



Civil Society Budget Advocacy Group-CSBAG

MOYO DISTRICT LOCAL GOVERNMENT SIMPLIFIED AUDIT REPORT FY2023/24

Extract of the Office of the Auditor General Report for FY2023/24

1. Introduction to OAG findings

1.0 Background

The Office of the Auditor General (OAG) conducted an independent audit of the financial statements of Moyo District Local Government (DLG) for the financial year ended 30th June, 2024. The audit was carried out in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) and the mandate provided under Article 163 of the 1995 Constitution of the Republic of Uganda, (as amended) and the National Audit Act Cap 170. The report aims to provide assurance to Parliament, the public, and other stakeholders regarding the accuracy, reliability, and compliance of the City's financial records and operations with established laws, regulations, and procedures. It highlights the key audit findings, conclusions, and recommendations to enhance financial accountability, service delivery, and governance in the District.

1.2 Overview of the format of the Audit Report

Section	Title	What It Means in Simple Terms
Section 1	Report on the Financial Statements	<ul style="list-style-type: none">This part checks whether the District has properly recorded and reported all the money it received and spent.It tells citizens if the financial information is correct and trustworthy.
Section 2	Report on Compliance with Laws and Regulations	<ul style="list-style-type: none">This section checks if the District followed the rules when spending public funds.It ensures that government programs like PDM, YLP, and procurement followed legal and policy guidelines.
Section 3	Report on Performance Evaluation	<ul style="list-style-type: none">Assesses whether the District did what it promised (like building classrooms or roads).
Section 4	Report on Other Audits	<ul style="list-style-type: none">Section 4 covers other audits carried out in the entity such as Value for Money (to check if projects give good results for the money used) and Special Audits.

Key Terms

Section	Section Title	Key used in the Section and their definition
Section 1	<ul style="list-style-type: none">Report on the Financial Statements	<ul style="list-style-type: none">Opinion: The auditor's overall judgment on whether the financial statements are accurate.Basis of Opinion: The evidence and method used to make that judgment.Key Audit Matters: Important issues the auditor found that citizens should be aware of.Emphasis of Matter: Special issues highlighted, even if they don't affect the main opinion.
Section 2	<ul style="list-style-type: none">Report on Compliance with Laws and Regulations	<ul style="list-style-type: none">Compliance: Following rules, laws, and guidelines.Regulatory Framework: The set of rules and policies the District must follow.

Section 3 & 4	Report on Performance Evaluation and Other Audits	Performance Evaluation: Comparing what was planned with what was achieved. Audit Engagements: Other special investigations done in the District. Value for Money: Ensuring services or projects are worth the money spent.
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1.3 Opinion

The District received an unqualified (clean) opinion, meaning the financial statements were fairly presented in all material respects.

2.0 About District

2.1 Geographical location

Aspect	Details
District Name	Moyo District Local Government
Region	Northern Uganda
Sub-region	West Nile
Borders	Shares boundaries with Yumbe to the north; Maracha to the west; Madi-Okollo to the south-east; Arua to the south-west.
District Headquarters	Moyo Town

2.2 Mandate

Aspect	Details
Legal Mandate	Operates under the Local Governments Act, Cap 138 of the Laws of Uganda.
Core Functions	Deliver services in health, education, water, roads, production, and other devolved functions. - Promote good governance and accountability. - Mobilize local revenue and ensure sound financial management. - Plan and implement development programs for social-economic transformation.

2.3 Commentary on Income, Expenditure

In FY 2023/24, Moyo District Local Government generated UGX.29.05 billion in revenue, marking a 15% decrease from the previous year.

Over 98% of this revenue was sourced from central government transfers, with minimal input from local taxes and external assistance. Expenditure rose to UGX.30.90 billion, with employee compensation accounting for 58% of the total. A decrease in revenue brought about a deficit for the year.

3.0 KEY FINDINGS AND OAG RECOMMENDATIONS

SN	Section of the Report	Observation	Key Findings	Recommendations
1	Section 1 – Financial audit report on the financial statements for the year ended 30th June 2024.	Financial Audit	<ul style="list-style-type: none"> Assets account balance significantly increased by UGX.65.712Bn billion without valuation by Chief Government Valuer. 	<ul style="list-style-type: none"> Engage the Accountant General and Chief Government Valuer to revalue District assets gradually for accurate and realistic reporting.
			<ul style="list-style-type: none"> 1.762 billion relating to YLP and UWEP funds has been not recovered, most groups disbanded or untraceable. 	<ul style="list-style-type: none"> Work with Ministry of Gender to develop strategies for recovery of the loans.
			<ul style="list-style-type: none"> The District over-paid of UGX.0.022 billion and under-paid of UGX.0.021 billion to pensioners. 	<ul style="list-style-type: none"> Adjustments should be made next period after confirmation by MoPS and the Accountant General.

