

**PARLIAMENT OF UGANDA**

**11<sup>TH</sup> PARLIAMENT**

**REPORT OF THE PUBLIC ACCOUNTS COMMITTEE- COMMISSIONS, STATUTORY  
AUTHORITIES AND STATE ENTERPRISES ON THE REPORT OF THE AUDITOR  
GENERAL ON THE UGANDA NATIONAL AIRLINES COMPANY LIMITED (UNACL)  
FOR FY 2020/2021, AND THE OPERATIONS OF UNACL.**

**OFFICE OF THE CLERK TO PARLIAMENT  
PARLIAMENT BUILDING  
KAMPALA**

**SEPTEMBER 2022**

**ABBREVIATIONS/ ACRONYMS**

Acronym	Meaning
GoU	Government of Uganda
IESBA	International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants
INTOSAI	International Organization of Supreme Audit Institutions
ISSAI	International Standards of Supreme Audit Institutions
MDAs	Ministries, Departments and Agencies
Bn	Billion
MoFPED	Ministry of Finance, Planning and Economic Development
MoWT	Ministry of Works and Transport
NAA	National Audit Act
NITA-U	National Information Technology Authority of Uganda
NDP	National Development Plan
NPA	National Planning Authority
OAG	Office of the Auditor General
PPDA	Public Procurement and Disposal of Public Assets
PFM	Public Finance Management
PFMA	Public Finance Management Act
PFMR	Public Finance Management Regulations
PPDA	Public Procurement & Disposal of Public Assets
BEC	Budget Execution Circular
PS/ST	Permanent Secretary / Secretary to the Treasury
TI	Treasury Instructions
UCAA	Uganda Civil Aviation Authority
UCF	Uganda Consolidated Fund
UGX	Uganda Shilling
USD	United States Dollars
UNACL	Uganda National Airlines Company Limited
PDU	Procurement and Disposal Unit
HR	Human Resource

## TABLE OF CONTENTS

	Page
1.0 INTRODUCTION.....	4
2.0 METHODOLOGY.....	5
3.0 COMMITTEE FINDINGS.....	6
4.0 EMPHASIS OF MATTER.....	10
5.0 OTHER ISSUES.....	28
6.0 CONCLUSION.....	34

*[Handwritten signature]*

*[Handwritten signature]*

*[Handwritten signature]*

*[Handwritten signature]*

*[Handwritten signature]*

*[Handwritten signature]*

*[Handwritten signature]*

*[Handwritten signature]*

*[Handwritten signature]*

*[Handwritten signature]*

*[Handwritten signature]*

*[Handwritten signature]*

*[Handwritten signature]*

*[Handwritten signature]*

*[Handwritten signature]*

*[Handwritten signature]*

*[Handwritten signature]*

3

*[Handwritten signature]*

*[Handwritten signature]*

**REPORT OF THE PUBLIC ACCOUNTS COMMITTEE - COMMISSIONS, STATUTORY AUTHORITIES AND STATE ENTERPRISES ON THE REPORT OF THE AUDITOR GENERAL ON THE UGANDA NATIONAL AIRLINES COMPANY LIMITED (UNACL), AND THE OPERATIONS THERE-IN.**

**1.0 INTRODUCTION**

The Public Accounts Committee - Commissions, Statutory Authorities and State Enterprises (PAC-COSASE) considered the Report of the Auditor General on the Uganda National Airlines Company (UNACL) trading as Uganda Airlines for Financial Year 2020/2021 in accordance with Article 90 of the Constitution and Rule 181 (4) of the Rules of Procedure.

UNACL was incorporated as a limited liability Company, under the Companies Act 2012, on 30<sup>th</sup> January 2018. This choice of incorporation was to allow for an eventual listing and floatation of shares to the public. The Government of Uganda set up a national airline in order to: enhance the country's competitiveness by reducing the cost of air transport and easing connectivity to and from Uganda; to support faster harnessing of opportunities in the economy (tourism, agriculture, minerals, oil and gas); and fulfil the requirement to establish air transport infrastructure to meet the growing demand for air transport (passenger and cargo).

The Airline assumed the status of national carrier following the grounding of Air Uganda in June 2014. Uganda Airlines launched commercial operations on 27<sup>th</sup> August 2019. Uganda Airlines operates scheduled and unscheduled passenger and freight services.

The Airline is jointly owned by the Ministry of Finance, Planning and Economic Development and the Ministry of Works and Transport, as shareholders on behalf of the general public.

Following studies and wide consultations, the Cabinet opted to re-launch Uganda Airlines, with six new jets, two of which are the wide-body, long-range A330-800 and

the other four being CRJ900 aircraft. On 27 July 2019, the Uganda Civil Aviation Authority awarded Uganda National Airlines Company (UNACL) an Air Operator Certificate, finalizing a three-month, five-step certification process that cleared the airline to commence commercial operations.

During the re-establishment of the company, the Business Plan emphasized the need to appoint a highly competent team to run the company on a professional basis, and free of political interference for the airline to succeed.

The Auditor General after due consideration of the financial statements of the UNACL for FY 2020/2021 issued the Company a qualified opinion based on the issues in this report which the Committee interrogated in depth.

## 2.0 METHODOLOGY

### 2.1 Meetings

*The Committee held meetings with the following;*

1. Accounting Officer and Management of UNACL
2. The Board of UNACL
3. Hon. General Katumba Wamala – Minister of Works and Transport
4. Mr. Cornwell Muleya – Former CEO, UNACL
5. Mr. Ahabwe Pereza, Former Board Chairman UNACL

### 2.2 Document Review

The Committee studied and made reference to the following documents;

- (i) The Auditor General's Report for FY 2020/21
- (ii) Additional documents on the queries raised, and the general operations of UNACL

### 3.0 COMMITTEE FINDINGS

The Committee made the following findings, observations and recommendations on the queries raised by the Auditor General;

#### 3.1 Failure to undertake stock counts -UGX 8,716,398,000

**UGX 8,716,398,000** was disclosed as the value of the inventories in the statement of financial position. The inventory was comprised of engineering stores (expendable parts) of **UGX 8,584,169,627** and general stores (inflight stock, uniform stock and other inventories) of UGX 132,228,783. However, there was no evidence that Management carried out end of year stock taking to get actual values of inventories.

A review of stores and discussion with the Management revealed that there were no stores ledgers for engineering stores. Although the general stores had manual ledgers, the ledgers were not capturing Goods Received Note reference numbers (GRN) against the receipts in the ledgers as a reference of the goods received. This implies limited audit trail of items received in stores and issued out.

Without end of year stocktaking figures and proper records of stores, the Auditor General was unable to confirm whether **UGX 8,716,398,000** was a correct closing inventory value.

Although the Accounting Officer explained that a soft record (excel spread sheet) for management of the engineering stores inventory was available, no sufficient evidence was provided to support the assertion. The Accounting Officer further explained that for process improvement, an advanced system specifically designed for aeronautical stores management and control called ADT Wings (Materials module) had been acquired this Financial Year.

## Observations

1. The Accounting Officer failed to cause the assets and inventories of the entity to be inspected regularly as provided under Section 34 (2) of the Public Finance Management Act (PFMA) 2015.
2. UNACL management exhibited weak internal controls and failed to carry out effective supervision. The Committee attributes this to the general poor corporate governance that has bedevilled the Company.
3. The absence of the information system database exposes the Company's assets to possible theft and wastage.
4. Failure to undertake stock counts renders the credibility of such financial statements doubtful.

## Recommendation

1. The Accounting Officer should be held liable for failure to keep proper records under Section 79 (1) (n) of the PFMA which provides that a person commits an offence if that person fails to keep proper records or conceals or wrongfully destroys information that is required to be recorded by this Act.

## KEY AUDIT MATTERS

The Auditor General noted the following key audit matters;

### 3.2 Implementation of the approved budget 2020/2021

On 22<sup>nd</sup> December 2017 Cabinet approved a business and implementation plan for the Uganda National Airlines Company Limited (with a trade name Uganda Airlines).

To achieve its objectives, UNACL planned to implement both recurrent and capital development activities. A review of the entity's budgets revealed that the entity had an approved budget of **UGX 1,025.542 billion** covering both GOU receipts and locally generated revenue.

During the financial year 2020/21, UNACL did not prepare an annual budget for the internally generated revenue. However, two (2) outputs under the Project: 1512 Uganda National Airline Project in the GoU subvention annual work plan with an approved total budget UGX 581.144bn were selected for assessment.

