THE REPUBLIC OF UGANDA

INSPECTORATE OF GOVERNMENT

Jubilee Insurance Centre, Plot 14, Parliament Avenue
P. O. Box 1682 Kampala, Uganda
Telephones: +256(0)414-259788, 0414-259738, 0414-344219
Duty Office: +256 (0)414-347387, Fax: +256 (0)414257590
Website: www.igg.go.ug Email: pr@igg.go.ug

Zero Tolerance to Corruption

INSPECTORATE OF GOVERNMENT

Our Ref. HQT/114/11/2022 & HQT/59/04/2023

29 June 2023

Hon. Amongi Betty Ongom (MP)
Minister
Ministry of Gender, Labour and Social Development
KAMPALA

Hon. Minister,

REPORT OF INVESTIGATIONS INTO ALLEGATIONS OF MISMANAGEMENT, ABUSE OF OFFICE AND CORRUPTION BY THE FORMER MANAGING DIRECTOR OF NATIONAL SOCIAL SECURITY FUND (NSSF), MR. RICHARD BYARUGABA

Reference is made to your letter Ref. ADM.210/229/01 dated 5th January 2023 addressed to the Office of the Auditor General (OAG) and the Inspectorate of Government (IG) asking us to undertake joint investigations into allegations of mismanagement, abuse of office and corruption by the former Managing Director, NSSF, Mr. Richard Byarugaba. You apportioned areas of investigations to the OAG and IG basing on their respective areas of jurisdiction.

During the course of investigations, the IG further received a copy of a petition to H.E the President of Uganda by a group calling themselves "Representatives of Workers, NSSF Savers and Labour Unions" regarding the state of affairs at NSSF, most of which were similar to the issues you raised. Other issues that you had not raised emerged during the IG investigations and later Parliament wrote to the IG asking us to investigate issues raised by the Select Committee of Parliament.

The IG investigations covered all areas mentioned above hence the delay to submit a report within two months as had been projected.

The purpose of this letter is to submit Findings of the IG investigations with regard to:-

(i) Issues raised by yourself.

(ii) Issues raised in the petition to H.E the President of Uganda by a group describing themselves as Representatives of Workers, NSSF Savers and Labour Unions.

(iii) Issues raised by Parliament.

(iv) Other emerging issues not covered by any of the above sources.

This report is presented in four parts: -

(i) The Executive Summary (pages Xii to Lxxii)

(ii) The detailed Report (pages 1 - 329)

(iii) A summary of recommendations (pages 325 – 329) for: -

- Prosecution
- Recovery of funds
- Amendment of laws
- Administrative action.

(iv) Annexes (numbered 1 - 198)

However, for the avoidance of doubt, the following outcomes of IG investigations need to be emphasised in this letter: -

(i) <u>The Minister's Role in NSSF's Budgeting Process</u>

The Minister of Gender, Labour and Social Development is empowered under Section 29(3) of the NSSF Act to amend the budget. The Minister was within her right to direct amendment of the budget. Therefore refusal by the Managing Director to include the Minister's proposal in the budget for the Board's approval was an act of insubordination, which should have been handled in accordance with NSSF's disciplinary policy. However, it should be noted that Section 29 (3) of the NSSF Act gives the Minister uncontrolled power over the budget and can be abused. Regulations need to be developed or Section 29(3) amended to regulate the Minister's powers over the budget.

(ii) <u>Nakigalala Land</u>

NSSF's budget to acquire land in Nakigalala, Wakiso District remained UGX 250,000,000,000 (Two hundred fifty billion shillings) for three consecutive Financial Years (2019 - 2023) and not inflated to UGX 400,000,000,000 (Four hundred billion shillings) as alleged.

(iii) Financial Loss of UGX 687,257,226

Arising out of the 2022 amendment of the NSSF Act, Section 3 (1)(6) now requires NSSF's Board composition to be inclusive and sensitive of gender, people with disabilities, skills and experiences. Noting that the current Board is not in sync with the amended legal provisions, the Minister of Gender, Labour and Social Development directed that the Board be reconstituted to accommodate the amendment.

Clearly, this was not possible because Section 3 (3)(4) of the NSSF Act provides how a vacancy on the Board can be available and it does not provide for compensation. The Managing Director illegally engineered the resignation of two Board members from the Board to accommodate the Minister's directive at the cost to the Fund of UGX 687,257,226 (Six hundred eighty seven million two hundred fifty seven thousand two hundred twenty six shillings). Mr. Byarugaba and Mr. Stevens Mwanje the Director of Finance ought to have advised the Minister that the only way the Board could be reconstituted was if a vacancy on the Board occurred through Section 3 (3)(4) of the Act. They should therefore jointly refund the money paid to 2 Board members who resigned from the Board on their own volition.

(iv) Financial Loss of UGX 4,400,854,827

Mr. Richard Byarugaba and the Director for Finance, Mr. Stevens Mwanje caused the Fund a financial loss of UGX 4,400,854,827 (Four billion, four hundred million, eight hundred fifty four thousand, eight hundred twenty seven shillings) when they authorized irregular payments to staff who exited under voluntary early retirement, an exit package not backed by law and outside the provisions of Sections 87 of the Employment Act and Section 23.12 of the NSSF Human Resources Policy Manual, 2017. They should jointly refund this money.

(v) Significant Growth of NSSF – A Key Performance Indicator

It should however, be noted that NSSF recorded significant growth under the stewardship of Mr. Richard Byarugaba as indicated below: -

(a) Annual Members' contributions to NSSF for the period 2015 – 2022 increased by 116% from UGX 688,095,082,000 (Six hundred eighty eight billion, ninety five million, eighty two thousand shillings) to UGX 1,486,439,181,376 (One Trillion, four hundred eighty six billion, four hundred thirty nine million, one hundred eighty one thousand, three hundred seventy six shillings).

(b) Accumulated Members' contributions and net worth for the period 2009 – 2022 increased by 922% from UGX 1,659,793,727,000 (One trillion, six hundred fifty nine billion, seven hundred ninety three million, seven hundred twenty seven thousand shillings) to UGX 16,961,837,142,000 (Sixteen trillion, nine hundred sixty one billion, eight hundred thirty seven million, one hundred forty two thousand shillings).

(c) The Table below gives a comparison of the performance of NSSF Kenya and NSSF Uganda between 2017 – 2021: -

Summary of the percentage growth of NSSF Kenya and NSSF Uganda between 2017 – 2021.

Financial Year	Uganda	Kenya
2017/2018	0.26%	0.137%
2018/2019	0.136%	0.058%
2019/2020	0.17%	0.059%
2020/2021	0.173%	0.135%

Source: Annual Financial Statements of NSSF Uganda and NSSF Kenya

CONCLUSION

Mr. Richard Byarugaba was the Chief Executive Officer of NSSF for 12 years having been appointed to the position of Managing Director in 2010. During his tenure of office, the Fund recorded remarkable growth of accumulated contributions and net worth from approximately UGX 1.7 Trillion to approximately UGX 17Trillion (922%).

Although he made some costly management and financial decisions, they pale compared to the robust (strong and healthy) status of the Fund during his administration, which happens to be the core mandate and key performance indicator of the Fund's Chief Executive Officer.

It is important, though, to tighten through legislative amendments to the NSSF Act, the loose ends that enabled the losses to ensure that those loopholes that caused the losses are closed.

Beti Kamya Turwomwe
INSPECTOR GENERAL OF GOVERNMENT

Copied to: H.E The President of Uganda

The Rt. Hon. Speaker of the Parliament of Uganda

The Rt. Hon. Prime Minister of Uganda

The Hon. Minister of Finance, Planning and Economic Development

The Auditor General

The Director of Public Prosecutions

The Chief Executive Officer, Uganda Retirement Benefits Regulatory Authority

The Chairman, Board of Directors, NSSF

REPORT OF INVESTIGATIONS INTO ALLEGATIONS OF MISMANAGEMENT, ABUSE OF OFFICE AND CORRUPTION BY THE FORMER MANAGING DIRECTOR (MD) OF NATIONAL SOCIAL SECURITY FUND (NSSF) MR. RICHARD BYARUGABA

EXECUTIVE SUMMARY

JUNE 2023

INVESTIGATIONS INTO ALLEGATIONS OF MISMANAGEMENT, ABUSE OF OFFICE AND CORRUPTION BY THE FORMER MANAGING DIRECTOR OF THE NATIONAL SOCIAL SECURITY FUND (NSSF), MR. RICHARD BYARUGABA

1.0 BACKGROUND

The Inspectorate of Government (IG) received a complaint from the Hon. Minister of Gender, Labour and Social Development containing allegations of mismanagement, abuse of office and corruption by the former Managing Director (MD) of the NSSF, Mr. Richard Byarugaba.

The Minister's complaint contained issues, some of which will be addressed by the office of the Auditor General (OAG) while those contained in this document are of the IG mandate.

The IG further received a copy of a complaint from the representatives of workers, NSSF Savers and Labour Unions on the state of affairs at the NSSF that was addressed to H.E the President of the Republic of Uganda. Those issues were similar to most of the issues raised by the Minister.

While the IG was investigating the allegations, other issues emerged which the IG also handled.

Further the IG received communication from the Parliament of Uganda forwarding some issues for investigation.

This report is addressing all the issues under the categories mentioned above.

1.1 Minister's Complaint

i. The MD made an exaggerated budget of UGX 400 Billion (400,000,000,000) for purchase of land at Nakigalala. He indicated that this purchase was approved by H.E. the President, the Minister of Finance, Planning and Economic Development, and the NSSF Board, which was not the case. Further, there were ownership disputes over this land.

ii. NSSF performance had been declining over the past years and there was a declining trend from 32% in 2010 to 11% in June 2022 which was exhibited among others by stagnation of membership of savers over the last five years.

iii. The MD took a commission in exchange for waiving NSSF contributions for workers of the Uganda Railways Corporation and Uganda Broadcasting Corporation. The MD also arbitrarily reduced the penalty that Tororo Cement was supposed to pay, in exchange for money for his personal benefit.

iv. The Minister reviewed the NSSF budget for the FY 2022/2023 as required under the NSSF (Amendment) Act and made proposals. However, the MD refused to implement these proposals. He failed to adjust the budget to implement the new law and instead provided money to fly over 80 staff to Dubai in November 2022 for team building.

v. The IG previously investigated and found culpable, some Managers at the Fund, including the MD and issued directives in respect of the property sold at Bakuli, but the IGG's recommendations were not implemented. The MD caused financial loss to the Fund by selling a plot of land at Bakuli at a value less than it was bought by the Fund.

vi. The MD and his cohorts like the Head of Investments used the budget as a means of siphoning money out of NSSF through exorbitant expenditure on foreign trips.

vii. The number of contributors to the Fund had stagnated yet there was significant growth of the economy in the construction, plantation agriculture and industry sectors. The MD was invited to register workers in Kapeeka Industrial park as members of NSSF, but he ignored the invitation.

viii. The MD attempted to defy H.E the President's directive with regard to the Yusuf Lule road real estate project. He also disregarded PPDA's technical and legal guidance on the same project.

ix. The management and discipline record of the former MD, Mr. Richard Byarugaba under Boards previously headed by Mr. Ssekono, Mr. Kaberenge Patrick and the current Chairman Dr. Kimbowa was poor.

x. There was a systemic failure of the Pension Administration system (PAS) which had not been addressed. There were also irregularities in the procurement of this system.

xi. The disputes between the Fund and people claiming ownership of land where NSSF Lubowa Housing project is situated were engineered by some corrupt elements within NSSF. They were conniving with the masquerader claimants, in anticipation that they would share the compensation they would eventually get from the Fund.

xii. During the purchase of MTN and Quality Chemicals shares by NSSF, there was a kickback that was paid to the MD and the investment team.

xiii. A bribe of UGX 3 Billion (3,000,000,000) was paid by M/s CATIC Construction in exchange for the contract to build the Mbuya CITADEL Apartments. The money was paid to the MD and the Head of Procurement, Mugabi Gerald who used his share to build a hotel in Kagadi called Hotel Seyaife Courts.

xiv. The MD received gratification from M/s Symbion in form of redesigning his house in Mbuya in exchange for business, specifically the contract for the proposed development of Yusuf Lule road plot.

xv. The MD had been taking bribes that could be ascertained through cross border trails. Further, that he and his associates were beneficiaries of a 5% commission paid by CRCEG, through De Point Consultants Ltd, a Bank in Mauritius, and finally to Barclays Bank in London.

