



THE THIRD FINANCIAL MANAGEMENT AND ACCOUNTABILITY PROGRAMME (FINMAP III) ANNUAL PROGRESS REPORT FY2014/15





Ministry of Finance, Planning, and Economic Development,

Finance Building, Apollo Kaggwa Road,

P.O. Box 8147,

Kampala.

Website: www.finance.go.ug

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List of Acronyms and Abbreviations

ACCA	Association of Chartered Certified Accountants
AGO	Accountant General's Office
AMIS	Aid Management Information System
AMP	Aid Management Platform
ASSIP	Accountability Sector Strategic Investment Plan
BFP	Budget Framework Paper
BMAU	Budget Monitoring and Accountability Unit
BoU	Bank of Uganda
CAAS	Computerised Accounting and Auditing Systems
CEMAS	Computerized Education Management and Accounting System
CIA	Chartered Institute of Internal Auditors
CISA	Certified Information System Auditor
CIPS	Chartered Institute of Purchasing and Supply
CFE	Certified Fraud Examiners
CGAP	Certified Government Auditing Professional
CPAU	Certified Public Accountants of Uganda
CPD	Continuous Professional Development
CPL	Computer Point Limited
CG(s)	Central Government(s)
COFOG	Classification of the Functions of Government
COSASE	Committee on Commissions, Statutory Authorities and State Enterprises
DARC	Development Assistance and Regional Cooperation
DEA	Directorate of Economic Affairs
DFID	Department for International Development
DOB	Directorate of Budget
DTA	Double Taxation Agreement
EBS	

EFT	Electronic Funds Transfer
FINMAP	Financial Management and Accountability Programme
GDP	Gross Domestic Product
GoU	Government of Uganda
HLG	Higher Local Government
HoD	Head of Department
ICPAU	Institute of Certified Public Accountants of Uganda
IFMS	Integrated Financial Management System
IMEM	Integrated Macro-Economic Model
IPPS	Integrated Personnel, Payroll and Pension System
IPPU	Institute of Procurement Professionals of Uganda
JAF	Joint Assessment Framework
JARD	Joint Annual Review of Decentralisation
JBSO	Joint Budget Support Operation
JBSF	Joint Budget Support Framework
KFW	Kreditanstalt Für Wiederaufbau (German Development Bank)
LAN	Local Area Network
LG(s)	Local Government(s)
LGAC	Local Government Accounts Committee
LGMSD	Local Government Management and Service Delivery Programme
LLG	Lower Local Government
LGWG	Local Government Working Group
MDAs	Ministries, Departments and Agencies
MALGs	Ministries, Agencies, and Local Government(s)
MoFPED	Ministry of Finance, Planning and Economic Development
MoLG	Ministry of Local Government
MoPS	Ministry of Public Service
MPS	Ministerial Policy Statement
MTEF	Medium Term Expenditure Framework
NGO	Non Governmental Organisation

NITA	National Information Technology Authority
NTR	Non Tax Revenue
NUSAF	Northern Uganda Social Action Fund
OAG	Office of the Auditor General
OBT	Output Budgeting Tool
ODA	Overseas Development Assistance
OOB	Output Oriented Budgeting
PAC	Public Accounts Committee
PBB	Programme Based Budgeting
PEFA	Public Expenditure and Financial Accountability
PFAA	Public Finance and Accountability Act
PEMCOM	Public Expenditure Management Committee
PFM	Public Financial Management
PIMIS	Public Investment Management Information System
PPDA	Public Procurement and Disposal of Public Assets Authority
PPMS	Procurement Performance Measurement System
PUSATI	Public Universities and Self Accounting Institutions
RIPA	Royal Institute of Public Administration
SAM	Social Accounting Matrix
STP	Straight Through Processing
TC	Town Council
TNA	Training Needs Assessment
PTC	Programme Technical Committee
UCF	Uganda Consolidated Fund
USD	United States Dollars
USMID	Uganda Support for Municipal Infrastructure Development Program
VFM	Value for Money
URA	Uganda Revenue Authority
URSB	Uganda Registration Services Bureau

Statement by the Task Manager



This report provides a comprehensive status of the first year of implementation of the Third Financial Management and Accountability Programme (FINMAP III), which is also the prime implementation framework of the Government's Public Financial management (PFM) Reform Strategy (FY 2014/15 – FY 2017/18). I would therefore like to take this opportunity to thank you specifically, as the drivers and implementers of these reforms for the achievements realized thus far.

The report shows clear evidence of progress and impact from a range of PFM reforms during the year. These include: the decentralisation and strengthening of personnel and payroll systems (IPPS) which has had multiple positive impacts on reduced “ghost workers”, a lower wage bill and timely salary payments, all arising from improved supervision and control. In addition, the introduction of the Treasury Single Account has helped mitigate corruption risks, with less complexity of multiple accounts and improved transparency. Collectively, these gains have the potential to increase efficiency in Government operations and reduce debt. Thirdly, the roll out of financial management systems (IFMS and OBT) has improved budgeting, accountability and reporting as demonstrated by the increase in unqualified audit opinions, averaging 70 percent at both central and local level. The key challenge now is to build on this good progress and ensure feedback leads to further adjustments and strengthening of systems based on lessons learnt.

During the year, Government also adopted a new planning and budgeting cycle under the new Public Financial Management Act (2015). This is majorly intended to enable timely availability of resources and improved compliance for service delivery. I also wish to note that despite the pressures occasioned by the late enactment of the PFM Act, PEMCOM was able to approve the FY 2015/16 programme plans prior to the budget speech.

As you are aware, the FY 2015/16 budget, totaling 24 trillion shillings is the biggest in Uganda's history. In this regard therefore, Government will in the coming year accord priority to measures

aimed at increasing the revenue to GDP ratio, including addressing the challenges that impact on revenue collection. It is worth noting that the recent IMF PSI mission projected a 0.5 percent increase in the revenue to GDP ratio in FY 2015/16, resulting from increased efficiency in tax collection and policy changes.

In conclusion, I wish to re-iterate Government's commitment to continuous improvement in its financial management and accountability. I would also like to express once again, Government's gratitude to the Development Partners for their continued and steadfast support to PFM reforms through FINMAP.

Patrick Ocailap

Deputy Secretary to the Treasury/FINMAP Task Manager

EXECUTIVE SUMMARY

This report details the progress in implementation of the Third Financial Management and Accountability Programme (FINMAP III) for the period 1 July 2014 to 30 June 2015. In addition, it highlights challenges faced during the period, the lessons learnt and recommendations to address the identified challenges.

The performance level in implementation was mixed during the year. On the one hand, significant progress was registered particularly by those components implementing reforms in Public Financial Management (PFM) systems in Government. These include: *the fiduciary systems in central government component* (which oversaw the further roll out of the IFMS in selected donor funded projects; referral hospitals; and hybrid sites and the CEMAS system in public universities); *the public financial management in local governments component* (responsible for rolling out of the mid-range IFMS system in selected local governments); and *the payroll and pensions management component* (that implemented the IPPS system in a significant number of votes). It was no surprise that the impact of these and previous investments translated into significant progress in not only the timeliness and quality of financial management and reporting but also a significant increase in the proportion of unqualified opinions across Government – MDAs, Local Governments, commissions, statutory authorities and state enterprises. A number of other key achievements realized during the year included: approval and launch of the new four-year PFM reform strategy (FY 2014/15 – FY 2017/18); enactment of the PFM Act; and further the decentralization of the government payroll and pensions; and develop strategies for the implementation of the treasury single account framework in donor funded projects and local governments.

The implementation level was also commendable under the component on external oversight – particularly in staff training (in financial and specialized audits) and construction and completion of the OAG head office (Audit House) and regional office in Mbarara. The factors underlying these successes were a combination of timely availability of funds to the components coupled with a clear focus and commitment of the component leadership to deliver on these priorities.