The Accounting Officer responded that UNACL has a system which keeps stock record of all spares and their values. These records are updated on a continuous basis when spares are received and when issued out. This captures continuous inventory movement.

### 3.2.1 Existence of Strategic Business Plans that are aligned to NDP-III

Paragraph 5 of the budget execution circular for the financial year 2020/2021 cites poor alignment of Government Budgets with the National Development Plans. The PS/ST urges Accounting Officers to ensure that all activities for Financial Year 2020/2021 are aligned with NDP III and implemented accordingly. Regulation 26 (1) of the National Planning Authority (development of Plans) regulations require entities to submit to NPA their five-year development plans for certification before approval.

This being the first year of implementation of the NDP-III, the entity was expected to prepare a strategic plan aligned to NDP III and ensure that the plan is approved. The strategic plan would then form the basis of the preparation of the entity's annual plans.

Through document review and interviews, the Auditor General noted that whereas UNACL had a strategic/ business plan document running from 2019-2023, it was not aligned to the National Development Plan III in terms of timeframe as required by the National Planning Authority (NPA).

Management responded that on 1<sup>st</sup> February 2022, a 4-day Strategic Retreat was held and it earmarked the commencement of a Strategic Planning Process intended to develop a Five Year Strategic Plan aligned to NDP III for the Airline facilitated by Summit Consulting. On Wednesday, 02<sup>nd</sup> March 2022, the first

draft of the New Airline strategy was presented to the Leadership team for critique. There is ongoing continuous engagement with the Consultant to ensure that the final document is produced.

### **Observation**

Committee noted that the existence of Strategic Business plans that are not aligned to NDP- III poses a risk that activities implemented during the financial year 2020/2021 were not aligned to the NDP-III sector indicators/ targets, which negatively affects the achievement of NDP-III national objectives.

### **Recommendation**

**Management should fast-track the preparation and alignment of the strategic/ business plan to the NDPIII sector priorities and have it approved by NPA to facilitate preparation of annual business plans and the achievement of the sector priorities in the NDP III.**

### **3.3 Performance of Internal Revenue**

The Auditor General reviewed the internal revenue estimates, revenue sources and rates charged at Agency level for the financial year 2020/2021 and noted that out of the budgeted revenue of **UGX 304,633,836,800** during the financial year 2020/2021; only **UGX 48,605,410,000** was collected representing a performance of 16% of the targeted revenue budget.

The Accounting Officer responded that the effects of the COVID 19 Pandemic grossly affected performance. The airspace was closed for several months. Uganda Airlines had anticipated to be operational in 18 routes, but this growth couldn't be achieved. Besides this, the airbus aircraft could not be deployed without the Approved Operators Certificate (AOC).

The above notwithstanding, Management said they have put in place strategies to rationalize the costs and improve the revenue generation capacity of the

Company. Management is targeting projects such as Self Handling and Approved Maintenance Organization (AMO) projects that will minimize costs and act as additional revenue generators for the Airline.

In addition, management is in the process of preparing a five year strategic plan that will rationalize the revenue and cost projections putting into consideration the impact of Covid on the Aviation Industry.

#### **Observations**

The Committee noted that notwithstanding the explanation of the Accounting Officer and the justifiable reason for the revenue shortfall, the general corporate governance inefficiencies like operating without approved staff structures, lack of Board's independence and human resource incompetences among others have hampered the expansion of the revenue base.

#### **Recommendations**

1. **UNACL Management should open up new routes which are commercially viable in order to increase the revenue base.**
2. **UNACL should improve on professionally marketing the airline in order to generate more sales.**

#### **4.0 EMPHASIS OF MATTER**

The Auditor General emphasised the following matters;

##### **4.1 Loss for the year - UGX 164,601,281,000**

The company incurred a loss of **UGX 164,573,633,000** at the end of the trading year 2020/2021. This was a result of generating low revenue in comparison to its costs. The company generated revenue totalling to UGX 46,927,333,000 from its operations. However, direct costs amounting to UGX 163,519,597,000 were incurred. In addition, the company incurred expenses on employees amounting

to UGX 27,936,543,000, indirect overhead expenses of UGX 19,841,895,000, and Finance costs of UGX 230,579,000. The total costs (direct costs, employee expenses, indirect overheads and Finance costs) amounted to **UGX 211,528,614,000**.

The low revenue outturn in relation to the company's operations costs will lead to the erosion of the company's capital in the medium term if strategies to improve revenue are not devised urgently.

The Accounting Officer explained that the effects of the COVID 19 Pandemic grossly affected the airline's performance. The airspace was closed for several months. Uganda Airlines had anticipated being operational in 18 routes, but this growth could not be achieved. Besides this, the airbus aircrafts could not be deployed without the Approved Operators Certificate (AOC). The Accounting Officer also explained that the Board approved a request for Management to review the current Company strategy.

#### Observations

1. The Committee notes that the Airline is in its infancy and suffered operational costs in its first year which were exacerbated by the closure of airspace in March 2020 at the onset of the COVID 19 epidemic.
2. However, the initial losses by the Airline were also as a result of the lack of functional management systems at its inception including; recruitment processes, financial management policy and procurement processes.
3. Although Government has capitalised the Airline and provided sizeable financial support, the high cost in wages, disregard of procurement regulations, inefficiency in management and lack of a staff structure have rendered no value for money to the taxpayer.
4. Uganda Airlines has a poor marketing strategy. As a result, there are limited passengers on some routes despite the high operational costs of the Airline.

5. The Committee learnt that Management contracted Mixjet, a Dubai Company, to act as an agent for fuel supply to the Airline. Moreover in Mogadishu a local fuel company was contracted by Mixjet to supply fuel to UNACL. However the supplying company does not find merit in incurring the cost of a middle man Mixjet, when they can supply directly to UNACL under similar terms offered to the agent - Mixjet.

The Committee further noted that local companies such as Shell and Total could supply the same fuel at a significantly lower price by approximately 20%, enabling UNACL to manage this cost line better.

6. Hon. Pereza Ahabwe, the former Board Chairperson informed the Committee that the Insurance policies in place were procured under the direct influence of the CEO. Given the implications of the associated costs and risks, the Board was concerned that the interests of the Company were not safeguarded.
7. There was inadequate supervision by the Ministry of Works and Transport. UNACL Board equally lacks independence and has exercised very passive control and supervision of management.

#### **Recommendations**

1. UNACL should establish strong partnerships and open more routes in order to counter the losses.
2. UNACL should review its business strategies to improve the company's generating ability in order to enable the company maintain its operations.
3. The UNACL Board should establish key performance indicators and set targets and deliverables for Management and staff which should be used as a basis for promotion and contract renewal of employees.
4. UNACL should carry out cost reduction strategies for example; self-handling to reduce costs of outsourcing, operate its own Business Lounge, increase incentives for special charters and negotiate for standard food prices with service providers.
5. The Insurance contract of UNACL should be reviewed and UNACL should adhere to the procurement procedures in the PPDA Act.

6. UNACL should eliminate the current exploitative middleman (Mixjet) in the procurement of fuel.
7. The responsible officers who were involved in the procurement of the insurance and fuel contracts should be held responsible for flouting procurement regulations.

#### 4.2 Long Outstanding Payables

The company had payables totalling **UGX.47,032,043,000**. All the outstanding invoices were payable to UCAA. Out of the amount, payables totalling **UGX 16,065,309,363** had been due for more than 6 months.

Under the circumstances, the company may incur un-necessary legal costs if the creditor opts for legal redress.

The Accounting Officer explained that the Airline is waiting for specific arrears disbursements from the Ministry of Finance so as to pay these outstanding passenger taxes to UCAA. At the point of setting up the Airlines, Government committed to help the Airline settle these UCAA bills. The Accounting Officer also indicated that by the time of the audit, these invoices had been submitted to MoWT for inclusion in the schedule of arrears for onward submission to Ministry of Finance, Planning and Economic Development.

#### **Observation**

Long outstanding payables accumulation is indicative of financial indiscipline by the Accounting Officer.

#### **Recommendation**

The Accounting officer should be held responsible for non- remittance of the dues.

#### 4.3 Doubtful value of Property Plant and Equipment -UGX 1,127,484,315

UGX 1,127,484,315 was the value of Property Plant and Equipment in the statement of financial position and the corresponding note (Note 12) as at the close of the financial year. However, it was noted that assets were not engraved to give them an identification number for easy identification. It was also noted that the assets could not be traced in the assets' register due to lack of identification numbers.