1.2 Other issues

The following issues emerged in the course of investigations:

i. Reported irregularities in the payment of member benefits for the last three and a half Financial Years.

ii. Mr. Benoni Katende and Mr. Geoffrey Sajjabi, were irregularly recruited to the position of Chief Information Officer and Chief Commercial Officer respectively without the requisite qualifications. Mr. Elijah Kitaka was irregularly recruited as a consultant with NSSF shortly after he had retired from NSSF.

iii. Mr. Geoffrey Sajjabi, Chief Commercial Officer influenced the recruitment of several of his relatives into the Fund.

iv. Reported irregularities in the procurement function in the Fund during the last three and a half Financial Years.

v. NSSF made irregular donations of funds to the National Organization of Trade Unions (NOTU) and the Central Organization of Free Trade Unions-Uganda (COFTU).

vi. Corporate Social Responsibility (CSR) funds were irregularly approved and paid out as bribes to various stakeholders.

vii. Irregular payments were made to some NSSF Board members who had retired from the Board.

viii. The Fund irregularly contributed 10% NSSF contribution to Board members, yet they were not NSSF employees.

ix. Mr. Richard Byarugaba solicited for a bribe from Mr. Anil Kuruvilla, Director of Sybyl Ltd.

x. NSSF failed to implement H.E the President's directive on source of funding for Uganda Retirement Benefits Regulatory Authority (URBRA) and continued advancing funds from NSSF to URBRA.

xi. NSSF was irregularly processing a payment of UGX 1 Billion (1,000,000,000) as an out of court settlement for a court case against the former Deputy Managing Director, Ms. Geraldine Busuulwa Ssali.

xii. NSSF Board irregularly increased its remuneration.

xiii. Board members did not possess the core competences required to supervise the Fund.

xiv. Some employee contracts were irregularly terminated by the former Managing Director, Mr. Richard Byarugaba.

xv. Dr. Peter Kimbowa used NSSF funds to acquire buses for his personal business.

xvi. The interest rates paid to members each year were lower than what should have been paid.

xvii. Unexplained salary disparities between staff occupying similar positions.

xviii. NSSF made irregular payments to staff who exited the Fund under voluntary early retirement program.

xix. During the FY 2015/2016, the Fund launched a sham smart card which did not offer any value to members. The said smart cards were printed at an exorbitant cost.

xx. NSSF invested significantly in point of sale pay machines that were similar to "pay way" machines and placed them at different supermarkets across the country. However, this project failed and the machines were withdrawn and scrapped.

xxi. A plot of land in Mbarara city that belonged to the Fund was sold at less than the market value. The difference was taken by the MD and the Head of Procurement.

1.3 Recommendations from the select committee of Parliament

The IG received a copy of the letter from the Clerk to Parliament dated 30th March, 2023, addressed to the Prime Minister/Leader of Government Business with recommendations from the Select Committee of Parliament that investigated the state of affairs at NSSF. The following issues were forwarded to the IG to investigate:

i. The IGG immediately investigates, with the possibility of prosecuting the following officers namely; Mr. Leonard Mpuuma, Mr. Onegi Obel, Ms. Egunyu Asemio Fiona Lucy, Mr. George Baitera Maiteki, Mr. David Nkojo, Mr. Alfonse Ojja – Andira, Mr. Lyelmoi Otong Ongaba, Mr. Aloysious Ssemanda, Ms. Rosemary N. Senabulya, Mr. Francis Tumuheirwe, Mr. Martin Bandeebire and Hon. Zoe Bakoko Bakoru who were involved in conceptualizing and executing the casual transaction which led to the loss of UGX 2.3 Billion invested in West Nile Golf club for the possible offences of loss of public property, abuse of office and causing financial loss contrary to sections 10, 11 & 20 of the Anti-Corruption Act, 2009

ii. Mr. Richard Byarugaba, Mr. Patrick Ayota, Mr. Stevens Mwanje and Ms. Barbara Arimi Teddy who were members of the NSSF Management that participated in the initiation of UGX 1.8 Billion budget for donations, much as they did not participate in the final approval, should step aside with immediate effect for investigation by the IGG, for the offenses of abuse of office, corruption and conspiracy to commit a felony with a view of immediate prosecution.

iii. The NSSF Board terminates the employment of Mr. Geoffrey Waiswa Sajjabi with immediate effect and the IGG investigates all departments at NSSF to establish whether there are recruitments in contravention of the NSSF Human Resource Manual and the Anti-Corruption Act, 2009.

iv. The IGG should investigate, with the view of prosecuting officers namely; the former Managing Director, Mr. Richard Byarugaba, Mr. William Okabo, Mr. Daniel Batekereza, Ms. Joan Asio, Mr. Chancemille Liki and Mr. Brian Tindimwebwa for their involvement in the conceptualization, procurement and installation of the Geo Mapping System which caused a financial loss of UGX 748,861,114.

v. The IGG should conduct an investigation on the former Managing Director, Mr. Richard Byarugaba; the Ag. Managing Director, Mr. Patrick Ayota; Chief Investment Officer, Mr. Gerald Paul Kasaato; the Chief Commercial Officer, Mr. Geoffrey Sajjabi; the Technology and Enterprise Solution Officer, Mr. Benoni Katende; the Chief People and Culture Officer, Mr. Owor Milton; the Chief Risk Officer, Mr. Edward Ssenyonjo; the Head of Internal Audit (ex-officio), Mr. George Barigye; Head Finance, Mr. Stevens Mwanje; Head of Marketing; Head of Procurement, Mr. Gerald Mugabi; Corporate Affairs Officer, Ms. Barbra Arimi and should report back to Parliament within 60 days from 9th March, 2023.

vi. The IGG should investigate the following persons namely; Ms. Sarah Walusimbi, Mrs. Agnes Kunihira, Mr. Richard Bigirwa, Mr. Stevens Mwanje, Mr. Collin Babirukamu, Mr. Edgar Birungi, Mr. Moses Emodu, Ms. Pauline Nagadya, Mr. Gerald Mugabi, Mr. Joseph Kalinaki, Mr. Simon Kule, Mr. Daniel Batekereza and Ms. Geraldine Ssali Busuulwa who were involved in the smart card project, customer self-service touch pad which caused financial loss of UGX. 2,607,340,605 and 133,283,458 respectively with a view of prosecuting them.

2.0 IG FINDINGS

2.1 Minister's Complaint

2.1.1 Whether the Managing Director, NSSF planned to acquire land located at Nakigalala, Wakiso District at an exaggerated price of UGX 400,000,000,000 on grounds that it had been approved by H.E the President of the Republic of Uganda, the Minister of Finance, Planning and Economic Development and the NSSF Board

Price exaggeration

It was established that the NSSF budgets for the Financial Years 2019/20 to 2021/2022 all indicated that NSSF planned to spend UGX 250,000,000,000 for strategic land purchase, under investment capital expenditure. The NSSF budget for FY 2022/2023 indicated that the Fund planned to spend UGX 400,000,000,000 for strategic land purchases as listed below;

i) Land at Nakigalala which was estimated at UGX 250,000,000,000
ii) Land located at Naguru belonging to the Uganda Police Force, estimated at UGX 150,000,000,000.

Conclusion

The estimated cost of Nakigalala land in the FY 2022/23 budget remained UGX 250 Billion as it was in the budget of FY 2019/20 to 2021/22 and not 400 Billion as alleged.

Ownership wrangles of the land

The Nakigalala land was not free from encumbrances and there was an ongoing civil suit No 033 of 2013 before the High Court (Land Division) contesting the ownership of the land by Madhvani Group. The family of the Late Prince Yusuf Ssuuna Kiwewa was also claiming ownership of the same land. If NSSF purchases the land in this current state, it is likely to be exposed to endless disputes and costly litigation.

Conclusion

The Minister was right to say that the land at Nakigalala had ownership disputes.

Recommendation

The Management of NSSF should halt any further processes leading to the acquisition of land at Nakigalala until the ownership disputes over the land are conclusively resolved.

2.1.2 Whether NSSF performance had been declining over the years

It was established that NSSF registered an increase of 14,000 new members between 2019 and 2022. The Fund had a total of 1,517,471 members as at July 2022. 701,000 of these were active (making regular contributions). Between 2015 and 2022, the total annual contributions made by members increased by 116% (from UGX 688,095,082,000 in 2015 to UGX 1,486,439,181,376 in 2022).

The accumulated contributions steadily increased by 922% (from UGX 1,659,793,727,000 during FY 2009/2010 to UGX 16,961,837,142,000 during FY 2021/2022).

For the period 2012 to 2021, NSSF consistently offered an interest to members of at least 10%, with the highest interest of 15% in 2018. In 2022, the Fund declared an interest of 9.65%, partly as a result of UGX 626,098,945,132 it paid out as mid-term access benefits to members following the amendment of the NSSF Act in January 2022.

It was not true that the Fund's performance had been declining. To the contrary, the performance was good and better than most service sector institutions like commercial banks and insurance companies that registered slow growth and high cost income ratios of above 50% between 2017 and 2022. It also performed better than NSSF Kenya. A review of the Directors' reports together with audited financial statements of NSSF Kenya and NSSF Uganda for the period 2017 to 2021 showed that the percentage growth of NSSF Kenya between the FY 2017/18 and the FY 2018/19 declined from 0.137% to 0.058% while between the FY 2019/20 and the FY 2020/21, there was increased percentage growth from 0.059% to 0.135%. The percentage growth of NSSF Uganda between the FY 2017/18 and the FY 2018/19 declined from 0.26% to 0.136% while in the FY 2019/20 and the FY 2020/21, there was increased percentage growth from 0.17% to 0.173%.

Table: Summary of the percentage growth of NSSF Kenya and NSSF Uganda between FY 2017 and 2021

Financial Year	**Uganda**	**Kenya**
FY 2020/2021	0.173%	0.135%
FY 2019/2020	0.17%	0.059%
FY 2018/2019	0.136%	0.058%
FY 2017/2018	0.26%	0.137%

Conclusion

There is no justification to support the view that the Fund's performance had been declining.

2.1.3 Whether the former MD took bribes and commission through waiving of NSSF contributions of workers of the Uganda Railways Corporation, Uganda Broadcasting Corporation and arbitrarily reduced penalties that were to be paid by Tororo Cement

It was established that:
In 2008, NSSF filed a suit in the High Court seeking recovery of unremitted contributions, statutory interest and penalties from Uganda Railways Corporation (URC) for the period 1995 to 2001. During the course of the hearing, the then Ministers of Works and Finance intervened in the dispute and the parties entered into a partial consent which was endorsed by Court on 7th February 2013. Under the consent, URC acknowledged the under remittance and undertook to pay UGX 4,893,359,606, being due contributions, interest thereon and a discounted penalty. Initially, the total penalty that URC owed NSSF was UGX 25,161,283,831. However, the MD waived 94% of the penalty following an appeal from the Minister for Finance Planning and Economic Development. This left an outstanding penalty of UGX 1,000,000,000.

In 2016, NSSF conducted a compliance Audit on Tororo Cement Ltd which revealed that the firm had NSSF contribution arrears of UGX 1,279,954,284 and a penalty of UGX 3,460,227,863. NSSF and Tororo Cement Limited entered into a settlement deed where it was agreed that the firm would pay UGX 1,279,954,284 to NSSF in four instalments and the penalty would be considered for waiver by the MD upon settlement of the payment. The firm paid the money as indicated in the deed. However, they had not applied for the waiver by the time of these investigations. So the penalty remained at UGX 3,460,227,863.

In 2018, NSSF filed a criminal case in the Chief Magistrates Court of Nakawa against Uganda Broadcasting Corporation for recovery of NSSF contribution arrears, interest thereon and penalty that had accumulated as a result of noncompliance. On 22nd September 2021, a consent judgment was entered between UBC and NSSF to pay the outstanding amounts in instalments. UBC was supposed to pay UGX 4,942,741,170 being unremitted monthly standard contributions for the period of November 2005 to September 2016 and UGX 3,749,377,185 as the annual statutory interest accrued on the contributions as at July 2019. It was also agreed that the Fund would waive the accrued penalty of UGX 29,150,077,970. As at January 2023, UBC was still indebted to NSSF to the tune of UGX 11,691,728,081

Conclusion

Mr. Byarugaba waived the penalty of Uganda Railways Corporation by 94% upon intervention from the then Minister of Finance. Tororo Cement penalty was not waived because they had not applied for the waiver. The penalty for UBC was not waived because they had not yet paid the outstanding amounts of members' contributions. It is therefore not true that he waived members' contributions or arbitrarily waived penalties as alleged.

2.1.4 Whether the Managing Director, rejected initiatives to scale up registration of new members in Industrial Parks (especially Kapeeka)

It was established that the NSSF registered a total of 137 companies in the various Industrial parks in the country, with a total of 12,535 employees and an average of UGX 1,907,000,000 in monthly NSSF contributions. This was on top of the existing contributors of the Fund. There were 20 entities/factories in Liao Shen Kapeeka Industrial Park. By December 2022, NSSF had registered 16 companies operating in the park, with a total of 1,808 employees and an average of UGX 76,171,462 in monthly NSSF contributions. The other four companies in the industrial park were still under construction and not yet operational.

Conclusion

There was no evidence to support the allegation that the MD rejected initiatives proposed by the Minister and other Government officials to scale up registration of new members in industrial parks.

