



PRESS STATEMENT

CSO Reflections on the Auditor General's 2025 Report

A Thematic Review of Fiscal Discipline, Service Delivery, and Public Investment Efficiency

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FOR IMMEDIATE RELEASE

BACKGROUND

- a. The mandate of the Auditor General is vested in Article 163(3) of the 1995 Constitution of the Republic of Uganda, Sections 12 and 18 of the National Audit Act (NAA), Cap. 170, and the Public Finance Management Act (PFMA), Cap. 171.
- b. In the audit year ended 31st December 2025, the Office of the Auditor General audited 182 Ministries, Departments and Agencies (MDAs), 85 Public Corporations and State Enterprises, 181 projects, and 145 Districts and Cities. The Office also finalized 4,529 audits of Lower Local Governments and 1,228 Secondary Schools and Tertiary Institutions. In addition, it conducted 2 thematic audits focusing on procurement management and the Parish Development Model, 44 special audits and investigations, 24 Value for Money audits, and 6 engineering audits

INTRODUCTION

- c. Today, we convene as members of the Civil Society Budget Advocacy Group (CSBAG) to draw attention to thematic areas and break down the OAG's findings to critical issues that government agencies need to address in the Auditor General's (OAG) Report.
- d. This International Women's Day, as we join the global community under the theme "**Give to gain**," we are reminded that accountability is not gender neutral. The Auditor General's report is a mirror of Uganda's Public Financial Management (PFM) and service delivery aspects—and in that mirror, we must see the faces of women and girls who bear the heaviest burden when public resources are mismanaged. Even when the PPDA reservation scheme provides **15%** of the procurements at National and Sub national to be reserved for women, youth and persons with disabilities this is not actualized.

- e. This report is a mirror of Uganda’s Public Financial Management (PFM) and service delivery aspects. This statement focuses on 11 audited thematic areas of Health, Land Administration, Industrial Parks, State Owned Enterprises, Wetlands Management, Rationalization of Public Expenditure |(RAPEX), Domestic Arrears, Domestic Revenue Performance, and Tax Policy Compliance of Reservation Schemes and Public Investments Efficiency

KEY FINDINGS OF THE OAG REPORT FOR THE YEAR 2025

A. Concerns over Uganda’s Rising Public Debt.

1. Uganda’s public debt increased from **UGX 69.2 trillion in FY 2020/21 to UGX 115.4 trillion in FY 2024/25**, representing a 66.7% increase in five years. The debt-to-GDP ratio now stands at **50.29%**, approaching the 51.2% benchmark set under the Charter for Fiscal Responsibility. More concerning is the interest payments-to-domestic revenue ratio, which has risen to **23.66%**, almost double the national benchmark of 12.5%. ***This means: For every UGX 100 collected in domestic revenue, approximately UGX 24 is spent on interest payments alone.*** This significantly reduces fiscal space for health, education, agriculture, and infrastructure.

2. Domestic debt increased significantly from **UGX 39.16 trillion** in June 2024 to **UGX 59.02 trillion** in June 2025, raising its share of total public debt to **51.14%**. This marks a structural shift in Uganda’s debt profile toward domestic financing. While domestic borrowing reduces exposure to exchange rate volatility associated with external debt, it carries comparatively higher interest rates and shorter maturities, which increase refinancing risks. The expansion of domestic borrowing also absorbs liquidity from the financial system, potentially crowding out private sector credit and raising borrowing costs for businesses. Taken together, this shift heightens macro-fiscal vulnerability by increasing debt servicing

B. Challenges in Domestic Revenue Performance

3. Uganda’s domestic revenue collections increased from **UGX 22.098 trillion in FY 2021/22 to UGX 32.357 trillion in FY 2024/25**, representing a 46% increase over four years. However, this growth has not translated into stronger revenue effort. The Tax-to-GDP ratio remains stagnant at **13.4%**, below the **15%** benchmark for developing countries, the 18.6% Sub-Saharan Africa average, and far below **the 23%** global average. This suggests that while the economy is expanding and nominal collections are rising, government is not capturing a larger share of national income. Revenue performance therefore reflects economic growth rather than structural strengthening of tax mobilisation.

