



KAMPALA
CAPITAL CITY
AUTHORITY

ANNUAL REPORT AND
FINANCIAL STATEMENTS
FY 2011/12

Foreword

The transformation of Kampala started with the enactment of the KCCA Act that saw the creation of Kampala Capital City Authority mandated to deliver public services to the people of Kampala. This annual report provides an accountability of the first 12 monthly of existence of the Authority, the efforts and successes recognized in the various areas of public administration.

Kampala today has had significant improvement in waste management, enhanced compliance to ordinances especially trade order and public health seen an improvement in roads construction and upgrade, improvement in the drainage and health infrastructure.

The focus in the coming years is to consolidate the successes realized in various fields through the implementation of the KCCA Strategic Plan. To position Kampala as a centre of attraction will require unlocking the economic potential, creation of jobs and improvement in the social services all of which lead to a sustainable and vibrant city. As we enter the second year, KCCA will put effort on rehabilitation of the road network, enhancing the connectivity of the city and improved service delivery while strengthening the mobilization of domestic revenue.

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1.0 Introduction

The KCC Act came into effect on the 1st of March 2011. It changed Kampala City from a Local Government into a Government entity under Central Government. This led to the consolidation of all the six vote functions and corresponding accounting responsibilities into one vote 122 with the Executive Director as the Accounting Officer in accordance with S.19 of the KCC Act and Section 8 of the public finance and accountability of the budget Act.

During the year KCCA has developed a new financial management system and revenue receipting and expenditure accounts under the central bank as a measure to address the financial hemorrhage in the previous system; focused on addressing recommendations in the various commissions of inquiry in the Administration of the then Kampala City Council that pointed to the near total breakdown of systems and service delivery in KCC stemming from mismanagement, fraud, lack of financial accountability by both staff and political leaders. These resulted in massive financial loss, loss of public property, poor service delivery and compliance, infrastructure breakdown and the haphazard, uncontrolled development of Kampala City over the years.

In the financial year 2011/2012, KCCA focused on putting in place a new Institution that would form a foundation for the transformation process. Critical in the transformation process, was the need to address immediate challenges in service delivery that KCCA was grappling with after the coming into effect of the KCC Act 2010 in April 2011.

Key challenges that faced by KCCA

- a) Lack of a system of accountability that was manifested in inflated claims, forgery of documents and outright fraud that included payments for undelivered services.
- b) Mismanagement of Revenue Collection that was characterized by internal inefficiencies in revenue collection, poor management of revenue collection, contracts, illegal revenue collections by politicians and their cronies, under-assessment and forgeries of trading licenses;
- c) A poorly motivated workforce with no clear system for performance recognition and defined framework for promotion;
- d) A procurement system fraught with legal breaches and inefficiencies; where in certain instances the procurement process would take more than one year resulting in delayed/ non delivery of service. In some instances contracts were awarded to brief case companies while credible ones had to pay hefty sums of money to be awarded contracts.

- e) Poor contract management for example, contracts for revenue collection were awarded to companies which would draw from KCC resources including staff, and in other cases there was a complete neglect of the supervisory function which resulted in loss of funds.
- f) Weak enforcement mechanism and political interference that affected the implementation of City ordinances resulting into lawlessness in the City ;
- g) Weak internal audit function that could not reprimand non-adherence to laid down processes, procedures and guidelines.
- h) Poor records and assets management where critical institutional documents couldn't be traced to support key institutional decisions. In the absence of a Fixed Assets Register, it was difficult to ascertain the true position of KCC assets.
- i) Inadequate solid waste management; Uncollected garbage that resulted into a waste backlog and filth in the City. The accumulated waste was frequently washed into the drainage systems resulting into uncontrolled floods in the City.

Priorities for the year

To address the above challenges the following priorities were identified as areas of focus;

- I. Improving Public Health, Safety and Environment
- II. Improving the Quality of Road Network
- III. Enhancing Public safety
- IV. Improving provision of Education and Social services
- V. Enhancing Gender and Community services
- VI. Improving Revenue Mobilization & Public Finance Mgt
- VII. Enhancing institutional efficiency & rebuilding the Corporate Image

The Central Government had allocated to KCCA UGX 101.3 Billion to finance the start and key public services delivery costs. At the beginning of the Financial Year, the Road Fund budget was however, reduced from UGX 15Bn to UGX 12.5Bn. This reduced Central Government contribution to UGX 98.8Bn. During the course of the Financial Year, KCCA suffered further budget cuts of UGX 13.97 Billion leaving a balance of UGX 84.83Bn. Given the available

resource envelop, Management has been able to implement most of the planned activities in the various focus areas despite a number of challenges.

In the last year KCCA has been able to rebuild the Corporate Image; many organizations have supported KCCA in its endeavors to provide quality services to the citizens of Kampala. These include Government of Uganda, Development partners, and private companies, civil society organizations and religious institutions.

This annual report is therefore an accountability of the Authority's performance in the seven key priority areas.

2.0 Improving Public Health, Safety and Environment

2.1 Public health

KCCA has 11 health units in the city that were constructed in 1937 to provide primary health care to citizens. Today with the rapid urbanization that is more than the population growth rate, the demand for health services has outstripped the capacity of the existing health facilities. Today Kampala has 2 million night population and a day population of up to 4.5mn people.

Public facilities in Kampala City including the two national referral hospitals contribute 1% of the total health facilities in the City, the other being private under profit and non-profit categories. However the KCCA managed facilities receive about 30% of the outpatient load in Kampala City. Discussions on the financing of Naguru Hospital are currently ongoing between KCCA, MoFPED and Ministry of Health. In a move to address the current challenges in the city, KCCA has embarked on a programme to develop the current health units into general hospitals.

During the year Nakawa General Hospital with 100 bed capacity was constructed with assistance from the Chinese Government and Kisenyi General Hospital that is to house the Modern Renal Unit to relieve stress at the Mulago Kidney Unit has been installed.

The New Naguru Hospital

Government has obtained funding from the African Development Bank for the construction of two general hospitals at Kiruddu and Kawempe as a measure to reduce congestion at the Mulago National Referral Hospital. Construction is expected to begin in 2012/2013.

The following are other Achievements that have been registered

- Roofing and fencing of Bukoto Health Unit has been completed
- Four 10,000 litre capacity rain water tanks for Kisugu, Komamboga, Kitebi and Kawala health centers have been procured and installed.
- Construction of 4-stance water born toilets in Kisugu, Komamboga, Kitebi and Kisenyi health units is on-going.
- Remodeling of the 1st floor at Kisugu health centre has been completed while the ground floor will be worked on using Infectious Diseases Institute (IDI) funds
- Construction of the placenta pit at Kitebi and Kisenyi health centres.

- Quarterly Facility Performance reviews have been introduced to create accountability and improve quality of service delivery.
- Following the improved service, a 15% increase in outpatient attendance has been registered compared to the same period last year.
- Vaccination coverage at KCCA health units was 45%, other non-KCCA health Units 43% and Mulago Hospital 12%.

2.2 Solid Waste Collection and Disposal

The city generates an estimated 1,500 tonnes of garbage daily, but over the years has been able to pick up only 500 tonnes a day. This had caused garbage to accumulate in neighborhoods, on street corners and in local markets with resultant health risks and other environmental concerns.

During the year, average garbage collection stood at 29,543 tons/month as at end of June, 2012 from 16,000 in April 2011 indicating an increment of 84.6%. This performance is attributed to KCCA's contribution that has grown from 54% to 68.9% resulting from improved supervision, improved garbage fleet management and the increased number of casual laborers that have been brought on board to manage street sweeping and de-silting of road side drains.

During the year KCCA launched a community based initiative to enhance community cleaning. The cleaning exercise has been institutionalized as a monthly exercise in all Divisions every last Saturday of the month. KCCA is worked with various institutions including Banks, Telecom Companies, Buganda Government, Police, Religious Institutions and the *Kampala City Yange* Foundation.

Over 815 litter bins were distributed in the Central Business District, KCCA schools and Hospitals to promote responsible solid waste management. The Solid Waste Ordinance was publicized and for the first time since its formulation 12 years ago, it was enforced and over 1,000 arrests were made

To increase efficiency and realize higher collection rates KCCA is in the process of designing an integrated solid waste management system with support from International Finance Corporation (IFC) -an arm of the World Bank. The integrated solid waste management system will incorporate both private companies and Community Based Organizations (CBOs) in a bid to institutionalize community involvement in the management of solid waste and general city clean up exercises.