Further, in note 12 to the financial statements, property, plant and equipment were categorized into eight categories. To the contrary, a review of the assets register revealed that the non - current assets in the excel sheet assets register were not captured in the same assets' categories as per the note 12 to the financial statements. It was also noted that the excel sheet (Assets register) capturing assets did not have a column to describe the individual assets.

Due to failure to engrave the individual assets with identification numbers for audit trail in the assets register, the Auditor was unable to confirm whether all the assets were captured in the assets register and appropriately used in computing the values of property, plant and equipment.

The Accounting Officer explained that a supplier had been engaged and Bar codes sequencing shared with the supplier and printing of the tags was on-going. The Accounting Officer also explained that at the time of audit, updating of the assets register was work in progress.

#### **Observation**

The Committee observed that due to failure to engrave the individual assets with identification numbers for audit trail in the assets register, it was difficult to confirm whether all the assets were captured and appropriately used in computing the values of property, plant and equipment.

## **Recommendation**

**The Director Finance should be held liable for failure to maintain an accurate assets register.**

### **4.4 Financial analysis and assessment of the Company's performance**

The Auditor General carried out financial analysis of UNACL financial performance and observed that the Company had made losses for the year 2019/2020 and 2020/2021 amounting to **UGX 102.442bn** and **UGX 164.573bn** respectively. On review of the operating margin, the Auditor General observed that the costs before considering interest and taxes exceeded company revenues for the two years. He also observed that due to the losses incurred, the Company generated negative return on assets of 12.2% for the year 2019/2020 and 13.1% for the year 2020/2021. Further, the Company's revenue is still far below its assets. Management informed the committee that the loss for the financial year 2021/2022 is over UGX 232bn, which brings the total loss thus far to about UGX 500bn.

The Company's losses and the ratios computed are an indication that Uganda National Airlines Company Limited is currently not performing well in terms of profitability and ability to sustain provision of services without further Government intervention for funding and Management strategies to improve revenue generation.

The Accounting Officer acknowledged the findings and explained that a strategy session is scheduled where in among others, strategies for revenue maximization and cost cutting will be developed.

### **Observation and Recommendation**

**The Committee reiterates its earlier observations and recommendations in 4.1 above on losses incurred by UNACL.**

#### **4.5 Implementation of Planned activities**

The Company did not implement some of its planned activities during the year. Examples include; procurement of spare parts; supporting 32 pilots for A330-800 neo type training and supporting 60 pilots in simulator training.

Management responded that the training of the Pilots was interrupted by the COVID 19 Pandemic which saw most of the Countries close their Borders and Airspace. Both the neo type and simulator training are conducted in International destinations as we have no capacity to do these in Uganda. However, with the gradual opening of the Airspace, all crew were rescheduled for training.

The company supported 39 CRJ & A330 pilots to attend simulator recurrence trainings, 10 A330-neo pilots attended initial type rating and another 6 CRJ pilots attended initial type rating.

There was a delay in purchase of spares because the suppliers who are monopolies insisted on advance/upfront payments which are in contravention of the PPDA regulations and guidelines. Management sought for exemptions/waivers from various key Stakeholders and on 23<sup>rd</sup> February 2022, approval to proceed with the Procurement was granted by the Hon. Minister of Works and Transport.

#### **Observations**

1. The action of the Minister in approving a procurement was not only irregular but also amounted to usurpation of the powers and functions of the PDU, Contracts Committee and Public Procurement and Disposal of Public Assets Authority.
2. Execution of procurements outside the approved procurement plan leads to diversion of funds and affects realization of the approved procurement plan targets hence affecting service delivery provision to the intended beneficiaries and is contrary to Section 58 (5)(7) of the PPDA Act.

## **Recommendation**

**Management should always follow the procurement regulations and seek necessary approvals and exemptions from the PPDA in peculiar procurements.**

### **4.6 Implementation of un-planned procurement activities**

UNACL implemented twenty-five (25) procurements outside the approved procurement plan for the FY 2020/2021. The procurements were made in different currencies amounting to (for each currency) **Euro 1,150,854.06, Kenya Shillings 61,879.2, USD 65,441.36, Tanzania Shillings 7,752,600 and UGX 346,738,939.**

The Accounting Officer responded that since UNACL had just started operations, several critical activities came up during execution that had not been included in the procurement plan. Additionally, the aviation industry has a strict regulatory regime where new vital criteria are introduced that sector players must comply with in order to remain compliant in the industry. Management acknowledges that there was an oversight in updating the procurement plan in accordance with Section 58 (5)(7) of the PPDA Act which was occasioned by the suspension of key staff in the PDU and the remaining staff concentrated on completing the ongoing procurements to avert crises that would arise from delayed completion of such procurements.

However, a Comprehensive procurement plan was developed for the FY 2021/2022 which is now used as a reference point for Procurements.

## **Observations**

1. UNACL has no functional PDU and relies on the Ministry of Works to conduct some of the procurement processes.
2. Management did not follow the procurement regulations envisaged by the Public Procurement and Disposal of Public Assets Act (PPDA) Act.

## **Recommendation**

**The Management team that handled the above procurements should be held responsible for not following procurement guidelines.**

### **4.7 Procurement without Contracts Committee Approval**

Regulation 12(2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and non-consultancy services) Regulations, 2014 requires that the Procurement and Disposal Unit (PDU) shall make a submission to the Contracts Committee in respect of procurement under the direct procurement method.

However, it was noted that a Purchase Order no. 0021 dated 14<sup>th</sup> December 2020 was made to Collins Aerospace for the supply of inflight equipment at a price of **USD 25,694.46** (VAT Exclusive) without the approval of the Contracts Committee.

## **Observations**

1. Failure to obtain Contract Committee approval is unacceptable, it negatively affects the transparency of the procurement process and could result in procurement of items in a manner that is uneconomical. It is contrary to Regulation 12(2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and non-consultancy services) Regulations, 2014.
2. The Accounting Officer violated Section 26(2) of the PPDA Act by signing a contract without approval of the Contracts Committee.

## **Recommendation**

**The then Accounting Officer should be prosecuted for committing an offence under Section 95 (1b) (a) of the PPDA Act.**

### **4.8 Supply, delivery, and commissioning of assorted ground handling equipment**

Two Companies submitted bids for specialized motorized equipment used in ground handling of aircrafts. The Companies failed the preliminary stage (compliance),

however, the Evaluation Committee did not cancel the evaluation process. The contract manager was not appointed and the delivery was not witnessed.

Management responded that some of the compliance requirements in the evaluation form were found to be inapplicable to these International Firms and hence were not considered as grounds sufficient enough to terminate the procurement. However, currently, proper reviews are done of the evaluation criteria before it's issued out to ensure that the Criteria used is relevant and hence fully adhered to.

The policy of UNACL is that the initiator of a procurement is by default the contract manager. However, Management notes the anomaly that the contract manager was not formally appointed by any other separate instrument.

Management stated that the equipment was delivered and handed over to UNACL and was received by the Procurement and Ground Handling Managers.

#### **Observations**

1. There was gross violation of the PPDA Act. The Evaluation Committee should not have proceeded to appoint companies which failed the preliminary stage of compliance.

2. The Contracts Manager was not appointed and the delivery was not witnessed.

The above points to possible collusion to defraud government.

#### **Recommendations**

The officials who were involved in this procurement should be held liable for flouting procurement laws.

#### **4.9 Contract with DAS Air for management and safe custody of the Ground Handling Equipment**

USD 8,620.7 vide payment voucher NoPV07/21/072 was paid to DAS Air as rent for the month of April 2021. Further to the above, a review of invoices revealed that DAS Air had billed Uganda Airlines a total of USD 43,103.5 for the unpaid ground rent.

However, Uganda Airlines had not made any tenancy agreement with DAS Air and there was no handover report from Uganda airlines to DAS Air.

Management responded that no payment has yet been effected towards DAS Air for settlement of the storage charges. The Ground Handling equipment was eventually moved to the Storage Shed in November 2021 that Uganda Airlines constructed for this purpose. Management told the committee that they are finalizing the rent agreement with DAS for the period the equipment was in DAS Custody so that payment for the storage is made.

### **Observations**

1. The Committee noted there was negligence on the part of Management and observed that without clear terms and conditions by which Uganda Airlines is keeping its ground handling equipment in the yard of DAS Air, there is a risk of conflict on who will be responsible in case of any damage or loss of equipment.
2. It was erroneous for UNACL to conduct financial transactions with DAS Air without a tenancy agreement.

