



FINANCIAL INTELLIGENCE AUTHORITY

ANNUAL REPORT

2019 - 2020

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Acronyms

ACAMS	Association of Certified Anti-Money Laundering Specialists
ACU	Anti-Corruption Unit
AML	Anti-Money Laundering
AMLA	Anti-Money Laundering Act
BOU	Bank of Uganda
CAMS	Certified Anti-Money Laundering Specialist
CFT	Combating Financing of Terrorism
CID	Criminal Investigations Department
CMA	Capital Markets Authority
CPF	Countering Proliferation Financing
CSBAG	Civil Society Budget Advocacy Group
DCIC	Directorate of Citizenship and Immigration Control
D/IR&SA	Director International Relations and Strategic Analysis
D/IT	Director Information Technology
D/OA	Director Operational Analysis
DNFBPs	Designated Non-Financial Businesses and Professions
D/ED	Deputy Executive Director
ED	Executive Director
ESAAMLG	Eastern and Southern Africa Anti-Money Laundering Group
FATF	Financial Action Task Force
FIA	Financial Intelligence Authority
FIC	Financial Intelligence Centre
FIU	Financial Intelligence Unit
FY	Financial Year GOU Government of Uganda
ICA	International Compliance Association
ICRG	International Committee Review Group of FATF
IFF	Illicit Financial Flows IG Inspectorate of Government
IRA	Insurance Regulatory Authority
IT	Information Technology
LCTRs	Large Cash Transaction Reports

LEAs	Law Enforcement Agencies
MDAs	Ministries, Departments and Agencies
MFPED	Ministry of Finance, Planning and Economic Development
MDIs	Microfinance Deposit-Taking Institutions
ML	Money Laundering
MLCOs	Money Laundering Control Officers
MOU	Memorandum of Understanding
NDA	Non-Disclosure Agreement
NDP2	National Development Plan (Second)
NGO	Non-Governmental Organization
NITA(U)	National Information Technology Authority of Uganda
NRA	National Risk Assessment
NWSC	National Water and Sewerage Corporation
ODPP	Office of the Director of Public Prosecutions
OPM	Office of Prime Minister
PF	Proliferation Financing
STRs	Suspicious Transaction Reports
SUGAR	Support to Uganda's Anti-Corruption Response (Project)
TAF	Technical Assistance Facility
TF	Terrorism Financing
TOR	Terms of Reference
UBA	Uganda Bankers' Association
UNODC	United Nations Office on Drugs and Crime
URSB	Uganda Registration Services Bureau
URA	Uganda Revenue Authority
UWA	Uganda Wildlife Authority

STATEMENT BY THE BOARD CHAIRMAN



In fulfilment of Section 36(1) of the Anti-Money Laundering Act 2013, I am delighted to present the Annual Performance report of the Financial Intelligence Authority (FIA) for the FY 2019/2020. During the FY, FIA implemented measures intended to protect Uganda's financial system against Money Laundering and Terrorism Financing risks.

This Report covers activities executed in implementing the first FIA strategic plan 2017/18-2019/20 which had an overall goal of positioning the Authority to carry-out its mandate effectively and efficiently.

During the year, FIA carried out a review of the old strategic plan while a new strategic plan formulated. The Authority continued to implement its mandate that leads to enhanced identification of proceeds of crime, increased compliance with the AMLA, increased AML/CFT public awareness, improved collection and dissemination of information to competent authorities, strengthened international cooperation and strengthened staff capacity to execute their duties.

In the FY2020/21, the Authority will focus on further strengthening Uganda's AML/CFT Framework to address strategic deficiencies in the country's compliance with international standards, strengthening inter agency cooperation, capacity building for accountable persons, enhance nationwide AML/CFT public awareness and compliance with AMLA 2013, as amended.

I wish to thank the Board and Management of the FIA for their dedication, and hard work towards the achievements registered. I also wish to thank the government, development partners and AML/CFT stakeholders for their contribution in ensuring safe money for a secure market.

A handwritten signature in black ink, appearing to be 'Leo Kibirango'.

Governor Emeritus, Leo Kibirango
Chairperson of the Board.

YEAR IN SUMMARY


Uganda's admission
to Egmont group

Conducted
2
Typology
studies

74%
Budget
Implementation



Roll out of the goAML
reporting system to all
financial institutions

Registered
224
new reporting
entities

EXECUTIVE DIRECTOR'S FOREWORD



This report outlines FIA's activities and key deliverables achieved in the financial year 2019/20.

The Anti-Money Laundering Act 2013 provides FIA with the mandate of developing, implementing and enforcing AML/CFT measures. The ultimate objective is to protect the integrity of Uganda's financial system and ensure that criminals do not profiteer from the proceeds of their crimes.

The Authority's key achievements during the FY 2019/2020 include among others; improved processes for receipt and analysis of suspicious transaction reports, continued dissemination of intelligence reports, Uganda's admission to Egmont group, roll out of the goAML reporting system to all financial institutions, Money Remitters and Mobile money service providers and 16% of Forex Bureaus. The Authority also conducted 2 Typology studies on use of Gaming and Non-Profit Organizations (NPOs) as facilitators for ML/TF, registered 224 new reporting entities and strengthened stakeholder coordination and cooperation to improve information sharing and exchange. These achievements highlight FIA's commitment to build a robust system against ML/TF and protect the integrity of Uganda's financial system and economy.

Notwithstanding the above achievements FIA faced a number of challenges in implementing its mandate during the year. These include;

- 01 ➤ Inadequate training and awareness of AML/CFT matters by law enforcement agencies and competent authorities, on ML/TF matters.
- 02 ➤ Inability to undertake field operations due to limited resources.
- 03 ➤ Existence of a large informal sector with large volumes of financial transactions undertaken in cash rather than through the formal financial system.
- 04 ➤ Difficulty in enforcing cross border declarations of cash and other bearer negotiable instruments, worsened by the wide porous borders.
- 05 ➤ Limited awareness and understanding of AML/CFT issues and lack of a regulatory framework for sectors like real estate. 6. Inadequate coordination among Law enforcement Agencies in fighting ML/TF especially in the areas of parallel financial investigations, asset forfeiture and recovery.

During FY 2020/2021, FIA will continue to relentlessly enforce the AMLA, 2013 (as amended) to ensure increased reporting by all accountable Persons, strengthen the capacity of staff in AML/ CFT, enhance and deepen public awareness and increase training and outreach to accountable persons, fast track the amendment of the Anti-Money Laundering Act 2013 and further consolidate domestic and international cooperation.

In addition, the Authority will work with the Ministry of Lands, Housing and Urban Development and the Ministry of Finance, Planning and Economic Development to fast track the establishment of a regulatory framework for the Real Estate Sector and implement the revised national AML/CFT policy and develop a new strategic plan for the period FY 2020/21 – 2024/25.

FIA will continue to relentlessly enforce the AMLA, 2013 (as amended) to ensure increased reporting by all accountable Persons, strengthen the capacity of staff in AML/ CFT, enhance and deepen public awareness and increase training and outreach to accountable persons...

The FIA will also work closely with the regional and international partners such as ESAAMLG and the FATF-ICRG to improve Uganda's AML/CFT compliance ratings and ensure that the country exits the "grey list" of FATF. Uganda made a high-level political commitment to address deficiencies identified in its AML/CFT framework and agreed on a two-year action plan with FATF that aligns the implementation of the AML/CFT measures with the international standards.

I want to express my gratitude to the Board for their guidance and the Hon. Minister of Finance, Planning and Economic Development for the support given to the Authority. I also wish to thank the staff for the hard work and our stakeholders for the cooperation that enabled the Authority to register significant achievements.

I appeal to all government and non-governmental stakeholders to provide full cooperation to the National AML/CFT Committee and the FIA in implementing the FATF-ICRG action plan to forestall attaining negative ratings which can have adverse effect on the stability of Uganda's economy.



Sydney Asubo
Executive Director

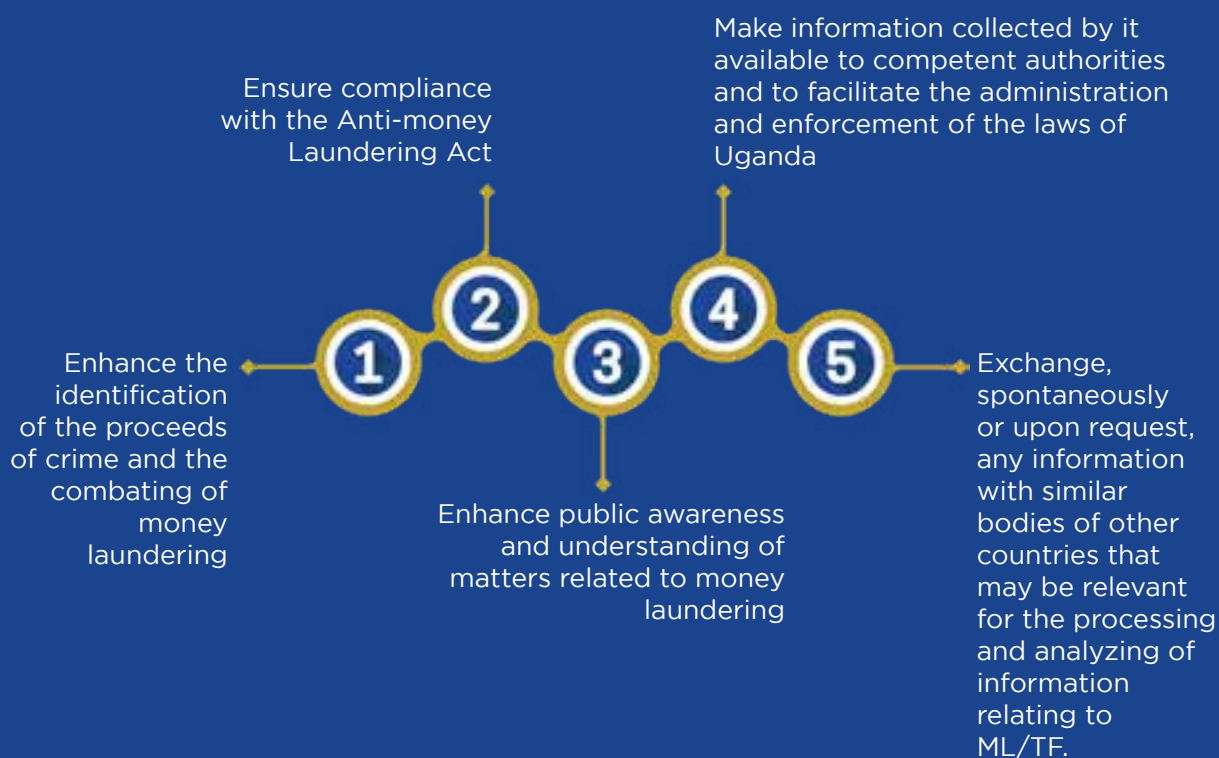
EXECUTIVE SUMMARY

This Annual Report presents the performance of the Financial Intelligence Authority for the FY 2019/2020. It spells out FIA's efforts in positioning the Authority as Centre of excellence in combating Money Laundering, Financing of Terrorism and Proliferation of weapons of mass destruction in Uganda. This Report marks the final year of implementation of the strategic plan 2017/2018- 2019/2020. A new strategic plan has been developed to guide FIA over the next five-year period 2020/2021 to 2024/2025.

The Financial Intelligence Authority is the central agency in Uganda responsible for receipt and analysis of financial disclosures from Accountable Persons and dissemination of intelligence reports to Competent.

Authorities for purposes of investigation, prosecution and recovery of proceeds of crime. During the period under review, the Authority undertook a number of interventions anchored on the five strategic objectives designed to enable the FIA to effectively mitigate Uganda's exposure to the threats of Money laundering, terrorism and proliferation financing.

The strategic objectives indicated below are the long-term building blocks to enable FIA achieve its mandate. They are aligned to NDP II and AS-SIP II and the organization's mission and vision of ensuring safe money for a secure market in Uganda.







During the period under review, FIA registered a number of achievements on each of the strategic objectives.

Objective 1

Enhance the identification of the proceeds of crime






In order to enhance the ability of the FIA and other Law enforcement Agencies to identify, trace and seize proceeds of crime, the Authority undertook a number of interventions to strengthen information gathering, analysis and enhance domestic cooperation as indicated below.

-  Deployment of goAML electronic reporting System. During the period under review the goAML system was launched on the live infrastructure and rolled out to all financial institutions, Telecommunication Companies and other mobile money service providers and to 16% of Forex Bureaus to ease reporting to FIA.
-  Conducted two typology studies on use of Sports Betting and Non-profit organizations respectively as conduits of Money Laundering and Terrorism Financing in Uganda.
-  Commenced the process of conducting two Risk Assessments to establish the ML/TF risk exposure of; legal persons and legal arrangements; and Non-profit organizations. An essential part of these preparation activities included stakeholder engagements and approval of terms of reference of the risk assessments.
-  Strengthening domestic cooperation through supporting the National AML/CFT committee to increase cooperation and coordination of various law enforcement Agencies in combating ML/ TF.

Objective 2

Ensure compliance with the AML Act

To ensure compliance with the Anti-Money Laundering Act 2013, FIA undertook the following activities.

-  Registration of Accountable persons in order to ease monitoring and inspections. A total of 224 new reporting was registered by the Authority.
-  Coordinated the drafting and rollout of AML/CFT Regulations and Supervision guidelines to guide regulators and supervisory bodies in enforcing the implementation of a risk-based supervision.
-  Conducted onsite and offsite inspections of accountable persons. Two financial institutions and 6 forex Bureaus were inspected.
-  Commenced enforcing administrative sanctions on reporting entities that fail to comply with AMLA, 2013 (as amended) which, will be rolled out next financial year.
-  Fast tracked the independent audit of AML/CFT risks of Financial Institutions.

Objective 3

Increase public awareness and understanding of matters related to money laundering





In order to increase understanding of AML/CFT matters, the FIA undertook the following activities.

-  Conducted public awareness and outreach events across the country targeting Forex Bureaus, Regulators and the general public.
-  Conducted training workshops in Eastern Uganda and greater Masaka for non-profit organisations operating in these regions on AML/CFT risks and challenges.
-  In Collaboration with URA conducted sensitization of forex bureaus along border points to increase understanding of AML/CFT matters.

Objective 4

Enhance collection and dissemination of information to competent Authorities



To acquire vital information to support analysis and to effectively disseminate intelligence reports to law enforcement agencies and competent Authorities, FIA;

-  Received 1996 suspicious transaction reports compared with 425 received the previous FY2018/2019.
-  A joint taskforce was formed by the FIA and Uganda revenue Authority to fast track the implementation of cross border declarations of cash.
-  Disseminated over 41 intelligence reports to law enforcement Agencies for further investigations, prosecution and asset recovery. These are currently at various stages of investigation and prosecution. In addition, 33 requests were received from foreign financial intelligence units.
-  Conducted financial due diligence on 17 entities on behalf of Government Ministries Departments and Agencies following additional mandate given to FIA by Cabinet in 2018.

Objective 5

Strengthen international cooperation

To strengthen partnerships with other international bodies and ensure that Uganda's laws meet AML/CFT/CPF, FATF international standards. Ease exchange of information with similar bodies of other countries that may be relevant for processing and analyzing information relating to ML/TF. The following activities were conducted.

-  FIA applied and got admitted to Egmont group of Financial Intelligence Units on the 3rd July 2019. This admission is important in supporting information exchange necessary for prosecution ML/TF cases.
-  Uganda submitted a request for Re-Rating on 15 FATF Recommendations to ESAAMLG in October 2019. This was a result of progress made in addressing the strategic deficiencies identified during the 2nd round of Mutual Evaluation for Uganda.



Through Egmont Secure Web (ESW), FIA received 22 requests for information and two spontaneous disseminations from foreign FIUs to support global efforts in combating ML/TF.

Objective 6

Enhance Efficiency and Effectiveness of FIA to Execute its Mandate

For the Authority to effectively execute its mandate and ensure a safe and secure working environment. The following interventions were pursued.



Recruitment of two additional staff bringing the total staffing capacity of the Authority to 62.5% of the approved positions.



Staff training and capacity development continues to be a key priority area for improving effectiveness and efficiency in addressing ML/TF as evolving crimes. As result a number of staff benefited from trainings organized in the country and abroad.



A data recovery site was installed and operationalized to safeguard ICT infrastructure against evolving National and International threats and Modernize ICT platforms and Business systems to enable continuity in all FIA operations in-case of disaster at the main site.



Management developed a new strategic plan FY 2020/21-2024/25, which was considered by the Board and approved by the National Planning Authority. This followed the successful review of the performance of the current strategic plan FY 2017/2018 -2020.



During the FY 2019/2020, the Authority received quarterly budget releases from government through the Ministry of Finance Planning and Economic Development. A total of UGX 13.28bn was appropriated by Parliament which, was an increment from UGX 12.49 bn appropriated the previous year. By the end of June 2020, the total releases received by FIA was UGX 10,27bn (77.3% of the approved budget). The deficit of UGX 3,008,543,803 that was not released is attributed to the Covid19 pandemic which affected government revenue and releases to all MDA's. Accordingly, UGX 10.17bn (99.9 % of the amount released) was spent. The balance of 0.1% of the funds released, arose out of foreign exchange gains and was returned to the consolidated fund. This represents a better budget absorption capacity compared to previous year 2018/2019.

Challenges:

Despite the above achievements, FIA's efforts to combat Money Laundering, Terrorism and Proliferation Financing remain hampered by the following challenges.