2.3 Water and Sanitation

For the first time KCCA co-ordinated and brought together all the sector players in water and sanitation in the City under the Kampala Water and Sanitation Forum with support from GIZ. The purpose was to reduce duplication and standardize service delivery in the sector.

Routine emptying of the public and school toilets which are not connected to the public sewer line has been up-scaled. Despite the limited fleet, 3,844 cesspool trips were picked from community and institutional toilets, thereby improving the level of sanitation.

A number of encroachers have been evicted from wetlands; most notable is Lubigi Wetland. In collaboration with the Department of Wetlands in the Ministry of Water and Environment, the process of gazzeting wetlands in the City is underway.

Inspections of potential polluters in the City are being carried out and one of the largest industries in the City (Mukwano) was closed for non-compliance. Collaboration with other institutions has enhanced achievement of high performance in this sector, especially in pollution and discharge surveillance.

2.4 Inspections of Premises and Eating Facilities

Inspections of public premises and eating facilities have been carried out and penalties instituted for non-compliance. Inspection of food handlers was resumed in April 2012 after developing guidelines and securing laboratory materials. Between April and June 2012, a total of 4,120 food handlers were medically examined. A total of 1,270 premises were inspected in the FY 2011/12 out of which 611 were found suitable while 659 were not. Out of the unsuitable premises, 379 were improved and 82 closed.

2.5 Stray Animals in the City

Impounding of stray animals and stray animal extermination has improved About 912 dogs, 7 cuts and 1 fox were exterminated. Over 1,900 heads of cattle, 1,100 goats and sheep were impounded. However the penalty is not prohibitive enough and should be increased to abate the problem.

3.0 Improving Road and Drainage Network

3.1 Kampala Road Network

During the year KCCA inherited a number of road construction projects that were handed over by Ministry of Works. The projects are at various levels of completion table 1 shows the projects that were handed over from Ministry of Works and Transport.

Central Government allocation Funding for roads improvement was used to 1.46Bn, while was reduced by UGX 17Bn that had to be committed to prior contracts that Ministry of Works and Transport had signed for various Kampala roads as shown below;

PROJECTS HANDED OVER BY THE MINISTRY OF WORKS AND TRANSPORT

No	Project Description/ Location	Contractor/ Consultant	Contract Sum
1	Reconstruction of Kafumbe-Mukasa & Kisenyi Roads	Stirling Civil Engineering Ltd	5,252,754,961
2	Supervision Services for Reconstruction of Kafumbe-Mukasa & Kisenyi Roads	Professional Engineering Consultants Ltd (PEC)	444,425,350
3	Maintenance of Roads Package 3 Lot 2: Roads in Nakasero Area under the Mud and Dust Program	Eastern Builders & Engineers Ltd	2,115,121,142
4	Repair and Maintenance of Roads Package 3 Lot 3: Roads in Kololo and Industrial Area Under the Mud and Dust Program	Stirling Civil Engineering Ltd	4,616,107,243
5	Consultancy Services for Supervision of the Project to Control Mud and Dust in Kampala City	Saba Eng. PLC	804,960,000
6	Rehabilitation of Selected City Roads	Multiplex Ltd	4,283,523,196
7	Maintenance of Roads Package 3 Lot 1: Roads in the CBD Area	Multiplex Ltd	1,839,050,400

With the available funding KCCA was able to complete upgrading and maintaining a total of 37.9km of the road network.

Under the Kampala Institutional Infrastructure Development Programme (KIIDP) project funded by the World Bank, UGX 24.2Bn was provided for upgrading the phase I&II roads as summarized below:

KIIDP Phase I&II- Roads upgraded to bitumen Standards

No	Road	From	To	Cost	Source of Funding	Contractor
1	Bukoto - Kisaasi road	Bukoto	Kisaasi	18,172,596,010	IDA	Energo Project
	Kalerwe-Ttula Rd	Kalerwe	Ttula			
	Kawempe-Mpererwe	Kawempe	Mpererwe			
2	Kimera Road	Sir Apollo Kagwa Road	Hoima Road	6,061,877,321	IDA	Multiplex Limited
	Kansanga-Lukuli rd	Kansanga TC	Lukuli road			
	Salama-Munyonyo	Salaama road	Munyonyo landing site			

Construction of the above roads is undergoing and civil works are expected to be completed in December. The roads will enhance the connectivity in the city and reduce on congestion.

3.2 Improvement of drainage and storm water Management

In a move to reduce on floods in the City, the following drainage channels have been renovated and others reconstructed:

- Lubigi Channel, one of the seven primary drainage channels is under construction at a cost of UGX 20.3Bn funded by the World Bank. The channel will address floods in the Bwaise and Kalerwe areas.
- Periodic maintenance of Nakivubo Channel and auxiliary drains was contracted out at a cost of UGX 2.33Bn for two years from Local Revenue although the original allocation was UGX 1.2Bn. Silt backlog has been removed from 6.4 Km (2.6km stone pitched section and 3.8km earth channel) representing 73.6% of the channel length. Excavation along the remaining earth portion of the channel from 5th street to the Nakivubo Wetland is yet to start.
- Upgrading of Phase I and Phase II drainage Black Spots has been contracted at a cost of UGX 4.0Bn and UGX 1.27Bn respectively. When all these civil works are completed flooding in the city will be significantly reduced Details of the drainage black spots under reconstruction are provided in the table below:

ID	Black spot	Description	Cost (UGX)
1	Phase 1: Contract awarded to Omega Construction Ltd.	Jinja rd –Access rd, Ben Kiwanuka Street – Nakivubo Mews – Channel Street, Entebbe rd – Ben Kiwanuka Street- Sikh Street.	4,181,073,515
2	Phase 2: Contract Awarded to Prime Contractors Ltd.	Buganda rd-Kyagwe Rd, Kintu rd-Coryndon rd – Yusuf Lule rd, Masaka Rd –Kabusu rd, Wankulukuku Road junction, Luzira drain, Kayemba rd –Jjuko rd	1,139,079,413
3	Supervision of contracts for Drainage Black spots	Supervision of the above works	259,100,000
	Total		5,579,252,928

3.3 Public transport management and Traffic congestion

The current narrow radial road network was developed when Kampala had less than 10,000 Motor vehicles. The design of the road with high volume of commuter taxis and bodaboda cyclists all competing for the narrow roads has contributed to the current traffic congestion in the city.

To address the traffic congestion KCCA in Partnership with The pioneer Easy bus introduced a fleet of buses as an alternative to the current commuter taxis. The strategy is to encourage High Volume public transport system to enhance the mobility of goods and services in the city.

4.0 Enhancing Public Safety and Planned Neighborhoods

4.1 The Kampala Physical development Plan

Kampala Physical Development Plan that was developed in 1994 expired in 2004. KCCA with assistance from the World Bank under the Kampala Infrastructure and Institutional Development Project started the preparation of the Greater Kampala Physical Development Framework and the Kampala Physical Development Plan that is in final stages with the final plan expected to be completed by November 2012. The consultants have already presented the proposed development options to the Steering Committee, the political leadership and the wider city community.

The Directory in conjunction with the Ministry of Water and Environment – Wetlands Management Department embarked on the process of demarcating and surveying the boundary of the City wetlands so that the Authority can effectively control development, guide the use and establishment of settlements near and around wetlands.

405 contravention notices were served to developers most of whom responded to the deadline and regularized their structures. Received 329 development applications out of which 166 were recommended for approval while 163 were deferred

Total of 194 planning sub-division applications and request for planning on mailo land and from Buganda Land Board were received and processed for onward survey and registration. At present 1551 building plans have been reviewed and technical decisions have been made pending the Authority approval. Currently there is no backlog of plans for technical review at the Divisions.

The turnaround in the time for processing building applications for development permission has been reduced from one month to 72 hours.

A database with details of all plans received from May 2011 to date was developed. Plans approved from 2008 to 2010 that have not been collected by developers have been compiled and the applicants notified. The delay in constituting the Physical Planning Committee delayed approval of 1551 plans.

The Geographical Information System (GIS) Unit embarked on data capture of various activities in the City which include; Bars, Kiosks, Hostels, Wetlands, road reserve corridors bus and taxi stages. To-date the team has captured all the existing bus and taxi stages in Kampala. The data is currently being analysed by the GIS Department and the findings and recommendations will be presented to the relevant Committees.