2.1.5 Whether previous recommendations by the IGG in respect of the sale of land at Bakuli were not implemented

The allegations relating to the irregular disposal of land at Bakuli were investigated by the IG under reference HQT/06/05/2013 and a report issued in April 2014. *It was established that the land at Plot 434 Namirembe was* *purchased by NSSF at UGX 650,000,000 in 2008 and disposed of at the same price in 2012.* Following were the IG recommendations:

i) Mr. David Nambale, former Corporation Secretary, should refund the sum of UGX 1,570,623/= which he spent on personal telephone calls to his spouse while he was attending a training course in the United Kingdom. The said amount should be deposited in the Inspectorate of Government Asset Recovery Account in the Bank of Uganda.

ii) The Management of NSSF should explore methods of reducing the expenses incurred on roaming charges when blackberry services are used by the Managers as soon as possible to prevent accumulating heavy bills for the fund.

iii) Telephone usage limits should be set for the top Managers of NSSF, including for the use of mobile blackberry services as soon as possible.

iv) The Managers of NSSF should plan activities in such a manner as not to cause unnecessary losses to the fund and due to poor planning and uncoordinated execution of activities as was the case when the DMD attended a training program in Dubai in March 2013.

v) The former MD of NSSF, Mr. Richard Byarugaba, should be sternly reprimanded for making the decision to replace Ms Kasirye with Ms Ssali to attend the training in Dubai at short notice and without preventing a nugatory expense from being incurred by the Fund as a result of hid decision.

vi) The monetary awards to Mr. Rchard Byarugaba, Mr. David Nambale and Ms Geraldine Ssali Busuulwa ordered by the NSSF Board of Directors should not be paid to them unless they are based on the provisions of the NSSF staff Handbook or Law. The decision to pay an award to Ms Muteesi was *ultra vires* the powers of the Board of Directors; it should not be honoured unless it is justified by law.

vii) NSSF should release the UNFFE certificate of title in respect of Plot 27 Nakasero road and meet the relevant statutory disbursement required of the fund during the time that it held the title as registered proprietor. This should be done without further delay to enable UNFFE transact its planned activities and prevent NSSF from incurring further costs relating to the outgoings on holding the property as registered proprietor.

viii) The claims made by UNFFE as costs incidental to or as a result of the preparation of the BOOT agreement to construct Farmers House should then be determined according to the terms of the BOOT agreement and the matter should be settled amicably between the two parties.

ix) The Minister of Finance, Planning and Economic Development should enforce appropriate sanctions against the former Managing Director/ Accounting Officer of NSSF, Mr. Richard Byarugaba, for neglecting his duty and failing to ensure that the highest value possible is obtained from the sale of the land known as Block 4 Plot 434 at Namirembe.

x) In future all disposal of land by NSSF should strictly follow the disposal procedures laid out under the Public Procurement and Disposal of Assets Act and Regulations. Sufficient time should also be taken to do proper investigations on assets to be procured or disposed of. The advice given about assets by the legal team should be taken more seriously than it was in the case of disposal of land at Plot 434 at Namirembe.

xi) In future the management of NSSF must obtain clearance from the Attorney General before entering into transactions such as that in respect of purchase of shares in the UMEME IPO.

xii) Subject to existing laws relating to Pensions Funds and the NSSF in particular, the Attorney General should as a matter of urgency consider and respond to NSSF's request to be exempted from the application of the provisions of Article 119 (5) of the Constitution as is provided for in Article 119(6), in the process of making quick decisions about investments for the benefit of the fund.

All the I.G recommendations made in this matter were implemented save for these two:

i) Mr. David Nambale, former Corporation Secretary, should refund the sum of UGX 1,570,623/= which he spent on personal telephone calls to his spouse while he was attending a training course in the United Kingdom. The said amount should be deposited in the Inspectorate of Government Asset Recovery Account in the Bank of Uganda.

ii) The Minister of Finance, Planning and Economic Development should enforce appropriate sanctions against the former Managing Director/ Accounting Officer of NSSF, Mr. Richard Byarugaba, for neglecting his duty and failing to ensure that the highest value possible is obtained from the sale of the land known as Block 4 Plot 434 at Namirembe.

It was established that Mr. David Nambale who was supposed to refund the money had left the Fund by the time the report was issued.

Conclusion:

There was no evidence obtained to indicate that the Managing Director refused to implement the orders / directives of the Inspectorate of Government. The directive was to be implemented by the Minister of Finance, Planning and Economic Development. The MD had no direct role in implementation of the IG recommendations in respect of the sale of land at Bakuli.

Recommendation

Mr. David Nambale, former Corporation Secretary, should refund the sum of UGX 1,570,623/= which he spent on personal telephone calls while he was attending a training course in the United Kingdom. The said amount should be deposited in the Inspectorate of Government Asset Recovery Account (Account Number – 003030088000007) in the Bank of Uganda.

2.1.6 Whether the MD and his cohorts like the Head of Investments used the budget as a means of siphoning money out of NSSF through exorbitant expenditure on foreign trips

It was established that there was an increment in the budget for trips from UGX 1,227,251,000 during the FY 2017/2018 to UGX 3,924,090,000 during the FY 2022/2023. The investigation sampled various trips to establish whether they took place and the purpose for the trips. These included the following:

i) The East Africa Research Trips
The East Africa Research trips are conducted every year and they involve a team from the Investment Department and the Managing Director travelling to Kenya, Rwanda and Tanzania to conduct market assessment of the region where the Fund has investments. In 2017 a team of 6 people were facilitated to conduct this activity for 10 days at a total cost of USD 47,700. The days further increased to 18 in 2018 and 21 in 2022 at total costs of USD 67,110 and USD 77,070 respectively. The team could have also been reduced to four people.

ii) In February 2022, a joint team from NSSF and the Judiciary visited the SSNIT and Judiciary of Ghana to benchmark the successful implementation of the special social security courts system at a cost of USD 81,794. The team comprised of seven officials from the Judiciary headed by Hon. Justice Flavian Zeija, the Principal Judge and the seven officials from NSSF headed by Mr. Richard Byarugaba, the former MD. The visit was facilitated solely by NSSF. There was no plausible justification for having such a big delegation for the benchmarking visit.

iii) In August 2017, Mr. Byarugaba Richard and CIO Mr. Gerald Paul Kasaato received a total of USD 7,282 as facilitation to attend to the invitation by the Eastern and Southern Trade Development Bank for an institutional round table on 29th August 2017 and an AGM on 31st August 2017 in Mahe Seychelles. However, Mr. Kasaato did not travel as he had other critical assignments to do during that time. He did not refund the money that had been advanced to him.

iv) In September 2018, the NSSF Managing Director, Mr. Richard Byarugaba was invited by the Africa Investor as a distinguished speaker at the Sovereign Wealth and Pension Fund Leaders' Summit held in New York on 24th and 25th September 2018. A total of USD 15,363 was advanced to him and the

Chief Investment Officer as per diem, air tickets and visa fees for this trip. The hosts of the summit did not facilitate the trip and the cost was borne by the Fund.

v) In January 2022, a team of nine NSSF staff members received a total of USD 71,422.47 to travel to Cairo, Egypt and Riyadh Saudi Arabia to do due diligence on Dar Al-Handasah Consultants in association with Creations Consult Ltd that emerged the best evaluated bidder for the consultancy services for feasibility study, design and construction supervision of the proposed one stop government office campus at Bwebajja. This team facilitated to undertake the due diligence was unnecessarily big.

vi) The contract between NSSF and Intrasoft International S.A in joint venture with Sybyl Limited for the supply, installation, testing and commissioning of the PAS provided that the offsite training cost, per diem and flight of the training for 25 participants were to be met by the vendor. The training took place in Greece at the vendor's premises between June and September, 2022.

The vendor paid Per Diem based on its domestic rates which were below NSSF Per Diem rates. The vendor's Per Diem rates for each participant per day were Euros 30 (USD 32) for each of the first 3 days and Euros 20 (USD 21) for each of the rest of the days spent by the participant. However, the NSSF international travel Per Diem rate was on average USD 490 per day.

The Fund paid per diem top up amounting to USD 152,236 or UGX 548,049,600 for the 25 participants.

It was noted that the Per Diem rates for offsite training were not specified in the contract between NSSF and Intrasoft SA, a loophole that led to Intrasoft SA determining the Per Diem rates for the participants based on their domestic rates in Greece.

The PAS contract between NSSF and Intrasoft SA was not clear on the Per Diem rates which led to the Fund spending an exorbitant sum of USD

152,236 on Per Diem top up for the 25 participants which could have been avoided.

vii) In July 2018, NSSF facilitated Ms. Jesca Ruth Katongole, Secretary, Ministry of Finance Planning & Economic Development to attend an ESAMI training on "Improving Interpersonal Relations at Work". The training was conducted in Lusaka from the 16th to 27th July 2018. NSSF spent USD 6,530 on her per diem, air ticket and training fees. It was irregular for NSSF to pay for her training, yet she was an employee of Ministry of Finance, Planning and Economic Development.

viii) In August 2022, a team of 84 staff from the Human Resource and Administration Department travelled to Copthorne Hotel Deira 4* Hotel, Dubai for team building. The total payment by the Fund for the Dubai trip was UGX 339,837,575. This included payments for the hotel, expenses in Dubai as well as transport to and from Entebbe. NSSF budgets for UGX 2,000,000 for each staff member for team building every year. Each Department decides on how best to utilize their team building budgets. In this particular case, the Human Resource Department utilized its team building allocations for two FYs, namely 2021/2022 and 2022/2023.

Conclusion

There was no evidence that the MD and his cohorts like the Head of Investments used the budget as a means of siphoning funds through exorbitant trips. The overall expenditure on trips was within budget for all the financial years under review.

Recommendations

i) The NSSF management should adopt a system where staff requesting for funds for foreign trips where the activity dates are not specified, attach activity plans to their requisitions justifying the number of days requested for and indicating what they intend to accomplish. Before approval of request for funds, the approving authority should review the activity plan and the justification.

ii) The NSSF Managing Director should review the team composition for the East Africa research trips with the aim of reducing the number of staff that travel for the research tour.

iii) The team should make a refund in respect of the trips where they spent less days than what was paid for. In regard to 2019, the team should refund funds as follows;

- Mr. Richard Byarugaba - UGX 8,430,300
- Mr. Gerald Kasaato - UGX 5,989,545
- Mr. Muhammad Kasumba - UGX 7,246,610
- Mr. Ibrahim Buya - UGX 7,246,610
- Mr. Owera Keneth - UGX 5,434,958

In regard to 2022 Mr. Richard Byarugaba should refund UGX 8,072,819 for spending 17 days out of the 21 days paid to him.

The said amount should be deposited in the Inspectorate of Government Asset Recovery Account (Account Number – 003030088000007) in the Bank of Uganda.

iv) For future foreign bench-marking and due diligence engagements, NSSF should facilitate an optimal number of participants that would not compromise the objective of the activity but at the same time not cost a lot to the Fund.

v) Mr. Gerald Kasaato, the Chief Investment Officer NSSF and Ms. Achieng Faith should refund USD 1620, in per diem received by the latter on behalf of the former since he did not undertake the trip.

vi) In instances where the officials of the Fund are invited to attend events abroad, it is recommended that management of the Fund carries out a cost benefit analysis of the event before a decision is made to attend the event.

vii) NSSF management should manage savers' funds responsibly and should not undertake reckless spending that can be avoided.

viii) The Management of the Fund together with the Board should revise the budgetary allocation for team building among the staff of the Fund since the allocated sum of UGX 2,000,000 per staff, per annum, is on the higher side and a wastage of savers' funds.

2.1.7 Whether the MD refused to implement the Minister's directive to amend the NSSF budget to include UGX 6 Billion for purposes of strengthening compliance and enhancing partnerships and collaboration through stakeholder engagements

In accordance with Section 29(1) of the NSSF Act, CAP 222, the NSSF Board recommended a proposed total budget of UGX 2,267,700,000,000 for the FY 2022/2023 on 13th May 2022 and it was submitted to the Minister for approval.

On 16th June 2022, the Minister of Gender Labour and Social Development informed the Chairman that she had approved the budget subject to amendments. The amendments were deferring UGX 400,000,000,000 and UGX 115,000,000,000 meant for strategic land purchases and the Yusuf Lule road project respectively. She also directed that UGX 6,000,000,000 be provided from the operations budget for strengthening compliance and enhancing partnerships and collaboration through stakeholder engagements. However, the former MD declined to amend the budget to provide for UGX 6,000,000,000 on grounds that those activities had already been provided for in the original budget.

The NSSF Act, Section 29(3) expressly gives the Minister the powers to approve or disapprove the budget. It states that *"The Minister shall, upon receipt of the annual budget or any supplementary budget, approve or disapprove the budget or may approve it subject to such amendment as he or she may deem fit"*.

