

TELEPHONE

General Lines: +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.

VISION: "To be an effective and efficient Supreme Audit Institution (SAI) in promoting effective public accountability"

MISSION: "To Audit and report to Parliament and thereby make an effective contribution to improving public accountability and value for Money Spent"

IN ANY CORRESPONDENCE ON

THIS SUBJECT PLEASE QUOTE NO:..... **DCG.287/346/01**

13th December, 2018

The Rt. Hon. Speaker of Parliament
Parliament of Uganda
Kampala

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE MUNICIPAL INFRASTRUCTURE DEVELOPMENT PROJECT FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2018

In accordance with Article 163, (4) of the Constitution of Uganda 1995 (as amended), I forward herewith audited Financial Statements of the above project for the financial year ended 30th June, 2018 together with my report and opinion thereon.



John F. S. Muwanga
AUDITOR GENERAL

- Copy to:
- " The Inspector General of Government, Kampala
 - " The Hon. Minister of Ethics & Integrity, Kampala
 - " The Permanent Secretary/Secretary to the Treasury
Ministry of Finance, Planning & Economic Development
 - " The Permanent Secretary, Ministry of Lands, Housing, Urban Development
 - " The Accounting Officer, Ministry of Lands, Housing, Urban Development
 - " The Project Coordinator, USMID

11 The world bank



THE REPUBLIC OF UGANDA

31 DEC 2018

31 DEC 2018

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE
UGANDA SUPPORT TO MUNICIPAL INFRASTRUCTURE
DEVELOPMENT (USMID) PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2018

OFFICE OF THE AUDITOR GENERAL
UGANDA

TABLE OF CONTENTS

| | |
|--|---|
| LIST OF ACRONYMS | 2 |
| Opinion..... | 3 |
| Basis of Opinion..... | 3 |
| Key Audit Matters | 3 |
| Other Matter..... | 4 |
| • Under-absorption of funds by the Municipal Councils (MCs)..... | 4 |
| Other Information | 5 |
| Responsibilities of the Accounting Officer for the Financial Statements..... | 5 |
| Auditor's Responsibilities for the Audit of the Financial Statements | 6 |
| Other Reporting Responsibilities | 7 |

LIST OF ACRONYMS

| Acronym | Meaning |
|----------------|--|
| GOU | Government of Uganda |
| IEC | Information, Education and Communication |
| INTOSAI | International Organization of Supreme Audit Institutions |
| ISSA | International Standards on Auditing |
| NBI | National Data Transmission Backbone |
| EGI | Electronic Government Information |
| PFMA | Public Finance Management Act, 2015 |
| TAI | Treasury Accounting Instructions |
| UGX | Uganda Shillings |
| USMID | Uganda Support to Municipal Infrastructure Development (USMID) Program |
| F/Y | Financial Year |
| MDA | Ministry, Department, and other Agencies |
| IDA | International Development Association |
| PSU | Project Support Unit |
| IFMS | Integrated Financial Management System |

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF UGANDA
SUPPORT TO MUNICIPAL INFRASTRUCTURE DEVELOPMENT (USMID) PROGRAM
FOR THE YEAR ENDED 30TH JUNE, 2018

THE RT. HON. SPEAKER OF PARLIAMENT

Opinion

I have audited the accompanying financial statements of the Uganda Support to Municipal Infrastructure Development (USMID) Program for the year ended 30th June 2018. These financial statements comprise of the statement of financial position, the statement of financial performance, and cash flow statement together with other accompanying statements, notes and accounting policies.

In my opinion, the financial statements of the Uganda Municipal Infrastructure Development (USMID) program for the year ended 30th June 2018 are prepared in all material respects in accordance with IDA guidelines and the cash basis of accounting as described under Note 2.0 to the financial statements.

Basis of 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 Statement's section of my report. I am independent of the Program in accordance with the Constitution of the Republic of Uganda (1995) as amended, the National Audit Act, 2008, the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code), the International Organization of Supreme Audit Institutions (INTOSAI) Code of Ethics 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 Matters

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. I have determined that there are no key audit matters to communicate in my report.

Management explained that the funds were meant for implementation of project activities up to December 2018 when the project is scheduled to end.

I advised management to review the project progress with a view of fast tracking its activities and enhancing the PSU absorption capacity.

Other Information

The Accounting Officer 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.

Responsibilities of the Accounting Officer 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 USMID Program.

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 the Financial Reporting Guide, 2018, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the Accounting Officer is responsible for assessing the Commission's ability to continue delivering its mandate, disclosing, as applicable, matters related to affecting the delivery of the mandate of the Uganda Support to Municipal Infrastructure Development (USMID) Program, and using the Financial Reporting Guide 2018 unless the Accounting Officer has a realistic alternative to the contrary.

- 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.

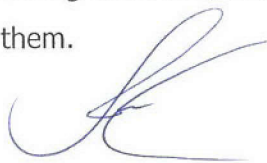
I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Accounting Officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with him/her 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 sections 19 (1) of the National Audit Act, 2008, I report to you, based on my work described on the audit of Financial Statements that 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.



John F.S. Muwanga

AUDITOR GENERAL

10th December, 2018

The Accounting Officer is responsible for overseeing the Commissions' 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 the 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 judgment and maintain professional skepticism 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 our 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 Program's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Program's ability to deliver its mandate. 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 Uganda Support to Municipal Infrastructure Development (USMID) Program to fail to deliver its mandate.

Government of the Republic of Uganda
Financial Statements for the Financial Year ended 30 June 2018
Ministry of Lands, Housing and Urban Development
Uganda Support to Municipal Infrastructure Development (USMID) Program



THE REPUBLIC OF UGANDA

MINISTRY OF LANDS, HOUSING AND URBAN
DEVELOPMENT

UGANDA SUPPORT TO MUNICIPAL INFRASTRUCTURE
DEVELOPMENT (USMID) PROGRAM

Reports and Financial Statements
for the Year Ended 30 June 2018

Government of the Republic of Uganda
Financial Statements for the Financial Year ended 30 June 2018
Ministry of Lands, Housing and Urban Development
Uganda Support to Municipal Infrastructure Development (USMID) Program

Contents

| | |
|---|----|
| Statement of Responsibilities of the Accounting Officer..... | 3 |
| Commentary on the Financial Statements by the Accounting Officer | 3 |
| Commentary on the Financial Statements by the Head of Accounts..... | 5 |
| Statement of Financial Performance..... | 6 |
| Statement of Financial Position..... | 7 |
| Statement of Changes in Equity (Net Worth) | 8 |
| Designated Account Reconciliation Statements as at 30 th June, 2018..... | 12 |
| Notes to the Financial Statements..... | 14 |
| Accounting Policies..... | 14 |
| Other Notes to the Financial Statements | 18 |
| Note 10: Statement of contingent liabilities and guarantees | 24 |
| Bank Reconciliations and list of all bank accounts..... | 28 |

Government of the Republic of Uganda
Financial Statements for the Financial Year ended 30 June 2018
Ministry of Lands, Housing and Urban Development
Uganda Support to Municipal Infrastructure Development (USMID) Program

Statement of Responsibilities of the Accounting Officer

The financial statements set out on pages 9 to 30 have been prepared in accordance with the provisions of the Public Finance Management Act, 2015 (the Act). The financial statements have been prepared on the modified cash basis of accounting and comply with the generally accepted accounting practice for the public sector. Under the modified cash basis of accounting, only financial and non-produced assets and liabilities are recognized and presented in 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 money 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.

