



PRESENTATION

BY

**THE MINISTER FOR THE PRESIDENCY
BABIRYE MILLY BABALANDA**

TO

**THE PARLIAMENTARY COMMITTEE OF COMMISSIONS,
STATUTORY AUTHORITIES AND STATE ENTERPRISES -
COSASE**

PRESENTED ON 28TH MARCH 2023

Mr. Chairman and Honorable Members of PAC-COSASE
Honorable Colleagues in attendance;

I am pleased to appear before this honorable committee today March 28, 2023.

Mr. Chair and Honorable Members; I will start by apologizing for not turning up on March 22, 2023, as per the communication from the chairman. It was not my wish; I had an earlier scheduled meeting with H.E the President on the issue of the National IDs.

Mr. Chair and Hon. Members; I received summons to appear before this committee on March 23, 2023.

I am a law-abiding citizen and leader who respects government institutions.

Mr. Chair and Honorable Members I seek for your permission to allow me to present my response to the issues raised in the summons. I have also carried some documents as requested by the Chair to support this response.

In the summons, the chair specifically underlined the issues for my response to be in line with the Auditor General's report 2021/2022 about performance of the UPPC. He further asked me to produce documents relating to governance, board appointments and composition of management and their appointments.

Therefore, Mr. Chairman and Hon. Members I humbly seek for your permission to restrict my presentation to the issues raised in your summons and to give me chance to present all of the areas.

[1] GOVERNANCE AND BOARD APPOINTMENTS

Mr. Chair and Honorable Members,

The UPPC Board is appointed under section 6 sub-sections 1-3 of the UPPC Act. In absence of the Board, the Minister assumes the above responsibility to avoid paralyzing the operations of the corporation. This however may not be sustainable; hence, the need to have a fully constituted board approved by Cabinet.

Mr. Chairman and Hon. Members

According to the UPPC Act under section No. 6; a member of the Board shall vacate Office by either resignation or removal by the Minister as stipulated under sub section (6). The Minister may remove a member of the Board for negligence or misbehavior or inability to perform the functions of his or her office.

Mr. Chair and Honorable Members,

The old board has been on interdiction for more than a year and its term expired on October 31, 2022.

I had to stand in to undertake the responsibilities of the board on the following grounds:

- 1- The UPPC is a cooperate entity that cannot suspend its business due to lack of a Board. Absence of a UPPC Board is associated with

the on-going criminal investigations in the corporation which commenced on August 16, 2021, at my request and which resulted in my interdicting of the Board members and later some of the staff at the request of the Police when they interfered with police investigations.

Mr. Chair and Honorable Members, the office of the Minister for the Presidency received a dossier from a whistle blower on July 5, 2021, addressed to the Minister for the Presidency on alleged corruption tendencies in the UPPC by Board Members in connivance with some corporation staff. The dossier was received by the Office Secretary before I assumed office. At this time, I had been appointed Minister, but I was indisposed due to COVID-19 infection.

On August 15, 2021, the whistle blower made a follow up on the earlier submission giving additional information to the point that the staff allegedly involved were planning to fraudulently withdraw more money from the UPPC Accounts.

Mr. Chair and Honorable Members, after obtaining this intelligence I immediately prioritized it upon assuming office. I forwarded the dossier to the Director CID Uganda Police on August 16, 2021; requesting for investigations in the corruption allegations because it's not my mandate to investigate corruption cases.

On August 17, 2021, I called for a meeting to brief the Board and staff of the UPPC about the police investigations. However, majority of the Board Members boycotted the meeting. Surprisingly, on Sunday August 22, 2021, some Board Members and staff were seen suspiciously making off from the UPPC Offices with files containing UPPC documents.

Mr. Chair and Honorable Members,

My intention was not to interdict these members, this is actually the reason I called them for a meeting to agree on the mechanism to cooperate with the police in the investigations, however their actions on Sunday August 22, 2021 prompted my action to interdict them on the following day of August 23, 2021 to deny them access to other files. On the very day; August 23, 2021 the Director CID requested for interdiction of more staffs for interference with the investigations (see letter dated August 23, 2021 referenced FAP/CID 50/154).

The DPP objected to the lifting of the interdictions as per letters dated October 28, 2022 referenced ACD-ADM-010-2022 and letter dated January 12, 2023 referenced PRO 96/108/01 (see attachment).

- 2- The contracts of some fourteen (14) staff were expired and they needed to be renewed (according to a letter dated August 31,

2022, referenced UPPC/MD/071/2022 from the Acting Managing Director- see attachment).

Mr. Chair and Honorable Members, you are aware that it is illegal to employ anyone without a contract. Their actions would be challenged on the account of this.