Conclusion

The Minister is empowered under Section 29(3) of the NSSF Act to amend the budget. Therefore, the Minister was within her right. The refusal by the MD to implement the Minister's directive was an act of insubordination which can be handled in accordance with the NSSF disciplinary policies.

Recommendations

The Minister of Gender Labour and Social Development should develop regulations to operationalise section 29 of the NSSF Act since the Minister's powers under the section can be excessive.

2.1.8 Whether the Managing Director attempted to defy the President's directive in regard to the Yusuf Lule road real estate project

It was established that the NSSF advertised a pre-qualification notice in March 2020, inviting suitably qualified bidders to submit applications for prequalification for the design and construction of the Yusuf Lule commercial development project. 12 bids were received but only four bidders met the prequalification criteria and were invited to bid.

The Evaluation Committee recommended China Railway Construction Engineering Group Co. Ltd as the best evaluated bidder with a total evaluated bid price of UGX 198,558,921,170.98. This was way above the UGX 123,600,000,000 that the Fund had budgeted for the project and the tendering process was cancelled.

In September 2022, H.E the President directed that M/s SMS Construction Co. Ltd. be engaged to undertake the construction of the commercial development along Yusuf Lule road. The negotiations with China Railway Construction Engineering Group Co. Ltd were halted and the initial procurement process cancelled. Bid documents were issued to M/s SMS Construction Co. Ltd on 6th December 2022. The firm submitted the technical and priced bid on 30th January 2023. At the time of the investigations, the bid was yet to be evaluated.

Conclusion

While NSSF was in the process of procuring a contractor for the Yusuf Lule project, the Managing Director received a directive from H.E the President of Uganda to award the contract to SMS Construction Co. Ltd in support of Ugandan companies, which the MD complied with. The process to procure SMS Construction Co. Ltd is ongoing. Therefore there is no evidence that the MD attempted to defy the President's directive.

2.1.9 Whether the former Managing Director's disciplinary record was wanting

An analysis of NSSF Board Minutes and discussions held with former and current Board Chairpersons indicated that Mr. Byarugaba was fond of using inappropriate language, lacked respect for fellow Directors and had poor people skills.

On 16th May 2019, one of the members of the Board made a report on Mr. Byarugaba's belligerent use of derogatory language and undermining the Board's Authority where he outlined a history of Mr. Byarugaba's indiscipline and impunity towards the Board and requested the Board to examine the transgressions and take serious disciplinary action in line with the NSSF Human Resource Manual.

On 21st May 2019, Mr. Richard Byarugaba responded to the allegations made against him and he was cautioned. The Board also hired an Executive Coach to help him improve his people management skills.

Conclusion

There is evidence in subsequent appraisals that Mr. Richard Byarugaba's use of inappropriate language and poor people relations persisted.

Recommendation

In future, the NSSF Board should adhere to the provisions of the Human Resource Manual during disciplinary processes to ensure lasting solutions or legally binding resolutions.

2.1.10 Whether there were irregularities in the procurement of the Pension Administration System (PAS) and whether there was a systemic failure that was not addressed

It was established that NSSF issued an advert for the procurement of a Pension Administration System in June 2018, under open international bidding. The advert attracted five bidders. In February 2019, NSSF signed a contract agreement for delivery of the PAS with M/s Intrasoft International SA in joint venture with Sybyl Ltd that emerged the best evaluated bidders, at a contract sum of UGX 15,278,352,941. The contract was to be performed within twelve months plus the six (6) months stabilization period. It was established that the procurement was in line and followed the PPDA guidelines.

At the time the PAS went live, the system was not stable and it experienced a lot of challenges. Although it underwent several successful tests, many of the features were not working as expected after going live. The post implementation review report carried out in April 2022 indicated that at the time of Go-Live, the system was marred with multiple challenges. These included concurrent user logins, inadequate controls within member process alterations and delayed statement offset as well as multiple benefits processing. During the stabilization period, these issues were resolved by the vendor and the system has now stabilized to an acceptable level. However, the Compliance Module had not yet been implemented.

Conclusion

There was no evidence obtained to prove any irregularities in the procurement of the PAS. However, the system experienced issues when it first went live. During the stabilisation phase of the project, most of these issues were resolved by the vendor and the NSSF team.

Recommendations

i) The Management of NSSF should engage the vendor of the Pension Administration System (Intrasoft International SA) and sign a service level agreement to ensure that there is continued and guaranteed support for the Pension Administration System until an acceptable level of stability is achieved.

ii) The Management of NSSF should follow up with the vendor of the PAS and ensure that all pending tasks as agreed and specified in the contract for the development and implementation of the Pension Administration System between NSSF and the vendor are completed.

2.1.11 Whether NSSF launched a sham smart card which did not offer any value to members and whether the said smart cards were printed at an exorbitant cost

It was established that the smart card project was initiated in 2014. The cards were supposed to replace the plastic laminated cards and were expected to provide access to various products offered to NSSF members, provide a payment platform for utilities, airtime, mobile money, transport, education and to enhance the NSSF brand among others.

The procurement of the supply, installation and commissioning of the smart cards solution commenced in September 2014, through open domestic bidding. On 23rd June 2015, Madras Security Printers Private Limited were awarded this contract at a total contract sum of USD 547,870. The cards were supposed to be delivered within the contract period of five months ending 23rd November, 2015, but they were not delivered within that time, because the smart card specifications were enhanced to include new card technology of chip and pin which offered more security features.

In 2017, Madras Security Printers supplied 150,000 smart cards to NSSF. However, most of these smart cards were not delivered to owners. The smart card could be used for biometric identification of members, balance inquiry and checking a members' NSSF statements. By the time of roll out, the smart card technology was no longer viable and there were cheaper technological innovations such as SMS and E-mail that could offer the same services that were to be accessed through the card.

Conclusion

The smart card project was not a sham. However, the project failed project due to poor project management, lack of project risk management and control.

Recommendation

NSSF should consider including a risk management component in all IT related projects to ensure that project control and risk management are done throughout the project.

2.1.12 Whether NSSF invested significantly in point of sale machines that later failed

It was established that in April 2014, NSSF embarked on a project to procure customer touch pads which were to perform as kiosks at busy customer inlets. The machines were supposed to enable members' access NSSF services such as checking statements, balances and printing statements. They were also meant to enable members register and update their details. In July 2014, the Fund contracted M/s Infoage Business Solutions Ltd to supply seven customer touch pads at a cost of UGX 133,283,458.

The machines were delivered and six of them were deployed in busy malls, while the other was deployed at Workers House, NSSF headquarters. The machines were later relocated from Kampala to other areas due to unnecessary rent costs and the increasing mobile and internet penetration. The customer touch pads were in use until they were withdrawn mainly to the innovation of new and cheaper systems to offer the same services.

Conclusion
The customer touchpads project did not fail but was overtaken by new technology.

Recommendation
NSSF should always conduct thorough feasibility study and market assessment before sanctioning the implementation of IT projects. In addition, continuous monitoring and evaluation of IT projects is key to the success of IT projects.

2.1.13 Whether NSSF staff were conniving with masquerader claimants for the Lubowa Housing land

It was established that NSSF purchased approximately 600 acres of freehold land in Lubowa area on different dates in 2003, 2004 and 2017 and parcelled it out in 109 separate certificates of title. The Fund took vacant possession of the land after each purchase.

From about 2006, several disputes and encroachments arose on various portions of the land and the disputes were forwarded to Court for determination. Out of the 14 cases that were forwarded to Court for determination, judgment was delivered in the Fund's favour in seven cases. One case was settled through an ex gratia payment of UGX 5,000,000 each to three individuals. The other six cases were still in Court, pending hearing. The Fund had not made any other payments to the encroachers apart from the ex gratia payment of UGX 15,000,000 and repatriation fee that was paid to the former occupants of the workers' quarters.

Conclusion

Despite the fact that there are several land ownership disputes on the land at Lubowa which this office is aware of, there was no proof of connivance between NSSF staff and the claimants. The ownership disputes are being handled in courts of law.

2.1.14 Whether a kickback was paid to the Managing Director (MD) and the Investment Team of NSSF during the purchase of MTN and Quality Chemicals shares by NSSF

It was established that NSSF purchased 269,361,386 shares in Quality Chemicals worth UGX 69,091,195,509 in September 2018 and 1,980,000,000 shares in MTN worth UGX 360,000,000,000 in December 2021. Both purchases were done at IPO stage. The purchases were in line with the existing policy and operational framework process at the Fund. The shares were acquired after valuation reports were presented to the MIC and duly approved as required.

Conclusion

There was no evidence to confirm the allegations that a kickback was paid to the MD and the Investment Team of NSSF during the purchase of MTN and Quality Chemicals shares.

2.1.15 Whether Mr. Richard Byarugaba received gratification from Symbion in form of redesigning his house in Mbuya in exchange for the contract of the proposed development of Yusuf Lule Road Plot

It was established that in an agreement dated 24th February, 2017, Mr. Richard Byarugaba engaged Symbion Uganda Ltd for architectural design services for alterations and extensions to his residence at Mbuya along Portbell road at a contractual sum of USD 10,000. He engaged other contractors to carry out construction works, site supervision and statutory approvals.

The investigation did not establish any connection between the architectural design services done by Symbion (U) Ltd for Mr. Byarugaba's residence in 2018 and the 2022 tender for consultancy supervision on Yusuf Lule road. Procurement for the consultancy supervision of the design and build of the Yusuf Lule commercial development project in which Symbion Uganda Ltd in association with Symbion Kenya Ltd and two other companies expressed interest started in January 2022. However the procurement process was halted following a Presidential directive to engage SMS Construction Ltd.

Conclusion

There was no evidence that Mr. Richard Byarugaba received gratification from Symbion in form of redesigning his house in Mbuya in exchange for the contract of the proposed development of Yusuf Lule Road Plot.

2.1.16 Whether M/s CATIC Construction Ltd paid a bribe to Mr. Richard Byarugaba (Former MD) and Mr. Gerald Mugabi (Head PDU) to influence the award of the contract to construct the CITADEL Apartments to the Company

It was established that in March 2014, NSSF contracted a procurement agent, M/s Agile Investments Ltd to source for an eligible contractor to undertake the designing and building of Mbuya Housing Estate-Phase II, under open domestic bidding. M/s Agile Investments Ltd was procured in line with Section 40 of the PPDA Act, 2003 which governs Third party procurement and disposal.

Section 40 (1) of the PPDA Act, 2003 - "Where it is deemed that there is lack of technical capacity, and subject to guidelines and prior approval of the Authority, a procuring and disposing entity may engage third party procurement and disposal services"

M/s China National Aero Technology International Engineering Corporation and M/s Infrastructure Design Forum JV emerged the best evaluated bidders with a total evaluated price of UGX 14,534,673,052 inclusive of taxes. NSSF entered into a contract with the firm for designing and building of Mbuya Housing Estate-Phase II on 23rd February, 2016. Analysis of payment records revealed that payments to M/s CATIC for the works were made between August 2016 and November 2021.

It was also established that Mr. Richard Byarugaba was out of office for the initial part of the procurement process. He was out from 31st December 2013 when his contract expired to 1st December 2014 when he was offered a new contract.

Analysis of the financial records of Mr. Gerald Mugabi (Head Procurement and Disposal Unit, NSSF) and Mr. Richard Byarugaba (Former Managing Director, NSSF) failed to show a link between the two and the contractor.

Conclusion

There was no evidence that M/s CATIC Construction Ltd paid bribes to NSSF to influence the award of the contract for construction of the CITADEL Apartments.

2.1.17 Whether the Managing Director had been taking bribes that could be ascertained through cross border trails and whether he and his associates were beneficiaries of 5% commission paid by CRCEG, through De Point Consultants Ltd, a Bank in Mauritius, and finally to Barclays Bank in London

Inquiries were done in the domestic banking system, and requests were made to the Financial Intelligence Authority and authorities in Mauritius to verify the allegations of illicit money transfers involving NSSF officials or the companies mentioned. Furthermore, searches were conducted in the land registries, tax records, motor vehicle records and utilities providers to verify properties of NSSF officials. However, no evidence was obtained to confirm the allegations.

2.1.17 Summary of recommendations in relation to the issues raised by the Minister of Gender, Labour and Social Development

i) The Management of NSSF should halt any further processes leading to the acquisition of land at Nakigalala until the ownership disputes over the land are conclusively resolved.

ii) The NSSF management should adopt a system where staff requesting for funds for foreign trips where the activity dates are not specified, attach activity plans to their requisitions justifying the number of days requested for and indicating what they intend to accomplish. Before approval of request for funds, the approving authority should review the activity plan and the justification.

iii) The NSSF Managing Director should review the team composition for the East Africa research trips with the aim of reducing the number of staff that travel for the research tour.

iv) The team should make a refund in respect of the trips where they spent less days than what was paid for. In regard to 2019, the team should refund funds as follows;
   - Mr. Richard Byarugaba - UGX 8,430,300
   - Mr. Gerald Kasaato - UGX 5,989,545
   - Mr. Muhammad Kasumba - UGX 7,246,610
   - Mr. Ibrahim Buya - UGX 7,246,610
   - Mr. Owera Keneth - UGX 5,434,958

   The investigation team was not able to interview Mr. Marvin Galiwango who was reported to be out of the country at the time of investigations.

