



THE INSPECTORATE OF GOVERNMENT

1st October 2020

REPORT ON VERIFICATION OF ALLEGED NON-EXISTENT NUSAF III GROUPS IN KIRYANDONGO DISTRICT

The Inspectorate of Government received information that Kiryandongo District had been having challenges in implementing NUSAF III activities after the Chief Administrative Officer (CAO) suspected existence of ghost groups and halted the withdrawal of funds to **79 sub-projects**.

The 79 groups from 8 water shades were supposed to receive UGX 2,138,750,000 under NUSAF III, to implement various projects under the Improved Household Income Support Program (IHISP) and Labour Intensive Public Works (LIPW) projects.

In June 2020, the money was transferred to the group accounts, however the CAO halted the banks from releasing the funds to the groups pending verification of the beneficiaries.

The Inspectorate of Government conducted independent verification of the groups and the following was established:

1. In a letter dated 11/06/2020, Mr. Geoffrey Dabanja, the NUSAF III Desk Officer (NDO) made a request to the CAO for transfer of a sum of UGX 2,138,750,000 to bank accounts of 79 NUSAF III sub projects that had been approved.
2. 66 sub-projects received a sum of UGX 1,846,750,000 on their accounts. 13 sub projects did not received a total of UGX 292,000,000 on their bank accounts due to incorrect account numbers. The credited funds were still on the group accountns at the time of verification.

3. A total of 44 groups out of 53 under IHISP were verified and members found except for 9 groups that had irregularly replaced some of their members.
4. The groups which had made replacements had some minutes for the replacements made. The names of the “new” members do not appear in the project files and OPM system because the NDO, CAO and OPM were not been informed. The reasons given for replacing members include loss of interest, relocation and death.
5. The signatories to the bank accounts were all group members except for Mirima G ox traction where the secretary was one of the replacements made and was therefore not on the system.
6. The season planting soya beans, Sunflowers and trees has past and the groups can only plant in this first season of next year. These groups can however be allowed to access money in a phased manner with immediate effect for purchase of Ox-ploughs, and oxen.

In view of the above, it was recommended that the CAO should within a period of 2 weeks:

- i. Release the funds to the 44 groups under IHISP which have been cleared.
- ii. Ensure that the replacement of the missing members of the nine groups under IHISP is done following the project guidelines. Thereafter, their project funds be released.
- iii. Ensure that all beneficiaries of the 26 LIPW subprojects are identified and registered according to the guidelines. Thereafter, the funds be released to them.
- iv. Correct the errors of the 13 beneficiary groups accounts that did not receive the funds and resend the subproject funds.
- v. Ensure that the beneficiaries postpone activities whose seasons have past.

The report was issued by Mariam Wangadya, Deputy IGG,