- 1 The limited awareness and understanding of AML/CFT legal and regulatory framework and national ML/TF risks by some members of the public, other important private/public stakeholders which may amongst others negatively impedes Government's efforts.
- 2 The emergency of new and serious ML/TF threats and vulnerabilities occasioned by rapid changes in technology and innovations such as virtual assets and virtual asset service providers that are not yet regulated in many jurisdictions.
- 3 The presence of unregulated sectors in the economy such as real estate, dealers in precious stones, gems affects the effective implementation of the AML/CFT framework and compliance to the required standards.
- 4 The over reliance on cash transactions in the economy rendering some transactions to be processed outside the formal financial system makes it hard to trace and confiscate proceeds of crime.
- 5 The low implementation of reporting of cross border cash and bearer negotiable instruments by URA's Customs officials at border entry points impacts the scope of analysis and depth of investigation.
- 6 The existence of porous borders could be exploited by criminals to move proceeds of crime. The difficulty in capturing such illicit flows severely compromises the fight against money laundering and terrorism financing. This is very challenging given the transnational nature of ML/TF crime.

Conclusion:

Over the next financial year, FIA intends to focus its resources on addressing significant deficiencies identified by both the mutual evaluation report 2016 and the national AML/CFT risk assessment of 2017. This is to ensure that Uganda's AML/CFT framework complies with international standards.

The new strategic plan of the Authority for the period 2020/2021 -2024/2025 has been aligned to the National Development Plan 3 (NDP-3). Specific attention has been given to areas of AML/CFT compliance with international standards and addressing holistically the challenges identified in the previous financial year.

A SUMMARY OF PERFORMANCE DURING THE FY 2019/2020

The key performance highlights of the FY under review include;

-  Implementation of the National Risk Assessment (NRA) 2017 and Mutual Evaluation Report (MER) Action plan. The FIA working with various stakeholders has already started implementing the action plan, addressing the AML/CFT strategic deficiencies identified in both the MER and NRA.
-  goAML electronic analytical and reporting system was rolled out on live infrastructure and extended to all financial institutions, all Telecom companies providing mobile money services, 16% of the forex bureau companies, staff of 3 competent authorities (namely, URA, IG and CID) were trained on the usage of the system. The enrolment of these authorities on the system is expected to ease exchange and sharing of Plans are underway to enroll the remaining forex bureaus and other accountable persons. The reporting of Suspicious Transactions Reports (STRs) and Large Cash Transactions Reports (LCTRs) was transitioned from the manual to the goAML electronic system.
-  FIA conducted several AML/CFT public awareness events including trainings. Over 50 members of the various Civil Society Organizations (CSOs) operating in eastern Uganda and over 30 operating in greater Masaka were sensitized on their AML/CFT obligations. This was done in partnership with 2 CSOs; Defenders Protection Initiative (DPI) and Bugisu Civil Society Forum (BCSF).
-  Uganda was admitted to the Egmont group of Financial Intelligence Units on 3rd July 2019. This has given FIA the opportunity to access information held by 163 foreign FIUs worldwide and exchange information with them through a secure and safe Egmont Secure Web (ESW) electronic platform.
-  FIA implemented a risk-based approach to enforce AML/CFT compliance among the accountable persons. Targeted on-site inspections were conducted in financial institutions to establish their robustness in adhering to AML/CTF compliance obligations.
-  Two additional staff were recruited to boost staff strength. These included a Director Information Systems Administration and Security and a Driver. This increased staffing levels to 62.5% of the approved structure.
-  Additional financial support was received from the European Union through a project on Good Governance to the Accountability Sector which, is financed by them. The additional support has boosted the number of activities accomplished by the Authority.
-  During the year, a lot of progress was registered in addressing the technical deficiencies identified in the MER of 2016. As a result, FIA in October, 2019 submitted a new request for re-Ratings on 15 FATF Recommendations to be considered by ESAAMLG. The processing of this request has been delayed by the on-set of the covid-19 pandemic and is still pending consideration by ESAAMLG.



CHAPTER 1

OVERVIEW OF THE AUTHORITY

Background


The Financial Intelligence Authority (FIA) was established under Section 18 of the Anti-Money Laundering Act (AMLA), 2013 to coordinate the implementation of the country's Anti-Money Laundering (AML) regime. It is the central national agency in Uganda, responsible for the receipt and analysis of financial disclosures from accountable persons and dissemination of financial intelligence reports to Competent Authorities.

The AMLA empowers FIA to collect and collate information on suspicious transactions, large cash and monetary transactions and cross border movement of cash and negotiable bearer instruments from reporting entities. After undertaking the required analysis, the FIA sends financial intelligence reports to the appropriate law enforcement agencies for further processing, including in-depth investigations.

Functions of the Authority

The AMLA, 2013 as amended, mandates the FIA to perform the following functions;

- i ➤ Receive, process, analyze and interpret information disclosed to it and obtained by it in terms of the Act;
- ii ➤ Refer any matter or information derived from any report or information it receives to the appropriate law enforcement agency, if on the basis of its analysis and assessment, it has reasonable grounds to suspect that the transaction would be relevant to the investigation or prosecution of a money laundering offence, terrorist financing offence or any serious offence;
- iii ➤ Inform, advise and cooperate with other competent authorities;
- iv ➤ Give guidance to accountable persons, competent authorities, and other persons regarding compliance with the Act;
- v ➤ Retain the information disclosed and/or obtained by it in a prescribed manner for a period of at least ten years;
- vi ➤ Collect fines adjudicated under the Act; Issue guidelines to accountable persons not under the jurisdiction of supervisory authorities, in relation to customer identification, record keeping, reporting obligations and the identification of suspicious transactions; and
- vii ➤ May provide training programs for accountable institutions in relations to customer identification, record keeping, reporting obligations and the identification of suspicious transactions.
- ix ➤ Register, and keep a register of all accountable persons.
- x ➤ Supervise, monitor and ensure compliance of the Act by all accountable persons in consultation with respective regulatory authorities.
- xi ➤ Impose administrative sanctions on accountable persons who fail to comply with directives, guidelines or requests issued by the Authority.



...the central national agency in Uganda, responsible for the receipt and analysis of financial disclosures from accountable persons and dissemination of financial intelligence reports to Competent Authorities.

CORPORATE PROFILE



Vision

To be a centre of excellence in combating money laundering and financing of terrorism.



Mission

To foster the integrity of the financial system through effective detection and prevention of financial crime.



Overall Goal

To ensure that the Anti-Money Laundering and Countering the Financing of Terrorism framework is effective to protect the integrity and ensure stability of Uganda's financial system.



Core Values

The Authority commits its staff to uphold the following values:

- i ➤ **Integrity:** Aspire to the highest ethical standards of Honesty, reliability and dependability.
- ii ➤ **Professionalism:** Meeting high standards in execution of our Mandate, working together with our accountable People, partner agencies and others in a practical, Diligent, timely, and rigorous result driven Manner.
- iii ➤ **Accountability:** Working with pride and discipline to be responsible for our conduct and work.
- iv ➤ **Teamwork:** Working together within the Authority and with other stakeholders.
- v ➤ **Confidentiality:** Respect the value and ownership of information we receive and undertake not to disclose any information without the permission of the appropriate Authority.
- vi ➤ **Transparency:** Conducting ourselves with openness and honesty in all aspects of our work.

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■ ORGANIZATIONAL STRUCTURE

Corporate Governance of the Authority

FIA Board

FIA is governed by a Board of Directors appointed by the Minister of Finance, Planning and Economic Development in accordance with section 25(2) of the Antimony Laundering Act 2013 as amended and approved by Parliament. The Board comprises of 6 members. Membership of the board is drawn from persons with diverse and relevant experiences. The principles governing selection of Board members include a person of high moral character and proven integrity. The Board serves for a period of 3 years and may be reappointed for one more term.

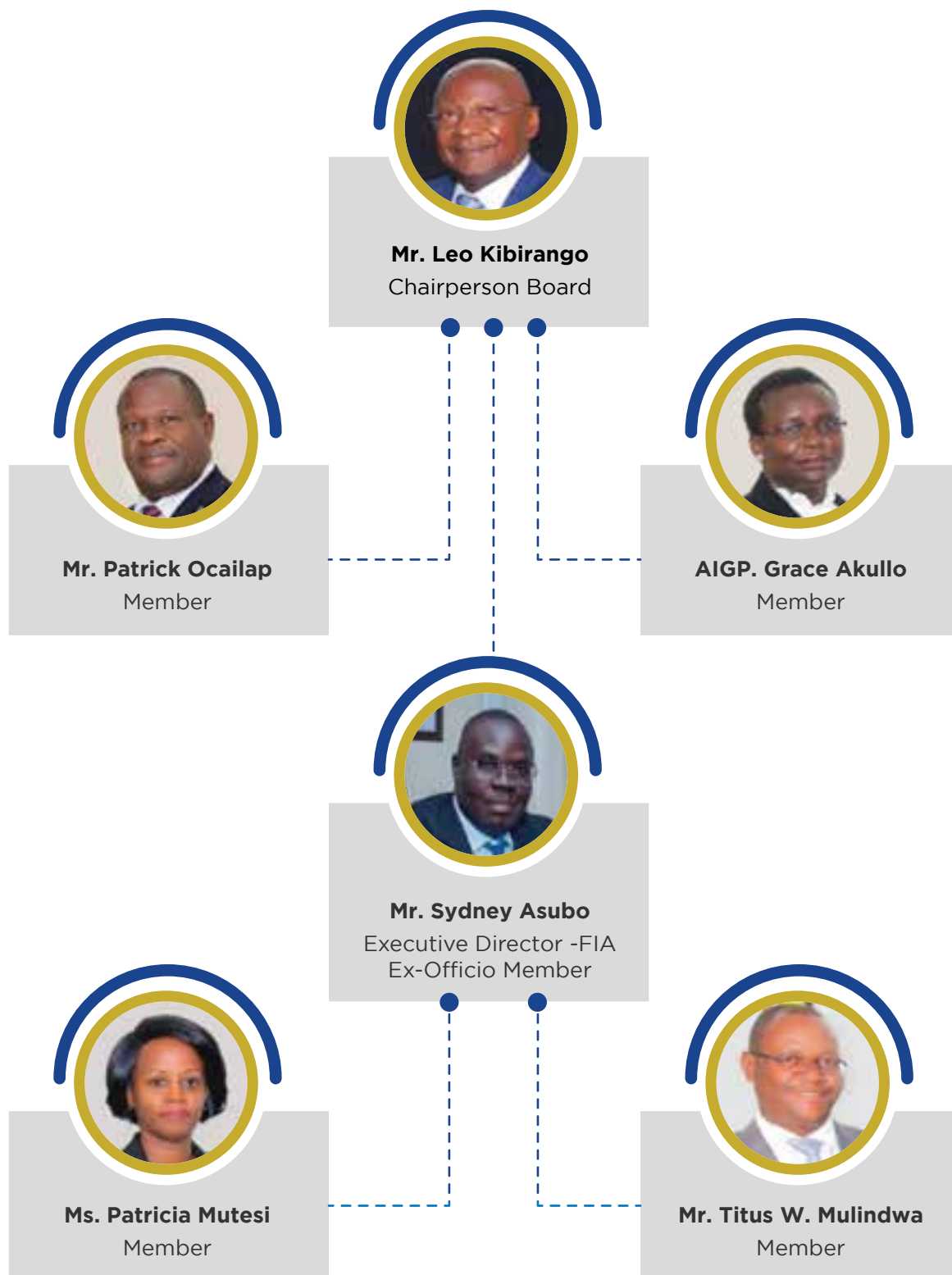
The current Board was appointed by the Minister of Finance, Planning & Econ. Development on 1st October, 2018 and were sworn-in and inaugurated on 13th November, 2018. This is the Board's 2nd year of the last 3-year term.

FIA has since its inception benefited from a strong board chaired by Mr. Leo Kibirango, a former Governor of the Central Bank of Uganda. The Board has ably fulfilled its obligations, including providing effective guidance and oversight over the Authority.

Functions of the Board

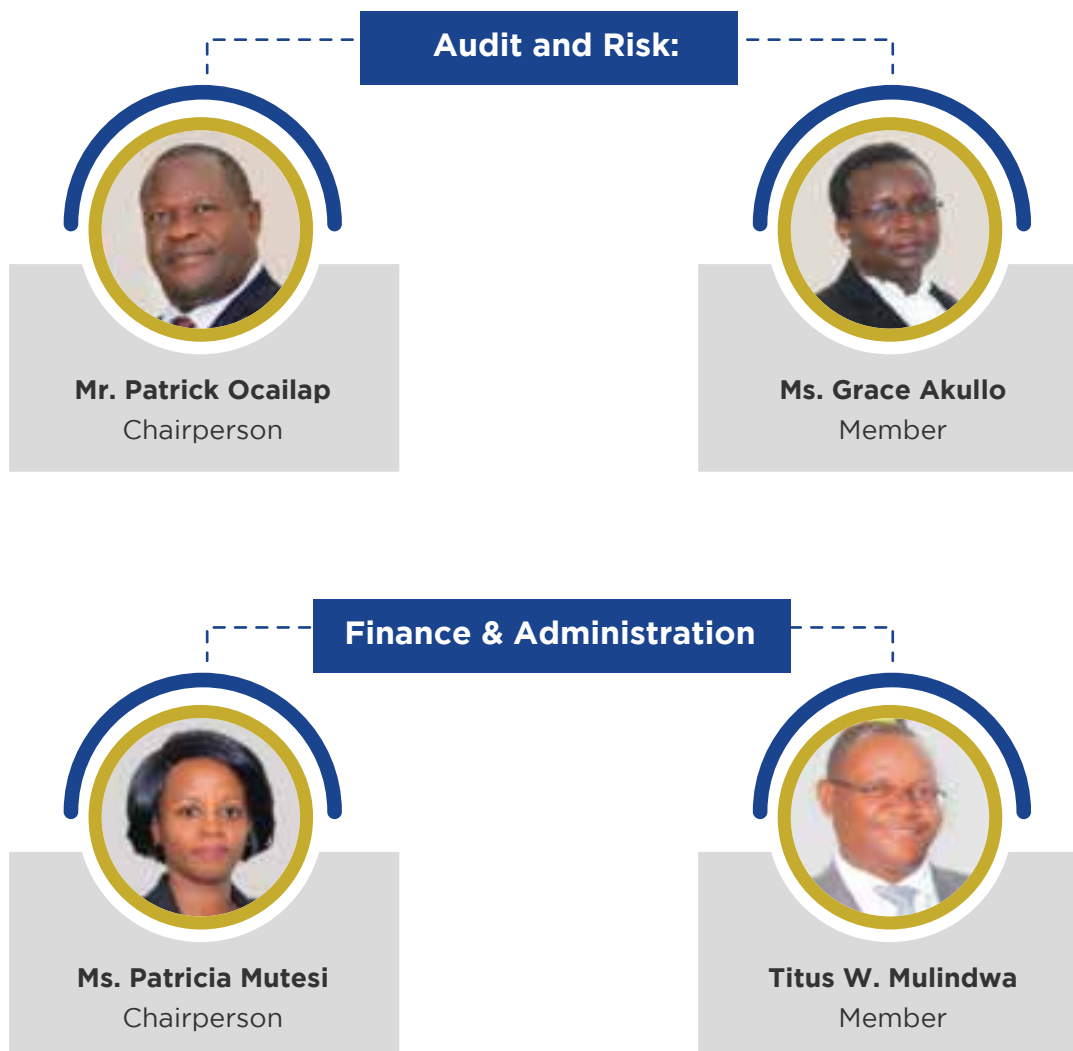
- i ➤ Policy making for the Authority.
- ii ➤ Give direction to the Executive Director in connection with the management, performance, operational policies and implementation of the policies of the Authority.
- iii ➤ On the recommendation of the Executive Director approve organizational structures, terms and conditions of service.
- iv ➤ Prescribe administrative measures as may be required to safe guard the revenues of the Authority
- v ➤ Review and approve the budgetary estimates, strategic plan and Annual performance report of the Authority

BOARD MEMBERS



Board Committees

The Board delegates some of its functions to the Committees in accordance with S.27 (b)(iii) of AMLA. The Committees established are; Audit and Risk Committee; and Finance & Administration Committee. The Committees are constituted as follows;



Secretary to the Board

The AMLA 2013 does not have a provision for the Secretary to the Board. Currently, the Executive Director, who is also an ex officio member of the Board provides secretarial services and support to the Board. The Executive Director liaises closely with the Chairman and ensures timely communication of information to members of the Board, and from the Board through the Executive Director to Management. The Executive Director is assisted by the Director Legal in carrying out the day-to-day functions of the Board Secretary. Members of the Board will need more resources to enable them fulfil their functions. In particular, it is necessary to enhance the exposure and bench- marking program to enable the Board keep abreast with the rapidly evolving AML/CFT terrain.