   In regard to 2022 Mr. Richard Byarugaba should refund UGX 8,072,819 for spending 17 days out of the 21 days paid to him.

   The said amounts should be deposited in the Inspectorate of Government Asset Recovery Account (Account Number – 003030088000007) in the Bank of Uganda.

v) For future foreign bench-marking and due diligence engagements, NSSF should facilitate an optimal number of participants that would not compromise the objective of the activity but at the same time not cost a lot to the Fund.

vi) In instances where the officials of the Fund are invited to attend events abroad, it is recommended that management of the Fund carries out a cost benefit analysis of the event before a decision is made to attend the event.

vii) NSSF management should desist from reckless spending and dubbing it stakeholder management in order to save member's funds.

viii) The Management of the Fund together with the Board should revise the budgetary allocation for team building among the staff of the Fund since the allocated sum of UGX 2,000,000 per staff, per annum, is on the higher side and a wastage of savers' funds.

ix) In future, the NSSF Board should adhere to the provisions of the Human Resource Manual during disciplinary processes to ensure lasting solutions or legally binding resolutions.

x) The Management of NSSF should engage the vendor and sign a service level agreement to ensure that there is continued and guaranteed support for the Pension Administration System until an acceptable level of stability is achieved.

xi) The Management of NSSF should follow up with the vendor and ensure that all pending tasks as agreed and specified in the contract for the development and implementation of the Pension Administration System between NSSF and the vendor are completed.

xii) Mr. David Nambale, former Corporation Secretary, should refund the sum of UGX 1,570,623/= which he spent on personal telephone calls while he was attending a training course in the United Kingdom. The said amount should be deposited in the Inspectorate of Government Asset Recovery Account (Account Number – 003030088000007) in the Bank of Uganda.

2.2 Other issues

2.2.1 Whether NSSF was processing a payment of UGX 1,000,000,000 as an out of court settlement for a case against the former Deputy Managing Director

Mrs. Geraldine Busuulwa Ssali was a former Deputy Managing Director at NSSF. The NSSF Board terminated her appointment as Deputy MD and barred her from accessing her office despite a court ruling in her favour. She successfully sued the Fund in the High Court of Uganda in 2016 and was awarded damages of UGX 200,000,000. NSSF was also fined UGX 50,000,000 for contempt of court.

NSSF appealed against the High Court ruling in October 2016. In November 2022, NSSF external counsel, S&L Advocates advised the Fund to consider an out-of-court settlement with Mrs. Busuulwa. When they reached out to her, she demanded for payment of UGX 2,000,000,000 to settle the matter amicably, yet NSSF was willing to offer UGX 752,600,000 only. The Audit and Risk Assurance Committee meeting held on 20th January 2023 recommended that the Board rescinds its earlier offer of UGX 752,600,000 to her and the Fund proceeds with the appeal in Court.

Conclusion

It was true that NSSF had initially mooted payment of UGX 1,000,000,000 (1 Billion) as an out of court settlement for a court case against the former Deputy Managing Director Ms. Geraldine Ssali Busuulwa. However, the Audit and Risk committee of the Board later advised against it and the matter had not been resolved by the Board.

Recommendation

Since the matter was already decided by court and an appeal lodged, the matter should be concluded through court.

2.2.2 Whether NSSF made irregular donations of funds to the National Organization of Trade Unions (NOTU) and the Central Organization of Free Trade Unions-Uganda (COFTU)

It was established that NSSF had been donating funds to COFTU and NOTU, as strategic partners since 2018 under the CSR Policy that was approved by the Board in 2012. Under that policy, the donation was majorly to build partnership, good corporate citizenship and corporate philanthropy where the Fund gives back to the community and other organisations such as the Church, Rotary Clubs, youths, disadvantaged groups, etc. Since the funds were provided as donations, there was no demand by the Fund for accountabilities from the entities that received the donations.

In 2021, the CSR Policy of 2012 was revised and the Fund came up with the Corporate Social Responsibility Policy of 2021, which provided that the Fund would give back to the community in form of ad hoc donations that would meet officially agreed criteria. The policy of 2021 also required stakeholders to provide accountability for any finances allocated by the Fund towards stakeholder driven initiatives/activities. The donations were therefore justified as they were supported by the CSR Policy that was approved by the Board.

From 2018 to 2021, prior to the revision of the CSR Policy, NOTU and COFTU had received a total of UGX 567,475,000 and UGX 369,900,000 respectively. In 2022, after the revision of the CSR Policy that required strategic partners of NSSF to account for donations from the Fund, both NOTU and COFTU received UGX 100,000,000 each. However, the donations received from NSSF in 2022, was not accounted for by the two entities as provided by the revised CSR Policy of 2021.

Conclusion

It was therefore noted that donations by the Fund to COFTU and NOTU, prior to 2021 lacked a guiding policy to provide for accountability of funds and this could have subjected the donations to abuse/misuse. The donations were specific in nature since funds were donated for specified activities arising from the requests from COFTU and NOTU. It was therefore prudent that a provision should have been provided much earlier in the CSR Policy to provide for accountability of the funds donated.

Recommendation

In line with the NSSF CSR Policy of 2021, Management of NSSF should demand for accountabilities for funds donated to NOTU and COFTU arising from the requisitions received from the two entities to enable them implement Corporate Social Responsibility related initiatives/activities.

2.2.3 Whether Corporate Social Responsibility (CSR) funds were irregularly approved and paid out as bribes to various stakeholders

It was established that the Fund planned to conduct joint corporate social investment activities with the Minister of Gender, Labour and Social

Development, Labour Unions, Federation of Uganda Employers, private Sector and Members of Parliament representing Workers during the FY 2022/2023, at an estimated cost of UGX 1,800,000,000. This was part of the Budget of UGX 6,500,000,000 for Strategic Partnerships, Hi-Innovator and MasterCard. Only COFTU and NOTU had so far received UGX 100,000,000 from the Corporate Social Investment fund.

Recommendation

The Finance Committee and the Board of NSSF should review the items under Strategic Partnership, Hi-Innovator and MasterCard in the budget for FY 2022/2023 and provide the required details of the beneficiaries and implementation plans for Corporate Social Investment.

2.2.4 Whether the MD caused financial loss to the Fund by selling a plot of land in Mbarara City that belonged to the Fund at less than the market value

It was established that on 20th March 2008, NSSF purchased a plot of land in Mbarara from Visa Properties Limited at a purchase price of UGX 110,000,000. The plot was not developed. NSSF later put up the above land for sale citing that it was no longer suitable for development by the Fund.

The land was valued at UGX 315,000,000 and UGX 435,000,000 by the Chief Government Valuer and a private valuer respectively. Only one bid from Mr. Mwijusya Yafeesi with a proposed price of UGX 365,000,000 met the reserve price of UGX 363,000,000. The Committee recommended that the award of contract for the Mbarara plot be made to him.

At the time of investigations, the sale was pending clearance of the Solicitor General and signing of the contract agreement.

Conclusion

The allegation that the MD caused financial loss to the Fund by selling a plot of land in Mbarara City that belonged to the Fund at a price less than the market value was false.

2.2.5 Whether the former MD of NSSF failed to implement the President's directive on source of funding for URBRA

URBRA is an autonomous body established under the Uganda Retirement Benefits Regulatory Authority Act (2011). It is responsible for regulating the establishment, management and operation of retirement benefit schemes in Uganda in both the private and public sectors.

It was established that for the FYs 2018/2019 to 2021/2022, NSSF had paid a total of UGX 25,082,355,658 in compulsory annual levies to URBRA. However, in a letter dated 23rd November 2021, H.E. the President directed the Minister of Finance Planning and Economic Development to fund URBRA from the Consolidated Fund. The Audit and Risk Assurance Committee meeting of the NSSF Board held in January 2022, discussed the Presidential directive and resolved that the Fund stops remitting levy fees to URBRA.

The URBRA Regulations, 2012 are currently being amended in line with the President's directive.

2.2.6 Whether there were irregular payments to members of the NSSF Board when they retired from the Board

With the amendment of the NSSF Act in 2022 under Section 3 subsection (6) (b), it is a requirement for the Minister to ensure that there is consideration of persons with disabilities, **balance of gender**, skills and experience among the members of the board.
However, the composition of the sitting Board at the time had a representation of five men and one woman for the workers and employers' representatives respectively which was not in tandem with the amendment.

The Minister of Gender, Labour and Social Development directed that the NSSF Board should be reconstituted to address gender balance. Mr. Fred Bamwesigye (employers' representative) and Mr. Julius Bahemuka (workers' representative) both exited the NSSF Board in February 2022 to pave way for appointment of female Board members.

In the zeal to implement the Minister's directive, the former Managing Director irregularly paid a total of UGX 687,257,226 as compensation for the remuneration they would have earned in three years as members of the Board. Out of the UGX 687,257,226, UGX 249,553,335 was paid to URA as taxes and UGX 95,010,354 was paid to the members' NSSF accounts as 15% contribution. Mr. Julius Bahemuka directly benefited UGX 222,738,756 which constituted of UGX 175,118,964 paid to his personal bank account and UGX 47,619,792 paid to his NSSF account. Mr. Fred Bamwesigye directly benefited UGX 214,965,135 comprised of UGX 167,574,573 that was paid to his personal bank account and UGX 47,390,562 that was paid to his NSSF account.

Section 3(3) of the NSSF Act as amended provides that a member of the board may be removed from office by the Minister for abuse of office, corruption, incompetence, physical or mental incapacity that renders the member incapable of performing the functions of his or her office, misbehaviour or misconduct, being adjudged bankrupt by a court of law, conviction for an offence involving dishonesty, fraud or moral turpitude or failure to declare any conflict of interest in the execution of a member's mandate as a member of the board.

Section 3(4) of the NSSF Act (as amended) provides that, "a director may, by writing under his or her hand addressed to the Minister, resign his or her office."

The Act does not provide for any compensation for a Board member who is either removed or resigns from office. It was therefore irregular to compensate the Board members.

Since all the Board members declared a conflict of interest in the meeting where the exit package was discussed, Mr. Richard Byarugaba and Mr. Stevens Mwanje (CFO) are therefore responsible for the arbitrary payments to Mr. Fred Bamwesigye and Julius Bahemuka.

Conclusion

It is true that Mr. Richard Byarugaba and Mr. Stevens Mwanje abused their office when they made arbitrary payments to Mr. Fred Bamwesigye and Julius Bahemuka which was not backed by any legal framework or NSSF policy.

Recommendation

The Inspectorate of Government should recover a total of 687,257,226 from Mr. Richard Byarugaba and Mr. Stevens Mwanje in equal instalments for the loss occasioned to the Fund which they paid to Mr. Fred Bamwesigye and Mr. Julius Bahemuka outside the law.

2.2.7 Whether or not the Board irregularly increased its remuneration

In August 2022, Mr. Richard Patrick Byarugaba, MD submitted a request to revise the remuneration of the Board members to the Minister of Gender, Labour and Social Development. He proposed that the retainer fees for the Chairperson be increased from UGX 9,500,000 to UGX 20,000,000 per month. He also proposed the introduction of a committee chairperson retainer fee of UGX 17,000,000 per month and recommended that the other Board member retainer fees be adjusted from UGX 7,500,000 to UGX 15,000,000 per month. However, this proposal was rejected by the Minister of Gender, Labour and Social Development in September 2022.

In another letter dated 13th October 2022, the MD proposed that the retainer fees of the Chairperson be increased to UGX 13,847,546 and that of members be increased to UGX 10,932,273. The Minister of Gender, Labour and Social Development in her letter dated 14th October 2022 approved an increment of the retainer fees from UGX 9,500,000 to UGX 12,815,250 for the Board Chairman and UGX 10,117,500 for other Board Members.

Conclusion

It is true that the Board irregularly attempted to increase its remuneration though the Minister of Gender, Labour and Social Development objected their request.

Recommendation

The Minister of Gender, Labour and Social Development should warn NSSF Board against decisions that are detrimental to the interest of the savers.

2.2.8 Whether the Fund irregularly contributed 10% as NSSF contribution to Board members, yet they were not employees of the Fund

It was established that between 2019 and 2023, NSSF made a 10% NSSF contribution totalling to UGX 103,481,752 to eight Board members, yet they were not NSSF employees. It was irregular for NSSF to treat them like employees of the Fund and make standard member contributions for them.