### **Recommendation**

**UNACL should formalise the rent agreement with DAS within two weeks from the adoption of this report.**

### **4.10 Purchase of vehicle for Southern Sudan Office through direct procurement**

**UGX 103,532,800 (USD 28,000)** was paid to the Supplier vide payment voucher No. PV09/20/025 dated 04/09/2020. The Vehicle was purchased through direct procurement without proper justification.

Management responded that this was highlighted during the investigation that was conducted by Statehouse and the procurement officers involved had their contracts terminated in February 2022.

The Management stance at the time was to purchase all vehicles from Toyota franchises; however, there was no Toyota Franchise in South Sudan. That is how management got an alternative supplier for South Sudan.

### Observations

1. UNACL flouted the PPDA Act and regulations.
2. The purchase of the vehicle for the Southern Sudan Office through direct procurement poses a risk that the vehicle was procured at a high price and may not be of the required quality and this is contrary to Section 6 of the PPDA Act.
3. The Committee learnt that this case was referred to the IGG for further investigations.

### Recommendations

The IGG should expedite the investigations and prosecute the culpable officers.

#### 4.11 Supply of inflight service equipment for Airbus

Uganda National Airlines Limited made a contract agreement with M/s Ninesun manufacturing Limited for supply of inflight service equipment for Airbus at a contract amount of **USD 319,226.86**. The items were said to have been delivered to DAS Air.

The Auditor General was not provided with evidence that the items were actually delivered, witnessed for quality and quantity, and handed over to DAS Air stores.

Management noted the lapse in document tracking and stated that UNACL now ensures proper filing of all documentation relating to procurements. However, they said the above items were fully delivered and subsequently dispatched for use in operations. Management informed the Committee that most of the officers in the Procurement Department had been suspended and some of the documents were not available.

### Observations

1. The Committee notes that the supporting documents were neither availed to the Auditors nor to the Committee for verification.
2. The unclear terms and conditions in the procurement supplies/ contracts pose a risk that the items were not supplied and that they may go missing without

accountability in case they were supplied due to lack of a tenancy agreement with DAS Air for storage of Uganda Airlines equipment.

### **Recommendations**

- 1. The Auditor General should carry out a Special Audit into the purchase of the said equipment.**
- 2. Management should enter into a formal understanding on the terms and conditions of storage by DAS Air.**

### **4.12 Failure to seek approval from NITA-U for procurement of IT software**

UNACL concluded the procurement of a contractor for the provision of an Enterprise Resource Planning (ERP) software solution at a contract sum of **USD 1,066,910** (VAT Exclusive) as well as the provision of an integrated Passenger Service System at a contract sum of **USD 1,234,441** (VAT Exclusive). The procurements were conducted and finalized without seeking the necessary approval from NITA-U as is required by Section 4(d) of the NITA-U Act which mandates NITA-U to regulate and enforce standards for IT hardware and software equipment in all Government Ministries, Departments, Agencies and Parastatals.

Management responded that the IT systems referred to are specific to the aviation industry; may not be readily available with NITA-U and have to follow industrial best standards regarding system requirement specifications which are subjected to compliance assessments by the aviation industry regulators.

A consultant (BDO) was procured to assist UNACL in the selection of some IT applications. BDO contacted and obtained quotes from Microsoft Dynamics 365, SAP, and Oracle for the ERP solution.

The service providers for the Integrated Passenger Service System are only 3 that is Amadeus, SABRE and Gabriell. SABRE and Gabriell could not suit UNACL needs and the only option left was Amadeus which is why UNACL took it on.

#### **Observation**

1. The Committee observes that failure to seek the approval could result in the procurement of ICT software which is below standard, procurement of software which NITA-U has already developed or acquisition of software that is not compatible with the general Government ICT requirements, hence duplicating efforts and potentially wasting resources.
2. It was an omission by Management to eliminate NITA- U from the approval processes, which omission was conceded by Management.

#### **Recommendation**

**NITA (U) should inspect the software equipment that was procured within a month from the adoption of this report to ensure that it complies with the required IT standards.**

#### **4.13 Supply of Critical Spare Parts for Business Class Seats for A330-800 Neo (USD 146,230.72)**

The Company issued a purchase order on 27/01/2021 to M/s Stelia Aerospace for Supply of critical spare parts for business class seats for A330-800 NEO at a price of **USD 146,230.72**. The Auditor General was however not provided with the contract for the supply.

Management responded that the purchase of seats was already pre-determined at the contract signing between UNACL and Airbus whereby Stelia was the recommended supplier of the Airbus seats.

#### **Recommendation**

**The Auditor General should conduct a special audit to establish all the facts regarding this transaction.**

#### **4.14 Failure to maintain Contract Management Files**

From the 20 procurements sampled, the Auditor General noted that neither was there appointment of contract managers nor were there contract management files. The procurements were made in different currencies amounting to (for each currency): **Euro 212,050.67, Kenya Shillings 12,253,905.74, USD 109,803,962.54 and UGX 347,242,879**

The practice of UNACL is that the initiator of a procurement is by default the contract manager.

Management acknowledged the anomaly that contract managers were not formally appointed by any other separate instrument.

#### **Observations**

1. Regulation 52(2) of the PPDA Contracts regulations provides that where a contract is of high value or is complex, or forms part of a larger project, the accounting officer shall assign the contract to a contract management team with the same responsibilities of a contract manager.
2. Failure to appoint a contract manager and absence of contract management files implies that this particular procurement is shrouded in mystery. It is therefore difficult to assess the performance of the contract or whether there was value for money.

#### **Recommendation**

1. The then Accounting Officer should be held liable for failure to follow the law on procurement.
2. The Auditor General should conduct a special audit to establish the facts regarding the 20 sampled files and whether there was value for money.

#### 4.15 Lack of a Staff structure

The Company did not have a Board-approved staff structure and establishment to assess staff recruitment needs and staffing status, and did not have approved staff salary grades. As a result, some staff earn very high salaries, while others earn very low salaries.

This affected proper planning and budgeting for staff costs. As a consequence, the Company incurred an excess expenditure of UGX 4,919,238,464 (USD 1,333,008) on salaries and staff expenses.

#### Observations

1. The Committee observed that the salaries paid to some categories of staff were exorbitant at a time when the Airline was making losses. In the Financial year under review, the total wage bill was **UGX 14.3 billion** compared to the previous year where the wage bill was **UGX 7.2 billion**. The wage bill of the unapproved staff structure is one of the costs causing a financial burden to UNACL.
2. There were disparities in salaries of staff holding the same positions for example; Director Maintenance earns **UGX 80 million**, Director Flight Operations **UGX 47 million** and Director Commercial **UGX 40 million**. Some Cabin Crew staff earned **UGX 4 million** while others earned **UGX 2 million**. There was no justification for the differences in these amounts.
3. On examination of the Curriculum vitae of senior staff, the Committee noted that some top officials lacked the minimum qualifications. For example, Ms. Regina Tebasiima - Ag Commercial Director had **only** an A Level Certificate as her highest qualification.

The CEO - Ms. Jennifer Bamuturaki does not possess the required academic qualifications stipulated in the Human Resource manual. The requirement for the CEO is a Bachelors Degree, and a Post Graduate Diploma/Masters. She only possesses a Bachelor's Degree in Social Work and Social Administration (SWASA).

4. There was undue influence and meddling by the shareholders in the recruitment process of the CEO, without regard to the powers of the Board as enshrined in the Companies Act under Article 80 of Table A.

The Board hired Price WaterHouse Coopers

at **UGX 98.1m** to recruit a CEO and an advert was published inviting interested individuals to apply (**Annexure A**).

The Board informed the committee that 40 people had applied, but two days to the closure of the deadline for application, they got a letter from the Minister of Works Gen Katumba Wamala instructing them to appoint Jennifer Bamuturaki as the Substantive CEO following a presidential directive.

The Board immediately stopped the recruitment process and appointed Jennifer Bamuturaki as CEO in total disregard of the laid down procedure. The Minister appeared before the committee and admitted all these facts.

#### **Recommendations**

1. The UGX 98.1 million paid to Price Water House Coopers, which was wasteful expenditure should be recovered from the individual Board members.
2. The Board should conduct a proper recruitment exercise for all positions, right from the CEO, to the Directors, Managers and staff with the intention of hiring people who are fit for the different jobs as per the Human Resource Manual.
3. Uganda Airlines should prioritise the establishment of a formal staff structure and salary structure approved by the Board within one month from the adoption of this report.
4. The Board should be given space to conduct its affairs without interference from anyone or any entity. The shareholders should uphold the independence of the Board as provided for in the Companies Act and regulations.

