

TELEPHONE

General Line: +256 - 41 - 7336000  
Auditor General: +256 - 41 - 7336004 Sec.

Fax: +256 - 41 - 4345674  
Email: info@oag.go.ug  
Website: www.oag.go.ug



THE REPUBLIC OF UGANDA

OFFICE OF  
THE AUDITOR GENERAL  
APOLLO KAGWA ROAD,  
PLOT 2C,  
P.O. Box 7083,  
KAMPALA.

FOR ANY CORRESPONDENCE ON  
THIS MATTER PLEASE QUOTE ON:..... **DCG. 79/340/01/21**

20<sup>th</sup> December 2021

The Accounting Officer  
Ministry of Education  
Albertine Region Sustainable Development Project (ARSDP)  
**Kampala**

**MANAGEMENT LETTER FOR THE AUDIT OF THE ALBERTINE REGION SUSTAINABLE  
DEVELOPMENT PROJECT (ARSDP) - MOES COMPONENT THREE FOR THE FINANCIAL  
YEAR 2020/2021**

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I am enclosing herewith a report which I have already sent to the Rt. Hon. Speaker of Parliament in accordance with Article 163 (4) of the Constitution of Uganda 1995 (as amended).

John F. S. Muwanga  
**AUDITOR GENERAL**

- Copy to: The Inspector General of Government, Kampala
- “ The Permanent Secretary/Secretary to the Treasury  
Ministry of Finance, Planning and Economic Development
- “ The International Development Association - IDA
- “ The Project Coordinator – ARSDP
- “ The Head of Accounts - MoES





**THE REPUBLIC OF UGANDA**

**REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF  
THE ALBERTINE REGION SUSTAINABLE DEVELOPMENT PROJECT (ARS DP)-  
MINISTRY OF EDUCATION COMPONENT FOR THE FINANCIAL YEAR ENDED 30<sup>TH</sup>  
JUNE 2021**

**OFFICE OF THE AUDITOR GENERAL  
UGANDA**

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## **LIST OF ACRONYMS**

| <b>Acronym</b> | <b>Meaning</b>   |
|----------------|--|
| AIA            | Appropriation in Aid                                     |
| GoU            | Government of Uganda                                     |
| INTOSAI        | International Organization of Supreme Audit Institutions |
| ISSAIs         | International Standards of Supreme Audit Institutions    |
| MDAs           | Ministries, Departments and Agencies                     |
| Mn             | Million  |
| Bn             | Billion  |
| MoFPED         | Ministry of Finance, Planning and Economic Development   |
| NAA            | National Audit Act                                       |
| NTR            | Non-Tax Revenue  |
| OAG            | Office of the Auditor General                            |
| PFM            | Public Finance Management                                |
| PFMA           | Public Finance Management Act                            |
| PFMR           | Public Finance Management Regulations                    |
| PPDA           | Public Procurement & Disposal of Public Assets           |
| PBS            | Program Budgeting System                                 |
| BEC            | Budget Execution Circular                                |
| PS/ST          | Permanent Secretary / Secretary to the Treasury          |
| TI             | Treasury Instructions                                    |
| UCF            | Uganda Consolidated Fund                                 |
| UGX            | Uganda Shilling  |
| MOES           | Ministry of Education and Sports                         |
| ARSDP          | Albertine Region Sustainable Development Project (ARSDP) |
| PDU            | Procurement & Disposal Unit                              |
| ICT            | Information & Communication Technology                   |
| HR             | Human Resource   |

**REPORT OF THE AUDITOR GENERAL ON THE AUDIT OF FINANCIAL STATEMENTS OF  
THE ALBERTINE REGION SUSTAINABLE DEVELOPMENT PROJECT (ARSDP)-  
COMPONENT THREE, FOR THE FINANCIAL YEAR ENDED 30<sup>TH</sup> JUNE, 2021**

**THE RT. HON. SPEAKER OF PARLIAMENT**

**Opinion**

I have audited the accompanying financial statements of the Albertine Region Sustainable Development Project (ARSDP) which comprise the Statement of Financial Position as at 30<sup>th</sup> June 2021, the Statement of Financial Performance, Statement of Changes in Equity and Statement of Cash Flows together with other accompanying statements for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements of the Albertine Region Sustainable Development Project (ARSDP) for the financial year ended 30<sup>th</sup> June 2021 are prepared, in all material respects, in accordance with Section 51 of the Public Finance Management Act, 2015 and the Financial Reporting Guide, 2018.

**Basis for Opinion**

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements Section of my report. I am independent of the Authority in accordance with the Constitution of the Republic of Uganda 1995 (as amended), the National Audit Act, 2008, the International Organization of Supreme Audit Institutions (INTOSAI) Code of Ethics, the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code), and other independence requirements applicable to performing audits of Financial Statements in Uganda. I have fulfilled my other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing audits in Uganda. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Key Audit Matter**

Key Audit Matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined the matters described below to be key audit matters communicated in my report.

- **Implementation of the Approved Budget**

On the 24<sup>th</sup> of April 2020, Parliament approved the annual budget for MDAs and LGs that contained the specific resource envelope allocated to each vote to implement agreed on outputs. Subsequently, the PS/ST issued a Budget Execution Circular that communicated the budget strategy, policy, and administrative issues to guide the budget implementation for the financial year 2020/2021.

During my overall risk assessment exercise, I noted that MDAs and LGs are still experiencing challenges in implementing the budgets approved by parliament and policy guidance's issued by PS/ST, which has continued to affect the performance and credibility of the budget negatively. These challenges include; lack of strategic plans that are aligned to the National Development Plans, underperformance of revenue, implementation of off-budget activities, under absorption of funds, insufficient quantification of outputs, partial and non-implementation of outputs, diversion of funds and challenges in budget monitoring and reporting of performance.

I am aware that the Covid-19 Pandemic continues to significantly affect the implementation of several activities. Consequently, a number of activities were not implemented due to budget cuts and lockdown measures instituted to control the spread of the pandemic. It is against this background that the implementation of the budget was again considered a key audit area during the office-wide planning for the current audit year.

ARSDP has 3 Components and the Ministry of Education and Sports (MoES) is mandated to implement Component 3 which has two sub-components namely; improving BTVET Institutions in the Albertine Region and improving access to relevant skills training programs through the provision of bursaries to people from the region.

To achieve this mandate, ARSDP planned to implement both recurrent and development activities. A review of the Project's work plan and budgets revealed that the Project had an approved budget of UGX.41.32Bn of which UGX.35.53Bn was released. The table below shows a summary of the key deliverables of the Project for the financial year 2020/21.

**Table showing the expected key deliverables for the ARSDP for the year**

| No | Details   | Amount Spent UGX "Bn" | Cumulative percentage of Actual expenditure |
|----|---|-----------------------|---|
| 1  | 070501: Policies, laws, guidelines plans and strategies       | 3.58                  | 11%   |
| 2  | 070502: Training and Capacity Building of BTVET Institutions  | 0.68                  | 13%   |
| 3  | 070577: Purchase of Specialized Machinery & Equipment         | 13.48                 | 55%   |
| 4  | 07058: Construction and rehabilitation of learning facilities | 14.53                 | 100%  |
|    | <b>Total</b>  | <b>32.27</b>          |   |

The Project planned to achieve its budgetary objectives by implementing four (4) outputs with a budget of UGX.41.3Bn and all the four (4) outputs worth UGX. 41.3Bn, representing 100% of the total approved budget for review as summarised in the table below;

**Table showing planned and sampled outputs**

| Total Number of Outputs | Number of outputs sampled | Total budget of the sampled outputs (UGX) "Bn" | Actual expenditure of the sampled output UGX "Bn" | % budget allocation of sampled outputs in relation to net budget |
|-------------------------|---------------------------|--|---|--|
| 4                       | 4                         | 41.3   | 32.3  | 100%   |

From the procedures undertaken, I noted the following;

| No  | Observation   | Recommendation   |
|-----|---|--|
| 1.1 | <p><b><u>Review of the five year Project work plan implementation status</u></b></p> <p>ARSDP has a 5 year project work plan which sets out both the long term and short term targets to be achieved during the duration of the 5 year Project.</p> <p>This being the fifth year of implementation of the Project work plan, I undertook an assessment of the achievement of the Project's objectives/strategic goals.</p> <p>I noted that at close of the financial year, out of the planned eight (8) strategic targets/objectives, one objective/goal had been achieved, while the remaining seven (7) were partially achieved. <b>Details are in Appendix I</b></p> <p>The Accounting Officer explained that most of the targets were achieved in the current financial year (2021/2022).</p> | <p>I advised the Accounting Officer to expedite the execution of the work plan so as to achieve the planned Project goals and activities in the one year of Project extension.</p>   |
| 1.2 | <p><b><u>Revenue Performance</u></b></p> <p><b><u>Performance of Donor Revenue</u></b></p> <p>The project budgeted to receive UGX.41.3Bn out of which UGX.35.5Bn was released, resulting in a shortfall of 5.5Bn representing 86% performance. The underperformance was attributed to under absorption.</p> <p><b><u>Performance of GoU receipts</u></b></p> <p>The project budgeted to receive UGX. 2.94Bn out of which UGX.2.66Bn was released, resulting in a shortfall of 0.28Bn representing 91% performance.</p> <p>The Accounting Officer explained that the underperformance was due to the failure to release the entire approved budget by Government which affected the implementation of some planned activities.</p>   | <p>I advised the Accounting Officer to design strategies that will improve fund absorption.</p> <p>I advised the Accounting Officer to liaise with Treasury to ensure that all budgeted funds are received by the entity in the subsequent period.</p> |



|                   |  |  |
|-------------------|--|--|
| <p><b>1.3</b></p> | <p><b><u>Absorption of funds</u></b></p> <p>Out of the total warrants of UGX.35.5Bn received during the financial year. UGX.32.3Bn was spent by the Project leaving a balance of UGX.3.2Bn representing 91% performance.</p> <p>The Accounting officer explained that COVID-19 slowed down the pace of execution of some activities including Civil Works, Equipment deliveries, and other activities for Twinning Institutions are still significantly affected due to restrictions on International Travels hence the funding planned for such activities could not be absorbed.</p>   | <p>I advised the Accounting Officer to ensure that all funds availed are absorbed in the one year project extension.</p>   |
| <p><b>1.4</b></p> | <p><b><u>Quantification of Outputs/Activities</u></b></p> <p>Section 13 (15, b) of the PFMA 2015 states that a policy statement submitted by a vote shall contain the annual and three months' work plans, outputs, targets and performance indicators of the work plans. . Regulation 11 (3) of the PFMR 2016 requires that a vote prepares a work plan that indicates the outputs of the vote for the financial year; the indicators to be used to gauge the performance of the outputs and funds allocated to each activity.</p> <p>To assess the performance of an output, all activities supporting the output must be quantified.</p> <p>I reviewed the extent of quantification of outputs and activities for all the Four (4) outputs with a total of nine (9) activities and expenditure of UGX.32.3Bn and noted the following;</p> <p>Three (3) outputs with a total of eight (8) activities and expenditure worth UGX.18.79Bn were fully quantified. That is, all the eight (8) activities (100%) within these outputs were clearly quantified to enable the assessment of performance.</p> <p>One (1) output with one (1) activity and expenditure worth UGX.13.48Bn was insufficiently quantified. I observed that the one (1) activity was not clearly quantified to enable the assessment of performance.</p> <p>Details in <b>Appendix II</b></p> <p>I observed that in cases where outputs were either partially or not quantified, management reported performance in generic ways. Some of the activities that were not sufficiently quantified were;</p> <ol style="list-style-type: none"> <li>1. Assorted Equipment and Consumables procured and installed at UPIK &amp; UTC Kichwamba".</li> </ol> <p>Failure to plan and report on the quality/quantity of</p> | <p>I advised the Accounting Officer to ensure that all activities and out-puts are fully quantified at planning level to facilitate performance measurement.</p> |

|                   |   |   |
|-------------------|---|---|
|                   | <p>activities implemented renders it difficult to establish the reasonableness of individual activity costs for each planned output which curtails effective accountability when funds are subsequently spent.</p> <p>Further, without clearly and fully quantified outputs, I could not ascertain the level of achievement of this output and whether funds appropriated by Parliament and released were spent and the intended objectives achieved.</p> <p>The Accounting officer indicated that management had taken note of the guidance and will ensure that all outputs will be quantified in the next planning period.</p>   |   |
| <p><b>1.5</b></p> | <p><b><u>Implementation of Quantified outputs</u></b></p> <p>I assessed the implementation of three(3) outputs that were fully quantified with a total of eight (8) activities worth UGX.25.18Bn and noted that:</p> <p>One (1) output with two (2) activities and expenditure worth UGX 14.53Bn was fully implemented. That is all the two (2) activities within this output were fully implemented.</p> <p>One (1) output with Five (5) activities worth UGX.3.60Bn was partially implemented.</p> <p>One (1) output with one (1) activity worth UGX.0.68Bn was not implemented. That is; the one (1) activity was not implemented at all.</p> <p>Non-implementation of planned activities implies that the expected services to the beneficiary communities were not attained. For example, the Project did not implement the following planned activities despite having received the required funds</p> <ol style="list-style-type: none"> <li>1. Hold Workshops involving various stakeholders in the oil and gas sector.</li> <li>2. Training of Instructors at the 2 UPIK &amp; UTC Kichwamba in Oil &amp; Gas related Trades.</li> </ol> <p>The Accounting officer attributed this to the COVID-19 restrictions that limited or affected most of the activities and indicated that the unimplemented activities have been rolled over FY 2021/22</p> | <p>I advised the Accounting Officer to roll over the unimplemented activities and ensure that outputs are fully implemented to be able to achieve the project objectives.</p> |

**Other Matter**

In addition to the matters raised above, I consider it necessary to communicate the following matter other than those presented or disclosed in the financial statements;

- **Status of Implementation of the Aide Memoir Recommendations**

A review of the aide Memoir reports by the World bank for the Project monitoring mission activity for the period 27th July -3rd August 2020, 2nd-10th December 2020 Mission and 16th-25th March, 2021 revealed that some of the agreed upon actions/recommendations between the World Bank and MoES had either been partially or not implemented as at the time of writing the report (December, 2021). **Appendix III refers.**

Failure to implement agreed upon recommendations undermines the efficient and effective implementation of the Project programs and activities.

I advised the Accounting Officer to expedite the implementation of the agreed recommendations of the Aide memoirs so as to efficiently and effectively implement the Project programs and activities.

- **Lack of Internal Audit Reviews on ARSDP Operations**

Section II (B) of the ARSDP Financing agreement on Financial Management, Financial Reports and Audits in part 5 states that, "To facilitate the carrying out of internal audits under the Project, the Recipient, through MoES, MLHUD and UNRA, shall carry out semi-annual internal audit reviews and prepare relevant reports, and thereafter furnish the said reports to the Association not later than forty-five (45) days after the end of the period covered by such reports".

Section 7.4 of the approved internal audit work plan further indicated that the internal audit department rated ARSDP and USDP Projects as high risk and allocated 800 hours to review their operations.

I noted that there was no internal audit review carried out on the operations of ARSDP during the period under review.

As a result, the Project risks were not assessed. Internal controls were also not properly managed and this could partly explain the challenges leading to Project delays.

The Accounting officer explained that the audit reviews were disrupted by the lock downs due to Covid-19 pandemic. He however indicated that two internal audit reviews had been conducted by August 2021. The reports were however not availed for verification.

I advised the Accounting Officer to always ensure that the internal audit reviews are carried out regularly for the remaining Project period for effectiveness and better monitoring/accountability.

### **Other Information**

The Accounting Officer of ARSDP (MOES Component) is responsible for the other information. The other information comprises the statement of responsibilities of the Accounting Officer and the commentaries by the Head of Accounts and the Accounting Officer, and other supplementary information. The other information does not include the financial statements and my auditors' report thereon. My opinion on the financial statements does not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially consistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.

### **Management Responsibilities for the Financial Statements**

Under Article 164 of the Constitution of the Republic of Uganda, 1995 (as amended) and Section 45 of the Public Finance Management Act, 2015, the Accounting Officer is accountable to Parliament for the funds and resources of the Project.

The Accounting Officer is also responsible for the preparation of financial statements in accordance with the requirements of the Public Finance Management Act, 2015 and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

In preparing the financial statements, the Accounting Officer is responsible for assessing the Project's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Accounting Officer has a realistic alternative to the contrary.

The Accounting Officer is responsible for overseeing the Project's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users, taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also;

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Accounting Officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the Accounting Officer, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Reporting Responsibilities**

In accordance with Section 19 (1) of the National Audit Act, 2008, I report to you, based on my work described on the audit of Financial Statements, that; except for the matters raised in compliance with legislation section below, and whose effect has been considered in forming my opinion on financial statements, the activities, financial transactions and information reflected in

the financial statements that have come to my notice during the audit, are in all material respects, in compliance with the authorities which govern them.

**Report on the Audit of Compliance with Legislation**

In accordance with Section 13 of the NAA 2008, I have a responsibility to report material findings on the compliance of the Institute with specific matters in key legislations. I performed procedures primarily to identify findings but not to gather evidence to express assurance. The material findings in respect of the compliance criteria for the applicable subject matters are as follows;

I have determined that there are no material findings in respect of the compliance criteria for the applicable subject matters to communicate in my report.