On the other hand however, progress was relatively slow under the remaining components. The immediate reasons for the underperformance were operational. These ranged from procurement delays to lengthy funds processing to components. These factors however were symptomatic of more underlying challenges, particularly with regard to poor planning (by components) in identifying and accurately costing their priority activities and initiating procurements in a timely manner. This necessitated a major budget re-allocation at the end of the second quarter which subsequently led to a significant increase in funds absorption in the latter half of the year. The

funds absorption during the year was 77 percent, an increase of 30 points compared to the previous period.

Table 1: Summary of Funding for FY 2014/15

Financing	DP Currency	Equivalent USD	Disbursements during Financial Year		Cumulative Disbursement
	Annual Commitments (FY 14/15)		DP Currency	Equivalent in USD	USD
DFID	GBP937,500	1,565,625	GBP1,000,000 ¹	1,624,306.25	1,624,306.25
Norway	NOK 2,500,000	413,907	NOK 2,500,000	344,712.49	344,712.49
KfW	EUR 3,000,000	4,020,000	EUR 3,000,000	3,726,175.79	3,726,175.79
Denmark	DKK 7,000,000	1,260,000	DKK 7,000,000	1,171,832.30	1,171,832.30
GoU ('000)	UGX 26,500,000	9,919,520	UGX 26,500,000	9,373,712	9,373,712
GoU–OAG Building ('000)	UGX 20,000,000	7,786,431	-	-	-
Total Received					16,240,738.83
Balance from FY 13/14 (FINMAP II)					1,475,721.27
Less Funds utilised to settle FINMAP II obligations					495,975.48
Funds Available					17,220,484.62

Source: FINMAP Financial Records, 2015

- Includes GBP562,500 DFID commitment for FY13/14 that was disbursed in FY14/15

Table 2: Funds Reconciliation for FY 2014/15

Funding Source	Basket	GoU	Total
Balance as at 1 July 2014	-	-	-
Receipts-Transfers from FINMAP II, DP/GoU	7,846,773.24	9,373,711.38	17,220,484.62
Other receipts-Income from sale of bids, refunds of balances from activity advances	227,454.01		227,454.01
Other receipts-GoU refunds for advances from the Basket	2,124,465.94		2,124,465.94
Funds Available	10,198,693.19	9,373,711.38	19,572,404.57
Payments-including salaries	7,758,027.20	8,952,958.07	16,710,985.27
Add adjustment for exchange rate differences - opening & closing rates	4,297.77		4,297.77
Balance as at 30 Jun 2015	2,444,963.76	420,753.31	2,865,717.07

Source: FINMAP Financial Records, 2015

SECTION I: OVERVIEW

1.0 Introduction

This annual report of the Third Financial Management and Accountability Programme (FINMAP III) covers the financial year 2014/15 providing a comprehensive detail of the activities implemented and results achieved during the period. The report also presents details of the challenges faced by the programme, lessons learnt, as well as the opportunities identified for improvement of the programme.

The financial year 2014/15 marks the start of implementation of FINAMP III's four-year Programme Implementation Document (PID), which operationalizes the Government of Uganda's four-year PFM reform strategy (FY 2014/15 – FY 2017/18). The goal of the reforms articulated in the strategy is “to strengthen PFM at all levels of Government and ensure efficient, effective and accountable use of public resources as a basis for improved service delivery”.

1.1 Strategic Objectives

FINAMP III, which serves as the prime framework for PFM reforms in Uganda has three key reform outcomes: Budget Credibility, Improved Budget Control and Improved Compliance to Rules and Regulations. Each of the outcomes has identified technical areas of where reform will be implemented:

Outcome 1: Budget Credibility

- a) Macroeconomic stability
- b) Enhanced Resource Mobilization
- c) Improved Resource Allocation

Outcome 2: Improved Budget Control

- a) Financial discipline and control
- b) Improved Asset Management
- c) Efficient and Transparent Public procurement system
- d) Strengthened Payroll and Pension Management

Outcome 3: Improved Compliance to rules and regulations

- a) Institutional Strengthening of Oversight functions
- b) Enhanced and harmonized Legal and regulatory framework
- c) Collaborative and complimentary approach to oversight
- d) Mainstream follow up mechanism of recommendations

1.2 Components

Pursuant to the realisation of the key PFM Reform Strategy goal, the implementation of the strategic objectives of programme is encapsulated in 10 components. Table 4 below highlights the key programme components with attendant budget allocations in FY 14/15

Table 3: FINMAP III Components and FY 14/15 Budget Allocation

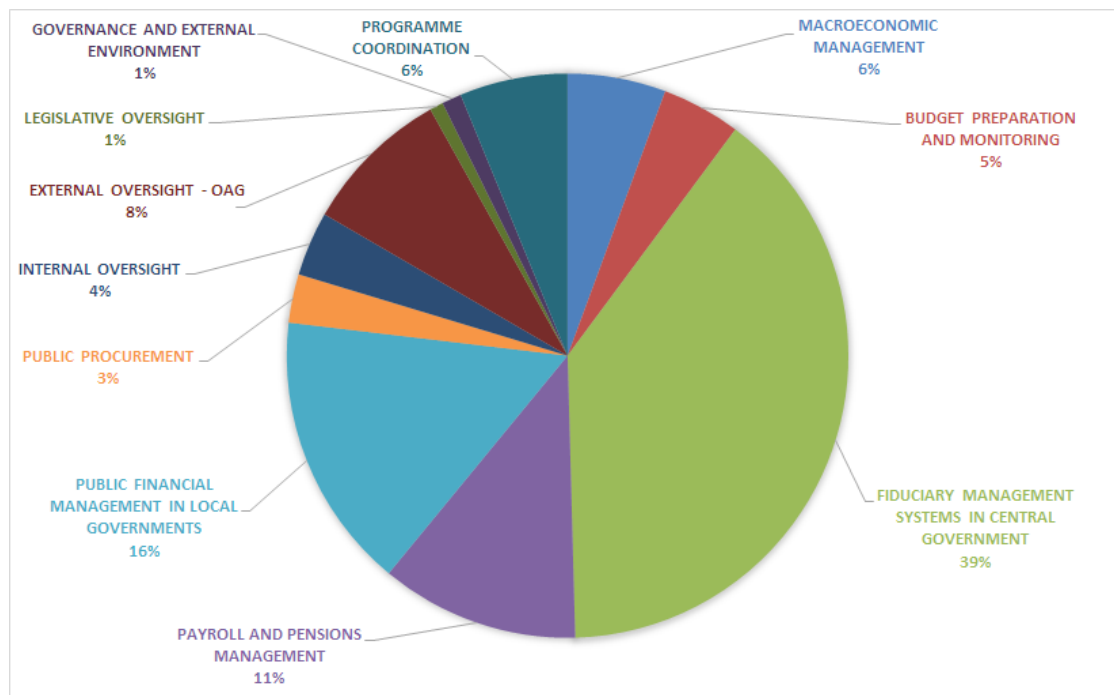
Code	Component Description	Management Responsibility Centre	FY 2014/15 Budget Allocation (USD Million)
1	Macroeconomic Management	Directorate of Economic Affairs, MoFPED	1.08
2	Budgeting Preparation and Monitoring	Directorate of Budget, MoFPED	0.87
3	Fiduciary Management Systems in Central Government	Accountant General's Office, MoFPED	7.54
4	Payroll and Pensions Management	Ministry of Public service	2.18
5	Public Procurement	PPDA	0.53
6	Internal Oversight	Directorate of Internal Audit MoFPED	0.71
7	External Oversight	Office of the Auditor General	1.63
8	Legislative Oversight	Parliament	0.15
9	Public Financial Management in Local Governments	Ministry of Local Government	3.04
10	Programme Coordination and Sustainability	The Management Support Unit, FINMAP	1.41
		TOTAL	19.15

Source: FINMAP Financial Records, 2015

Components focused on financial management systems in central government; payroll and pension management; and, financial management systems in local government had the largest share of the programme budget in FY 2014/15. This reflects the priority that was accorded to the implementation of PFM systems during the period. (See figure 1).

