OFFICE OF THE AUDITOR GENERAL

SUPREME AUDIT INSTITUTION – UGANDA

AUDITING PUBLIC DEBT

TO STRENGTHEN ACCOUNTABILITY AND FISCAL SUSTAINABILITY

Practical Approaches and Lessons Learned

21st May 2026

AFROSAI-E Governing Board Meeting

Supreme Audit Institution – Uganda

PRESENTATION OUTLINE

What is Public Debt?

Total financial obligations owed by a government arising from borrowing to finance expenditure exceeding revenue — including domestic and external debt, guarantees, and contingent liabilities.

Debt-to-GDP Ratio (>50% EAC target)

According to the INTOSAI GUID 5250 Public Debt can also be broadly defined as **all liabilities and Obligations incurred by a country.**

Interest-to-Revenue Ratio (>20% MTDS 23/24-27/28)

Proportion of Foreign Currency Denominated Debt to Debt

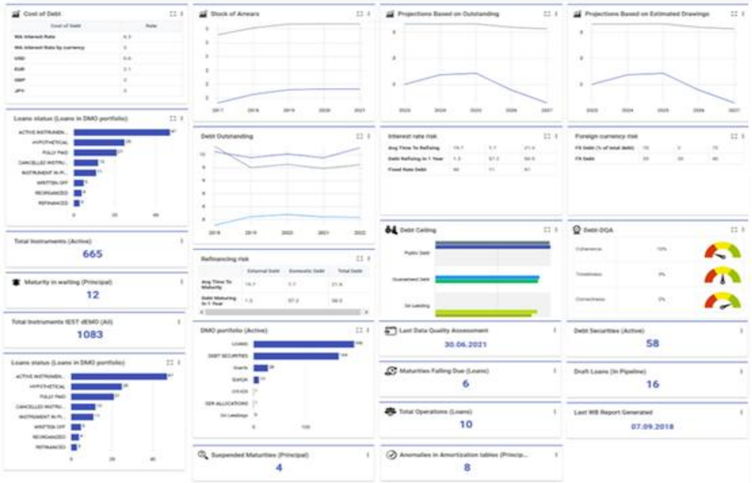
Public Debt Management legal instruments

- The Constitution of the Republic of Uganda-1995
- The Public Finance Management Act Cap 171
- Charter of Fiscal Responsibility
- Government of Uganda Medium Term Debt Management Strategy 2024/2025 to 2027/2028
- Government of Uganda Public Debt and Other Liabilities Management Framework 2023/2024 - 2027/2028

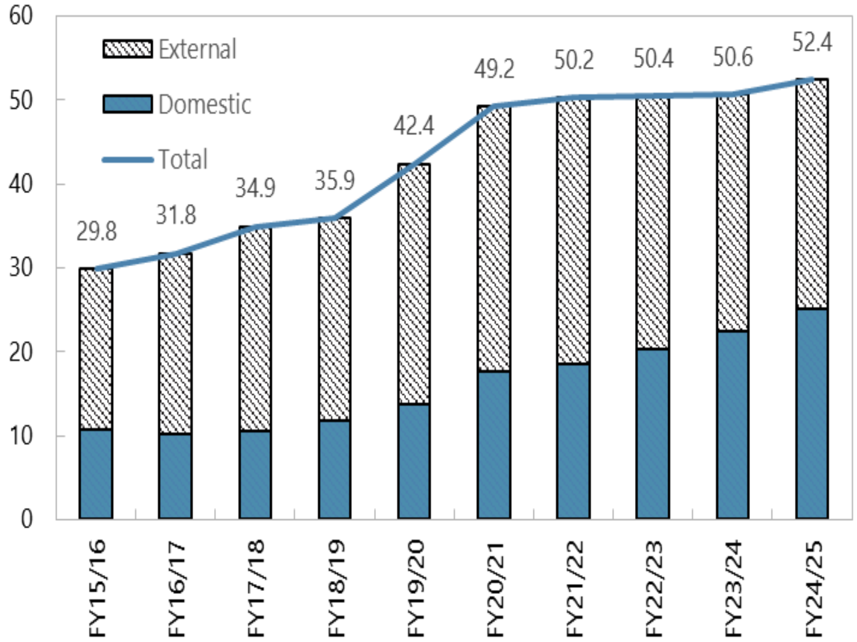
Tracking and reporting on Public Debt

Public Debt in Uganda is recorded, tracked and reported using the "Debt Management and Financial Analysis System"-**DMFAS**

Tracks loans, loan disbursements, and debt servicing schedule



Public and Publicly Guaranteed Debt (IMF Uganda Debt Sust Analysis Dec 2025)



UGANDA DEBT SNAPSHOT: 2024/2025

52.4%

Debt-to-GDP Ratio (>50% EAC target)

23.66%

Interest-to-Revenue Ratio (>20% MTDS 23/24-27/28)