#### **4.16 Delayed Conclusion on suspension cases**

There has been delayed conclusion of suspension cases. On 21<sup>st</sup> of April 2021, some HoDs were suspended for a period of 3 months (effective 29<sup>th</sup> April 2021) to enable the appointed committee to investigate and report on stated allegations. Review of the staff files revealed that there were no committee resolutions on the cases and as a result Management extended the suspension on 20<sup>th</sup> August 2021 for another 3 months. Since the affected staff remained on the same terms of contract, the officers appointed to act in their positions kept receiving extra pay implying double payment for the same position. As a consequence, the company lost a total of **UGX 2,319,017,267** in a seven months' period. (May to November 2021)

Management responded that the process was concluded and decisions were circulated to the various staff concerned in February 2022. Some of the affected staff had their contracts terminated and others were re-instated to their former positions automatically ending the Acting contracts of the staff who had been serving in those positions and formal communication was made by the Human Resource team to that effect.

These cases have been closed. The payment to the suspended staff was guided by the opinion of the Attorney General while the payment to the staff on acting roles was guided by the Human Resource manual.

#### **Observation**

The Committee observed that delayed conclusion on suspension cases and failure to respond to interdicted staff may lead to unnecessary court cases thus wasteful expenditure through court costs and compensations contrary to paragraph 16.13 of the Uganda National Airlines Company Limited Human Resource Policies and Procedures Manual 2019.

#### **Recommendations**

- 1. The Board and Management should expedite the process of investigation and communicate the conclusions to any remaining affected staff.**

2. The shareholders should avoid redefining UNACL objectives in a non-transparent manner and should respect the independence of the Board allowing it to exercise its responsibilities.

## 5.0 OTHER ISSUES

### 5.1 Failure to refund travel funds

The Committee learnt that in June 2021, the CEO Ms Jennifer Bamuturaki requested to be facilitated to travel to 10 destinations with different stations of Uganda Airlines and **USD 12,750 (About UGX 50m)** was released to her for facilitation. The destinations included; Nairobi, Dar- es Salaam, Johannesburg, Kinshasa, Zanzibar, Mombasa, Mogadishu, Juba, Burundi and Kilimanjaro.

Ms. Bamuturaki informed the Committee that she only travelled to Dar- es - Salaam and Kilimanjaro, but declined to respond during the inquiry if she had refunded the unspent funds.

#### **Observation**

The Committee observes that no refund has been made to-date for the funds allocated for the destinations that the CEO did not visit. It is criminal for a public official to receive funds for a certain activity and the activity doesn't happen, and the funds don't get refunded.

#### **Recommendation**

Ms Jennifer Bamuturaki should be held personally liable for this offence and immediately refund the unaccounted for funds as provided for in Regulation 7.8 of the Financial manual of UNACL.

## 5.1 Award of Public Relations Contract to Abbavater Group Ltd

At the function of receiving the first aircraft in April 2019, Uganda Airlines spent **UGX 778,725,483** to host 600 guests, an average cost of **UGX 1.3m** per guest. This function was run by Abbavater Ltd, which was recommended to the then CEO Mr. Ephraim Bagenda by Ms Jennifer Bamuturaki who was the Commercial Director at the time. Management admitted that this cost was excessive and unwarranted.

A few months later, Abbavater Ltd was hired again to do PR and advertising for Uganda Airlines, and eventually paid a total of **USD 897,285 (UGX 3.48 billion)**. The company was handpicked and hired in total contravention of the Public Procurement and Disposal of Public Assets (PPDA) and regulations that call for an open and competitive bidding process.

The airlines irregularly and selectively handpicked three advertising firms without pre-qualification and without a competitive bidding process and subsequently, awarded the contract to the firm with the highest quotation.

The shortlisted firms were; Abbavater Group Ltd, Star Leo and WMC Africa.

The contract was awarded to Abbavater Group Ltd at a cost of **UGX174.6 million** per month yet the other media firms - Star Leo and WMC Africa had quoted lower prices of Shs36.8 million and Shs35.2 million per month respectively.

The Uganda Airlines Chief Executive Officer, Jennifer Bamuturaki, who was then Director - Commercial, said she was not part of the contracts and evaluation committee that decided to hire Abbavater Group Ltd. However, company records showed that she was a member of the evaluation committee. She was also the contracts Manager and she drafted the terms of reference for Abbavater Group Limited.

Ms. Bamuturaki admitted to the committee that she recommended Abbavater to the then CEO, saying Abbavater Ltd had handled other airlines and was therefore able to execute the task with Uganda Airlines.

Ms Bamuturaki told the committee that she was friends with the CEO of Abbavater Ltd, a one Mark Arnold Odeke Lenkai.

The P.O Box number 8389, Kampala, which Abbavater Ltd was using on its documents is the same number which Ms Jennifer Bamuturaki was using on her documents.

The committee found evidence of a contract between Abbavater and another company where Ms Bamuturaki signed as a witness on behalf of Abbavater Ltd (**Annexure B**). She admitted this fact before the committee.

On 6th March 2019, Ms Bamuturaki swore a deed poll changing her name from Jennifer Bamuturaki Musiime to Jennifer Arnold Lenkai (**Annexure C**), adopting the name of the CEO Abbavater Ltd Mark Odeke Arnold Lenkai.

The committee also got possession of an audio recording, where Ms Bamuturaki was admitting to someone her involvement in the hiring of Abbavater and how she would not want to repeat a similar incident. (**Annexure D**)

The Finance Director, Mr. Paul Turacayisenga told the committee how he had realised over-invoicing by Abbavater Ltd to Uganda airlines. The invoice was meant to be **USD172,000** but Abbavater indicated **USD 404,000**, something which he said he reported to the Board and it was intercepted.

The Former Board Chairperson, Hon. Pereza Ahabwe informed the committee that in October 2019, the Board terminated the services of Ms Jennifer Bamuturaki as Director Commercial for poor performance, influence peddling in the case of Abbavater, among other reasons. (**Annexure E**)

### Observations

- i) The Committee cited clear conflict of interest and influence peddling from Ms Bamuturaki in the award of the contract to Abbavater Ltd contrary to Sections 8 and 9 of the Anti- Corruption Act.
- ii) It was erroneous for the Airline to enter into a contractual agreement with Abbavater without following the requisite procurement procedures outlined in the PPDA Act.

## Recommendations

1. All officials of UNACL involved in the procurement of Abbavater should be held liable for flouting procurement regulations.
2. Ms. Jennifer Bamuturaki should be held liable for influence peddling, conflict of interest and participating in the procurement process without disclosing her personal interest or relation to the proprietor of Abbavater Ltd who was a bidder, contrary to Section 9 of the Anti- Corruption Act.

### 5.2 Hiring online bloggers

The Committee learnt that the Airline CEO Ms Jennifer Bamuturaki hired a group of online bloggers at a cost of **UGX 13 million** per month. The group refers to itself as Independent Online Journalists Association (INDOJA), headed by a one Andrew Irumba, the head of an online publication called Spy-Uganda. On 24<sup>th</sup> December 2021, the contract was signed only by the CEO, without a witness and without the knowledge of the Corporation Secretary.

Further, the CEO sanctioned the payment of the online bloggers **UGX 117 million** upfront backdated from April to December 2021, even though the contract was entered into in December 2021.

The Corporation Secretary informed the committee that as the company lawyer, he is supposed to participate in drafting all contracts entered into by the Airline, and is meant to sign off as a witness. However, he was not aware of the contract and saw it for the first time during the committee proceeding. His name was written on the contract at the end with space for him to sign off as a witness, but his signature was missing since he was kept in the dark regarding the whole transaction. (Annexure F)

The Corporation Secretary told the committee that this contract was irregular.

## Observations

1. Management never discussed the need for online bloggers, it was a unilateral decision by the CEO to hire them, no-wonder they focussed more on fighting personal battles for the CEO, including disparaging Parliament. **(Annexure G)**.
2. The online bloggers were hired outside the Procurement guidelines envisaged under the PPDA Act.
3. The responsibility of marketing the Airline is the mandate of the Public Relations Manager, but she was also kept in the dark regarding the contract.

## Recommendations:

1. **Ms Jennifer Bamuturaki should be held responsible for this irregular contract, and she should refund the UGX 156 million that was spent on these online bloggers.**

## 5.3 Void tickets

The Committee learnt that there were 908 passengers with ticket values of **USD 253,189 (approx. UGX 982 million)** which were missing in the reported revenues and passenger uplifts. Of the total figure above, 71.6% relates to open tickets which if not closed can be voided, cancelled or even exchanged leading to revenue loss. The Director Finance Mr. Paul Turacayisenga said he notified the Board over this issue. He told the committee that some of the above money is at risk of being lost by the Airline since there were limited chances of recovering funds from the refunded and voided tickets.