Conditions and guidelines for placement of kiosks and telecommunication infrastructure in Kampala City that were developed have been adopted by the Joint Physical Planning & Engineering and Technical Services Committee.

4.2 Enhancing Community safety

During the CHOGM period there was a deliberate attempt to light up the streets as one of the ways of enhancing safety, since then Kampala has been in darkness since most of the street lights have been vandalized.

KCCA has revamped the Street Lighting System in the Central Business District and paying for electricity bills. Over 2,700 street lights were installed in the Central Business District and repaired non-functional lights.

In a bid to enhance compliance to the city ordinances and other laws a city enforcement section has been strengthened. New officers have been recruited and acquired trucks to enhance their mobility in the city. The city is slowly returning to the rule of law.

4.3 Green and beautiful Neighborhoods

Most of the gazetted green areas over the last 30 years of institutional decay had been converted into shopping malls and offices which impaired the beauty of the city as the green and garden city of Africa. The road island had been destroyed. In the last one year KCCA has embarked on a comprehensive program to regain the city as the green city by beautifying the road island. The programme started with Jinja road and will spread to other roads in the city. KCCA has reclaimed and beautified key strategic spots in the city to improve on the city ambiance.

Going forward, the strategy is to ensure that all road islands and open spaces in the City are either greened or paved so as to reduce mud and dust. A total of 342 trees offered by Tree Talk Uganda were planted in 9 schools. Orange telecom Uganda has approved a proposal to plant 1,426 fruit trees in 214 governments and private P/s in Kampala.

5.0 Improving provision of Education and Social Services

Kampala has 81 primary schools many of which were constructed in the early 1960s and 1970s when the population was 100,000. The increased population pressure alongside UPE programmes have put an excessive stress on the education infrastructure that has not been rehabilitated for a longtime. To address the education infrastructure challenges KCCA the following has been done.

5.1 Renovation and Construction of Classrooms and Teachers Houses

- Re-roofing of main classroom and library blocks at Old Kampala Primary School has been completed
- Kitante Hill School for the construction of a laboratory Construction of Girls dormitory at Kibuli Secondary School is in progress.

5.2 Construction of Toilet facilities

- VIP toilets with rain water harvesting systems were constructed and completed at the following schools: Kisaasi Primary School, Natete Muslim Primary School, and Biina Islamic P/School.
- The following contracts are at various stages of procurement; construction of 11-stance water borne toilet at Kamwokya Primary School

Provision of School Furniture

A total of 158 3-seater school desks were supplied to 7 Primary Schools in Lubaga Division.

5.3 School Inspections , Licensing and Registration of Schools

Schools Inspection was carried out in 502 Government and Private Schools and the following were observed:

- Environmental Audit was carried out in 97 schools. It was found out that sorting garbage was done in several schools like Buganda Road Primary School, vegetable growing was done in Kasubi Family Primary School and the compounds were clean.
- Districts were given authority to license and register Nursery Schools and other EDC Centers as the Education Act 2008 states.

Licensing and Registration of Schools

- Ten Nursery schools were inspected and recommended for licensing. These include; Sesame Street Kindergarten, Zainab Baby School, Safeway Nursery School, Green Valley Infant

School, Busy Bee Nursery School, Madrasa Resource Center, Little Cranes Montessori, Orel-Vine International Nursery School, New Bethany Nursery School.

- Schools recommended for registration and classification include; Jeje Nursery School, Nsambya Parents' Nursery School, and New Makerere Hill Kindergarten.

5.4 Games and Sports

- KCCA participated in the 3rd Edition of the EALASCA hosted by Kigali Rwanda in December 2011. A team of 93 players and officials travelled to Kigali. The Minister in Charge of Kampala, the Lord Mayor and Executive Director also attended these games. KCCA was the 2nd out of the 7 cities that participated.
- Two teams, (men and women) travelled to Bujumbura and competed in Muzinga Volley Ball Tournament in November 2011. The KCCA Girls' team lifted the trophy while the men lost in the Quarter Finals.
- Participated in the Paul Bitok International Volleyball Championship. KCCA Ladies Team reached the quarterfinals and one of the players was voted the best "block".
- KCCA Basket Ball Ladies Team competed in the Zone 5 Championship held in Dar-salaam Tanzania. This is where ten clubs from different countries participated. KCCA were third out of ten clubs.
- KCCA hosted the Intercity Basketball Tournament in April 2012. 5 cities of Kampala, Nairobi, Mombasa, Juba and Mogadishu and three towns of Mukono, Moyo and Entebbe participated. KCCA emerged second.
- The KCCA Football Team has been facilitated by paying players wages, allowances and football kits (UGX 349 million), fencing of the football pitch (UGX 56 million), participation in international games (UGX 118 million KCCA football team was finally granted permission to use Lugogo as its home ground on 1st May 2012. In the just concluded National Football League, KCCA FC finished in 7th position.

Netball

- KCCA's Netball Club participated and competed in the East Africa Netball Club Championship hosted by Uganda Netball Federation from the 2nd – 6th April, 2012. Ten clubs participated in this championship. KCCA reached quarter finals. However, Uganda Netball Federation was dissolved pending new elections.

School Games and Sports

- Sporting activities were organized and schools participated in athletics from zone to Authority level.
- KCCA's athletics primary school team participated and competed in the National Primary School Competitions that took place in Mbarara from the 24th April, 2012.

6.0 GENDER, COMMUNITY SERVICES AND PRODUCTION

6.1 NAADS and Agriculture Extension Services

In a bid to promote Urban Agriculture, government introduced the NAADS programme with a focus on market oriented enterprises. Farmers in each Parish elected members to the Parish Farmers' Forum, with representation of LCII Chairmen that was responsible for selection of beneficiaries. A total of 1,054 farmers were identified and each received at most UGX 875,000= worth of inputs. 813 farmers are engaged in poultry farming, while the rest are engaged in other activities like goat rearing, dairy, piggery, and fish farming. Suppliers of inputs were identified through Community Procurement.

In order to improve household income in the marginalized communities, backyard farming was introduced in various communities in Kisenyi, Katwe and Bwaise as part of the KIEMP greening project.

6.2 Community Driven Development Grants

Under the Community Driven Development (CDD) programme, KCCA has funded 372 Community based organizations. A total of UGX 1.12Bn was released to successful groups.

Community Services

The Kampala public library has been renovated in a move to promotion adult literacy and facilitation of special interest group councils.

A total of 1,000 adult learners were passed out while 3,760 are to be examined. Thirty functional adult literacy instructors were trained and instruction materials distributed to 200 classrooms.

6.3 Job Stimulus Package

As a preliminary step to addressing employment challenges, the Minister of Finance in her budget speech allocated UGX.44.5Bn towards creating jobs in the Financial Year 2011/2012. Out of this, UGX 16.5Bn was allocated to Kampala Capital City Authority. In the 2011/12 Budget speech, the minister said...

“Dedicated work spaces will be established in markets starting in Kampala, in which youth and other small scale manufacturers under the Job Stimulus programme will undertake manufacturing and other processing activity. I am proposing to allocate Shs 16.5 billion for this purpose”

However, only UGX 9.92Bn out of the UGX 16.5Bn was released reflecting a budget shortfall of UGX 6.58Bn. These funds were allocated and committed as summarized in table 2:

Table 2: Budget Allocation of Job Stimulus Programme Funds

Programme	Allocation	Actual Spent/Committed
Purchase of land for market development (Bukoto, Kitintale, Ggaba, Luzira, Ndeba & Women’s Market)	UGX 5.608Bn	Amount released UGX 5.03BN out of which Bukoto (UGX 780 million), Ggaba (UGX 1.75Bn) and Kitintale (UGX 2.5Bn) Procurement of Ggaba land is ongoing.
Small Scale Enterprise development with capacity for employment generation (SMEs)	SSED UGX 3.554Bn	UGX 3.5Bn to be spent on SSED component. Funds were transferred to the KCCA-Job Stimulus Package Account in Centenary Bank following an Authority resolution. A total of 492 youth groups are expected to benefit.
Establishment of the Employment Services Bureau	UGX 1.0Bn	UGX 650 million is being used to refurbish and equip the Employment Services Bureau at Plot 1 Sezibwa Rd
Repair of Empty stalls in Markets	UGX 1 Bn	UGX 740 million was re-allocated for the refurbishment and restocking of Komamboga aquaculture centre to facilitate fish farming food security and skills development.