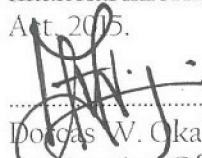
Section 45 (3) of the Act require the Accounting Officer to enter into an annual budget performance contract with the Secretary to the Treasury which shall bind the Accounting Officer to deliver on the activities in the work plan of the vote for a financial year.

Sections 50 and 51 of the Act respectively require me to prepare and submit half-yearly financial statements of my vote to the Secretary to the Treasury, and also to prepare and submit annual financial statements of my vote to the Auditor General for audit and to the Accountant General within two months after the end of each financial year.

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.


Dorcas W. Okalany
Accounting Officer

.....
Date

Government of the Republic of Uganda
Financial Statements for the Financial Year ended 30 June 2018
Ministry of Lands, Housing and Urban Development
Uganda Support to Municipal Infrastructure Development (USMID) Program

Commentary on the Financial Statements by the Accounting Officer

Principal Activity of the Vote/USMID Program

The Government of Uganda (GOU), represented by the Ministry of Finance, Planning & Economic Development (MOFPED), secured a long-term loan from the International Development Association (IDA) to the tune of Special Drawing Rights (SDR) 97.4 Million (approximately US\$150 Million) to finance the five-year of the Uganda Support to Municipal Infrastructure Development (USMID) Program. However, due to foreign exchange variation between SDR and USD, the total loan proceeds over the project lifetime reduced to USD 138 Million representing exchange loss of 8 percent. The pertinent Financing Agreement was signed on 22nd May 2013 was declared effective on 4th October 2013. The Program ended on 30th June, 2018 and is due to close on 31st December, 2018.

The Ministry of Lands, Housing and Urban Development is the executing Agency for Uganda Support to Municipal Infrastructure Development (USMID) Program. The Program Development Objective is to enhance the institutional capacity of the 14 Municipal Local Governments to improve urban service delivery. The Program's expected outcomes are:

- i) Strengthened capacities of participating municipalities in fiduciary, safeguards, urban planning and own source revenue (OSR) generation;
- ii) Increase in total planned infrastructure completed by the 14 participating Municipal LGs; and
- iii) Enhanced capacity of MLHUD for urban development, management and back-stopping for the implementation of the Program.

The Accounting Officer for Ministry of Lands, Housing and Urban Development is responsible for overall supervision of USMID Program implementation in the Ministry and the 14 participating Municipalities of; Arua, Fort Portal, Entebbe, Gulu, Hoima, Jinja, Lira, Kabale, Masaka, Mbale, Mbarara, Moroto, Soroti, and Tororo. The Five-year project commenced in 2013/14 and is due to close on 31st December, 2018 as planned. However, the Accounting Officers for the Municipal Local Governments are accountable for all USMID Grants released to their respective votes in accordance with Public Finance Act and the Local Governments Act.

Key Performance highlights

During the reporting period, the Project received SDR 20.68 Million (equivalent of US\$ 28.9 Million). The final disbursements led to accumulated disbursements from the World Bank of SDR 97.4M (100% of loan value) equivalent to US\$ 138.14 Million, hence an overall short fall of US\$ 11.86 Million due to foreign exchange fluctuations between the loan currency SDR and the disbursement currency (US Dollar).

During the year under review, there was a plan to install a Physical Planning and Urban Management Information System (PPUMIS) which is anchored on Geographical

Government of the Republic of Uganda
Financial Statements for the Financial Year ended 30 June 2018
Ministry of Lands, Housing and Urban Development
Uganda Support to Municipal Infrastructure Development (USMID) Program

Information Systems (GIS) in the 14 Municipalities. In addition, renovation of Ministry of Lands, housing and urban Development headquarters was started and was near completion by 30th June, 2018.


In the Municipalities, there was a target of upgrading total of 20.9 KMs in 9 Municipal Councils to asphalt concrete with all auxiliaries such as solar lighting, walk ways. The works commenced in all the 9 Municipalities of Fort Portal, Gulu, Hoima, Jinja, Lira, Masaka, Mbale, Mbarara, and Soroti. The Municipalities of Arua, Entebbe and Toro started construction of taxi parks while Moroto Municipality was completing the bus terminal which it commenced at inception of the Program. Kabale Municipality was working on short road units using the pavers as it had exhausted over 95% of the funds it was allocated over the Program period. The works were going on smoothly and expected to be complete in all the 14 Municipalities and paid for by closure of USMID program.

Risk Management Practice and Internal Control

The vote maintained a system of internal control throughout the reporting period. The internal controls included segregation of duties, internal audit reviews and implementation support missions done jointly by Government and IDA/World Bank team. Internal checks helped in ensuring that the financial transactions were properly recorded and reconciled, hence giving more accurate financial information.

Action on Parliamentary Recommendations

There were no significant issues raised regarding implementation of USMID program. The major issue was on enhancing funds absorption which has been done successfully.


Dorcas W. Okalany
Accounting Officer

.....
Date

Commentary on the Financial Statements by the Head of Accounts

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


USMID program received a total of UGX. 95.2 Billion Representing 83.3% of the budget. Of the funds received, UGX. 80.5 Million was meant for Municipal Development Grants representing 84.5%. The funds for the Municipal Councils were transferred intact and a balance of UGX. 14.7 billion. This was the last year of disbursement on a project which is a program for results. The annual performance of the Program over the previous 4 years was always above the target which resulted in releases above the targets hence the funds left in the loan account in the final year were less than projections made by Government in the annual budget for 2017/18.

