

# Kyambogo on spot over sh11b irregular debt

By Nicholas Wassajja

Parliament's public accounts committee (PAC) yesterday quizzed Kyambogo University top management over persistent accumulation of arrears to unmanageable levels, which has led to unauthorised debt settlement.

The Auditor General said Kyambogo University irregularly incurred arrears to a tune of sh11b, out of which sh1.9b was not even approved by Parliament in the financial year 2017/18, which is under review.

In the audit report scrutinised by PAC, it was further revealed that sh8b was spent on part settlement of arrears in 2017/18 against a budget provision of sh897m. This resulted in payment for unbudgeted debts amounting to sh7.1b.

"The continuous existence of domestic arrears implies that the accounting officer has not adhered to the commitment control system

that is meant to stop entities from committing the Government beyond the level of availed resources," the report said.

The university secretary, Charles Okello, blamed the challenge on the budget structure which does not provide a code for budgeting for arrears but rather as outstanding commitments under items such as employee costs.

He also blamed it on the inadequate funding by the Government.

Okello said Kyambogo University management is committed to retire the arrears through adhering to the commitment control systems and outsourcing non-core functions such as catering services.

However, Mbarara Municipality MP Michael Tusiime questioned why Kyambogo continues facing similar challenges in subsequent financial years if its management is committed to retiring the debts through the commitment control systems.

## BETWEEN THE LINES

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Although there was a decrease of arrears from sh15b in 2017 to sh11b in 2018, the university grappled with a debt of sh6.2b and sh672m in 2016 and 2015 respectively.

The university's chief internal auditor, Daniel Nangalama, said besides the Government's limited funding to pay arrears, the institution, in the face of debt, is threatened by garnish orders from suppliers and structural problems.

"I observed that this is as a result of some suppliers garnishing university accounts

and institutional issues for instance payment of allowances to part-time lecturers whose allowances are charged instantly," Nangalama said.

Bunyole West MP James Waluswaka wondered why Kyambogo University accumulates arrears for utility management, yet it is charged with service providers such as National Water and Sewerage Corporation (NWSC) and Umeme.

The university engineer, Patrick Kahule, said whereas the institution was recently connected to NWSC and prepaid electricity metering, which will not require direct utility management, they previously had a lagoon which was under the estate management.

PAC's vice-chairperson Okin Ojara (Chua County) instructed Police's Directorate of Criminal Investigations to further investigate circumstances under which Kyambogo University management spent unapproved money to clear outstanding debts.