6.4 Market Improvement Programme

Government, under the Markets and Agricultural Trade Infrastructure Improvement Programme (MATIP), obtained funding to construct six markets in the City; Wandegeya, Busega, Ntinda, Nakulabye, Kasubi, Kansanga markets.

Construction of Wandegeya Market is moving on as scheduled; 20% of works had been accomplished on the Southern Wing, 5% done at the Northern Wing and construction of slab for first level ongoing. The project has offered employment to 128 people (70% being male youths).

Land for Busega Market was purchased in FY 2010/2011. The Arab Bank of Economic Development in Africa (BADEA) agreed to fund the construction of the market and funds for architectural designs were released.

6.5 Small Scale Enterprise Development (SSED) & Employment Bureau

In an attempt to address the unemployment challenges in the City especially amongst the youth, KCCA developed the SSED programme. This programme looks at providing startup capital to youth groups that demonstrate capacity to create employment. To operationalise the programme, UGX 3.5Bn was allocated to this component. Four hundred ninety two (492) groups were selected with a total membership of over 3,512 youth.

UGX 650m was utilised in setting up an Employment Services Bureau at Plot 1 Sezibwa Road. Follow on activities include training for youths, linking unemployed youths to employers and operationalisation of the information exchange unit of the job center.

6.6 Improve Trade Order in the City

Illegal vendors were evicted from streets in CBD and road reserves/ sides. The affected vendors were given time to remove their kiosks and other merchandises before eviction. Most of the affected street vendors were re-allocated space in various markets around the City.

7.0 PUBLIC SECTOR MANAGEMENT

7.1 Corporate Governance

The KCC Act provide for an Authority headed by the Lord Mayor who would preside over the Authority meetings. The Lord Mayor convenes council meetings to discuss the performance and discuss various policy issues intended to streamline the delivery of public services The Authority has nine sub-committee who report to the Authority council.

At Division level each division has a Mayor as the political head with a town clerk as the head of Division technical team

7.2 Setting a New Strategic Direction for KCCA

KCCA has developed a new Mission, Vision and Core Values. The process of developing the new Strategic Plan to guide the City transformation is ongoing.

The process for Corporate Rebranding has been initiated following the development of a new KCCA Vision and Mission. The design of a new Corporate Logo, tagline and brand positioning was contracted to a consultant. These efforts will go a long way in positioning KCCA as a new and client focused organization.

7.3 The KCCA Organization Structure and Staff Restructuring

The KCCA Organization Structure and Implementation Guidelines were issued by the Ministry of Public Service. Job descriptions and personal specifications for all the 328 job families that make the approved structure were developed. The Authority also advertised 273 job families out of 328 job families targeting to fill 986 posts against the approved 1,332 posts accounting for 74%. The restructuring exercise that was budgeted at UGX5bn has been finalized

The advertising and filling of the KCCA structure is being done in phases following advice from MoFPED and availability of funds.

As a way to galvanize and appreciating support by the cleaners, garbage truck drivers and desilters KCCA organized a dinner at KCCA LUGOGO grounds. The event was intended to recognize and appreciate Casual Workers for the significant role they are playing in the transformation process.

Training and Development

Training and Development programs took different forms ranging from workshops, in-house training, and exposure visits. A total of 142 participants benefited from the various training programmes.

Records Management

A consultant was engaged to streamline the records management system. The following were achieved:

- Defined document classification scheme which was rolled out in all Directorates. The same is to be rolled out to Divisions after the ongoing staff recruitment exercise has been completed.
- Sorting, recording and archiving of noncurrent records from Directorates was completed.

7.4 Fuel and Vehicle Management

To address the challenge of an ageing KCCA fleet, 48 new motor vehicles including 5 Ambulances have been purchased.

Further, Management developed frame-work contracts for supply of service parts, lubricants, tyres and batteries. This reduced on the turnaround time for repairing and servicing vehicles.

Office Maintenance, Repair and Renovation

The Authority embarked on minor repairs and renovation of City Hall to improve the office ambience and general working conditions as a stop gap measure and also to set an example for other property owners.

7.5 INFORMATION AND COMMUNICATION TECHNOLOGY

KCCA has a functional Intranet and Website to enhance internal and external communication and community engagement. KCCA also established a Social Media Platform with a Facebook page and a Twitter account that are updated instantly. The site received over 160,000 visitors in six months and is expected to grow to millions as more transactions are done online. This will go a long way in engaging the youth in sharing ideas on the City they desire.

Seventy-five office IP phones were installed and are fully operational across all Divisions. Approximately one hundred more sets will be added in the next Financial Year. The IP phones will have the capability to make external calls with installation of the phone billing system. In the meantime a very effective Desktop Software System is used by staff to make calls on computers on the KCCA network.

7.6 PUBLIC AND CORPORATE AFFAIRS

KCCA successfully held the Inaugural *Cityzens'* Forum on 19th April at Imperial Royale Hotel which attracted over 1000 participants. The Forum engaged the public on their role in changing the face of Kampala. It was the first of a series of public engagements that were planned to provide a platform for the civil society and the public to participate in City development.

The Citizen's forum was followed with the first ever Donors' conference on 20th April 2012 at which the ED shared with Development partners the achievements and strategic areas for investment. This was aimed at raising support from development partners and other funding agencies.

We were able to produce a documentary about KCCA at one year as a way of knowledge management. It has been well-received and is now available on our website, YouTube and on DVD.

7.7 REVENUE MOBILIZATION AND TREASURY MANAGEMENT

The focus of KCCA under this goal was to strengthen financial controls, enhance accountability through the transformation of KCCA financial and accountability systems and improve mobilization of Non-Tax Revenue. The following achievements were registered in this area;

(a) Planning and Budgeting Process

KCCA developed and implemented a new planning and budgeting process which is well aligned to the Government of Uganda budgeting process as is stipulated in the Budget Act 2001. To improve budget prudence, management instituted a strict budget management routine that aligns all procurement to the approved work plans and budget.

(b) Payment of Arrears to Casual workers

The casuals that had arrears for over six months were paid. KCCA started paying all claims for casual workers promptly.

(c) Revenue and Expenditure Bank Accounts

KCCA reduced the number of Bank accounts from the 151 held by KCC to only 10, eight of which are collection accounts in Commercial Banks and the other two being operations accounts in Bank of Uganda. This has enhanced transparency and accountability for financial resources.

(d) Funds held in the defunct KCC Bank Accounts

A total of UGX 52.2Bn that was held in the defunct KCC bank accounts comprised of UGX 26.8Bn local revenue funds and UGX 25.4Bn government grants. The process of

transferring the local revenue component to BOU operational account was ongoing. These funds were appropriated by the Authority minute (KCCA.3/25/2011) to meet restructuring costs, procurement of motor vehicles, stationery, office equipment and furniture, and payment of outstanding liabilities.

PSST instructed KCCA to transfer the UGX 25.4Bn to the Consolidated Fund before it could be made available as a supplementary.

Liabilities/Arrears

The Directorate of Internal Audit embarked on verifying the arrears portfolio and a number of claims were found to lack adequate supporting documents requiring further investigations, while others did not have any documents at all. All the contracts that did not follow procurement regulation were declined following the opinion of the Solicitor General that neither party could claim any rights and obligations to them.

During the year, verified outstanding arrears of UGX 1.6Bn were cleared.

(e) Payment Processing and Budget Management

All Payments were centralized and made through the Integrated Financial Management System (IFMS). This enabled Management to ensure that all commitments and payments made are in line with the approved budget. This went a long way in eliminating accumulation of arrears.

(f) Assets Register

Upon the request of KCCA, the Auditor General commissioned a position Audit by KPMG Auditors to establish the assets and liabilities taken over by KCCA. The auditors identified all asset items which will form the basis for building a KCCA Assets Register.

(g) Revenue Collection

For the FY 2011/12, KCCA collected UGX 41.9Bn out of the projected UGX 44.27Bn representing an achievement rate of 92.6%. Collections also grew by 37% from UGX 30Bn in the FY 2010/2011. The top five performing revenue sources were; Property Rates, Business Licenses, Local Service Tax, Parking Fees, Rent and Rates and Land Fees. The improved performance was attributed to take over of collection by KCCA in the various areas including Taxi Operation Fees, Markets and Property Rates.