John F.S. Muwanga  
**AUDITOR GENERAL**

20<sup>th</sup> December, 2021

**APPENDICES**

**Appendix I: The extent of achievement of five year Project work plan**

| No.   | Strategic goal/objective                                  | Performance indicator (KPI)        | Planned activity/output   | Target by time of audit |                            |                     | Actual performance by time of audit (B) | Audit Remarks                     | Management Responses  |
|---|---|------------------------------------|---|-------------------------|----------------------------|---------------------|---|-----------------------------------|---|
|   |   |                                    |   | Target time (A)         | Target numbers/QTY         | Target amount (USD) |   |                                   |   |
| Sub Component 3.1 Improving Institutions In the Albertine Region and establishing mechanisms for coordination of Skills Development | 3.1.1. Establishment of Oil and Gas Sector Skills Council | Facilitation for the Oil & Gas SSC | 3.1.1. a) Expenses for members of the private sector on Sector Skills Councils to facilitate them execute their duties effectively. (Assuming one sitting per Month for first six Months and thereafter quarterly).   | Dec 2018                | 8 meetings (starting year) | 48,000.00           | One meeting out of expected 8 meetings  | Sat once since activation in 2020 | Since 2018, 15 meetings have been held by the Oil and Gas Sector Skills. Minutes are available for verification.  |
|   |   |                                    | 3.1.1. b) Facilitate members of the Sector Councils of Oil & Gas to carry out benchmarking visits in countries that have successfully implemented Oil & Gas Sector Skills Councils and occupational international Standards. Ten members will be facilitated from each council at an average rate of 5,000 dollars. | Jan 2019                | 10members                  | 150,000.00          | Not done                                | Not done                          | Benchmarking was deferred to March 2020 due the fact that the tenure of the 1 <sup>st</sup> council was expiring by April 2019 and the MoES was careful of spending on members for benchmarking whose tenure was about to expire.<br><br>It was therefore planned that when the 2 <sup>nd</sup> Council comes on board in May 2019, they would first acquaint themselves with their ToR and afterwards develop their work plan. |

|   |  |                 |                |                  |   |
|---|--|-----------------|----------------|------------------|---|
|   |  |                 |                |                  | <p>However, the Second Sector Skill Council preferred to acquaint themselves with the oil and gas Sector requirements first and undertake the benchmarking later.</p> <p>Additionally, travels international were affected by Covid-19 and given the travel restrictions, this activity was dropped during the 2<sup>nd</sup> restructuring of the project in December 2020.</p>  |
| <p>Technical Officer recruited and salaries paid</p>                        | <p>3.1.1. c) Recruit and pay salaries for one sector specialist to support the Oil &amp; Gas Sector Skills Councils at a monthly rate of USD \$ 1,500 per person for two years (1.5*2*12).</p> | <p>Oct 2018</p> | <p>1 staff</p> | <p>36,000.00</p> | <p><b>Not done</b></p> <p>Not done</p> <p>The MOES advertised twice and failed to attract qualified candidates for the post and this activity was dropped during the 2<sup>nd</sup> restructuring of the project in December, 2020. By then the project was remaining with 6 months to closure.</p> <p>Meanwhile, the Construction Sector Specialist hired under the USDP has continued to support the Oil and Gas Sector Skills Council.</p> |
| <p>Office furniture &amp; equipment for the technical officer delivered</p> | <p>3.1.1. d) Procure office furniture &amp; equipment for the technical officer to be recruited to support the Sector Skills Council.</p>  | <p>Oct 2018</p> | <p>Various</p> | <p>6,000.00</p>  | <p><b>Not done</b></p> <p>Not Done</p> <p>Since the recruitment of the Specialist was dropped, the procurement of furniture meant for the Specialist was also dropped.</p>  |



|  |  |  |  |  |  |  |           |                       |           |  |   |
|--|--|--|--|--|--|--|-----------|-----------------------|-----------|--|---|
|  |  |  |  |  |  |  | 40,000.00 |                       |           | This year no workshop was organized/implemented  | By this time the Ministry had just procured the twinning Institutions and therefore there were no outcomes to disseminate.  |
|  |  |  |  |  |  |  | 50,000.00 | 1 Launch              | Nov 2018  | 3.1.1. e) Organize workshops to engage stakeholders and communicate outcomes<br>3.1.1. e) Carry out a high profile event to launch the workforce Skills Development Plan for the Oil and Gas Sector in Uganda (Including Printing & Disseminating the WSDSP)                   | This activity was done on 15 <sup>th</sup> November 2018 in Hoima District and it was officiated over by H.E. the President of the Republic of Uganda   |
|  |  |  |  |  |  |  | 60,000.00 | Accreditation of UPIK | Sept 2018 | 3.1.4 c) OPITO Re-Assessment and accreditation of UPIK plus the fees<br>3.1.4. Develop, and periodically review the Internationally recognized occupational standard set and CBT curriculum adapted and implemented by accredited training providers for Oil and Gas Subsector | This activity was divided into 2 phases.<br>1 <sup>st</sup> Re-assessment- phase – Fully completed<br>2 <sup>nd</sup> phase: Accreditation - this phase is dependent on the 1 <sup>st</sup> phase. The 1 <sup>st</sup> phase recommended a number of gap filling to prepare UPIK for accreditation.<br>Since September 2020, we have been filling the gaps Identified by the re-assessment. To date all the measure gaps have been filled and a desk review was conducted by OPITO in November 2021 and UPIK has been approved by OPITO as an OPITO accredited centre. The Certificate is being prepared and will be sent to MoES/UPIK before 20 <sup>th</sup> December 2021. |



|  |  |   |   |                 |  |  |  |                                  |  |  |
|--|--|---|---|-----------------|--|--|--|----------------------------------|--|--|
|  |  | <p>Simulators - 6 months; target Nov 2018</p> <p>* Delivery of Simulators (4 months)</p> <p>- Feb 2019; assume 50% on contract signing; 50% on delivery</p> | <p>3.1.5 e) Training of instructors at UPTK for Upgrading</p> | <p>Sep 2018</p> |  |  |  | <p><b>Partially achieved</b></p> | <p>Funds not fully utilised by the COE</p> | <p>The twinning institutions recommended that the simulators should not be procured since in competence-based training, the On the Job Training (OJT) is key. Therefore, during the OJT, students will benefit from the industry.</p> <p>Additionally, the labour market needs in the oil and gas sector is more dynamic and therefore in few years to come the simulator may not be of use any more.</p> <p>The original plan to initiate training by 2018 was on the assumption that the twinning institution would be procured by 2016 and by 2018, they would have developed curriculum, equipment supplied and workshops constructed.</p> <p>But the procurement of the twinning institution was on the critical path of the project. The twinning partner was procured in February 2018 hence all the subsequent activities (training of Instructors have delayed). The Outbreak of covid-19 and travel restrictions worsened the situation. However, the offshore training and the return to the industry training is now scheduled for</p> |
|--|--|---|---|-----------------|--|--|--|----------------------------------|--|--|

|          |   |  |          |  |              |                           |  |  |
|----------|---|--|----------|--|--------------|---------------------------|--|--|
|          |   |  |          |  |              |                           |  | <i>February to march 2022.</i>   |
|          |   |  |          |  |              |                           |  |  |
| 3.1.5 h) | Internship, student placement and industrial training (Assuming 65 students and each \$3,000 Per year)            |  | Dec 2019 |  | 195,000.00   | <b>Not done</b>           | Not achieved as the students have not yet been trained due to delayed completion and installation of equipment and works completions | <i>Enrolment of students was dependent on preliminary activities such: completion of construction works and installation of equipment; and training of instructors. The 1<sup>st</sup> cohort was enrolled in April 2021. However, their training was interrupted by closure of Education Institutions due to COVID. Tertiary Institutions were reopened in November 2021 and the learners are expected to be completed in 7 months time after which they will proceed for Internship.</i> |
| 3.1.6    | Stakeholder engagements (Construction And Oil & Gas SSC, MOES, Employers, COE etc),                               | 3.1.6 Construction Oil & Gas Stakeholder engagements                           | Nov 2018 |  | 30,000.00    | <b>Partially achieved</b> | Oil and gas SSC stakeholder engagements not achieved   | <i>Stakeholders engagements is a continuous process and it is ongoing. Of recent due to Covid-19 restrictions, most of the engagements are online.</i>   |
| 3.1.6    | Upgrading Uganda Technical College Kichwamba (UTC-Kichwamba)  |  |          |  |              |                           |  |  |
|          | * Internship always run Jan - Feb each year * Internship planned to start Jan 2019                                |  |          |  |              |                           |  |  |
|          | * Twinning institutions specify equipment - target May 2018 *Procurement of Equipment - 6 months; target Nov 2018 | 3.1.6. d) Procure , supply and Deliver 'workshops' equipment for UTC-Kichwamba | Jan 2019 |  | 1,750,000.00 | <b>Partially achieved</b> | Some equipment not delivered and installed and training not taken place by June 30th 2021  | <i>The MOES encountered a challenge at procurement stage. The MOES failed to attract qualified bidders during the 1<sup>st</sup> and the 2<sup>nd</sup> bid adverts. This failure affected/delayed the procurement period and hence supply of</i>  |

|   |            |   |          |            |                    |  |  |  |   |
|---|------------|---|----------|------------|--------------------|--|--|--|---|
|   |            |   |          |            |                    |  |  |  | equipment. Additionally, the suppliers have also been affected by Covid-19. This due to the fact that Manufacturers are operating at half capacity.<br><br>Delivery of the remaining equipment is expected by April, 2022.                                  |
| * Delivery of equipment (4 months)<br>- Feb 2019; assume 50% on contract signing; 50% on delivery |            |   |          |            |                    |  |  |  | Funds not fully utilized by the COE   |
| * Local training of Instructors - Sep 2018<br>* Offshore training of instructors - Sep 2019       | 3.1.6. f)  | Train instructors at UTC-Kichwamba and instructors in both private and public institutes offering the targeted trades on the adapted internationally accredited curriculum. | Sep 2018 | 125,000.00 | Partially achieved |  |  |  | The portion of training which is not yet conducted is supposed to take place from UK. This was affected by Covid-19 travel restrictions.<br><br>Plan is in place for the offshore training to start in March 2022.  |
| * Internship always run Jan - Feb each year<br>* Internship planned to start Jan 2019             | 3.1.6. g). | Internship, student placement and industrial training (180 Students ( 6 trades of 30 students per trade) at usd 500 per year)   | Dec 2019 | 270,000.00 | Not done           |  |  |  | The 1 <sup>st</sup> cohort of 122 students have been enrolled and after 4 months they will enrol for Internship<br><br>Not achieved as the students have not yet been trained due to delayed completion and installation of equipment and works completions |

|   |  |  |                     |                        |  |  |  |
|---|--|--|---------------------|------------------------|--|--|--|
| <p>3.1.7 New Technical Institute at Nwoya</p>   | <p>* Procure Civil works contractor after Designs &amp; Bidding Doc from Engineering firm - Est. July 2019<br/>* Contract signed July 2019<br/>*Implementation planned 18 months; prioritize workshops &amp; classrooms to accommodate Equipment Payment Terms<br/>Down paid - 10%<br/>Assumed 15% per Qtr for subsequent 6 Qtrs</p> | <p>3.1.7.c). Construction of facilities at the New Institute</p> | <p>Aug 2019</p>     | <p>1,002,051.28</p>    | <p><b>Not done</b></p>   | <p>Not done; postponed to next project it was too late to start implementation while the project was due for closure</p>   | <p>The construction of facilities at Nwoya was restructured during the 2<sup>nd</sup> project restructuring in December 2020.<br/><br/>The justification for the restructuring of the equipment was due to the fact that facilities were restructured.</p> |
| <p>3.1.7.d). Procure, supply and equip the new facilities constructed for the new Institute</p> | <p>Assumed 15% per Qtr for subsequent 6 Qtrs</p>   | <p>July 2019</p>   | <p>1,500,000.00</p> | <p><b>Not done</b></p> | <p>Not done; postponed to next project it was too late to start implementation while the project was due for closure</p> | <p>The equipment for Nwoya Institution was restructured during the 2<sup>nd</sup> project restructuring in December 2020.<br/><br/>The justification for the restructuring of the equipment was due to the fact that facilities were restructured.</p> |  |

|  |   |   |   |                   |                        |   |  |   |
|--|---|---|---|-------------------|------------------------|---|--|---|
|  |   | <p>contractor on board (July 2019)<br/>Contract signature - July 2019<br/>* Delivery of equipment (6 months)<br/>- Jan 2020; assume 50% on contract signing ; 50% on delivery</p>   |   |                   |                        |   |  | <p>This activity was undertaken and reports are available for verification.</p> |
|  |   | <p>Sensitization &amp; training conducted by PCU &amp; MOES team</p>  | <p>Sensitization &amp; training of the COE &amp; other stakeholders at UTC- Nwoya</p> | <p>July 2019</p>  | <p>20,000.00</p>       | <p><b>Not done</b></p>  | <p>Not done; postponed to next project it was too late to start implementation while the project was due for closure</p> | <p>This activity was undertaken and reports are available for verification.</p> |
| <p>3.1.8 Monitoring and Evaluation of component activities</p> | <p>Procurement report and performance reports</p> | <p>3.1.8. c) Procure a consultancy firm to carry out Procurement, Financial and Physical Performance Audits. (Procurement Audit in the 3rd year and Physical Performance and Construction Audit in the Final year of the Project). Financial audit is annual.</p> | <p>Sep 2018</p>   | <p>110,000.00</p> | <p><b>Not done</b></p> | <p>No consultant was procured for performance audit except for the annual financial audit carried out by Government through OAG</p> | <p>The Ministry intends to engage the Office of the Auditor General to undertake this Audit.</p>                         |   |

|              |   |                            |               |  |           |  |  |  |  |                      |                           |   |  |  |  |  |  |  |  |
|--------------|---|----------------------------|---------------|--|-----------|--|--|--|--|----------------------|---------------------------|---|--|--|--|--|--|--|--|
|              |   |                            | Review report | 3.1.8. d) Carry out to the Midterm and Final evaluation of the project activities and disseminate the findings to the stakeholders | Feb 2018  |  |  |  |  |                      |                           |   |  |  |  |  |  |  |  |
|              | 3.2.2Bursaries for 600 Beneficiaries and other activities to be funded by GoU | 600 Beneficiaries enrolled |               | 3.2.2. c). Make payments of the bursary scheme towards the 600 Beneficiaries   | Jan. 2019 |  |  |  |  | 1,665,000.00         | <b>Partially achieved</b> | 1090 beneficiaries were selected; but only half undertook/started training and only half of them have completed the training by 30th June 2021. | Mid-term Evaluation was done in 2019 and final evaluation is ongoing.  |  |  |  |  |  |  |
| <b>TOTAL</b> |   |                            |               |  |           |  |  |  |  | <b>10,812,559.27</b> |                           |   | 5% of the students who have completed internship are already employed.<br><br>The Balance of 519 is scheduled to enrol by January 2022 when schools fully open up. |  |  |  |  |  |  |



**Appendix 2: Budget Implementation (Updated)**

| Planning              |            | Release of funds and implementation |   |   |                                |                               |                                |                               |  |                    |                                  | Monitoring and Evaluation   | Reporting   |  |
|-----------------------|------------|-------------------------------------|---|---|--------------------------------|-------------------------------|--------------------------------|-------------------------------|--|--------------------|----------------------------------|---|---|--|
| Programme/project (A) | Output (B) | Activities (C)                      | Are there clear targets and performance indicators to measure progress (Yes/No) If no give reason (D) | Planned Target for the Financial year (E) | Budgeted amount UGX "00 0" (F) | Revised budget UGX "00 0" (G) | Amount released UGX "00 0" (H) | Adjusted Spent UGX "00 0" (I) | Achieved Target by Financial year end (Annual performance) | Variance (K)=(J-E) | Causes for the put out variances | Audit Conclusion: Fully (F), Partially (P), or Not Implemented (NI) | Was the activity reported on in the periodic monitoring reports- (Yes/No) If no give reason | Is the performance of activity accurately reported in the annual performance reports- (Yes/No) If no give reason |

|   |  |   |     |   |  |  |  |   |  |  |     |     |  |  |  |                    |   |   |  |  |    |     |     |   |     |    |                   |                   |                   |               |   |    |   |   |     |     |   |     |   |  |  |  |   |    |  |   |     |     |
|---|--|---|-----|---|--|--|--|---|--|--|-----|-----|--|--|--|--------------------|---|---|--|--|----|-----|-----|---|-----|----|-------------------|-------------------|-------------------|---------------|---|----|---|---|-----|-----|---|-----|---|--|--|--|---|----|--|---|-----|-----|
| 1310<br>Albertine<br>Region<br>Sustainable<br>Development<br>Project                      | 07/0501<br>Policies,<br>laws,<br>guidelines<br>plans and<br>strategies | Allowances<br>for<br>evaluation<br>Costs paid<br>for<br>3<br>Twinning & 1<br>design under<br>the project. | Yes | 4 |  |  |  |   |  |  |     |     |  |  |  | repo<br>(+)<br>(-) | 5 | 1 |  | Restrictions due<br>public gatherings<br>occasioned by the<br>COVID-19 | NI | Yes | Yes |   |     |    |                   |                   |                   |               |   |    |   |   |     |     |   |     |   |  |  |  |   |    |  |   |     |     |
|   |  |   |     |   |  |  |  |   |  |  |     |     |  |  |  |                    |   |   |  |  |    |     |     | Adverts,<br>jingos, DJ<br>mentions,<br>news<br>features for<br>project<br>activities<br>/ | Yes | 12 | 8,05<br>4,38<br>8 | 8,05<br>4,38<br>8 | 4,85<br>4,57<br>5 | 3,579,<br>422 | 3 | -9 | Non recruitment of<br>2 specialist staff<br>and 4 project staff<br>left the project<br>after obtaining<br>alternative<br>employment | P | Yes | Yes |   |     |   |  |  |  |   |    |  |   |     |     |
|   |  |   |     |   |  |  |  |   |  |  |     |     |  |  |  |                    |   |   |  |  |    |     |     |   |     |    |                   |                   |                   |               |   |    |   |   |     |     | Salaries &<br>NSSF<br>(including<br>gratuity)<br>paid for 4<br>project<br>specialists<br>and 5 GOU. | Yes | 9 |  |  |  | 7 | -2 |  | P | Yes | Yes |
|   |  |   |     |   |  |  |  |   |  |  |     |     |  |  |  |                    |   |   |  |  |    |     |     |   |     |    |                   |                   |                   |               |   |    |   |   |     |     |   |     |   |  |  |  |   |    |  |   |     |     |
| Workshops<br>held<br>involving<br>various<br>stakeholders<br>in the oil and<br>gas sector | Yes  | 3   |     |   |  |  |  | 0 |  |  | Yes | Yes |  |  |  |                    |   |   |  |  |    |     |     |   |     |    |                   |                   |                   |               |   |    |   |   |     |     |   |     |   |  |  |  |   |    |  |   |     |     |

|  |   |   |        |                                 |                                 |                                     |                        |        |        |  |        |            |            |
|--|---|---|--------|---------------------------------|---------------------------------|-------------------------------------|------------------------|--------|--------|--|--------|------------|------------|
| 070502<br>Training<br>and<br>Capacity<br>Building of<br>BTJET<br>Institutions                | 28<br>Instructors<br>Trained at<br>the 2 UPIK &<br>UTC,<br>Kichwamba<br>in Oil & Gas<br>related<br>Trades | Yes   | 28     | 3,12<br>2,55<br>0               | 3,12<br>2,55<br>0               | 680,<br>920                         | 680,92<br>0            | 0      | -28    | Funds for training<br>of instructors and<br>students were<br>transferred to<br>beneficiary<br>institutions to<br>facilitate training<br>activities.<br>However, the<br>training did not<br>take place because<br>of closure of<br>schools and travel<br>restrictions.<br>Total | NI     | Yes        | Yes        |
| 070577<br>Purchase<br>of<br>Specialised<br>Machinery<br>&<br>Equipment                       | Assorted<br>Equipment<br>and<br>Consumables<br>procured and<br>installed at<br>UPIK & UTC<br>Kichwamba    | No, No<br>details of<br>equipment<br>and<br>numbers<br>of<br>machinery<br>indicated |        | 8,50<br>0,00<br>0               | 8,50<br>0,00<br>0               | 18,7<br>13,6<br>43                  | 13,478<br>,973         | 0      |        | Late initiation of<br>procurement<br>process and delay<br>in implementation<br>of project activities<br>hence Letters of<br>credit paid for 3<br>suppliers of<br>equipment and<br>paid advance<br>payment to Eagle<br>Scientific   | P      | Yes        | Yes        |
| 070580<br>Constructi<br>on and<br>rehabilitati<br>on of<br>learning<br>facilities<br>(BTJET) | Workshops<br>constructed<br>at UPIK<br>Workshops<br>constructed<br>at UTC<br>Kichwamba                    | Yes<br>Yes  | 4<br>3 | 21,6<br>50,5<br>00              | 21,6<br>50,5<br>00              | 19,6<br>45,7<br>43                  | 14,533<br>,363         | 4<br>4 | 0<br>1 | Late initiation of<br>procurement<br>process and delay<br>in implementation<br>of project activities   | F<br>F | Yes<br>Yes | Yes<br>Yes |
| <b>TOTAL</b>   |   |   |        | <b>41,<br/>327<br/>43<br/>8</b> | <b>41,<br/>327<br/>43<br/>8</b> | <b>42,<br/>43,8<br/>94,8<br/>81</b> | <b>32,27<br/>2,678</b> |        |        |  |        |            |            |