The assets of the Program comprised mainly of vehicles, and furniture which were safeguarded properly during the year. However, the assets were depreciated at 100% in the year of acquisition and therefore, were not recognized on the balance sheet. The assets continued operating in the right order and condition. No asset was destroyed through accident or lost through theft. The Municipalities received funds for infrastructure and constructed paved roads, bus terminals and taxi parks. The assets acquired using the Program funds belong to the respective Municipal Local Governments which are responsible for their maintenance and usage.

There were multi-year commitments especially on PPUMIS and renovation of Ministry headquarters. Although the contracts for these sub-projects were multi-year, the outstanding invoices at end of year had all been settled. There were no significant changes in equity arising out of adjustments during the year as such the reconciliation of movements only showed UGX. 1.27 Million Which had been outstanding at the beginning of the year but settled during the same year.

The accounting principles and policies remained as they were in the previous financial year. However, the comparative figures were restructured to fit in the new format without changing the amount that were reported.

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



.....
Joseph Kawuma (CPA, CPFA)
Head of Accounts, USMID Program

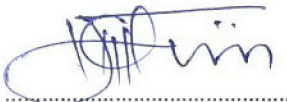
.....
Date

Government of the Republic of Uganda
Financial Statements for the Financial Year ended 30 June 2018
Ministry of Lands, Housing and Urban Development
Uganda Support to Municipal Infrastructure Development (USMID) Program

Statement of Financial Performance

| | Note | 2018 (UGX) | 2017 (UGX) |
|--|------|-----------------------------|-----------------------------|
| Receipts | | | |
| IDA - Municipal Development Grants | 3.1 | 80,482,376,754 | 87,360,777,180 |
| IDA - Municipal Capacity Building Grants | 3.2 | 0 | 7,965,684,840 |
| IDA - MLHUD Capacity Building Grants | 3.3 | 13,756,471,914 | 10,494,498,533 |
| GoU Contribution to VAT | 3.4 | 0 | 4,489,744,035 |
| Total Receipts | | <u>94,238,848,668</u> | <u>110,310,704,588</u> |
| Payments | | | |
| IDA - Municipal Development Grants | 3.1 | 80,482,376,754 | 87,360,777,180 |
| IDA - Municipal Capacity Building Grants | 3.2 | 0 | 7,965,684,840 |
| IDA - Central Government Grants (DLI 5 , 6 & 7) | 3.3 | 12,515,872,625 | 20,683,832,392 |
| GoU Contribution to VAT | | 0 | 4,489,744,035 |
| Total Payments | | <u>92,998,249,379</u> | <u>120,500,038,447</u> |
| Surplus/(Deficit) for the year | | 1,240,599,289 | - |
| Foreign Exchange Differences | | 397,352,114 | 490,829,335 |
| Surplus/(Deficit) net of Forex diff. | | <u>1,637,951,403</u> | <u>9,698,504,524</u> |


Dorcas W. Okalany
Accounting Officer


Joseph Kawuma (CPA, CPFA)
Head of Accounts

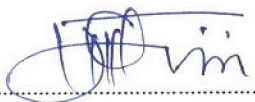

Margaret Lwanga
For: Program Coordinator

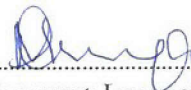
Government of the Republic of Uganda
Financial Statements for the Financial Year ended 30 June 2018
Ministry of Lands, Housing and Urban Development
Uganda Support to Municipal Infrastructure Development (USMID) Program

Statement of Financial Position

| | Note | 2018 (UGX) | 2017 (UGX) |
|---|------|----------------------|----------------------|
| Opening Reserve Balance | | 5,084,877,827 | 14,783,382,352 |
| Surplus/(Deficit) for the Year | | 1,637,951,403 | (9,698,504,525) |
| Balance as at 30th June | | <u>6,722,829,230</u> | <u>5,084,877,827</u> |
| Current Assets | | | |
| Cash and Cash Equivalents | 4.1 | 6,722,829,230 | 5,083,607,827 |
| Receivables | 4.2 | <u>0</u> | <u>1,270,000</u> |
| | | 6,722,829,230 | 5,084,877,827 |
| Less: Current Liabilities | 4.3 | <u>0</u> | <u>0</u> |
| Net Current Assets | | <u>6,722,829,230</u> | <u>5,084,877,827</u> |


Dorcas W. Okalany
Accounting Officer


Joseph Kawuma (CPA, CPFA)
Head of Accounts

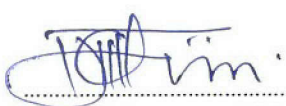

Margaret Lwanga
For: Program Coordinator

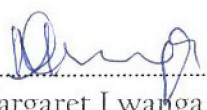
Government of the Republic of Uganda
Financial Statements for the Financial Year ended 30 June 2018
Ministry of Lands, Housing and Urban Development
Uganda Support to Municipal Infrastructure Development (USMID) Program

Statement of Changes in Equity (Net Worth)

| | Schedule | 30-Jun-18 (Shs) | 30-Jun-17 (Shs) |
|---|----------|--------------------|--------------------|
| At 1 July - Net worth Last Year (B/F) | | 5,084,877,827 | 16,754,527,825 |
| Less: Transfers to the UCF account (Previous Year Balances) | | 0 | |
| +/- Adjustments (Cash and cash equivalents)) | | 0 | |
| Payables adjustments (See statement of outstanding commitments) | | 0 | (2,107,600,913) |
| Adjustments in the receivables | | 0 | 136,455,440 |
| Revaluation reserve | | | |
| Add: Excess of revenue over expenditure for the Year | | 1,637,951,403 | (9,698,504,525) |
| Closing Net Financial Worth | | 6,722,829,230 | 5,084,877,827 |


Dorcas W. Okalany
Accounting Officer


Joseph Kawuma (CPA, CPFA)
Head of Accounts


Margaret Lwanga
For: Program Coordinator

Government of the Republic of Uganda
Financial Statements for the Financial Year ended 30 June 2018
Ministry of Lands, Housing and Urban Development
Uganda Support to Municipal Infrastructure Development (USMID) Program