4. In FY 2024/25, URA added **728,640** new taxpayers, bringing the total register to **5.25 million taxpayers**. However, only **48% of registered taxpayers** contributed revenue, meaning that approximately **2.7 million taxpayers (52%)** remained inactive. Of those who contributed, **20% were employees under PAYE**, whose taxes are automatically withheld at source.

This indicates that the expansion of the taxpayer register has not been matched by effective compliance enforcement or broad-based contribution. The effective tax base remains significantly smaller than the headline registration numbers suggest.

5. The Auditor General's findings reveal a clear mismatch between Uganda's economic structure and its tax contribution. **Agriculture contributes 26.1%** of GDP but only **1.63%** of total tax revenue, while trade contributes **9.6% of GDP but 25.46% of taxes**, and manufacturing contributes **14.5% of GDP but 22.19% of taxes**. This imbalance shows that a narrow set of formal sectors carries a disproportionate share of the tax burden, while large and economically significant sectors contribute minimally. The result is a tax system that is narrow, uneven, and vulnerable to sector-specific shocks.

6. Following the introduction of the Electronic Fiscal Receipting and Invoicing System (EFRIS), VAT collections increased from **UGX 5.01 trillion in FY 2019/20 to UGX 8.78 trillion in FY 2024/25**, representing a 56% increase. The post-EFRIS growth trajectory significantly outpaces pre-digitization trends, suggesting improved compliance, reduced invoice fraud, and better capture of VAT transactions. This demonstrates that well-designed administrative reforms, when properly enforced, can materially strengthen domestic revenue mobilisation.

C. Domestic Arrears: Fiscal Indiscipline and Private Sector Strain

7. Domestic arrears have escalated significantly over the past five years, rising from **UGX 3.33 trillion in 2019 to UGX 13.814 trillion in 2024**, representing a **314.8% increase**. Although the stock reduced to **UGX 8.4 trillion in 2025**, this decline was largely technical, following the conversion of **UGX 7.78 trillion** from Bank of Uganda advances into long-term Treasury Bonds. This restructuring improved the reported arrears position but did not reflect actual clearance of outstanding obligations to suppliers and service providers.

8. The audit further shows continued accumulation of arrears across key ministries and agencies. The Ministry of Energy and Mineral Development increased its arrears by over **1,000%**, from **UGX 7.14 billion to UGX 80.11 billion**, while the Ministry of Gender, Labour and Social Development recorded a **176% increase**. At the Ministry of Works and Transport, a major misalignment was observed between budgeted and actual payments, with only **UGX 10.83 billion** budgeted, yet **UGX 793.93 billion** settled in arrears. Such disparities point to weaknesses in commitment control systems, inadequate expenditure planning, and limited enforcement of fiscal discipline.

9. The continued build-up of domestic arrears carries serious economic and governance implications. It constrains private sector liquidity, particularly for firms that depend on government contracts, and increases borrowing costs as suppliers factor payment uncertainty into pricing. It also fuels procurement inflation, exposes government to litigation risks, and erodes confidence in

public financial management systems. Over time, persistent arrears accumulation undermines budget credibility and weakens the integrity of fiscal governance.