### Appendix III: Implementation of Aide Memoirs

| Implementation status of Agreed Actions from the World Bank ISM-27 <sup>th</sup> July -3 <sup>rd</sup> August 2020   |                     |   | Management responses  |   |
|--|---------------------|---|---|---|
| Actions  | Agreed timeline     | Remarks   | Audit Remark  |   |
| Delivery of Equipment UPIK lots 1 & 2  | September 30, 2020. | Done. But equipment was delivered in July 2021  | Not delivered as at 30 <sup>th</sup> June 2021                        | The supplier encountered challenges at the manufacturing and shipping stage. The manufacturers were operating at half capacity and shipping scheduled were prolonged due to limited vessels.  |
| <b>Implementation status of Agreed Action from the December 2020 Mission</b>   |                     |   |   |   |
| Actions  | Agreed timeline     | Remarks   | Audit Remark  |   |
| Complete UPIK accreditation by OPTTO   | January 30, 2020    | RFP issued to OPTTO in December 2020. Awaiting submission of proposal from OPTTO scheduled for 9 <sup>th</sup> February 2021. The procurement process was affected by Covid 19. The Contract has been signed with OPTTO on 1 <sup>st</sup> Nov 2021 | No contract and complete accreditation by 30 <sup>th</sup> June 2021. | The procurement process was affected by Covid 19. The Contract has been signed with OPTTO on 1 <sup>st</sup> Nov 2021. To date the OPTTO has completed a Desk review and UPIK is already recommended as OPTTO accredited institution.   |
| UPIK Equipment for Lot 3 Supply, Delivery, Installation and Testing  | May 31, 2021        | Delivery was affected by Covid-19. To date 50% of the delivery has been made.   | Partially Delivered/supplied  | To date 50% of the delivery has been made and verified in line with the Letter of Credit (LC). The remaining 50% of the equipment is arriving in Uganda by January 2022.  |
| UTCK Equipment Supply, Delivery, Installation and Testing  | May 31, 2021        | Equipment delivered for lot 2. But for lot 1 2(b) and lot 3 , contract was signed in September 2021   | Not delivered/installed   | The Ministry failed to attract qualified suppliers during the 1 <sup>st</sup> advert. The bids were advertised for Lot 1,2 and 3. More delays came at diligence stage where the supplier's clients were supposed to be contacted to confirm the performance of the suppliers. Most of these clients were foreign firms and they took long to respond to the MOES request citing that they are either close down Covid-19 or are operating remotely. |
| Commencement of Training of trainees was delayed due to delayed completion of facilities (workshops). However, by April when the workshop got completed, the 1 <sup>st</sup> cohort of learners were immediately enrolled. To date 80 students of the targeted 200 are |                     |   |   |   |

|   |                  |                  |   |               |  |
|---|------------------|------------------|---|---------------|--|
|   |                  |                  |   |               | <i>undergoing Training in IVQ at UPIK.</i>   |
| Commence students of training (different trades) at UPIK  | January 25, 2021 | January 25, 2021 | Training to commence on 25-Jan-2021 as Scheduled.   | not commenced | <p><i>Commencement of Training of trainees was delayed due to delayed completion of facilities (workshops) and the arrival of the international trainers (which was affected by the travel restrictions).</i></p> <p><i>To date 122 students of the targeted 240 have enrolled for training. The balance of 118 are scheduled to enroll by January 2022.</i></p> <p><i>The timelines in the aide memoire was based on the assumption that by January 2021, the international travel restriction would have been lifted. However, it turns out to be that by January 2021, was the period when Euro, was experiencing the 3<sup>rd</sup> wave of Covid-19. Hence offshore training of instructors could not take place.</i></p> |
| Commence students of training (different trades) at UTC-K | February 15 2021 | February 15 2021 | Training expected to commence on April - 2021 after completing admissions.  | Not Done      | <p><i>Plan is now in place for the offshore training to start by February to March 2022 in France.</i></p> <p><i>The timelines in the aide memoire was based on the assumption that by January 2021, the international travel restriction would have been lifted. However, it turns out to be that by January 2021, was the period when Euro, was experiencing the 3<sup>rd</sup> wave of Covid-19. Hence offshore training of instructors could not take place.</i></p>   |
| Commence Instructors at UPIK                              | January 25, 2021 | January 25, 2021 | The training was affected by Covid-19 travel Restriction. Instructors were not allow to travel to France for Training |               | <p><i>Plan is in place for the offshore training to start by February to March 2022 in the United Kingdom.</i></p>   |

|  |                  |   |                |  |
|--|------------------|---|----------------|--|
| Commence training of Instructors at UTC-K  | February 15 2021 | The training was affected by Covid-19 travel Restriction. Instructors were not allow to travel to UK for Training | Not Done       | <i>The beneficiary satisfaction surveys is partially done because, the training still ongoing and the survey will be completed by December 2022.</i>   |
| Complete the beneficiary satisfaction surveys  | May 30, 2021     |   | Partially done | <i>The procurement process was affected by Covid 19. The Contract has been signed with OPITD on 1st Nov 2021. To date the OPITD has completed a Desk review and UPIK is already recommended as OPITD accredited Institution.</i> |
| <b>Implementation status of agreed actions as at 17<sup>th</sup> March 2021</b>                                  |                  |   |                |  |
| Document lesson learnt and future strategic direction for the BT/ET sub-sector, considering ARSDPs Contribution. | May 31, 2021     | Documentation of Lesson Learnt is in progress   | Not done       | <i>Documentation of Lesson Learnt is in Progress. The final report cannot be concluded before the project closure.</i>   |
| 7 Obtain Workplace Registration Certificate from MoGLSD for UTC-Kichiwamba                                       | March 31, 2021   | Not yet submitted   |                | <i>The contractor has not yet obtained the Workplace Registration Certificate, but the MoES is following up on the submission.</i>   |

**GOVERNMENT OF THE REPUBLIC OF UGANDA**



**Ministry of education and Sports**

**Reports and Financial Statements  
for the Year Ended 30 June 2021**

*For*

**The Albertine Region Sustainable Development Project – Component 3**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**(Credit no: 5406-UG)**

**Ministry of Education and Sports – ARSDP Project Component 3**

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**Ministry of Education and Sports – ARSDP Project Component 3**

**Statement of Responsibilities of the Accounting Officer**

The financial statements set out on pages ..... to ..... have been prepared in compliance with the provisions of the Public Finance Management Act, 2015 (the Act) and the generally accepted accounting principles for the public sector. They have been prepared on the modified accrual basis of accounting where revenue is recognised when earned with the exception of taxes and grants which are recognised when received. Expenditure on the other hand is recognised when incurred as further detailed in the accounting policies attached to these financial statements.

In accordance with the provisions of Section 45 and Schedule 5 of the Public Finance Management Act, 2015, I am responsible for and personally accountable to Parliament for the activities of the vote to which I am the accounting officer. Further, I am responsible for the regularity and proper use of the funds appropriated to the vote to which I am the Accounting Officer. I am also responsible for authorizing any commitments made by the vote and for controlling resources received, held or disposed of by or on account of the vote. Finally, I am responsible for putting in place effective systems of risk management and internal control in respect to all resources and transactions of the vote.

Section 45 (3) of the Act require the Accounting Officer to enter into an annual budget performance contract with the Secretary to the Treasury which shall bind the Accounting Officer to deliver on the activities in the work plan of the vote for a financial year.

Sections 50 and 51 of the Act require me to prepare and submit financial statements of my vote to the Accountant General for consolidation and to the Auditor General for audit within the specified timelines using the prescribed formats.

Accordingly, I am pleased to report that I have complied with these provisions in all material respects and I am also pleased to submit the required financial statements in compliance with the Act. I have provided, and will continue to provide all the information and explanations as maybe required in connection with these financial statements.

To the best of my knowledge and belief, these financial statements agree with the books of account, which have been properly kept.

I accept responsibility for the integrity and objectivity of these financial statements, the financial information they contain and their compliance with the Public Finance Management Act, 2015 as amended.

Signed.....  


KETTY LAMARO

Accounting Officer

Date ... 16/12/2021 .....

### **Ministry of Education and Sports – ARSDP Project Component 3**

#### **Commentary on the Financial Statements by the Accounting Officer**

General Information about the Reporting Entity

Please provide the following information within a maximum of a three (3) page commentary!

#### **Principal Activity of the Vote**

The **Ministry of Education and Sports (MoES)**, is a cabinet-level ministry of Uganda. It is mandated to provide technical support, guide, coordinate, regulate and promote quality education, training and sports to all persons in Uganda for national integration, development and individual advancement", according to the website of the ministry. The Ministry operates autonomously as Vote Number 013.

As part of its mandate, the MoES also implements projects fully funded or co-funded by External Development Partners. The Albertine Region Sustainable Development Project (ARSDP) is one of the projects, and the MoES implements Component 3 of the project.

#### **Key Performance highlights**

##### **Summary Physical Performance for the FY 2020/2021**

| <b>Component</b>  | <b>Physical Performance</b>   |
|---|---|
| <b>Component 3:<br/>Skills Access and Upgrading</b>   |   |
| <b>Sub-Component 3.1:<br/>Improving institutions in the Albertine Region and establishing mechanism for the coordination for skill development.</b> | <p><b>1) International Accreditation and Certification of UPIK and UTC Kichwamba</b></p> <ul style="list-style-type: none"> <li>i. Procure OPITO for re-assessment of UPIK: Completed. UPIK was re-assessed and approved for accreditation by OPITO.</li> <li>ii. Procure OPITO for accreditation of UPIK: At Contract signing stage.</li> <li>iii. Procure City &amp; Guilds for assessment and accreditation of UPIK and UTC Kichwamba: Completed. Both UPIK and UTC Kichwamba got accredited by City &amp; Guilds.</li> </ul> <p><b>2) Upgrading UPIK and UTC Kichwamba into Centers of Excellence</b></p> <p><b>(a) UPIK</b></p> <ul style="list-style-type: none"> <li>i. Procurement of Twinning Training institutions to support UPIK to become Centers of Excellence in Oil and Gas related trades: Procurement completed. Implementation was at 58% completion.</li> <li>ii. Construction and upgrading of facilities at UPIK (original scope of 4 workshops) – <b>Ambitious Construction Company Ltd</b>: 100% completed on 8<sup>th</sup> March 2021. Occupation permit obtained and facilities handed over to Institute.</li> <li>iii. Extra works (1 workshop, Institute gate and 1.2 kms road and external works) – <b>Ambitious Construction Company Ltd</b>: Works commenced on 8<sup>th</sup> March 2021. Physical progress was at 85%.</li> </ul> <p><b>(b) UTC Kichwamba</b></p> <ul style="list-style-type: none"> <li>i. Procurement of Twinning Training institutions to support UTC Kichwamba to become Centers of Excellence in Oil and Gas construction related trades: Procurement completed. Implementation was at 70% completion.</li> <li>ii. Construction and upgrading of facilities at UTC Kichwamba (original scope of 3 workshops) – <b>Sarick Construction Ltd</b>: Works</li> </ul> |

**Ministry of Education and Sports – ARSDP Project Component 3**

| Component  | Physical Performance  |
|--|---|
|  | <p>commenced on 9<sup>th</sup> July 2020. Physical progress was at 70% as of 30<sup>th</sup> June 2021.</p> <p>iii. Extra works (1 workshop and external works) – <b>Ambitious Construction Company Ltd</b>: Works commenced on 4<sup>th</sup> May 2021. Physical progress was at 20% as of 30<sup>th</sup> June 2021.</p> <p><b>3) Establishment of a New Institute in Nwoya District</b></p> <p>i. Procure an engineering firm to design infrastructure for the new institution in Nwoya and carry out ESIA: Infrastructure designs for the new institute and a draft ESIA report in place.</p> <p><b>4) Supply and Delivery of Equipment, Vehicles and Furniture</b></p> <p><b>(a) UPIK:</b></p> <p>i. Supply, delivery, installation and training of technicians and user on equipment for Lot 1 and Lot 2 supplies completed.</p> <p>ii. Supply, delivery, installation and training of technicians and user on equipment for Lot 3 in progress.</p> <p>iii. Supply of furniture completed.</p> <p><b>(b) UTC Kichwamba:</b></p> <p>i. Supply and Delivery of equipment for Lot 2(a) is completed.</p> <p>ii. Supply, Delivery and Installation of fume extractors and electrical wiring benches is completed;</p> <p>iii. Supply of a Pick-Up completed.</p> <p>iv. Supply of a 64-seater bus completed.</p> <p><b>5) Training of targeted 440 students at UPIK and UTC Kichwamba</b></p> <p>i. Training of targeted 200 students at UPIK: 80 students enrolled for Electrical and Mechanical Maintenance. Training will resume when schools reopen.</p> <p>ii. Training of targeted 240 students at UTC Kichwamba: 122 students enrolled for welding and fabrication, plumbing and pipe fitting and electrical installation. Training will resume when schools reopen.</p> |
| <p><b>Sub-Component 3.2:</b><br/>Improving access to relevant skills training programs through provision of bursaries to people from the region.</p> | <p><b>1) Provide Bursary to 600 learners from the Albertine Region</b></p> <p>i. Training started for 571 beneficiaries enrolled.</p>   |

**Risk Management Practice and Internal Control**

The vote maintained a system of internal control through:

- i) Senior Management who are accountable for all risk assumed under their respective areas of responsibilities as well as controls to address those risk
- ii) Monitoring and evaluation team which is charged monitoring of risk management and control activities to ensure compliance with policies and regulations
- iii) Internal audit function which provide independent assurance on the adequacy and reliability of all risk management, control and governance process in the Ministry.
- iv) The audit committee of the education and social services sector oversees the Ministry operation of governance, risk management and control process. The committee also oversees the operations of the Ministry internal audit function.

The Ministry organizes and hold quarterly finance committee meetings to allocate funds and review quarterly departmental performance.

**Ministry of Education and Sports – ARSDP Project Component 3**

At the ARSDP Project Coordination Unit, Risk Management and Internal Control are enchoed through the Project leadrship at including the Project Coordinator, M& E Specialist, Financial Management Specialist and other staff. PCU Staff are are guided by a number documents including the Financing Agreement (and amendments therefore of), Project Appraisal Document, Project Disbursement Letter, The Public Finance Management Act 2015, Teasury Instructions, among others.

**Comment on the Payroll for both salary and Pensions**

The ARSDP project payroll is processed independent of the Ministry of Public Service. Monthly payroll is originated and approval is sought through the Human Resources Department of the Ministry, after which net payments to individuals and statutory deductions are remitted to relevant authorities.

**Action on Parliamentary Recommendations**

Listed below are some of the OAG recommendations in the report for the financial year 2021/20.

1. Refund of funds due to ineligible expenditure to the ARSDP Designated Account. There was a refund of UGX68,678,560/= to the IDA Designated Account for ineligible expenditure reported in the audit report for the financial year ended 30 June 2020.

Signed.....

KETTY LAMARO

Accounting Officer

Date .....16/12/2021.....

### Ministry of Education and Sports – ARSDP Project Component 3

#### Commentary on the Financial Statements by the Head of Accounts

Give a maximum of a three-page commentary on financial performance and financial position of the vote covering a trend analysis in comparison to previous year's performance.

#### 1) Commentary on the Income and Expenditure of the vote against budget

|          |                 | IDA Funding    | GOU Counter part |
|----------|-----------------|----------------|------------------|
| APPROVED | UGX             | 38,380,500,000 | 2,938,968,000    |
|          | US\$ Equivalent | \$10,513,362   |                  |
| RELEASE  | UGX             | 32,867,541,483 | 2,663,410,500    |
|          | US\$ Equivalent | \$8,959,545    |                  |
|          | % RELEASE       | 85%            | 91%              |
| SPENT    | UGX             | 30,339,110,117 | 1,791,133,153    |
|          | US\$ Equivalent | \$8,267,243    |                  |
|          | % SPENT         | 95%            | 23%              |

Since ARSDP Inception, the financial performance of the Project is summarised below:

|   | Status as at 30 June 2021 | %ge        |
|---|---------------------------|------------|
| <b>Credit Amount allocated to ARSDP-Comp 3</b>                              | <b>Amount ( US\$)</b>     |            |
| (i) Credit Amount from IDA (USD)  | \$25,000,000              |            |
| (ii) Revised Credit Amount from IDA USD<br>(25,000,000+1,561,715+7,738,115) | \$34,299,830              |            |
| (iii) GoU Counterpart funds   | \$2,000,000               |            |
| <b>Total Amount for ARSDP-Comp 3 (IDA + GoU)</b>                            | <b>\$36,299,830</b>       |            |
| <b>Disbursement/Release from IDA and GoU</b>                                |                           |            |
| (i) Amount Disbursed (from IDA)   | \$24,504,726              | 71%        |
| (ii) Amount Disbursed/released from (GoU)                                   | \$1,036,540               | 52%        |
| <b>Total Disbursed/released from (IDA + GoU)</b>                            | <b>\$25,541,266</b>       | <b>70%</b> |
| <b>Commitments</b>  |                           |            |
| Committed Amount on IDA funds   | \$23,752,946              |            |
| Committed Amount on GoU   | \$549,772                 |            |
| <b>Expenditure</b>  |                           |            |
| Expended Amount from IDA (against Disbursement)                             | \$16,378,824              | 67%        |
| Expended Amount from GoU (disbursement)                                     | \$321,717                 | 31%        |

The project realized disbursement/release from the World Bank of US\$8,959,545 (equivalent to UGX32,867,541,483), accounting for 85% of the appropriated budget. Out of this release, US\$8,499,647 was absorbed, accounting for 95%.

The Project also realised GOU releases totaling to UGX2,663,410,500/= accounting for 91% of the appropriated figure. Out of this appropriated release, UGX606,737,814/= was spent (in addition UGX1,388,257,821 was expensed after KPMG accounted for bursary funds brought forward, thus total expenditure under GOU of UGX1,791,133,153) accounting for 23% of the release; and UGX1,878,852,747/= was paid out to KPMG for bursary scheme scholarships and is yet to be accounted for. This amount is currently reported among project receivables under GOU counterpart.

**Ministry of Education and Sports – ARSDP Project Component 3**

**2) Comment on the Assets and Liabilities of the vote and mention any significant acquisition or disposal of asset as well as liability incurred or settled during the reporting period.**

Generally, expenditure is recognized when it is incurred. Qualifying unsettled expenditure is recognised in the Statement of Financial position as payables. Payments of pension to existing retirees are recognized in the statement of financial performance and any arrears on such payments recognised in the statement of financial position. However, the project did not have any outstanding liabilities as at 30 June 2021.