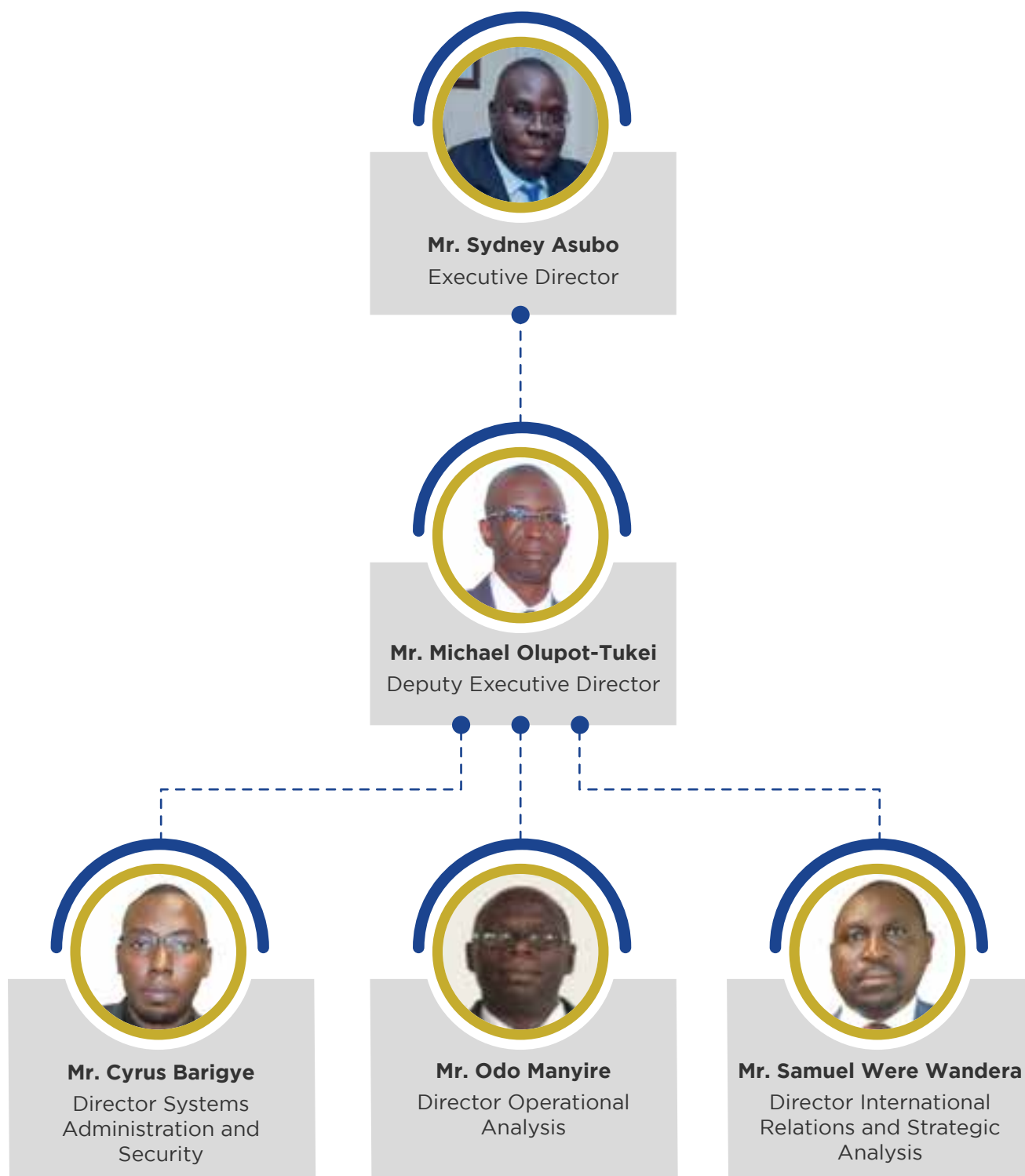
Internal audit

The internal audit function is an integral and essential part of the governance process. The Authority has an Internal Audit Department that provides independent assessment and review of the effectiveness of the operating procedures and governance processes, and hence plays an important role in the achievement of the set goals and objectives. The Internal Auditor, though part of the management team of the Authority, reports directly to the Board.

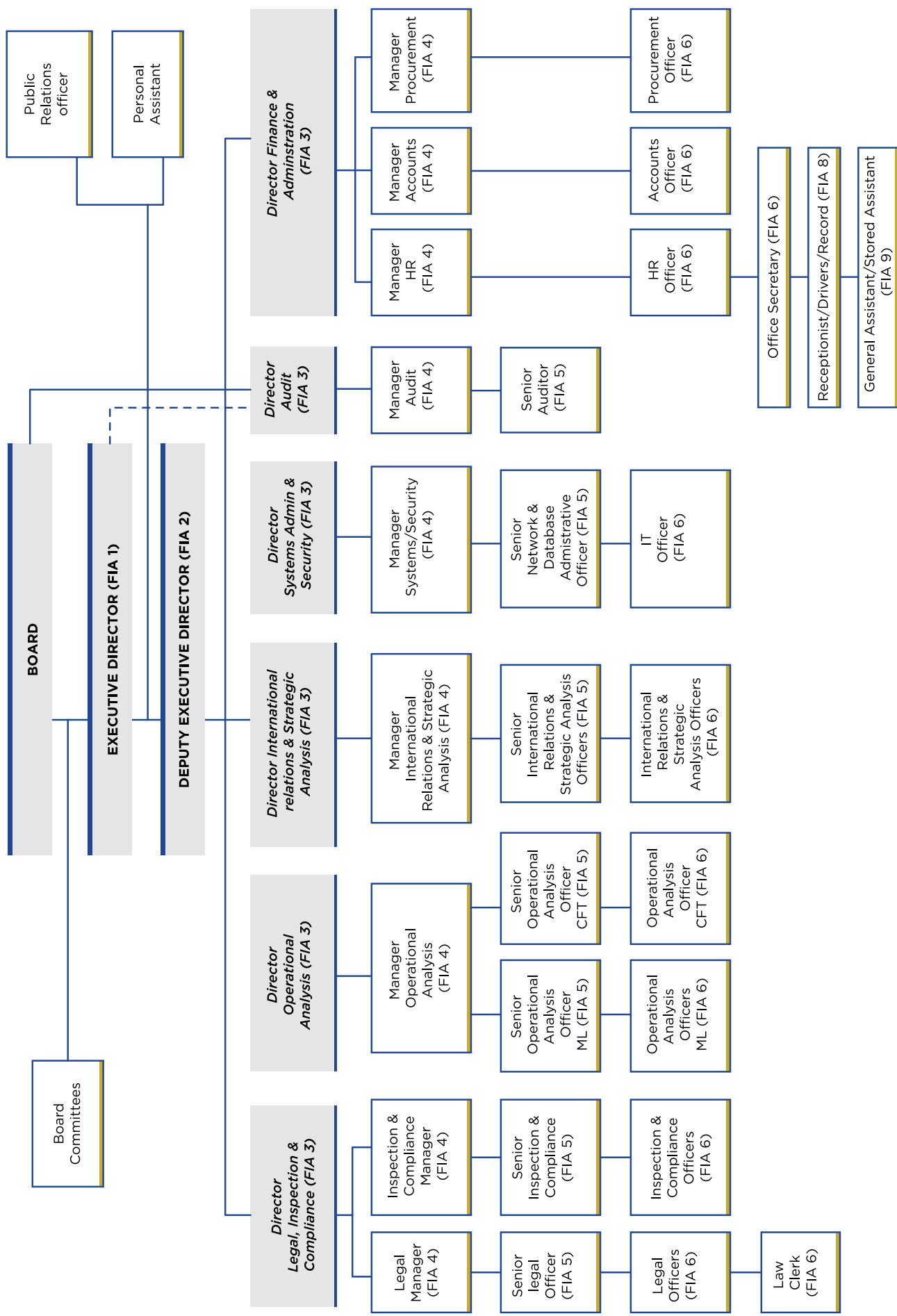
Management of the authority

Top management of the Authority consists of the Executive Director, who is the ex-officio member of the Board and is also the Accounting Officer of the Authority - Mr. Sydney Asubo. He is deputized by the Deputy Executive Director, Mr. Michael Olupot Tukei and assisted by six Directors shown on the organogram on the following page. Top management is supported by 7 Managers heading various departments. Together, they provide support to the Board and are responsible for the execution of FIA's mandate on a day-to-day basis.

TOP MANAGEMENT OF THE AUTHORITY



FIA ORGANOGRAM - ORGANISATIONAL STRUCTURE OF THE AUTHORITY





CHAPTER 2

OBJECTIVE 1.

ENHANCE THE IDENTIFICATION OF PROCEEDS OF CRIME



The FIA implemented a number of activities in fulfillment of the Strategic Objectives as outlined in its Strategic Plan 2017/18 – 2019/20. The objectives are;

- 1 ➤ Enhance the identification of the proceeds of crime;
- 2 ➤ Enforce compliance of accountable persons with the AML/CFT laws;
- 3 ➤ Increase public awareness and understanding of matters related to money laundering;
- 4 ➤ Collect and disseminate information to Competent Authorities;
- 5 ➤ Strengthen cooperation and partnerships with regional and multi-lateral institutions and exchange information with foreign financial intelligence units.
- 6 ➤ Strengthen the capacity of the staff of the Authority to effectively and efficiently deliver its mandate.

The activities implemented and achievements registered under each strategic objective are indicated below.



Objective 1: *Enhance the identification of proceeds of crime*

Background

Money laundering takes place in diverse forms across the different sectors of the economy. To identify proceeds of crime FIA needs information from the general public, accountable persons, law enforcement agencies and competent authorities. To compel entities to provide information to FIA, government put in place legal provisions which requires, or encourages, disclosure of information to

FIA. Therefore, accountable persons and relevant bodies are required under the AMLA, 2013 (as amended), to provide information to the Authority whenever they suspect the money concerned is linked to crime. To support the process of enhancing the identification of proceeds of crime, FIA implemented the following activities.

1.0 Deployment of goAML electronic reporting system

The goAML is an integrated and modular online software solution specifically designed by the United Nations Office on Drugs and Crime (UNODC) for use by Financial Intelligence Units (FIUs) throughout the world. Government of Uganda through FIA procured the goAML electronic system in 2017/18 and continued customizing it to suit the country's reporting requirements. During the year, the goAML electronic system was fully developed and launched on live infrastructure for the use of all financial institutions, Telcom mobile service providers and 16% of the licensed forex bureaus (who had acquired the necessary IT infrastructure to support the system).

In addition, although staff of 3 competent authorities (URA, IG and CID) were trained on the use of the system, only IG had been enrolled by the end of the FY. The enrolment of all competent authorities on the system is expected to ease sharing and exchange of information. The system is currently able to process and analyze high volumes of reports on suspicious transactions or cash transactions of any kind as compared to the previous manual system. On average, FIA has registered 57% enrollment of accountable persons on the goAML system as per table below;

Table showing number of institutions enrolled on the goAML system as of 30th June, 2020

Category	Enrolled	Target	Percent (%)
Commercial Banks	29	29	100
Forex Bureaus	40	250	16
Micro Deposit Taking Institutions	4	4	100
Ministries Departments and Agencies	3	30	10
Simple Average			57%



**goAML Training of staff of various Micro Deposit Taking Institutions (MDI's).
Standing and making a presentation is a Senior IT Systems Officer, Ms. Sherifah Tumusiime.**

The Authority is currently encouraging all accountable persons to interface their systems with the goAML for ease of reporting.

The goAML reports are fully populated with all the information needed for analysis beginning from full customer details to transactional information. The system also permits electronic data collection from accountable persons and competent authorities and dissemination to Law Enforcement Agencies and competent authorities.

The use of the system therefore provides enhanced opportunity to monitor, detect and prevent financial crimes.

Given the importance of goAML to the operations of the Authority, it was deemed necessary to set-up the goAML disaster recovery (DR) site with the National Information Technology Authority Uganda (NITA – U) to allow for real time goAML data replication via a Virtual Private Network (VPN).

1.1 goAML knowledge exchange programme

FIA participated in a goAML knowledge exchange programme at the Financial Intelligence Centre (FIC) of South Africa which took place from 9th – 13th December 2019. The purpose of the goAML knowledge exchange programme was to enable the Financial Intelligence Authority (FIA) team gain in-depth knowledge and practical experience on how to perform analysis

1.2 goAML Training of Accountable Persons

A goAML system training was conducted at the Financial Intelligence Authority (FIA) offices from the 28th – 31st October 2019. The training on the 28th was for the Inspectorate of Government, Uganda Police Force and Uganda Revenue Authority. The training that took place from the 29th to 31st October, 2019 was for Microfinance Deposit Taking Institutions that included; FINCA, YAKO, PRIDE, UGAFODE and EFC. The training content consisted of: Report submissions, Information requests, System registration, Security features, XML reporting, Message board use for information exchange, System business rules

1.3 goAML Webinar on the New Web forms

FIA conducted goAML webinar for all the commercial banks, microfinance deposit taking institutions, credit institutions, telecoms and forex bureaus on the 26th May 2020 using the Microsoft team's online collaboration platform. The purpose of the webinar was to present the new goAML web form features and functionalities thus enabling the system users to fully appreciate and comprehend the latest system release.

The disaster recovery (DR) site ensures alternate access to the goAML system in case of downtime at the primary site. During the Financial year, FIA ensured that Accountable Persons and Competent Authorities are supported to use the goAML system through capacity building programmes. FIA trained the following; Mercantile Credit Bank, Top Finance Bank and Uganda Development Bank, Microfinance Deposit Taking Institutions consisted of; FINCA, YAKO, PRIDE, UGAFODE, EFC, forty forex bureaus, Inspectorate of Government, Uganda Police Force and Uganda Revenue Authority.

The training content included; Report submissions, System registration, Security features, XML reporting, message board use, System business rules and goAML frequently asked questions (FAQs). In addition to provision of goAML support services to users by the Authority. FIA received technical support from Financial Intelligence Centre of South Africa as indicated below.

on the goAML system and learn extra analytical tools able to link with and improve on the analysis output from goAML. The Authority also received support from the United Nations Office on Drugs and Crime (UNODC) part of which, enabled the Authority to set up the goAML helpdesk and disaster recovery.

and goAML frequently asked questions (FAQs).

A Similar goAML system training was conducted at ESAMI for forty (40) forex bureaus from the 26th to 28th November, 2019 to equip their staff with knowledge on report submissions, System registration, Security features, Message board use for information exchange, System business rules and the goAML frequently asked questions (FAQs). This eventually resulted into the enrolment of 43 forex bureaus on the goAML platform during the year and are now able to report electronically.

The goAML helpdesk system was published online with an SSL certificate from the National Information Technology Authority (NITA-U). The system automates the tracking of user support issues, requests, follow-ups, support statistics overtime and also provides a goAML knowledge base for the registered Accountable persons.

1.4 goAML Upgrade

The Authority upgraded the goAML system to the latest UNODC version release - 4.6. The upgrade comprised bug fixes, patch update, enhanced security and system functionalities such as two (2) factor authentication, latest web forms technologies and Creation of the XML Schema documentation for Uganda.

This document will act as a guide for Accountable persons that are developing and customizing solutions that enable generation of the Large Cash Transaction Report (LCTR) XML file that has to meet the goAML Schema definitions for successful upload.

2.0 Typologies/Trends Analysis

One of the key requirements of the FATF Recommendations is for countries, to identify, assess and understand the money laundering (ML) and terrorist financing (TF) risks that they are exposed to. Once these risks are properly understood, countries will be able to implement anti-money laundering and counter terrorist financing measures that mitigate these risks. Therefore, the risk-based approach, is central to the effective implementation of the FATF Standards and also applies to financial institutions and designated non-financial businesses and professions.

During the year, FIA initiated two typology studies namely; (i) ML/TF typology study on sports betting in Uganda, and (ii) ML/TF typology study on the NGO sector in Uganda.

The two typology studies have been concluded and due to be disseminated to stakeholders. The findings and recommendations are to be used to guide policy interventions in terms of the nature, extent and type of controls that can be applied to minimize the risks and deter the criminal activities.

In addition, the FIA participated in a regional typologies project under the support of ESAAMLG Secretariat that focused on corruption in public procurement. The final report was approved in the ESAAMLG Council of Ministers meeting in September 2019 and uploaded on the ESAAMLG website.

3.0 ML/TF Risk Assessments

On February 21, 2020, FATF placed Uganda on the list of “jurisdictions under increased monitoring”, commonly referred to as the “grey list”. FATF noted that, Uganda had made a high-level political commitment to work with the FATF and ESAAMLG to strengthen the effectiveness of its Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) regime. In light of this, Uganda was given a timeframe of two years (by May 2022) within which to address the identified deficiencies.

Therefore, in 2019/20 FIA commenced conducting two ML/TF risk assessments as part of the requirement to fulfil the International Cooperation Review Group (ICRG) commitments made by Uganda. These include;

- i ➤ ML/TF risk assessments on legal persons and arrangements to appreciate the sector specific ML/TF threats and vulnerabilities as described in the FATF recommendation 24 and 25 on legal persons and arrangements and design appropriate mechanisms to mitigate them.
- ii ➤ Terrorism Financing Risk Assessment of Non-Profit Organizations (NPOs) in Uganda to examine the inherent ML/TF risks, threats and vulnerabilities in the NPO sector as per FAFT Recommendation 8 (R8) and, and Immediate Outcome 10 (IO.10).

That require jurisdictions to identify whether and which NPOs are at risk of terrorist abuse and recommend appropriate measures to mitigate identified risks.

4.0 Domestic Cooperation

The Hon. Minister of Finance, Planning and Economic Development constituted the National Anti- Money laundering Taskforce comprising of representatives from the various stakeholders/Agencies who are key in implementing the national AML/CFT framework. The mandate of the Taskforce is to ensure domestic cooperation and coordination. Some of the issues handled by the Taskforce includes; (a) assess the effectiveness of policies and measures to combat money laundering and the financing of terrorism; (b) make recommendations to the Minister for legislative, regulatory and policy reforms in respect of anti-money laundering and combating the financing of terrorism; (c) promote co-ordination among the FIU, investigatory authorities, supervisory authorities and other institutions with a view to improving the effectiveness of existing policies to combat money laundering and the financing of terrorism; (d) formulate policies to protect the international reputation of our country with regard to anti-money laundering and combating the financing of terrorism; (e) generally advise the Minister in relation to such matters relating to anti-money laundering and combating the financing of terrorism, as the Minister may refer to the National Anti-money laundering Taskforce.

The Taskforce continued to support the FIA in implementing the NRA/MER action plan and in July 2019, it prepared Uganda's progress report on addressing the strategic deficiencies identified during the Mutual evaluation in 2016 consequently resulting into a submission of request for re ratings in September 2019.

In addition, the Taskforce started on a process to develop the National AML/CFT strategy. The strategy will guide the application of resources by various stakeholders in the AML/CFT chain to areas that address the remaining gaps and move Uganda towards meeting the required international standards.