D. Essential Medicines and Health Supplies (EMHS)

10. The Auditor General’s findings reveal a health financing system under sustained structural pressure. In FY 2024/25, the National Medical Stores required **UGX 1.574 trillion** to fulfill its mandate but received only **UGX 1.393 trillion**, leaving an 11% funding gap. This shortfall cascaded to facilities. At Mulago National Referral Hospital, only **UGX 18.25 billion** was provided against a need of **UGX 72.396 billion**, representing a **75% funding gap** for specialized medicines and supplies. Such disparities constrain access to life-saving treatment and increase out-of-pocket expenditure for households. Government should progressively increase and ring-fence domestic allocations for Essential Medicines and Health Supplies to close persistent funding gaps, including the severe shortfall at referral hospitals. Releases must be timely and predictable to prevent stock-outs. This affects women and children who are mostly affected by medicine shortfalls which place them in a vulnerable state.

11. Uganda’s EMHS system remains heavily dependent on development partners, who financed **64.3% of essential medicines in FY 2024/25**, compared to 35.7% from domestic resources. Beginning FY 2025/26, approximately **USD 312.8 million** in donor support is expected to be withdrawn. Without a credible domestic transition strategy, this withdrawal risks widening medicine stock-outs and weakening Uganda’s capacity to manage disease outbreaks and emergencies.

12. Operational weaknesses compound funding constraints. The audit reveals that **102 health facilities experienced delayed deliveries**, with delays ranging from 1 to 148 days. Eight facilities received medicines with shelf lives **below four months, contrary** to EMHS Manual standards. As of 30 June 2025, the National Medical Stores held **UGX 8.04 billion worth of expired or non-viable medicines**, reflecting weaknesses in forecasting, procurement alignment, and inventory management.

13. Blood shortages remain severe. Out of **49,081 units ordered by 67** health facilities, only **27,298** units were delivered, meaning just 56% of demand was met. Thirteen facilities lacked functional cold-chain storage, and 34 facilities recorded blood stock-outs lasting between 3 and 365 days. These deficits compromise maternal health services, trauma care, and emergency response capacity. Government should prioritise investment in blood mobilisation, cold-chain infrastructure, and coordinated distribution systems to address the current blood supply deficit and improve emergency care readiness. This poses a huge threat to pregnant women and mothers

E. Education Infrastructure Gaps

14. Severe Infrastructure Deficits in Secondary Schools; The Auditor General's physical inspections conducted across 157 sampled Local Governments revealed widespread infrastructure gaps in USE schools. A total of **136** schools lacked science laboratories, **270** had inadequately equipped laboratories, **182** schools lacked libraries, and **233** had libraries without essential books. Additionally, 380 schools had inadequate classroom facilities leading to congestion, 251 schools lacked teacher accommodation, **233** schools were using condemned pit latrines, **237** schools had very old and damaged iron sheets, and 252 schools had cracked classroom walls posing safety risks. These conditions undermine learning quality, compromise student safety, and weaken the intended impact of Universal Secondary Education especially to the Girl Child.

15. Capitation Underfunding and Financing Mismatch; The audit found that in sampled Local Governments, the expected Universal Secondary Education (USE) and Universal Post-O-Level Education and Training USE/UPOLET capitation grant based on EMIS data was **UGX 155.37 billion**, yet only **UGX 128.71 billion** was released, resulting in an underfunding gap of **UGX 26.65 billion**. This shortfall directly affected school operations, maintenance of facilities, and provision of instructional materials. Persistent mismatches between enrolment figures and actual releases weaken planning credibility and strain already limited school resources. The government should ensure that USE/UPOLET capitation releases are aligned with verified EMIS enrolment data and fully funded to eliminate the **UGX 26.65 billion** gap observed in sampled Local Governments.

16. Staffing Gaps and Payroll Pressures; Staffing coverage remains significantly below required levels. In secondary schools, only **11,665** out of **17,894** required positions (**65%**) were filled, while tertiary institutions had only 2,283 out of 4,026 positions filled (**57%**). To cope with shortages, 231 secondary schools locally recruited **8,628** staff at a cost of **UGX 61.34 billion**, creating salary arrears of **UGX 1.6 billion**. This practice shifts the cost burden to institutions and parents, undermining equity in access to education.