48.86%

Proportion of Foreign Currency Denominated Debt to Debt

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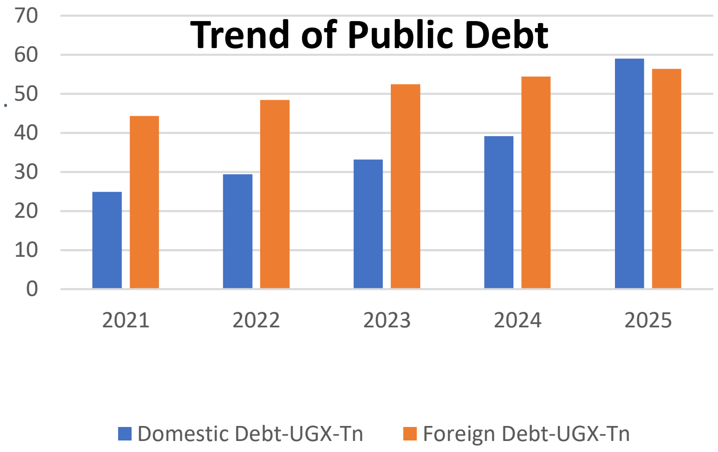
Domestic Debt: Funds raised locally through Treasury Bills, Bonds, Domestic arrears etc.

External Debt: Borrowings from foreign governments, international banks, Multinational Institutions etc.

Domestic Vs External Debt-Uganda's case

Year	Domestic Debt-UGX-Tn	Foreign Debt-UGX-Tn	Total-UGX-Tn
2021	24.889	44.313	**69.202**
2022	29.425	48.463	**77.888**
2023	33.168	52.472	**85.64**
2024	39.159	54.449	**93.608**
2025	59.019	56.384	**115.403**

Debt has increased from **UGX.69.2Tn (USD19.3bn)** in 2021 to **UGX.115.4Tn (USD32bn)** in 2025



KEY RISKS IN PUBLIC DEBT MANAGEMENT

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Fiscal Sustainability Risks

- Rising Debt-to-GDP ratio (51.8% /52% FY2024/25)
- High interest-to-revenue ratio (>20%)
- Exchange rate exposure (60% foreign denominated debt)

Reporting & Transparency Risks

- Incomplete disclosures in financial statements – DA, Oil recoverable contingent liab
- Unsupported balances and weak reconciliation
- Fragmented and inconsistent debt recording and reporting (CoFR requirements)

Misstatement & Integrity Risks

- Undisclosed court awards & SOE liabilities (USD 610.5m as at June 2025)
- Poor inter-institutional coordination
- Irregular adjustments & politically driven borrowing

ROLE OF SAIs IN PUBLIC DEBT MANAGEMENT

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MANDATE

Constitution of Uganda
National Audit Act (NAA)

INTOSAI GUID 5250

SAIs are uniquely positioned to shape the fiscal accountability architecture of the region.

Independent Assurance

Provide independent assurance on debt management operations and reported figures.

Transparency & Scrutiny

Strengthen accountability mechanisms and enhance public scrutiny of debt obligations.

Parliamentary Support

Equip Parliament and policymakers with actionable audit insights and recommendations.

Fiscal Sustainability

Promote long-term fiscal sustainability and governance best practices in debt management.

APPROACHES TO AUDITING PUBLIC DEBT

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SAI Uganda uses a Multi-Dimensional Audit Approach After SORA results

Financial Audit

- Reliability of debt records & balances
- Valuation, Accuracy & completeness of disclosures
- Proper classification of debt instruments
- Contingent liabilities & guarantees
- Debt servicing transactions

***Key Findings:** Inconsistencies between cash & accrual accounting; undisclosed debt liabilities, misclassification.*

Compliance Audit

- Legality & authorization of borrowing
- Borrowing outside approved statutory limits
- Utilization of borrowed funds
- Accounting and Reporting timelines
- Monitoring of guaranteed /PPP debts

***Key Findings:** Borrowing outside approved limits; metrics above targets, diversion of loan proceeds; delayed servicing, reporting delays.*

Performance Audit

- Economy, Efficiency & Effectiveness
- Alignment with national priorities
- Achievement of intended outputs
- Debt sustainability & value for money
- Efficiency of debt management institutions

***Key Findings:** Lack of feasibility, Low absorption causing high commitment fees; delayed or non project implementation, Non-concession loans financing budget support instead of infrustructure.*

Transparency & Reporting Gaps

- Missing arrears data in statements
- Incomplete SOE liabilities not disclosed
- Fragmented debt recording systems
- Unsupported debt balances

Institutional & Governance Weaknesses

- Fragmented debt management structures
- Weak feasibility studies for loans
- Limited Parliamentary scrutiny
- Poor inter-agency coordination

Communication Channels

- PSST meetings to discuss findings
- Parliamentary audit reports
- PAC presentations & discussions
- Treasury Memorandum implementation