Cash flow Statement for the year ended

| Assets | Note | 2018 (UGX) | 2017 (UGX) |
|--|------|--------------------------------|---------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| MDG and MCBG Grants Receipts | | 80,482,376,754 | 98,098,245,110 |
| Central Government USMID Grants | | 13,756,471,914 | 18,360,066,462 |
| GoU Contribution to VAT on USMID Infra. | | - | 21,438,711,900 |
| Cash payments to employees and suppliers | | <u>(12,515,872,625)</u> | <u>(15,675,254,719)</u> |
| | | 81,722,976,043 | 122,221,768,753 |
| <i>(Increase)/Decrease in operating Assets</i> | | | |
| (Increase)/Decrease in Receivable to Staff | | 1,270,000 - | 15,767,763 |
| Increase/(Decrease) in Liabilities | | - | 2,107,600,913 |
| Foreign Exchange gains | | <u>397,352,114</u> | <u>342,114,772</u> |
| Net cash from operating activities | | <u>82,121,598,157</u> | <u>124,655,716,675</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Development Grants (MDG & MCBG) transferred to Municipal LGS | | (80,482,376,754) | (98,098,245,110) |
| GoU Contribution to VAT on USMID Infrastructure | | <u>-</u> | <u>(21,438,711,900)</u> |
| Net cash from Investing activities | | <u>(80,482,376,754)</u> | <u>(119,536,957,010)</u> |
| Net increase/(decrease) in Cash and Cash Equivalents | | 1,639,221,403 | 5,118,759,665 |
| Cash and Cash Equivalents at the beginning of the period | | <u>5,083,607,827</u> | <u>11,635,768,160</u> |
| Cash and Cash Equivalents at the end of the period | | <u>6,722,829,230</u> | <u>16,754,527,825</u> |

Government of the Republic of Uganda
Financial Statements for the Financial Year ended 30 June 2018
Ministry of Lands, Housing and Urban Development
Uganda Support to Municipal Infrastructure Development (USMID) Program

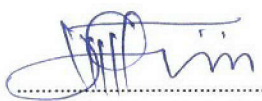
Reconciliation of movement of cash during the year

| | Notes | 30-Jun-18 (Shs) | 30-Jun-17 (Shs) |
|---|-------|--------------------|--------------------|
| At the beginning of the year | | 5,083,607,827 | 16,754,527,825 |
| Less: Transfers to the UCF account (Previous Year Balances) | | 0 | 0 |
| Add/ (Less): Adjustments to the opening balance | | - | 0 |
| Add/ (Less) : Adjustments in cash and cash equivalents | | - | - |
| Net increase (decrease) of cash from the <u>Cash flow Statement</u> | | 1,639,221,403 | (11,670,919,998) |
| At the end of the year | | 6,722,829,230 | 5,083,607,827 |

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

| | | 30 June 2018 (Shs) | 30 June 2017 (Shs) |
|------------------------|----|-----------------------|-----------------------|
| Cash and bank balances | 18 | 6,722,829,229 | 5,083,607,827 |
| Cash and bank balances | | 6,722,829,229 | 5,083,607,827 |


Dorcas W. Okalany
Accounting Officer


Joseph Kawuma (CPA, CPFA)
Head of Accounts


Margaret Lwanga
For: Program Coordinator


Government of the Republic of Uganda
Financial Statements for the Financial Year ended 30 June 2018
Ministry of Lands, Housing and Urban Development
Uganda Support to Municipal Infrastructure Development (USMID) Program

Statement of Budget Performance [based on Annual Work Plan and Budget]

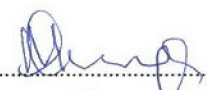
| Receipts | Note | Annual Budget | Actual Perf. | Variance |
|---------------------------------------|------|------------------------------|------------------------------|-----------------------------|
| IDA - Municipal Development Grants | 2.1 | 80,482,376,754 | 80,482,376,754 | - |
| IDA - Central Government CB Grants | 2.2 | <u>19,494,247,945</u> | <u>13,756,471,914</u> | 5,737,776,031 |
| Total | | <u>99,976,624,699</u> | <u>94,238,848,668</u> | <u>5,737,776,031</u> |
| Payments | | | | |
| IDA - Municipal Development Grants | 3.1 | 80,482,376,754 | 80,482,376,754 | - |
| IDA - MLHUD Capacity Building Grants | 3.3 | <u>19,238,701,855</u> | <u>12,515,872,625</u> | 6,722,829,230 |
| Total | | <u>99,721,078,609</u> | <u>92,998,249,379</u> | <u>6,722,829,230</u> |
| Surplus/(Deficit) for the year | | = | <u>1,240,599,289</u> | |


Dorcas W. Okalany

Accounting Officer


Joseph Kawuma (CPA, CPFA)

Head of Accounts


Margaret Lwanga

For: Program Coordinator

Government of the Republic of Uganda
Financial Statements for the Financial Year ended 30 June 2018
Ministry of Lands, Housing and Urban Development
Uganda Support to Municipal Infrastructure Development (USMID) Program

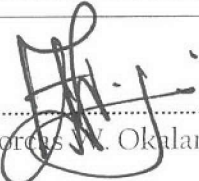
Designated Account Reconciliation Statements as at 30th June, 2018

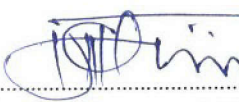
| | |
|-----------------------------|--|
| Program Implementing Agency | Ministry of Lands, Housing and Urban Development |
| Project Name: | Uganda Support to Municipal Infrastructure Development Program |
| IDA Credit No.: | 5223-UG |
| Report: | Designated Account Activity & Reconciliation Statement |
| Period of Report: | From: 1st July 2017 to: 30th June, 2018 |
| DA Deposit Bank | Bank of Uganda (BOU) |
| Account No: | 000120088400024 |
| Currency of DA: | Unites States Dollars (US\$) |


| Particulars | Note | US\$ |
|--|------|----------------|
| PART I | | |
| 1. Cumulative advances to the end of current reporting period | | 138,305,466.33 |
| 2. Cumulative expenditures to the end of last reporting period | | 74,493,218.56 |
| 3. Outstanding advance to be accounted for (Line 1 minus Line 2) | | 63,812,247.77 |
| PART II | | |
| 4. Opening DA balances at the beginning of reporting period as of 01/07/2017 | | 37,795,901.94 |
| 5. Add/subtract: cumulative adjustments (if any) | | 0 |
| 6. Add: advances from World Bank during current reporting period | | 26,016,345.83 |
| 7. Add line 5 and 6 | | 26,016,345.83 |
| 8. Outstanding Advance to be accounted for (Line 4 + Line 7) | | 63,812,247.77 |
| 9. Closing DA balances at end of current reporting period, as of 30/06/2018 | 13 | 28,221,656.78 |
| 10. Add/subtract: cumulative adjustments (if any) | | 0 |
| 11. Add/subtract: Expenditures for the current reporting period | | 35,590,590.99 |