17. Idle Education Infrastructure and Delayed Land Titling; Despite infrastructure shortages, 23 Primary Teachers' Colleges earmarked for repurposing remain idle, with no active programmes, deployed staff, or approved operational budgets. In addition, **196 out of 212** public project land title submissions experienced delays, with an average processing time of 197 days, far exceeding the official 10-day standard. These bottlenecks delay school construction and reduce returns on public investment. Government should issue clear implementation plans, budgets, and timelines to repurpose and operationalize the 23 idle PTCs to maximize returns on existing public infrastructure.

F. Land Management and Administration

18. Growing Backlog in Land Registration Applications; The Value for Money audit of the Ministry of Lands, Housing and Urban Development revealed that out of **934,645** land registration applications received during the review period, only **657,384** representing **70%** were completed, leaving

approximately **277,261** or **30%** of applications pending in the system. More concerning, the average completion rate across Ministerial Zonal Offices declined sharply from **77%** in FY 2021/22 to **41%** in FY 2024/25. This deterioration indicates that land administration systems are struggling to keep pace with demand, creating uncertainty in property transactions and weakening confidence in land governance.

19. Severe Delays in Public Infrastructure Titling; Delays are particularly damaging for strategic public investments. Of **212** submissions for title transfers related to seed schools, health centres, and road projects, **196** cases (**92%**) experienced delays, with an average processing time of **197** days compared to the official 10-day standard. The Ministry of Education accounted for the majority of delayed seed school titles, while health and road projects were similarly affected. These delays directly slow infrastructure development, postpone service delivery, and increase project costs. Education, health, and road project titles should be treated as priority files with fast-track processing to prevent delays in service delivery and project cost escalation.

21. Weaknesses in UgnLIS and Fraud Controls; Despite the rollout of the Uganda National Land Information System (UgnLIS), processing times continue to exceed Client Charter standards. The audit identified incomplete digitization, inaccurate mapping, missing parcel information, weak front-desk verification, and limited staff capacity to detect forged documents. Fraud risks remain high, including cases of double titling and forged land documents. These systemic weaknesses undermine land tenure security and expose government and citizens to litigation and financial loss. Government should accelerate full integration and data clean-up of UgnLIS, strengthen parcel verification systems, and enhance staff capacity to detect forged documents and double titling.

22. Spillovers to Compensation and Project Delivery; Weak land administration has direct fiscal implications. For four major infrastructure projects, **19,082** Project Affected Persons (PAPs) valued at **UGX 848.46 billion** were assessed, yet only **11,315 (59%)** had been paid by 30 June 2025, leaving 7,767 PAPs (41%) unpaid, worth **UGX 533.23 billion**. For seven donor-funded projects, **6,597 PAPs** worth **UGX 320.14 billion** remained unpaid. Under the Standard Gauge Railway project, **506.9 acres** remained untitled, and **49%** of titles were yet to be subdivided and returned to PAPs. Such delays fuel disputes, increase compensation costs, and stall project implementation. The Ministry of Lands and implementing agencies should establish coordinated mechanisms to expedite valuation, titling, and compensation processes to reduce litigation risks and infrastructure delays.

G. Industrial Parks

23. Low Operationalization of Allocated Investments; The Auditor General's review of industrial parks revealed that only 49% of companies allocated land were operational. This means that more than half of allocated investments have not been translated into active production, job creation, or value addition. Given that industrial parks are central to Uganda's

Industrialisation and export promotion strategy, this low operational rate weakens the expected economic returns from public investment.

24. Large Untitled and Idle Land Holdings; A total of **26,371 acres of land** across various industrial parks remain without land titles. The absence of secure land documentation exposes public assets to encroachment, disputes, and underutilization. In addition, significant portions of land within established parks remain idle despite infrastructure investments. This reflects weak sequencing between land acquisition, infrastructure development, investor allocation, and operational readiness.