**3) Comment on any multiyear commitments and outstanding obligations by year end**

Implementation of most project activities is done through contracts signed with providers. Such contracts include those for Twinning Institutions, Civil Works, Supply and delivery of Technical Education Equipment.

**4) Comment(s)/ explanatory notes on any adjustments made in the Statement of Changes in Equity or Reconciliation of movement of cash during the year if any.**

There were no adjustments made to the Statement of Changes in Equity for ARSDP Financial Statements.

**5) Departure from accounting principles or practice and justification if any**

There were no departures from accounting principles or practices while preparing the ARSDP Project financial statements for the year ended 30<sup>th</sup> June 2021.

**6) Any other information that is deemed relevant by the Head of Accounts**

a) We would like to present the summary of donor funds movement during the year. This is well illustrated by the Designated Account Activity Statement:

|  |              | 2021                     | 2020                    |
|--|--------------|--------------------------|-------------------------|
|  | <u>Notes</u> | -                        | -                       |
| Opening Balance as at July 01                  |              | \$10,345,780.97          | \$5,496,064.86          |
| <b>Add</b>                                     |              |                          |                         |
| Total IDA Replenishments                       | 3            | \$8,959,545.00           | \$6,121,651.00          |
|  |              | <b>\$19,305,325.97</b>   | <b>\$11,617,715.86</b>  |
| <b>Less Eligible expenditure</b>               |              |                          |                         |
| Expenditure                                    | 7,8,9        | (\$8,267,243.19)         | (\$1,271,934.89)        |
| Receivables                                    | 19           | (\$2,830,336.62)         | -                       |
| <b>Total</b>                                   |              | <b>(\$11,097,579.80)</b> | <b>(\$1,271,934.89)</b> |
| <b>Closing Bank Balance as at 30th June</b>    |              | <b>\$8,207,746.17</b>    | <b>\$10,345,780.97</b>  |
| <b>Reconciled Bank Balance as at 30th June</b> | 18           | <b>\$8,207,746.17</b>    | <b>\$10,345,780.97</b>  |

b) Commentary on Foreign Exchange rate loss of UGX1,525,875,664/=

The project receives donor funds in United States Dollars. Funds flow arrangements under the project require that funds are maintained primarily on the US Dollar Bank Account (ie The Designated Account) except when expenditure designated in local currency is to be paid out.

Transitions for both disbursements from donor and donor expenditure during the year are recorded at ruling Bank of Uganda exchange rates and equivalent amounts are reflected in Uganda Shillings.

**Ministry of Education and Sports – ARSDP Project Component 3**

At the reporting date, since the project's reporting currency is in Uganda Shillings, IPSAS 4 requires that the Designated Account balances are revalued, for the purpose of re-stating the US Dollars into Uganda Shillings, at the closing exchange rate. Project receivables and payables, if any, are also re-stated using the same rate.

The cumulative effect of such individual transactions throughout the financial year, plus the revaluations carried out at the close of the financial year are the foreign exchange differences.

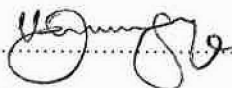
The resulting exchange rate differences are recognized as a gain or as a loss in the Statement of Income and Expenditure.

Project Management revalued the Closing Balance on the Designated Account of US\$ \$6,741,605.40 at a closing exchange rate of 3,554.07; giving rise to a foreign exchange loss of UGX1,525,875,664 as detailed below.

| Translation / Foreign exchange loss |                |
|-------------------------------------|----------------|
| Item                                | Amount         |
| DA Balance as at 30 June 2021       | \$6,741,605.40 |
| UGX equiv. before Revaluation       | 25,486,013,168 |
| UGX equiv. after Revaluation        | 23,960,137,504 |
| Exchange rate loss on revaluation   | 1,525,875,664  |

I take full responsibility for the completeness and integrity of these Financial Statements.

Signed



Kenneth T. Mugumya

Head of Accounts

16/12/2021

Date

**Ministry of Education and Sports – ARSDP Project Component 3**

**Statement of Financial Performance**

[Based on classification of expenditures by nature]

|   | Note  | Actual                |                    |                      | Actual                |                    |                      |
|---|-------|-----------------------|--------------------|----------------------|-----------------------|--------------------|----------------------|
|   |       | 30-Jun-21             |                    |                      | 30-Jun-20             |                    |                      |
|   |       | IDA                   |                    | GOU                  | IDA                   |                    | GOU                  |
|   |       | UGX                   | USD\$<br>Equiv.    | UGX                  | UGX                   | USD\$<br>Equiv.    | UGX                  |
| <b>OPERATING REVENUE</b>  |       |                       |                    |                      |                       |                    |                      |
| Taxes   | 2     | -                     | -                  | -                    | -                     | -                  | -                    |
| External Assistance   | 3     | 32,867,541,483        | \$8,959,545        | -                    | 22,836,141,213        | \$6,121,651        | -                    |
| Transfers received from Treasury- UCF                               | 4     | -                     | -                  | 2,663,410,500        | -                     | -                  | 2,841,296,018        |
| Transfers received from Other Government units                      | 5     | -                     | -                  | -                    | -                     | -                  | -                    |
| Non Tax revenue   | 6     | -                     | -                  | -                    | -                     | -                  | -                    |
| <b>Total Operating Revenue</b>                                      |       | <b>32,867,541,483</b> | <b>\$8,959,545</b> | <b>2,663,410,500</b> | <b>22,836,141,213</b> | <b>\$6,121,651</b> | <b>2,841,296,018</b> |
| <b>OPERATING EXPENSES</b>   |       |                       |                    |                      |                       |                    |                      |
| Employee costs  | 7     | 566,767,458           | \$157,775          | 205,061,451          | 527,195,220           | \$140,767          | 286,947,856          |
| Goods and services consumed   | 8     | 3,127,489,979         | \$850,740          | 1,791,133,153        | 3,829,760,608         | \$1,131,168        | 477,613,011          |
| Consumption of property, plant & equipment                          | 9     | 26,644,852,679        | \$7,258,728        | -                    | -                     | -                  | -                    |
| Subsidies   | 10    | -                     | -                  | -                    | -                     | -                  | -                    |
| Transfers to other Organisations                                    | 11    | -                     | -                  | -                    | -                     | -                  | -                    |
| Social benefits   | 12    | -                     | -                  | -                    | -                     | -                  | -                    |
| Other operating expenses  | 13    | -                     | -                  | -                    | -                     | -                  | -                    |
| <b>Total operating expenses</b>                                     |       | <b>30,339,110,117</b> | <b>\$8,267,243</b> | <b>1,996,194,604</b> | <b>4,356,955,828</b>  | <b>\$1,271,935</b> | <b>764,560,867</b>   |
| <b>Excess of revenue over expenditure from operating activities</b> |       | <b>2,528,431,366</b>  | <b>\$692,302</b>   | <b>667,215,896</b>   | <b>18,479,185,385</b> | <b>\$4,849,716</b> | <b>2,076,735,151</b> |
| Foreign exchange loss/Gain  | 14    | 1,525,875,664         | -                  | -                    | 192,352,348           | -                  | -                    |
| Finance costs   | 15    | -                     | -                  | -                    | -                     | -                  | -                    |
| Bad debts expense   | 16    | -                     | -                  | -                    | -                     | -                  | -                    |
| Transfers to Treasury   | 17(a) | -                     | -                  | 176,620,970          | -                     | -                  | 97,555,339           |
| <b>Excess of Revenue over expenditure for the year</b>              |       | <b>1,002,555,702</b>  | <b>\$692,302</b>   | <b>490,594,926</b>   | <b>18,286,833,037</b> | <b>\$4,849,716</b> | <b>1,979,179,812</b> |

Ketty Lamaro

Accounting Officer



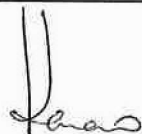
**Ministry of Education and Sports – ARSDP Project Component 3**

**Statement of Financial Position**

|                                 | Notes | 30-Jun-21             |                     |                      | 30-Jun-20             |                     |                      |
|---------------------------------|-------|-----------------------|---------------------|----------------------|-----------------------|---------------------|----------------------|
|                                 |       | IDA                   |                     | GOU                  | IDA                   |                     | GOU                  |
|                                 |       | (Shs)                 | US\$                | (Shs)                | (Shs)                 | US\$                | (Shs)                |
| <b>ASSETS</b>                   |       |                       |                     |                      |                       |                     |                      |
| Cash and cash equivalents       | 18    | 29,300,851,802        | \$8,207,746         |                      | 38,645,345,787        | \$10,345,781        |                      |
| Receivables                     | 19    | 10,347,049,687        | \$2,830,337         | 2,469,774,738        | -                     | -                   | 1,979,179,812        |
| Investments                     | 20    | -                     | -                   | -                    | -                     | -                   | -                    |
| Investment Properties           | 21    | -                     | -                   | -                    | -                     | -                   | -                    |
| Non Produced Assets             | 22    | -                     | -                   | -                    | -                     | -                   | -                    |
| <b>Total Assets</b>             |       | <b>39,647,901,489</b> | <b>\$11,038,083</b> | <b>2,469,774,738</b> | <b>38,645,345,787</b> | <b>\$10,345,781</b> | <b>1,979,179,812</b> |
| <b>LIABILITIES</b>              |       |                       |                     |                      |                       |                     |                      |
| Borrowings                      | 23    | -                     | -                   | -                    | -                     | -                   | -                    |
| Payables                        | 24    | -                     | -                   | -                    | -                     | -                   | -                    |
| Deposits                        | 25    | -                     | -                   | -                    | -                     | -                   | -                    |
| Pension Liability               | 26    | -                     | -                   | -                    | -                     | -                   | -                    |
| <b>Total Liabilities</b>        |       | <b>-</b>              | <b>-</b>            | <b>-</b>             | <b>-</b>              | <b>-</b>            | <b>-</b>             |
| <b>Net assets (liabilities)</b> |       | <b>39,647,901,489</b> | <b>\$11,038,083</b> | <b>2,469,774,738</b> | <b>38,645,345,787</b> | <b>\$10,345,781</b> | <b>1,979,179,812</b> |
| <b>REPRESENTED BY:-</b>         |       |                       |                     |                      |                       |                     |                      |
| Net Worth                       |       | 39,647,901,489        | \$11,038,083        | 2,469,774,738        | 38,645,345,787        | \$10,345,781        | 1,979,179,812        |

**Statement of Changes in Equity (Net Worth)**

|  | Notes | 30-Jun-21             |                     |                      | 30-Jun-20             |                     |                      |
|--|-------|-----------------------|---------------------|----------------------|-----------------------|---------------------|----------------------|
|  |       | IDA                   |                     | GOU                  | IDA                   |                     | GOU                  |
|  |       | (Shs)                 | US\$                | (Shs)                | (Shs)                 | US\$                | (Shs)                |
| At 1 July - Net worth Last Year (B/F)                |       | 38,645,345,787        | \$10,345,781        | 1,979,179,812        | 20,358,512,750        | \$5,496,065         | -                    |
| Less: Transfers to the UCF account                   | 17(b) | -                     | -                   | -                    | -                     | -                   | -                    |
| +/- Balance sheet adjustments                        | 27    | -                     | -                   | -                    | -                     | -                   | 1,979,179,812        |
| Revaluation reserves                                 |       | -                     | -                   | -                    | -                     | -                   | -                    |
| Add: Excess of revenue over expenditure for the Year |       | 1,002,555,702         | \$692,302           | 490,594,926          | 18,286,833,037        | \$4,849,716         | -                    |
| <b>Closing Net Financial Worth</b>                   |       | <b>39,647,901,489</b> | <b>\$11,038,083</b> | <b>2,469,774,738</b> | <b>38,645,345,787</b> | <b>\$10,345,781</b> | <b>1,979,179,812</b> |



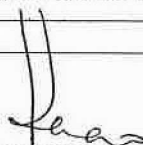
Ketty Lamaro

Accounting Officer

**Ministry of Education and Sports – ARSDP Project Component 3**

**Cash flow Statement for the year ended [Direct Method]**

|  | 30-Jun-21              |                      |                      | 30-Jun-20             |                    |                      |
|--|------------------------|----------------------|----------------------|-----------------------|--------------------|----------------------|
|  | IDA                    |                      | GOU                  | IDA                   |                    | GOU                  |
|  | (Shs)                  | US\$                 | (Shs)                | (Shs)                 | US\$               | (Shs)                |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                  |                        |                      |                      |                       |                    |                      |
| Revenue from Operating activities (see below)                | 32,867,541,483         | \$8,959,545          | 4,051,668,321        | 22,836,141,213        | \$6,121,651        | 2,841,296,018        |
| <b>PAYMENTS FOR OPERATING EXPENSES:</b>                      |                        |                      |                      |                       |                    |                      |
| Employee costs   | 566,767,458            | \$157,775            | 205,061,451          | 527,195,220           | \$140,767          | 286,947,856          |
| Goods and services consumed                                  | 3,127,489,979          | \$850,740            | 1,791,133,153        | 3,829,760,608         | \$1,131,168        | 477,613,011          |
| Subsidies  | -                      | -                    | -                    | -                     | -                  | -                    |
| Transfers to Other Organisations                             | -                      | -                    | -                    | -                     | -                  | -                    |
| Social benefits  | -                      | -                    | -                    | -                     | -                  | -                    |
| Other expenses   | -                      | -                    | -                    | -                     | -                  | -                    |
| Foreign exchange loss/gain                                   | 1,525,875,664          | -                    | -                    | 192,352,348           | -                  | -                    |
| Net Advances paid  | 5,987,401,674          | \$1,639,486          | 1,878,852,747        | -                     | \$0                | 1,979,179,812        |
| Domestic arrears paid during the year                        | -                      | -                    | -                    | -                     | -                  | -                    |
| Deposits paid  | -                      | -                    | -                    | -                     | -                  | -                    |
| Pension Arrears paid during the Year                         | -                      | -                    | -                    | -                     | -                  | -                    |
| Losses of cash   | -                      | -                    | -                    | -                     | -                  | -                    |
| Letters of Credit receivable                                 | 4,359,648,013          | \$1,190,851          | -                    | -                     | \$0                | -                    |
| <b>Total payments for operating activities</b>               | <b>15,567,182,788</b>  | <b>\$3,838,851</b>   | <b>3,875,047,351</b> | <b>4,549,308,176</b>  | <b>\$1,271,935</b> | <b>2,743,740,679</b> |
| <b>Net cash inflows/(outflows) from operating activities</b> | <b>17,300,358,694</b>  | <b>\$5,120,694</b>   | <b>176,620,970</b>   | <b>18,286,833,037</b> | <b>\$4,849,716</b> | <b>97,555,339</b>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                  |                        |                      |                      |                       |                    |                      |
| Purchase of property, plant and equipment                    | -                      | -                    | -                    | -                     | -                  | -                    |
| Purchase of non-produced assets                              | 26,644,852,679         | \$7,258,728          | -                    | -                     | -                  | -                    |
| Proceeds from sale of property, plant and equipment          | -                      | -                    | -                    | -                     | -                  | -                    |
| Purchase of investments                                      | -                      | -                    | -                    | -                     | -                  | -                    |
| Proceeds from sale of investments                            | -                      | -                    | -                    | -                     | -                  | -                    |
| <b>Net cash inflows/(outflows) from investing activities</b> | <b>26,644,852,679</b>  | <b>\$7,258,728</b>   | <b>-</b>             | <b>-</b>              | <b>-</b>           | <b>-</b>             |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                  |                        |                      |                      |                       |                    |                      |
| Proceeds from external borrowings                            | -                      | -                    | -                    | -                     | -                  | -                    |
| Repayments of external borrowings                            | -                      | -                    | -                    | -                     | -                  | -                    |
| Proceeds from other domestic borrowings                      | -                      | -                    | -                    | -                     | -                  | -                    |
| Repayments of other domestic borrowings                      | -                      | -                    | -                    | -                     | -                  | -                    |
| <b>Net cash flows from financing activities</b>              | <b>-</b>               | <b>-</b>             | <b>-</b>             | <b>-</b>              | <b>-</b>           | <b>-</b>             |
| <b>Net increase (decrease) in cash and cash equivalents</b>  | <b>(9,344,493,985)</b> | <b>-\$2,138,035)</b> | <b>176,620,970</b>   | <b>18,286,833,037</b> | <b>\$4,849,716</b> | <b>97,555,339</b>    |



Ketty Lamaro

Accounting Officer

**Ministry of Education and Sports – ARSDP Project Component 3**

**Cash flow Statement for the year ended (continued)**

For cash flow purposes receipts from revenue comprise

|  | Notes | 30-Jun-21             |                    |                      | 30-Jun-20             |                    |                      |
|--|-------|-----------------------|--------------------|----------------------|-----------------------|--------------------|----------------------|
|  |       | IDA                   |                    | GOU                  | IDA                   |                    | GOU                  |
|  |       | (Shs)                 | US\$               | (Shs)                | (Shs)                 | US\$               | (Shs)                |
| <b>Total Revenue as per Statement of Financial Performance</b> |       | 32,867,541,483        | \$8,959,545        | 2,663,410,500        | 22,836,141,213        | \$6,121,651        | 2,841,296,018        |
| Add : Advances recovered during the year                       |       | -                     | -                  | 1,388,257,821        | -                     | -                  | -                    |
| Revenue receivable collected during the period                 |       | -                     | -                  | -                    | -                     | -                  | -                    |
| Deposits received  |       | -                     | -                  | -                    | -                     | -                  | -                    |
| <b>Total Revenue</b>   |       | -                     | -                  | -                    | -                     | -                  | -                    |
| Less: Grants received in Kind                                  |       | -                     | -                  | -                    | -                     | -                  | -                    |
| Revenue in Kind (Tax waivers)                                  |       | -                     | -                  | -                    | -                     | -                  | -                    |
| Transfers to Treasury  | (17a) | -                     | -                  | -                    | -                     | -                  | -                    |
| Revenue Receivable for the reporting period                    |       | -                     | -                  | -                    | -                     | -                  | -                    |
| <b>Total revenue received for Cash flow statement purposes</b> |       | <b>32,867,541,483</b> | <b>\$8,959,545</b> | <b>4,051,668,321</b> | <b>22,836,141,213</b> | <b>\$6,121,651</b> | <b>2,841,296,018</b> |

**Reconciliation of movement of cash during the year**

|   | Notes | 30-Jun-21             |                    |               | 30-Jun-20             |                     |              |
|---|-------|-----------------------|--------------------|---------------|-----------------------|---------------------|--------------|
|   |       | IDA                   |                    | GOU           | IDA                   |                     | GOU          |
|   |       | (Shs)                 | US\$               | (Shs)         | (Shs)                 | US\$                | (Shs)        |
| At the beginning of the year  |       | 38,645,345,787        | \$10,345,781       | -             | 20,358,512,750        | \$5,496,065         | -            |
| Less: Transfers to the UCF account ( Previous Year Balances)        | 17(b) |                       |                    | (176,620,970) |                       |                     | 97,555,339   |
| Add/ (Less) : Adjustments in cash and cash equivalents              | 27    | (9,344,493,985)       | -(2,138,035)       | -             | 18,286,833,037        | \$4,849,716         | - 97,555,339 |
| Net increase (decrease) of cash from the <i>Cash flow Statement</i> |       |                       |                    | 176,620,970   | -                     | -                   | -            |
| <b>At the end of the year</b>                                       |       | <b>29,300,851,802</b> | <b>\$8,207,746</b> | <b>-</b>      | <b>38,645,345,787</b> | <b>\$10,345,781</b> | <b>-</b>     |

