



Civil Society Budget Advocacy Group-CSBAG

YUMBE 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 Yumbe 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 District'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.

1.1 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	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	Section Title	Key used in the Section and their definition
Section 2	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	<ul style="list-style-type: none"> • 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.

1.2 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	Yumbe District Local Government
Region	Northern Uganda
Sub-region	West Nile
Borders	Shares boundaries with South Sudan to the north; Arua to the west; Moyo and Adjumani to the east; Maracha and Koboko to the south-west.
District Headquarters	Yumbe 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, Assets and Liabilities

In FY 2023/24, Yumbe District Local Government generated UGX.39.08 billion in revenue, marking a 5.1% increase 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.37.22 billion, with employee compensation accounting for 62% of the total. Despite the increase in revenue, the surplus declined to UGX.1.09 billion from UGX.3.31 billion, mainly due to higher grant spending and depreciation charges. However, the District's net worth grew significantly from UGX.3.51 billion to UGX.34.32 billion, reflecting improved financial strength.

As of 30th June 2024, total assets had risen to UGX.35.79 billion, up from UGX.5.01 billion the previous year. This growth was largely attributed to increased investment in property, plant, and equipment. The District held UGX.25.5 million in cash and UGX.1.31 billion in advances, while liabilities slightly decreased to UGX.1.47 billion, mainly comprising payables. Notably, the District had no borrowings or pension liabilities on record. Overall, Yumbe District demonstrated strong financial health and stability, supported by robust asset growth and prudent financial management.

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	• Assets account balance significantly increased by UGX.23.7 billion without valuation by Chief Government Valuer.	• Engage the Government Chief Valuer to conduct proper valuation over time.
			• UGX.2.45 billion relating to YLP and UWEP has not recovered, most groups disbanded or untraceable.	• Work with Ministry of Gender to develop strategies for recovery of the loans.
3	Section 2 – Key findings on compliance with the specified regulatory framework.	• Parish Development Model	• The District failed to incorporate parish-level priorities into the district budget.	• Ensure timely submission and integration of priorities from Sub-counties and Town Councils.
			• UGX.12,000,000 was not disbursed by end of the financial year 2023/2024.	• Update household data and ensure full registration in PDMIS before fund processing.
			• Multiple loans were given to the same individuals using duplicate national IDs.	• Recover excess funds and address system loopholes that allowed duplicate disbursements.
			• SACCO sub-committees (e.g. Finance, Production) were not fully established or functional.	• Constitute and operationalize all required SACCO sub-committees.
			• Beneficiaries were inadequately trained before receiving funds.	• Ensure all PRF recipients receive full training before accessing loans.
			• All PDM groups failed to obtain Registered Offices and signboards	• Ensure funds for administrative costs are used to rent registered office space
			• Farmers receiving PRF funds lacked agricultural insurance coverage.	• Sensitize and encourage beneficiaries to take agricultural insurance.
4	Section 3 – Highlights on the evaluation of the District’s performance.	• Budget Implementation	• UGX.6.7 billion worth of planned activities were not funded.	• Engage relevant authorities to roll over and fund the affected activities in the next financial year.
			• Several road works and construction projects (e.g., seed schools) were delayed or incomplete.	• Engage contractors to fast-track work and liaise with MoFPED for timely release of fund.
		• UPE Capitation Grant Management	• 594 pupils were not on EMIS and 318 pupils were inflated on EMIS.	• Regularly update and reconcile school records with EMIS data.

SN	Section of the Report	Observation	Key Findings	Recommendations
			<ul style="list-style-type: none"> Capitation grant rates have not been adjusted for inflation, reducing purchasing power. 	<ul style="list-style-type: none"> Engage MoFPED and Parliament to increase the per pupil funding.
			<ul style="list-style-type: none"> Monitoring recommendations from inspections were not implemented in all the schools. 	<ul style="list-style-type: none"> Strengthen follow-up by internal audit and education department on school compliance.
			<ul style="list-style-type: none"> There was a shortage of 1,157 teachers in the district compared to the required number. 	<ul style="list-style-type: none"> Seek approval and wage support from MoPS to recruit more teachers.
			<ul style="list-style-type: none"> High pupil-to-teacher and classroom ratios; inadequate desks and latrines in schools. 	<ul style="list-style-type: none"> Engage MoES to allocate more resources for school infrastructure and furniture.

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 Yumbe 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.