To increase corporation and coordination, the Authority operationalized regular quarterly meetings with; Uganda Police (CID); Uganda Revenue Authority (URA); and MLCOs. These meetings helped to enhance the exchange of information, follow-up slow-moving cases, resolve any AML/CFT matters of interest before the entities, and arrange for joint training of staff. Through these fora, MLCOs specifically are informed of the latest policy developments in the AML/CFT compliance arena, given generic feedback on reporting issues and developments in new ML/TF; risks, trends and methods.



The Taskforce continued to support the FIA in implementing the NRA/MER action plan and in July 2019, it prepared Uganda's progress report on addressing the strategic deficiencies identified during the Mutual evaluation in 2016 consequently resulting into a submission of request for re ratings in September 2019.



CHAPTER 3

OBJECTIVE 2.

ENFORCEMENT OF COMPLIANCE WITH THE AML/CFT OBLIGATIONS



Background

In the globalized world, many transnational criminal organizations will employ a variety of methods in order to evade anti-money laundering (AML) regulations. Therefore, the AML/CFT compliance Team must understand the methods and avenues that criminals can take advantage off and counter by undertaking a risk-based approach to supervision.

Section 19 (b) of the Antimony Laundering Act 2013 requires the FIA to ensure compliance with the AMLA, as one of the objectives of the Authority.

2.1 Registration of Accountable Persons

In order to be able to effectively enforce compliance, section 21 (p) of AMLA, 2013 (as amended) requires the Authority to register accountable persons. At the end of FY 2019/20, the accumulated total of registered accountable persons/entities in terms of the Anti-Money Laundering Act (AMLA), 2013 increased from 682 in FY 2018/19 to 906 in FY 2019/2020. The increase is mainly attributed to the press release issued towards the end of the previous financial year (May, 2018), requesting all accountable persons to register with FIA, lest they face being sanctioned for non-compliance.

The proportion of eligible reporting agencies registered with the Financial Intelligence Authority (FIA) stood at 11%. The Second Schedule of AMLA 2013 categories Accountable Persons into 15 different sectors. The low rate in registration of accountable persons is mainly accounted to limited AML/CFT awareness among some accountable persons especially DNFBP's, dealers in precious stones and gems and the unregulated real estate sector.

During the period under review some supervised entities failed to comply with their AML/CFT legal obligations. The available sanctions for non-compliance are; criminal prosecution by the Director Public Prosecutions and imposition of administrative sanctions by FIA, under the AML Regulations, 2015.

In addition, Sections 21A (1) and (2) of AMLA (as amended), provides that enforcement of compliance by an accountable person shall be the responsibility of the supervisory body of the accountable person, however, where the accountable person has no supervisory body, then this responsibility is vested with the Authority.

However, the administrative sanctions are yet to be approved by the Minister of Finance, Planning and Economic Development.

To address the challenges of enforcing AML/CFT compliance, the Authority is continuously updating the register of Accountable Persons and issuing Certificates of Registration to compliant entities.

In addition to several awareness and outreach activities to promote compliance, the Authority is targeting the Top Management of the respective accountable persons to establish AML/CFT compliance programs which promote and encourage ethical behavior, recruitment of qualified Professionals to ensure that there is corporate governance structure that will address AML/CFT and related regulatory requirements, support specific sectors to undertake risk assessments understand and manage AML/CFT risks identified, ensure policies and procedures are followed to address key issues, risk appetites and internal controls and ensure that there is on-going monitoring and testing of systems to avoid loopholes which criminals use to accomplish their criminal goals.

The table below indicates the number of registered entities in each category. A total of 224 entities and persons were registered during the year under review.

Table Showing of Status of Registration Of Accountable Persons

Accountable Persons	Total Registered	Cumulative Total Registered in Each Category	Expected Number	Percentage of Registered Reporting Entities Per Category
Commercial Banks	0	24	24	100
MDIs	1	6	16	16
Forex Bureaus	31	205	225	96
CMA Licensee	5	22	30	73
NGOs	80	405	2343	17
Insurance Cos	10	32	32	100
Credit Institutions & Development banks	0	6	6	100
Insurance Brokers	17	37	39	95
Insurance Agents	15	15	1167	1
Accountants/Accountancy Firms	5	87	230	38
Advocates/law firms	29	15	1800	1
Mobile Money Service Providers	0	4	4	100
Real Estate Agents /Brokers	0	19	2000	1
Regulators UCC/BOU/IRA/CMA	1	7	10	70
Casinos	1	13	18	72
Churches	0	7	500	1
Dealers in Precious metals and Gems	0	2	18	11
Registrars of Land	0	-	35	0
Uganda Investment Authority	0	1	1	100
Registrar of Companies	0	0	1	0
Microfinance Institutions	-	-	-	-
NSSF	0	1	1	100
Money Lenders	12	-	-	-
Money Remittance	17	-	-	-
GRAND TOTAL	224	906	8490	11%

2.2 Interventions to address existing gaps in the current AML/CFT legislations

One of the roles of the Authority is to regularly review the AML/CFT legislations to ensure that they are compliant with the FATF standards, in order to ensure that accountable persons are compliant with current requirements. During the year, the Authority undertook the following to address the identified gaps;

- i ➤ Section 38 (1) (b) of the AMLA 2013 was amended to repeal (1)(b) in order to allow for spontaneous exchange of information.
- ii ➤ The AML (Administrative Sanctions) Regulations were drafted to prescribe administrative sanctions for reporting entities that fail to comply with AMLA, 2013 (as amended). The draft administrative sanctions were submitted to the Ministry of Finance, for approval and onward submission to the Solicitor General's Office for drafting by First Parliamentary Counsel. The draft regulations are being considered by the Solicitor General's Office. The amendment of the second schedule of AMLA, 2013 (as amended), to incorporate Virtual Assets Service Providers (VASPs) as accountable persons was undertaken and has been forwarded by the Minister to Parliament for approval.

2.3 Legal Matters

During the period under review, FIA was involved in 6 law suits resulting from applicants/individuals seeking various claims arising from the Authority's exercise of its duties. FIA handled these legal matters in which it was involved and by end of June 30, 2020, 3 cases had been fully concluded in court while three cases are pending court hearing.

The concluded cases include two, that were dismissed in favor of FIA and one, in which FIA was ordered to lift a freeze on the applicant's accounts on account of inadequate prosecution.

2.4 AML/CFT supervision and guidance

Throughout the year, the Authority provided guidance and clarifications to various accountable persons upon their requests with respect to AML/CFT legal and operational issues to be able to comply with their obligations. In addition, upon request, awareness trainings were delivered to staff and management of selected accountable persons. In a bid to ensure compliance activities conducted include;

- i ➤ Issuance of guidance to accountable persons on KYC documents required of resident foreign nationals to register on goAML. For those already registered, FIA is to undertake a verification of their work permits, residential addresses and or identity account signatories presented by the financial institutions. This is intended to address the complaint raised by the Central Bank relating to weaknesses in verifying foreign nationals.
- ii ➤ Issuance of guidance to commercial banks on identification and verification of Beneficial Ownership with regards to wire transfers. This was meant to enforce compliance with KYC requirements for financial institutions when dealing with legal persons and legal arrangements.

2.5 Review of compliance Reports from Accountable Persons

Regulation 45(1) of the Anti-Money Laundering Regulations, 2015 requires every Accountable Person to submit to the Authority a compliance reports setting out the level of compliance with the Act and Regulations and the internal Anti-Money Laundering and Combating Terrorist

Financing policy of the Accountable Person at the end of each calendar year. A total of 282 annual compliance reports were submitted to the Authority by various accountable persons. These reports were reviewed by the Authority for compliance purposes.

2.6 Independent Audit Reports

Regulation 43(1) & (2) of the Anti-Money Laundering, 2015 requires an accountable person to carry out periodic independent audits to assess its compliance with the requirements of the Act and the Regulations, prepare a report of every independent audit carried out and make available to the Authority a copy of the report, upon request.

On 30th August 2019, the Financial Intelligence Authority (FIA) instructed all commercial banks, credit institutions, micro finance deposit taking institutions and mobile money service providers to undertake an independent compliance review of their Anti-Money Laundering (AML) Countering the Financing of Terrorism (CFT) systems and control program covering the period 01st January 2014 to 31st December 2019.

The selection of Audit Firms that undertook the Audit followed consultations with Bank of Uganda, Uganda Bankers Association and FIA's assessment of their suitability and competence to undertake the AML/CFT Audit.

By end of the Year June 30th 2020, a total of 24 commercial Banks has submitted their independent audit reports to the FIA and currently undergoing review and analysis, while two commercial Banks requested for an extension, under the Micro deposit taking institution category all the 4 institutions have submitted. For Credit Institutions 2 credit institutions had already submitted their reports by end of the reporting period while 2 requested for an extension. In the Telcom sector all the 2 companies have submitted their independent audit reports to FIA. The deadline for submission of these reports was set for 30th April 2020 but was extended to 30th June 2020 due to COVID-19 pandemic disruptions. The restrictions put in place by government to control the spread of the Covid19 has hampered this extension resulting into more requests by individual institutions.

2.7 Submission of Annual Compliance Reports

Regulation 45(1) of the Anti-Money Laundering Regulations, 2015 requires every accountable person to submit to the Authority a compliance report setting out the level of compliance with the Act and Regulations. In order to streamline and standardize the reports submitted by accountable persons, the FIA developed an Annual Compliance Report template which, can be found on the FIA website www.fia.go.ug under the Reporting tab – Annual Compliance.

The Authority requested supervisory bodies, to prevail over the non-compliant accountable persons in accordance with Section 21A (1) AMLA, 2013 (as amended). As result many entities have submitted compliance reports to FIA.

2.8 AML/CFT On-site Inspections

During the year, the Authority conducted on-site inspections of various accountable persons on AML/CFT compliance. The inspections were determined on a risk-based approach and undertaken on six forex bureaus and two commercial banks. A joint on-site inspection with Bank of Uganda (BOU) was conducted targeting forex bureaus and money changers at the border points in Kafunjo, Mirama Town Council and Kikagati all in the western region of Uganda.

FIA also conducted a joint inspection with the Insurance Regulatory Authority on Insurance Companies, Insurance Brokers and Insurance Agents in the Western, Southern, Eastern and Northern districts of Uganda. In total, 133 insurance agencies and 21 Insurance companies were inspected. The findings of the inspections will inform measures necessary to enforce AML/CFT compliance.



CHAPTER 4

OBJECTIVE 3.

PUBLIC AWARENESS AND OUTREACH



Background

During the year, a number of public awareness and outreach events were undertaken by FIA. They were conducted through various platforms including; print media; conferences; workshops; seminars; and exhibitions.

- i ➤ The FIA participated in the Rotary 5 A side football tournament organized by the Rotary club of Kiwatule in Kampala. The tournament attracted over 700 participants from various organizations. AML/CFT articles were published in various magazines and newspapers, including in the Accountability Sector, Uganda Chamber of Mines and Petroleum and Uganda Media Center magazines.
- ii ➤ FIA, in collaboration with URA carried out sensitization and AML/CFT awareness campaigns on cross-border declaration of cash and other bearer negotiable instruments. The joint team visited various border entry points, and had engagements with URA-personnel at Entebbe, Lia, Oraba, Elegu, Malaba, Mutukula, Mpondwe, Mirama Hill, Mutukula and Katuna.
- iii ➤ In order to raise AML/CFT awareness in the real estate sector, FIA officials met with several individual Real Estate Agents and with members of the Real Estate Agents Association (REAA). They were sensitized on their roles and obligations arising from the AML Act, 2013 (as amended).
- iv ➤ FIA staff participated in the Accountability Sector inter-university debate 2019. The objective of the debates was to increase understanding of Accountability Sector issues among young people in universities and showcase the contribution of various institutions including the FIA, in transforming Uganda in line with the Sector's Strategic Investment Plan.
- v ➤ FIA staff conducted an AML/CFT awareness workshops focusing on NGOs, including one in Eastern Uganda that was attended by over 50 members drawn from various Civil Society Organizations (CSOs). This workshop was organized by CSO's - Defenders Protection Initiative (DPI) together with Bugisu Civil Society Forum (BCSF). Another workshop was conducted in Masaka and attended by over 30 members of various CSOs with operations in greater Masaka region. This workshop was also organized by Defenders Protection Initiative.
- vi ➤ vi. The FIA issued a press notice to the general public on concerns relating to the ML/FT risks that have arisen as a result of the Covid-19 pandemic. Members of the public were informed of an increasing trend of financial crime globally, with criminals taking advantage of the Covid-19 lock-downs to commit financial cybercrimes.
- vii ➤ The FIA created a twitter account with the handle TheFIA_UG (@ThefiaU) and a Facebook page - Financial Intelligence Authority - Uganda, to take advantage of the increasing usage of social media platforms to disseminate AML/CFT messages. viii. FIA revamped its website. It was re-designed to offer more content, updates, additional features and functionalities such as site optimizations to allow for ease of access by users.

Conferences/Trainings/Meetings/Workshops

Staff of the Authority participated and made presentations in various conferences, meetings and workshops. Whereas these events were conducted involving physical engagements before the advent

of covid-19 pandemic, after the on-set of the pandemic all engagements were shifted online, using virtual platforms.

Workshops

Staff of the Authority participated and made presentations in workshops that include;

- i ➤ The FIA in conjunction with SUGAR TAF project, organized the financial intelligence assessment and dissemination workshop at Mestil Hotel Nsambya attended by law enforcement agencies.
- ii ➤ FIA officers participated in a workshop on developing Risk Based Approach (RBA) to supervision for DNFBPs. A draft risk-based supervision manual has been produced out of this engagement to guide supervision and inspection of DNFBP's by the FIA.
- iii ➤ FIA staff made a presentation at the workshop of all Post - Banks in East Africa. It was attended by 80 delegates drawn from Members of the Association of Post Banks' Management in East Africa and covered various topics on AML/CFT compliance and regulation.
- iv ➤ FIA staff attended and made a presentation on AML/CFT regulatory framework - with focus on the NGO sector during the regional reflection meeting organized by NGO Bureau in collaboration with the Human Rights Centre (Uganda) and the Uganda National NGO Forum. The meeting was held at White Horse Inn in Kabale district and attended by stakeholders of the greater Kigezi region.
- v ➤ The FIA staff attended an inaugural meeting of Anti-Money Laundering/Trafficking of Human Beings (AML/THB) in the Greater Horn of Africa project, financed by the European Union. The aim of the project is to strengthen effective targeting of Illicit Financial Flows from ML, TF and Trafficking in Human Beings.
- vi ➤ FIA staff participated in the development of the AML/CFT Training Manual for the Uganda Police Force. The manual has been prepared to be used as a syllabus for AML/CFT training in police training schools.

FIA staff attended and made a presentation on AML/CFT regulatory framework - with focus on the NGO sector during the regional



026 Shumuk Forex Bureau staff and Management during the training at Grand Imperial Hotel.

Engagements with Stakeholder-Agencies

FIA held several engagements with LEAs, which include;

- i ➤ One quarterly review engagement was held between FIA and URA to discuss ways of improving regular feedback between the two institutions and the quality and status of reports disseminated to URA by the Authority. The engagement also served as a forum for providing updates on statistics on revenue collected from cases disseminated.
- ii ➤ The FIA staff participated in the Inter-Agency Forum against Corruption. A paper was presented on the use of financial intelligence to fight corruption and financial crime. In addition, FIA staff participated in the National

Anti-corruption walk organized by the forum to demonstrate government's policy of zero tolerance to corruption. The walk was graced by H.E the president of Uganda. The President rallied all leaders of government agencies, members of the civil society and all Ugandans in the fight against corruption. The walk was graced by H.E the president of Uganda. The President rallied all leaders of government agencies, members of the civil society and all Ugandans in the fight against corruption.

Training of Accountable Persons

In accordance with Section 20 (1)(h) of the Anti-Money Laundering Act, 2013 (as amended) during the year, staff of FIA supported various accountable persons in conducting training of their employees to understand their roles and obligations under the AML/CFT legislations. The accountable persons who benefitted include;

- i ➤ Training of 70 Money Laundering Control Officers (MLCOs) drawn from commercial banks, Credit Institutions and MDIs. The training was part of the quarterly engagement aimed at increasing AML/CFT awareness in the financial sector on emerging AML/CFT risks and find ways of improving the quality of Suspicious Transaction Reports (STRs).
- ii ➤ Training of; Top Management of Brac Bank (U) Ltd; Staff and Management of Metropolitan Forex Bureau; Board Members, Management and Staff of UGAFODE Microfinance Ltd; Management of YAKO microfinance Ltd; Management and staff of GEI Forex Exchange services and Dahabshill Forex Bureau; and Management and staff of Shumuk Forex Bureau. The purpose of the training was to enhance capacity of staff in these institutions in identifying and responding to ML/TF red flags as well as to comply with their reporting obligations.
- iii ➤ Training was also conducted on Members of other Boards, that include; Tropical Bank (U) Ltd; and Finance Trust Bank.
- iv ➤ Other institutions that benefitted from the training include; Staff and Agents of Sanlam Insurance Company; Management and staff of EFC Microfinance Ltd; Staff of Lawrie Prophet Certified Public Accountants; Management of Exim Bank (U) Ltd; Top Management of KCCA; Staff of Watoto NGO and Watoto Church; and Members of the Association of Mobile Money Traders of East Africa. The purpose of the training to mobile money agents was to enhance their capacity in identifying suspicious transactions in light of the increased usage of mobile money services in Uganda.



CHAPTER 5

OBJECTIVE 4.