Government of the Republic of Uganda
Financial Statements for the Financial Year ended 30 June 2018
Ministry of Lands, Housing and Urban Development
Uganda Support to Municipal Infrastructure Development (USMID) Program

| Particulars | Note | US\$ |
|--|------|---------------|
| 12. Add line 10 and line 11 | | 35,590,590.99 |
| 13. Add line 9 and 12 | | 63,812,247.77 |
| 14. Difference (if any), Line 8 minus line 13 | | 0.00 |
| PART III | | 0 |
| 15A. Total forecast amount to be paid by World Bank | | |
| 15B. WA No..... (Cumulative adjustments) | | 0 |
| 15C. Total adjusted forecast amount to be paid by World Bank (Line 15A minus Line 15B) | | 0 |
| 16. Less: Closing DA balance after adjustments | | 0 |
| 17. Direct payments/SC payments | | - |
| 18. Add Line 16 and Line 17 | | - |
| 19. Cash Requirements from the World Bank for the next two reporting Periods (Line 15C minus Line 18) | | - |
| PART IV | | |
| 20. Designated Account Balance per Accounting records | | 28,221,656.78 |
| 21. Designated Account Balance as per bank Statement | | 28,221,656.78 |
| 22. Difference (21-20)* | | 0.00 |
| 23a. Deposits into DA not reflected in bank statement | | 0 |
| 23b. Deduct unrepresented effects/Uncleared EFTs | | 0 |
| 24. Deduct payments from DA not reflected in Bank Statement | | 0 |
| Sub-totals (23b+24) | | 0 |
| Reconciled DA Cash Balance | | 28,221,656.78 |


Dorcas N. Okulany
Accounting Officer


Joseph Kawuma (CPA, CPFA)
Head of Accounts


Margaret Lwanga
For: Program Coordinator

Government of the Republic of Uganda
Financial Statements for the Financial Year ended 30 June 2018
Ministry of Lands, Housing and Urban Development
Uganda Support to Municipal Infrastructure Development (USMID) Program

Notes to the Financial Statements

Accounting Policies

These are the specific principles, bases, conventions, rules and practices of International Development Association/World Bank that have adopted by the Ministry of Lands, Housing and Urban Development 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.

1) General Information

As required by the legal financing agreement between the Government of Uganda and International Development Association/World Bank, the USMID Program shall prepare annual financial statements for audit, and submit an audited set of financial statements to the Association (IDA) by 31st December of each year.

2) Reporting Entity

Ministry of Lands, Housing and Urban Development is a reporting entity of the Government of the Republic of Uganda and is domiciled in Uganda. The Ministry is the Government of Uganda Executing Agency for Uganda Support to Municipal Infrastructure Development (USMID) Program.

The principal address of the entity is:

MINISTRY OF LANDS, HOUSING AND URBAN DEVELOPMENT
Plot 13 – 15 Parliament Avenue
P.O Box 7096, KAMPALA, UGANDA

Telephones: General: 0414342931/3
Permanent Secretary: 04143230879
Under Secretary: 04143236359
Fax: 04143230891
Website: mlhud.go.ug

The Project Offices for USMID Program use the same address but are located on:

First Floor, Plot 9 Yusuf Lule Road Kampala
Tel: +256 414665538/414665547

3) Basis of preparation of financial statements

The financial statements have been prepared in accordance with the requirements of the IDA/World Bank funds accountability reports and comply with generally accepted accounting principles. The Financial Statements have consistently been prepared using the modified cash basis of accounting except where stated otherwise. The modified cash

Government of the Republic of Uganda
Financial Statements for the Financial Year ended 30 June 2018
Ministry of Lands, Housing and Urban Development
Uganda Support to Municipal Infrastructure Development (USMID) Program

basis of accounting recognizes revenue when cash is received and expenses (except for expenses approved to be accrued) when incurred but within the approved budget.

4) Going concern consideration

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

5) 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.

6) Reporting Period

The reporting period for these financial statements is from 1 July 2017 to 30 June 2018. 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.

7) Revenue

Revenue represents cash and grants in kind received by the entity during the financial year and comprise; transfers from the Consolidated Fund, proceeds from the loan Account. Revenues are recognized as follows;

i) Grants

Grants are received by the entity either as cash or in-kind. All grants (aid assistance) are recognized as income when received. In-kind receipts (donations) are recognized at fair value. For purposes of these accounts, the proceeds from the loan account with IDA are received as grants to the executing Agency.

8) Expenses

Generally, expenditure is recognized when it is incurred and settled within the financial year. Qualifying unsettled expenditure is recognized in the Statement of Financial position as payables.

9) 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.

Government of the Republic of Uganda
Financial Statements for the Financial Year ended 30 June 2018
Ministry of Lands, Housing and Urban Development
Uganda Support to Municipal Infrastructure Development (USMID) Program

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

10) 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.

11) 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. In the statement of financial position bank overdrafts are included in borrowings.

12) Receivables

(i) Advances and other receivables

Receivables 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).

(ii) 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.

13) Inventories

Comprise consumable supplies expensed in the period when acquired. Inventories that qualify for recognition must be initially reflected at cost. Where they are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

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

Government of the Republic of Uganda
Financial Statements for the Financial Year ended 30 June 2018
Ministry of Lands, Housing and Urban Development
Uganda Support to Municipal Infrastructure Development (USMID) Program

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.

15) Contingent liabilities

Contingent liabilities are disclosed in a memorandum statement (Statement of Outstanding Commitments) 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. Contingent assets are neither recognized nor disclosed.

16) Commitments

Commitments include operating and capital commitments arising from non-cancelable contractual or statutory obligations. Interest commitments on loans and commitments relating to employment contracts are not included in the Statement of Outstanding Commitments. 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.