Recommendations

i) The NSSF should initiate the process of recovering the irregular 10% contributions made to the current Board members totalling to UGX 103,481,752.

ii) The Fund should with immediate effect stop making standard member contributions to the Board members since they are not employees of the Fund.

2.2.9 Whether the Board members possess the core competences required to supervise the Fund

A review of the personal profiles of the current members of the NSSF Board showed that the Board comprised of notable personalities with immense experience in corporate governance and financial management. The Board members include the Managing Director of Finance Trust Bank, the Permanent Secretary MoGLSD, the Managing Director, NWSC, the Deputy Secretary to the Treasury, and a former Member of Parliament, among others.

However, some of the members lack the soft and technical skills required to supervise the Fund's core function of investments. Investment decisions require specific competences and skills.

Conclusion

It was true that some of the Board members lacked the required skills and experience to supervise the Fund's core function (Investments).

Recommendation

The Minister of Gender, Labour and Social Development should initiate the process of amending the NSSF Act to provide that the Board members should in addition to other requirements, have specific academic qualifications, experience and skills relevant to the Fund's core business.

2.2.10 Whether employee contracts were irregularly terminated by the Managing Director

NSSF received complaints of bribery against Mr. Kenneth Danhill Ariho (Security Supervisor) and Mr. Benson Ojur (Security Manager). The two officers were suspended to pave way for investigations. They appeared before the NSSF Disciplinary Committee which noted that there was no evidence obtained to prove that the two officers had received bribes. The Committee recommended that they be reinstated. However, their employment contracts were terminated in July and August 2020 respectively on the basis that Management could no longer trust them with the security of the Fund's assets.

The employment contract for Mr. Benson Ojur provided for a termination notice period of two months and that of Mr. Kenneth Danhill Ariho provided for one month's notice.

Section 23 of the NSSF Human Resources Policy Manual, 2017 provides that employee contract can be terminated through resignation, normal retirement, death, imprisonment and medical incapacity. The notice period ranges from between one month to three months depending on the length of service.

They were paid UGX 111,287,081 and UGX 145,724,636 respectively which included severance pay.

Section 87 of the **Employment Act 2006** provides that severance pay shall be made in the following circumstance;

i. The employee is unfairly dismissed by the employer
ii. The employee dies in the service of his or her employer
iii. The employee terminates his or her contract as a result of physical incapacity
iv. The contract is terminated as result of the death of the employer or insolvency.

It was therefore regular to pay severance allowance since their contracts were terminated under the provisions provided in the law as reflected in (i) above.

Besides, the decision of "*dismiss and pay*" was arbitrary and an act of high handedness by the MD. The unnecessary dismissals with pay were costly to the Fund since people would be paid without regard to the financial loss occasioned to the Fund.

Mr. Richard Ekwang was offered appointment as a Security Supervisor at NSSF in December 2021. He reported for duty on 1st February 2022 and as part of the continuous induction procedure, he met Mr. Richard Byarugaba, MD, on 1st April 2022. The meeting did not go well and the MD ordered him not to appear in office any more. He left the office without any formal dismissal letter and stayed home until 1st November 2022. He received full salary and all other benefits due to him for the time he was away.

Conclusion

It was true that the contracts of Mr. Benson Ojur and Kenneth Danhill Ariho were irregularly terminated since the appeals committee did not find any evidence to support the allegations raised against them.

Recommendation

The Board should strengthen the Human Resource Policy and Procedures Manual to curb high handedness and also empower the employees.

2.2.11 Whether NSSF made irregular payments to staff who exited the Fund under voluntary early retirement program

It was established that following the amendments to the NSSF law, Deloitte conducted a review of the NSSF staff Structure in April 2022 and proposed some changes for better performance. The report among others, recommended reduction of staff in the Commercial department from 380 to 337 and People and Culture Department from 101 to 67.

In an ordinary Executive Committee meeting held on 20th April 2022, the Committee noted that there might be Voluntary Early Retirement (Voluntary Exit) as a result of the reorganization and different compensation packages had been prepared for them.

The exit packages were as follows

i) Package one was paid to staff who had been placed in the new structure but still preferred to exit.
   The staff in this category were entitled to payment in lieu of notice (3 months' gross pay) and normal severance pay (one month's salary for every year worked).

ii) Package two was paid to staff who were not placed in the new structure and they were required to exit. The staff in this category would receive payment in lieu of notice (3 months' gross pay), normal severance pay (one month's salary for every year worked) and a sweetener (additional one and half months' pay for each year worked). Meaning staff in this category only would be paid salary of two and a half months for every year worked.

The entire exit package was not backed by any law in Uganda. The packages were outside the provisions of both Section 87 of the Employment Act and Section 23.12 of the NSSF Human Resources Policy Manual, 2017.

A total of 24 NSSF staff applied for the Voluntary Early Retirement (VER). They had employment contracts with a remaining contract period ranging from ten days to 4 years and 9 months. However, the Fund paid out a total of UGX 4,400,854,827 to 17 of those employees which was over and above the salary they would have earned in their remaining contract period. It was negligent, irregular and wasteful to pay these exiting employees exorbitant amounts of money that was not due to them. Mr. Richard Byarugaba and Mr. Stevens Mwanje caused the Fund a financial loss of UGX 4,400,854,827 by authorizing these irregular payments.

Conclusion

By authorising these payments, Mr. Richard Byarugaba and Mr. Stevens Mwanje caused the Fund a financial loss of UGX 4,400,854,827 contrary to Section 20(1) of the Anti-Corruption Act, 2009.

Recommendation

Mr. Richard Byarugaba and Mr. Stevens Mwanje should refund a total of UGX. 4,400,854,827 in equal instalments for the loss occasioned to the Fund when they authorised irregular payments to staff who exited under the voluntary early retirement program within a period of six months. The refund shall be deposited in the IG Asset Recovery Account. Failure or refusal to refund will lead to their prosecution.

2.2.12 Whether Mr. Benoni Katende and Mr. Geoffrey Sajjabi, were irregularly recruited to the position of Chief Information Officer and Chief Commercial Officer respectively without the requisite qualifications and whether Mr. Elijah Kitaka was irregularly recruited as a Consultant with NSSF

i) Mr. Benoni Katende

It was established that in May 2021, Price Waterhouse Coopers advertised the position of Chief Information Officer on behalf of NSSF. 176 applicants expressed interest in the job and six candidates were selected and shortlisted for interviews. Mr. Benoni Katende emerged the best candidate and the Board approved his appointment as the Chief Information Officer in August 2021.

Therefore Mr. Benoni Katende possessed the requisite qualifications for the position, as stipulated in the NSSF Job Description Manual.

ii) Mr. Geoffrey Sajjabi

It was established that in December 2017, the NSSF Board resolved to appoint Mr. Sajjabi as the Head of Business based on recommendations of the Board that he had been groomed well from within and was best positioned to handle the role. In 2022, NSSF carried out restructuring and the Board placed Mr. Sajjabi in the position of Chief Commercial Officer. The Job description and person specification for the position of Chief Commercial Officer required the job holder to have among others, a professional qualification in Business or Finance, which Mr. Sajjabi did not have.

However, it was noted that the decision to promote Mr. Sajjabi arose from the Board resolution and it may not be plausible to punish Mr. Sajjabi for a decision to which he was not party.

Conclusion

It is true that Mr. Sajjabi was promoted without the requisite qualifications for the job. Given that this was initiated and done by the Board at their discretion, he cannot be held liable for their actions.

iii) Mr. Elijah Kitaka

It was established that in November 2016, Mr. Elijah Kitaka was appointed by the NSSF Board as the Head of Information Technology. He resigned from this position in January 2020 to focus on a technology and entertainment startup that he co-founded. In April 2020, the Procurement Manager requested for approval of direct contract for Mr. Elijah Kitaka to support the implementation of the Pension Administration System (PAS) as a Consultant. It was established that he was a focal person in developing systems designs when he was the Head of Information Technology and by the time of his resignation, the PAS project implementation was at a critical stage. He was re-engaged as a Consultant to provide project implementation services for the Pension Administration System (PAS) for a period of seven months at a contract sum of UGX 21,000,000 per month. At the time of his resignation, he was earning a gross salary UGX 30,284,800 per month.

Mr. Elijah Kitaka's engagement as a consultant was initiated and conducted by the Procurement and Disposal Unit of NSSF.

Conclusion

Since Mr. Elijah Kitaka was hired as a consultant for a monthly fee less than his former salary as the Head of Information Technology, it is plausible to conclude that his retention as a consultant was justifiable.

Recommendations:

i) Mr. Sajjabi must be given a specified period within which to acquire the necessary professional qualifications required for the position of Chief Commercial Officer, failure of which, he should be replaced by a person with the requisite qualification

ii) The NSSF Board must in future stick to the provisions and job specifications as provided in the NSSF job description manual when considering staff for promotion.

2.2.13 Whether Mr. Geoffrey Sajjabi, Chief Commercial Officer influenced the recruitment of his relatives namely; Ms. Sarah Sajjabi (sister), Mr. Godfrey Bogere, Ian Lumonya (nephew), Amanda Achieng Owor (niece), Nevia Nangobi (niece) and Joel Muganza (brother in law) into the Fund

It was established that Ms. Sarah Nakiranda Sajjabi, Relationship Manager was a sister to Mr. Geoffrey Sajjabi. Mr. Godfrey Bogere, Logistics Assistant was not related to Mr. Sajjabi. The duo joined the Fund in April 2007 and on 13th June 2008 respectively, before Mr. Sajjabi who joined in August 2008. He therefore did not influence their recruitment into NSSF.

Mr. Joel Muganza Relationship Manager, Ms. Amanda Achieng Owor, Relationship Manager, Ms. Nevia Nangobi, Relationship Manager and Mr. Ian Lumonya, Sales Officer all joined NSSF after Mr. Sajjabi.

Whereas it is true that they are all his relatives, a review of the recruitment process indicated that Mr. Sajjabi did not participate in the recruitment process.

Conclusion

There was no evidence found to suggest that Mr. Sajjabi influenced their recruitment.

Recommendations

i) The Management of NSSF should ensure that transparency is exercised during recruitment of staff within the NSSF. All qualified Ugandans should be given an opportunity to compete for the few available jobs.

ii) A systems study on the recruitment process and procedures should be carried out by the IG at NSSF to establish whether other heads of departments do not have abnormal number of relatives in the Fund.

2.2.14 Whether there were unexplained salary disparities between staff occupying similar positions

It was established that at the NSSF, each job is viewed differently depending on its net-worth to the Fund. The Fund carries out periodic job evaluation to determine the relative worth of each job. The NSSF Human Resource Manual provides that the salary structure of the Fund shall be premised on a relative worth of the respective positions in the organizational structure, following a job evaluation process.

Conclusion
It was not true that staff were segregated in terms of pay.

2.2.15 Whether Dr. Peter Kimbowa used NSSF Funds to acquire buses for personal business

It was established that Dr. Peter Kimbowa, Board Chairman NSSF, was one of the Directors of Tondeka Metro Company Limited. The bank accounts of Tondeka Metro Company Ltd were reviewed and it was established that the company did not receive any funding from NSSF. The personal bank accounts of Dr. Peter Kimbowa were reviewed and there was no evidence to show that he received money from NSSF apart from his retainer and other allowances paid to him as a Board Member.

Conclusion
There was thus no evidence obtained to show that NSSF funded Tondeka Metro Company Ltd.

2.2.16 Whether there were reported irregularities in the payment of member benefits for the last three and a half Financial Years

At the time of writing this report, it was established that NSSF was paying out seven different types of benefits, namely; age, withdrawal, emigration, exempted employment, invalidity, survivor and midterm access benefits. The NSSF policies and procedures for approval and payment of members' benefits were clearly laid out. The average turnaround time in paying claims had reduced from 106 days in 2013 to the current 22.3 days. For the period under review, NSSF paid out a total of 126,835 claims totalling to UGX 3,033,857,435,034 (Three trillion, thirty three billion, eight hundred fifty seven million, four hundred and thirty five thousand, thirty four shillings).

NSSF paid out UGX 3,937,425,863 (Three Billion, nine hundred thirty-seven million, four hundred twenty-five thousand, eight hundred sixty-three) to 36 members in fraudulent exempted employment benefits as listed in the main report. These members indicated that they had crossed from the private sector to the public sector, which was not the case. This was done in collusion with some NSSF staff, who were later dismissed from the Fund.

Conclusion

There were irregularities but NSSF management took action and dismissed the staff who were involved. However, the claimants have not been punished. Ten of these staff were still in active employment in the private sector.