RECEIPT, ANALYSIS AND DISSEMINATION OF INFORMATION



Background

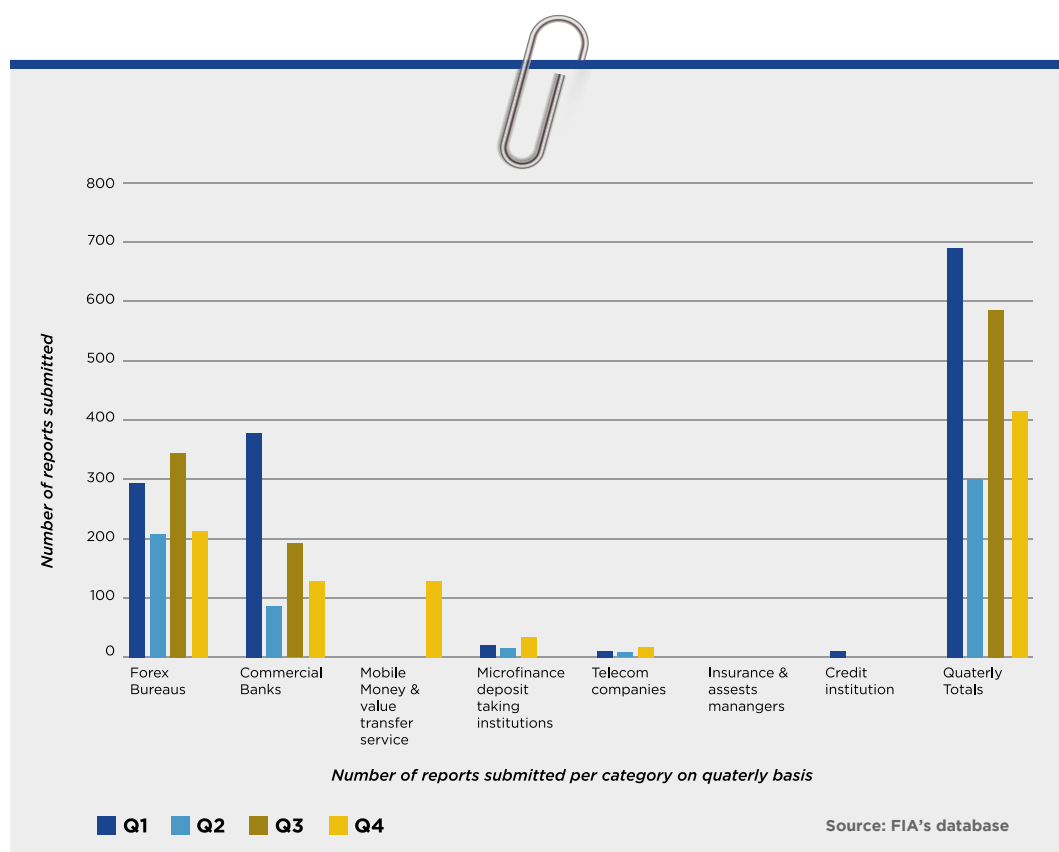
4.1 Suspicious Transaction Reports (STRs) Received

The core mandate of the Financial Intelligence Authority as required by international standards is to receive, analyze and disseminate financial intelligence reports to law enforcement agencies and as appropriate to competent authorities. During the FY 2019/2020, FIA received 1996 STRs, as summarized in the table below.

Table Showing of Status of Registration Of Accountable Persons

Category	Q1	Q2	Q3	Q4	Totals	%
Forex Bureaus	286	203	346	212	1047	52
Commercial Banks	370	78	190	137	775	39
Mobile Money and Value Transfer Service	0	0	0	75	75	4
Microfinance Deposit Taking Institutions	16	9	28	1	54	3
Telecom Companies	11	9	13	0	33	2
Insurance & Asset Managers	2	2	0	0	4	0
Credit Institution	6	1	1	0	8	0
Total	691	302	578	425	1996	100%

Graphic illustration of STRs Received by Category of Accountable Persons FY 2019/2020



From the table above, it can be noted that; 1047 (52%) STRs were received from forex bureaus compared to 69 (13%) received in the previous year; 755 (39%) STRs were received from commercial banks; 75 (4%) STRs were received from mobile money and value transfer service providers; and 5% were received from the rest of the reporting entities that include; Microfinance Deposit Taking Institutions, Insurance & Asset Managers and Credit Institutions.

The trend indicates that a majority of STRs submitted were filed by forex bureaus followed by commercial banks. However, in comparison with last year; the STRs received from forex Bureaus increased exponentially by 978 from 69 reports filed last year. This is partly attributed to increased awareness and in identification of suspicious transactions by forex bureaus. Below is a table of cumulative STRs received by the Authority since its inception.

Table of Cumulative STRs since inception of FIA

	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	Total
Disseminated	32	49	286	286	286	286	286
Closed	60	119	370	370	370	370	370
Work in progress	118	135	370	370	370	370	370
Total	210	303	367	435	533	1996	3844

4.2 Large Cash and/or Monetary Transactions Reports

The large cash transactions (LCTs) are reported to the Authority by accountable persons in accordance with Section 8 of the Anti-Money Laundering Act, 2013 (as amended). The reports are filed electronically through the goAML electronic system.

Analysis is done on a risk-based approach and archived for future reference. The Authority received on average 145 LCTs consisting of an average of 4.76 million transactions from at least 35 accountable persons in every quarter of the financial year.

4.3 Cross-Border Declarations of Currency and Bearer Negotiable Instruments

Section 10 of the Anti-Money Laundering Act 2013 (as amended), provides a requirement for domestic or foreign currency and negotiable bearer instruments exceeding one thousand five hundred currency points, being transported into or sent across the national borders of Uganda to be declared to URA at the point on entry or exit. URA is then required, without delay to forward to the Authority any declarations completed.

The recommendations of the task force are being considered and once implemented, URA will be able to compile the reports and submit to FIA. Filing of these reports was also affected by the closure of the national borders occasioned by the Covid-19 containment measures, put in place by government during the third quarter of the year.

During the year, URA did not file any reports with the FIA. Inability to declare currency and negotiable bearer instruments is attributed to a number of factors which were identified by a joint task force set up by FIA and URA.

4.2 Sharing of Information

Sharing and exchange of information between FIA and Law Enforcement Agencies, enables effective detection, deterrence and combating of financial crimes in the country. This is equally true internationally when information is exchanged between FIUs and as required by international AML/ CFT standards.

i ► Dissemination of Intelligence Reports

During the financial year and in accordance with S.20 (1) (b) of AMLA, forty-one (41) intelligence reports were disseminated to law enforcement agencies compared with seventy-nine (79) disseminated during the previous year. The disseminations during the year are summarized in the table below.

Table of Number of Intelligence Reports Disseminated

Entity	Q1	Q2	Q3	Q4	Total	%	Nature
IG	0	0	1	0	1	2	Corruption
Police CID	7	2	13	6	28	68	Fraud/ML
Police CT	1	1	2	0	4	10	Terrorism Financing
URA	1	1	4	0	6	15	Tax Evasion
UWA	0	0	30	1	1	2	Illegal wildlife Trade
JSC	32	32	32	32	32	32	Corruption
Total	29	20	43	8	41	100%	

From the table above, it can be noted that the 3 largest disseminations were with respect of fraud, tax evasion and corruption, which, is consistent with the findings of the National ML/TF Risk Assessment carried out in 2017.

ii ► Requests from and/or to Law Enforcement Agencies and other MDAs

During the year, the FIA requested and exchanged information with the different LEAs and MDAs. The Authority received 31 requests mainly from Uganda Revenue Authority, Police-CID and the Inspectorate of Government. The Authority responded to all the requests.

iii ► Exchange of Information with foreign FIUs

In accordance with S.38 (b) of AMLA, 2013 (as amended), the Authority exchanged information with foreign counter-parts. FIA received and responded to 33 requests from 23 different FIUs and at the same time it sent out 16 requests for information to 4 different FIUs. Two spontaneous disseminations were received from 2 different FIUs.

The FIA also disseminated 7 intelligence reports to foreign FIU's. Most of the information requests received and responded by the FIA were on money laundering, fraud and wildlife trafficking. Exchange and sharing of information among FIUs is conducted through the Egmont Secure Website, dedicated for this purpose

4.5 Financial/Integrity Due Diligence

During the FY 2017/18, Cabinet directed FIA to support MDAs to conduct financial/integrity due diligence on private companies intending to partner with Government to implement infrastructure development on a Public Private Partnership (PPP) framework. The intention is to mitigate against partnering with foreign investors who may be potential fraudsters. During the year under review FIA continued to receive and respond to requests from various MDAs.

The experience gained by FIA so far from conducting due diligence shows that it is an expensive but worthwhile exercise.

This exercise has quickly become a high cost item for the FIA because of the challenges of establishing the ultimate beneficial owners of many legal entities. This is due to the general paucity of company information in many jurisdictions, especially those designated as tax havens which, affects the turnaround time in handling these requests. Like all other activities, financial due diligence as well was severely constrained during the fourth quarter of the FY due to the on-set of covid-19 pandemic. The table below is a summary of the number of requests from MDAs that FIA has handled during the FY 2019/20.

Table of Number of Requests received from MDAs for Financial Due Diligence FY 2019/2020

Requesting Entity	Number of requests	Status of Requested Reports
MOFPED	6	Concluded
MOFPED	10	60
Ministry of Works and Transport	1	Ongoing, pending receipt of additional information from MOFPED and/or from foreign FIUs.
Total	17	



CHAPTER 6

OBJECTIVE 5.

INTERNATIONAL COOPERATION



Background

International cooperation forms a bedrock for the global AML/CFT framework. The standards require exchange of information between FIUs, both upon request and spontaneously. Countries are also required to have in place effective and efficient processes for; providing and requesting for; mutual legal assistance; and extradition of suspected criminals.

5.0 Suspicious Transaction Reports (STRs) Received

International cooperation forms a bedrock for the global AML/CFT framework. The standards require exchange of information between FIUs, both upon request and spontaneously.

Countries are also required to have in place effective and efficient processes for; providing and requesting for; mutual legal assistance; and extradition of suspected criminals.

5.1 Exchange of Information between FIA and foreign FIUs

The Authority dutifully exchanged financial information with foreign FIUs. It both received and submitted requests to foreign FIUs as summarized under paragraph 4.4 (iii) above. With the admission of FIA to the Egmont Group of FIUs on the 3rd July 2019, the FIA gained access to the Egmont Secure Web (ESW).

The ESW is a secure platform for the exchange of information, expertise and financial intelligence to combat money laundering and terrorist and proliferation financing (ML/ TF/PF).

5.2 Admission of FIA to Egmont Group of FIUs

The Authority was admitted to Egmont Group on 3rd July 2019. This admission is a major milestone because it provides a platform for the secure exchange of expertise and financial intelligence to combat money laundering, terrorist and proliferation financing (ML/TF/PF). The membership of FIA was approved during the 26th plenary meeting of the Egmont Group which took place from July 01st - 7th 2019 at The Hague, Netherlands. The Egmont Group recognizes sharing of financial intelligence is of paramount importance and has become the centre of international efforts to counter ML/TF.

Financial Intelligence Units (FIUs) around the world are obliged by international AML/CFT standards to exchange information and engage

in international cooperation. As an international financial intelligence forum, the Egmont Group both facilitates and prompts information exchange amongst its member FIUs. It is able to effectively accomplish this role by leveraging on the use of its secure communications platform by all the member FIUs worldwide. The admission of FIA, brings the total membership of Egmont to 164. The number of information requests received and made by the FIA has tremendously increased compared to previous years. It is expected that this trend will continue in the new financial year.

5.3 Follow-up Reporting to ESAAMLG on Uganda's Mutual Evaluation

Uganda's second round of ESAAMLG Mutual Evaluations was conducted from 15th -26th June 2015. The Mutual Evaluation Report (MER) was adopted by the ESAAMLG Council of Ministers in May 2016.

According to the MER, 35 out of the 40 Recommendations were rated as Partially Compliant (PC) and Non-Compliant (NC) representing 88% for technical compliance and 11 out of the 11

Immediate Outcomes (IOs) were rated Low for Effectiveness representing 100%. The grading for ratings on; Technical Compliance with the 40 Recommendations; and for the Effectiveness (under the Immediate Outcomes) of implementing them was based-on criteria summarized in the tables below;

Methodology for Technical Compliance (TC) Ratings

Compliant (C):	▶ Where there are no shortcomings identified in the system
Largely Compliant (LC):	▶ Where there are only minor shortcomings identified
Partially Compliant (PC):	▶ Where there are moderate shortcomings identified;
Non-Compliant (NC):	▶ Where there are major shortcomings identified;
Not Applicable (NA):	▶ Where the requirement being assessed does not apply, due to the structural, legal or institutional features of a country.

Methodology for Effectiveness (IOs) Ratings

High level of effectiveness	▶ The IO is achieved to a very large extent. Minor improvements needed.
Substantial level of effectiveness	▶ The IO is achieved to a large extent. Moderate improvements needed.
Moderate level of effectiveness	▶ The IO is achieved to some extent. Major improvements needed
Low level of effectiveness	▶ The IO is not achieved or achieved to a negligible extent. Fundamental improvements needed.

In June 2018, Uganda submitted a request for technical compliance re-ratings on 16 Recommendations: Recs. 1, 5, 6, 11, 12, 15, 16, 17, 18, 19, 20, 26, 27 (originally rated NC) and Recs.3, 10 and 29 (originally rated PC). Uganda's technical compliance ratings were reviewed and re-rated as indicated in the table below.

Table of Summary of Ratings scored on each of the FATF Recommendations (before re-rating)

	Compliant (C)	Largely Compliant (LC)	Partially Compliant (PC)	Non-Compliant (NC)
Recommendation Number (R)	R.9, R.13, R.21, R.36	R.4	R.2, R.3, R.10, R.14, R.22, R.23, R.29, R.30, R.31, R.34, R.35, R.37, R.38, R.40	R.1, R.5, R.6, R.7, R.8, R.11, R.12, R.15, R.16, R.17, R.18, R.19, R.20, R.24, R.25, R.26, R.27, R.28, R.32, R.33, R.39
Ratings Scored	4-Cs	1-LC	14-PCs	21-NCs(NC)

As a result of the 2018 re-rating, Uganda's technical compliance is reflected as follows:

Table of Summary of Ratings on each of the FATF Recommendations (after the re-rating)

	Compliant (C)	Largely Compliant (LC)	Partially Compliant (PC)	Non-Compliant (NC)
FATF Recommendation	R.3, R.5, R.9, R.11, R.13, R.16, R.17, R.18, R.20, R.21, R.36	R.4	R.1, R.2, R.10 R.12, R.14, R.15, R.19, R.22, R.23, R.27, R.29, R.30, R.31, R.34, R.35, R.37, R.38, R.40	R.6, R.7, R.8, R.24, R.25, R.26, R.28, R.32, R.33, R.39
Ratings Scored	11 – Cs	1-LC	18 – PCs	21-NCs(NC)

Uganda however, remained rated 'low' against all the 11 Immediate Outcomes. This is because the ESAAMLG procedures provide that the re-rating of IOs, can only be considered after 5 years following a mutual evaluation exercise, which should be after 2021.

Table of Details of Ratings on Intermediate Outcomes

	Intermediate Outcomes	
IO.1	Risk, policy and coordination	Low
IO.2	International cooperation	Low
IO.3	Supervision	Low
IO.4	Preventive measures	Low
IO.5	Legal persons and arrangements	Low
IO.6	Financial Intelligence	Low
IO.7	ML investigation & prosecution	Low
IO.8	Confiscation	Low
IO.9	TF investigation & prosecution	Low
IO.10	TF preventive measures & financial sanctions	Low
IO.11	PF financial sanctions	Low

5.4 Progress to Improve Technical Compliance

During the year, Uganda registered some progress towards improving its technical compliance. As a result, FIA presented Uganda's application to ESAAMLG to have her mutual evaluation ratings on 15 FATF Recommendations reviewed for re-rating.

The report submitted to ESAAMLG summarizes the significant developments and progress made by Uganda since the last re-rating. The report was submitted on 5th October, 2019 and is still pending consideration by ESAAMLG Secretariat.

Table of Details of Ratings on Intermediate Outcomes

	Initial MER rating	Re-rating (Sept 2018)	Re-rating Request
Recommendation 1	PC		LC
Recommendation 2	PC		C
Recommendation 10	PC	PC	C
Recommendation 12	NC	PC	C
Recommendation 14	PC		C
Recommendation 19	NC	PC	C
Recommendation 23	PC		C
Recommendation 26	NC	NC	LC
Recommendation 27	NC	PC	C
Recommendation 30	PC	PC	C
Recommendation 31	PC		C
Recommendation 32	NC		C
Recommendation 35	PC		C
Recommendation 37	PC		C
Recommendation 40	PC		LC

FIA has however, continued to file follow-up progress reports with ESAAMLG bi-annually, reporting progress that Uganda is making, in accordance with ESAAMLG's procedures, including in the area of effectiveness, where it was rated low in all the eleven intermediate outcomes. Following Uganda's exit from its first "black-listing" in October 2018, the FATF placed it under a one-year observation period, to observe progress that the country was making. Uganda submitted its first post observation report to ICRG in October 2019 and was reviewed in January 2020. The Africa/Middle- East Joint Review Group of the ICRG determined that Uganda had made positive and tangible progress in increasing effectiveness for immediate outcome 6 (IO-6) and on Recommendation 29 (R.29).

In particular, criterion 29.4 of R.29 required the FIA to demonstrate capacity to conduct both operational and strategic analysis to identify specific targets, follow trail of particular activities or transactions and determine links between the targets and possible proceeds of crime.

However, the Joint Review Group noted that a number of strategic deficiencies remained outstanding on both technical compliance and effectiveness. As a result, the Group recommended and the FATF plenary adopted the recommendation placing Uganda again on the grey-list.

The Government of Uganda through the Ministry of Finance, Planning and Economic Development has made a high-level political commitment to address the identified strategic deficiencies. The timelines for the Action Plan for addressing the deficiencies was agreed-on between Uganda officials and the FATF-ICRG team. The FIA and relevant agencies are currently implementing the Action Plan to ensure that Uganda is exited from the "grey" list.