26. Weak Monitoring of Investor Performance and Compliance; The audit also highlights gaps in monitoring compliance by allocated investors. Some investors failed to develop land within agreed timelines, yet enforcement mechanisms were either weak or inconsistently applied. This undermines accountability and limits the effectiveness of industrial park policy as a driver of structural transformation. The Uganda Investment Authority should enforce clear development timelines for allocated investors, including penalties or reallocation of idle land where commitments are not met.

H. State-Owned Enterprises

27. Persistent Operating Losses and Weak Financial Performance; The Auditor General's review of selected State-Owned Enterprises reveals continued financial underperformance despite significant government capitalization. Uganda Electricity Transmission Company Limited (UETCL) reported a loss of **UGX 456 billion**, Uganda Broadcasting Corporation (UBC) recorded a loss of **UGX 424 billion**, and Uganda Airlines reported a loss of **UGX 230.8 billion**. Persistent losses in these entities reduce the expected return on public investment and increase pressure on the national budget. The Ministry of Finance should strengthen monitoring of SOE financial performance, including timely publication of audited accounts and enforcement of corrective action where losses persist.

28. Underutilization of Assets and Investments. The report notes the failure to effectively utilize the available assets and investments owned by SOEs thus remaining partially operational or idle after completion. For example, the report notes that Uganda Property Holdings Limited (UPHL) owns **3 large** properties covering **4** acres of land in Nyali, Kenya, a prime and commercially Investments funded through public borrowing had not yet generated expected economic returns and remain idle to date. On the other hand, Karuma Hydro Power Plant managed by the Uganda Electricity Generation Company Limited (UEGCL) is operating at just **30%** of its **2,652 GWh capacity**, dispatching only **808 GWh** and leaving a **1,844 GWh** underutilization gap, while Namanve Thermal Power Plant's **50 MW** capacity is down to **35 MW** as two units have been out of service since May 2024 due to overdue overhauls.

29. Additionally, the report revealed that the physical inspection of the Uganda Airlines' CRJ900 fleet revealed that aircraft 5X-KNP had been grounded since September 2025 due to the unavailability of critical spare parts, reducing fleet availability and increasing the risk of flight disruptions

and customer dissatisfaction. This utilization of government investments undermines their ability to deliver value for money.

30. Continued reliance on government subventions. Several enterprises remained dependent on government funding for operational survival rather than functioning as commercially viable entities. For example, the government in the FY2024/25 injected **UGX.1.984 trillion** in Uganda Airlines, only **UGX.200 million** recognized as share capital, with the balance recorded as Share Application Funds and GoU Capitalization, pending formal conversion. The airline continues to fail to generate substantial revenue, with performance standing at **68.49%**. This is exacerbated by procurement payments made without supporting documents, such as the aviation fuel payments amounting to **USD 17,388,560**, which were made without a valid fuel supply contract, of which **USD 9,292,808** related to FY 2024/25 from Vivo Energy continues to compromise the achievement of financial stability for the airline.

I. Management of Wetlands

31. Persistent Wetland Degradation and Encroachment; The Auditor General's review reveals continued degradation and encroachment across major water bodies and wetlands. Uganda's wetland cover stands at approximately **33,762.6 square kilometres**, with degraded wetlands **estimated at 6.3%** of the country's total land area. **Fourteen major** water bodies were found to be extensively encroached through settlements, industrial developments, sand mining, agriculture, brick making, and wastewater discharge. Such encroachment weakens natural flood buffers, reduces water filtration capacity, and increases vulnerability to climate shocks. Government should allocate adequate and predictable funding to complete wetland boundary demarcation and restoration efforts to prevent further encroachment

32. Low Demarcation and Boundary Protection Coverage; Despite restoration commitments, the Ministry of Water and Environment demarcated **only 739.34 kilometers** of wetlands over three years against a planned **4,150 kilometers** representing just **18%** achievement. In addition, only **11% (UGX0.66Bn)** of the required **UGX 6 billion** funding for demarcation was provided, significantly constraining enforcement efforts. Weak boundary visibility facilitates continued encroachment and complicates regulatory action.