For purposes of the cash flow statement, cash and cash equivalents comprise

|                               | Notes | 30-Jun-21             |                    |          | 30-Jun-20             |                    |          |
|-------------------------------|-------|-----------------------|--------------------|----------|-----------------------|--------------------|----------|
|                               |       | IDA                   |                    | GOU      | IDA                   |                    | GOU      |
|                               |       | (Shs)                 | US\$               | (Shs)    | (Shs)                 | US\$               | (Shs)    |
| Cash and cash equivalents     | 18    | 29,300,851,802        | \$8,207,746        | -        | 38,645,345,787        | \$5,496,065        | -        |
| <b>Cash and bank balances</b> |       | <b>29,300,851,802</b> | <b>\$8,207,746</b> | <b>-</b> | <b>38,645,345,787</b> | <b>\$5,496,065</b> | <b>-</b> |

  
Ketty Lamaro

Accounting Officer

**Ministry of Education and Sports – ARSDP Project Component 3**

**Statement of Appropriation Account [Based on Services Voted]**

|  | Initial Approved Budget | Revised               | Warrants              | Actual                | Variance                 | Variance               |
|--|-------------------------|-----------------------|-----------------------|-----------------------|--------------------------|------------------------|
|  | 30-Jun-21               | Approved Budget       | 30-Jun-21             | 30-Jun-21             | Revised Budget Vs Actual | Warrants Vs Actual     |
|  |                         | 30-Jun-21             |                       |                       | 30-Jun-21                | 30-Jun-21              |
|  | (Shs)                   | (Shs)                 | (Shs)                 | (Shs)                 | (Shs)                    | (Shs)                  |
|  | (a)                     | (b)                   | (c)                   | (d)                   | (b-d)                    | (c-d)                  |
| <b>REVENUE</b>                                 | -                       | -                     | -                     | -                     | -                        | -                      |
| Taxes  | -                       | -                     | -                     | -                     | -                        | -                      |
| External Assistance                            | 38,380,500,000          | 38,380,500,000        | 30,235,092,523        | 32,867,541,483        | 5,512,958,517            | 2,632,448,960          |
| Transfers received from Treasury- UCF          | 2,938,968,000           | 2,938,968,000         | 2,663,410,500         | 2,663,410,500         | 275,557,500              | -                      |
| Transfers received from Other Government units | -                       | -                     | -                     | -                     | -                        | -                      |
| Non Tax revenue                                | -                       | -                     | -                     | -                     | -                        | -                      |
| <b>Total Revenue</b>                           | <b>41,319,468,000</b>   | <b>41,319,468,000</b> | <b>32,898,503,023</b> | <b>35,530,951,983</b> | <b>5,788,516,017</b>     | <b>2,632,448,960</b>   |
| <b>EXPENDITURE - by services voted</b>         |                         |                       |                       |                       |                          |                        |
| Employee Costs                                 | 1,207,598,000           | 1,207,598,000         | 1,017,472,768         | 771,828,909           | 435,769,091              | 245,643,859            |
| Allowances                                     | 106,050,000             | 106,050,000           | 95,445,000            | 95,196,447            | 10,853,553               | 248,553                |
| Adverts & PR                                   | 37,599,000              | 37,599,000            | 31,814,526            | 21,319,300            | 16,279,700               | 10,495,226             |
| Wrkshops & Seminars                            | 89,275,000              | 89,275,000            | 70,080,204            | 35,580,000            | 53,695,000               | 34,500,204             |
| Welfare & Entertainment                        | 40,000,000              | 40,000,000            | 36,000,000            | 36,000,000            | 4,000,000                | -                      |
| Stationary & Printing                          | 20,394,000              | 20,394,000            | 18,354,708            | 18,354,701            | 2,039,299                | 7                      |
| Electricity                                    | 300,000                 | 300,000               | 221,929               | -                     | 300,000                  | 221,929                |
| Consultancy Long term                          | 3,500,000,000           | 3,500,000,000         | 2,760,868,509         | 2,529,218,047         | 970,781,953              | 231,650,462            |
| Travel Inland                                  | 531,962,000             | 531,962,000           | 414,670,313           | 121,533,917           | 410,428,083              | 293,136,396            |
| Travel Abroad                                  | 200,000,000             | 200,000,000           | 138,157,032           | 109,457,004           | 90,542,996               | 28,700,028             |
| Fuel, Lubricants & Oils                        | 141,680,000             | 141,680,000           | 120,758,516           | 54,180,000            | 87,500,000               | 66,578,516             |
| Maintenance Civil                              | 35,000,000              | 35,000,000            | 25,891,644            | -                     | 35,000,000               | 25,891,644             |
| Maintenance Vehicles                           | 50,000,000              | 50,000,000            | 40,192,838            | 17,732,000            | 32,268,000               | 22,460,838             |
| Training                                       | 3,122,550,000           | 3,122,550,000         | 2,465,218,753         | -                     | 3,122,550,000            | 2,465,218,753          |
| Bursary / Scholarships                         | 2,086,560,000           | 2,086,560,000         | 1,880,051,716         | 1,880,051,716         | 206,508,284              | -                      |
| Machinery & Equipment                          | 8,500,000,000           | 8,500,000,000         | 6,704,966,380         | 9,688,913,866         | 1,188,913,866            | 2,983,947,486          |
| Non-Residential Buildings                      | 21,650,500,000          | 21,650,500,000        | 17,078,338,187        | 16,955,938,814        | 4,694,561,186            | 122,399,373            |
|  | -                       | -                     | -                     | -                     | -                        | -                      |
| <b>Total Expenditure</b>                       | <b>41,319,468,000</b>   | <b>41,319,468,000</b> | <b>32,898,503,023</b> | <b>32,335,304,721</b> | <b>8,984,163,279</b>     | <b>563,198,302</b>     |
| Less: Transfers to Treasury (17a)              | -                       | -                     | -                     | 176,620,970           | -                        | -                      |
| <b>Net Revenue / Expenditure</b>               | <b>-</b>                | <b>-</b>              | <b>-</b>              | <b>3,019,026,292</b>  | <b>(3,195,647,262)</b>   | <b>(3,195,647,262)</b> |

*Ketty Lamaro*

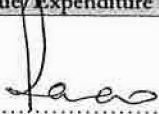
Ketty Lamaro

Accounting Officer

**Ministry of Education and Sports – ARSDP Project Component 3**

**Statement of Appropriation Account [based on nature of expenditure]**

|  | Initial Approved Budget | Revised Approved Budget | Warrants              | Actual                | Variance                 | Variance               |
|--|-------------------------|-------------------------|-----------------------|-----------------------|--------------------------|------------------------|
|  | 30-Jun-21               | 30-Jun-21               | 30-Jun-21             | 30-Jun-21             | Revised Budget Vs Actual | Warrants Vs Actual     |
|  |                         |                         |                       |                       | 30-Jun-21                | 30-Jun-21              |
|  |                         |                         |                       |                       | (Shs)                    |                        |
|  | (Shs)                   | (Shs)                   |                       |                       | (b-d)                    | (Shs)                  |
|  | (a)                     | (b)                     | (Shs)                 | (Shs)                 |                          | (c-d)                  |
|  |                         |                         | (c)                   | (d)                   |                          |                        |
| <b>REVENUE</b>                                 |                         |                         |                       |                       |                          |                        |
| Taxes  | -                       | -                       | -                     | -                     | -                        | -                      |
| External Assistance                            | 38,380,500,000          | 38,380,500,000          | 30,235,092,523        | 32,867,541,483        | 5,512,958,517.35         | 2,632,448,960          |
| Transfers received from Treasury- UCF          | 2,938,968,000           | 2,938,968,000           | 2,663,410,500         | 2,663,410,500         | 275,557,500              | -                      |
| Transfers received from Other Government units | -                       | -                       |                       | -                     | -                        | -                      |
| Non Tax revenue                                | -                       | -                       | -                     | -                     | -                        | -                      |
| <b>Total Revenue</b>                           | <b>41,319,468,000</b>   | <b>41,319,468,000</b>   | <b>32,898,503,023</b> | <b>35,530,951,983</b> | <b>5,788,516,017</b>     | <b>2,632,448,960</b>   |
| <b>EXPENDITURE - by nature of expenditure</b>  |                         |                         |                       |                       |                          |                        |
| Employee costs                                 | 980,461,000             | 980,461,000             | 1,017,472,768         | 566,767,458           | 413,693,542              | 450,705,310            |
| Goods and services consumed                    | 10,189,007,000          | 10,189,007,000          | 8,097,725,688         | 3,127,489,979         | 7,061,517,021            | 4,970,235,709          |
| Consumption of property, plant & equipment     | 30,150,000,000          | 30,150,000,000          | 23,783,304,567        | 26,644,852,679        | 3,505,147,321            | 2,861,548,112          |
| Subsidies                                      | -                       | -                       | -                     | -                     | -                        | -                      |
| Transfers to other Organizations               | -                       | -                       | -                     | -                     | -                        | -                      |
| Social benefits                                | -                       | -                       | -                     | -                     | -                        | -                      |
| Other expenses - GOU                           | -                       | -                       | -                     | 1,996,194,604         | 1,996,194,604            | 1,996,194,604          |
| Domestic arrears paid                          | -                       | -                       | -                     | -                     | -                        | -                      |
| Finance costs                                  | -                       | -                       | -                     | -                     | -                        | -                      |
| <b>Total Expenditure</b>                       | <b>41,319,468,000</b>   | <b>41,319,468,000</b>   | <b>32,898,503,023</b> | <b>32,335,304,721</b> | <b>8,984,163,279</b>     | <b>563,198,302</b>     |
| Less: Transfers to Treasury (17a)              |                         | -                       |                       | 176,620,970           |                          |                        |
| <b>Net Revenue/ Expenditure</b>                | <b>-</b>                | <b>-</b>                | <b>-</b>              | <b>3,019,026,292</b>  | <b>(3,195,647,262)</b>   | <b>(3,195,647,262)</b> |



Ketty Lamaro

Accounting Officer

**Ministry of Education and Sports – ARSDP Project Component 3**

**Reconciliation between total expenditure per Appropriation Accounts and per Statement of Financial Performance**

|   | Actual<br>30 June 2021<br>(Shs) | Actual<br>30 June 2020<br>(Shs) |
|---|---------------------------------|---------------------------------|
| <b>Total expenditure per Appropriation Account</b>                    | 32,335,304,721                  | 5,121,516,695                   |
| <b>Add:</b>   |                                 |                                 |
| Letters of credit receivable prior year but delivered during the year | -                               | -                               |
| Accrued expenditure   | -                               | -                               |
| Prepayments performed   | 10,347,049,688                  | -                               |
|   | -                               | -                               |
|   | -                               | -                               |
|   | -                               | -                               |
| <b>Less:</b>  |                                 |                                 |
| Letters of credit receivable at year-end                              | (4,359,648,013)                 | -                               |
| Domestic Arrears paid   | -                               | -                               |
| Non produced assets for the period                                    | -                               | -                               |
| Prepayments for the period  | (5,987,401,674)                 | -                               |
|   | -                               | -                               |
|   | -                               | -                               |
|   | -                               | -                               |
| <b>Total Expenditure per Statement of Financial Performance</b>       | <b>32,335,304,721</b>           | <b>5,121,516,695</b>            |



Ketty Lamaro

Accounting Officer

**Ministry of Education and Sports – ARSDP Project Component 3**

**Notes to the Financial Statements**

Note 1(a): Accounting Policies

These are the specific principles, bases, conventions, rules and practices adopted by the Government of the Republic of Uganda in preparing and presenting the financial statements. The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied in all material aspects unless otherwise stated.

**(i) General Information**

As required by Sections 50(1) and 51(1) of the Public Finance Management Act, 2015, each vote shall prepare financial statements and submit a copy to the Accountant General. The Annual Accounts shall be submitted for Audit to the Auditor General.

**(ii) Reporting Entity**

The Ministry of Education and Sports is a reporting entity of the Government of the Republic of Uganda and is domiciled in Uganda.

The principal address of the entity is:

Ministry of Education and Sports  
Embassy House; King George VI Way, at the corner with Parliament Avenue  
P.O. Box 7063  
Email: [permasec@education.go.ug](mailto:permasec@education.go.ug)  
Website: [www.education.go.ug](http://www.education.go.ug)

**(iii) The Consolidated Fund**

Is the Consolidated Fund as established by the Article 153 of the Constitution of the Republic of Uganda. As provided by Section 30 of the Public Finance Management Act, 2015 (the Act), it is the Fund into which all revenues or other money raised or received for the purpose of the Government shall be paid. Except for receivables into another public fund established for a special purpose (for example the Petroleum Fund) where this is authorized by an Act of Parliament, or where a vote, state enterprise or public corporation shall retain revenue collected or received as authorized through an appropriation by Parliament or is a monetary grant exempted under Section 44 of the ACT.

Withdrawals from the Consolidated Fund shall only be done upon the authority of a warrant of expenditure issued by the Minister of Finance to the Accountant General after a grant of credit has been issued to the Minister by the Auditor General in the first instance. The withdrawal can be effected only when: (a) the expenditure has been authorized by an Appropriation Act or a Supplementary Appropriation Act; (b) is a statutory expenditure; (c) for repaying funds received in error by the Consolidated Fund; (d) and for paying sums required for an advance, refund, rebate or drawback that are provided for in this and other Act of Parliament.

**(iv) Classified expenditures**

Classified expenditures are included under supply of goods and services in the Statement of Financial Performance, and are audited separately. The funds appropriated for classified expenditure shall only be used for defense and national security purposes. A committee of Parliament comprising the chairpersons of the committees responsible for budget; defense and internal affairs; and another member appointed by the Speaker will be responsible for scrutiny of classified expenditure budget.

**Ministry of Education and Sports – ARSDP Project Component 3**

**(v) Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the requirements of the Public Finance Management Act, 2015 [the Act] and comply with generally accepted accounting principles. The Financial Statements have been prepared using the modified accrual basis of accounting. The modified accrual basis of accounting recognizes revenue when earned with the exception of revenue from taxes and grants that is recognised when received. Expenses are recognised when incurred resulting into recognition of payables in the statement of financial position. All non-current assets with the exception of non-produced assets are expensed 100% in the year of acquisition in the statement of financial performance.

**(vi) Going concern consideration**

The financial statements have been prepared on a going concern basis.

**(vii) Presentation currency**

The reporting and presentation currency is the Uganda Shilling (Shs), which is the functional currency of the Republic of Uganda. Items included in the financial statements are measured in the currency of the primary economic environment in which the entity operates.

**(viii) Reporting Period**

The reporting period for these financial statements is from 1 July 2020 to the next 30 June 2021. Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format in the current year's financial statements.

**(ix) Appropriation**

The initial approved budget is the original forecast as presented and approved by Parliament. A revised budget is the initial approved budget adjusted by a supplementary and reallocations/ virements.

**(x) Revenue**

Revenue represents cash and grants in kind received by the entity during the financial year and comprise; tax and non-tax revenue, transfers received from Treasury, transfers from the Contingency Fund and transfers received from other government units. Revenues are recognized as follows;

**a) Tax revenues**

Taxes are levied with the authority of Parliament subject to Article 152 of the Constitution of the Republic of Uganda. Payment of tax does not necessarily result into an entitlement to the taxpayer to receive equivalent value of services or benefits. All tax revenues are recognised when received.

**b) External Assistance**

Grants are received by the entity either as cash or in-kind from foreign governments (bilateral) or from international Organizations (multi-lateral). All grants (aid assistance) are recognized as income when received. In-kind receipts (donations) are recognized at fair value when received.

**c) Transfers received from Treasury**

Transfers received include; transfers received from the Consolidated Fund, and transfers received from other government units. All transfers are recognized when received by the Accounting Officers.

**d) Transfers from other government units**

Comprise funds appropriated under one vote but transferred to another vote for execution of the intended activities of the former. These might include road maintenance funds from the Road fund, immunization funds from Ministry of health among others. These funds are recognised when received.

**e) Non-Tax Revenue**



### **Ministry of Education and Sports – ARSDP Project Component 3**

Non-Tax Revenue (NTR) refers to all revenue due to government that is not tax revenue. Examples include proceeds from sale of designated goods and services, hire of assets, interest/gains associated from ownership of shares and fines/penalties. NTR whether directly collected by the entity or collected by another on its behalf is recognised when revenue is earned. NTR earned but not received is reported in the statement of Financial Position as receivables.

#### **(xi) Expenses**

Generally, expenditure is recognized when it is incurred. Qualifying<sup>1</sup> unsettled expenditure is recognised in the Statement of Financial position as payables. Payments of pension to existing retirees are recognized in the statement of financial performance and any arrears on such payments recognised in the statement of financial position. Pension liability for non- retirees is neither recognised nor disclosed in the financial statements.

#### **(xii) Property, Plant and Equipment (physical assets or fixed assets)**

Property, plant and equipment (PPE) principally comprises buildings, dams, roads and highways, hydropower stations, plant, vehicles, equipment, and any other infrastructure assets but does not include land and regenerative natural resources such as forests and mineral resources.

Acquisitions of PPE are recorded in the asset register on receipt of the item at cost and expensed fully through the Statement of Financial Performance. Cost of the item is defined as the total cost of acquisition. Where the cost of the PPE cannot be determined accurately, the PPE is stated at fair value. Subsequent repairs and maintenance costs of PPE are also expensed as goods and services consumed in the Statement of Financial Performance.

Proceeds from disposal of property, plant and equipment are recognized as non-tax revenue in the period in which it is received.

#### **(xiii) Translation of transactions in foreign currency**

Foreign currency transactions are translated into Uganda Shillings using the exchange rates prevailing at the dates of the transactions (spot rates). These result into realized gains/losses which are recognized in the Statement of Financial Performance. Foreign currency assets and liabilities held by the entity at year-end are translated into Uganda Shillings using the period closing rate for reporting purposes resulting into unrealized gains/losses. The unrealized gains/losses are recognized in the statement of changes in Equity through the revaluation reserve.

#### **(xiv) Revaluation Gains/Losses**

Unrealized gains or losses arising from changes in the value of investments, marketable securities held for investment purposes, and from changes in the values of property, plant and equipments are not recognized in the financial statements.

#### **(xv) Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments, and bank overdrafts.

#### **(xvi) Unspent cash balances**

In accordance with the requirement of the Public Finance Management Act, 2015, unspent cash balances by Government entities at the end of the financial year are returned through the Single Treasury Account (TSA) to the Consolidated Fund. With the commencement of the TSA, votes fully operational on IFMS no longer have unspent cash balances for Transfers received by MALGs from the Treasury.