## Observation

The Committee observed that there was an internal syndicate among staff members to defraud the Airline.

## **Recommendation**

**The committee recommends a forensic audit of this issue, with the intention of prosecuting and recovery of the lost funds from all those involved in this scam.**

### **5.4 Technology**

The Company relied on manual systems for example, the use of ledgers for engineering stores. It became difficult to track items that left or were delivered into the stores. As a result **UGX 8.72 billion** worth of inventory could not be ascertained. It could be more or less. While management is in the process of utilizing the ADT wings aeronautical stores management and control system, the general stores system needs an urgent upgrade.

## **Recommendations**

- 1. UNACL Management should adopt appropriate technology in the discharge of its functions.**
- 2. The Accountant General should provide the Board of Survey reports as stipulated by the PFMA.**

### **5.5 Risk Management**

The Committee observed that UNACL remained exposed to huge risks in a number of cases, since the Company had not yet developed a risk management framework.

## **Recommendation**

**UNACL should put in place a Risk Management Framework within two months from the adoption of this report.**

## 6.0 CONCLUSION

Uganda Airlines has the potential to thrive as a sound business, only if issues of financial impropriety, disregard of the law, and staffing are dealt with robustly.

Whereas the Airline is still in its infancy and requires time to acquire new routes and break even, it is essential that the financial systems and human resource of this entity are sound in order to get the National Airline to the next level of growth.

The Committee established reasonable grounds to conclude that Uganda Airline's management is bedevilled with governance challenges in its operations. This is evidenced by the glaring disregard for the law, lack of transparency and inefficiency.

UNACL ought to adhere to the law and follow management procedures. The procurement function is nearly non-existent with evidence of continuous flouting of the Public Procurement and Disposal of Assets Act. The supervisory role of the Board during FY 2020/2021 was lacking and this could explain the occurrence of several slip-ups in the management of the Airline.




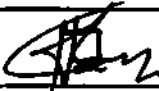

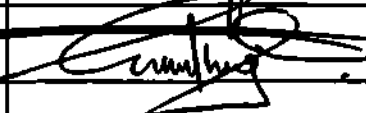
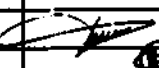

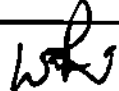



Marketing of the infant Airline should be prioritised in order to increase sales. UNACL should adopt cost reduction strategies in every aspect of running the Airline in order to improve its financial health and keep the Airline afloat.

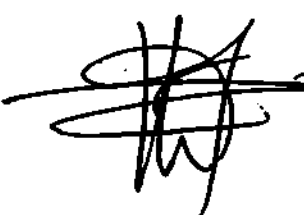
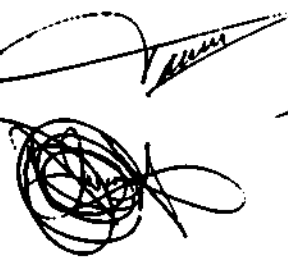


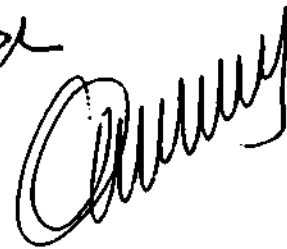
The Committee recommends that this report be adopted.






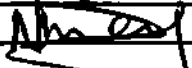



I thank you

I beg to move

**REPORT OF THE PUBLIC ACCOUNTS COMMITTEE ON COMMISSIONS,  
STATUTORY AUTHORITIES AND STATE ENTERPRISES (PAC- COSASE) ON THE  
REPORT OF THE AUDITOR GENERAL FOR FY 2020/2021 ON THE UGANDA  
NATIONAL AIRLINES COMPANY (UNACL)**

S/N	NAME	CONSTITUENCY	PARTY	SIGNATURE
1	Hon. Ssenyonyi Joel - C/Person	Nakawa West	NUP	
2	Hon. Akello Lucy - D/CP	DWR Amuru	FDC	
3	Hon. Lagen David	Agago County	NRM	
4	Hon. Mbwaterkamwa Gaffa	Igara West County	NRM	
5	Hon. Afoyochan Esther	DWR Zombo	NRM	
6	Hon. Anywar Ricky Richard	Agago West County	NRM	
7	Hon. Acan Joyce Okeny	PWD National	NRM	
8	Hon. Achan Judith Peace	DWR Nwoya	NRM	
9	Hon. Akampulira Prossy Mbabazi	DWR Rubanda	NRM	
10	Hon. Atwijukire Dan Kimosho	Kazo County	NRM	
11	Hon. Bakkabulindi Charles	Workers Rep	NRM	
12	Hon. Gafabusa Richard Muhumuza	Bwamba County	NRM	
13	Hon. Mugabi Muzaale Martin	Buzaaya County	NRM	
14	Hon. SSekikuubo Theodore	Lwemiyaga County	NRM	
15	Hon. Abigaba Cuthbert Mirembe	Kibale County	NRM	
16	Hon. Okumu Gabriel	Okoro County	NRM	
17	Hon. Kambale Ferigo	Kasese Municipality	NRM	
18	Hon. Ruhunda Alex	Fort Portal Central	NRM	
19	Hon. Sekyanzi Benard Kirya	Budyabo County	NRM	
20	Hon. Wandwasi Robert	Bungokho South County	NRM	
21	Hon. Hashim Sulaiman	Neebi Municipality	NRM	
22	Hon. Maneno Zumura	DWR Obongi	NRM	
23	Hon. Nangoli Gerald	Elgon North County	NRM	
24	Hon. Ababiku Jessica	DWR Adjumani	NRM	
25	Hon. Wakabi Pius	Bugahya County	NRM	

26	Hon. Linda Irene	DWR Fort Portal	NRM	
27	Hon. Kamukama Davis	Bunyangabu County	NRM	
28	Hon. Twalla Fadil	Tingey County	NRM	
29	Hon. Nsibambi Yusuf	Mawokota South County	FDC	
30	Hon. Ekanya Geoffrey	Tororo County	FDC	
31	Hon. Okot Santa	DWR Aruu North	PPP	
32	Hon. Auma Kenny	Kwania North	UPC	
33	Hon. Sebamala Richard	Bukoto Central	DP	
34	Hon. Okupa Elijah	Kasilo County	IND	
35	Hon. Mpindi Bumali	PwDs Rep	IND	
36	Hon. Nsanja Patrick	Ntenjeru County South	IND	
37	Hon. Acora Nancy	DWR Lamwo	IND	
38	Hon. Mugema Peter	Iganga Municipality	IND	
39	Hon. Roland Ndyomugyenye	Rukiga County	IND	
40	Hon. Nkunyingi Muwada	Kyadondo East	NUP	
41	Hon. Kazibwe Bashir Mbazira	Kawempe South	NUP	
42	Hon. Kiwanuka Abdallah	Mukono South	NUP	
43	Hon. Bagala Joyce Ntwatwa	Mityana District	NUP	
44	Hon Nekesa Victor	UPDF Rep		

# Recruitment of a Chief Executive Officer – Uganda Airlines

**Uganda National Airlines Company Limited (Uganda Airlines)** is Uganda's flagship national passenger and cargo carrier. It provides scheduled air transportation services in East Africa and near-international markets. It was set up to enhance Uganda's competitiveness by reducing the cost of air transport and easing connectivity to and from Uganda; to support faster harnessing of opportunities in the economy (tourism, agriculture, minerals, oil and gas); and fulfil the requirement to establish air transport infrastructure to meet the growing demand for air transport (passenger and cargo).

Its goal is to create a hub at Entebbe International Airport, interconnecting passengers North-South, East-West across Africa, to regional destinations and destinations in Europe, Middle East and Asia.

Uganda Airlines would like to recruit a **Chief Executive Officer (CEO)**.

## Role Summary

Reporting to the Board of Directors, the CEO is responsible for leading and driving the business and success of the Airline. The CEO will be responsible for devising and executing the Airline's strategy.

## Key duties and responsibilities:

- Strategy formulation and implementation
- Commercial management
- Financial management
- Operations management

## • People management

- Corporate communications
- Stakeholder relationship management
- Compliance management
- Oversight of the Airline information systems

## Qualifications and experience

1. An honour's bachelor's degree in any field.
2. A post graduate training in Administration or any other business-related course.
3. 10+ years of aviation experience at senior management level (Executive Committee).
4. Experience in marketing and commercial aspects of the airline's business, including knowledge of airline commercial systems.
5. Previous or current experience as CEO, COO or CCO of a successful commercial airline.
6. Experience in airline financial management fundamentals.
7. Experience in network, scheduling and planning of flights (commercial and charter).
8. Experience in customer experience and loyalty programs management.
9. Experience in managing people at various levels.

