

An Auditor General investigation, boardroom fallout, competing legal claims and emerging CID involvement have

# How Kaddunabbi's audit findings have sparked a power struggle at IRA

## Perspective |

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Insurance Regulatory Authority (IRA) is among one of the most serious leadership crises in its history with allegations of financial and administrative impropriety against outgoing chief executive officer Ibrahim Lubega Kaddunabbi.

The crisis has escalated into a multi-front battle involving the Auditor General, Ministry of Finance, IRA board, lawyers on both sides of IRA, Kaddunabbi, High Court, and criminal investigations.

At the centre of the dispute is the decision by the IRA board not to recommend the renewal of Kaddunabbi's contract, a decision that has triggered litigation, competing legal interpretations, administrative directives, and accusations of contempt of court.

The crisis intensified after the Permanent Secretary and Secretary to the Treasury, Ramathan Ggoobi, requested the Auditor General to conduct a comprehensive investigation into claims raised by board chairperson Keto Nyapendi Kayemba concerning financial and administrative impropriety at the IRA.

The resulting Special Investigation Report, signed by Auditor General Edward Akol on May 15, 2026, found several instances of irregular conduct involving the Kaddunabbi.

The Auditor General found that Kaddunabbi increased his salary from the amount originally approved by the Minister of Finance, despite a clear ministerial directive that any future adjustment would only be considered based on Bank of Uganda inflation data and after recommendation by the board.

The report found no evidence that the board ever formally considered or approved the chief executive officer's salary increments.

His monthly salary rose from Shs34m to Shs60.85m between the 2021/22 and 2025/26 financial years. The Auditor General concluded that the salary increases did not comply with the Minister's conditions regarding inflation and approval procedures.

Investigators also established that Kaddunabbi received leave allowances despite evidence showing that in some periods he had not taken leave, contrary to the Human Capital Management Manual, which only permits payment of leave allowance when leave is actually taken.

The report identified Shs24.3m paid as leave allowance despite leave not being taken, Shs36.8m received irregularly as leave allowance, and Shs87.18m paid as compensation for untaken leave after expiry of his contract.

The Auditor General concluded that the Shs87.18m payment was inconsistent with both the Employment Act and the chief executive officer's contract be-

cause there had been no termination of employment and no evidence that leave had been denied.

A separate finding related to Kaddunabbi's role as a non-executive director of Africa Reinsurance Corporation (Africa Re) found that Africa Re's contract and board charter provided extensive benefits to directors, including business-class travel, accommodation, daily subsistence allowances, sitting allowances, and reimbursement of expenses.

Despite this, the Kaddunabbi obtained full per diem payments from IRA for several Africa Re engagements in Cairo, Abuja, Johannesburg, and Kigali.

The report concluded that because the activities were already fully sponsored, the IRA Human Capital Manual only entitled him to 30 percent of the normal per diem. Instead, full per diem was paid, resulting in a quantified loss to IRA of Shs57.4m.

The Auditor General further found that six additional staff members were recruited beyond the positions originally advertised. Although management relied on a broader Board resolution following a job evaluation exercise, investigators found that the specific additional recruitments had never been explicitly discussed or approved by the board.

The Auditor General put the resulting loss at Shs647.6m in salaries and benefits after six staff were recruited without documented Board approval.

The investigation found that 39 people were recruited for 30 approved positions, with six excess hires lacking justification, resulting in significant unplanned recurrent expenditure for the Authority.

Board decides against renewal  
Against this backdrop, the IRA board resolved not to recommend renewal of Kaddunabbi's contract.

The dispute reached a critical point after the board's decision of February 16, 2026, declining to recommend him for another term. That decision became the subject of an application before the High Court.

Board sources say the decision flowed directly from governance concerns raised by internal audit reports, subsequent board deliberations, and the Auditor General's findings.

### Court issues interim order

On May 29, 2026, Justice Joyce Kavuma issued an administrative interim order restraining the board and IRA from implementing or giving effect to the decision not to recommend Kaddunabbi for renewal pending hearing of the substantive application.

In a crucial passage that has since become the centrepiece of competing legal arguments, the Judge held that the issue of renewal remained the substance of the main application and that renewal of contract was an executive function rather than a judicial one. Court, therefore, preserved the status

quo while directing respondents to file affidavits and return to court.

The ruling has subsequently been interpreted differently by the opposing camps. Kaddunabbi's lawyers maintain that the order froze implementation of the board's decision, while IRA argues that the order did not amount to a renewal of the expired contract.

### Board moves to fill the vacuum

Despite ongoing court proceedings, the IRA board moved swiftly after the expiry of Kaddunabbi's contract on May 31, 2026, recommending the appointment of Protazio Sande, IRA director of strategy and market development, as acting chief executive officer effective June 1.