- 3- Letter of intention to retire by the UPPC Board Chairman; Mr. Vincent Musubire.

Mr. Chair and Honorable Members, I received an unreferenced letter dated January 28, 2022 (attached) from the former Board Chairman of the UPPC requesting me to approve his early retirement. However, after consulting with the DPP and the Police, I was advised not to approve this request because Mr. Musubire was still under police investigations on criminal offenses and abuse of office.

- 4- Status of the Managing Director;

Mr. Chairman and Honorable Members, absence of a substantive MD is one of the key challenges disturbing me as the supervisor of the UPPC. This is because the MD is a very important officer who sustains the Corporation, and this position is fulltime unlike the Board. Absence of a substantive Managing Director, I admit; greatly affects the performance of the corporation and it is one of the reasons why the corporation is underperforming.

Mr. Chairman and Honorable Members, below are the reasons why we have delayed to have a substantive Managing Director for the UPPC:

a- Legal implications associated with appointment of a new Managing Director

Mr. Chairman and Honorable Members, the contract of Prof. Tom Davis Wasswa, the MD on interdiction; expired while he was on interdiction. However, I did not intentionally notify him that the Corporation would not renew his contract because he was on interdiction and secondly, this being the highest office in the corporation, a decision to recruit or even terminate a Managing Director can only be made by the full board whose term expired while on interdiction.

b- Deployment of caretaker MD in the absence of the substantial MD.

Mr. Chair and Hon. Members, when I interdicted Prof. Tom Davis Wasswa on August 23, 2021, in accordance with section F-S Par. 8 of the Public Service Standing Orders 2010; I assigned Commissioner James Tweheyo; a Senior Staff of the President's Office to temporarily act as MD. At that time, I could not assign any of the current senior managers in the UPPC because it was early to determine who was or was not directly involved in the scandals being investigated.

On December 3, 2021, after confirming that one of the senior Managers at UPPC; Mr. Kenneth Oluka; the Editor was not directly involved in the scandals under current investigations, I assigned him the role of acting MD because he is an insider with vast knowledge of the business at UPPC and Mr. Tweheyo had to return to his station.

Mr. Chairman and Hon. Members; I did not appoint Mr. Oluka as a substantive MD; rather it was on assignment.

c- Resignation of Prof. Tom Davis Wasswa as MD.

Mr. Chair and Hon. Members; Prof Tom Davis Wasswa; in his letter received on December 22, 2022; admitted that there were mistakes committed during his tenure of office but asked to be pardoned and also requested to resign from his position as MD. However, after making wide consultations; I did not accept his resignation (see attached resignation letter).

5- Status of cases under investigations:

Mr. Chair and Hon. Members; there are five (5) files under police investigations. Investigations for one file (involving embezzlement of money paid by the Electoral Commission to the UPPC was completed and the suspects were charged in Court. Among those charged was Prof. Tom Davis Wasswa.

The investigations on the four files are still on-going, according to police and the DPP. One of the challenges delaying the process is that some of the key suspects involved are still at large.

Mr. Chair and Hon. Members, these persons were charged in Court while I was out of the Country in New York attending a Women Leaders Conference. I returned on March 19, 2023 and on Monday March 20, 2023 I directed the Secretary, Office of the President to instruct the Acting Managing Director UPPC to interdict three staffs who were charged in Court alongside Prof. Tom Wasswa Davis.

The staffs charged in Court on March 11, 2023, are:

- 1- Mr. Ahimbisibwe John Baptist –
- 2- Ms. Ayebare Catherine
- 3- Ms. Namulondo Victoria (in absentia)

Mr. Chairman and Honorable Members;

I would like also to update this committee that interdictions of two (2) staff was lifted following instructions from the DPP and the Police. Notice that the decision to lift interdictions in such criminal cases can only be determined by Police, the DPP or the Courts of Laws.

Therefore, I lifted interdiction of some of the staff after obtaining clearance from the DPP and the Police.

6- Update on appointment of New UPPC Board

Mr. Chair and Hon. Members; yesterday Monday 27, 2023 Cabinet of Uganda sitting at Entebbe State House approved the new UPPC Board. The process of identifying these individuals has lasted for three months because we needed to be very careful about the composition of the board to avoid previous mistakes.

APPROVED MEMBERS OF THE BOARD UGANDA PRINTING AND PUBLISHING CORPORATION.