## Skills required

1. Leadership and Management
2. Stakeholder management

## 3. Innovation

4. Decision making
5. Negotiation and attention to detail
6. Business acumen (financial management)
7. People management and team building
8. Report writing, presentation and execution
9. Coaching and mentoring

A detailed job description and application form can be downloaded using the following link:  
[www.dhl/3MnWQdr](http://www.dhl/3MnWQdr)

## How to apply

Interested persons who meet the above criteria should download and fill the application form to provide details about how their experience is relevant to the duties and responsibilities described in the job description as well as send their curriculum vitae and the application form to [ug\\_hrs@pwc.com](mailto:ug_hrs@pwc.com) by not later than Friday 8 July 2022.

## Note:

Candidates outside the aviation industry but who have comparable experience from other sectors and can demonstrate ability to execute the tasks highlighted above are also encouraged to apply. Only shortlisted candidates will be contacted.

**ANNEX TUA  
B**

**THE REPUBLIC OF UGANDA**  
**IN THE MATTER OF THE CONTRACTS ACT NO. 7 OF**  
**2010**

**CONTRACT FOR CONSTRUCTION CONSULTANCY  
SERVICES**

**THIS AGREEMENT** is made the 6<sup>th</sup> day of September, 2019

**BETWEEN**

**ALISON CONSULTS LIMITED** Represented by **Engineer Emmanuel Ocecem** of P.O.Box 6768 Kampala, (herein after called the "**Consultant**") which expression shall where the context so admit shall include its assignees, administrators and successor in title of the one part) **AND ABBAVATER GROUP LIMITED** of P.O.Box 8389 Kampala, (herein after called the "**Client**"), which expression shall where the context so admits include its assignees, administrators and successor in title on the other part.

**WHEREAS**, the Client wishes to engage the Consultant to provide the services described herein and Contractor agrees to provide the services for the compensation and otherwise in accordance with the terms and conditions contained in this Agreement,

**NOW THEREFORE**, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, accepted and agreed to, the Client and the Consultant, intending to be legally bound, agree to the terms set forth below.

**1. PERIOD OF PERFORMANCE.**

This contract will become effective for the period beginning on the 6<sup>th</sup> day of **September 2019** and ending on 27<sup>th</sup> day of **September 2019** upon the approval and signature of the parties hereto. The contract may be renewed for a similar or longer or shorter period as shall be agreed upon by the parties.

**AMUTUHAIRE GAY**  
**ADVOCATE**  
P.O. BOX 12470 KAMPALA

## **2. SCOPE OF SERVICES.**

Services to be performed by the Consultant include the following;

- i) Basic Topographic survey to produce topo-maps
- ii) Hydrogeological survey to site potential underground water sources
- iii) Farm plan detailing orientation of farm structures
- iv) Structural drawings of intended farm structures
- v) Bill of quantities for the farm structures.

## **3. THE CONSULTANT'S OBLIGATIONS**

- 3.1 Throughout the Term of the contract, the Consultant shall diligently and thoroughly carryout the above-mentioned services in accordance with the specifications set by the Client and to its satisfaction.
- 3.2 The consultant shall report directly to a supervisor from the operations manager of the client herein until the completion of the assignment.
- 3.3 The Consultant shall ensure so far as is possible that all persons employed by it are efficient sober and honest and will not employ for the purposes of this agreement any person to whose employment reasonable objection is taken by or on behalf of the Client.
- 3.4 The Consultant shall ensure that all statutory provisions and requirements affecting the work to be carried on under this agreement or the conduct of the Consultant's employees or agents while on or in the vicinity of the Premises shall be complied with.

## **4. THE CLIENT'S OBLIGATIONS**

- 4.1 To directly supervise the consultant's work until its completion.
- 4.2 The Client shall pay to the Consultant a total sum of **Ugx.8,360,000 (Uganda Shillings, Eight Million, Three Hundred Sixty Thousand Only)** for the above described service.



May 6/9/19

4.3 At execution of this agreement, the client has extended a 50% advance payment of **Ugx. 4,180,000/= (Uganda Shillings Four Million, One Hundred Eighty Thousand)** to the consultant and the consultant by signing this contract acknowledges receipt of the same as no other receipt will be issued in that respect.

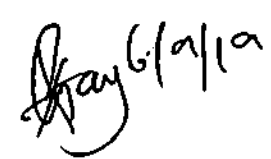
4.4 The remaining balance of **Ugx. 4,180,000/= (Uganda Shillings Four Million, One Hundred Eighty Thousand)** shall be paid to the consultant after he has handed over the final work and the same has been approved by the client.

## 5. TERMINATION

5.1 Either party may terminate this contract with written notice of One Week. Any payment for above mentioned services owed by the Client shall be due and payable at the time the agreement is terminated.

## 6. SEVERABILITY; REFORMATION.

In case any one or more of the provisions or parts of a provision contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision or part of a provision of this Agreement; and this Agreement shall, to the fullest extent lawful, be reformed and construed as if such invalid or illegal or unenforceable provision, or part of a provision, had never been contained herein, and such provision or part reformed so that it would be valid, legal and enforceable to the maximum extent possible. Without limiting the foregoing, if any provision (or part of provision) contained in this Agreement shall for any reason be held to be excessively broad as to duration, activity or subject, it shall be construed by limiting and reducing it, so as to be enforceable to the fullest extent compatible with then existing applicable law.



4.3 At execution of this agreement, the client has extended a 50% advance payment of Ugx. 4,180,000/- (**Uganda Shillings Four Million, One Hundred Eighty Thousand**) to the consultant and the consultant by signing this contract acknowledges receipt of the same as no other receipt will be issued in that respect.

4.4 The remaining balance of Ugx. 4,180,000/- (**Uganda Shillings Four Million, One Hundred Eighty Thousand**) shall be paid to the consultant after he has handed over the final work and the same has been approved by the client.

## 5. TERMINATION

5.1 Either party may terminate this contract with written notice of One Week. Any payment for above mentioned services owed by the Client shall be due and payable at the time the agreement is terminated.

## 6. SEVERABILITY; REFORMATION.

In case any one or more of the provisions or parts of a provision contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision or part of a provision of this Agreement; and this Agreement shall, to the fullest extent lawful, be reformed and construed as if such invalid or illegal or unenforceable provision, or part of a provision, had never been contained herein, and such provision or part reformed so that it would be valid, legal and enforceable to the maximum extent possible. Without limiting the foregoing, if any provision (or part of provision) contained in this Agreement shall for any reason be held to be excessively broad as to duration, activity or subject, it shall be construed by limiting and reducing it, so as to be enforceable to the fullest extent compatible with then existing applicable law.

## **7. NOTICES.**

Any notices or other communications required hereunder shall be in writing and shall be deemed given when delivered in person or when mailed, by postage prepaid, addressed to the parties at their addresses specified in this contract or to such other addresses of which a party shall have notified the others.

## **8. DISPUTE RESOLUTION**

Any dispute arising out of this contract or any of its renewals, shall be settled initially by mediation failing which by reference to Arbitration by sole arbitrator, appointed with the consent of both parties or if the parties do not agree on the appointment of a sole Arbitrator, to the Arbitration of two Arbitrators, one to be appointed by each part and in case of disagreement between them to the Arbitration of an umpire who shall be appointed by the said two Arbitrators before entering on the reference. The Arbitration shall be held in all respects in accordance with the Arbitration and Conciliation Act, Cap 4 Laws of Uganda or any statutory modification or reenactment thereof.

## **9. VARIATION**

No variation of this agreement shall be effective unless made in writing and signed by or on behalf of each of the parties.

## **10. CONFIDENTIALITY**

The Consultant undertakes to keep confidential and not at any time to disclose or make known to anyone whatsoever or use for their own or any other person's benefit all the Terms of this Agreement except as may be required by any legal or regulatory authority to which the Client is subject.

## **11. GOVERNING LAW.**

This Agreement shall be construed in accordance with and governed for all purposes by the laws of Uganda applicable to

6/9/19

contracts executed and wholly performed within such jurisdiction.  
Any dispute arising hereunder shall first be referred to an arbitrator  
agreed upon by both parties.