Escrow Account balances are to be recognized in the Financial Position of the responsible entity and expensed through the Financial Performance in the period when funds are utilized.

#### **(xvii) Receivables**

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<sup>1</sup> All payables should be verified by the Internal Audit and a certificate issued signed by the Accounting Officer, Head of Internal Audit and Head of Accounts/ Finance.

**Ministry of Education and Sports – ARSDP Project Component 3**

**(a) Accrued Non-Tax Revenue and Advances**

Receivables include revenue earned but not collected and advances not retired by the reporting date. These are carried at historical cost and are written down by recovered receipts or write-off of unrecoverable amounts (bad debts are written-off with the approval of Parliament, when identified in the Statement of Changes in Equity).

**(b) Letters of credit**

Procurement of goods and services through letters of credit which are cash covered are recognized in the statement of appropriation when the letter of credit is opened. Outstanding letters of credit at period-end are treated as receivable and expensed through the Statement of Financial Performance in the period when the goods and services are delivered.

**(c) Other Receivables**

These include expenditure paid for but not consumed during the financial year. Examples include rent expenditure paid for the period crossing financial years.

**(xviii) Inventories**

Comprise consumable supplies and goods purchased for resale. All inventories are expensed in the period in which they are acquired.

**(xix) Investment properties**

Investment property principally comprises land, office, commercial and residential buildings, and other physical assets, which is held for long-term rental income and is not occupied internally. Investment property is treated as a long-term investment and is carried at cost. Investment properties are currently not recognised in the financial statements.

**(xx) Investments**

Investments are classified into three groups, namely: **investments held for trading; investments held-to-maturity; and investments available-for-sale.**

Investments that are acquired principally for the purposes of generating profit from short-term fluctuations in price are classified as “trading investments”, and are, therefore, current assets and are treated as monetary assets.

Investments with fixed maturities and there is an intention and ability to hold them to maturity dates are classified as “**Investments held-to-maturity**”, and are, therefore, non-current assets, and are treated as non-monetary assets.

Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as “**investments available-for-sale**”, and are therefore non-current assets and regarded as non-monetary assets. However, if there is an expressed intention to sell these within 12 months, then these are treated as current assets and are monetary assets.

Appropriate classification of investments at the time of purchase and re-evaluation of such designation are carried out on a regular basis but any resulting reclassifications are rare and cannot be made from “trading investments” to “investments held to maturity”

All investments in the balance sheet are carried at historical cost. Non-financial assets are measured at net worth. For investments quoted in foreign currency, the historical cost is translated at the closing rate.

**(xxi) Projects expenditure**

Government projects are a series of undertakings of a reporting entity with specific objectives and a defined time frame and could be either: (a) fully funded by a Government; (b) jointly funded by Government and a development partner; (c) fully funded by a development partner through either

***Ministry of Education and Sports – ARSDP Project Component 3***

budget support or project support; and (d) fully funded by development partner through provision of physical items rather than funds.

Fully or partly Government funded project expenditure is recognized in the statement of financial performance of the reporting entity to the extent of funding received from Government. Project expenditure that is not recognised is disclosed in the statement/schedule of project/ subvention balances.

**(xxii) Borrowings**

Borrowings are initially recorded in the Statement of Financial Position [the balance sheet] at cost net of any transaction costs paid.

Interest expense and any other expense on borrowings are recognized in the Statement of Financial Performance when they fall due.

**(xxiii) Employee benefits**

Employee benefits include salaries, and other related-employment costs. Employee benefits are recognized when incurred. No provision is made for accrued leave or reimbursable duty allowances.

**(xxiv) Contingent liabilities and assets**

Contingent liabilities are disclosed in a memorandum statement (Statement of Contingent liabilities) of the entity when it's probable that an outflow of economic benefits or service potential will flow from the entity or when an outflow of economic benefits or service potential is probable but cannot be measured reliably. Contingent liabilities comprise government guarantees issued, court awards that have been appealed by the Attorney General, those arising from Public Private Partnerships (PPPs) etc. Non quantifiable contingent liabilities are disclosed in the memorandum statement of Non quantifiable contingent liabilities. Contingent assets are neither recognized nor disclosed.

**(xxv) Outstanding Commitments**

Commitments include operating and capital commitments arising from non-cancelable contractual or statutory obligations. Loan interest due but not paid is recognised in the Statement of Financial Position. The loan interest not yet due for payment is not recognised but disclosed. Outstanding commitments relating to non-cancelable contractual or statutory obligation where goods have been delivered or service provided are included in the statement of financial position as payables and in the Statement of Outstanding Commitments to the extent of the appropriation.

**(xxvi) Public Private Partnerships**

Any investment by the Government in a Public Private Partnership may be through a joint venture or as an associate or as a major shareholder. Except for the latter, these are accounted for as investments whether held for trading purposes or otherwise. The financial statements in that case are consolidated as if the other entity is a controlled entity in accordance with IPSAS 38.

In other instances where the Government provides certain guarantees which could crystalize and result into an outflow of resources, the guarantees are quantified and disclosed in the memorandum Statement of Contingent Liabilities. The amounts disclosed as part of contingent liabilities represent the most likely outflow of resources should certain events crystalize which are assessed annually. If the events crystalize, the amounts become payables through the Statement of Financial Performance and Statement of Financial Position on an accrual basis

### **Ministry of Education and Sports – ARSDP Project Component 3**

Other Notes to the Financial Statements

#### **Note 1(b): Exchange Rates**

All monetary amounts in the financial statements are expressed in Uganda Shillings, the functional currency. The Uganda Shilling closing rates (the Bank of Uganda middle rate) for major currencies were:

|                      | 30 June 2021 | 30 June 2020 |
|----------------------|--------------|--------------|
| United States Dollar | 3,554.07     | 3,730.33     |
| British Pound        | 4,934.84     | 4,595.70     |
| Euro                 | 4,240.63     | 4,179.17     |

#### **Note 2: Tax Revenues**

Tax revenues comprise both direct and indirect taxes levied and collected on behalf of Government.

|                                | 30 June 2021<br>(Shs) | 30 June 2020<br>(Shs) |
|--------------------------------|-----------------------|-----------------------|
| Local Services Tax             | -                     | -                     |
| Land fees                      | -                     | -                     |
| Business Licenses              | -                     | -                     |
| Other tax revenues             | -                     | -                     |
| <b>Total taxation revenues</b> | <b>-</b>              | <b>-</b>              |

#### **Note 3: External Assistance**

|   | 30-Jun-21             |                       | 30-Jun-20             |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | (Shs)                 | US\$                  | (Shs)                 | US\$                  |
| Grants from foreign governments         | -                     | -                     | -                     | -                     |
| Grants from International Organizations | 32,867,541,483        | \$8,959,545.00        | 22,836,141,213        | \$6,121,651.00        |
| Grants from Local sources - Donations   | -                     | -                     | -                     | -                     |
| <b>Total Grants</b>                     | <b>32,867,541,483</b> | <b>\$8,959,545.00</b> | <b>22,836,141,213</b> | <b>\$6,121,651.00</b> |

#### **Note 4: Transfers Received From the Treasury – Consolidated Fund**

|   | 30 June 2021<br>(Shs) | 30 June 2020<br>(Shs) |
|---|-----------------------|-----------------------|
| Transfers from the Treasury – (Current & Capital) | 2,663,410,500         | 2,841,296,018         |
| <b>Total Transfers</b>                            | <b>2,663,410,500</b>  | <b>2,841,296,018</b>  |

#### **Note 5: Transfers received from Other Government Units**

Comprise funds appropriated under one vote but transferred to another vote for execution of the intended activities. For instance road maintenance funds, grants recognised by treasury but transferred to other executing MALGS, etc

|  | 30 June 2021<br>(Shs) | 30 June 2020<br>(Shs) |
|--|-----------------------|-----------------------|
| Transfers received from other Gov't Units - Current<br>(Name of the Government unit) | -                     | -                     |
| Transfers received from other Gov't units - Capital<br>(Name of the Government unit) | -                     | -                     |

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|              |   |   |
|--------------|---|---|
| <b>Total</b> | - | - |
|--------------|---|---|

**Note 6: Non-Tax Revenues**

Comprise non-tax revenues from exchange transactions collected during the year as follows:

|                                  | 30 June 2021<br>(Shs) | 30 June 2020<br>(Shs) |
|----------------------------------|-----------------------|-----------------------|
| Investment income                | -                     | -                     |
| Dividends                        | -                     | -                     |
| Rent                             | -                     | -                     |
| Other property income            | -                     | -                     |
| Sale of goods and services       | -                     | -                     |
| Administrative fees and licenses | -                     | -                     |
| Court fines and Penalties        | -                     | -                     |
| Other fines and Penalties        | -                     | -                     |
| Miscellaneous Revenue            | -                     | -                     |
| <b>Total Non-Tax Revenue</b>     | -                     | -                     |

**Note 7: Employee Costs**

|                                   | 30-Jun-21          |                  |                    | 30-Jun-20          |                  |                    |
|-----------------------------------|--------------------|------------------|--------------------|--------------------|------------------|--------------------|
|                                   | IDA                |                  | GOU                | IDA                |                  | GOU                |
|                                   | (Shs)              | US\$             | (Shs)              | (Shs)              | US\$             | (Shs)              |
| Wages and salaries                | 457,781,744        | \$127,698        | 170,477,300        | 426,693,503.71     | \$113,932        | 264,365,362        |
| Social contributions              | 45,778,174         | \$12,770         | 22,633,281         | 42,669,350.37      | \$11,393         | 16,459,126         |
| Other employment costs - Gratuity | 63,207,540         | \$17,308         | 11,950,870         | 57,832,365.92      | \$15,442         | 6,123,368          |
| <b>Total employee costs.</b>      | <b>566,767,458</b> | <b>\$157,775</b> | <b>205,061,451</b> | <b>527,195,220</b> | <b>\$140,767</b> | <b>286,947,856</b> |

**Note 8: Goods and Services**

Expenditure on goods and services during the year principally comprise the following:

|  | 30-Jun-21            |                  |                    | 30-Jun-20            |                    |                    |
|--|----------------------|------------------|--------------------|----------------------|--------------------|--------------------|
|  | IDA                  |                  | GOU                | IDA                  |                    | GOU                |
|  | (Shs)                | US\$             | (Shs)              | (Shs)                | US\$               | (Shs)              |
| General expenses                         | 1,220,609,302        | \$332,625        | 182,718,962        | 355,640,600          | \$105,043          | 188,657,400        |
| Communications                           | 36,000,000           | \$9,830          | 4,182,990          | 154,560,500          | \$45,651           | 5,286,060          |
| Utility and property expenses            | 12,950,000           | \$3,536          | 853,950            | 28,200,200           | \$8,329            | 16,060,670         |
| Supplies and services                    | -                    | -                | 15,378,900         | 454,007,880          | \$134,097          | 18,005,880         |
| Professional services                    | 1,254,973,829        | \$342,691        | -                  | 2,257,806,500        | \$666,872          | -                  |
| Insurances and licenses                  | -                    | -                | -                  | -                    | -                  | -                  |
| Travel and transport                     | 602,956,848          | \$162,057        | 118,593,917        | 430,674,980          | \$127,205          | 136,450,000        |
| Maintenance                              | -                    | -                | 79,947,644         | 148,869,948          | \$43,971           | 113,153,001        |
| Inventories (goods purchased for resale) | -                    | -                | -                  | -                    | -                  | -                  |
| <b>Total cost of goods and services</b>  | <b>3,127,489,979</b> | <b>\$850,739</b> | <b>401,676,363</b> | <b>3,829,760,608</b> | <b>\$1,131,168</b> | <b>477,613,011</b> |

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**Note 9: Consumption of Property, Plant and Equipment (Fixed Assets)**

As explained in accounting policy (xii), property, plant and equipment (physical assets) are expensed in the year of purchase i.e. they are fully expensed in the year of purchase using the cash basis of accounting.

|  | 30-Jun-21             |                    |       | 30-Jun-20 |      |       |
|--|-----------------------|--------------------|-------|-----------|------|-------|
|  | IDA                   |                    | GOU   | IDA       |      | GOU   |
|  | (Shs)                 | US\$               | (Shs) | (Shs)     | US\$ | (Shs) |
| Non Residential buildings                                    | 16,955,938,814        | \$4,638,549        | -     | -         | -    | -     |
| Residential buildings  | -                     | -                  | -     | -         | -    | -     |
| Roads and bridges  | -                     | -                  | -     | -         | -    | -     |
| Transport equipment-   | -                     | -                  | -     | -         | -    | -     |
| Machinery and equipment                                      | 9,688,913,866         | \$2,620,180        | -     | -         | -    | -     |
| Furniture and fittings                                       | -                     | -                  | -     | -         | -    | -     |
| Other fixed assets   | -                     | -                  | -     | -         | -    | -     |
| <b>Total value of property, plant and equipment expensed</b> | <b>26,644,852,679</b> | <b>\$7,258,728</b> | -     | -         | -    | -     |

**Note 10: Subsidies**

Subsidies paid during the year are summarized as below:

|                                     | 30 June 2021<br>(Shs) | 30 June 2020<br>(Shs) |
|-------------------------------------|-----------------------|-----------------------|
| To public corporations              | -                     | -                     |
| To private enterprises              | -                     | -                     |
| To private individuals              | -                     | -                     |
| <b>Total subsidies for the year</b> | -                     | -                     |

**Note 11: Transfers to Other Organisations**

Transfers made during the year are summarized as below:

|  | 30 June 2021<br>(Shs) | 30 June 2020<br>(Shs) |
|--|-----------------------|-----------------------|
| Transfer to foreign Governments          | -                     | -                     |
| Transfers to International Organisations | -                     | -                     |
| Transfers to other government units      | -                     | -                     |
| To resident non-government units         | -                     | -                     |
| <b>Total transfers</b>                   | -                     | -                     |

**Note 12: Social Benefits**

Social benefits paid during the year comprise:

|                              | 30 June 2021<br>(Shs) | 30 June 2020<br>(Shs) |
|------------------------------|-----------------------|-----------------------|
| Pensions                     | -                     | -                     |
| Employer Social benefits     | -                     | -                     |
| <b>Total social benefits</b> | -                     | -                     |

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**Note 13: Other Operating Expenses**

These comprise:

|                                       | 30 June 2021<br>(Shs) | 30 June 2020<br>(Shs) |
|---------------------------------------|-----------------------|-----------------------|
| Property expenses other than interest | -                     | -                     |
| Miscellaneous other expenses- current | -                     | -                     |
| Miscellaneous other expenses- capital | -                     | -                     |
| <b>Total other operating expenses</b> | -                     | -                     |

**Note 14: Foreign Exchange Gains and Losses**

During the year, foreign exchange losses and gains were as follows:

|  | 30 June 2021<br>(Shs) | 30 June 2020<br>(Shs) |
|--|-----------------------|-----------------------|
| Realized loss /gain (SFP)                  | 1,525,875,664         | 192,352,348           |
| Unrealized loss /gain (SCE)                | -                     | -                     |
| <b>Net foreign exchange gains / losses</b> | <b>1,525,875,664</b>  | <b>192,352,348</b>    |

**Note 15: Finance costs**

|  | Schedule | 30th June 2021<br>(Shs) | 30 June 2020<br>(Shs) |
|--|----------|-------------------------|-----------------------|
| Interest on external debts (external borrowings) |          | -                       | -                     |
| Interest on other domestic borrowings            |          | -                       | -                     |
| <b>Total finance cost</b>                        |          | -                       | -                     |

**Note 16: Bad Debts Expense**

|                        | 30 June 2021<br>Shs | 30 June 2020<br>Shs |
|------------------------|---------------------|---------------------|
| Bad debts w/o          | -                   | -                   |
| Provision for the year | -                   | -                   |
| <b>Total bad debts</b> | -                   | -                   |

**Note 17 (a): Transfers to Treasury**

These comprise transfers back to the Consolidated Fund of unspent balances from the respective expenditure accounts, transfers of Non tax revenue collected, , unspent salaries, among others for the period.

|                              | 30-Jun-21 |      |                    | 30-Jun-20 |      |                   |
|------------------------------|-----------|------|--------------------|-----------|------|-------------------|
|                              | IDA       |      | GOU                | IDA       |      | GOU               |
|                              | (Shs)     | US\$ | (Shs)              | (Shs)     | US\$ | (Shs)             |
| Non Tax revenue              | -         | -    | -                  | -         | -    | -                 |
| Expenditure account balances | -         | -    | 176,620,970        | -         | -    | 97,555,339        |
| Other cash balances          | -         | -    | -                  | -         | -    | -                 |
| <b>Total for the year.</b>   | -         | -    | <b>176,620,970</b> | -         | -    | <b>97,555,339</b> |

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**Note 17 (b): Transfers to Treasury**

These comprise transfers to the Consolidated Fund/ Treasury of Unspent balances, NTR collections, Cash in transit, LCs not performed etc for transactions crossing financial years.

|                              | 30-Jun-21 |      |                    | 30-Jun-20 |      |                   |
|------------------------------|-----------|------|--------------------|-----------|------|-------------------|
|                              | IDA       |      | GOU                | IDA       |      | GOU               |
|                              | (Shs)     | US\$ | (Shs)              | (Shs)     | US\$ | (Shs)             |
| Non Tax revenue              | -         | -    | -                  | -         | -    | -                 |
| Expenditure account balances | -         | -    | 176,620,970        | -         | -    | 97,555,339        |
| Other cash balances          | -         | -    | -                  | -         | -    | -                 |
| <b>Total for the year.</b>   | -         | -    | <b>176,620,970</b> | -         | -    | <b>97,555,339</b> |

**Note 18: Cash and cash equivalents**

|  | 30-Jun-21             |                    |       | 30-Jun-20             |                     |       |
|--|-----------------------|--------------------|-------|-----------------------|---------------------|-------|
|  | IDA                   |                    | GOU   | IDA                   |                     | GOU   |
|  | (Shs)                 | US\$               | (Shs) | (Shs)                 | US\$                | (Shs) |
| <b>DOMESTIC</b>                                    | -                     | -                  | -     | -                     | -                   | -     |
| Revenue accounts                                   | -                     | -                  | -     | -                     | -                   | -     |
| Expenditure accounts                               | -                     | -                  | -     | -                     | -                   | -     |
| Project accounts                                   | -                     | -                  | -     | -                     | -                   | -     |
| Collection accounts                                | -                     | -                  | -     | -                     | -                   | -     |
| Cash in transit                                    | -                     | -                  | -     | -                     | -                   | -     |
| Cash at hand - Imprest                             | -                     | -                  | -     | -                     | -                   | -     |
| Others   | -                     | -                  | -     | -                     | -                   | -     |
| <b>Sub-total cash and bank balances - domestic</b> | -                     | -                  | -     | -                     | -                   | -     |
| <b>FOREIGN</b>                                     |                       |                    |       |                       |                     |       |
| Revenue Accounts                                   | -                     | -                  | -     | -                     | -                   | -     |
| Expenditure accounts                               | 125,001,895           | \$34,228           | -     | 91,989,086            | \$24,562            | -     |
| Project Accounts                                   | 29,175,849,907        | \$8,173,518        | -     | 38,553,356,701        | \$10,321,219        | -     |
| Collection accounts                                | -                     | -                  | -     | -                     | -                   | -     |
| Cash in transit                                    | -                     | -                  | -     | -                     | -                   | -     |
| Cash at hand - Imprest                             | -                     | -                  | -     | -                     | -                   | -     |
| Others   | -                     | -                  | -     | -                     | -                   | -     |
| <b>Sub-total cash and bank balances - foreign</b>  | <b>29,300,851,802</b> | <b>\$8,207,746</b> | -     | <b>38,645,345,787</b> | <b>\$10,345,781</b> | -     |
| <b>Total cash and bank balances</b>                | <b>29,300,851,802</b> | <b>\$8,207,746</b> | -     | <b>38,645,345,787</b> | <b>\$10,345,781</b> | -     |