33. Weak Enforcement of Restoration Orders; In FY 2024/25, the National Environmental Management Authority issued **319** restoration orders, yet only **146 (46%)** were acted upon, leaving 54% pending. Limited enforcement capacity further compounds the challenge, with only **45** environmental police officers responsible for protecting **8,614** gazetted wetlands across 146 districts and 11 cities. This imbalance between mandate and enforcement capacity undermines environmental governance. Land and environmental

data systems should be integrated to improve visibility of protected wetlands and prevent illegal titling or allocation

J. Rationalization of Public Expenditure (Rapex)

35. Incomplete Rationalization and Transitional Gaps; As of December 2025, 35 Bills had been assented to, enabling the rationalization of 40 government entities. However, only 23 entities were successfully rationalized, while 17 remained pending. Of the 23 completed, 17 were mainstreamed into successor Ministries, Departments and Agencies (MDAs), and six were merged to form new entities. The phased and uneven implementation has created transitional uncertainty and operational disruption across affected institutions. The Government should establish clear budgeting, transition planning, and staff compensation guidelines before future rationalization phases to avoid financial misalignment and policy inconsistencies.

36. Poor Planning and Absence of Dedicated Rationalization Budgets; The Auditor General found that none of the eight sampled rationalized entities had specific budgets for rationalization-related expenses, including terminal benefits. Instead, expenditures were amalgamated within successor MDAs. This indicates inadequate pre-transition planning and raises concerns about the realism and transparency of the original rationalization framework. A central oversight mechanism should be instituted to ensure uniform application of compensation policies and prevent irregular payments.

37. Irregular Payment of Terminal Benefits and Resource Misallocation; Of the **1,492** absorbed staff, **1,389** from seven entities were paid **UGX 46.8 billion** in terminal benefits despite Attorney General guidance that reappointed staff should not receive compensation where service continuity applies. At the same time, **85** absorbed staff from five entities were not paid, reflecting inconsistency in application of policy. Additionally, **410** retired staff were paid **UGX 30.4 billion**, while **20** retirees remained unpaid and others claimed **UGX 2.08 billion**. These inconsistencies point to coordination failures and expose government to financial loss and litigation risks. Government should publicly disclose the full fiscal cost of rationalization, including terminal benefits paid, outstanding arrears, and projected efficiency gains, to assess whether RAPEX is achieving its intended objectives.

K. Public Investments and Projects

38. Slow Progress in Implementation of GoU-Funded Projects. As of 30 June 2025, Uganda had 106 Government of Uganda-funded projects valued at **UGX 13.3 trillion**. However, only **UGX 10.07 trillion** had been released, creating a funding shortfall of **UGX 3.2 trillion (24%)**. However, implementation challenges were widespread, including 7 projects that were extended due to unresolved Project Affected Persons (PAPs), rescoping, land acquisition challenges, cash flow constraints, and delays in finalizing designs. Additionally, **60** projects were retained despite persistent implementation of bottlenecks, raising concerns about project viability and oversight. The slow

implementation was compounded by the limited evaluation of projects within the Integrated Bank of Projects (IBP). Despite these challenges, as of 1 July 2025, the Government boarded **149** new GoU-funded projects worth **UGX 19.584 trillion**, potentially increasing fiscal exposure without addressing underlying inefficiencies.

39. Abandoned and Under/Unutilized Public Investments. Several major public investments remain underutilized or partially operational as per the audit report. The Karuma Hydroelectric Power Station is operating at only **30%** of its installed capacity (2,652 GWh), dispatching just **808** GWh, leaving a utilization gap of **1,844** GWh while the Namanve Thermal Station has reduced output from its installed **50** MW capacity to **35** MW, as two units have been non-operational since May 2024 due to delayed overhauls and low demand. This underutilization reflects weaknesses in demand forecasting, maintenance planning, and coordination between infrastructure investment and sector absorption capacity.

