



Civil Society Budget Advocacy Group–CSBAG

ZOMBO 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 Zombo 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.

1.2 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 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.

Opinion

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

2. ABOUT DISTRICT

2.1 Geographical location

Table 1: showing geographical location of Zombo DLG

Aspect	Details
District Name	Zombo District Local Government
Region	Northern Uganda
Sub-region	West Nile
Borders	Shares boundaries with Arua to the north; DRC to the west; Nebbi to the south-east; Madi-Okollo to the North-east.
District Headquarters	Paidha Town

2.2 Mandate

Table 2: showing the mandate of CSBAG

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.

Commentary on Income, Expenditure, Assets and Liabilities

In FY 2023/24, Zombo District Local Government generated UGX.33.24 billion in revenue, marking a 4% increase from the previous year.

Over 96% of this revenue was sourced from central government transfers, with minimal input from local taxes and external assistance. Expenditure rose to UGX.32.20 billion, with employee compensation accounting for 54% of the total. Despite the increase in revenue, the district registered a deficit for the year as a result of increase in expenses. Despite that, the District's net worth grew significantly from UGX.3.99 billion to UGX.24.68 billion, reflecting improved financial strength.

As of 30th June 2024, total assets had risen to UGX.25.81 billion, up from UGX.4.94 billion the previous year. This growth was largely attributed to increase in property, plant and equipment. Notably, the District had pension liabilities on record on record worth UGX.73.26 million down from UGX.355.44 million. Overall, Zombo District demonstrated strong financial health and stability, supported by robust asset growth and prudent financial management.

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.22.9 billion without valuation by Chief Government Valuer.	• Engage the Accountant General and Chief Government Valuer to revalue District assets gradually for accurate and realistic reporting.
			• UGX.0.442 billion relating to YLP and UWEP funds has been not recovered, most groups disbanded or untraceable.	• Liaise with MGLSD to ensure full recovery of outstanding group funds.
			• The District over-paid of UGX. UGX 0.014 billion and under-paid of UGX.0.115 to pensioners.	• Recovery and settlement should be made next period after confirmation by MoPS and the Accountant General.
2	Section 2 – Key findings on compliance with the specified regulatory framework.	• Parish Development Model	• Failure to incorporate parish-level priorities into the district budget as they were not submitted from the LLGs.	• Parish priorities should be collected in the prescribed format and incorporated into the District budget.

SN	Section of the Report	Observation	Key Findings	Recommendations
			<ul style="list-style-type: none"> UGX.23,000,000 was not undisbursed by end of the financial year 2023/2024 to beneficiaries. 	<ul style="list-style-type: none"> Liaise with MoFPED to ensure timely PRF disbursement and recovery of balances for underpaid parishes.
			<ul style="list-style-type: none"> Diversion and poor or delayed implementation of projects affected 18 beneficiaries. 	<ul style="list-style-type: none"> Engage the PDM Secretariat and strengthen project monitoring to address implementation challenges.
			<ul style="list-style-type: none"> Limited agricultural extension support due to staffing gaps, uncertified workers, and low outreach, with only 5 out of 23 beneficiaries reached 	<ul style="list-style-type: none"> Engage MAAIF to retool, certify extension staff, and strengthen national extension policy implementation for better service delivery.
			<ul style="list-style-type: none"> Three SACCOs disbursed funds to five untrained beneficiaries, risking misuse and project failure. 	<ul style="list-style-type: none"> Ensure beneficiaries are trained before receiving PRF to promote proper fund use and project success.
3	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"> UGX.1.73 billion approved but not released, disrupting health programs and irrigation projects. 	<ul style="list-style-type: none"> Coordinate with MoFPED and donors to ensure timely and full release of budgeted funds.
			<ul style="list-style-type: none"> UGX.4.53 billion remained unspent by year-end, delaying key services in agriculture, education, environment, and health projects. 	<ul style="list-style-type: none"> Coordinate with MoFPED for timely funds and seek recruitment waivers from Public Service to enhance service delivery.
			<ul style="list-style-type: none"> Six microscale irrigation projects worth UGX.437.8 million were not implemented due to farmer co-funding shortfalls and delayed funds. 	<ul style="list-style-type: none"> Keep sensitizing farmers, seek financial partners for co-funding, and coordinate with MoFPED for timely fund release.
		<ul style="list-style-type: none"> UPE Capitation Grant Management 	<ul style="list-style-type: none"> The District received UGX.108 million less than expected as UPE funds due to inaccurate pupil numbers from low computer skills among head teachers, risking government losses. 	<ul style="list-style-type: none"> Train head teachers and inform MoES about EMIS challenges.
			<ul style="list-style-type: none"> Capitation grant rates to support students in UPE funded schools 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"> All UPE schools failed to prepare financial statements. 	<ul style="list-style-type: none"> Ensure head teachers are trained on the preparation of basic financial statements
			<ul style="list-style-type: none"> The District lacks 979 teachers, including 59 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"> 1148 pupils were either not on EMIS or inflated on EMI. 	<ul style="list-style-type: none"> Ensure accurate and timely uploading of exact pupil numbers on EMIS.
		Management of the Road Maintenance Grant	<ul style="list-style-type: none"> Zombo District overspent on operations and underspent on road works, breaching grant limits. 	<ul style="list-style-type: none"> Ensure officers comply with the Parliament Resolution on the 2023/24 Works and Transport Grant guidelines.
		Management of HC IVs	<ul style="list-style-type: none"> Critical health records were missing due to supply shortages, affecting planning. 	<ul style="list-style-type: none"> Coordinate with MOH to supply HMIS tools and ensure proper data capture for accurate reporting.
			<ul style="list-style-type: none"> Only 75% of health facility positions are filled, causing staff shortages that affect service delivery. 	<ul style="list-style-type: none"> Expedite filling all vacant positions now that the recruitment ban has been lifted.
			<ul style="list-style-type: none"> Facility lacks essential medical equipment needed for basic health services. 	<ul style="list-style-type: none"> Ensure the facility is equipped with minimum required medical equipment to enable effective service delivery.
		UGIFT	<ul style="list-style-type: none"> UGIFT projects faced delays and construction defects, affecting timely service delivery. 	<ul style="list-style-type: none"> Continuously monitor and supervise project implementation to ensure efficiency and timely completion
			<ul style="list-style-type: none"> Completed health facilities and equipment at Amwonyu were not in use, undermining service delivery goals. 	<ul style="list-style-type: none"> Ensure that completed structures and equipment are put into use promptly.

SN	Section of the Report	Observation	Key Findings	Recommendations
4	Section 4 – Summary of Audit findings from other Audit Engagements	Value for Money Audit on the Implementation of UglIFT Infrastructure projects	<ul style="list-style-type: none"> Projects lacked key planning inputs and used weak procurement criteria, affecting readiness and technical soundness. 	<ul style="list-style-type: none"> Ensure future projects are planned with proper assessments, designs, and appropriate procurement criteria matching project scope.
			<ul style="list-style-type: none"> Severe delays and weak contract management due to lack of revised work plans, poor supervision, and inadequate project documentation. 	<ul style="list-style-type: none"> Enforce a strict project management system with timely work plans, quality progress reports, proper supervision, and documented certification processes.
		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.

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.

Conclusion

The audit of Zombo 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