5.5 International Meetings and Engagements

As a partner in the global effort to combat ML/TF, during the year, FIA staff participated and attended various international meetings that include;

- i ➤ FIA represented by the Executive Director attended the Egmont Group Plenary meetings in July 2019. It is in this meeting that Uganda was admitted to the Egmont Group of FIUs.
- ii ➤ The FIA submitted to the ICRG/Africa & Middle East Joint Group, a Post Observation Report (POPR) on Uganda's progress towards increasing effectiveness on each of the Immediate Outcomes rated as low or moderate. This was done in preparation of the face to face meetings in Rabat, Morocco.
- iii ➤ Participation in the ESAAMLG Taskforce Meeting of Senior Officials. FIA represented by the Executive Director and other senior staff, attended the meeting which took place in September, 2019 in Eswatini.
- iv ➤ The Executive Director led a Uganda delegation that attended the face to face meetings held in Rabat, Morocco to discuss Uganda's Post-Observation Report and Action Plan.
- v ➤ FIA represented by the Deputy Executive Director, participated in the Egmont Group Plenary meetings that were held in January, 2020 in Mauritius.

5.6 Hosting of the ESAAMLG Task-Force of Senior Officials and Council of Ministers Meetings 2020.

During the year under review Cabinet approved the Minister of Finance, Planning and Economic Development to host ESAAMLG Task-Force of Senior Officials and Council of Ministers Meetings. The meeting is scheduled to take place from 30th August 2020 to 05th September 2020. It is anticipated that the meeting will be attended by 54 Ministers responsible for Finance, Justice and Law Enforcement from the 18 ESAAMLG-member countries. In addition, over 500 participants; including 400 delegates from the ESAAMG region and abroad and 100 Ugandan AML/CFT stakeholders. However, in light of the COVID -19 precautionary measures put in place by government to control the spread of the pandemic, Minister of Finance, Planning and Economic Development has written to ESAAMLG Secretariat requesting for a postponement of the meeting to next year in August/ September, 2021.

This request is currently under consideration by the ESAAMLG secretariat. The meeting is therefore unlikely to take place in 2020 as earlier planned, unless the pandemic abets early enough. Hosting the meetings would enable Uganda fulfill her obligations as stipulated in the Memorandum of Understanding that establishes ESAAMLG. It would also bring additional benefits including; highlighting the progress that Uganda has made in strengthening its AML/CFT system; enhancing the country's tourism attractions; and increasing trade and investment arising from media coverage across the world.



CHAPTER 7

OBJECTIVE 6.

ENHANCEMENT OF EFFICIENCY AND EFFECTIVENESS OF FIA



Objective 6: *Enhancement of Efficiency and Effectiveness of FIA*

Background

6.1 The FIA Staff matters

The staff strength at FIA during the year increased to 40. This is follows, the recruitment of two additional staff. The Director for IT Systems Administration and Security and a Driver. The total staff strength now stands at 62.5% of the approved FIA organizational structure.

Table of positions filled in the Authority as at June 30, 2020

Position	Number of staff
Executive Director	1
Deputy Executive Director	1
Director IT Systems Administration and Security	1
Director IR & Strategic Analysis	1
Manager Inspection and Compliance	1
Manager Operational Analysis	1
Manager Accounts	1
Manager Procurement	1
Manager Legal	1
Manager International Relations & Strategic Analysis	1
Manger Audit	1
Manager Human Resource	1
Senior Inspections and Compliance Officer	1
Senior Network Administration Officer	1
Operational Analysis Officers	5
International Relations & Strategic Analysis	2
Inspection and Compliance	4
Legal Officers	2
Accounts Officer	1
IT Officers	3
Secretary	1
Receptionist	1
Law Clerk	1
Driver	4
General Assistant	1
Total number of FIA staff	40

To achieve operational efficiency in implementation of its activities, staff of the Authority regularly held the following meetings; Quarterly Budget and Finance Committee; Monthly Staff meetings; Fortnightly top management meetings; Weekly Transactions Committee meetings; and Procurement Contract Committee meetings. In addition, staff participated in various

meetings that contribute to strong partnerships with AML/CFT stakeholders. Some of these meetings included; Uganda AML/CFT task force; Joint anti-terrorism task force; goAML implementation task force; Heads of institutions of the anti-corruption leadership; Accountability Sector Working Group; and meetings held with various accountable persons.

6.2 Staff Training and Capacity Development

Staff training and capacity development are meant to keep staff up-to-date with the evolving AML/CFT risks. During this period, a number of staff attended various short training courses, seminars and workshops that were conducted both physically (before covid-19) and virtually (after covid-19) within and out of the country. Staff training and capacity development continues to be a key priority area for improving effectiveness and efficiency in achieving the Authority's mandate. The training workshops and seminars attended include;

6.2.1 Training held within the country

The trainings undertaken within the country include;

- i ➤ FIA represented by the Executive Director attended the Egmont Group Plenary meetings in July 2019. It is in this meeting that Uganda was admitted to the Egmont Group of FIUs.
- ii ➤ The FIA submitted to the ICRG/Africa & Middle East Joint Group, a Post Observation Report (POPR) on Uganda's progress towards increasing effectiveness on each of the Immediate Outcomes rated as low or moderate. This was done in preparation of the face to face meetings in Rabat, Morocco.
- iii ➤ Participation in the ESAAMLG Taskforce Meeting of Senior Officials. FIA represented by the Executive Director and other senior staff, attended the meeting which took place in September, 2019 in Eswatini.

6.2.2 Training held outside the country

The trainings undertaken out of the country include;

- i ➤ One officer attended the Asset Recovery Inter-Agency Network for Southern Africa (ARIN-SA) regional workshop held in Dar es Salaam, Tanzania.
- ii ➤ Two officers participated in the Annual Chief Legal Officers General Counsel & Company Secretaries Excellence 2019 seminar that took place in Dubai.
- iii ➤ Three officers attended a course on Fraud Detection, Analysis & Prevention in the Public Sector while three other staff members attended a course on Fraud Detection in Procurement, both held in South Africa.
- iv ➤ One IT officer attended a course on Ethic Hacking that was held in Bangalore, India.

6.3 Information Security

During the year, FIA maintained a robust IT system which, is a key prerequisite for achieving efficiency in operations and safeguarding IT infrastructure against evolving cyber threats. The following IT security enhancements were conducted;

- i ➤ The Kaspersky end point security annual license was renewed and implemented to ensure continued protection of all the Authority's laptops, mobile phones, computers and servers from phishing, malware, virus and trojan attacks. Additional Kaspersky licenses were applied to the Authority's mobile devices.
- ii ➤ Cisco Firewall licenses i.e. firepower and smart-net were procured and implemented. The license ensures comprehensive, unified policy management of the existing firewall functions, application control, threat prevention and advanced malware protection of the Authority's network and Application servers.

- iii ➤ The Intrusion Prevention Services (IPS) and Unified Resource Locator (URL) filtering Capabilities were also secured.

6.4 Planning and Budgeting

6.4.1 Review of the current FIA strategic plan FY 2017/18-2019/20

During the year, the Authority's Strategic Plan for FY 2017/2018 - 2020 was reviewed. The purpose of the review was to assess the level of its implementation, since it was due to expire in June 2020. The assessment established that FIA registered 74% achievement in implementing the Strategic Plan FY 2017/2018 - 2020. Lessons were drawn and these formed part of the foundation in developing the new strategic plan of the Authority.

6.4.2 Development of a new FIA Strategic Plan; FY 2020/21 - 2024/25

Following the successful review of the Strategic Plan FY 2017/2018 -2019/2020, the Authority immediately developed a new 5-year Strategic Plan for FY 2020/21-2024/25. It was considered by the FIA Board and forwarded to the National Planning Authority for endorsement. The plan addresses the challenges encountered while executing the previous one and provides remedies on how the FIA will utilize its resources to deliver its mandate.



FIA registered 74% achievement in implementing the Strategic Plan FY 2017/2018 - 2020

6.4.3 Financial Performance

During the FY 2019/20, out of the Authority's approved budget of UGX. 13,016,578,446=, a total of UGX. 10,273,634,643= (or 78.9%) was released, of which, UGX. 10,273,117,432= (or 99.9%) was spent. The balance of 0.1% of the funds released, which is the difference between budget appropriation and releases arose out of foreign exchange gains and was returned to the consolidated fund. A summary of the budget performance is summarized in the table below.

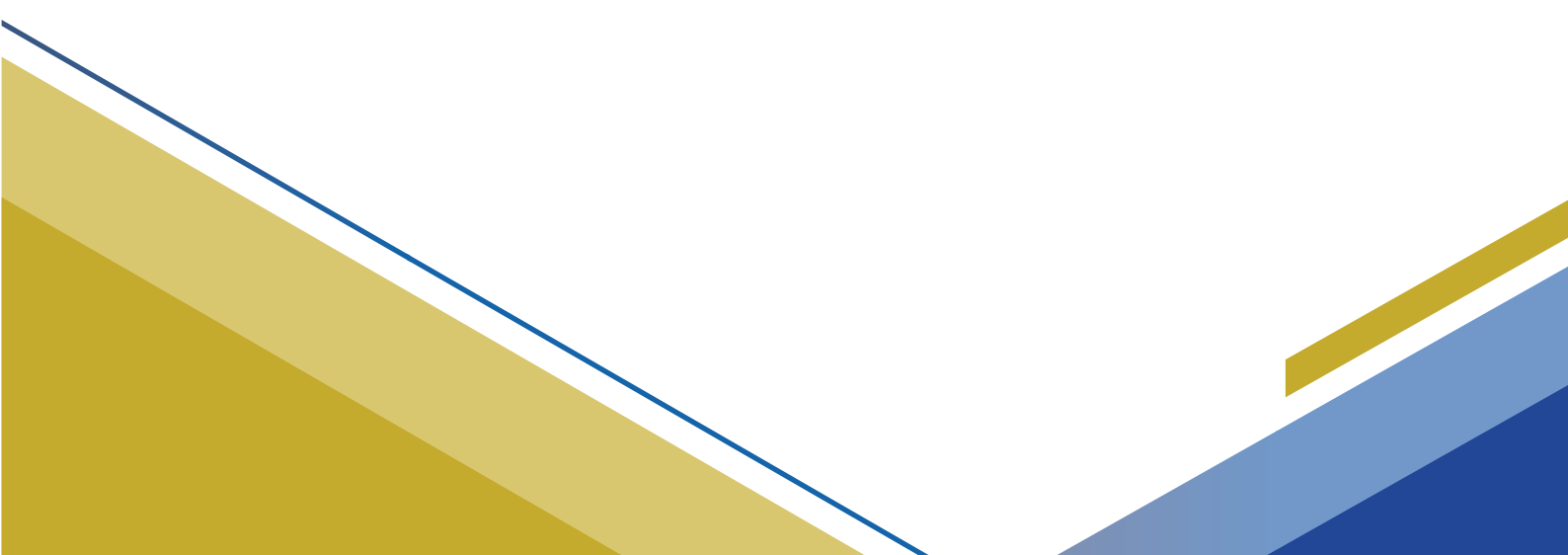
A Table Summarizing Budget Performance for FY 2018/2019

Entity	Budget	Release For Qtr 1	Release For Qtr 2	Release For Qtr 3	Release For Qtr 4	Payment	Unspent
Statutory Wage	3,477,400,000	869,350,000	869,350,000	869,350,000	1,135,950,000	3,744,000,000	Nil
Gratuity	3,477,400,000	174,420,000	174,420,000	174,420,000	174,420,000	697,680,000	Nil
Non-Wage	8,626,498,446	1,413,165,546	2,557,307,324	1,431,521,442	257,960,331	5,659,437,432	517,211
Development	215,000,000	107,500,000	64,500,000	Nil	Nil	172,000,000	Nil
Arrears	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	13,016,578,446	2,564,435,546	3,665,577,324	2,475,291,442	1,568,330,331	10,273,117,432	517,211



CHAPTER 8

CHALLENGES AND CONSTRAINTS ENCOUNTERED IN FY 2019/20 AND THE PRIORITIES OF FY 2020/21



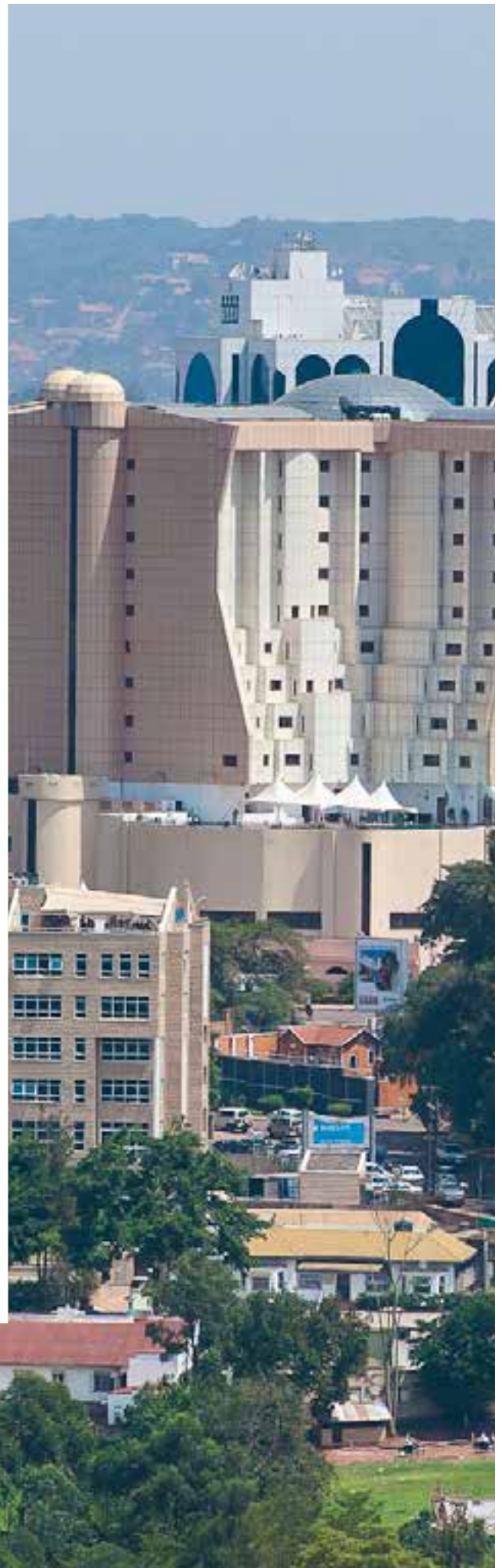
8.1 Main Challenges Encountered and proposed way forward

- i ➤ Inadequate budgetary provisions/budget cuts/shortfalls. The FIA is currently reprioritizing its activities within the available meagre resources and continues to engage the Ministry of Finance, Planning and Economic Development for additional resources especially for key unfunded and underfunded activities.
- ii ➤ Inadequate staffing in light of a limited budget. FIA has decided to plan a phased recruitment of staff, while engaging the Ministry to provide resources for recruitment of key positions.
- iii ➤ Prioritizing training of staff to increase staff skills, AML/CFT knowledge and competencies.
- iv ➤ There is a challenge of limited public awareness of AML/CFT matters. The FIA will continue to engage the general public and key stakeholders through various media platforms to increase their understanding of AML/CTF matters.
- v ➤ Establishing an AML/CFT regulatory framework for non-regulated sectors such as the real estate sector. The FIA in collaboration with the Ministry of Lands, Housing and Urban Development initiated a taskforce to jointly come up with a framework for the AML/CFT regulation that is a challenge in the sector.
- vi ➤ Lack of administrative sanctions. The Authority faces the challenge of lack of administrative sanctions to be applied on non-compliant accountable persons. This impacts on the effectiveness of the anti-money laundering laws and its accompanying regulations.
- vii ➤ Implementation of FATF Recommendations affecting MDAs where FIA has limited direct influence.
- viii ➤ Inadequate training and awareness of AML/CFT matters by law enforcement agencies and competent authorities, including Judicial Officers on, money laundering and terrorism financing investigations, which explains the tendency to concentrate only on predicate offences. This is being handled through increased capacity building and inter agency cooperation.
- ix ➤ A large informal sector with large volumes of financial transactions undertaken in cash rather than through the formal financial system making it difficult to have them reported to the FIA. As a result, criminals prefer transacting informally especially in unregulated sectors like real estate. FIA continues to engage relevant stakeholders to fast track financial inclusion policies.
- x ➤ Slow Transitioning from manual to electronic reporting of STRs and LCTRs brought about by the limited technical preparedness and inadequate IT infrastructure that some accountable persons have.
- xi ➤ Inadequate training and awareness of AML/CFT obligations by a large number of accountable persons, particularly among the Designated Non-Financial Businesses and Professions (DNFBPs).
- xii ➤ The emergence of new and potentially serious ML/TF threats and vulnerabilities occasioned by innovations in blockchain technology that has enabled the creation of new products, like virtual assets and cross-border payment platforms that are not yet regulated in many jurisdictions.
- xiii ➤ Low implementation of declarations of currency and bearer negotiable instruments at the border entry points, due to inadequate financial and human resources, as was reported last year.

8.2 Priorities for the FY 2020/2021

The key priorities that the Authority intends to implement in the next financial year include;

- i ▶ The Authority will continue implementing a phased recruitment of staff and ensure that they are well trained and acquire professional accreditation. The number of staff in the Authority currently stands at 62.5% of the approved positions which affects implementation of activities.
- ii ▶ Conduct public awareness across the country to increase understanding of AML/CFT matters.
- iii ▶ Roll out of goAML electronic reporting system to more accountable persons, including DNFBPs to ease reporting.
- iv ▶ Enhance awareness of accountable persons to file STRs and streamline the dissemination of information to competent authorities.
- v ▶ Undertake 2 sector-specific ML/TF risk assessments to identify vulnerabilities with a view to support strategic analysis and inform policy.
- vi ▶ Enhance capacity building of accountable persons, especially DNFBPs to detect and report suspected ML/TF activities.
- vii ▶ Review the National AML/CFT Policy, the AML Act, 2013 and accompanying regulations to ensure that they meet international standards and emerging ML/TF challenges.
- viii ▶ Support the Ministry of Lands, Housing and Urban Development to establish a framework for the AML/CFT regulation of the sector.
- ix ▶ Strengthen domestic coordination among the key AML/CFT stakeholders to fast track the implementation of the FATF-ICRG Action Plan in order to get the country out of the grey-list. x. Improve on efficiency of IT systems to support analysis function and boost efficiency of the Authority.