Recommendations

i) The Fund should always ensure that thorough verifications are done for members seeking to withdraw their benefits under the exempted employment category as it is more prone to risk of abuse.

ii) Ms. Nabbuto Jane Kavuma, Mr. Muleme Eddy, Mr. Mwebaza David, Mr. Ayesigyeruhanga Bylon, Mr. Byaruhanga Ruremire John, Mr. Kiirya Nkenga Muzamiru, Mr. Karuhanga Samuel, Mr. Butele Henry, Ms. Faith Nabakooza and Mr. Katungi Innocent who fraudulently accessed their benefits from NSSF by misrepresenting that they had joined the public service whereas they had not, should be prosecuted by the Office of the Director of Public Prosecutions (ODPP) for false pretences and uttering false documents against NSSF, contrary to Sections 304 and 351 of the Penal Code Act (Cap 120).

2.2.17 Whether the interest rates paid to members each year were lower than what should have been paid

It was established that the NSSF financial accounts are audited at the end of each Financial Year, by a firm assigned by the Auditor General to do the audit.

After the audit, the NSSF Finance Department proposes various interest rates that could be paid out, basing on the performance of the Fund and the financial implications for each proposed interest rate. It recommends the most viable interest rate which is approved by the Board and the Minister of Finance, Planning and Economic Development.

For the Financial Years 2019/2020, 2020/2021 and 2021/2022, interest rates of 10.75%, 12.15% and 9.65% were declared respectively. It was observed that high Fund expenses subsequently led to less profits and less interest to members. In addition, the NSSF Act provides for computation of interest to members basing on opening balances instead of the closing balance of that FY, which is unfair to members.

Conclusion

NSSF generally gave a better interest to its members when compared with treasury bills that ranged between 8.3% - 11.2% in June 2020 and 6.9% - 9.9 % in June 2021. NSSF also offered better interest than fixed deposits in banks that averaged 9.9% in 2020 and 8.6% in 2021.

Recommendations

i) The Minister of Gender, Labour and Social Development should consider referring Section 35 (1) of the NSSF Act to Parliament for amendment by providing for computation of member's interests using the closing balance instead of opening balance for a FY.

ii) NSSF management should exercise frugality and cut down on the many expenses as enumerated in the various sections of this report. This can increase the interest paid to members by at least a percentage point.

2.2.18 Whether there were irregularities in the procurement function in the Fund during the last three and a half Financial Years

Investigations were conducted into allegations of irregularities in the procurement function at the Fund.

On the whole, it was found that procurements at the Fund complied with the Public Procurement and Disposal of Public Assets Act, 2003 (as amended). The procurement organs were in place and doing their work, namely the user departments, evaluation committees and Contracts Committee. Payments for goods and services generally conformed to contractual terms.

The above notwithstanding, two matters were noted that need addressing so as to foster a strong and effective procurement function at the Fund:

i) NSSF agreed to buy 160 completed residential housing units at Kyanja from M/s China Complete Plant Import & Export Corporation Ltd at a price of UGX 25,116,000,000 (Twenty five billion, one hundred sixteen million shillings). However, NSSF took over the unfinished project after the contractor abandoned works due to financial incapacity. This outcome could have been avoided if NSSF had done comprehensive due diligence and post-qualification evaluation in line with **Regulation 34 of the PPDA (Evaluation) Regulations, 2014**, to determine and confirm the contractor's capacity to execute the works.

ii) The Contracts Committee awarded a contract to M/s Solar Winds, a foreign company, to supply an Enterprise Monitoring Solution in the Financial Year 2019/2020. Instead of entering a standard contract, NSSF signed the supplier's End User Licence Agreement which lacked specifications of the duration, products or prices. This contravened **Regulation 10 of the PPDA (Contracts) Regulations, 2014,** and **Section 21 of the NSSF Procurement and Disposal Manual** which stipulates key provisions for public contracts. Whereas the award was for one year only, NSSF continued to receive services and paid the supplier UGX 213,570,078 (Two hundred thirteen million five hundred seventy thousand seventy eight shillings) for two more years without authorisation by the Contracts Committee. There was weak contract management which led to failure to request the Contracts Committee for renewal of the award.

Conclusion

i) There was no comprehensive due diligence carried out to determine and confirm the capacity of COMPLANT during the evaluation of the bid for construction of the Kyanja housing project.
ii) There was weak contract management which led to failure to request the Contracts Committee for renewal of the award of contract to M/s Solar Winds.

Recommendations

i) The Accounting Officer of NSSF should ensure that the process for procurement of a new contractor for the Kyanja housing project is expeditiously carried out.

ii) In the procurement for a new contractor, the Fund should carry out comprehensive due diligence and post-qualification evaluation in line with Regulation 34 of the PPDA (Evaluation) Regulations, 2014, to determine and confirm the capacity of the contractor to execute the works, including financial capacity.

iii) The Managing Director of NSSF should ensure that all agreements signed by the Fund comply with requirements of the procurement laws of Uganda.

iv) The Management of NSSF should caution all contract managers to ensure that any existing contracts that are proposed for renewal are submitted timely to the Contracts Committee for approval.

2.2.19 Whether Mr. Richard Byarugaba solicited for a bribe from Mr. Anil Kuruvilla, Director of Sybyl Ltd, using mobile numbers 0772792304 and No. 0772754755 respectively

Forensic analysis of Mr. Richard Byarugaba's phone revealed that he requested Mr. Anil Kuruvilla for USD 100,000 (One hundred thousand United States dollars) in January 2019. Mr. Kuruvilla was the Managing Director of Sybyl Ltd, a company involved in supply of IT products to NSSF. When interviewed, both Mr. Byarugaba and Mr. Kuruvilla stated they were close personal friends and that the request was for a loan, which was not given.

Mr. Richard Byarugaba placed himself in a position of conflict of interest when he requested for money from a supplier of NSSF. Conflict of interest includes circumstances where a person's independence, objectivity or impartiality are compromised, could be compromised, or may be seen by some as being compromised. Public officials should not seek favours from companies or individuals who do business with their organisations. Section 2.1.3(b) of the NSSF Procurement and Disposal Manual requires employees to reveal any personal interests that may impinge or might reasonably be deemed by others to impinge on their dealings with the Fund.

Conclusion

Mr. Richard Byarugaba placed himself in a position of conflict of interest when he requested USD 100,000 from Mr. Anil Kuruvilla, his close personal friend and Managing Director of Sybyl Ltd, a company which won contracts from NSSF worth tens of billions of shillings.

Recommendation

The Board of Directors of NSSF should update the Procurement and Disposal Manual to address situations of actual, potential or perceived conflict of interest, including to prohibit employees from borrowing money from suppliers and clients and to establish a strict ethical code of conduct.

2.2.20 Summary of recommendations in relation to issues that emerged during the investigations

i) The Fund should always ensure that thorough verifications are done for members seeking to withdraw their benefits under the exempted employment category as it is more prone to risk of abuse.

ii) Ms. Nabbuto Jane Kavuma, Mr. Muleme Eddy, Mr. Mwebaza David, Mr. Ayesigyeruhanga Bylon, Mr. Byaruhanga Ruremire John, Mr. Kiirya Nkenga Muzamiru, Mr. Karuhanga Samuel, Mr. Butele Henry, Ms. Faith Nabakooza and Mr. Katungi Innocent who fraudulently accessed their benefits from NSSF by misrepresenting that they had joined the public service whereas they had not, should be prosecuted by the Office of the Director of Public Prosecutions (ODPP) for false pretences and uttering false documents against NSSF, contrary to Sections 304 and 351 of the Penal Code Act (Cap 120).

iii) Mr. Sajjabi must be given a specified period within which to acquire the necessary professional qualifications required for the position of Chief Commercial Officer. Failure to which, Mr. Sajjabi must be replaced by a person with the requisite qualification.

iv) The NSSF Board must in future stick to the provisions and job specifications as provided in the NSSF job description manual when considering staff for promotion.

v) The Accounting Officer of NSSF should ensure that the process for procurement of a new contractor for the Kyanja housing project is expeditiously carried out.

vi) In the procurement for a new contractor, the Fund should carry out comprehensive due diligence and post-qualification evaluation in line with Regulation 34 of the PPDA (Evaluation) Regulations, 2014, to determine and confirm the capacity to execute the works, including financial capacity.

vii) The Managing Director of NSSF should ensure that all agreements signed by the Fund comply with requirements Regulation 10 of the PPDA (Contracts) Regulations, 2014,

viii) The Managing Director of NSSF should caution all contract managers to ensure that any existing contracts that are proposed for renewal are submitted timely to the Contracts Committee for approval.

ix) The Finance Committee and the Board of NSSF should review the items under Strategic Partnership, Hi-Innovator and MasterCard in the budget for FY 2022/2023 and provide the required details of the beneficiaries and implementation plans for Corporate Social Investment.

x) The Inspectorate of Government should recover a total of 687,257,226 from Mr. Richard Byarugaba and Mr. Stevens Mwanje in equal instalments for the loss occasioned to the Fund which they paid to Mr. Fred Bamwesigye and Mr. Julius Bahemuka outside the law.

xi) The NSSF should initiate the process of recovering the irregular 10% contributions made to the current Board members totalling to UGX 103,481,752.

xii) The Fund should with immediate effect stop making standard member contributions to the Board members since they are not employees of the Fund.

xiii) The Board of Directors of NSSF should update the Procurement and Disposal Manual to address situations of actual, potential or perceived conflict of interest, including to prohibit employees from borrowing money from suppliers and clients and to establish a strict ethical code of conduct.

xiv) Since the matter was already decided by court and an appeal lodged, the matter should be concluded through by court.

xv) The Minister of Gender, Labour and Social Development should warn NSSF Board against decisions that are detrimental to the interest of the savers.

xvi) The Minister of Gender, Labour and Social Development should initiate the process of amending the NSSF Act to provide that the Board members should in addition to other requirements, have specific academic qualifications, experience and skills relevant to the Fund's core business.

xvii) The Board should strengthen the Human Resource Policy and Procedures Manual to curb high handedness and also empower the employees.

xviii) The Minister of Gender, Labour and Social Development should consider referring Section 35 (1) of the NSSF Act to Parliament for amendment by providing for computation of member's interests using the closing balance instead of opening balance for a FY.

xix) NSSF management should exercise frugality and cut down on the many expenses as enumerated in the various sections of this report. This can increase the interest paid to members by at least a percentage point.

xx) Mr. Richard Byarugaba and Mr. Stevens Mwanje should refund a total of UGX. 4,400,854,827 in equal instalments for the loss occasioned to the Fund when they authorised irregular payments to staff who exited under the voluntary early retirement program within a period of six months. The refund shall be deposited in the IG Asset Recovery Account. Failure or refusal to refund will lead to their prosecution.

xxi) In line with the NSSF CSR Policy of 2021, Management of NSSF should demand for accountabilities for funds donated to NOTU and COFTU arising from the requisitions received from the two entities to enable them implement Corporate Social Responsibility related initiatives/activities.

xxii) The Management of NSSF should ensure that transparency is exercised during recruitment of staff within the NSSF. All qualified Ugandans should be given an opportunity to compete for the few available jobs.

xxiii) A systems study on the recruitment process and procedures should be carried out at NSSF to establish whether other heads of departments do not have abnormal number of relatives in the Fund.

xxiv) NSSF should consider including a risk management component in all IT related projects to ensure that project control and risk management are done throughout the project.

xxv) NSSF should always conduct thorough feasibility study and market assessment before sanctioning the implementation of IT projects. In addition, continuous monitoring and evaluation of IT projects is key to the success of IT projects.

2.3 Issues raised by the select committee of parliament

The IG received a copy of the letter from the clerk to Parliament dated 30th March, 2023, addressed to the Prime Minister/Leader of Government Business with recommendations from the Select Committee of Parliament that investigated the state of affairs at NSSF. The following issues were forwarded to the IG to investigate:

2.3.1 Whether officers of NSSF as mentioned in the Parliamentary recommendations at 1.3 (i) of this report were involved in conceptualising and executing the casual transaction which led to the loss of UGX 2.3 Billion invested in West Nile Golf club for the possible offences of loss of public property, abuse of office and causing financial loss contrary to sections 10, 11 & 20 of the Anti-Corruption Act, 2009

The IG previously investigated this matter in 2005. Currently we are tracing the file and report. At the time this investigation took place, the IG case management processes were manual. This has caused a delay in tracing the file. We shall update Parliament on this issue.

2.3.2 Whether Mr. Richard Byarugaba, Mr. Patrick Ayota, Mr. Stevens Mwanje and Ms. Barbara Arimi Teddy who participated in the initiation of UGX 1.8 Billion budget for donations committed the offences of abuse of office, corruption and conspiring to commit a felony.

It was established that NSSF uses the bottom up budgeting system. This is a form of financial budgeting where an institution allows each section, division, department to set their own wishful budget which is later consolidated into an institutional budget to be approved by Top Management or the appropriate authority. Further, budgeting is a function of Management. 1.8 Billion Budgeted for donations went through the same process of bottom up budgeting.

At each stage of the budgeting process, items are added or dropped from the budget. It would therefore be unfair to punish someone who initiated the budget for donations because there were adequate stages at which it could be dropped either at NSSF Board level or Minister's level.