SN	Section of the Report	Observation	Key Findings	Recommendations
2	Section 2 – Key findings on compliance with the specified regulatory framework.	<ul style="list-style-type: none"> Parish Development Model 	<ul style="list-style-type: none"> All sub countries work plans and budgets were not aligned to the PDM. 	<ul style="list-style-type: none"> Parish priorities should be collected in the prescribed format and incorporated into the District budget.
			<ul style="list-style-type: none"> Funded projects faced poor implementation and oversight, with missing projects, misused funds, duplicate loans, and insufficient follow-up by officials. 	<ul style="list-style-type: none"> Strengthen monitoring and follow-up of funded projects to ensure proper implementation and prevent misuse.
			<ul style="list-style-type: none"> 36% of PRF funds were not disbursed by 10 SACCOs by end of FY 2023/24, hindering poverty reduction goals. 	<ul style="list-style-type: none"> Enhance coordination between management and SACCO leaders to ensure timely and complete fund disbursement.
			<ul style="list-style-type: none"> Parishes in Moyo were excluded from MoFPED's funding database, preventing them from receiving PRF funds and undermining PDM goals. 	<ul style="list-style-type: none"> Align PDM SACCO budgets with MoLG's official parish list and quickly verify parishes to ensure their SACCOs get funded.
	Section 3 – Highlights on the evaluation of the District's performance.	<ul style="list-style-type: none"> Budget Implementation 	<ul style="list-style-type: none"> The District did not received UGX.3.1 billion and this led to critical activities being unimplemented, impacting service delivery. 	<ul style="list-style-type: none"> Ensure prompt follow-up with Donors and OPM to secure timely funds and implement activities
			<ul style="list-style-type: none"> UGX.975 million went unused due to recruitment freezes, harming service delivery and pension payments. 	<ul style="list-style-type: none"> Coordinate with MoFPED to reallocate unused funds and with MoPS to recruit staff for better service delivery.
		<ul style="list-style-type: none"> UPE Capitation Grant Management 	<ul style="list-style-type: none"> The District received UGX.29 million excess UPE funds due to inaccurate pupil numbers from low computer skills among head teachers, risking government losses. 	<ul style="list-style-type: none"> Engage MoES to regularly update EMIS enrolment data for accurate funding by MoFPED.
			<ul style="list-style-type: none"> 10 sampled schools revealed that 451 Pupils were not on EMIS and 171 pupils were inflated on EMIS. 	<ul style="list-style-type: none"> Ensure accurate and timely uploading of exact pupil numbers on EMIS.
			<ul style="list-style-type: none"> The District lacks 48 teachers, including 21 Deputy Head Teachers, weakening supervision and education delivery. 	<ul style="list-style-type: none"> Actively engage MoPS for approval and recruitment of additional teachers.
			<ul style="list-style-type: none"> Several UPE schools lack adequate teachers, facilities, and learning materials, leading to overcrowding, poor hygiene, and unsafe environments. 	<ul style="list-style-type: none"> Reallocate staff, improve facilities, and fix infrastructure.
		<ul style="list-style-type: none"> Management of the Road Maintenance Grant 	<ul style="list-style-type: none"> The District overspent on operations and misused funds, reducing money for actual road works and risking financial mismanagement. 	<ul style="list-style-type: none"> Seek timely guidance from authorities and strictly follow spending limits to protect the grant's purpose.
			<ul style="list-style-type: none"> Legoba-Padiga Road is blocked by River Lorenze at 6km, making it unusable due to no culvert installation despite funding, delaying service delivery 	<ul style="list-style-type: none"> Fast-track road completion to restore access and improve service delivery.
			<ul style="list-style-type: none"> Delay in completing critical road works on Legoba-Padiga Road violated grant timelines and impacted project use. 	<ul style="list-style-type: none"> Enhance coordination to complete activities on time for full grant use and better service delivery

SN	Section of the Report	Observation	Key Findings	Recommendations
		UGIFT	<ul style="list-style-type: none"> Dufile Seed Secondary School construction is incomplete after 5 years despite full payment, with key facilities missing and poor workmanship affecting safety and access. 	<ul style="list-style-type: none"> Urgently engage the contractor to expedite completion or initiate recovery actions for undelivered works.
			<ul style="list-style-type: none"> UGX.209 million Retention was paid before project completion, risking unresolved defects and poor quality. 	<ul style="list-style-type: none"> Avoid early retention payments; complete all works and fix defects, or recover funds if needed.
4	Section 4 – Summary of Audit findings from other Audit Engagements	Value for Money Audit on the Implementation of UgIFT Infrastructure projects	<ul style="list-style-type: none"> The Dufile Seed School project scored poorly (36%) in the VFM audit, revealing major gaps in execution and quality. 	<ul style="list-style-type: none"> Enforce strict compliance to improve project quality and accountability.
		Engineering Audit on selected sample of infrastructure projects USMID-AF	<ul style="list-style-type: none"> The project faced delays, financial mismanagement, poor supervision, and quality issues, risking losses and operational problems for Moyo DLG. 	<ul style="list-style-type: none"> Ensure timely, compliant project management with quality control and financial oversight.
		Special audit on gratuity payments and pension payroll	<ul style="list-style-type: none"> Pension and gratuity payments had payment errors, delays, data mismatches, and budget shortfalls affecting beneficiaries. 	<ul style="list-style-type: none"> Coordinate with authorities to update records, align budgets, ensure timely funds, recover payments, and fix data issues.

4.0 The role of policy makers, CSOs and citizens in tracking OAG findings

SN	Details	Roles
	Policy Makers	<ul style="list-style-type: none"> Review audit reports and use findings to inform policy decisions and reforms. Engage Accounting Officers to explain audit issues through oversight committees (e.g., PAC, COSASE). Ensure implementation of audit recommendations through legislation and follow-up. Allocate resources for corrective actions identified in audit reports.
	CSOs	<ul style="list-style-type: none"> Monitor and advocate for the implementation of audit recommendations at national and local levels. Simplify and disseminate audit findings to communities for awareness. Build citizen capacity to engage with audit information. Engage with government and Parliament to demand accountability.
	Citizens	<ul style="list-style-type: none"> Use audit findings to hold leaders accountable through community platforms and public dialogues. Report observed mismanagement or unaddressed audit issues to relevant authorities. Participate in budget tracking and service delivery monitoring using audit information.

5.0 Conclusion

The audit of Moyo District Local Government for the financial year ended 30th June 2024 revealed an overall improvement in financial management, as evidenced by the clean audit opinion and increased net worth. However, key challenges persist in procurement compliance, internal controls, and timely project execution. Addressing these issues will enhance transparency, service delivery, and overall governance within the District