*Any over drafts should be included under the respective bank accounts*



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**Note 19: Net Receivables**

Comprise the following receivables at the end of the year net of any provision for receivables doubtful of recovery.

|                                    | Note  | 30-Jun-21             |                    |                      | 30-Jun-20 |      |                      |
|------------------------------------|-------|-----------------------|--------------------|----------------------|-----------|------|----------------------|
|                                    |       | IDA                   |                    | GOU                  | IDA       |      | GOU                  |
|                                    |       | (Shs)                 | US\$               | (Shs)                | (Shs)     | US\$ | (Shs)                |
| Total Receivables                  | 19(a) | 10,347,049,687        | \$2,830,337        | 2,469,774,738        |           | \$0  | 1,979,179,812        |
| Less: Provision for doubtful debts | 19(b) | -                     | -                  | -                    | -         | -    | -                    |
| <b>Net Receivables</b>             |       | <b>10,347,049,687</b> | <b>\$2,830,337</b> | <b>2,469,774,738</b> | -         | -    | <b>1,979,179,812</b> |

**Note 19(a): Total Receivables**

|                                      | 30-Jun-21             |                    |                      | 30-Jun-20 |      |                      |
|--------------------------------------|-----------------------|--------------------|----------------------|-----------|------|----------------------|
|                                      | IDA                   |                    | GOU                  | IDA       |      | GOU                  |
| <b>DOMESTIC</b>                      | (Shs)                 | US\$               | (Shs)                | (Shs)     | US\$ | (Shs)                |
| Accrued Revenue                      | -                     | -                  | -                    | -         | -    | -                    |
| Loans (short-term) - others          | -                     | -                  | -                    | -         | -    | -                    |
| Advances - <i>Advance guarantees</i> | 5,987,401,674         | \$1,639,486        | -                    | -         | -    | -                    |
| Outstanding letters of credit        | 4,359,648,013         | \$1,190,850.94     | -                    | -         | -    | -                    |
| Prepayments - <i>Bursary Scheme</i>  | -                     | -                  | 2,469,774,738        | -         | -    | 1,979,179,812        |
| Other accounts receivable            | -                     | -                  | -                    | -         | -    | -                    |
| <b>Total domestic receivables</b>    | <b>10,347,049,687</b> | <b>\$2,830,337</b> | <b>2,469,774,738</b> | -         | -    | <b>1,979,179,812</b> |
| <b>FOREIGN</b>                       |                       |                    |                      |           |      |                      |
| Accrued Revenue                      | -                     | -                  | -                    | -         | -    | -                    |
| Loans (short-term) - others          | -                     | -                  | -                    | -         | -    | -                    |
| Advances                             | -                     | -                  | -                    | -         | -    | -                    |
| Outstanding letters of credit        | -                     | -                  | -                    | -         | -    | -                    |
| Prepayments                          | -                     | -                  | -                    | -         | -    | -                    |
| Other accounts receivable            | -                     | -                  | -                    | -         | -    | -                    |
| <b>Total foreign receivables</b>     | -                     | -                  | -                    | -         | -    | -                    |
| <b>Total receivables</b>             | <b>10,347,049,687</b> | <b>\$2,830,337</b> | <b>2,469,774,738</b> | -         | -    | <b>1,979,179,812</b> |

*The ageing of the receivables is as below:-*

|                 | Current Financial Year Shs | Previous Financial Year Shs | Other Financial Years Shs | Total Shs |
|-----------------|----------------------------|-----------------------------|---------------------------|-----------|
| Accrued revenue | -                          | -                           | -                         | -         |

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|   |                       |                    |   |                       |
|---|-----------------------|--------------------|---|-----------------------|
| Loans and Advances Loans and Advances Loans and Advances Loans and Advances | -                     | -                  | - | -                     |
| Outstanding letters of credit IDA   | 4,359,648,013         | -                  | - | 4,359,648,013         |
| Prepayments - <i>Advance guarantees IDA</i>                                 | 5,987,401,674         | -                  | - | 5,987,401,674         |
| <b>Sub-Total IDA Receivables</b>  | <b>10,347,049,687</b> |                    |   | <b>10,347,049,687</b> |
| Other receivables   | -                     | -                  | - | -                     |
| Bursary Advances - GOU  | 1,878,834,747         | 590,939,991        | - | 2,469,774,738         |
| <b>Total Receivables (IDA &amp; GOU)</b>                                    | <b>12,225,884,434</b> | <b>590,939,991</b> | - | <b>12,816,824,425</b> |

**Note 19(b): Provision for doubtful debts**

|  | 30 June 2021<br>Shs | 30 June 2020<br>Shs |
|--|---------------------|---------------------|
| Provision at the beginning of the year- at 1 July      | -                   | -                   |
| Increase / (decrease) in provision for the year        | -                   | -                   |
| Less: Provision approved for write off during the year | -                   | -                   |
| <b>Provision at the end of the year</b>                | -                   | -                   |

**Note 20: Investments**

Comprise investments as follows:

|   | 30 June 2021<br>(Shs) | 30 June 2020<br>(Shs) |
|---|-----------------------|-----------------------|
| Securities other than shares (long-term) - domestic | -                     | -                     |
| Shares and other equity-domestic                    | -                     | -                     |
| Securities other than shares-foreign                | -                     | -                     |
| <b>Total Investments</b>                            | -                     | -                     |

**Note 21: Investment Properties**

Investment properties comprise properties, which are held either for long term rental income or for capital appreciation or both and are not occupied or used by the Government or any other Government entity.

|   | 30 June 2021<br>Shs | 30 June 2020<br>Shs |
|---|---------------------|---------------------|
| At the beginning of the year – 1 July       | -                   | -                   |
| Additions/acquisitions made during the year | -                   | -                   |
| Disposals made during the year              | -                   | -                   |
| <b>Total Investment Properties</b>          | -                   | -                   |

*Note: Currently we do not recognize investment properties.*

**Note 22: Non Produced Assets**

|                                  | 30 June 2021<br>(Shs) | 30 June 2020<br>(Shs) |
|----------------------------------|-----------------------|-----------------------|
| Land                             | -                     | -                     |
| Cultivated Assets                | -                     | -                     |
| Other Naturally occurring Assets | -                     | -                     |

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|                                  |   |   |
|----------------------------------|---|---|
| <b>Total Non-Produced Assets</b> | - | - |
|----------------------------------|---|---|

**Note 23: Borrowings**

|   | 30 June 2021<br>(Shs) | 30 June 2020<br>(Shs) |
|---|-----------------------|-----------------------|
| <b>DOMESTIC</b>                           |                       |                       |
| Loans from commercial banks               |                       |                       |
| Interest payable on bank loans/borrowings | -                     | -                     |
| Other                                     | -                     | -                     |
| <b>Total domestic borrowings</b>          | -                     | -                     |
| <b>FOREIGN</b>                            |                       |                       |
| Loans from commercial banks               | -                     | -                     |
| Interest payable on bank loans/borrowings | -                     | -                     |
| Other                                     | -                     | -                     |
| <b>Total foreign borrowings</b>           | -                     | -                     |
| <b>Total borrowings</b>                   | -                     | -                     |

**Note 24: Payables**

These are principally accounts payables, domestic and otherwise, outstanding at the year-end and comprise:

|                                      | 30 June 2021<br>(Shs) | 30 June 2020<br>(Shs) |
|--------------------------------------|-----------------------|-----------------------|
| Trade Creditors                      | -                     | -                     |
| Sundry Creditors                     | -                     | -                     |
| Committed Creditors                  | -                     | -                     |
| Accountable advances                 | -                     | -                     |
| Withholding tax payable              | -                     | -                     |
| Advances from other Government units | -                     | -                     |
| Miscellaneous Accounts payables      | -                     | -                     |
| <b>Total payables</b>                | -                     | -                     |

*The categorization and ageing of the payables is as below:-*

|   | Current<br>Financial Year<br>Shs | Previous<br>Financial<br>Year<br>Shs | Other Financial<br>Years<br>Shs | Total<br>Shs |
|---|----------------------------------|--------------------------------------|---------------------------------|--------------|
| Utilities                                       | -                                | -                                    | -                               | -            |
| Rent  | -                                | -                                    | -                               | -            |
| Contributions to International<br>Organisations | -                                | -                                    | -                               | -            |
| Court Awards &<br>Compensations                 | -                                | -                                    | -                               | -            |
| Taxes and other deductions                      | -                                | -                                    | -                               | -            |
| Goods and services<br>Consumed                  | -                                | -                                    | -                               | -            |
| Property Plant & Equipment                      | -                                | -                                    | -                               | -            |
| Others  | -                                | -                                    | -                               | -            |
| <b>Total Payables</b>                           | -                                | -                                    | -                               | -            |

**Ministry of Education and Sports – ARSDP Project Component 3**

**Note 25: Deposits Received**

These include deposits received which are funds held by the vote for onward transfer to another vote, entity, or individual(s) and Deferred Revenue which is revenue received but services have not yet been rendered. Total amounts recognised as deposits should be supported by an equivalent amount of cash and cash equivalent in note 18 above or Receivables in Note.19 for only Revolving Funds.

|                       | 30 June 2021<br>(Shs) | 30 June 2020<br>(Shs) |
|-----------------------|-----------------------|-----------------------|
| Deposits received     | -                     | -                     |
| Deferred income       | -                     | -                     |
| <b>Total Deposits</b> | <b>-</b>              | <b>-</b>              |

**Note 26: Pension**

Pension liabilities have been accrued in the financial statements because it is the policy of Government to pay pensions to all former employees of the Government who qualified for pension under the provisions of the Pensions Act, Cap 281.

|   | 30 June 2021<br>(Shs) | 30 June 2020<br>(Shs). |
|---|-----------------------|------------------------|
| Former employees in Public Service        | -                     | -                      |
| Former employees in Military Service      | -                     | -                      |
| Former employees of the Education Service | -                     | -                      |
| Gratuity Arrears                          | -                     | -                      |
| <b>Total</b>                              | <b>-</b>              | <b>-</b>               |

*The ageing of the pension liabilities is as below;-*

|              | Incurred in the<br>current<br>Financial Year<br>Shs | Incurred in the<br>Previous Financial<br>Year<br>Shs | Other Financial<br>Years<br>Shs | Total<br>Shs |
|--------------|---|--|---------------------------------|--------------|
| Pensions     | -   | -  | -                               | -            |
| Gratuity     | -   | -  | -                               | -            |
| <b>Total</b> | <b>-</b>  | <b>-</b>   | <b>-</b>                        | <b>-</b>     |

**Note 27: Adjustments to reserves**

This includes adjustments if any made on assets (cash and cash equivalents, receivables, investments, investment properties, non-produced assets) and liabilities (borrowings, payables, deposits received, pension and gratuity liabilities)

Government of the Republic of Uganda  
Financial Statements for the Financial Year ended 30 June 2021

**Ministry of Education and Sports – ARSDP Project Component 3**

|                                | Notes | Opening balance<br>1 <sup>st</sup> July 2020<br><br>Shs | Adjustments to the opening balance<br><br>Shs | Transfers to UCF (Prior year balance) 17(b) | Recovery or payments towards the opening balance<br>Shs | Net asset or liability incurred/acquired during the year<br>Shs | Closing balance<br>30 June 2021<br><br>Shs |
|--------------------------------|-------|---|---|---|---|---|--|
| <b>ASSETS</b>                  |       | -   | -   | -   | -   | -   | -  |
| Cash and Cash equivalents      | 18    | 38,645,345,787  | -   | -   | -   | (9,344,493,985)   | 29,300,851,802                             |
| Receivables                    | 19    | -   | -   | -   | -   | -   | -  |
| Accrued Revenue                |       | -   | -   | -   | -   | -   | -  |
| Loans & Advances               |       | -   | -   | -   | -   | -   | -  |
| Letters of Credit              |       | -   | -   | -   | -   | 4,359,648,013   | 4,359,648,013                              |
| Prepayments                    |       | -   | -   | -   | -   | 5,987,401,674   | 5,987,401,674                              |
| Other receivables - GOU        |       | 1,979,179,812   | -   | -   | (1,388,257,821)   | 1,878,852,747   | 2,469,774,738                              |
| Investments                    | 20    | -   | -   | -   | -   | -   | -  |
| Investment Properties          | 21    | -   | -   | -   | -   | -   | -  |
| Non-Produced assets            | 22    | -   | -   | -   | -   | -   | -  |
| <b>LIABILITIES</b>             |       | -   | -   | -   | -   | -   | -  |
| Borrowings                     | 23    | -   | -   | -   | -   | -   | -  |
| Payables                       | 24    | -   | -   | -   | -   | -   | -  |
| Deposits                       | 25    | -   | -   | -   | -   | -   | -  |
| Pensions                       | 26    | -   | -   | -   | -   | -   | -  |
| <b>Total (Donor &amp; GOU)</b> |       | <b>40,624,525,599</b>                                   | <b>-</b>                                      | <b>-</b>                                    | <b>(1,388,257,821)</b>                                  | <b>2,881,408,449</b>  | <b>42,117,676,227</b>                      |

**Ministry of Education and Sports – ARSDP Project Component 3**

**Statement of Performance**  
For the year ended 30 June 2021 (Memorandum Statement)

| Summary of Major Outputs for the Vote                   | Forecast Performance For FY ended 30 June 2021   | Actual Performance for the year ended 30 June 2021   | Explanations for the performance variations  |
|---|--|--|--|
| 070501 Policies, laws, guidelines plans and strategies  | Staff Salaries, Workshops, Adverts, Books & periodicals, stationary, consultancies (8,054,388,000)     | Staff Salaries, Workshops, Adverts, Books & periodicals, stationary, consultancies (4,854,575,000) | During the year, Twinning Institutions did not complete any of their deliverables and therefore no invoice was received for payment.   |
| Training and Capacity Building of BTVET Institutions    | 148 Instructors Trained at UPIK & UTC Kichwamba in Oil & Gas related Trades (3,122,550,000)            | 680,920,000  | Training of Instructors had started but was interrupted by COVID-19 lockdowns due to due restrictions on International Travels and closure of education institutions. So less funds were spent.                                |
| Purchase of Specialized Machinery & Equipment           | Assorted Equipment and Consumables procured and installed for the UPIK & UTC Kichwamba (8,500,000,000) | 18,713,643,000   | 3 contracts were signed, advances paid & Letters of credit opened for the 3 suppliers & deliveries were still ongoing by 30 June 2021. Request for supplementary appropriation (based on funds brought forward) was submitted. |
| Construction and rehabilitation of learning facilities. | Civil works at UPIK & UTC Kichwamba (21,650,500,000)   | 19,645,743,000   | By 30 June 2021, civil works were under implementation at both UPIK & UTC Kichwamba.   |



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**Ministry of Education and Sports – ARSDP Project Component 3**

**Statement of Revenues collected during the year**  
[Based on source of revenue] Memorandum Statement

| Actual collected<br>30 June 2020<br>(Shs) |  | Actual collected<br>30 June 2021<br>(Shs) | Budget<br>30 June 2021<br>(Shs) | Variance<br>30 June 2021<br>(Shs) |
|---|--|---|---------------------------------|-----------------------------------|
|   | <b><i>Tax Revenues</i></b>                 |   |                                 |                                   |
|   | Local Services Tax                         | -   | -                               | -                                 |
|   | Land fees                                  | -   | -                               | -                                 |
|   | Business Licenses                          | -   | -                               | -                                 |
|   | Other tax revenues                         | -   | -                               | -                                 |
|   | <b><i>Non Tax Revenues</i></b>             | -   | -                               | -                                 |
|   | Investment income                          | -   | -                               | -                                 |
|   | Dividends                                  | -   | -                               | -                                 |
|   | Rent                                       | -   | -                               | -                                 |
|   | Other property income (disposal of assets) | -   | -                               | -                                 |
|   | Sale of goods and services                 | -   | -                               | -                                 |
|   | Administrative fees and licenses           | -   | -                               | -                                 |
|   | Court fines and Penalties                  | -   | -                               | -                                 |
|   | Other fines and Penalties                  | -   | -                               | -                                 |
|   | Miscellaneous Revenue                      | -   | -                               | -                                 |
|   | <b>Total Revenue</b>                       | -   | -                               | -                                 |



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**Ministry of Education and Sports – ARSDP Project Component 3**

**Statement of Arrears of Revenues [Based on source of revenue per category]  
(Memorandum Statement)**

|                                     | Opening balance<br>01 July 2019 | Arrears in A<br>collected during<br>the year | Amounts billed<br>during the year | Actual Amounts<br>collected for the<br>year | Arrears of<br>Revenue for the<br>Year<br>E<br>(C-D)<br>(Shs) | Cumulative Arrears<br>of Revenue as at<br>30 June 2021<br>F<br>A-B+E<br>(Shs) |
|-------------------------------------|---------------------------------|--|-----------------------------------|---|--|---|
|                                     | A<br>(Shs)                      | B<br>(Shs)                                   | C<br>(Shs)                        | D<br>(Shs)                                  |  |   |
| <b>RECEIPTS</b>                     |                                 |  |                                   |   |  |   |
| <b>Tax Revenues</b>                 | -                               | -  | -                                 | -   | -  | -   |
| Local Services Tax                  | -                               | -  | -                                 | -   | -  | -   |
| Land fees                           | -                               | -  | -                                 | -   | -  | -   |
| Business Licenses                   | -                               | -  | -                                 | -   | -  | -   |
| Other tax revenues                  | -                               | -  | -                                 | -   | -  | -   |
| <b>Non Tax Revenues</b>             | -                               | -  | -                                 | -   | -  | -   |
| Investment income                   | -                               | -  | -                                 | -   | -  | -   |
| Dividends                           | -                               | -  | -                                 | -   | -  | -   |
| Rent                                | -                               | -  | -                                 | -   | -  | -   |
| Other property income               | -                               | -  | -                                 | -   | -  | -   |
| Sale of goods and services          | -                               | -  | -                                 | -   | -  | -   |
| Administrative fees and<br>licenses | -                               | -  | -                                 | -   | -  | -   |
| Court fines and Penalties           | -                               | -  | -                                 | -   | -  | -   |
| Other fines and Penalties           | -                               | -  | -                                 | -   | -  | -   |
| Miscellaneous Revenue               | -                               | -  | -                                 | -   | -  | -   |
| <b>Total Revenue</b>                | -                               | -  | -                                 | -   | -  | -   |