Ministry of Lands, Housing and Urban Development
Uganda Support to Municipal Infrastructure Development (USMID) Program
Annexes to the Financial Statements
Other Notes to the Financial Statements

Note 1: 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 2018 | 30 June 2017 |
|----------------------|--------------|--------------|
| United States Dollar | 3,879.50 | 3,590.90 |
| British Pound | N/A | N/A |
| Euro | N/A | N/A |

Note 2: Tax Revenues

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

This revenue is not applicable to USMID Program which is funded by IDA/World Bank

Note 3: External Grants received

Note 3.1 Municipal Development Grants

| | | 2018 (UGX) | 2017 (UGX) |
|---|--|---------------------------------|---------------------------------|
| DLI#1 Program LGs have met all Minimum Conditions | | 18,044,509,508.00 | 17,922,791,155.00 |
| DLI#2 Program LGs have strengthened Institutional perf. | | 35,269,186,558.00 | 38,378,021,138.00 |
| DLI#3 Program LGs have strengthened Institutional perf. | | <u>27,168,680,688.00</u> | <u>31,059,964,887.00</u> |
| Total | | <u>80,482,376,754.00</u> | <u>87,360,777,180.00</u> |

Note 3.2 Municipal Capacity Building Grants

| | | 2018 (UGX) | 2017 (UGX) |
|---|--|-----------------|-----------------------------|
| DLI#4 Program LGs Implemented their CBG utilizing the Financing | | <u>0</u> | <u>7,965,684,840</u> |
| Total | | <u>0</u> | <u>7,965,684,840</u> |

Note 3.3 Capacity Building Grants for Central Government, MLHUD

Ministry of Lands, Housing and Urban Development
Uganda Support to Municipal Infrastructure Development (USMID) Program
Annexes to the Financial Statements

| | | 2018 (UGX) | 2017 (UGX) |
|---|--|------------------------------|------------------------------|
| DLI#5 MLHUD has Executed Capacity Building Activities for Program LGs | | 10,270,691,031 | 6,325,504,494 |
| DLI#6 Program LGs with Town Clerks in Place | | 3,485,780,883 | 4,168,994,039 |
| Total | | <u>13,756,471,914</u> | <u>10,494,498,533</u> |

Note 4: Transfers Received From the Treasury – Consolidated Fund

| | | 2018 (UGX) | 2017 (UGX) |
|---------------------|--|---------------|--------------------------------|
| VAT Released by GoU | | — | 4,489,744,035.00 |
| Total | | — | <u>4,489,744,035.00</u> |

The funding of the Project was a loan from IDA/World Bank. Government stopped direct funding of VAT in 2016/17 FY.

Ministry of Lands, Housing and Urban Development
Uganda Support to Municipal Infrastructure Development (USMID) Program
Annexes to the Financial Statements

Note 5: Expenditure Notes

5.1 Transfer of Municipal Development Grants (MDG) to Program Municipal Councils

| Municipal Council | | 2018 (UGX) | 2017 (UGX) |
|-------------------|--|--------------------------|--------------------------|
| Arua | | 5,218,474,136.00 | 5,761,392,014.00 |
| Entebbe | | 4,199,335,795.00 | 4,716,174,938.00 |
| Fort Portal | | 3,161,370,065.00 | 3,296,297,262.00 |
| Gulu | | 18,671,695,901.00 | 19,664,659,438.00 |
| Hoima | | 5,590,205,854.00 | 6,614,771,497.00 |
| Jinja | | 5,041,023,566.00 | 5,119,949,571.00 |
| Kabale | | 2,762,415,770.00 | 3,125,241,202.00 |
| Lira | | 8,396,244,790.00 | 9,385,087,431.00 |
| Masaka | | 6,751,571,009.00 | 6,968,257,174.00 |
| Mbale | | 5,151,063,886.00 | 5,357,213,739.00 |
| Mbarara | | 9,024,394,571.00 | 9,038,299,897.00 |
| Moroto | | 69,107,890.00 | 1,130,563,700.00 |
| Soroti | | 3,125,956,168.00 | 3,499,086,285.00 |
| Tororo | | 3,319,517,353.00 | 3,683,783,032.00 |
| Total | | 80,482,376,754.00 | 87,360,777,180.00 |

Ministry of Lands, Housing and Urban Development
Uganda Support to Municipal Infrastructure Development (USMID) Program
Annexes to the Financial Statements

5.2 Transfer of Municipal Capacity Building Grants (MCBG) to Program Municipal Councils

| Municipal Council | | 2018 (UGX) | 2017 (UGX) |
|-------------------|--|---------------|----------------------|
| Arua | | 0 | 725,038,973 |
| Entebbe | | 0 | 462,475,833 |
| Fort Portal | | 0 | 633,660,952 |
| Gulu | | 0 | 669,817,492 |
| Hoima | | 0 | 642,989,327 |
| Jinja | | 0 | 725,297,129 |
| Kabale | | 0 | 704,923,354 |
| Lira | | 0 | 579,232,679 |
| Masaka | | 0 | 256,665,641 |
| Mbale | | 0 | 243,555,672 |
| Mbarara | | 0 | 477,531,094 |
| Moroto | | 0 | 574,745,674 |
| Soroti | | 0 | 537,720,586 |
| Tororo | | 0 | 732,030,434 |
| Total | | <u>-</u> | <u>7,965,684,840</u> |

Ministry of Lands, Housing and Urban Development
Uganda Support to Municipal Infrastructure Development (USMID) Program
Annexes to the Financial Statements

5.3 MLHUD Capacity Building Grants related expenses

| | | 2018 (UGX) | 2017 (UGX) |
|---|--|------------------------------|------------------------------|
| Outreach Activities to the 14 Municipalities | | 458,862,556 | 2,239,357,830 |
| Development of Systems for Urban Management | | 5,092,875,621 | 9,017,512,386 |
| Capacity Building of MLHUD | | 325,164,171 | 469,959,368 |
| Retooling MLHUD | | 1,317,261,307 | 130,550,155 |
| Program Management | | 4,639,232,133 | 7,105,096,957 |
| Installation of IFMS in 12 Municipal Councils | | 0 | 568,215,409 |
| Grants Transferred to Moroto | | 0 | 1,153,140,287 |
| Preparatory activities for USMID-AF | | <u>682,476,837</u> | <u>0</u> |
| Total | | <u>12,515,872,625</u> | <u>20,683,832,392</u> |

Note 6: Foreign Exchange Gains and Losses

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

| | 30 June 2018 (Shs) | 30 June 2017 (Shs) |
|--------------------------------------|-----------------------|-----------------------|
| Realized loss (gain) (SFP) | - | - |
| Un/realized loss (gain) (SCE) | (559,429,792) | 490,829,335 |
| Net foreign exchange (gains)/ losses | (559,429,792) | 490,829,335 |

Ministry of Lands, Housing and Urban Development
Uganda Support to Municipal Infrastructure Development (USMID) Program
Annexes to the Financial Statements

Note 7 : Cash and cash equivalents

| | 30 June 2018 (Shs) | 30 June 2017 (Shs) |
|--|-----------------------|-----------------------|
| DOMESTIC | | |
| USMID United States Dollar (USD) Account | 6,609,352,540.00 | 4,807,675,531.00 |
| USMID Uganda Shillings (UGX) Account | 113,476,690.00 | 275,932,296.00 |
| Cash in transit | 0 | 0 |
| Cash at hand- Imprest | 0 | 0 |
| Others | 0 | 0 |
| Total | 6,722,829,229 | 5,083,607,827 |

Note 8: Receivables

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

| | 30 June 2018 (Shs) | 30 June 2017 (Shs) |
|---------------------------|-----------------------|-----------------------|
| Other accounts receivable | 0 | 1,270,000 |
| Net receivables | 0 | 1,270,000 |

Note 9: Pension liabilities

The Project Staff subscribe to the National Social Security Fund (NSSF). The Employer dully contributed the 10% of every month's gross salary and the 5% employee contributions were all remitted regularly. Therefore, there is no pension or retirement benefit that was due as of 30th June, 2018 apart from gratuity that accrue at end of each month worked and paid at end of contract.