Similarly, the budget for external oversight was given a significant share of the budget to cover the major costs relating to the construction of the Audit House and the regional office in Mbarara.

Figure 1: Overall FINMAP III FY 14/15 Budget Composition – by Component

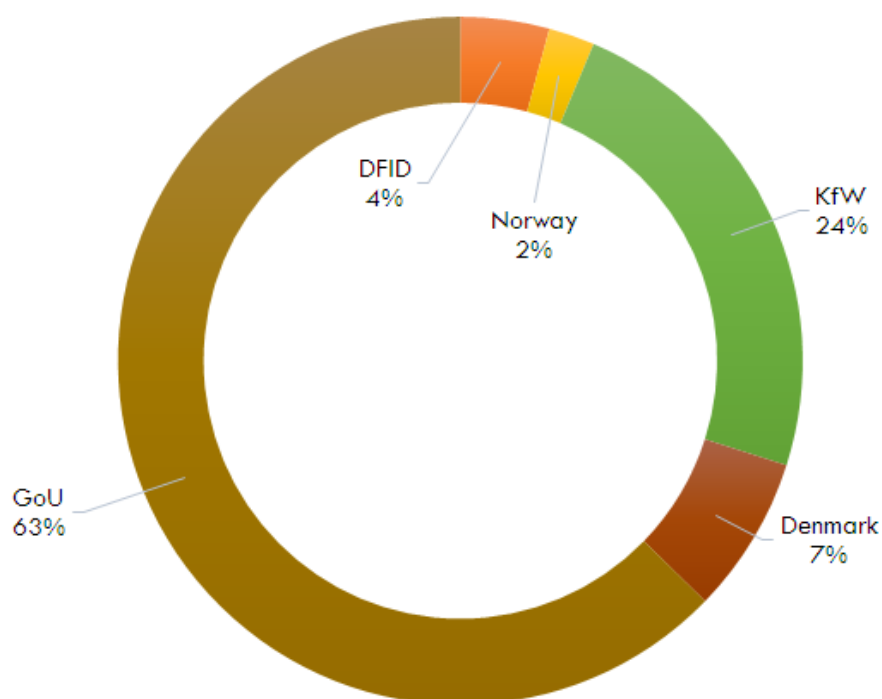


Source: FINMAP Financial Records, 2015

1.3 Funding

During FY 14/15, the programme received disbursements amounting to USD 15.27 million. These funds were received through two main sources: a basket fund for bilateral and multilateral Development Partners, and GoU. The basket development partners (DPs) who supported the programme include: the United Kingdom through the Department for International Development (DFID), DANIDA, Norway, and German (KfW).

Figure 2: Funding received by Funding Source in Financial Year 2014/15



Source: FINMAP Financial Records, 2015

1.4 Programme Management and Implementation

The Deputy Secretary to the Treasury (DST) provides the overall leadership for the programme and is supported by a Programme Coordinator and a Management Support Team. Component Managers are responsible for implementation of activities under their respective components and are assisted by Component Coordinators who are responsible for the day-to-day implementation of the programme. The Public Expenditure Management Committee (PEMCOM) and the Programme Technical Committee (PTC) provide high level policy and technical guidance respectively. Both fora have representation from GoU and the development partner agencies.

SECTION II: ACHIEVEMENTS FOR FY 2014/15

2.0. Introduction

This section of the report provides a detailed analysis of component-specific progress in terms of not only the activities implemented and outputs delivered but also the contribution to specific reform objectives during FY 2014/15.

2.1. Macroeconomic Management

The specific reform objectives of this component are to improve: macro-economic forecasting; the timeliness and quality of tax projections, policy analysis and reporting; as well as widening of the tax base. The reforms also aim to improve the timeliness and quality of analysis of overseas development assistance (ODA) and national debt levels. The implementing entity of the component is the Directorate of Economic Affairs of MoFPED.

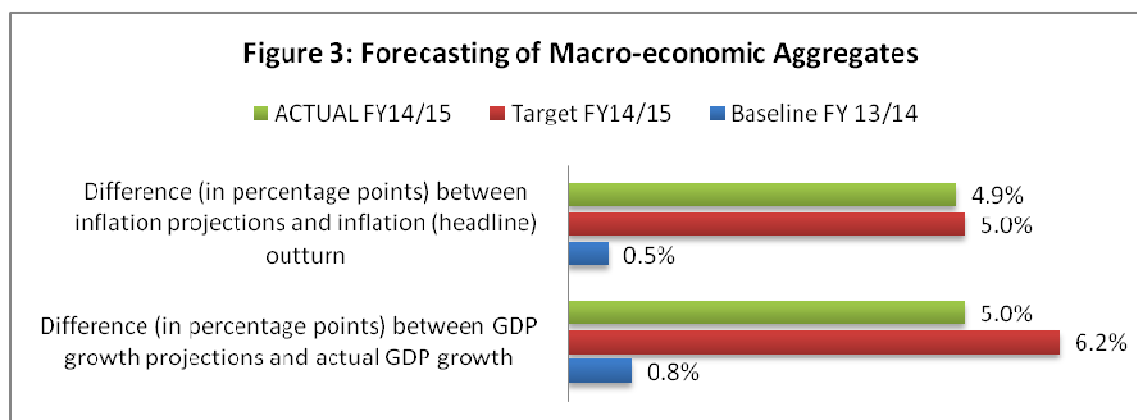
2.1.1 Improved Forecasting of Macroeconomic Aggregates

One of the macro-economic aggregates that the reforms focused on was GDP growth. During the year, there was an increase in the difference between the projections and outturns for GDP growth from 0.8 to 5 percent (see figure 3). This decline in the accuracy of forecasting was in part because the initial assumptions underlying the growth projections of the economy did not hold¹.

The same trend was apparent with the inflation projections. During the period, the difference between inflation (headline) projections and actual outturns increased. In this case, while the application of the fiscal and monetary instruments for controlling inflation remained robust, there were some major external factors² that led to a decline in the projections.

¹ A significant loan from China's Exim Bank for the construction of the Karuma and Isimba dams did not materialise. It had been forecasted that the economic activity related with this major investment would have had a positive effect on the national GDP growth projections.

² An unexpectedly high bumper harvest during the year significantly deflated food crop prices.



Source: Macro-Policy Department, MoFPED, 2015

Despite the lack of progress in the quality projections, it is envisaged that in the next financial year, with the full operationalization of the IMEM (see figure 4) and the recent establishment of a fully staffed macroeconomic forecasting unit, the projections of these macroeconomic aggregates will improve.