7.9 Special Audit Assignments completed

- I. Reviewed and made a report on the concerns which were raised about the activities of KIIDP by an external stakeholder
- II. Coordinated the responses to the Auditor General's letter in relation to the audit of KCCA Headquarters.

As at the end of the FY, the following audits were ongoing and nearing completion:

- I. Comprehensive audit of KIIDP activities done during the period January 1, 2011 to March 2012
- II. Audit of revenue collections covering the period July 2011 to March 2012
- III. Review of some concerns that were raised by an external stakeholder concerning the KIEMP activities.

Streamlining the Internal Audit Activities

As part of the strategy to strengthen accountability within KCCA, some initiatives aimed at streamlining the activities under the Internal Audit function were undertaken:

- I. Developed draft copies of the Audit Charters for internal Audit and the Audit Committee.
- II. Developed the Internal Audit Manual.

7.10 Strengthening the legal function

During the FY2011/12, the Directorate realized a number of achievements which include; The Directorate is now registered with, and approved by the Law Council (the Regulator of legal profession in Uganda) as duly licensed premises for the provision of full legal services.

The overall objective of the prosecution drive is to ensure compliance with the various City Ordinances and Byelaws by the City Residents. Out of the 862 cases prosecuted, the Directorate secured 461 convictions and fines in the sum of UGX 14m, thereby representing a success rate of 53%. The rest of the cases are at various stages of hearing.

The Monitoring and Inspection Division investigated a number of cases involving KCC Staff and the general public. A total of 65 cases are at various stages, including inquiry with the Directorate of Public Prosecutions and in the Courts of Law.

Until the establishment of the Directorate only routine and simple legal matters were handled by the then Legal Department headed by the City Advocate. This left a large component of the lawyer's work – particularly court litigation- to be handled by M/S Sendege, Senyondo and Co.

Advocates, a private law firm. The external law firm is currently managing 122 civil cases, which it shall hand over by the 30th August 2012 for internal management by the Directorate.

As at 15/06/2012, the directorate had handled 44 civil cases and registered 100% success rate in all the concluded cases. In-house handling of litigation matters reduced the payment of colossal sums to private lawyers. We have been successful in more than 80% of the concluded court cases which we have dealt with in-house.

Recovery of key assets and properties of the Authority that had been unlawfully disposed off by the previous administration in the city for example, properties at Sezibwa Road, Nakasero and Mabua Road in Kololo.

KCCA has formulated the draft proposals for regulations pertaining to Contracts Committees and Election of Professional Councilors. These draft regulations have since been finalized, approved by the First Parliamentary Council and the Attorney General's Chambers, and submitted to the Minister responsible for Kampala for necessary further action as stipulated in the Act before the regulations become effective.

Implementation of hitherto "redundant" Byelaws and Ordinances for example, Ordinances pertaining to the prohibition of street vending/trading, littering, noise pollution, illegal parking along the city streets, etc.; and making proposals for amendment to meet current realities and challenges.

Also, under this role there is an on-going review of some of the City Ordinances and Byelaws with a view to making proposals and recommendations for amendment as appropriate.

8.0 Conclusion

In the Financial Year 2011/2012, KCCA focused on putting in place a new Institution that would form a foundation for the transformation of the City. Critical in the transformation process, was the need to address immediate challenges in service delivery that KCCA was grappling with after the coming into effect of the KCC Act 2010 on 1st March 2011.

The year 2012/2013 presents yet another opportunity to transform the city into an Attractive, vibrant and sustainable city.

9.0 KCCA FINANCIAL STATEMENTS

Management assertion

The financial statements set out on pages 6 to 26 have been prepared in accordance with the provisions of the Public Finance and Accountability Act, 2003 , KCCA Act 2010 and International Public Sector Accounting Standards (IPSAS). The financial statements have been prepared on a modified basis of accounting and comply with the generally accepted accounting practice for the public sector.

The statements included:-

- a) Statement of financial performance
- b) Statement of financial position
- c) Cash flow statement
- d) Statement of changes in net assets/equity
- e) Statement of comparison of budget and actual expenditure
- f) Notes to the accounts

Management of Kampala Capital City Authority maintained an effective process of internal control over financial reporting including the safeguarding of assets as they relate to the financial statements.

Appended also are the accounting policies that were used in the preparation of the financial statements, notes to the financial statements and schedules to the financial statements.

.....
J. Semakula Musisi
Executive Director

.....
Date

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE
2012

	Notes	30 June 2012 Shs	30 June 2011 Shs
Operating revenue			
Transfers received from the Treasury	2	71,895,573,827	52,074,259,710
Transfers from other Government Units	3	25,477,584,130	-
Non-Tax Revenues	4	39,522,340,220	46,335,948,201
Miscellaneous Revenue	5	1,992,874,233	426,382,266
Total operating revenue		138,888,372,410	98,836,590,177
Operating expenses			
Employee costs	6	51,077,345,555	14,472,130,236
Goods and services consumed	7	17,907,953,296	21,678,310,986
Consumption of property, plant & equipments	8	19,627,293,522	16,867,714,544
Grants Paid	9	10,697,100,695	19,545,162,469
Social benefits			150,229,280
Other expenses	10	1,846,395,615	13,918,536,340
Total operating expenses		101,156,088,683	86,632,083,855
Excess of revenue over expenditure from operating activities		37,732,283,727	12,204,506,322
Transfers to Treasury	11	19,933,648,525	-
Excess of revenue over expenditure for the year		17,798,635,202	12,204,506,322

The accounting policies and notes set out on pages 27 to 43 form an integral part of these financial statements.

The financial statements on pages 8 to 26 were approved by the Accounting Officer on2012

.....
J. Semakula Musisi
Executive Director

.....
Dan Kyambadde
Director Treasury Services

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012.

	Notes	30 June 2012 Shs	30-Jun-11 Shs
ASSETS			
Non Current Assets	12	3,860,648,923	45,094,139,044
Cash and Cash equivalents	13	23,889,139,697	54,515,595,632
Receivables	14	75,014,498,999	71,894,693,999
Inventories	15	1,660,079,091	-
VAT Claimable	16	681,247,381	-
Investments	17	3,185,077,434	-
Total Assets		108,290,691,525	171,504,428,675
LIABILITIES			
Borrowings	18	42,570,448,999	42,570,448,999
Payables	19	18,627,447,568	10,627,017,586
Deferred income	20	9,083,662,246	9,281,133,164
Other payables	21	5,472,784,350	5,472,784,350
Total liabilities		75,754,343,163	67,951,384,099
NET ASSETS		32,536,348,362	103,553,044,576

The accounting policies and notes set out on pages 27 to 43 form an integral part of these financial statements.

The financial statements on pages 8 to 26 were approved by the Accounting Officer on2012

.....
J. Semakula Musisi
Executive Director

.....
Dan Kyambadde
Director Treasury Services

STATEMENT OF CHANGES IN EQUITY (NET WORTH) AS AT 30 JUNE 2012

	30 June 2012
	Shs
Net worth Last Year (B/F)	112,834,177,740
Less: Transfers to the UCF account (Previous Year Balances)	-
Other Adjustments	44,700,558,974
Add: Excess of revenue over expenditure for the Year	17,798,635,202
Closing Net Financial Worth	50,334,983,564

The accounting policies and notes set out on pages 27 to 43 form an integral part of these financial statements.

The financial statements on pages 8 to 26 were approved by the Accounting Officer on2012

.....
J. Semakula Musisi
Executive Director

.....
Dan Kyambadde
Director Treasury Services

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE 2012

	30-Jun-12
	Shs
Cashflow from operating activities	
<i>Total receipts from Operating Revenues were</i>	118,757,252,967
PAYMENTS FOR OPERATING EXPENSES:	
Employee costs	51,077,345,555
Goods and services consumed	17,907,953,296
Consumption of assets	19,627,293,522
Social benefits	-
Grants paid	10,697,100,695
Other expenses	1,846,395,615
Domestic arrears paid during the year	1,616,428,650
Pension Arrears paid during the Year	-
Total payments for operating activities	102,772,517,333
Net cash inflows/(outflows) from operating activities	15,984,735,634
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property, plant and equipments	(3,998,688,460)
Purchase of investments	-
Proceeds from sale of investments	-
Net cash inflows/(outflows) from investing activities	(3,998,688,460)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from external borrowings	-
Repayments of external borrowings	-
Net increase (decrease) in cash and cash equivalents	11,986,047,174
Revised cash and cash equivalents as at 01 July 2011	11,903,092,523
Cash and cash equivalents as at 30 June 2012	23,889,139,697

The accounting policies and notes set out on pages 27 to 43 form an integral part of these financial statements.