Outreach & Messaging

- Strategic, policy-oriented messaging
- Linking findings to fiscal implications
- Newsletters, media & citizen platforms
- INTOSAI peer engagement

CHALLENGES & SOLUTIONS IN PUBLIC DEBT AUDITING

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⚠ CHALLENGE		✓ SOLUTION
Fragmented information systems	→	Strengthened reconciliation reviews & integrated DMFAS data
Complex financing instruments (PPPs, guarantees)	→	Capacity building in DSA and macro-fiscal analysis
Weak implementation of recommendations	→	Enhanced follow-up mechanisms (Treasury Memoranda)
Capacity constraints in audit teams	→	Benchmarking against PEFA & INTOSAI GUID 5250 standards

LESSONS LEARNED

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01 Multidisciplinary skills required — economists, Data Analysts, lawyers & auditors working together.

02 Focus on high-risk areas using a risk-based SORA methodology.

03 Transparency & governance are the foundation of sustainable public debt management.

04 Stronger reconciliation & data integrity practices are essential audit cornerstones.

05 Capacity building in macro-fiscal analysis strengthens audit quality.

06 Embed follow-up mechanisms (Treasury Memoranda) to drive implementation of recommendations.

07 Use analytical tools — ratios, trends, and portfolio analysis — for deeper insights.

POLICY RECOMMENDATIONS

Audit Practice

- Prioritize Public debt audits, by institutionalizing audit methodology using INTOSAI GUID 5250
- Undertake specialized training and use of data analytical tools in audit of Public Debt

Collaboration & Coordination

- SAIs to Strengthen links with Ministries of Finance, MDAs & Central Banks
- Enhance institutional coordination across agencies

Transparency & Reporting

- Champion transparency reforms at national & regional levels
- Strengthen debt reporting standards & disclosures

Oversight & Communication

- Reinforce Parliamentary oversight of debt
- Enhance communication of audit insights to policymakers

SUPREME AUDIT INSTITUTION

UGANDA

"SAIs are the guardians of fiscal integrity. Our audits of public debt are not just about numbers — they are about the future of our nations."

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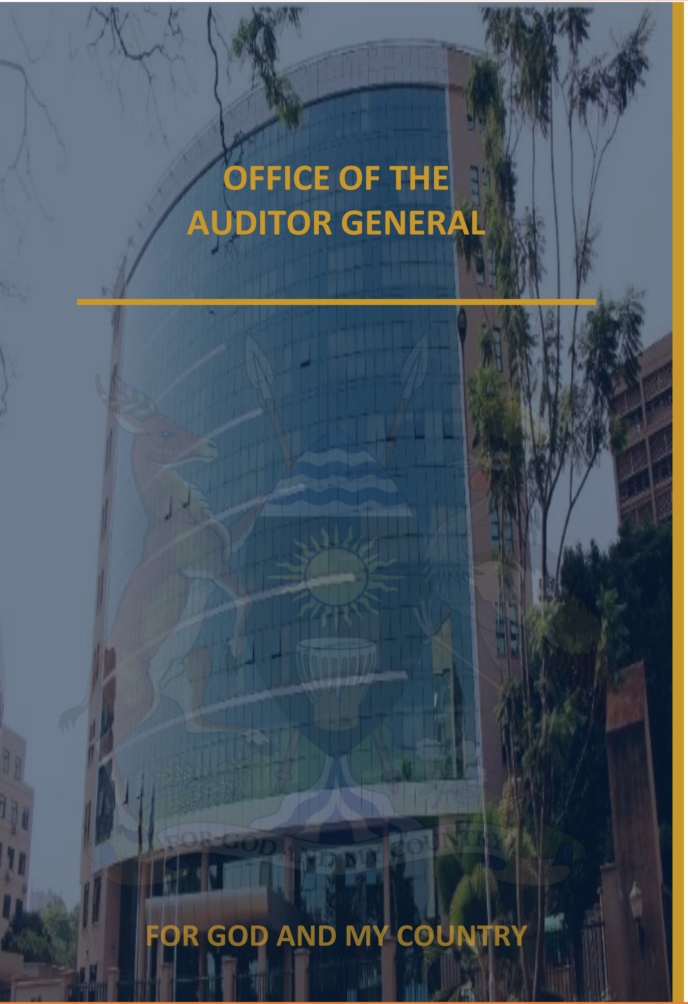
CONCLUSION

- Public debt auditing is a critical pillar of fiscal governance and macroeconomic stability across Africa.
- SAIs must continuously strengthen their capacity in financial, compliance and performance audit of debt.
- Transparency, coordination, and follow-through on recommendations are non-negotiable for debt sustainability.
- Regional collaboration under INTOSAI GUID 5250 is essential to standardize and strengthen audit frameworks.
- The Office of the Auditor General — Uganda commits to championing accountability in public debt management.



Questions & Discussion

Auditor General | Supreme Audit Institution – Uganda | 21 May 2026