Figure 4: Time Schedule for the Operationalization of IMEM

	ACTIVITY	FY13/14						FY14/15												FY15/16					
		Q3			Q4			Q1			Q2			Q3			Q4			Q1			Q2		
		J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
1	Finalization of the supply and use table																								
2	Finish SAM																								
3	Data integration+ finalization of model																								
4	Training of users on the mode																								

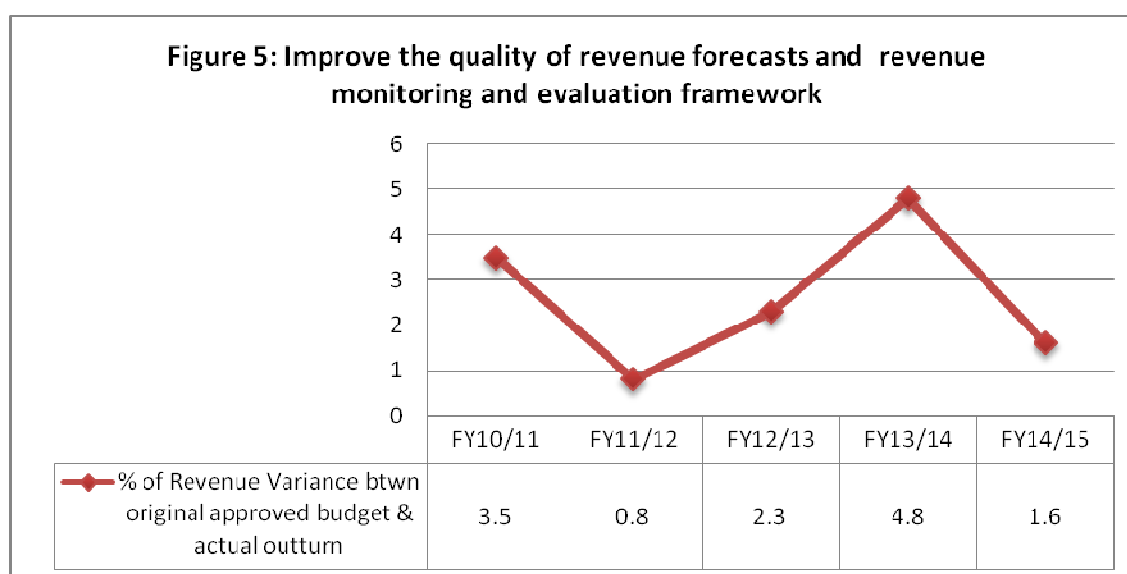
Source: Macro-Policy Department, MoFPED, 2015

During the year, the following reform activities related to macro-economic forecasting were implemented:

- The collection of the socio-economic data (by UBoS) for the social accounting matrix (SAM) which is a constituent part of the integrated macro-economic model (IMEM) was completed. In addition, the model was updated with the re-based GDP figures.
- A macroeconomic modelling unit in Directorate of Economic Affairs was also established and is now fully operational with five (5) full time GoU staff, including four technical staff and led by a principal economist. Some preliminary forecasting using the model also started during the year.

2.1.2 Improved Quality of Revenue Forecasts, Monitoring and Evaluation

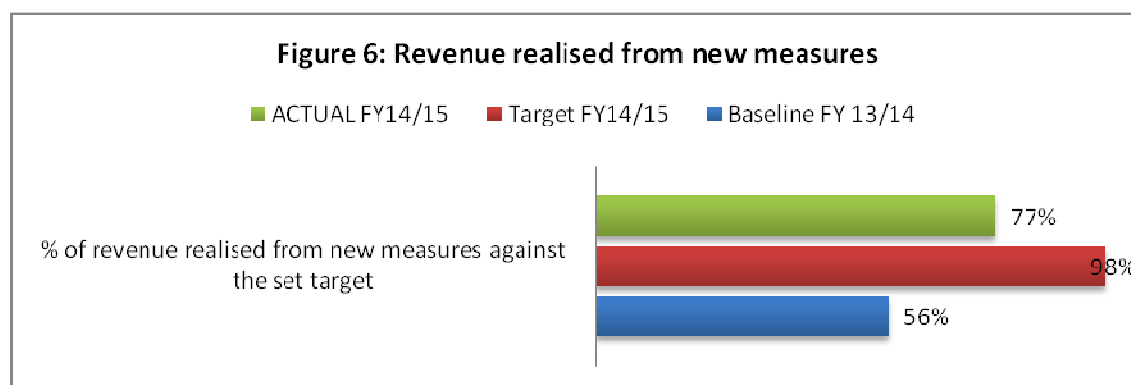
During the year, there was a significant reduction in the variance between the revenue estimates in the approved budget and the actual outturns (see figure 5 below). This improvement can be attributed in part to capacity development in revenue forecasting of the staff of the tax policy department in MoFPED. The department has since commenced development and publication of a revenue estimates book.



Source: Macro-Policy Department, MoFPED, 2015

2.1.3 Widened Tax Base and Improved Tax Administration

During FY 2014/15, the share of revenue realised from new tax measures increased by 21 percent (see figure 6). This was due largely to the commendable performance of trade, corporation and consumption (VAT and Excise) taxes. The tax collection effort was also boosted by the ongoing interfacing of the IFMS and E-tax systems – a reform effort under the programme.

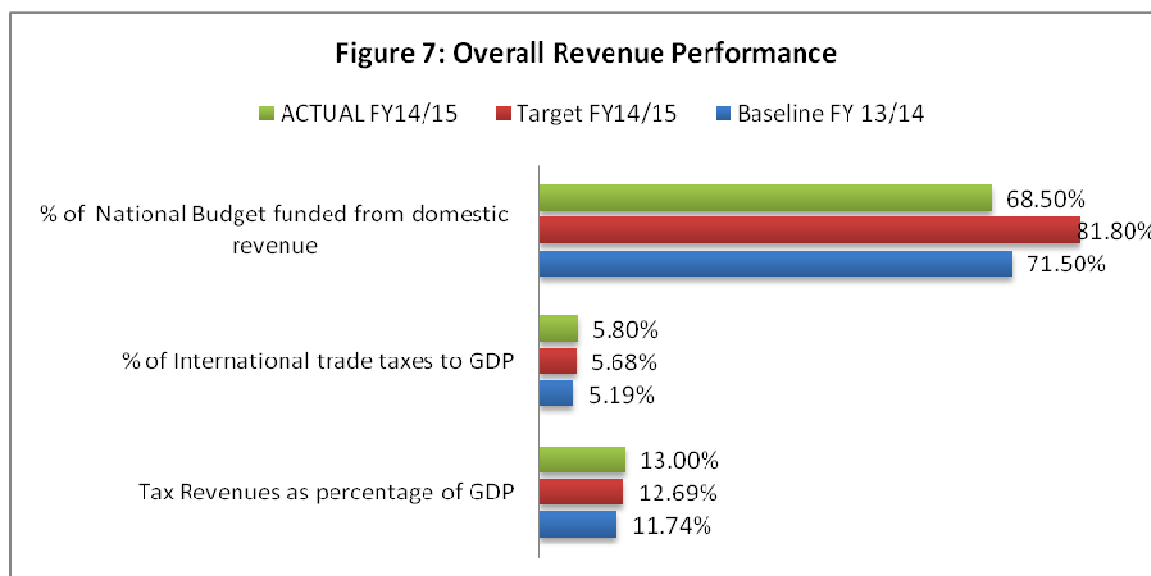


Source: Tax Policy Department, MoFPED, 2015

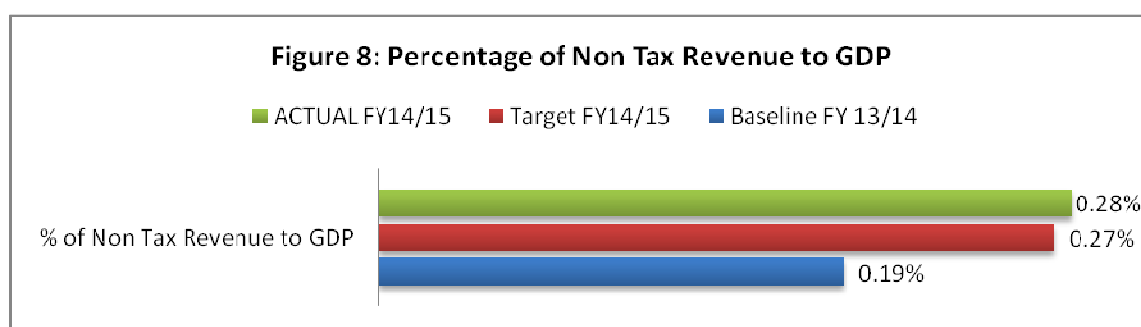
A number of measures were also put in place by Government to widen the tax base. These included:

- Increase in the levy for fuel and cigarettes; reduction in the exemption schedules for selected items;
- Introduction of corporation tax from private education institutions; and,
- The establishment of the Uganda Registration Services Bureau (URSB) - responsible for validating the annual business returns of each business in the country, including nature of the business, profile and location among others.