The financial statements on pages 8 to 26 were approved by the Accounting Officer on2012

.....
J. Semakula Musisi
Executive Director

.....
Dan Kyambadde
Director Treasury Services

Statement of comparison of Budget and Actual Expenditure for the year ended 30 June 2012.

Revenue	Actual	Budget	Variance
Transfers Received From Treasury	71,895,573,827	86,301,953,997	(14,406,380,170)
Non-Taxes Revenue	41,944,673,530	44,427,000,000	(2,482,326,470)
Total Revenue	113,840,247,357	130,728,953,997	(16,888,706,640)
Expenditure by nature			
Employee Costs	51,077,345,555	69,252,882,038	18,175,536,483
Goods and Services	17,907,953,296	45,694,359,105	27,786,405,809
Property, Plant and Equipment.	21,858,232,536	39,852,299,000	17,994,066,464
Grants Paid	10,697,100,695	11,211,238,432	514,137,737
Other Expenses	1,846,395,615	2,132,007,080	285,611,465
Domestic Arrears Paid	1,616,428,650	1,800,000,000	183,571,350
Total Expenditure/ Net Variance	105,003,456,347	169,942,785,655	64,939,329,308

.....
 J. Semakula Musisi
Executive Director

.....
 Dan Kyambadde
Director Treasury Services

1 General Information

Kampala Capital City Authority was established by the Kampala Capital City Authority Act of Parliament in 2010. The Authority is the governing body of the Capital City and administers the Capital City on behalf of the central government

The principal address of the entity is:

Kampala Capital City Authority,
P.O Box 7010 Kampala (U)
Website: www.kcca.go.ug

2 Accounting policies

These are the specific principles, bases, conventions, rules and practices adopted by the Government of the Republic of Uganda in preparing and presenting the financial statements.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

a) Reporting period

The reporting period for these financial statements is according to Kampala Capital City Authority accounting period 1 July 2011 to 30 June 2012. It is also worth noting that it is aligned with Government of Uganda financial year.

b) Basis of accounting

The Accounts are prepared on historical cost basis of accounting. Revenue Collections are accounted for on cash basis. Accruals concept is applied for expenditure Accounts.

c) Basis of preparation

These financial statements have been prepared on a going -concern basis and the accounting policies have been applied consistently throughout the period

These financial statements have been prepared in accordance with the requirements of the Public Finance and Accountability Act, 2003, International Public Sector Accounting principles and comply with generally accepted accounting principles taking into consideration the Government of Uganda legal and regulatory framework regarding public finances.

Functional currency and translation of foreign currencies

(i) Presentation currency

The Reporting & presentation currency is the Uganda Shilling, which is the legal tender of the Republic of Uganda. Items included in the financial statements are measured in the currency of the primary economic environment in which the entity operates.

(ii) Translation of transactions in foreign currency

Foreign currency transactions are translated into Uganda shillings using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial performance.

d) Revenue

Revenue represents cash received by the entity during the financial year and comprises Transfers from the Consolidated Fund, Grants received and Non-Tax Revenue.

Subject to Article 152 of the Constitution of the Republic of Uganda, tax is levied with the authority of Parliament.

Many services and benefits are provided by the accounting entity to the public but these do not necessarily give rise to revenue to the entity. Equivalently, payment of tax and other dues do not necessarily result into an entitlement to the taxpayer to receive equivalent value of services or benefits because there is no explicit relationship between payments of tax and other dues, and receipt of goods and services from the Government. Revenue is recognized as follows:

(i) Transfers from the Consolidated Fund

Transfers from the Consolidated Fund to the entity are recognized when disbursement is made. Transfers are made periodically to facilitate the operations of the entity in accordance with the appropriated budget and the cash limits that have been established for Government spending for the period.

(ii) Grants

Grants are recognized when received. Similarly, grants/transfers to other entities of Government are recognized when disbursement is made.

(iii) Non-Tax Revenue

Non-Tax Revenue is proceeds from sales of designated services by the entity. Sales of services are recognized in the period in which the payment for the service is received and not necessarily when the service is rendered.

Non-Tax Revenue, whether directly collected by the entity or collected by another entity on its behalf is recognized when received.

(iv) Interest income - is recognized within the statement of financial performance on the accrual basis

e) Expenses

In general, expenditure is recognized when incurred. Expenses relating to pension liabilities, domestic arrears and interest expense on treasury bills and bonds are accrued for in the financial statements

f) Non Current Assets

i Plant and Equipment

All Plant and equipment are stated at historical cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items. All other repairs and maintenance costs are charged to the statement of financial performance

Land and Building

ii

Land and Building are essentially separable assets. Some properties are recognized at nominal value pending their valuation.

iii Motor vehicle and Motor cycle

Motor Vehicle and Motor cycle are stated at either historical cost or revalued amount. Historical cost includes expenditure that is directly attributable to the acquisition of the asset.

g) Depreciation

Depreciation has been computed to write off the cost or value of assets, other than land and properties under construction and or renovation, over their estimated useful economic lives using the straight-line method. A full depreciation charge is provided for in the year of acquisition on the following basis:-

Description of asset	Rate (%)
Land	0
Buildings	5
Machinery and Plant	20
Motor vehicles	25
Computers	33.3
Transport and Plant	20
Office Equipment	10
Furniture & fittings	10

h) Provisions

Provisions are recognized when the Organization has a legal or constructive obligation as a result of a past event, and where it is probable that an outflow of resources will be required to settle the obligation, and where a reliable estimate of the amount of the obligation can be made.

i) Budget

The original budget was approved by Kampala Capital City Authority Council on the 29-07-2011. The original Budget objectives and policies and subsequent revisions are explained fully in the Operational Review and Out-turn Report issued in conjunction with the financial statements. In budgeting accounting, capital expenditures are recorded as current year expenses while in accrual accounting this expense is capitalized and depreciated over the estimate useful economic lives of the assets.

j) Receivables

(i) Advances and other receivables

Receivables are carried at original historical cost. Bad debts when identified are written –off as per procedure outlined in the Financial regulations 2003. These are reflected in the Statement of Financial Performance.

(ii) Letters of credit

Procurement of goods and services through letters of credit which are cash covered are recognised in the statement of appropriation when the letter of credit is opened. Outstanding letters of credit at period-end are treated as deposits receivable and expensed in the following period when the goods and services are delivered.

(iii) Provision for bad debts

KCCA has 30% provision for bad debts on the doubtful debtors mainly property rates as at year end.

k) Inventories

Stocks are stated at cost using FIFO method of stock valuation. Cost comprises of purchase price plus any other expenses incurred to make the stock ready for its intended use. Obsolete stocks are value at cost and not net realizable value since this stock are not held for sale.

l) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments, and bank overdrafts. In the balance sheet bank overdrafts are included in borrowings.

Unspent cash balances

In accordance with the requirement of the Public Finance and Accountability Act 2003, unspent cash balances at the end of the financial year are due to the Consolidated Fund.

Transfers of unspent cash balances for the period under review to the Consolidated Fund are treated in the statement of financial performance as transfers to Treasury

m) Borrowings

Borrowings are initially recorded in the Statement of Financial Position [the balance sheet] at cost net of any transaction costs paid.

Interest expense or income on borrowings is recognized in the Statement of Financial Performance only when paid or received.

n) Employee benefits

Employee benefits include salaries, allowances, pensions and other related-employment costs. Employee benefits are recognized when incurred. No provision is made for accrued leave or reimbursable duty allowances.

o) Contingencies

Contingent liabilities are recorded in the Statement of Contingencies Liabilities when the contingency becomes evident. Contingent assets are neither recognised nor disclosed.

p) Commitments

Commitments include operating and capital commitments arising from non-cancelable contractual or statutory obligations. Interest commitments on loans and commitments relating to employment contracts are not included in the Statement of Outstanding Commitments. Outstanding commitments are included in the balance sheet as payables and in the Statement of Outstanding Commitments.

q) Subsequent events

There were no post balance sheet events that required amendment or disclosure in the financial statement as at the date of this report.

r) Receivables and prepayments

Receivables and prepayments are recognized at fair value.

s) Payables and accrued

Payables and accrued expenses are recognized at fair value

t) Exchange rates

All monetary amounts in the financial statements are expressed in Uganda Shillings, the legal tender. The Uganda Shilling closing rates (the Bank of Uganda middle rate) for United States Dollar was 2,468.7

Notes to the financial the statements for the financial year 2011/2012

Note: 2 Transfers received from the Treasury:

	30 June 2012 Shs
Transfers from the treasury- current	27,452,379,547
Transfers from the treasury- capital	44,443,194,280
	<hr/> 71,895,573,827 <hr/>

Notes to the financial the statements for the financial year 2011/2012 continued.