Ministry of Lands, Housing and Urban Development
Uganda Support to Municipal Infrastructure Development (USMID) Program
Annexes to the Financial Statements

Note 10: Statement of contingent liabilities and guarantees

| | Schedule | 30 June 2018 (Shs) | 30 June 2017 (Shs) |
|--|----------|--------------------------|--------------------------|
| DOMESTIC | | 0 | 0 |
| Legal proceedings | | 0 | 0 |
| Guarantees and indemnities | | 0 | 0 |
| Guarantees of bank overdrafts | | 0 | 0 |
| Guarantees under Public Private Partnerships | | 0 | 0 |
| Other contingent liabilities | | 0 | 0 |
| Total Domestic Contingencies | | 0 | 0 |
| FOREIGN | | | |
| Legal proceedings | | 0 | 0 |
| Guarantees and indemnities | | 0 | 0 |
| Guarantees of bank overdrafts | | 0 | 0 |
| Guarantees under Public Private Partnerships | | 0 | 0 |
| Other contingent liabilities | | 0 | 0 |
| Total Foreign Contingencies | | 0 | 0 |
| | | 0 | 0 |
| Total Contingent Liabilities | | 0 | 0 |

NB: There were no contingent liabilities for the USMID Program.

Note 11: Statement of Outstanding Commitments

There were no outstanding commitments as at 30th June, 2018.

Note: 12 public monies lost during the financial year

There were no public monies lost during the financial year under USMID Program.

Ministry of Lands, Housing and Urban Development
Uganda Support to Municipal Infrastructure Development (USMID) Program
Annexes to the Financial Statements

Note 13: Cash balance reported in Activity Statement

Cash balance reported in activity statement include cash held in Municipal Project Accounts as at 30th June, 2018 as indicated in table below:

| Vote | Vote Name | Municipal Development Grants in UGX | Municipal Capacity Building Grants in UGX | Total Cash in UGX | Total Cash Expressed in USD |
|-------------|---------------------------|--|--|--------------------------|------------------------------------|
| 751 | Arua | 7,200,426,128 | - | 7,200,426,128 | 1,991,729.16 |
| 752 | Entebbe | 3,434,869,131 | 60,287,355 | 3,495,156,486 | 966,804.60 |
| 753 | Fort Portal | 3,541,533,470 | 108,212,054 | 3,649,745,524 | 1,009,565.88 |
| 754 | Gulu | 19,245,579,840 | - | 19,245,579,840 | 5,323,571.39 |
| 755 | Hoima | 10,595,121,346 | 72,806 | 10,595,194,152 | 2,930,765.03 |
| 756 | Jinja | 7,690,294,646 | 49,916,228 | 7,740,210,874 | 2,141,040.46 |
| 757 | Kabale | 2,175,971,017 | 194,903,065 | 2,370,874,082 | 655,813.83 |
| 758 | Lira | 8,866,181,775 | 156,804 | 8,866,338,579 | 2,452,541.66 |
| 759 | Masaka | 3,873,490,515 | 1,154,534 | 3,874,645,049 | 1,071,775.94 |
| 760 | Mbale | 6,788,734,372 | 7,879,291 | 6,796,613,663 | 1,880,029.51 |
| 761 | Mbarara | 14,286,407,662 | 46,305,560 | 14,332,713,222 | 3,964,610.19 |
| 762 | Moroto | 1,078,810,000 | 50,969,402 | 1,129,779,402 | 312,511.31 |
| 763 | Soroti | 1,587,666,550 | - | 1,587,666,550 | 439,168.70 |
| 764 | Tororo | 4,876,196,807 | - | 4,876,196,807 | 1,348,817.86 |
| 012 | MLHUD - USMID USD Account | - | - | - | 1,703,660.92 |
| 012 | MLHUD - USMID UGX Account | - | - | 113,476,690 | 29,250.34 |

Ministry of Lands, Housing and Urban Development
Uganda Support to Municipal Infrastructure Development (USMID) Program
Annexes to the Financial Statements

| Vote | Vote Name | Municipal Development Grants in UGX | Municipal Capacity Building Grants in UGX | Total Cash in UGX | Total Cash Expressed in USD |
|------|--------------|-------------------------------------|---|-----------------------|-----------------------------|
| | Total | 95,241,283,259 | 519,857,099 | 95,761,140,358 | 28,221,656.78 |

Trial Balance as at 30th June, 2018

| AW/Item | Particulars | Debit (UGX.) | Credit (UGX.) |
|---------|---|----------------|----------------|
| | Net worth/Reserves b/f | | 5,084,877,827 |
| | Multi-lateral Development partners | | 94,238,848,668 |
| | Foreign Exchange Gain | | 397,352,114 |
| | Cash and Cash Equivalent - USD Account | 6,609,352,540 | |
| | Cash and Cash Equivalent - UGX Account | 113,476,690 | |
| 1.2 | Transfer of MDG to the Municipal Councils | 80,482,376,754 | |
| 2.1 | Support MCs to link Municipal Physical Development Plans, Five year Development Plans and Budgets | 16,549,200 | |
| 2.2 | Support Municipalities to review and update ten year physical development plans in all the 14 municipalities | - | |
| 2.3 | Review and Develop OSR Enhancement framework for Urban Local Governments | 71,600,000 | |
| 2.4 | Build Capacity of MCs in Procurement Planning and Management | 51,609,920 | |
| 2.5 | Build capacity of Municipal Councils in Financial Management | 53,001,000 | |
| 2.6 | Build Capacity in Environment and Social Safeguards Assessment, MDFs, management and reporting for Municipalities | 110,391,710 | |
| 2.7 | Build Municipalities Capacity for M&E | 56,720,000 | |
| 2.8 | Enhance Professional and Administrative Capacity at Municipalities and MLHUD for Program Implementation | 98,990,726 | |
| 3.1 | Develop a GIS-based urban development management system | 1,390,021,461 | |
| 3.2 | Annual Lands, Housing and Urban Development Sector Review | 242,452,305 | |