S/N	NAME	TRIBE	RELIGION	DISTRICT OF BIRTH
1.	Mr. Joachim Buwembo	Muganda	Anglican	Wakiso
2.	Mr. Sadat Kisuyi	Musoga	Muslim	Bugweri
3.	Mrs. Jolly Kamugira Kaguhangire	Munyankole	Anglican	Mbarara
4.	Ms. Alice N. K. Muhoozi	Munyankole	Anglican	Rukungiri
5.	Mr. Andrew Kibaya	Muganda	Anglican	Wakiso
6.	Ms. Hellen Icumar Judith	Atesot	Evangelical	Katakwi
7.	Mr. Karugaba Jimmy	Mutooro	Anglican	Kabarole
8.	Mr. Bukenya Nooh	Muganda	Muslim	Butambala

[2] COMPOSITION OF MANAGEMENT AND THEIR APPOINTMENT

Recruitment of Staff

Mr. Chairman and Honorable Members;

I would like to inform this Honorable Committee that we are managing a crisis at the UPPC as a result of many of the Senior Managers being implicated in the on-going corruption investigations and others already charged in the anti-corruption Court.

These investigations created a big gap in the leadership of the entity; not for the bad, but for the good; to fight corruption and clean the corporation.

The leadership at the UPPC came up with proposals to recruit staff basing on previously approved plans of staff recruitment. Here, it is important to clarify that this was not my idea but older plans of the corporation.

After analyzing their staff recruitment proposal, I Okayed it but I reminded them in writing to follow the right recruitment procedures. I based my decision on the following reasons: I may have made some mistakes in the process, but it was to address a crisis and it was for the good of the entity.

The reasons are as below:

1- UPPC had no substantive Company Secretary – however, the Corporation had an approved plan of recruiting a Company Secretary:

In the situation where UPPC was battling cases in Court, it had no Board i.e. the Board Members were interdicted, there was no substantive MD and the key managers were interdicted; we badly needed a Company Secretary to assist the Ag. MD in managing the Corporation.

Mr. Chairman and Honorable Members;

This strategy has worked. The newly recruited Company Secretary has handled some cases in Court, and we have succeeded in some. She has also been in position to at least guide the Ag. MD not to incur more mistakes. Note here that the cases in Court partly came about due to bad decisions of the old Board.

2- Understaffing in the UPPC

Mr. Chairman and Honorable Members;

The Auditor General's Reports have been citing the challenge of understaffing at the UPPC – as one of the factors why the Corporation is underperforming.

3- Planned Procurement of Equipment

Mr. Chairman and Honorable Members;

UPPC has plans of procuring modern equipment to compete well in the market. This follows a presidential directive that directed all government printing jobs to be given to UPPC and the New Vision. Additionally, the on-going investigations into corruption into the UPPC has shown that one of the areas of weakness in the corporation is lack of a senior procurement officer to guide in procurements.

Therefore, considering the situation where UPPC lacked a Board and a substantive MD; we needed a senior procurement officer to support the current management to proceed well with procurement issues in the corporation. Because we badly needed the machines to keep in business, we could not be held back by absence of a Board or a substantive MD.

4- Negative Media

Mr. Chairman and Honorable Members;

Following the commencement of investigations in the UPPC, a lot has been written about the Corporation in both print and electronic media. The public needed to know many things about the UPPC and it was important to restore public confidence in the

corporation. UPPC badly needed an experienced Public and Corporation Manager to streamline the image of the Corporation. And when a proposal was made, I had no objection because this was a priority, and it was in plan. I need to state here though, that media can build or destroy depending on how they perceive of things.

Mr. Chairman and Honorable Members;

Many proposals were made in the line of recruitment to bridge the gaps at the UPPC but not all were okayed. For Example, Management recommended the confirmation of Ms. Victoria Namulondo as Sales and Marketing Manager basing on grounds that she had ever acted for more than 2 years in this position – [as per the letter dated August 31, 2022 referenced UPPC/MD/071/2022]; but I objected to this; demanding for her qualifications and record of performance and up to now I am yet to receive this information.

Mr. Chairman and Honorable Members;

The recruitments were done by an independent recruitment firm, and the persons recruited possess the minimum qualifications as per the advert; they were vetted by security agencies and found with no criminal records, they are all Ugandans, and they are performing well.

However, by and large; on my own behalf and on behalf of the Management of UPPC that I am privileged to supervise; I wish to apologize in case of any gaps cited in this recruitment. It was done for the good of the Corporation. I wish to draw everyone's attention to the point that the entity is moving on well and that is what is important.

Mr. Chairman and Honorable Members;

For the time I have been Minister and overseer of the UPPC I have noted some challenges that I will share with the in-coming Board to cause some reforms at the UPPC.

There is a big problem with the workers. There are many internal fights that will require dealing with, probably through restructuring of the organization. This will be a priority and it will deal with many areas of concern.

Mr. Chairman and Hon. Members of the Committee; with your permission
the Acting Managing Director, can give details about the structure of staffing at the UPPC.