Section 29(1) of the NSSF Act empowers the Management to make or propose a budget. It is within the mandate of Management to propose a budget and they are not culpable in law for this. The IG does not find it necessary to investigate these people on this item. The function of budgeting is a key function of Management and donations being an item of the budget, it is not an offence for the Management to initiate this figure. However, the issue that the IG noted, were payments made to NOTU and COFTU without a clear policy.

Conclusion

Therefore, there is no cause for investigation of the mentioned people with the view of prosecution for the offenses of abuse of office, corruption and conspiracy to commit a felony.

2.3.3 Whether there were recruitments in contravention of the NSSF Human Resource Manual and the Anti-Corruption Act, 2009 that calls for the IG to investigate all NSSF employees, and whether Mr. Geoffrey Waiswa Sajjabi employed relatives into the Fund

The IG investigated this matter and it was established that Ms. Sarah Nakiranda Sajjabi, Relationship Manager was a sister to Mr. Geoffrey Sajjabi. Mr. Godfrey Bogere, Logistics Assistant was not related to Mr. Sajjabi. The duo joined the Fund in April 2007 and on 13th June 2008 respectively, before Mr. Sajjabi who joined in August 2008. He therefore did not influence their recruitment into NSSF.

Mr. Joel Muganza (Relationship Manager), Ms. Amanda Achieng Owor (Relationship Manager), Ms. Nevia Nangobi (Relationship Manager) and Mr. Ian Lumonya (Sales Officer) all joined NSSF after Mr. Sajjabi.

Whereas it is true that they are all his relatives, a review of the recruitment process indicated that Mr. Sajjabi did not participate in their recruitment process.

The investigation of all the departments and all staff at NSSF requires considerable resources in the form of financial, human and equipment since the workforce of NSSF is at 625 employees. The IG undertakes to do this after careful planning. It will be done in the next Financial Year

2.3.4 Whether conceptualization, procurement and installation of the Geo Mapping System caused a financial loss of UGX 748,861,114

The IG undertakes to investigate this issue and report back to Parliament.

2.3.5 Whether IG should conduct an investigation on the officers whose names are listed under 1.3 (v) of this report

The IG investigated some of the officials named such as Mr. Richard Byarugaba, Mr. Stevens Mwanje and Mr. Geoffrey Sajjabi. However, the IG has noted that Parliament was not specific on which issues to investigate these NSSF officials with the view to prosecution. Parliament needs to clarify and be specific on this matter.

2.3.6 Whether the smart card project and customer self-service touch pad caused financial loss of UGX. 2,607,340,605 and 133,283,458 respectively

It was established that the smart card project was investigated by the IG as reflected under section 2.2.20 of this executive summary. Further the IG investigated the customer self-service touch pad as reflected under section 2.2.21 of this executive summary.

i. Smart Card Project
   The Smart Card project was initiated in 2014 by the IT Steering Committee following a directive from the then Board of NSSF which had carried out a benchmarking exercise in Tanzania, Zanzibar and Namibia on the smart card

technology in the pension/retirement benefits sector of which a report was issued. The exercise was conducted by the following members at a total cost of UGX 121,912,488.

The procurement of the supply, installation and commissioning of the smart cards solution was started in 2014 through Open Domestic Bidding. A review of the bid evaluation documents revealed that the procurement process followed the standard PPDA guidelines, and after a through bid evaluation exercise by the evaluation committee, Madras Security Printers Private Limited were awarded the contract to supply, install and commission the smart cards at a total contract cost of USD.547,870 (Ugx.1,471,222,705) VAT inclusive. Madras Security Printers was to supply 150,000 Smart Cards.

Prior to awarding the contract, NSSF conducted a due diligence exercise on the best evaluated bidder. This was in line with a directive to all accounting officers by the former Secretary to the Treasury issued on 7th August 2014 to ensure that due diligence is undertaken for all high value contracts. Madras being an offshore company, the evaluation team requested to travel to India to complete the due diligence exercise. This cost a total sum of UGX 55,716,036 in per diem and travel expenses.

It was established that the smart card project was rolled out in 2017. However, the NSSF faced multiple challenges during the roll out. These included difficulty in distributing the cards, challenges in integration with various banks caused by interoperability due to change in technologies, and costs of integration. However, during that time, NSSF innovated newer and better technologies which could offer the same services for less.

Observation

Failure of the smart card project was majorly attributed the emergence of better and cheaper technologies to offer the same services to the members especially through the internet.

Conclusion

The smart card project was a good initiative by the Fund. However, it failed to achieve its intended objectives. It was a good business decision but was overtaken by fast growing technology. There was no financial loss that was established.

ii. Self-Service Touch Pad

The IG did not establish financial loss with the self-service touch pad. This project was executed to bring NSSF services closer to NSSF members. NSSF invested UGX 133,283,458 to acquire seven customer touchpads which were deployed in busy areas such as malls. It was established that the customer touch pads were later relocated to hard to reach areas and those with less mobile coverage.

The project was ended after the machines had reached end of life and therefore there was no need to continue with it as there were better and cheaper technologies that had emerged to offer the same services.

This project was executed to bring NSSF services closer to NSSF members. The project was ended after the machines had reached end of life and therefore there was no need to continue with it as there were better and cheaper technologies on that had emerged to offer the same services.

Conclusion

The IG did not establish financial loss with the self-service touch pad. The Self Service Touch Pad project was a very good initiative by the Fund which was halted as a result of the hardware reaching its end of life and the emergence of better technologies to provide similar services.

3.0 SUMMARY OF ALL RECOMMENDATIONS FROM THE INVESTIGATION

3.1 For prosecution

Ms. Nabbuto Jane Kavuma, Mr. Muleme Eddy, Mr. Mwebaza David, Mr. Ayesigyeruhanga Bylon, Mr. Byaruhanga Ruremire John, Mr. Kiirya Nkenga Muzamiru, Mr. Karuhanga Samuel, Mr. Butele Henry, Ms. Faith Nabakooza and Mr. Katungi Innocent who fraudulently accessed their benefits from NSSF by misrepresenting that they had joined the public service whereas they had not, should be prosecuted by the Office of the Director of Public Prosecutions (ODPP) for false pretences and uttering false documents against NSSF, contrary to Sections 304 and 351 of the Penal Code Act (Cap 120).

3.2 For recovery

i) Mr. Richard Byarugaba and Mr. Stevens Mwanje should refund a total of UGX. 4,400,854,827 in equal instalments for the loss occasioned to the Fund when they authorised irregular payments to staff who exited under the voluntary early retirement program within a period of 6 (six) months. The refund shall be deposited in the IG Asset Recovery Account (Account Number – 003030088000007) in Bank of Uganda. Failure or refusal to refund will lead to their prosecution.

ii) Mr. Richard Byarugaba and Mr. Stevens Mwanje should refund a total of UGX. 687,257,226 in equal instalments for the loss occasioned to the Fund which they paid to Mr. Fred Bamwesigye and Mr. Julius Bahemuka outside the law. The money should be deposited on the IG Asset Recovery Account (Account Number – 003030088000007) in the Bank of Uganda within 6 (six) months. Failure or refusal to refund will lead to their prosecution.

iii) The NSSF should initiate the process of recovering the irregular 10% contributions made to the current Board members totalling to UGX 103,481,752.

iv) The undermentioned people should make a refund in respect of the trips where they spent less days than what was paid for. In regard to 2019, the team should refund funds as follows:

- Mr. Richard Byarugaba - UGX 8,430,300

- Mr. Gerald Kasaato - UGX 5,989,545
- Mr. Muhammad Kasumba - UGX 7,246,610
- Mr. Ibrahim Buya - UGX 7,246,610
- Mr. Owera Keneth - UGX 5,434,958

The investigation team was not able to interview Mr. Marvin Galiwango who was reported to be out of the country at the time of investigations.

In regard to 2022 Mr. Richard Byarugaba should refund UGX 8,072,819 for spending 17 days out of the 21 days paid to him.

The said amounts should be deposited in the Inspectorate of Government Asset Recovery Account (Account Number – 003030088000007) in the Bank of Uganda.

v) Mr. Gerald Kasaato, the Chief Investment Officer NSSF and Ms. Achieng Faith should refund USD 1620, in per diem received by the latter on behalf of the former since he did not undertake the trip.

vi) Mr. David Nambale, former Corporation Secretary, should refund the sum of UGX 1,570,623/= which he spent on personal telephone calls while he was attending a training course in the United Kingdom. The said amount should be deposited in the Inspectorate of Government Asset Recovery Account (Account Number – 003030088000007) in the Bank of Uganda.

3.3 For amendment of the law

i) The Minister of Gender, Labour and Social Development should initiate the process of amending the NSSF Act to provide that the Board members should in addition to other requirements, have specific academic qualifications, experience and skills relevant to the Fund's core business.

ii) The Minister of Gender, Labour and Social Development should consider referring Section 35 (1) of the NSSF Act to Parliament for amendment by providing for computation of member's interests using the closing balance instead of opening balance for a FY.

iii) The Minister of Gender Labour and Social Development should develop regulations to operationalise section 29 of the NSSF Act since the Minister's powers under the section can be excessive.

3.4 For Administrative action

i) The Management of NSSF should halt any further processes leading to the acquisition of land at Nakigalala until the ownership disputes over the land are conclusively resolved.

ii) The Management of NSSF should make a policy on foreign trips which clearly specifies the activity, the deliverables and the time to be taken.

iii) The Management of NSSF should review the team composition for the East Africa research trips with the aim of reducing the number of staff that travel for the research tour.

iv) NSSF management should be mindful of their responsibility as custodians of savers' funds and manage them responsibly.

v) The NSSF Board should adhere to the provisions of the Human Resource Manual during disciplinary processes to ensure lasting solutions or legally binding resolutions.

vi) The Management of NSSF should engage the vendor of the Pension Administration System (Intrasoft SA) and sign a service level agreement to ensure that there is continued and guaranteed support for the Pension Administration System until an acceptable level of stability is achieved.

vii) The Management of NSSF should follow up with the vendor of the PAS and ensure that all pending tasks as agreed and specified in the contract for the development and implementation of the Pension Administration System between NSSF and the vendor are completed.

viii) The Fund should always ensure that thorough verifications are done for members seeking to withdraw their benefits under the exempted employment category as it is more prone to risk of abuse.

ix) Mr. Sajjabi must be given a specified period within which to acquire the necessary professional qualifications required for the position of Chief Commercial Officer, failure of which, he must be replaced by a person with the requisite qualification.

x) The NSSF Board must in future stick to the provisions and job specifications as provided in the NSSF job description manual when considering staff for promotion.

xi) The Management of NSSF should ensure that the process for procurement of a new contractor for the Kyanja housing project is expeditiously carried out.

xii) In the procurement for a new contractor, the Fund should carry out comprehensive due diligence and post-qualification evaluation in line with Regulation 34 of the PPDA (Evaluation) Regulations, 2014, to determine and confirm the capacity to execute the works, including financial capacity.

xiii) The Management of NSSF should ensure that all agreements signed by the Fund comply with requirements of Regulation 10 of the PPDA (Contracts) Regulations, 2014,

xiv) The Managing Director of NSSF should caution all contract managers to ensure that any existing contracts that are proposed for renewal are submitted timely to the Contracts Committee for approval.

xv) The Finance Committee and the Board of NSSF should review the items under Strategic Partnership, Hi-Innovator and MasterCard in the budget for FY 2022/2023 and provide the required details of the beneficiaries and implementation plans for Corporate Social Investment.

xvi) The Fund should with immediate effect stop making standard member contributions to the Board members since they are not employees of the Fund.

xvii) Since the case against the former Deputy Managing Director Ms. Geraldine Ssali Busuulwa was already decided by court and an appeal lodged, the matter should be concluded through court.

xviii) The Board of Directors of NSSF should update the Procurement and Disposal Manual to address situations of actual, potential or perceived conflict of interest, including to prohibit employees from borrowing money from suppliers and clients and to establish a strict ethical code of conduct.

xix) In line with the NSSF CSR Policy of 2021, Management of NSSF should demand for accountabilities for funds donated to NOTU and COFTU arising from the requisitions received from the two entities to enable them implement Corporate Social Responsibility related initiatives/activities.

xx) The Management of NSSF should ensure that transparency is exercised during recruitment of staff within the NSSF. All qualified Ugandans should be given an opportunity to compete for the few available jobs.

xxi) A systems study on the recruitment process and procedures should be carried out at NSSF to establish whether other heads of departments do not have abnormal number of relatives in the Fund.

xxii) NSSF should consider including a risk management component in all IT related projects to ensure that project control and risk management are done throughout the project.

xxiii) NSSF should always conduct thorough feasibility study and market assessment before sanctioning the implementation of IT projects. In addition, continuous monitoring and evaluation of IT projects is key to the success of IT projects.

xxiv) The Board should strengthen the Human Resource Policy and Procedures Manual to curb high handedness and also empower the employees.