The above measures, taken collectively, have contributed to the overall improvement in Government's performance in domestic tax revenue, which rose from Ushs 8.03 billion (in FY2013/14) to Ushs 9.58 billion (in FY2014/15). This has also resulted in an improvement in the nation's revenue GDP ratio, rising from 11.93 percent last financial year to 13.3 percent this year. Non-Tax Revenue (NTR) as a percentage of GDP also increased from 0.19 to 0.28 percent (See figures 7 and 8 below).



Source: Tax Policy Department, MoFPED, 2015



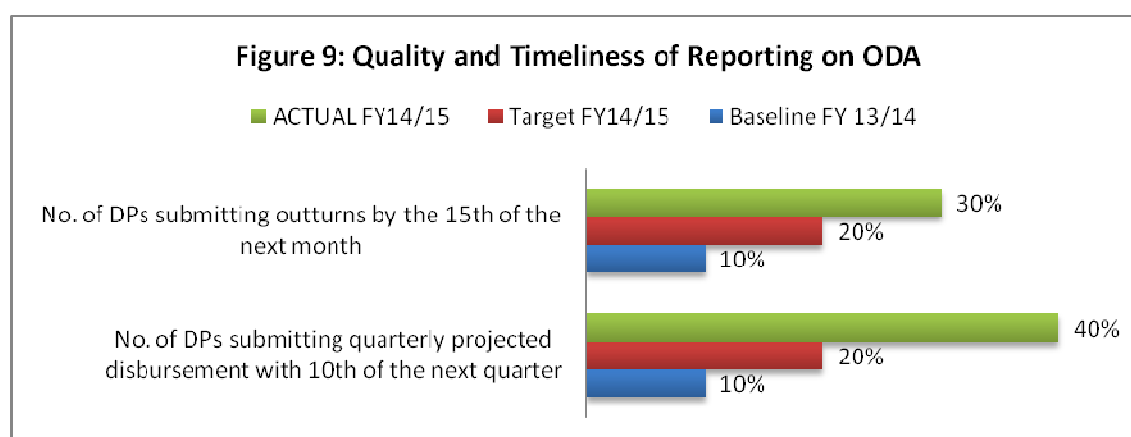
Source: Tax Policy Department, MoFPED, 2015

During the year, the component also embarked on a review of the double taxation agreement (DTA) policy. The exercise is expected to identify existing gaps in the tax policy framework to inform further re-negotiations, particularly in the oil and gas sector.

2.1.4 Improved Quality and Timeliness of Reporting on Overseas Development Assistance (ODA)

Government formally launched its Aid Management Platform (AMP) in November 2014. The platform aims to improve transparency and accessibility to information on the level of ODA inflows. The launch was followed by intensive training of staff from both the department of

Development Assistance and Regional Cooperation (DARC) in MoFPED and development partner agencies³ in the use of the public investment management information system (PIMIS) - a constituent component of the AMP. This has already resulted in improved timeliness of submission of both projected and actual disbursement. In addition, the proportion of DPs submitting both projected and actual quarterly disbursements improved significantly (see figure 9).

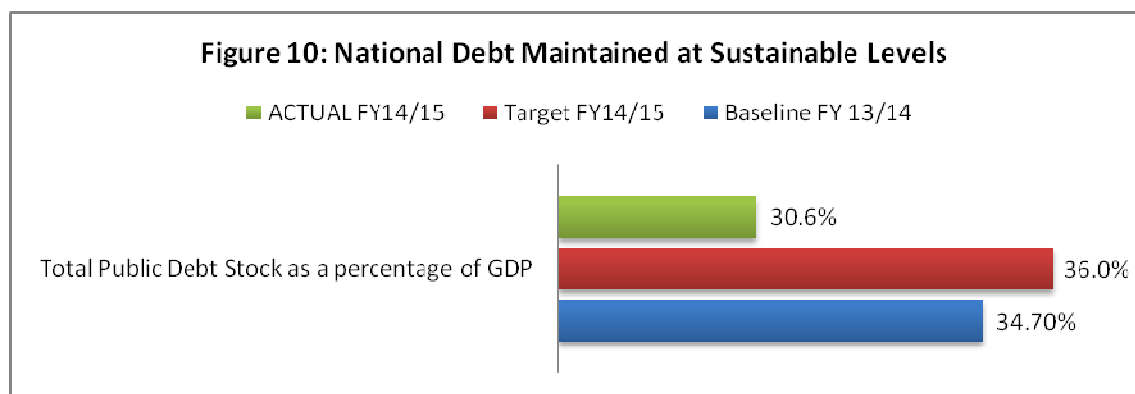


Source: Department of Development Assistance and Regional Cooperation (DARC), 2015

2.1.5 Improved Quality and Timeliness of Debt Analysis

Public debt stock as percentage of GDP fell significantly during the year, dropping to 30.9 percent (compared to 34.7 percent the previous year) – see figure 10 below. This may partly be as a result of the recent re-basing the national GDP. This ratio is far below the EAC monitoring union convergence criteria requirement of 50 percent (figure 10).

³ The representatives were drawn from the following DP countries and institutions: Austria, Sweden, Ireland, World Bank, USAID, EU, JICA, Germany (KfW) and DFID (UK)



Source: Directorate of Debt & Cash Management, MoFPED, 2015

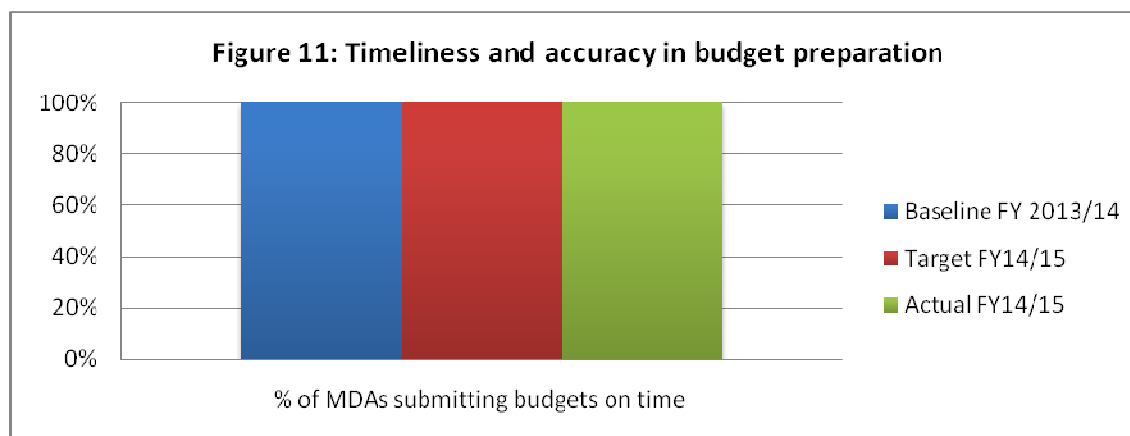
In the following year, the programme will continue to support the institutional capacity of the recently established Directorate of Debt and Cash Management.

