to the concerned individuals

Overpayment of salaries

A review of the university payrolls revealed instances in which staff were paid amounts over and above their entitlements, resulting into an overpayment of sh107m, causing loss to the institution.

The losses, the report notes were attributed to

either the absence of proper reconciliation of payrolls with approved salary scales or negligence on the part of the staff who prepare the payrolls, and recommends university to recover all overpayments to staff and institute a system of reconciling payrolls with the approved salary structures, before effecting payments.

Payroll

The committee also noted that the university irregularly paid sh294m to staff who ought to have retired, a move the committee notes, has denied other deserving citizens employment opportunities.

It recommends that the university management strikes off the payroll all staff who have attained retirement age and award formal contract employment to only those identified after a critical needs assessment review.

A further analysis revealed that sh815m was paid to staff on study leave and another sh3.6b paid to part-timers to fill up a gap created by 471 permanent academic staff with less than the minimum 10 hours per week teaching load as stipulated in the university's human resources manual.

"Teaching less than 10 hours a week with little research outputs for the majority of the colleges implies that the university is not attaining full value for the money for salaries and allowances paid to some of

its academic staff."

Consequently, the committee recommended that all staff incentives allowance irregularly paid, be recovered from the beneficiaries and that the university secretary should ensure that the University Council decisions are adhered to and implemented.

It also recommends the university to review and monitor all timetables to ensure that all staff attain the minimum teaching hours which will in turn become part of the performance appraisal process.

Refund sh13b

Other findings unearthed by the committee show the university from 2011-2016 borrowed sh13.8b from the Centre for Research in Transport Technology (CRTT)-Kiira EV (sh8.9b) and the Presidential Initiative Projects (sh4.9bn) to pay salary top-ups, and in some instances, for the payment of utilities and suppliers.

It was further noted that of the borrowed funds, only sh775m was refunded to the projects during the period under review, leaving sh13b outstanding.

"The continued borrowing of funds meant for projects without refunding the same, has frustrated the execution of the said projects. It further extends the lifespan of projects beyond what was initially

STAFF HOUSING

On uncollected housing revenue, the committee discovered that the university was potentially losing sh167m in form of deducted rent every year. A total of 26 houses are occupied by former staff who are currently not rendering services to the university due to retirement, resignation or death. Some of the individuals have occupied the houses for over five years from the time of their retirement/death/resignation.

Management attributed the problem to the fact that the university delayed clearing the retired staff's terminal benefits amounting to sh63 and, as such, they could not leave the houses before their outstanding benefit could be paid.

planned for, thus to projects failing in a timely manner," the notes, recommending the university man refunds all outstanding funds without further

University indebted

That notwithstanding committee establish the university was indebted. In a letter September 22, 2016 addressed to the P Secretary/Secretary Treasury, the sought the interve the Government outstanding arrears. Since then, the uni only managed to de: of September 2016.

Payments to URA

Regarding paym Uganda Revenue (URA), the commi out that the univer total of sh18.5b as taxes owed to U from unpaid taxes incentive allowance and withheld suppliers (sh352m

"Such delays in the deducted tax: university to a risk in line with the pro Income Tax Act. I should be investig responsible offic to account," the notes.