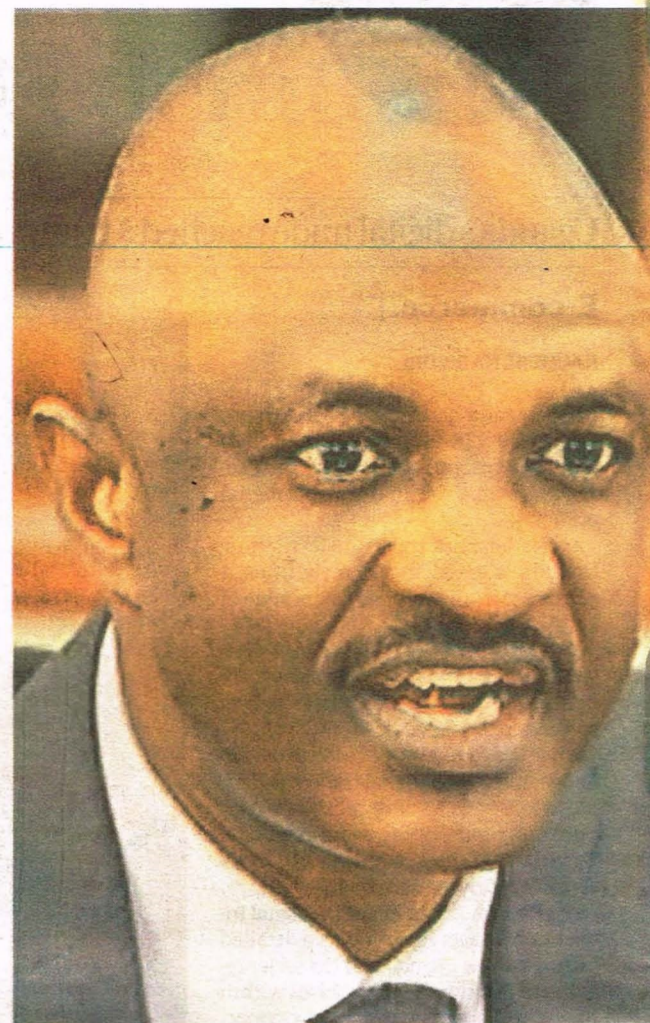
The appointment was communicated through the Ministry of Finance and accompanied by a board press release announcing the transition.

The board justified the move as necessary to ensure continuity of operations and maintain regulatory stability of the insurance sector, arguing that Sande's institutional knowledge and experience would ensure uninterrupted discharge of IRA's mandate while a substantive chief executive officer is appointed.

### Kaddunabbi's lawyers fight back

Kaddunabbi's legal team at Arcadia Advocates immediately challenged the appointment.

**Warned**  
**'... your client, who is presently under active investigation by [CID] ... ought to know that ... lawless conduct will inevitably attract severe civil and criminal sanctions.'**



In a strongly worded Tuesday (June 2) letter to Ggoobi, the lawyers argue that court had preserved the status quo and that the board and Ministry of Finance had acted unlawfully by creating and filling an office of acting chief executive officer, while the case remained pending.

They contend that Ggoobi lacks authority under the Insurance Act to appoint an acting chief executive officer and that the board relied on provisions of the Human Capital Management Manual that allegedly do not create the office of acting chief executive officer.

They further argue that the appointment violates court's preservation order and threatens contempt proceedings if the decision is not withdrawn.

Arcadia also accuses IRA and its lawyers of selectively quoting the High Court ruling and misrepresenting its effect. In a separate communication, the firm rejects Dentons' interpretation of the ruling and warns that further actions taken contrary to the order could attract contempt proceedings.