2.2 Budget Preparation and Monitoring

The specific reform objectives of this component are to ensure: timely and realistic budget preparation; timely and quality budget analysis and monitoring; timely and quality project design, appraisal, monitoring and evaluation; and quality Public Private Partnership-based project designs in MDAs. The results achieved during the fiscal year are highlighted below.

2.2.1 Improve the Timeliness and Accuracy in Budget Preparation

As in the previous year, optimal performance in the timeliness of the submissions of MDAs was registered (figure 11). This commendable performance can be linked to two factors: the continuous training of planning and budget staff in MDAs; and the enforcement of sanctions on accounting officers who delay in submitting budgets on time.

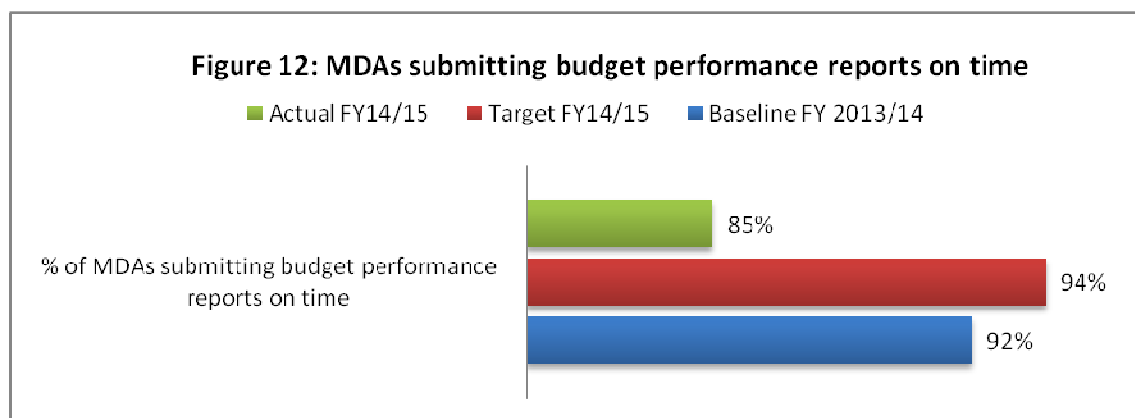


Source: Department of Budget Policy & Evaluation, MoFPED, 2015

2.2.2 Improved Timeliness and Quality of Budget Analysis, Monitoring and Evaluation

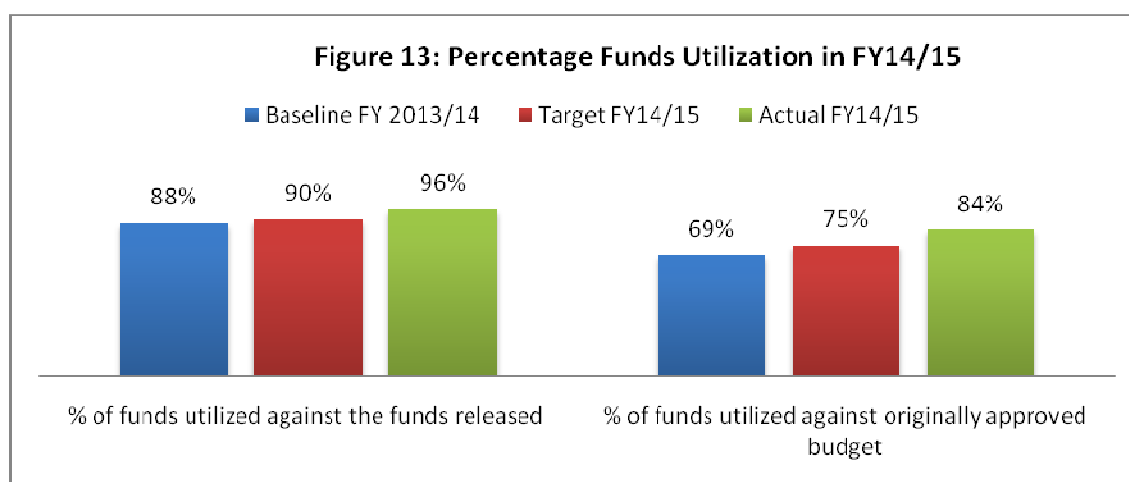
Improving the timeliness and quality of budget analysis, monitoring and evaluation is a core objective under this component.

During the year, there was a slight reduction in the timeliness of submission of quarterly budget performance reports by MDAs (See figure 12).



Source: Budget Policy and Evaluation Department, MoFPED, 2015

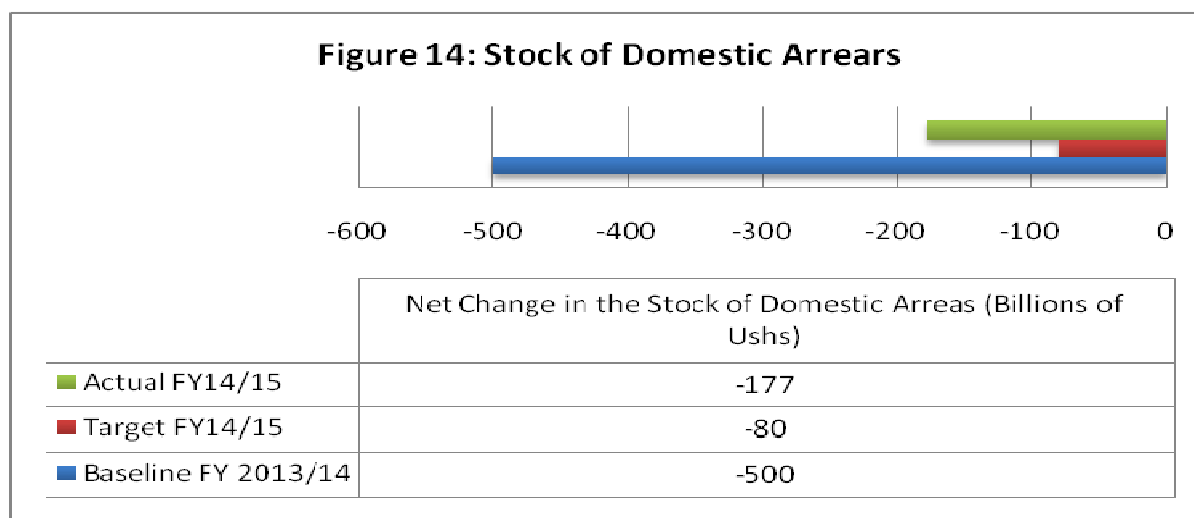
Despite the delays in the submission of budgets, there was commendable improvement in the utilisation of funds released (see figure 13 below). This likely was due to improvements in the quality of preparation of work plans and procurement plans by MDAs. In addition, accounting officers who failed to effect timely⁴ payments to service providers were threatened with sanctions which in turn positively influenced compliance.



Source: Department of Development Assistance, MoFPED, 2015

There was also a significant reduction in the stock of domestic arrears (See figure 14). This may have been as a result of the directive by the Secretary to the Treasury to accounting officers in this year's budget call circular to ensure that priority was accorded to payment of arrears.

⁴ There is a two week threshold for payment of service providers.



Source: Macro-policy departments, MoFPED, 2015

Separately, the total value of supplementary requests and appropriations also reduced from five percent to four percent in FY 2014/15. This could be due in part to the capacity built within the Office of Auditor General (OAG) and Parliament to effectively analyse and query these requests. In the next FY, these gains will be consolidated through the implementation of a programme based budgeting framework and capacity development in project design including public private partnerships.

The following activities key reform activities were also undertaken during this financial year:

Graduate economists (facilitated under this programme), provided the following support: detailed analysis of the annual local government budget performance reports for the FY 2013/14; support to the preparation of the annual budget performance report for FY2013/14 including the approved budget estimates for the FY 2014/15; and, updating of the OBT for preparation of sector and local government budget framework papers for FY 2015/16.