40. Avoidable Commitment Fees on Road Projects. Delays in road project implementation resulted in the payment of **USD 17,695,527.17 (UGX 63.7Bn)** in commitment fees across 67 sampled road projects valued at **UGX 10.625 trillion**. Of these: 13 projects were abandoned or suspended, including the Mityana–Mubende–Kyegegwa Road, the Busega–Mpigi Expressway, and the Najjanankumbi–Busabala Road, 28 projects worth **UGX 3.554 trillion** experienced significant delays ranging from six months to over three years. Introducing Performance-Based Project Continuation Reviews. Projects with repeated delays, cost overruns, or unresolved implementation challenges should be restructured, suspended, or cancelled to prevent further fiscal exposure and avoid the accumulation of commitment fees.

41. Additionally, the Kabale–Lake Bunyonyi–Kisoro–Mgahinga National Park Road project with an ADB financing of **USD 107.46 million** and a required GoU counterpart funding of **UGX 140.77 billion**, the project, initially expected to close in 2020, incurred **USD 3.37 million** in commitment fees, of which **USD 522,541** could have been avoided had the project closed as scheduled. These findings highlight weaknesses in project scheduling, contract management, and fiscal discipline.

42. Price Discrepancies in Similar Construction Works. The audit revealed inconsistencies in unit costs of similar construction projects, despite the existence of PPDA price surveys and the 2024 Compendium of Costed Service Delivery Standards issued by the Ministry of Public Service. The report highlights the upgrading **8.07 km** and reconstructing **6.83 km** of roads in Lubaga and Makindye Divisions cost **UGX 609,639** per square meter (UGX/M²). A comparable project reconstructing **18.84 km** of roads across Makindye, Central, Kawempe, and Lubaga Divisions cost **UGX 491,620** per square meter (UGX/M²) showing her cost of road construction in Makindye.

43. Such disparities undermine government efforts toward uniformity in service delivery standards and raise risks of inefficiency, inflated costs, and potential loss of public funds.

L. COMPLIANCE OF RESERVATION SCHEMES

44. The Office of the Auditor General, in its FY 2024/25 performance audit, reviewed a sample of **65** Procuring and Disposing Entities (including MDAs and Local Governments) and found that none of the sampled entities had fully complied with PPDA Guideline No. 11 of 2024, particularly with respect to reserving procurement budgets, identifying reserved items in procurement plans, and reporting on awards to women, youth, and persons with disabilities.

45. The audit found that reservation requirements were poorly integrated into procurement planning processes. Procurement plans often lacked clear identification of reserved items, making it difficult to track compliance and undermining transparency at both planning and implementation stages.

46. The OAG noted inadequate collection and reporting of disaggregated data on reserved procurement. This limited effective oversight by the Public Procurement and Disposal of Public Assets Authority (PPDA), constrained performance tracking, and weakened accountability for non-compliance.

48. These findings underscore a lack of prioritization for affirmative action in procurement, despite legal mandates. The Public Procurement and Disposal of Public Assets Authority should treat compliance with PPDA Guideline No. 11 of 2024 as a core regulatory obligation, not a discretionary measure. Clear administrative sanctions should be applied to Accounting Officers and PDEs that fail to reserve the mandatory proportion of procurement budgets or omit reserved items from approved procurement plans.

N. CONCLUSION

52. The findings of the Auditor General demand more than acknowledgment they require decisive corrective action. Sustained fiscal credibility and improved service delivery will only be achieved if reforms are implemented with discipline, consistency, and accountability. We therefore urge Parliament, the Executive, and all accounting officers to treat these findings as an opportunity to reset priorities, enforce responsibility, and ensure that public resources deliver tangible results for Ugandans.

Every Shilling Counts!

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