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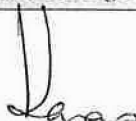
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**Ministry of Education and Sports – ARSDP Project Component 3**

**Statement of contingent liabilities and guarantees**  
[Memorandum Statement]

|  | Schedule | 30 June 2021<br>(Shs) | 30 June 2020<br>(Shs) |
|--|----------|-----------------------|-----------------------|
| <b>DOMESTIC</b>                              |          |                       |                       |
| Legal proceedings                            |          | -                     | -                     |
| Guarantees and indemnities                   |          | -                     | -                     |
| Guarantees of bank overdrafts                |          | -                     | -                     |
| Guarantees under Public Private Partnerships |          | -                     | -                     |
| Other contingent liabilities                 |          | -                     | -                     |
| <b>Total Domestic Contingencies</b>          |          | -                     | -                     |
| <b>FOREIGN</b>                               |          |                       |                       |
| Legal proceedings                            |          | -                     | -                     |
| Guarantees and indemnities                   |          | -                     | -                     |
| Guarantees of bank overdrafts                |          | -                     | -                     |
| Guarantees under Public Private Partnerships |          | -                     | -                     |
| Other contingent liabilities                 |          | -                     | -                     |
| <b>Total Foreign Contingencies</b>           |          | -                     | -                     |
| <b>Total Contingent Liabilities</b>          |          | -                     | -                     |



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**Ministry of Education and Sports – ARSDP Project Component 3**

**Statement of Outstanding Commitments**  
[Commitments by nature of expenditure]

|  | Outstanding<br>commitments<br>at beginning<br>of year<br>1 July 2020<br><br>(Shs) | Adjustments<br>to the<br>previous<br>year's<br>commitments<br><br>(Shs) | Prior years<br>commitments<br>paid during<br>the year<br><br>(Shs) | New<br>outstanding<br>commitments<br>incurred<br>during the<br>year<br>(Shs) | Cumulative<br>outstanding<br>commitments<br>30 June 2021<br><br>(Shs) |
|--|---|---|--|--|---|
| <b>Payables &amp; Pension liabilities</b>              |   |   |  |  |   |
| <b>Operating Commitments</b>                           |   |   |  |  |   |
| Employee costs   | -   | -   | -  | -  | -   |
| Pensions   | -   | -   | -  | -  | -   |
| Goods and services consumed                            | -   | -   | -  | -  | -   |
| Subsidies  | -   | -   | -  | -  | -   |
| Transfers to Other Organisations                       | -   | -   | -  | -  | -   |
| Social benefits  | -   | -   | -  | -  | -   |
| Other operating expenses                               | -   | -   | -  | -  | -   |
| Finance costs  | -   | -   | -  | -  | -   |
| <b>Total Operating Commitments</b>                     | -   | -   | -  | -  | -   |
| <b>Capital Commitments</b>                             | -   | -   | -  | -  | -   |
| Non - produced assets                                  | -   | -   | -  | -  | -   |
| Property   | -   | -   | -  | -  | -   |
| Plant  | -   | -   | -  | -  | -   |
| Equipment  | -   | -   | -  | -  | -   |
| <b>Total Capital commitments</b>                       | -   | -   | -  | -  | -   |
| <b>Total Commitments<br/>(Operating &amp; Capital)</b> | -   | -   | -  | -  | -   |
| <b>Deposits Received</b>                               |   |   |  |  |   |
| Deposits received                                      | -   | -   | -  | -  | -   |
| Deferred revenue                                       | -   | -   | -  | -  | -   |
| <b>Total Deposits Received</b>                         | -   | -   | -  | -  | -   |
| <b>Total Commitments</b>                               | -   | -   | -  | -  | -   |



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**Ministry of Education and Sports – ARSDP Project Component 3**

Statement of losses of public money and stores written off, and claims abandoned during the year

| Reference number of reported loss/write off/claim abandoned. |  | Opening Balance as at 1 July 2020<br>(Shs) | Losses written-off in the YR ended 30 June 2021<br>(Shs) | Cumulative Losses written-off as at 30 June 2021<br>(Shs) |
|--|--|--|--|---|
|  | <b>Losses of public moneys (cash and cash equivalents)</b>       |  |  |   |
|  |  | -  | -  | -   |
|  |  | -  | -  | -   |
|  |  | -  | -  | -   |
|  |  | -  | -  | -   |
|  |  | -  | -  | -   |
|  | <b>Total losses of cash written off</b>                          | -  | -  | -   |
|  | <b>Losses of stores</b>  | -  | -  | -   |
|  |  | -  | -  | -   |
|  |  | -  | -  | -   |
|  |  | -  | -  | -   |
|  |  | -  | -  | -   |
|  | <b>Total losses of stores written off</b>                        | -  | -  | -   |
|  | <b>Losses of other assets (Property, Plant &amp; Equipment)</b>  | -  | -  | -   |
|  |  | -  | -  | -   |
|  |  | -  | -  | -   |
|  |  | -  | -  | -   |
|  | <b>Total losses of other assets written off</b>                  | -  | -  | -   |
|  | <b>Claims abandoned</b>  | -  | -  | -   |
|  |  | -  | -  | -   |
|  |  | -  | -  | -   |
|  |  | -  | -  | -   |
|  |  | -  | -  | -   |
|  | <b>Total value of claims abandoned</b>                           | -  | -  | -   |
|  | <b>Total losses of public funds, stores and claims abandoned</b> | -  | -  | -   |

**Ministry of Education and Sports – ARSDP Project Component 3**

**Statement of reported losses of public moneys, stores and other assets whether or not written off during the year**

| Reference number of reported loss/bad debt |   | Opening Balance as at 1 July 2020<br>(Shs) | Losses for the YR ended 30 June 2021<br>(Shs) | Cumulative Losses as at 30 June 2021<br>(Shs) |
|--|---|--|---|---|
|  | <b>Bad debts</b>  |  |   |   |
|  |   | -  | -   | -   |
|  |   | -  | -   | -   |
|  |   | -  | -   | -   |
|  |   | -  | -   | -   |
|  | <b>Total bad debts</b>  | -  | -   | -   |
|  | <b>Losses of public moneys reported (cash and cash equivalents)</b>   | -  | -   | -   |
|  |   | -  | -   | -   |
|  |   | -  | -   | -   |
|  |   | -  | -   | -   |
|  |   | -  | -   | -   |
|  | <b>Total losses of cash</b>   | -  | -   | -   |
|  | <b>Losses of stores reported.</b>                                     | -  | -   | -   |
|  |   | -  | -   | -   |
|  |   | -  | -   | -   |
|  |   | -  | -   | -   |
|  | <b>Total losses of stores reported</b>                                | -  | -   | -   |
|  | <b>Losses of other assets (Property, Plant &amp; Equipment)</b>       | -  | -   | -   |
|  |   | -  | -   | -   |
|  |   | -  | -   | -   |
|  | <b>Total losses of other assets reported</b>                          | -  | -   | -   |
|  | <b>Total losses of public funds, stores and other assets reported</b> | -  | -   | -   |

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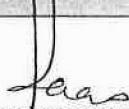
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**Ministry of Education and Sports – ARSDP Project Component 3**

Summary statement of stores and other assets (physical assets) as at the end of the year

| Category/ Description  | Opening balance<br>1 July 2020<br>Cost<br><br>(Shs) | Additions during the<br>year<br>30 June 2021<br>Cost<br>(Shs) | Disposals during<br>the year<br>30 June 2021<br>cost<br>(Shs) | Cumulative at 30<br>June 2021<br>Cost<br><br>(Shs) |
|--|---|---|---|--|
| <b>Non Produced Assets</b>   |   |   |   |  |
| Land   | -   | -   | -   | -  |
| Cultivated Assets  | -   | -   | -   | -  |
| Other naturally occurring assets   | -   | -   | -   | -  |
| <b>Buildings &amp; Structures</b>  |   |   |   |  |
| Non Residential buildings  | -   | -   | -   | -  |
| Residential buildings  | -   | -   | -   | -  |
| Roads and bridges  | -   | -   | -   | -  |
| Other structures   | -   | -   | -   | -  |
| <b>Transport equipment</b>   |   |   |   |  |
| Motor Vehicles   | -   | -   | -   | -  |
| Trailers/ Semi-trailers  | -   | -   | -   | -  |
| Ships and other marine vessels   | -   | -   | -   | -  |
| Railway locomotives  | -   | -   | -   | -  |
| Aircrafts  | -   | -   | -   | -  |
| Motor cycles and Bicycles  | -   | -   | -   | -  |
| Other transport equipment  | -   | -   | -   | -  |
| <b>Machinery and equipment</b>   |   |   |   |  |
| Office equipment   | -   | -   | -   | -  |
| Medical equipment  | -   | -   | -   | -  |
| ICT Equipment  | -   | -   | -   | -  |
| Laboratory and research equipt   | -   | -   | -   | -  |
| Other Machinery & equipment  | -   | -   | -   | -  |
| <b>Other Assets</b>  |   |   |   |  |
| Furniture and fittings   | -   | -   | -   | -  |
| Classified Assets  | -   | -   | -   | -  |
| Others   | -   | -   | -   | -  |
| <b>Total value of physical assets<br/>acquired, disposed of and<br/>balances</b> | -   | -   | -   | -  |



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**Ministry of Education and Sports – ARSDP Project Component 3**

**Schedule of Project and Subvention Balances**

| Project /Subvention Name   | End Date | Funding Source/Agency | Currency | Balance as at 1 July 2020 | Disbursements for the Year | Payments for the Year | Balance as at 30 June 2021 |
|----------------------------|----------|-----------------------|----------|---------------------------|----------------------------|-----------------------|----------------------------|
| <b>Project balances</b>    |          |                       |          |                           |                            |                       |                            |
| ARSDP US\$ A/C 00022       | 31.12.22 | IDA                   | US\$     | 38,477,971,070            | 32,867,541,483             | 47,385,375,049        | 23,960,137,504             |
| ARSDP UGX A/C 00051        | 31.12.22 | IDA                   | UGX      | 75,385,631                | 34,455,708,000             | 29,315,381,228        | 5,215,712,403              |
| UPIK                       | 31.12.22 | IDA                   | UGX      | 22,185,542                | 397,110,000                | 388,706,627           | 30,588,915                 |
| UTC Kichwamba              | 31.12.22 | IDA                   | UGX      | 69,803,544                | 601,249,053                | 576,639,617           | 94,412,980                 |
| -                          | -        | -                     | -        | -                         | -                          | -                     | -                          |
| -                          | -        | -                     | -        | -                         | -                          | -                     | -                          |
| -                          | -        | -                     | -        | -                         | -                          | -                     | -                          |
| -                          | -        | -                     | -        | -                         | -                          | -                     | -                          |
| -                          | -        | -                     | -        | -                         | -                          | -                     | -                          |
| -                          | -        | -                     | -        | -                         | -                          | -                     | -                          |
| -                          | -        | -                     | -        | -                         | -                          | -                     | -                          |
| -                          | -        | -                     | -        | -                         | -                          | -                     | -                          |
| <b>Sub-Totals</b>          | -        | -                     | -        | <b>38,645,345,787</b>     | <b>68,321,608,536</b>      | <b>77,666,102,521</b> | <b>29,300,851,802</b>      |
| <b>Subvention Balances</b> | -        | -                     | -        | -                         | -                          | -                     | -                          |
| -                          | -        | -                     | -        | -                         | -                          | -                     | -                          |
| -                          | -        | -                     | -        | -                         | -                          | -                     | -                          |
| -                          | -        | -                     | -        | -                         | -                          | -                     | -                          |
| -                          | -        | -                     | -        | -                         | -                          | -                     | -                          |
| -                          | -        | -                     | -        | -                         | -                          | -                     | -                          |
| -                          | -        | -                     | -        | -                         | -                          | -                     | -                          |
| -                          | -        | -                     | -        | -                         | -                          | -                     | -                          |
| -                          | -        | -                     | -        | -                         | -                          | -                     | -                          |
| -                          | -        | -                     | -        | -                         | -                          | -                     | -                          |



**Annexes to the Financial Statements**

**Annex (i): Pension Payroll**

|   | Name | Last Position held | IPPS no | Pension no. | Supplier no (IFMS) | Amount |
|---|------|--------------------|---------|-------------|--------------------|--------|
| 1 | -    | -                  | -       | -           | -                  | -      |
| 2 | -    | -                  | -       | -           | -                  | -      |
| 3 | -    | -                  | -       | -           | -                  | -      |

**Annex (ii): Schedule of Inventory**

|   | Category                               | Opening balance as at 1st July 2020<br>Cost<br>Shs | Purchase/<br>Additions<br>Cost<br>Shs | Usage/Disposal<br>Cost<br>Shs | Obsolete<br>Cost<br>Shs | Closing balance<br>30 June 2021<br>Cost<br>Shs |
|---|--|--|---------------------------------------|-------------------------------|-------------------------|--|
| 1 | c.g Drug (a), Visa stickers, Passports |  |                                       |                               |                         |  |
|   | -                                      | -  | -                                     | -                             | -                       | -  |
|   | -                                      | -  | -                                     | -                             | -                       | -  |
|   | -                                      | -  | -                                     | -                             | -                       | -  |
|   | -                                      | -  | -                                     | -                             | -                       | -  |

**Annex (iii): Trial Balance**

**Annex (iv): Bank Reconciliations and list of all bank accounts**

**Annex (V): Schedule of Verified Arrears**

**Annex (vi): Summary Staff Payroll**

| Salary scale           | Number of Employees at the beginning of the year<br>1st July 2020 | New employees to the vote either through transfers or through recruitment | Number of employees transferred / retired/deceased | Number of Employees at the end of the year<br>30 June 2021 |
|------------------------|---|---|--|--|
| <b>Specified scale</b> | -   | -   | -  | -  |
| U1S                    | -   | -   | -  | -  |
| U1SE                   | -   | -   | -  | -  |
| U1E                    | -   | -   | -  | -  |
| U2                     | -   | -   | -  | -  |
| U3                     | -   | -   | -  | -  |
| U4                     | -   | -   | -  | -  |
| U5                     | -   | -   | -  | -  |
| U6                     | -   | -   | -  | -  |
| U7                     | -   | -   | -  | -  |
| U8                     | -   | -   | -  | -  |
| Contract Staff - IDA   | 2   | -   | 1  | 1  |
| Contract Staff - GOU   | 4   | -   | 1  | 3  |
|                        |   |   |  |  |
| <b>Total</b>           | 6   | -   | 2  | 4  |

Name of the Reporting entity  
Annexes to the Financial Statements

| <b>ARSDP PROJECT</b>                        |                       |                       |
|---|-----------------------|-----------------------|
| <b>Trial Balance as at 30 June 2021</b>     | <b>IDA - UGX</b>      |                       |
| <b>Item Particulars</b>                     | <b>Debit</b>          | <b>Credit</b>         |
| Reconciled Bank Balances                    | 29,300,851,802        | -                     |
| Receivables                                 | 10,347,049,687        | -                     |
| Operating Revenue - External Assistance     | -                     | 32,867,541,483        |
| Operating Revenue - Transfers from Treasury | -                     | -                     |
| Employee Costs                              | 566,767,458           | -                     |
| Goods & Services Consumed                   | 3,127,489,979         | -                     |
| Consumption of property, plant & equipment  | 26,644,852,679        | -                     |
| Accumulated Reserves as at 30 June          | -                     | 38,645,345,787        |
| Transfers to UCF                            | -                     | -                     |
| Forex Differences                           | 1,525,875,664         | -                     |
|   | -                     | -                     |
|   | -                     | -                     |
| <b>TOTALS</b>                               | <b>71,512,887,270</b> | <b>71,512,887,270</b> |

| <b>ARSDP PROJECT</b>                        |                      |                      |
|---|----------------------|----------------------|
| <b>Trial Balance as at 30 June 2021</b>     | <b>GOU - UGX</b>     |                      |
| <b>Item Particulars</b>                     | <b>Debit</b>         | <b>Credit</b>        |
| Reconciled Bank Balances                    | -                    | -                    |
| Receivables                                 | 2,469,774,738        | -                    |
| Operating Revenue - External Assistance     | -                    | -                    |
| Operating Revenue - Transfers from Treasury | -                    | 2,663,410,500        |
| Employee Costs                              | 205,061,451          | -                    |
| Goods & Services Consumed                   | 1,791,133,153        | -                    |
| Consumption of property, plant & equipment  | -                    | -                    |
| Accumulated Reserves as at 30 June          | -                    | 1,979,179,812        |
| Transfers to UCF                            | 176,620,970          | -                    |
| Forex Differences                           | -                    | -                    |
|   | -                    | -                    |
|   | -                    | -                    |
| <b>TOTALS</b>                               | <b>4,642,590,312</b> | <b>4,642,590,312</b> |

| <b>ARSDP PROJECT</b>                              |   |                             |                       |
|---|---|-----------------------------|-----------------------|
| <b>SCHEDULE OF RECEIVABLES AS AT 30 JUNE 2021</b> |   |                             |                       |
|   |   | <b>Outstanding Balances</b> |                       |
| <b>a)</b>   | <b>Advance Guarantees</b>                           | <b>Amount UGX</b>           | <b>Equiv in US\$</b>  |
| <b>Equipme<br/>nt</b>                             | Devotra B.V Lot 1                                   | -                           | \$0.00                |
|   | Devotra B.V Lot 2                                   | -                           | \$0.00                |
|   | Labx Scientific Limited                             | 875,021,958                 | \$239,600.76          |
|   |   | <b>875,021,958</b>          | <b>\$239,600.76</b>   |
| <b>b)</b>   | <b>Advance Guarantees</b>                           |                             |                       |
| <b>Civil<br/>Works</b>                            | Ambitious Constr Co. Ltd UPIK - Phase 1             | -                           | \$0.00                |
|   | Ambitious Constr Co. Ltd UPIK - Phase 2             | 2,560,294,877               | \$701,066.51          |
|   | Sarick Constr Co. Ltd UTC-KI - Phase 1              | 878,794,045                 | \$240,633.64          |
|   | Ambitious Constr Co. Ltd UTC-KI - Phase 2           | 1,673,290,794               | \$458,184.77          |
|   |   | <b>5,112,379,716</b>        | <b>\$1,399,884.92</b> |
| <b>c)</b>   | <b>Letters of Credit Vs goods not yet delivered</b> |                             |                       |
| <b>Equipme<br/>nt</b>                             | Devotra B.V Lot 1 (Equiv. €976,702.80)              | 438,051,071                 | \$118,460.38          |
|   | Devotra B.V Lot 2 (Equiv. €939,481.86)              | 421,348,513                 | \$113,943.57          |
|   | Labx Scientific Limited                             | 3,500,248,430               | \$958,447.00          |
|   |   | <b>4,359,648,013</b>        | <b>\$1,190,850.94</b> |
| <b>TOTAL</b>                                      | <b>(a + b +c)</b>                                   | <b>10,347,049,687</b>       | <b>\$2,830,336.62</b> |