Specifications of the upgraded OBT system were also developed and validated and will be further tailored to ensure the system's versatility with the requirements for future implementation of Programme Based Budgeting (PBB) and interface with the IFMS.

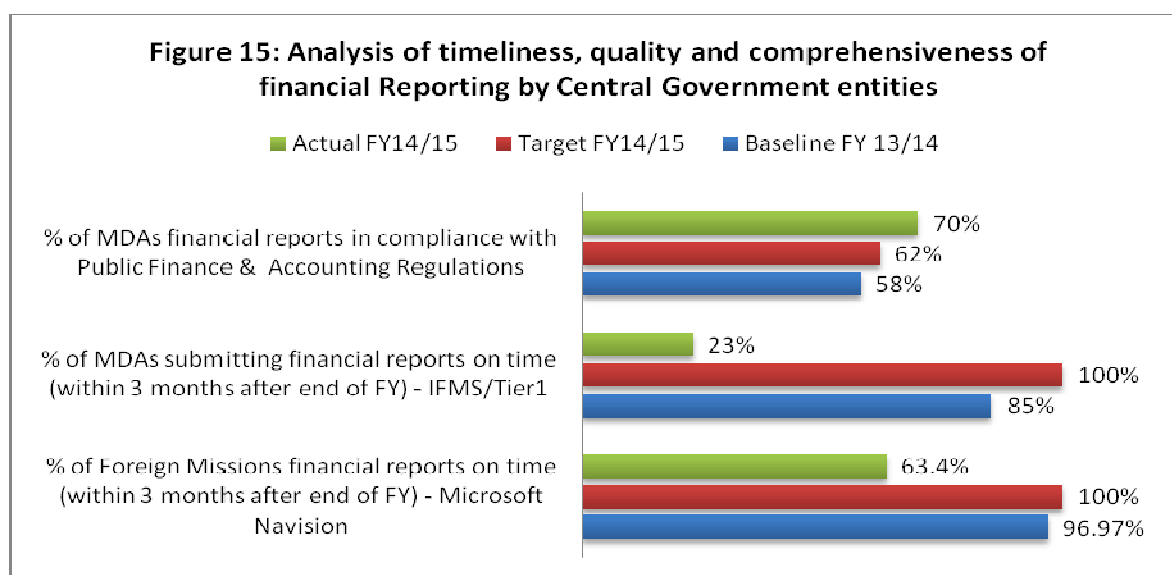
2.3 Fiduciary Management Systems in Central Government

The component's specific reform objectives are to improve the timeliness, quality and comprehensive of financial reporting at central government entities including MDAs, foreign missions, donor funded projects public universities and self accounting tertiary institutions (PUSATIs). In addition, the component aims to improve cash management in government. The results achieved during the fiscal year are highlighted below.

2.3.1 Improved timeliness, quality and comprehensiveness of financial Reporting by Central Government entities

During the year, there was a significant improvement in the quality of financial reporting. This was demonstrated by an increase (from 58 to 70 percent) in the proportion of MDAs submitting financial reports in compliance with the public finance and accounting regulations (see figure 15 below). This is largely due to an increase in the effective utilization of the IFMS by MDAs.

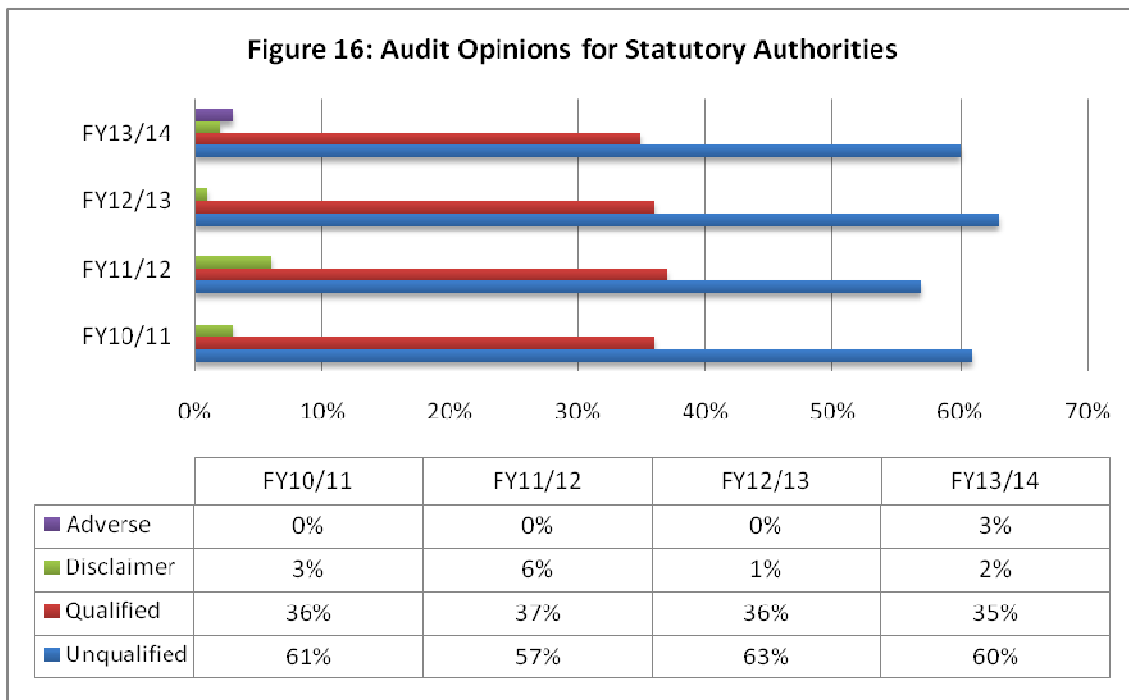
At the time of reporting, 23 percent (of MDAs) and 63.5 percent (of foreign missions) had also submitted their financial reports⁵ for FY2014/15.



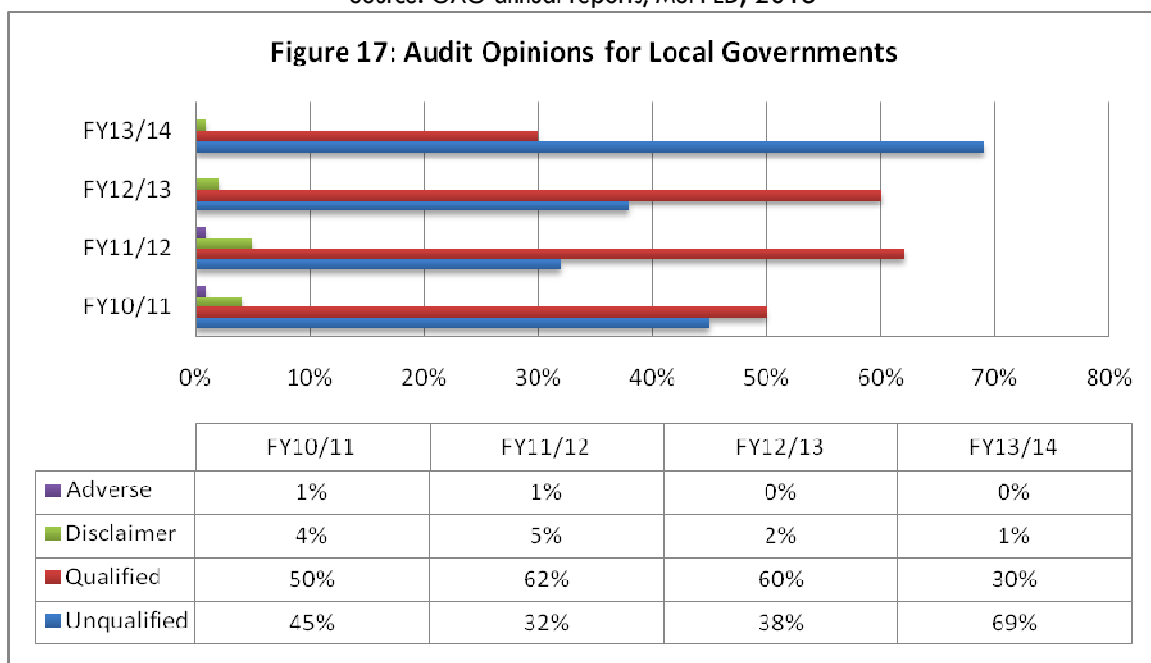
Source: Office of Accountant General, MoFPED, 2015

⁵ The statutory deadline for submission of annual financial reports is two (2) months after the end of the financial year i.e August 2015. This result therefore is based on nine (9) months submissions.