CHAPTER 9

FINANCIAL STATEMENTS

Statement of Responsibilities of the Accounting Officer

The financial statements set out on pages 45 to 81 have been prepared in compliance with the provisions of the Public Finance Management Act, 2015 (the Act) and the generally accepted accounting practice for the public sector. They have been prepared on the modified accrual basis of accounting where revenue recognized when earned with the exception of revenues from taxes and grants which is recognized when received. Expenditure on the other hand is recognized when incurred as further detailed in the accounting policies attached to these financial statements.

It should be noted these financial statements however, have not been audited by the Auditor General at the time of publication.

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 as amended.



Accounting Officer
Sydney Asubo

Date

Commentary on the Financial Statements by the Head of Accounts

The Financial Intelligence Authority received from UCF a total of ugx. 10,273,634,643 out of a total budget of 13,283,178,446. The deficit of ugx 3,008,543,803 is attributed to the current pandemic of covid -19.

Therefore, FIA realized only 77.3% of the funds allocated as follows:

Statutory Wage	3,744,000,000
Gratuity	697,680,000
Non- Wage	5,659,954,643
Development	172,000,000
Arrears	Nil
TOTAL	10,274,634,643

The total operating revenue including the NTR is ugx 10,275,717,432 and the total operating expenses was ugx 10,494,908,232 giving us a deficit of 221,790,800 which is Rent Payable.

The opening balance of payable of ugx 110,554,585 refers to rent arrears of 2018/2019 which was expected to be settled in the reporting year but due to budget cuts, this was not possible and so it's expected to be handled in 2020/2021. New arrears incurred in the financial year amounts to ugx 221,790,800 giving us total accumulated payable of 332,345,385 as at 30th June 2020.

I confirm that the Authority has not departed from the accounting principles and best practices in the preparation of the financial statements. I take full responsibility for the completeness and integrity of these Financial Statements

.....
Head of Accounts
Nanyama Rebecca Mella

.....
Date

Statement of Financial Performance

The Financial Intelligence Authority received from UCF a total of ugx. 10,273,634,643 out of a total budget of 13,283,178,446. The deficit of ugx 3,008,543,803 is attributed to the current pandemic of covid -19.

Therefore, FIA realized only 77.3% of the funds allocated as follows:

Based on classification of expenditures by nature

	Note	Actual 30 June 2020 (SHS)	Actual 30 June 2019 (SHS)
▶ OPERATING REVENUE			
Taxes	2		
External Assistance	3		
Transfers received from Treasury- UCF	4	10,273,117,432	12,236,534,222
Transfers received from Other Government units	5	000	000
Non-Tax revenue	6		
Total operating revenue		10,275,717,432	12,250,034,222
▶ OPERATING EXPENSES			
Employee costs	7	5,223,460,000	5,223,460,000
Goods and services consumed	8	5,099,448,232	6,976,438,586
Consumption of property, plant & equipment	9	5,099,448,232	6,976,438,586
Subsidies	10	172,000,000	409,298,587
Transfers to other Organizations	11	000	000
Social benefits	12	000	000
Other operating expenses	13	000	000
Total operating revenue		10,494,908,232	12,136,957,632
▶ EXCESS OF REVENUE OVER EXPENDITURE FROM OPERATING ACTIVITIES			
Foreign exchange loss /Gain	14		
Finance costs	15		
Transfers to Treasury	16(a)	-2,600,000	-13,500,000
Excess of Revenue over expenditure for the year		-221,790,800	12,136,957,632




Accounting Officer
Sydney Asubo

Statement of Financial Position

	Notes	30 June 2020 (SHS)	30 June 2019 (SHS)
ASSETS			
Cash and cash equivalents	17	000	000
Receivables	18	000	72,000
Inventories	19	000	000
Investments	20	000	000
Non-Produced Assets	21	000	000
Total Assets		000	72,000
LIABILITIES			
Borrowings ²	2	000	000
Payables	23	332,345,385	110,554,585
Deposits	24	000	000
Pension Liability	25	000	000
Total Liabilities		332,345,385	110,554,585
Net assets (liabilities)		000	000
REPRESENTED BY:			
Net assets (liabilities)		-332,345,385	-110,482,585

Statement of Changes in Equity (Net Worth)

	Schedule	30 June 2020 (SHS)	30 June 2019 (SHS)
At 1 July - Net worth Last Year (B/F)		-110,482,585	-110,482,585
Less: Transfers to the UCF account	Note 16(b)	000	000
+/- Balance sheet adjustments	Note 26	-72,000	000
Revaluation reserves			000
Add: Excess of revenue over expenditure for the Year			000
Total Assets		110,554,585	110,482,585



Accounting Officer
Sydney Asubo



Cash flow Statement for the year ended

	30 June 2020 (SHS)	30 June 2019 (SHS)
--	-----------------------	-----------------------

► CASH FLOWS FROM OPERATING ACTIVITIES

Revenue from Operating activities (see below)	10,273,117,432	10,273,117,432
PAYMENTS FOR OPERATING EXPENSES		
Employee costs	5,223,460,000	4,751,220,459
Goods and services consumed	000	000
Subsidiess	000	000
Transfers to Other Organizations	000	000
Social benefits	000	000
Other expenses	000	000
Foreign exchange loss/gain	000	000
Net Advances paid	72,000	72,000
Domestic arrears paid during the year	10,273,117,432	10,273,117,432
Deposits paid	000	210,059,175
Pension Arrears paid during the Year	000	000
Losses of cash	000	000
Letters of Credit receivable	000	000
Total payments for operating activities	10,101,189,432	11,827,235,635
Net cash inflows/(outflows) from operating activities	171,928,000	409,298,587

► CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment	172,000,000	409,298,587
Purchase of non-produced assets	000	000
Proceeds from sale of property, plant and equipment	000	000
Purchase of investments	000	000
Proceeds from sale of investments	000	000
Net cash inflows/(outflows) from investing activities	-72,000	000

► CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from external borrowings	000	000
Repayments of external borrowings	000	000
Proceeds from other domestic borrowings	000	000
Repayments of other domestic borrowings	000	000
Net cash flows from financing activities	000	000
Net increase (decrease) in cash and cash equivalents	-72,000	000



Accounting Officer
Sydney Asubo

Cash flow Statement for the year ended

► For cash flow purposes receipts from revenue comprise

	Notes	30 June 2020 (SHS)	30 June 2019 (SHS)
Total Revenue as per Statement of Financial Performance		10,275,717,432	12,250,034,222
Add: Advances recovered during the year		000	000
: Revenue receivable collected during the period		-72,000	000
: Deposits received		000	000
Total Revenue		000	000
Less: Grants received in Kind		000	000
Revenue in Kind (Tax waivers)		000	000
Transfers to Treasury (16a)		-2,600,000	-13,500,000
Revenue Receivable for the reporting period		000	000
Total revenue received for Cash flow statement purposes		10,273,117,432	12,236,534,222

► Reconciliation of movement of cash during the year

	Notes	30 June 2020 (SHS)	30 June 2019 (SHS)
At the beginning of the year		000	000
Less: Transfers to the UCF account (Previous Year Balances)	16(b)	000	000
Add/ (Less): Adjustments in cash and cash equivalents	26	72,000	000
Net increase (decrease) of cash from the Cash flow Statement		-72,000	000
At the end of the year		000	000

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

	Notes	30 June 2020 (SHS)	30 June 2019 (SHS)
Cash and cash equivalents	17	000	000
Cash and bank balances		000	000



Accounting Officer
Sydney Asubo

Statement of Appropriation Account (Based on Services Voted)

		Initial Approved Budget 30 June 2020 (SHS) (a)	Revised Approved Budget 30 June 2020 (SHS) (b)	Warrants 30 June 2020 (Shs) (c)	Actual 30 June 2020 (SHS) (d)	Variance Revised Vs Actual 30 June 2020 (SHS) (b-d)	Variance Warrants Vs Actual 30 June 2020 (SHS) (c-d)
RECEIPTS							
Taxes							
External Assistance							
Transfers received from Treasury- UCF		13,016,578,446	13,283,178,446	10,273,634,643	10,273,117,432	3,010,061,014	517,211
Transfers received from Other Government units							
Non-Tax revenue					2,600,000	-2,600,000	-2,600,000
TOTAL RECEIPTS		13,016,578,446	13,283,178,446		10,273,117,432	3,007,461,014	-2,082,789
EXPENDITURE- by services as per appropriation							
Legal, Inspection and Compliance		600,000,000	600,000,000	327,750,000	327,750,000	272,250,000	517,211
International Relations and Strategic Analysis		1,080,000,000	1,080,000,000	635,330,546	635,330,546	444,669,454	000
Finance and Administration		4,258,659,459	4,258,659,459	2,846,323,938	2,845,806,727	1,412,852,732	517,211
AML Systems and ICT Management		500,000,000	500,000,000	169,000,000	169,000,000	331,000,000	000
Human Resource management		6,362,918,987	6,629,518,987	6,123,230,159	6,123,230,159	506,288,828	000
Development Expenditure		215,000,000	215,000,000	172,000,000	172,000,000	43,000,000	000
TOTAL EXPENDITURE		13,016,578,446	13,283,178,446	10,273,634,643	10,273,117,432	3,010,061,014	517,211
NTR transferred to the UCF Account (16a)					2,600,000	-2,600,000	-2,600,000
Net Receipts/Payments		000	000	000	000	000	000



Accounting Officer
Sydney Asubo

Statement of Appropriation Account (based on nature of expenditure)

	Initial Approved Budget 30 June 2020 (SHS) (a)	Revised Approved Budget 30 June 2020 (SHS) (b)	Warrants 30 June 2020 (SHs) (c)	Actual 30 June 2020 (SHS) (d)	Variance Revised Vs Actual 30 June 2020 (SHS) (b-d)	Variance Warrants Vs Actual 30 June 2020 (SHS) (c-d)
RECEIPTS						
Taxes						
External Assistance						
Transfers received from Treasury- UCF	13,016,578,446	13,283,178,446	10,273,634,643	6,924,743,169	10,273,117,432	517,211
Transfers received from Other Government units						000
Non-Tax revenue	000	000	000	13,300,000	-2,600,000	-2,600,000
TOTAL RECEIPTS	13,016,578,446	13,283,178,446	10,273,634,643	10,275,717,432	10,270,517,432	-2,082,789
EXPENDITURE- by services as per appropriation						
Employee costs	5,231,820,000	5,498,420,000	5,223,460,000	5,223,460,000	274,960,000	000
Goods and services consumed	7,569,758,446	7,569,758,446	4,878,174,643	4,878,174,643	2,692,101,014	517,211
Consumption of property, plant & equipment	215,000,000	215,000,000	172,000,000	172,000,000	43,000,000	000
Subsidies						
Transfers to other Organisations						
Social benefits						
Other expenses						
Domestic arrears paid						
Finance costs						
TOTAL EXPENDITURE	13,016,578,446	13,283,178,446	10,273,634,643	10,273,117,432	3,010,061,014	517,211
NTR transferred to the UCF Account (16a)				2,600,000	-2,600,000	-2,600,000
Net Receipts/Payments	000	000	000	000	000	000



Accounting Officer
Sydney Asubo

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

	Actual 30 June 2020 (SHS)	Actual 30 June 2019 (SHS)
Total expenditure per Appropriation Account	10,273,117,432	12,236,462,222
► Add		
Letters of credit receivable prior year but delivered during the year		
Accrued expenditure		
Prepayments performed		110,554,585
► Less		
Letters of credit receivable at year-end		
Domestic Arrears paid		210,059,175
Non produced assets for the period		
Prepayments for the period		
Total expenditure per Appropriation Account	10,273,117,432	12,136,957,632



Accounting Officer
Sydney Asubo



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.




General Information

As required by Section 51(1) of the Public Finance Management Act, 2015, each vote shall prepare annual financial statements for audit, and submit a copy to the Accountant General.



Reporting Entity

The Financial Intelligence Authority is a reporting entity of the Government of the Republic of Uganda and is domiciled in Uganda. The principal address of the entity is:

 Rwenzori Towers,
Wing B 4th Floor Plot 6,
Nakasero Road
P.O. Box 9853 Kampala, Uganda

 www.fia.go.ug



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 money 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.



Classified expenditures

Classified expenditures are included under supply of goods and services in the Statement of Financial Performance, and are audited separately. The money 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.



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 recognized when received. Expenses are recognized 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.



Going concern consideration

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



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.



Reporting Period

The reporting period for these financial statements is from 1 July 2019 to the next 30 June 2020. 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.



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 or reallocations/ virements.



Revenue

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

i ➤ 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 recognized when received.

ii ➤ 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.

iii ➤ **Transfers received**

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.

iv ➤ **Non-Tax Revenue**

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 recognized when revenue is earned. NTR earned but not received is reported in the statement of Financial Position as receivables.



Expenses

Generally, expenditure is recognized when it is incurred. Qualifying¹ unsettled expenditure is recognized 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 recognized in the statement of financial position. Pension liability for non- retirees is neither recognized nor disclosed in the financial statements.



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.



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.



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 equipment are not recognized in the financial statements.

¹

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.



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.



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.



Receivables

i ➤ 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).

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.

iii ➤ Other Receivables

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



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.



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.



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.



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.

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 recognized is disclosed in the statement/schedule of project/ subvention balances.



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.



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.



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 No quantifiable contingent liabilities. Contingent assets are neither recognized nor disclosed.



Commitments

Commitments include operating and capital commitments arising from non-cancelable contractual or statutory obligations. Interest commitments on loans 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.



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

Note 1b: 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 2020	30 June 2020
US \$ ▶		
£ ▶		
€ ▶		

Note 2: Tax Revenues

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

	30 June 2020 (SHS)	30 June 2019 (SHS)
Local Services Tax	000	000
Land fees	000	000
Business Licenses	000	000
Other tax revenues	000	000
Total taxation revenues	000	000

Note 3: External Assistance

	30 June 2020 (SHS)	30 June 2019 (SHS)
Grants from foreign governments	000	000
Grants from International Organizations	000	000
Total Grants	000	000

Note 4: Transfers Received from the Treasury – Consolidated Fund

	30 June 2020 (SHS)	30 June 2019 (SHS)
Transfers from the treasury- current	10,101,117,432	11,827,235,635
Transfers from the treasury- capital	172,000,000	409,298,587
Total Transfers	10,273,117,432	12,236,534,222

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 2020 (SHS)	30 June 2019 (SHS)
Transfers from the treasury- current (Name of the govt unit)		
Transfers from the treasury- capital (Name of the govt unit)		
Total		

Note 6: Non-Tax Revenues

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

	30 June 2020 (SHS)	30 June 2019 (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	2,600,000	13,500,000
Total Non-Tax Revenue	2,600,000	13,500,000

Note 7: Employee Costs

Employee costs principally comprise:

	30 June 2020 (SHS)	30 June 2019 (SHS)
Wages and salaries	4,065,250,000	3,708,300,459
Social contributions	261,630,000	347,640,000
Other employment costs	896,580,000	695,280,000
Total employee costs	5,223,460,000	4,751,220,459

Note 8: Goods and Services

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

	30 June 2020 (SHS)	30 June 2019 (SHS)
General expenses	45,000,001	50,000,000
Communications	45,000,001	50,000,000
Utility and property expenses	45,000,001	50,000,000
Supplies and services	45,000,001	50,000,000
Professional services	45,000,001	50,000,000
Insurances and licenses	45,000,001	50,000,000
Travel and transport	45,000,001	50,000,000
Maintenance	45,000,001	50,000,000
Inventories (goods purchased for resale)		
Total cost of goods and services	5,099,448,232	6,976,438,586

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 June 2020 (SHS)	30 June 2019 (SHS)
Non-Residential buildings	000	000
Residential buildings	000	000
Roads and bridges	000	000
Transport equipment	000	000
Machinery and equipment	000	374,298,587
Furniture and fittings	172,000,000	35,000,000
Other fixed assets	000	000
Total value of property, plant and equipment expensed	172,000,000	409,298,587

Note 10: Subsidies

Subsidies paid during the year are summarized as below:

	30 June 2020 (SHS)	30 June 2019 (SHS)
To public corporations		
To private enterprises		
To private individuals		
Total subsidies for the year		

Note 11: Transfers to Other Organizations

Transfers made during the year are summarized as below:

	30 June 2020 (SHS)	30 June 2019 (SHS)
Transfer to foreign Governments		
Transfers to International Organisations		
Transfers to other government units		
To resident non-government units		
Total transfers		

Note 12: Social Benefits

Social benefits paid during the year comprise:

	30 June 2020 (SHS)	30 June 2019 (SHS)
Pensions		
Employer Social benefits		
Total social benefits		

Note 13: Other Operating Expenses

These comprise:

	30 June 2020 (SHS)	30 June 2019 (SHS)
Property expenses other than interest		
Miscellaneous other expenses- current		
Miscellaneous other expenses- capital		
Total other operating expenses		

Note 14: Foreign Exchange Gains and Losses

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

	30 June 2020 (SHS)	30 June 2019 (SHS)
Realized loss /gain (SFP)		
Unrealized loss /gain (SCE)		
Net foreign exchange gains / losses		

Note 15: Finance costs

Transfers made during the year are summarized as below:

	30 June 2020 (SHS)	30 June 2019 (SHS)
Interests on external debts (external borrowings)		
Interests on other domestic borrowings		
Total finance cost		

Note 16 (a): Transfers to the 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 June 2020 (SHS)	30 June 2019 (SHS)
Non-Tax revenue	2,600,000	13,500,000
Expenditure account balances	000	000
Other cash balances	000	000
Total for the year	2,600,000	13,500,000

Note 16 (b): Transfers to the 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 June 2020 (SHS)	30 June 2019 (SHS)
Non-Tax revenue		
Expenditure account balances		
Other cash balances		
Total for the year		

Note 17: Cash and cash equivalents

	30 June 2020 (SHS)	30 June 2019 (SHS)
DOMESTIC		
Revenue accounts		
Expenditure accounts		
Project accounts		
Collection accounts		
Cash in transit		
Cash at hand- Imprest		
Others		
Sub-total cash and bank balances- domestic		
FOREIGN		
Revenue accounts		
Expenditure accounts		
Project accounts		
Collection accounts		
Cash in transit		
Cash at hand- Imprest		
Others		
Sub-total cash and bank balances- domestic		
Total cash and bank balances		

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

Note 18: Receivables

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

	30 June 2020 (SHS)	30 June 2019 (SHS)
DOMESTIC		
Accrued Revenue	000	000
Loans (short-term) -others	000	000
Advances	000	000
Outstanding letters of credit	000	000
Prepayments	000	000
Other accounts receivable	000	72,000
Total domestic receivables	000	000
FOREIGN		
Loans (short-term) -others	000	000
Advances	000	000
Other accounts receivable	000	000
Total foreign receivables	000	000
Total receivables	000	000
Less provisions against doubtful accounts	000	000
Net receivables	000	72,000

The ageing of the receivables is as below; -

	Current Financial Year (SHS)	Previous Financial Year (SHS)	Other Financial Year (SHS)	Total (SHS)
Accrued revenue				
Advances and loans				
Outstanding letters of credit				
Prepayments				
Other receivables				
Total Receivables				

Note 19: Inventories

Comprise strategic stock and other inventories purchased which have not been expensed.