Ministry of Lands, Housing and Urban Development
Uganda Support to Municipal Infrastructure Development (USMID) Program
Annexes to the Financial Statements

| AW/Item | Particulars | Debit (UGX.) | Credit (UGX.) |
|---------|---|---------------|---------------|
| 3.3 | IEC on USMID/ MLHUD | 64,022,000 | |
| 3.4 | Development of Masterplans, Strategies and Engineering designs for second Batch of Municipal Infrastructure Investments | 2,396,619,724 | |
| 3.5 | Support to Establishment of the Physical Planning Registration Board | 93,923,840 | |
| 3.6 | Develop urban development database | - | |
| 3.7 | Develop a National Resettlement Policy | 893,041,291 | |
| 3.8 | Implementation of the National Housing policy | | |
| 3.9 | Implementation of the National Urban Policy (NUP) | 12,795,000 | |
| 4.1 | Training of MLHUD staff | | |
| 4.2 | International capacity building activities | 325,164,171 | |
| 5.1 | Procurement of office furniture and equipment (replacement vehicles) | 285,190,000 | |
| 5.2 | Renovation of MLHUD Headquarters at Paliament Avenue | 1,032,071,307 | |
| 6.1 | Program Committees | 113,126,070 | |
| 6.2 | Provide adequate office space for PST (Rent) | 468,342,000 | |
| 6.3 | Emoluments for PST Staff | 2,729,258,557 | |
| 6.4 | Municipal Performance Assessment | 303,402,766 | |
| 6.5 | Program Audits | 9,015,000 | |
| 6.6 | Program Reviews | 388,148,896 | |
| 6.7 | Back-up support, Program operational and monitoring activities | 561,805,797 | |
| 6.8 | Program Specific Professional activities and international forums | 66,133,047 | |
| 9.1 | Preparation of IEC materials on USMID (Supplements/ Brochures/Leaflets/Assorted PR material) | 251,695 | |
| 9.2 | Dissemination of USMID to stakeholders | 192,123,000 | |

Ministry of Lands, Housing and Urban Development
Uganda Support to Municipal Infrastructure Development (USMID) Program
Annexes to the Financial Statements

| AW/Item | Particulars | Debit (UGX.) | Credit (UGX.) |
|---------|--|-----------------------|-----------------------|
| 9.3 | Preparation of the 4 new MCs for the APA | 179,359,984 | |
| 9.4 | Preparation of the 14 MCs for the APA | 31,855,000 | |
| 9.5 | Conduct performance assessment of the 18 USMID-AF participating MCs for FY 2017/18 | 278,887,158 | |
| 9.6 | Quality assurance of the municipal performance assessment reports | - | |
| | Total | 99,721,078,609 | 99,721,078,609 |

Bank Reconciliations and list of all bank accounts

UGANDA SUPPORT TO MUNICIPAL INFRASTRUCTURE
DEVELOPMENT PROGRAM
RECONCILIATION STATEMENT FOR BANK ACCOUNT NO. 000120088000055, USMID
PROGRAM (UGANDA SHILLINGS ACCOUNT)

UGX

Balance as per Bank Statement 113,476,690.00

Balance as per Cash Book 113,476,690.00

UGANDA SUPPORT TO MUNICIPAL INFRASTRUCTURE
DEVELOPMENT PROGRAM
RECONCILIATION STATEMENT FOR BANK ACCOUNT NO. 000120088400024, USMID
PROGRAM (US DOLLAR ACCOUNT)

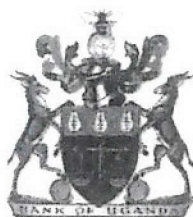
US\$

Balance as per Bank Statement 1,703,660.92

Balance as per Cash Book 1,703,660.92

BANK OF UGANDA

OFFICE OF THE DIRECTOR
BANKING



37-45 KAMPALA ROAD,
P.O. BOX 7120,
KAMPALA

DIRECT LINE 256-414- 233722
GENERAL LINE 256-414- 258441
FAX LINE 256-414- 259343
TELEX 256-414-61059

CABLES UGABANK
Email info@bou.or.ug
Web site www.bou.or.ug

BAN.307.6

July 5, 2018

The Permanent Secretary
Ministry Lands, Housing and Urban Development
P.O Box 7096
Kampala, Uganda

Certificate of Bank Account Balances as at June 30, 2018

Reference is made to your letter Ref: ADM 15/39/01 dated July 2, 2018 on the above subject.

Please find here below the balances on the accounts held with Bank of Uganda as at June 30, 2018:

| Account Number | Account Title | CCY | Balance |
|-----------------|--|-----|------------------|
| 000120088000031 | WORLD HABITAT DAY | UGX | 00.00 |
| 000120088000058 | ALBERTINE REGION SUSTAINABLE DEV PROJ - LOCAL ACCESS, PLANNING AND DEV | UGX | 3,433,815,050.00 |
| 000120088400028 | ALBERTINE REGION SUSTAINABLE DEV PROJ - LOCAL ACCESS, PLANNING AND DEV | USD | 3,785,579.97 |
| 000120088000056 | COMPETITIVENESS AND ENTERPRISE DEVELOPMENT - LAND ADMINISTRATION REFORM | UGX | 3,888,794,247.00 |
| 000120088400025 | COMPETITIVENESS AND ENTERPRISE DEVELOPMENT - LAND ADMINISTRATION REFORM | USD | 15,260,282.21 |
| 000120088000055 | UGANDA SUPPORT TO MUNICIPAL INFRASTRUCTURE DEVELOPMENT(USMID) | UGX | 113,476,690.00 |
| 000120088400024 | UGANDA SUPPORT TO MUNICIPAL INFRASTRUCTURE DEVELOPMENT(USMID) | USD | 1,703,660.92 |
| 000120088000060 | GIZ SUPPORT TO AU BORDER PROGRAMME | UGX | 64,000.00 |
| 000120088000061 | UNDP SUPPORT TO RESILIENT SYSTEMS FOR PEACE AND SECURITY | UGX | 0.00 |
| 000120088000059 | COMMUNITY RESILIENCE TO CLIMATE CHANGE AND DISASTER RISKS IN UGANDA | UGX | 0.00 |

Attached are the copies of the statement of accounts for ease of reference.



Timothy Sekirayi
Ag. Director



Adrian Mwiine
Ag. Assistant Director

Copy to: The Accountant General, MoFPED
 The Auditor General, Office of the Auditor General

