

Gulu University faulted over sh4.1b expenditure

By Moses Mulondo

The Auditor General has faulted the management of Gulu University over sh4.1b unauthorised expenditure.

The arrears is one of the several audit queries contained in the report of the Auditor General covering expenditures for the 2016/2017 financial year.

"Based on the procedures performed, I observed that an amount of sh4.1b was irregularly incurred as domestic arrears outside the budget appropriated by Parliament and, consequently, there has been an increase in domestic arrears over the period of three years," the Auditor General stated.

The report indicates that in 2014/2015, the university incurred domestic arrears of sh3.6b, and in 2015/2016, it incurred domestic arrears of sh6.7b.

The Auditor General noted with concern that the endless domestic arrears the university management keeps incurring outside the money it is allocated results into diversion of funds.

"I further observed that there was no budget provision for domestic arrears resulting into a diversion of sh4.6b from the current budget to settle the outstanding obligations," the Auditor General stated.

In the course of auditing the accountability reports, it was discovered that domestic arrears totalling sh441.2m were not properly accounted for as the university management lacked necessary supporting documentation.

The Auditor General observed that the continued accumulation of unauthorised domestic arrears is a result of existence of weak and ineffective control system over the control and management of domestic arrears.

It was also discovered that Pay As You Earn (PAYE) of a total of sh324.6m was deducted from the staff in the course of paying them extra loan allowances, but the money was never remitted to the Uganda Revenue Authority.

Irregular leasing of university land

The Auditor General's auditing exercise established that the university management had leased four acres of land to a private proprietor for construction of a students' hostel, but no premium and annual ground rent had been paid.

The Auditor General also noted with concern that the Memorandum of Understanding (MoU) did not specify the premium and ground rent amount payable.

In his response, the accounting officer (vice-chancellor Prof. George Openjuru) indicated that a committee would be appointed to review the MoU and ensure that the identified gaps are addressed.

Unlicensed academic programmes

The audit report established that a total of 16 out of the 56 academic programs offered by the university had not been reviewed, which contravenes section 119 of the University and Other Tertiary Institutions Act.

"Continued teaching of unreviewed programs puts the students at a risk of obtaining qualifications that are not recognised by the National Council for Higher Education," the Auditor General noted.

Loss of money on transit

Review of council minutes revealed that the university lost sh48.5m which had been withdrawn from the bank by an accounts staff. Audit noted that only sh15m had been recovered by the time of the audit, in October 2018.

The accounting officer made a commitment that necessary measures would be undertaken to ensure that the funds are recovered.