	30 June 2020 (SHS)	30 June 2019 (SHS)
Strategic stock-petroleum products		
Other inventories (goods purchased for re-sale)		
Total inventories		

Note 20: Investments

Comprise investments as follows:

	30 June 2020 (SHS)	30 June 2019 (SHS)
Securities other than shares (long-term)-domestic		
Shares and other equity-domestic		
Transfers to other government units		
Securities other than shares-foreign		
Total investments		

Note 21: Non-Produced Assets

	30 June 2020 (SHS)	30 June 2019 (SHS)
Land		
Cultivated Assets		
Other Naturally occurring Assets		
Total Non-Produced Assets		

Note 22: Borrowings

	30 June 2020 (SHS)	30 June 2019 (SHS)
DOMESTIC		
Loans from commercial banks		
Interest payable on bank loans/borrowings		
Other		
Total domestic borrowings		
FOREIGN		
Loans from commercial banks		
Interest payable on bank loans/borrowings		
Other		
Total foreign borrowings		
Total borrowings		

Note 23: Payables

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

	30 June 2020 (SHS)	30 June 2019 (SHS)
Trade Creditors	332,345,385	110,554,585
Sundry Creditors		
Committed Creditors		
Accountable advances		
Withholding tax payable		
Advances from other Government units		
Miscellaneous accounts payables		
Total payables	332,345,385	110,554,585

The categorization and ageing of the payables is as below:

	Current Financial Year (SHS)	Previous Financial Year (SHS)	Other Financial Year (SHS)	Total (SHS)
Utilities				
Rent				
Contributions to International Organizations				
Court Awards & Compensations				
Taxes and other deductions				
Goods and services Consumed	221,790,800	110,554,585		332,345,385
Property Plant & Equipment				
Others				
Total Payables	221,790,800	110,554,585		332,345,385

Note 24: Deposits

These are funds held by the vote for onward transfer to another vote, entity, and or individual(s). Total amounts recognized as deposits should be supported by an equivalent amount of cash and cash equivalent in note 18 above or Receivables in Note.18 for only Revolving Funds.

	30 June 2020 (SHS)	30 June 2019 (SHS)
Deposits received		
Total Deposits		

Note 25: Pension liabilities

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. In accordance with the provisions of the Pensions Act.

	30 June 2020 (SHS)	30 June 2019 (SHS)
Former employees in Public Service		
Former employees in Military Service		
Former employees of the Education Service		
Gratuity Arrears		
Total		

The ageing of the pension liabilities is as below; -

	Current Financial Year (SHS)	Previous Financial Year (SHS)	Other Financial Year (SHS)	Total (SHS)
Pensions				
Gratuity				
Total Receivables				

Note 26: Adjustments to reserves

Notes	Opening balance 1st July 2019 (SHS)	Adjustments to the opening balance (SHS)	Transfers to UCF (Prior year balance) 16(b)	Recovery or payments towards the opening balance (SHS)	Net asset or liability incurred/ acquired during the year (SHS)	Closing balance 30 June 2020 (SHS)
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DOMESTIC

Cash and Cash equivalents	17					
Receivables	18					
Accrued Revenue						
Letters of Credit						
Advances						
Other receivables		72,000	72,000			
Investments	20					
Non-Produced assets	21					

LIABILITIES

Borrowings	22					
Payables	23	110,554,585			221,790,800	332,345,385
Deposits	24					
Pensions	25					
Total		110,482,585	72,000		221,790,800	332,345,385

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

Statement of Revenues collected during the year

(Based on source of revenue) Memorandum Statement

Actual Collected 30 June 2019 (Shs)		Notes	Actual Collected 30 June 2020 (Shs)	Budget 30 June 2020 (Shs)	Variance 30 June 2020 (Shs)
	RECEIPTS		000	000	000
	Tax Revenues		000	000	000
	Local Services Tax		000	000	000
	Land fees		000	000	000
	Business Licenses		000	000	000
	Other tax revenues		000	000	000
	Tax Revenues		000	000	000
	NTR		000	000	000
	Investment income		000	000	000
	Dividends		000	000	000
	Rent		000	000	000
	Other property income (disposal of assets)		000	000	000
	Sale of goods and services		000	000	000
	Administrative fees and licenses		000	000	000
	Court fines and Penalties		000	000	000
	Other fines and Penalties		000	000	000
13,500,000	Miscellaneous Revenue		2,600,000	2,600,000	000
13,500,000	Total Revenue		2,600,000	2,600,000	000



Accounting Officer
Sydney Asubo

Statement of Arrears of Revenues (Based on source of revenue per category)

(Memorandum Statement)

	Opening balance 01 July 2019 A (Shs)	Arrears in A collected during the year B (Shs)	Amounts billed during the year C (Shs)	Actual Amounts collected for the year D (Shs)	Arrears of Revenue for the Year E (C-D) (Shs)	Cumulative Arrears of Revenue as at 30 June 2020 F A-B+E (Shs)
RECEIPTS						

TAX REVENUES

Local Services Tax	000	000	000	000	000	000
Land fees	000	000	000	000	000	000
Business Licenses	000	000	000	000	000	000
Other tax revenues	000	000	000	000	000	000

TAX REVENUES

Investment income	000	000	000	000	000	000
Dividends	000	000	000	000	000	000
Rent	000	000	000	000	000	000
Other property income	000	000	000	000	000	000
Sale of goods and services	000	000	000	000	000	000
Administrative fees and licenses	000	000	000	000	000	000
Court fines and Penalties	000	000	000	000	000	000
Other fines and Penalties	000	000	000	000	000	000
Miscellaneous Revenue	000	000	2,600,000	2,600,000	000	000
Total Non-Tax revenue	000	000	2,600,000	2,600,000	000	000
Total Revenue	000	000	2,600,000	2,600,000	000	000



Accounting Officer
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Statement of contingent liabilities and guarantees

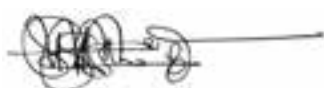
(Memorandum Statement)

	Schedule	30 June 2020 (SHS)	30 June 2019 (SHS)
DOMESTIC			
Legal proceedings			
Guarantees and indemnities			
Guarantees of bank overdrafts			
Guarantees under Public Private Partnerships			
Other contingent liabilities			
Total Domestic Contingencies			
FOREIGN			
Legal proceedings			
Guarantees and indemnities			
Guarantees of bank overdrafts			
Guarantees under Public Private Partnerships			
Other contingent liabilities			
Total Foreign Contingencies			
Total Contingent Liabilities			

Statement of non-quantifiable contingent liabilities

(Memorandum Statement)

Serial number	Brief description of liability, its origin, nature, the uncertainty, and period of identification	Type of liability	Any other comment/responsibility



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Statement of Outstanding Commitments

(Commitments by nature of expenditure)

Outstanding commitments at beginning of year 1 July 2019 (Shs)	Adjustments to the previous year's commitments (Shs)	Prior years commitments paid during the year (Shs)	New outstanding commitments incurred during the year (Shs)	Cumulative outstanding commitments 30 June 2020 (Shs)
--	--	--	--	---

▶ OPERATING COMMITMENTS

Employee costs	000	000	000	000	000
Pensions	000	000	000	000	000
Goods and services consumed	110,554,585	000	000	221,790,800	332,345,385
Subsidies	000	000	000	000	000
Transfers to Other Organisations	000	000	000	000	000
Social benefits	000	000	000	000	000
Deposits	000	000	000	000	000
Other operating expenses	000	000	000	000	000
Finance cost	000	000	000	000	000
Total operating commitments	110,554,585	000	000	221,790,800	332,345,385

▶ CONSUMPTION OF PPE AND NON PRODUCED ASSETS (CAPITAL)

Non-produced assets	000	000	000	000	000
Property	000	000	000	000	000
Plant	000	000	000	000	000
Equipment	000	000	000	000	000
Total capital commitments	000	000	000	000	000
Total operating commitments	110,554,585	000	000	221,790,800	332,345,385



Accounting Officer
Sydney Asubo

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 2019 (Shs)	Losses written-off in the YR ended 30 June 2020 (Shs)	Cumulative Losses written-off in the YR ended 30 June 2020 (Shs)
	Losses of public moneys (cash and cash equivalents)			
	Total losses of cash written off			
	Losses of stores			
	Total losses of stores written off			
	Other assets			
	Plant			
	Equipments			
	Total losses of other assets written off			
	Claims abandoned			
	Total value of claims abandoned			
	Total losses of public funds, stores and claims abandoned			



Accounting Officer
Sydney Asubo

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

Reference number of reported loss/write off/claim abandoned		Opening Balance as at 1 July 2019 (Shs)	Losses written-off in the YR ended 30 June 2020 (Shs)	Cumulative Losses written-off in the YR ended 30 June 2020 (Shs)
	Losses of public moneys (cash and cash equivalents)			
	Total losses of cash written off			
	Losses of stores reported			
	Total losses of stores reported			
	Losses of other assets			
	Property			
	Plant			
	Equipment			
	Total losses of other assets reported			
	Total losses of public funds, stores and other assets reported			



Accounting Officer
Sydney Asubo

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

Category/ Description	Opening Balance 1 July 2019 COST (SHS)	Additions during the year ² at 30 June 2020 COST (SHS)	Disposals during the year at 30 June 2020 COST (SHS)	Cumulative at 30 June 2020 COST (SHS)
Land	000	000	000	000
BUILDINGS & STRUCTURES	000	000	000	000
Non-Residential buildings	000	000	000	000
Residential buildings	000	000	000	000
Roads and bridges	000	000	000	000
Other structures	000	000	000	000
TRANSPORT EQUIPMENT	000	000	000	000
Motor Vehicles	000	000	000	000
Trailers/ Semi-trailers	000	000	000	000
Ships and other marine vessels	000	000	000	000
Railway locomotives	000	000	000	000
Aircrafts	000	000	000	000
Motor cycles and Bicycles	000	000	000	000
Other transport equipment	000	000	000	000
MACHINERY AND EQUIPMENT	1,589,298,291	172,000,000	000	1,761,298,291
Office equipment	75,000,000	000	000	75,000,000
Medical equipment	000	000	000	000
ICT Equipment	000	000	000	000
Laboratory and research equipment	000	000	000	000
Other Machinery & equipment	000	000	000	000
OTHER ASSETS	000	000	000	000
Furniture and fittings	50,000,000	000	000	50,000,000
Classified Assets	000	000	000	000
Cultivated Assets	000	000	000	000
Others	000	000	000	000
Total value of physical assets acquired, disposed of and balances	1,714,298,291	172,000,000	000	1,886,298,291



Accounting Officer
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Schedule of Letters of Credit

Name of Supplier	LC Number	Due date	Bank	Currency	Amount (Shs)
Total					

Schedule of Project and Subvention Balances

Project / Subvention Name	End Date	Funding Source/ Agency	Balance as at 1 July 2019 (Shs)	Disbursements for the Year (Shs)	Payments for the Year (Shs)	Balance as at 30 June 2020 (Shs)
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► Project balances

► Subvention Balances

Total						



Accounting Officer
Sydney Asubo



ANNEXES TO THE FINANCIAL STATEMENTS

Annex (i): Pension Payroll

Names	Last position held	IPPS no	Pension no.	Supplier no (IFMS)	Amount

Annex (ii): Schedule of Inventory

Category	Opening balance as at 1st July 2019 Cost (shs)	Purchase/ Additions Cost (shs)	Usage/ Disposal Cost (shs)	Obsolete Cost (shs)	Closing balance 30 June 2020 Cost (shs)
e.g. Drug (a), Visa stickers, Passports					

Annex (iii): Summary Staff Payroll

Salary scale	Number of Employees at the beginning of the year 1st July 2019	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 30 June 2020
Specified scale				
FIA 1	1			1
FIA 2	1			1
FIA 3	3			3
FIA 4	8			8
FIA 5	2			2
FIA 6	18			18
FIA 7	1			1
FIA 8	5			5
FIA 9	1			1
Total	40			40

Annex (iv): Trial Balance

		GoU Ministries Ac	crual SOB	Date: 10-SEP-20 11:54:54
		Trial Balance For	All MALGS	Page: 1
Currency UGX		Current Period:	ADJ-20	
No specific Ledger requested				
		ADJ-20	ADJ-20	ADJ-20
		DEBITS	CREDITS	NET BALANCE

CLASS 1: REVENUE

133209	Transfers Received by Ministries and A	128,369,077	10,401,486,509	10,273,117,432
142104	Sale of publications		2,600,000	2,600,000
211102	Contract Staff Salaries (Incl. Casuals)	3,855,041,000	111,041,000	3,744,000,000
211103	Allowances	340,950,000	19,700,000	321,250,000
212101	Social Security Contributions	269,650,000	8,020,000	261,630,000
213001	Medical expenses (To employees)	198,900,000	-	198,900,000
213004	Gratuity Expenses	700,080,000	2,400,000	697,680,000
221001	Advertising and Public Relations	68,630,546	000	68,630,546
221002	Workshops and Seminars	110,528,135	10,528,135	100,000,000
221003	Staff Training	268,897,374	17,173,657	251,723,717
221006	Commissions and related charges	662,835,159	39,065,000	623,770,159
221007	Books, Periodicals & Newspapers	40,800,000	-	40,800,000
221008	Computer Supplies & Communications Tec	53,122,560	3,596,965	49,525,595
221009	Welfare and Entertainment	268,821,018	5,821,018	263,000,000
221011	Printing, Stationery, Photocopying and	180,719,672	18,219,672	162,500,000
221012	Small Office Equipment	380,526,780	4,700,001	18,000,000
221017	Subscriptions	22,700,001	6,326,780	374,200,000
222001	Telecommunications	36,000,000	-	36,000,000
221012	Rent (Produced Assets) to private enti	873,290,800	-	873,290,800
223004	Guard and Security services	116,097,400	11,422,400	104,675,000
223005	Electricity	41,500,000	-	41,500,000
224003	Classified Expenditure	1,510,458,189	210,962,416	1,299,495,773
224004	Cleaning & Sanitation	47,999,541	-	47,999,541
225001	Consultancy Services-Short term	105,000,000	-	105,000,000
226001	Insurances	10,325,000	-	10,325,000
227001	Travel inland	98,900,000	-	98,900,000
227002	Travel abroad	193,166,480	20,766,480	172,400,000
227004	Fuel, Lubricants and Oils	312,712,100	-	312,712,100
228002	Maintenance - Vehicles	48,528,465	3,528,464	45,000,001
231013	ICT Equipment	172,000,000	-	172,000,000
263108	Transfers to Treasury	2,600,000	-	2,600,000

		GoU Ministries Ac	crual SOB	Date: 10-SEP-20 11:54:54
		Trial Balance For	All MALGS	Page: 2
Currency UGX		Current Period:	ADJ-20	
No specific Ledger requested				
		ADJ-20	ADJ-20	ADJ-20
		DEBITS	CREDITS	NET BALANCE

CLASS 3 : ASSETS

312201	Transport Equipment	1,219,458,924-	1,219,458,924	
312202	Machinery and Equipment	466,338,587	466,338,587-	
312203	Furniture & Fixtures	50,000,000	50,000,000	-
312212	Office Equipment	5,000,000	25,000,000	-
312213	ICT Equipment	254,886,600	254,886,600	-
3211037	Expenditure accounts	8,861,269,254	78,861,269,254	-
3211095	Others	33,316,0345	33,316,034-	
3216017	Taxes Receivable	2,000	72,000	-
321605	Domestic arrears (Budgeting)	210,059,1752	10,059,175	-
415001	Trade Creditors	42,478,693,238	42,478,693,238	-
415002	Sundry Creditors	210,059,175	542,404,560	332,345,385
415005	With-holding Tax payable	382,721,374	382,721,374	-
428204	Air Crafts			
428211	Office Equipment			
428212	Medical Equipment			
511201	Revenue reserves	315,557,765	205,003,180	110,554,585
TOTAL		408,379,744,269	408,379,744,269	172,000,000




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