[3] PERFORMANCE OF THE CORPORATION – FY 2021/2022]

Mr. Chairman and Honorable Members;

I thank the Office of the Auditor General for the Audit carried out and for highlighting areas where we need to improve and indeed areas we excelled in despite the challenges. I am happy that there was no scandal highlighted even if we were managing a crisis situation at the entity.

Mr. Chairman and Honorable Members;

I thank the PAC-COSASE for giving priority to this report – because there are entities that were highlighted as well, but which may have a chance to appear before this Honorable committee to share their side of things due to time factors.

Mr. Chairman and Honorable Members;

All progressive businesses depend on the demand of the product and the quality of the product backed by the marketing strategies. Yes, I agree with the Auditor General's Report 2021/2022 which showed that the income of the UPPC was high in 2020/21. But this raises two questions which I will volunteer to answer:

- 1- How did UPPC make this money in 2020/21?
- 2- What happened to this money – how was it spent?

Mr. Chairman and Honorable Members;

These jobs that earned UPPC big income in 2020/21 were statutory jobs for Example; gazetting of elected leaders, gazetting of new polling stations by the Electoral Commission and also printing of official stamps for the newly elected Local Council Administrative Units.

This work is done by the UPPC. The jobs were not solicited by the UPPC Management. It was just by way of advantage that this was an Election period. If the elections were held a year earlier or later than 2021, this income would still have accrued to the UPPC. This answers question No. 1

For question No. 2; we are in a crisis today because when this income was received it was poorly managed and it is the reason why I happen to be before you today to answer questions of a missing Board and a Substantive MD.

Mr. Chairman and Honorable Members;

It is true UPPC did not make a lot of money in 2021/22, but this does not mean that we did not perform well in other areas and I wish to highlight these areas of achievement before this honorable Committee, namely:

- 1- No single coin was stolen from the entity in 2021/22. Money was spent as planned. We have not received any complaint of embezzlement to this effect.

2- We were able to repair some machines which were abandoned by management and the former board, and this is lined to boost our production.

3- We were able to clear tax arrears that had accumulated due to failure to pay taxes by Management and the Old Board.

The tax arrears affected us a great deal in 2021/22 in terms of securing printing jobs. Some entities were not willing to give us jobs because we had no certificate of tax clearance from the URA which is a requirement. We were caught offside in this case.

4- We started on the process of procuring modern machines in order for us to favorably compete in the market. The UDB and Post Bank are willing to give us loans, however, because this procurement involves large sums of money this process requires a Board resolution. But now that the issue of the Board has been sorted out, hopefully this particular item will be given priority.

5- UPPC was able to bail out some Ministries with printing services following cuts in their budgets due to effects of COVID-19. The MDAs required these materials but they did not have funding. We came in and offered the services and now we are waiting for payments. If there were no delays in payments we would not be here today.

6- Engaging the Private Sector:

The UPPC had been depending largely on government jobs for a long time but after learning some good lessons during COVID lockdowns I advised Management to engage with the Private Sector to secure jobs rather than to rely on the government jobs. This strategy has worked and now what is left is procuring state-of-the art machines that can produce competitive work.

Therefore, we did not make money because we were incompetent; rather our major focus was identifying our weakest areas and finding permanent solutions for the entity.

[4] THE USPC-UPPC JOINT VENTURE

Mr. Chairman and Honorable Members;

This is a legal document. It is a highly voluminous document of over 1,000 pages which I need to admit I have not fully read largely also because I did not participate in its development and the information cuts beyond one ministry. Nonetheless, I have moved with my technical officers who can respond to some of your questions, if any.

I raise this issue here because I read about it in the media.

However,

Mr. Chairman and Honorable Members;

This Joint Venture agreement is for the good of this country. Government is spending a lot of money in printing security-related documents outside the country. This is an opportunity for us to build capacity in printing security-related documents.

Mr. Chairman and Honorable Members;

With your permission, I wish to inform members of the committee that already the fruits of the Joint Venture are being seen.

Congestion during acquisition of driving licenses and passports is now significantly minimized. As well we are now issuing passports at the different Uganda Missions Abroad.

Mr. Chairman and Honorable Members;

The biggest achievement of 2021 under this Joint Venture was the commencement of the construction of the security printing factory at Entebbe. This construction is supported with USPC income and not from loans and after 15 years this factory will revert to UPPC ownership and management.

IN CONCLUSION;

Mr. Chairman and Honorable Members;

I apologize for any shortcomings identified. All our focus is aimed at making UPPC a corruption-free entity and the best printing Company in the region. It may take some time, but we are building a foundation.

Sir, I beg to tender my submission and the respective attachments for your record.

BABIRYE MILLY BABALANDA