Note: 3 Transfers from other Government Units

These include transfers of cash previously held on the former Kampala City Council.

Account Title	Account Number	Bank	Amount Transferred- Local Revenue
KCC Makindye Trading License	17511502010114	Orient Bank	3,261,552
KCC General Collection A/C Kawempe Division	18493234010108	Orient Bank	503,833
Kampala District Land Board	16879902010101	Orient Bank	1,099,212,753
KCC Nakawa Division - Remittances to lower council	0102030056905	SCB	199,404,730
The Director KCC Nakawa Trading License	01020030056900	SCB	412,824,388
Kampala Central Div. Pub Health Dev	0105610730500	SCB	
Kampala Central Division RC III, KCC A/c	0105610642601	SCB	163,929,054
KCC Nakawa Division Market Collections	0102030056901	SCB	28,957,099
Nakawa Division LC3 Cash Account	0102041001900	SCB	15,633,200
Central Division Cash Account	0102040990800	SCB	1,930,000
Kampala City Council General A/c	0102002807700	SCB	150,225,043
Kampala City Council- Capital Funds	0102040890900	SCB	12,393,477,363
Kampala City Council Central- General Fund A/c	0102003246400	SCB	740,542,315
Kampala Central Division RC III	0105610642600	SCB	20,060,722
KCC Nakawa Division- Statutory Committees & oard	0102030056910	SCB	2,492,000
Kampala City Council Lubaga Division Cash A/c	0102014294102	SCB	914,500
Kla City Council Central Division	0102002877200	SCB	495,830,103
Nakawa Division LC 3	0140060913701	Stanbic	174,803,638
Kpla Central Div. Council	0140001544301	Stanbic	345,547,380
Nakawa Division LC 3 KCC Property Rates Rent	0140060913706	Stanbic	651,077,469
Kampala City Council	0140001319101	Stanbic	1,085,502,537
Nakawa Division Lc 3 City Community Challenges	0140060913708	Stanbic	4,165,137
Kampala Cith Council District Land Board	0140002267509	Stanbic	8,454,700
KCC Finance and Administration	0140066948801	Stanbic	383,064,182
Kampala Central ADB/AE Account	0140002113401	Stanbic	108,067,391
KCC Collection Account Nakawa Division	0140060913703	Stanbic	2,369,920,916
Kawempe Division LC III	1013500007542	DFCU	1,923,931
KCC Propert Rates	0140005556801	Stanbic	69,962,607
Kampala City Council	0140001319102	Stanbic	1,486,564,667
Kawempe Division Operations Account	207168009	Bank of Africa	165,059,353
KCC Small works	10207172006	Bank of Africa	101,876,000
KCC Lubaga Division- Trading Licence	06001040006	Bank of Africa	117,226,306
Kawempe Division Imprest Withdrawal	10209232006	Bank of Africa	171,731
KCC- Lubaga Div. Property Rates and Ground Rent	1023500119180	DFCU	167,134,702
KCC- Lubaga Operational Account	1013500017864	DFCU	114,761,032
KCC- Lubaga Div. Property Rates and Ground Rent	1013500019806	DFCU	1,374,771,766
KCC Operations Account	101500008857	DFCU	162,617,109
Kampala Central- Bencha A/c	1013500024846	DFCU	215,000
KCC 30%	01L2507520800	DFCU	586,906,242
KCC Makindye Division Licence A/cc	01103500265696	DFCU	2,684,148
KCC	1013500007542	DFCU	
Kampala City Council OVC	01013500104759	DFCU	8,000
Kcc Collection-Trading Licence	5800956171	BARCLAYS	209,476,988
Kcc Kawempe Division Div Collection	5800967173	BARCLAYS	12,614,532
Kampala Central Div. Kamwokya Unts	006519/101/01	CIB	93,000,000
KCC salary Processing	01010740008	Bank of Africa	
KCC	01013500008888	DFCU	42,447,007
KCC Salary	01013500008895	DFCU	535,000
KCC	01013500008871	DFCU	9,417,128
KCC Lubaga Division	01013500017871	DFCU	183,000
			25,477,584,130

Notes to the financial the statements for the financial year 2011/2012 continued.

Note: 4 Non-Tax Revenues

Non-tax revenues collected were as follows:

	30 June 2012 Shs
Rental Income Tax	180,500
Presumptive Tax	30,000
Local Service Tax	4,422,897,494
Land Fees	4,653,773,001
Other taxes on specific services	94,400
Local Hotel Tax	1,204,378,068
Business licenses	8,766,271,528
Other licenses	50,000
Interest from Other Govt Units	200
Rent & Rates - Non-Produced Assets	3,243,991,231
Rent & rates - produced assets - fro	120,631,127
Rates - Produced assets- from privat	7,959,395,467
Sale of drugs	66,359,000
Rent & rates from produced assets f	4,317,500
Sale of publications from other govt	50,000
Sale of drugs from other govt. unit	1,624,500
Park Fees (incl. Street Parking)	5,390,571,527
Migration Permits	9,052,000
Refuse collection charges/Public con	94,949,425
Property related Duties/Fees	1,725,898,395
Advertisements/Bill Boards	809,508,898
Registration (e.g. Births, Deaths, M	2,287,500
Registration of Businesses	24,300,000
Agency Fees	55,099,500
Inspection Fees	108,710,578
Market /Gate Charges	804,900,681
Court fines and Penalties - private	274,000
Other fines and Penalties - private	52,743,700
	39,522,340,220

Notes to the financial the statements for the financial year 2011/2012 continued.

Note 5: Miscellaneous Revenue

This is shown separately for the purposes of the Statement of Financial Performance

	30 June 2012 Shs
Miscellaneous receipts/income	1,724,445,507
Lease premium	197,470,918
Interest income	70,957,808
	<hr/> 1,992,874,233 <hr/>

Note 6: Employee costs

Employee costs principally comprise:

	30 June 2012 Shs
General Staff Salaries	20,566,185,868
Allowances	30,511,159,687
	<hr/> 51,077,345,555 <hr/>

Note 7: Goods and services

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

	30 June 2012 Shs
General expenses	3,316,029,986
Communications	75,897,606
Utility and Property expenses	403,250,733
Supplies and services	1,759,131,242
Professional services	1,598,372,445
Insurance and licences	338,938
Travel and Transport	5,117,941,903
Maintenance	5,636,990,443
	<hr/> 17,907,953,296 <hr/>

Notes to the financial the statements for the financial year 2011/2012 continued.

Note 8: Consumption of property, plant and equipment (maintenance costs)

This relates to conditional grants from Government of Uganda ant its agencies like Uganda Road Fund where conditional grants are sent and spent on roads, maintenance among others.

	30 June 2012
	Shs
Land & Buildings - Non Residential	336,636,808
Roads & Bridges	10,830,187,010
Transport Equipment	103,617,430
Machinery & Equipment	3,013,199,832
Furniture & Fittings	717,576,417
Other Fixed Assets	4,626,076,025
	<hr/> 19,627,293,522 <hr/>

Note 9: Transfer to other Organizations

	30 June 2012
	Shs
To Other General Government Units	10,697,100,695
	<hr/> 10,697,100,695 <hr/>

Note 10: Other operating expenses

These comprise:

Donations	9,785,632
Fines and Penalties(Garnishes order)	1,332,878,612
Compensation to 3rd Parties	503,731,371
	<hr/> 1,846,395,615 <hr/>

Notes to the financial the statements for the financial year 2011/2012 continued.