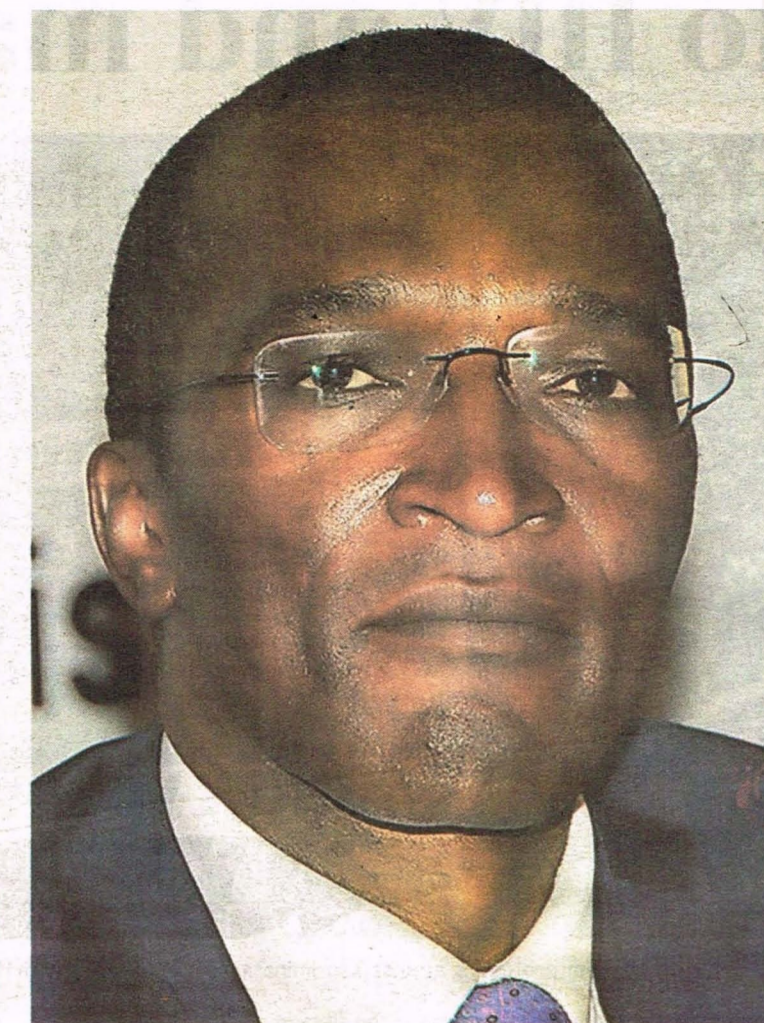
### IRA lawyers responds aggressively

IRA's external lawyers, Dentons Advocates, responded with an equally forceful cease-and-desist letter, accusing Kaddunabbi of entering IRA premises without authorization on June 1 and falsely presenting himself as the chief executive officer despite the expiry of his contract.

Dentons maintains that court did not renew Kaddunabbi's contract and that the ruling explicitly recognizes that renewal remained an unresolved issue reserved for determination in the substantive case.

Dentons characterises Kaddunabbi's actions as corporate trespass, unlawful interference with statutory functions, usurpation of authority, and a potential abuse of judicial process. They demanded that he immediately cease entering IRA premises or interfering with management and operations.

plunged Uganda's insurance regulator into a high-stakes governance crisis, raising questions about accountability.



CID, suggesting that both camps are positioning themselves for possible criminal investigations linked either to audit findings or alleged violations of court orders.

Although no criminal charges are known to have been filed, CID has become a stakeholder in a dispute that began as an employment matter.

### Ggoobi now under pressure

The Ministry of Finance, through the Ggoobi, initially triggered the Auditor General's investigation after receiving allegations from the IRA board chairperson. Now the same Ministry finds itself drawn into a separate controversy over the appointment of an acting chief executive officer. Kaddunabbi's lawyers argue that Ggoobi exceeded his statutory powers and unlawfully intervened in the management of IRA.

Meanwhile, the board insists that the appointment was necessary because the chief executive officer's five-year term had expired and IRA could not operate without a substantive accounting officer.

Ggoobi, thus, finds himself at the intersection of two related but distinct disputes: alleged financial impropriety and the legality of IRA's leadership transition.

The Insurance Act limits the IRA chief executive officer to two five-year terms, or 10 years. Yet Kaddunabbi has led IRA since 2010, serving for more than 15 years. This has raised questions about the legality of his continued stay beyond the statutory limit.

The debate is not primarily about his performance, but whether IRA complied with term-limit provisions designed to promote accountability, leadership renewal, and good governance.

### What happens next?

The future of IRA now depends on several parallel processes unfolding simultaneously. Court must determine whether the board lawfully declined to recommend Kaddunabbi for renewal and whether subsequent actions by either side violated the interim order.

The Ministry and the board must also decide whether to pursue recoveries, disciplinary measures, or other administrative actions arising from the Auditor General's findings concerning salary adjustments, leave payments, Africa Re expenditures, and recruitment practices.

At the same time, the possibility of criminal investigations remains open as allegations of financial loss, abuse of office, and unlawful interference continue to circulate among the parties.

What began as an internal governance dispute has evolved into a major test of one of Uganda's most important financial sector regulators.

The Auditor General has documented irregularities involving salary enhancements, leave payments, travel expenditures, and recruitment decisions.

The Board has acted on governance concerns by refusing to recommend contract renewal. The courts are now being asked to determine whether those actions were lawful, while lawyers on both sides exchange accusations of contempt, trespass, and abuse of authority.

For IRA, the battle is no longer merely about one executive's future. It has become a wider struggle over governance, regulatory credibility, ministerial authority, judicial oversight, and public accountability within the insurance sector.

The eventual outcome will likely shape not only the future leadership of IRA but also public confidence in the institutions responsible for regulating the insurance industry.



IRA headquarters in Nakasero, Kampala. Under Kaddunabbi, IRA and the insurance industry as a whole have registered good growth, with premiums expanding from Shs563b in 2015 to more than Shs2 trillion. PHOTO / MICHAEL KAKUMIRIZI

### Key demands

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