**EXECUTED**, under seal, effective as of the Effective Date.

Signed for and on behalf of

ODET AMOLA NAK  
.....  
**ABBAVATER GROUP LIMITED**

[Signature]  
**CLIENT**

**In the presence of**

Seniper Samuturaki [Signature]

**WITNESS (Name and Signature)**

**WITNESS (Name and Signature)**

Signed For and on behalf of

[Signature] Emmanuel Olobo  
.....  
**ALISON CONSULTS LIMITED**

[Signature]  
**CONSULTANT**

**In the presence of**

ABETO JACKLINE [Signature]

**WITNESS (Name and Signature)**

**WITNESS (Name and Signature)**

**ALL IN THE PRESENCE OF**

.....  
**AMUTUHAIRE GAY**  
**ADVOCATE**  
**P.O. BOX 12470, KAMPALA**  
**ADVOCATE**

**Drawn By:**  
**Abbavater Group Limited**  
**Legal Department**

# ANNEXTURE C

**STAMPS ACT**  
Duty Chargeable  
Paid  
Order No. 3911

THE REPUBLIC OF UGANDA  
IN THE MATTER OF THE BIRTHS AND DEATHS REGISTRATION ACT (CAP 309) LAWS OF UGANDA

AND  
IN THE MATTER OF THE REGISTRATION OF DOCUMENTS ACT (CAP 81)

AND  
IN THE MATTER OF THE OATHS ACT (CAP 19)

AND  
IN THE MATTER OF JENIFER ARNOLD LENKAI

## DEED POLL

BY THIS DEED POLL which is intended to be registered with the Registrar of Documents in the Ministry of Justice and Constitutional Affairs, Kampala, I the undersigned JENIFER ARNOLD LENKAI of Naalya Estate, Kira Town Council, Wakiso District, now lately called MUSIIME BAMUTURAKI JENIFER hereby declare and state:

1. That since my birth I was always known as MUSIIME BAMUTURAKI JENIFER.
2. That with effect from today, I have stopped using the names of MUSIIME BAMUTURAKI JENIFER and in lieu thereof adopt the names of JENIFER ARNOLD LENKAI only.
3. That with effect from the date hereof, I have wholly or absolutely, renounced, relinquished, abandoned and discontinued the use of the names MUSIIME BAMUTURAKI JENIFER and in place thereof I hereby from the date hereof shall use the names JENIFER ARNOLD LENKAI only so that I may hereafter be called, known and distinguished not by my former names of MUSIIME BAMUTURAKI JENIFER but by the name JENIFER ARNOLD LENKAI.
4. That for the purpose of evidencing such my determination, I declare that I shall at all times hereafter in all records, deeds and writings and all proceedings, dealings and transactions as well private, public and upon all occasions whatsoever use and sign the name of JENIFER ARNOLD LENKAI as my name in place of and in substitution for my former said names.
5. That I expressly authorize and request all persons at all times to designate and address me by such assumed name of JENIFER ARNOLD LENKAI.

In witness whereof I have hereunto subscribed my proper and adopted name of JENIFER ARNOLD LENKAI this 13 day of February 2019 at Kampala.

Signed by the said  
JENIFER ARNOLD LENKAI

RENOUNCER

Before me

**DRAWN BY:**  
Bitaguma & Co. Advocates  
Notary Public & Commissioner for Oaths  
1<sup>st</sup> Floor Greenland Towers Bldg. A19,  
Plot 20 Kampala Road  
P.O. Box 11169 Kampala

A COMMISSIONER FOR OATHS

Deo Bitaguma  
ADVOCATE  
Commissioner for Oaths  
**URSB**

7/19/1

# ANNEXTURE E

**Uganda Airlines**

Fly the Crane to the Pearl of Africa



25<sup>th</sup> October, 2019  
Ms. Jenifer Bamuturaki Musiime  
P.O. Box 8389  
KAMPALA

**RE: TERMINATION OF YOUR APPOINTMENT ON CONTRACT AS DIRECTOR  
COMMERCIAL FOR UGANDA NATIONAL AIRLINES COMPANY LIMITED**

Pursuant to clause 3(i) and (ii) of your Contract of Employment dated 1<sup>st</sup> April, 2019, the Board of Directors of the Company at its 30<sup>th</sup> Ordinary Meeting and after due consideration of the appraisal report of your performance during the past six (6) months probationary period, resolved to terminate your Contract with immediate effect for failure to master your official duties and responsibilities within the probationary period.

This is to hereby inform you of the said decision and request you to contact the Manager Human Resource and submit a Handover Report and all company assets in your possession. Your terminal benefits in lieu of the seven (7) days' notice, will be processed and paid to you accordingly.

I take this opportunity to thank you for the time you have served with Uganda National Airlines Company Limited and wish you the best in your future career.

Yours sincerely,

**AHABWE GODFREY PEREZA**

**CHAIRMAN BOARD OF DIRECTORS**

- cc: The Hon. Minister of Works & Transport, Kampala
- cc: The Permanent Secretary  
Ministry of Works & Transport
- cc: The Ag. Chief Executive Officer  
Uganda National Airlines Company Limited
- cc: The Manager Human Resource  
Uganda National Airlines Company Limited

**ANNEXURE F**



**THE REPUBLIC OF UGANDA**

**CONTRACT**

**BETWEEN**

**UGANDA NATIONAL AIRLINES COMPANY LIMITED**

**AND**

**M/S INDEPENDENT JOURNALIST ASSOCIATION  
UGANDA (INDOJA-U) LTD**

**FOR**

**PROVISION OF ONLINE MEDIA SERVICES FOR A  
PERIOD OF TWELVE (12) MONTHS**

**PROCUREMENT REFERENCE NO: UNACL/SRVCS/2021-22/00137**

**DECEMBER 2021**

## Agreement

Procurement Reference No: UNAC/SRVCG/2021-22/00137

THIS AGREEMENT made this 24 day of December, 2021  
between Uganda National Airlines Company Limited of P. O. Box 431 Entebbe Uganda  
(hereinafter called "Procuring and Disposing Entity"), and Independent Journalist  
Association Uganda (INDOJA-U) Ltd of Plot 41 Ghaddafi Road Makerere Uganda  
(hereinafter called "the Provider").

### WHEREAS

- (a) the Procuring and Disposing Entity has requested the Provider to provide Online media services for a period of Twelve Months (hereinafter called the "Services") as defined herein and attached to this Contract;
- (b) The Provider having represented to the Procuring and Disposing Entity that it has the capacity to execute the non-consultancy services and has agreed to provide the Services on the terms and conditions set forth in this Contract.

NOW THEREFORE the parties hereto agree as follows:

- 1. The documents forming the Contract shall be as stated in and in the order of priority stated in the General Conditions of Contract.
- 2. The mutual rights and obligations of the Procuring and Disposing Entity and the Provider shall be as set forth in the Contract, in particular:
  - (a) The Provider shall carry out the Services in accordance with the provisions of the Contract; and
  - (b) The Procuring and Disposing Entity shall pay the Provider the Contract Price of UGX 13,000,000/= (Thirteen million Uganda shillings only) payable monthly for a period of Twelve (12) months totalling to UGX 156,000,000/= (Shillings One hundred fifty-six million annually) inclusive of all taxes at the times and in the manner prescribed by the Contract.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be signed in their respective names as of the day and year first above written.

Signed by [Signature] (Authorised Representative of the Procuring  
and Disposing Entity)  
Name: Jennifer Bamukuroki Position: Ag. Chief Executive Officer

In the presence of:

Name: Bisereku Kyemuhando

Position: Company Secretary

Signed by [Signature] (Authorised Representative of Provider)  
Name: Irumba Andrew Position: President

In the presence of:

Name: IRUMBA MONICA Position: Member [Signature]

# ANNEXTURE 6



**Andrew Irumba Live**

Tue at 12:17 am

They think a CEO of an airline has a lot of time like an idle MP representing a small village in Katanga.

---

September 8, 2022

Hi 12:52

*Forwarded*

Good evening Hon Members and  
Colleagues

Please see the Committee program  
below:

**Thur 8th Sept 22**

Former UG Airlines Board,  
Room 408, north wing

**Tues 13th Sept 22**

**Wed 14th Sept 22**

**Thursday 15th Sept 22**

UG Airlines Management  
South Committee Room

Please be there at **9.00 am** to receive  
a brief

12:52



**Andrew Irumba Live**



8 hours ago ·

**I SPEAK WHAT OTHERS FEAR!**

**\*UNPACKING DISHONOURABLE BIOLOGICAL  
VOLUMES OCCUPYING HONORABLE POSITIONS IN  
UGANDA\***