Note 11: Transfers to the Treasury

These comprise transfers back to the Consolidated Fund of unspent balances from the respective expenditure accounts, transfers of Non tax revenue collected, unutilized gross tax funds, unspent salaries, among others

	30 June 2012
	Shs
Gross tax balances	11,956,429,244
Deposits received(Uganda Road Fund)	7,977,219,281
	19,933,648,525

12. Noncurrent assets

Opening balances

For purposes of reporting, all noncurrent assets that existed before 30 June 2012 have been written off against the capital reserve and are stated at a nominal value of Uganda shillings 1,000 in the current reporting period and the total recognized is Uganda shillings 9,789,000. Management is in the process valuing all assets of the Authority to develop an asset register for all the noncurrent assets. No depreciation has been charged to the nominal value.

Additions during the year.

	Motor vehicles &Machinery Ushs 000	Land Ushs 000	Building s Ushs 000	Furniture & Fittings Ushs 000	Computer and equipment	Total Ushs 000
Cost						
Nominal value At 30 June 2011	453,000	149,000	56,000	7,670,000	1,461,000	9,789,000
Additions	278,869,482	3,280,000,000	-	213,227,683	226,591,295	3,998,688,460
At 30 June 2012	279,322,482	3,280,149,000	56,000	220,897,683	228,052,295	4,008,477,460
Depreciation						
At 30 June 2011	-	-	-	-	-	-
Charge for the year	69,717,371	-	-	21,322,768	56,788,398	147,828,537
At 30 June 2012	69,717,371	-	-	21,322,768	56,788,398	147,828,537
Carrying amount						
At 30 June 2012	209,605,112	3,280,149,000	56,000	199,574,915	171,263,897	3,860,648,923
At 30 June 2011	453,000	149,000	56,000	7,670,000	1,461,000	9,789,000

Notes to the financial the statements for the financial year 2011/2012 continued.

Note 13: Cash and Cash equivalents.

Balances held comprise:

Revenue accounts	428,865,622
Expenditure accounts	22,739,215,220
Collection accounts	16,532,849
Cash at hand	704,526,006
	<hr/>
	23,889,139,697

Notes to the financial the statements for the financial year 2011/2012 continued.

Note 14: Receivables

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

	30-06-2011	Adjustment	Addition during the year	Collections during the year	30-06-2012
Property Rates & Ground Rent	79,376,755,717	-	17,179,899,932	7,583,932,321	88,972,723,328
Nakawa Market (Old Vendors Association)	103,755,000	-	-	-	103,755,000
Nakawa Market	449,881,300	-	-	-	449,881,300
Bugolobi Market (Med Tech)	43,616,000	-	-	-	43,616,000
Bugolobi Market- Haks	51,000,000	-	-	-	51,000,000
Bugolobi Market	58,601,900	-	-	-	58,601,900
Kiswa Vendors & Traders)	2,282,000	-	-	-	2,282,000
Kinawataka Market	12,878,000	-	-	-	12,878,000
Bbina I Market (Jomati Agencies)	1,256,370	-	-	-	1,256,370
Bbina Ii Market (Jomati Agencies)	2,240,000	-	-	-	2,240,000
Banda Market (Serun Limited)	1,715,000	-	-	-	1,715,000
Luzira Market(Jomati Agencies Markets-	12,998,310	-	-	-	12,998,310
Markets-	844,901,800	-	-	-	844,901,800
Parking Fees (Mubejje)	43,765,356	-	-	-	43,765,356
Foster A light(Advertising)	175,465,493	-	-	-	175,465,493
UTODA(makindye division)	376,386,851	376,386,851	-	-	-
30% From HQTRS	36,260,715	36,260,715	-	-	-
Kara, Owino, Kalitunsi, P/yarc	3,700,553,804	-	-	-	3,700,553,804
Street parking (Multiplex)	1,016,401,364	-	1,683,254,232	1,991,101,776	708,553,820
Bernark primex construction co	49,800,000	-	-	-	49,800,000
Container Village	8,481,590	-	-	-	8,481,590
Public Conviniences	123,069,292	-	-	-	123,069,292
Ground Rent	3,037,223,837	-	-	-	3,037,223,837
Lorries and Tippers	15,000,000	-	-	-	15,000,000
Advertising tools	158,622,785	-	-	-	158,622,785
Photocopier-Frank Lutaaya	600,000	-	600,000	1,200,000	-
Photocopier-Assimwe Teddy	500,000	-	600,000	1,100,000	-
Photocopier-Anita Akeera	840,000	-	-	-	840,000
Photocopier-TD's Enterprises	197,000	-	600,000	602,000	195,000
Photocopier-Baguma Joy	- 500	-	600,000	499,500	100,000
Photocopier-Pyerina Ngwicharach	700,000	-	-	-	700,000
Photocopier-Rose Kanimbani	1,050,000	-	-	-	1,050,000
Multiplex	9,794,400	-	-	-	9,794,400
UTODA	745,899,925	-	2,800,906,696	1,598,465,348	1,948,341,273
Green Boat	49,000,000	-	-	-	49,000,000
Bon Appetit	2,400,000	-	-	-	2,400,000
Kayimba Mrs	1,400,000	-	-	-	1,400,000
Cenco Africa	79,023,676	-	-	-	79,023,676
(Interdivision Debtors)	5,850,419,863	5,850,419,863	-	-	-
Land Premium-Nakaser Market	945,000,000	-	-	-	945,000,000
Sale of Houses	4,696,855	-	-	-	4,696,855
Interest Accrued Housing Finance	15,478,356	-	-	-	15,478,356
Interest Accrued -Orient Bank	55,479,452	-	-	-	55,479,452
Abortior	14,432,000	-	-	-	14,432,000
TOTAL	97,479,823,511	- 6,263,067,429	21,666,460,860	-11,176,900,945	101,706,315,997
Provision for Bad Debts at 30%	- 25,654,788,902				26,691,816,998
Net Debtors	71,825,034,609				75,014,498,999

Notes to the financial the statements for the financial year 2011/2012 continued.

Note 15: Inventories

Comprise inventories purchased which have not been expensed.

		30 June 2012 Shs
Operating inventories	I	1,660,079,091
Total inventories		1,660,079,091

Note 16: VAT Claimable

	30 June 2012 Shs
Total Output VAT	(697,887,803)
Total input VAT	1,379,135,184
Total VAT Claimable	681,247,381

Note 17: Investments

Account Title	Account Number	Bank	Balances
Kampala City Council	0112533126000	Housing Finance	1,700,000,000
KCC Fixed Deposit	17971927010101	Orient Bank	1,139,640,201
KCC Fixed Deposit	11743827010101	Orient Bank	345,437,233
			3,185,077,434

Note 18: Borrowings

Kampala City Council through the Government of Uganda obtained a loan from World Bank (IDA) under the First Urban Project to provide infrastructure to work on the Urban Markets of (Nateete, Bugolobi and St. Balikuddembe). The loan was for a period of 25 years from 2005 to 2030.

This project ended on 30th June 2000 and the Uganda shillings equivalent at year end is summarized below;

	30 June 2012 Shs
Interest payable on bank loans/borrowings	
Other	42,570,448,999
	42,570,448,999

Notes to the financial the statements for the financial year 2011/2012 continued.

Note 19: Payables

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

	Schedule	30 June 2012 Shs
Trade Creditors	II	10,650,228,287
Deposits received(Uganda Road Fund)		7,977,219,281
		<hr/>
		18,627,447,568

Note 20: Deferred income

During the course of the FY 2009/10, KCC Headquarter granted sub-leases (up to 49 years) to sitting tenants of New taxi park, Nakasero Market, St Balikuddembe Market and Kisekka Market, out of which total land premium of shillings 9,676,075,000= was expected to be collected.

Sub Lease	Sub-Lessee	Amount
Kisekka Market	NROK(Kisekka)MVL	1,520,000,000
St Balikuddembe Market	SLOA Ltd	4,000,000,000
New Taxi Park	New Taxi Park Lock U Owners Assoc Ltd	2,240,000,000
Nakasero Market	NMSVT Limited	1,800,000,000
Miscellaneous		116,075,000
Total Sub-Lease Premium		9,676,075,000

The revenue from Lease Premium has been apportioned and accrued according to the lease period in order to match the revenues and the lease.

In the Statement of financial performance, shillings197, 470,918= has been accrued as revenue for this financial year. A balance of shillings 9,083,662,246 = has been recognized as deferred income to be apportioned over the remaining lease period.

Note 21: Other payables

	30-Jun-12
Pension Liabilities	211,898,151
Inter Organization remittances	2,671,009,795
Earmarked Funds	2,504,970,385
Deposits(PAYE,NSSF,WHT, VAT)	84,906,019
	<hr/>
	5,472,784,350