

Not aware. Although the AG issued an audit warrant on November 1, 2016, for the refund of Shs6b to URA, the payments were made without his knowledge.

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KAMPALA. In the wake of the "oil cash bonanza", beneficiaries of the Shs6b "presidential handshake" are likely to face a tough time next week from a host of enraged MPs, who say they are determined to end what they have termed as "greed" of government officials.

But as outrage over the matter continues to grow, details emerging show the Shs6b to the 42 officials, was apparently shared without the knowledge of the Auditor General (AG), Mr John Muwanga. The money was portioned out as "an adequate reward" for participation of the officials in an arbitration of two cases that fetched Uganda a combined total of \$700m (Shs2.4 trillion) against UK-based Heritage Oil and its Anglo-Irish partner Tullow Oil PLC.

Although the payments were made without the knowledge of the AG, what is not in dispute is that he (AG) issued an audit warrant on November 1, 2016, for the refund of Shs6b to Uganda Revenue Authority (URA). Documents obtained by *Sunday Monitor* show that Mr Muwanga was unknowingly responding to Finance minister Matia Kasaija's request for an audit warrant.

The minister had on October 20, 2016, written to Mr Muwanga requesting him to grant a Shs6b credit on the Consolidated Fund for supplementary recurrent expenditure to URA for the Financial Year 2016/2017. In short, what Mr Muwanga did not know was that Finance minister Kasaija was asking for money to replenish URA's budget that had been emptied to make payout to recipients of the designated Shs6b oil cash bonanza.

When contacted at the weekend to explain why he issued an audit warrant for the oil cash bonanza, Mr Muwanga said: "Granting of an audit warrant is a constitutional obligation under Article 154(3) of the Constitution and the Public Finance and Management Act, 2015. This should not be confused with authorising payments because I cannot approve what I have not audited. We don't do pre-audits, we do post-audits."

And in any case, he added: "An audit warrant is not a clearance of payments, it's a release warrant issued on condition that I have to go back and carry out post-audit of the expenditures. It's at the post-audit stage where I get to know about the details of the expenditures and also ascertain whether public funds were used in accordance with the rules and regulations."

Although Mr Kasaija wrote to Mr Muwanga on October 20, 2016, *Sunday Monitor* has established that the URA Commissioner General Doris Akol, the accounting officer of the handshake scheme, immedi-

Auditor General denies clearing Shs6b oil cash

Denied Involvement.
Auditor General John Muwanga.
PHOTO BY ERIC DOMINIC BUKENYA



Voices



"How can the AG approve what he has not audited? It's not true that the AG authorised this bonanza. In fact, the information we have from our sources in URA is that the AG was deliberately kept in the dark and he only issued an audit warrant for the supplementary under Article 154(3) of the Constitution. They did not disclose the details of the expenditures"

MR NANDALA MAFABI,
BUDADIRI WEST MP

ately after wiring money to the recipients in July, wrote to Mr Kasaija on August 15, 2016, informing him that the beneficiaries of the presidential handshake had already been paid and was demanding a refund of the Shs6 billion.

Ms Akol informed Mr Kasaija that the Secretary to the Treasury, Mr Keith Muhakanizi, in his letter to her dated July 8, 2016, authorised URA to use part of its budget (Shs6b) to finance the presidential handshake. Mr Muhakanizi, according to Ms Akol, promised her that a supplementary budget would be provided to URA in the course of the financial year. Ms Akol attached Mr Muhakanizi's undertaking for Kasaija's reference, but the correspondences were not copied to the AG.

And in the clearest indication so far that the Shs6b was paid without the AG's knowledge, Ms Akol, in her letter to Mr Kasaija, indicated: "All beneficiaries of the presidential handshake have been paid and we now request that this money should be refunded to URA through supplementary

budget as promised by PS/ST [permanent secretary/secretary to Treasury]." She copied her letter to PS/ST, director of economic monitoring, director of budget and the commissioner of tax policy. The letter was received on August 16, 2016.

Sunday Monitor understands that the disputed Shs6b diverted from URA budget has since been refunded to URA even before Parliament approves the 2016/2017 supplementary. Mr Gerald Karuhanga, the Parliamentary Public Accounts Committee vice chairperson, Mr Nandala Mafabi (Budadiri West), and Mr Peter Ogwang, a Parliamentary commissioner, have vowed to drag the beneficiaries to a committee in Parliament and block the FY 2016/2017 retrospective supplementary request to URA. The MPs led by Mr Ogwang are planning to table a motion in Parliament on Tuesday for a select committee to investigate the Shs6b oil cash bonanza.

"How can the AG approve what he has not audited?" Mr Mafabi asked. "It's not true that the AG authorised this bonanza.

In fact, the information we have from our sources in URA is that the AG was deliberately kept in the dark and he only issued an audit warrant for the supplementary under Article 154(3) of the Constitution. They did not disclose the details of the expenditures."

The AG in a November 1, 2016 letter addressed to Mr Kasaija, stated: "No pre-audit of the release has been made... the amount spent from the release and documents will be post-audited and the expenditures shall be subjected to a post-audit procedure and matter arising therefrom shall be subjected to accountability laws and regulations thereof."

Mr Kasaija, on Friday, told this newspaper that there were so many correspondences exchanged to that effect and some of whose contents he could not recollect

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MR JOHN MUWANGA, AUDITOR GENERAL

"very well" to establish where a possible slipup could have originated. He referred this newspaper to Mr Muhakanizi, who is in charge of monetary outflows for clarification. But Mr Muhakanizi neither picked up nor returned our repeated calls by press time.

Sources familiar with the matter told this newspaper on Friday that the officials concerned had vowed to come out with an explanation "knowing the public will soon get over it" and the MPs, who will undoubtedly come out to throw tantrums don't have the moral authority in the eyes of the public."

Nevertheless, due to the continued public outrage, URA was compelled to come out to clarify but only defended that the payout was not only necessary but also conformed to the law—the Public Finance Management Act, 2015.

Although Mr Muwanga has denied "authorising" the payments, URA had in a statement claimed that the AG duly issued an audit warrant to authorise spending and that in accordance with the accounting officer's mandate, the designated beneficiaries received their payments.

"The Presidential handshake was meant to appreciate the professionalism and patriotism exhibited by the team members, especially their ability to resist all pressure and compromise given the magnitude of the figures involved," the statement issued by Ms Sarah Banage, the URA assistant commissioner for public and corporate affairs, reads in part.

The AG's denial also comes after former presidential candidate Dr Kizza Besigye in a tweet on Friday accused him of okaying the "fraud".