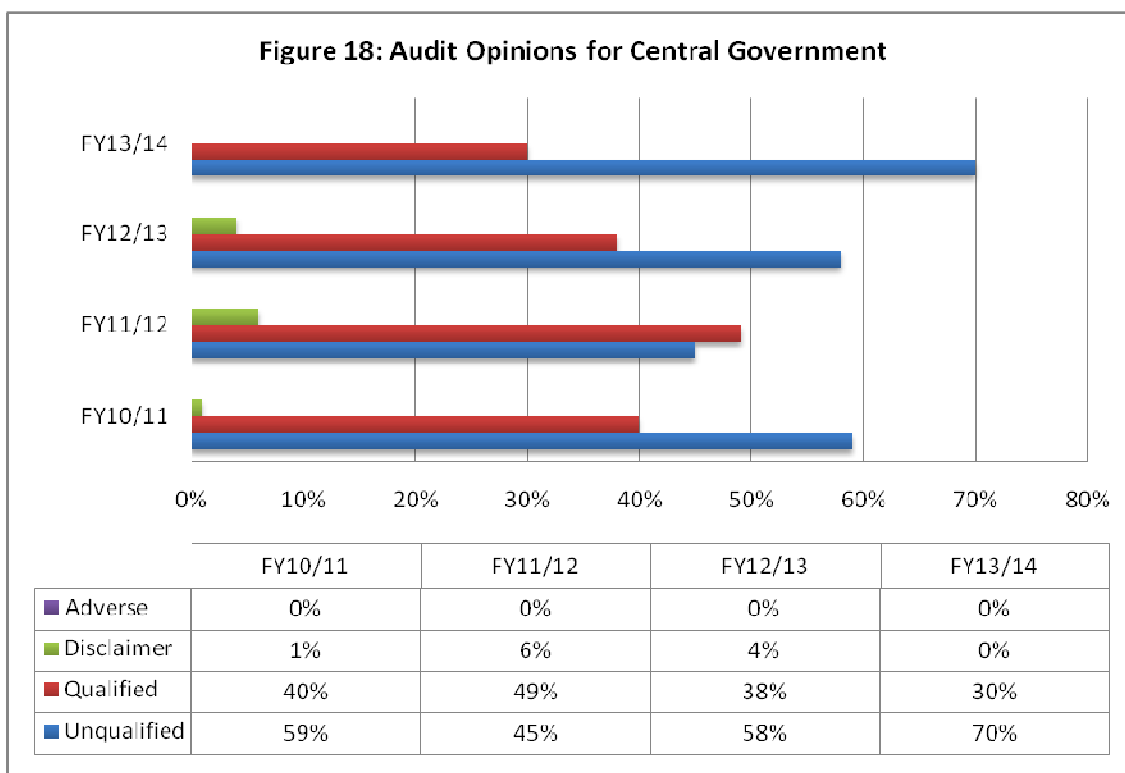
Tellingly, this improvement in the quality of financial reporting was also reflected in an increase in the proportion of clean reports across Government (see figures 16; 17 and 18 below).



Source: OAG annual reports, MoFPED, 2015



Source: OAG annual reports, MoFPED



Source: OAG annual reports, MoFPED

The following key reform activities were undertaken during the year:

Integrated Financial Management System (IFMS) Roll Out

Government rolled out the IFMS to twelve (12) referral hospitals; twelve (14) donor funded projects and six (6) hybrid⁶ sites. Alongside the roll-out exercise, post (IFMS) upgrade support was provided in nine DFPs and ten (10) sites plotting the fixed assets module⁷. Training of database administrators and staff at the data centre of the accountant general's office was also conducted. Once this particular rollout phase is concluded, all central government entities will be operating using IFMS. The number of DFPs by their nature will continue to evolve over the years.

Systems' Security Review

A comprehensive security review of the IFMS was undertaken in FY2013/14 by an independent firm which made a number of recommendations. The objective was to assess the systems

⁶ Hybrid sites are central government entities where IFMS transactions are still being implemented offsite.

⁷ Once fully operational, the fixed assets module will be vital to the future implementation of accrual-based accounting.

vulnerability to internal and external attacks. Sixteen (16) application logs were identified and subsequently deployed within the IFMS system. As part of the business continuity strategy, a high capacity enterprise backup server (tape library) was also procured, installed and is currently in use. The server will ensure that all production systems and data are backed up for future possible data recovery and restoration. To date, 77 percent of all the recommendations of the security review have been implemented (See table 4). It is envisaged that all the outstanding recommendations will have been concluded by the end of the first quarter of next FY.

Table 4: Status of implementation of IFMS Security Audit recommendation as at 30th June 2015

No	Review Area	High	Med	Low	No. of Issues identified	No. of issues resolved	Un-resolved issues	Major reasons for non-resolution and status of implementation.	% tage of resolved issues
1	Segregation of Duties	1	4	0	5	5	0	N/A	100
2	Database Management System Review	8	7	1	15	12	3	Some issues are EBS standard architecture and any other enhancement can be implemented using database vault or Oracle Identity Manager. Revoking DBA privilege from APPS user will lead to stopping the whole EBS operation.	80
3	IT General Controls	13	2	1	15	8	7	To be implemented as part of compliance enhancement measures to be undertaken by a compliance officer in AGO. A quality Assurance Unit under the Financial Management Services Department within Accountant General's office has been setup to handle systems compliance and assurance functions.	53
4	Operating System Review	47	33	8	80	46	34	Over 23 issues rated high risks on HP UX server security, are on products not deployed on IFMS. At least, 7 issues mentioned are not specific as their file and account names referenced are not mentioned and the team could not conclude on this. The team did not agree with 6 issues.	58
5	Application Review	12	4	1	16	14	2	Tests of the remaining issues were completed in test environment. Deployment in production environment is awaiting guidance from Oracle. The Oracle Consultant is on ground following the signoff of the Oracle IFMS support contract in July 2015.	88
6	Infrastructure Review	60	49	7	109	80	29	A number of automated software tools, patch management & update, O/S were recommended. The	73

								automated software tools (Checkpoint) have been deployed. Performance monitoring and fine tuning of the tools is ongoing.	
7	Penetration Testing	29	17	4	46	40	6	Implementation of some recommendations e.g from SNMP ver 1 & 2 to version 3 caused incidents of IFMS users failing to access the system and some of these were rescinded.	87
								Average %-age of resolved issues	77

The pilot phase of the implementation of the non-current assets module of the IFMS in MDAs was also completed during the year. Once fully operational, the module will be vital to the future implementation of accrual-based accounting.

Piloting of CEMAS

Improving transparency and accountability for resources in public universities and self accounting institutions (PUSATIs) was identified by a number of previous studies as a key PFM reform area. This was due to a lack of credible financial and educational information from these entities. This reform was made even more pertinent by the significant amount of resources (approximately Ushs 400 billion) provided annually by Government.

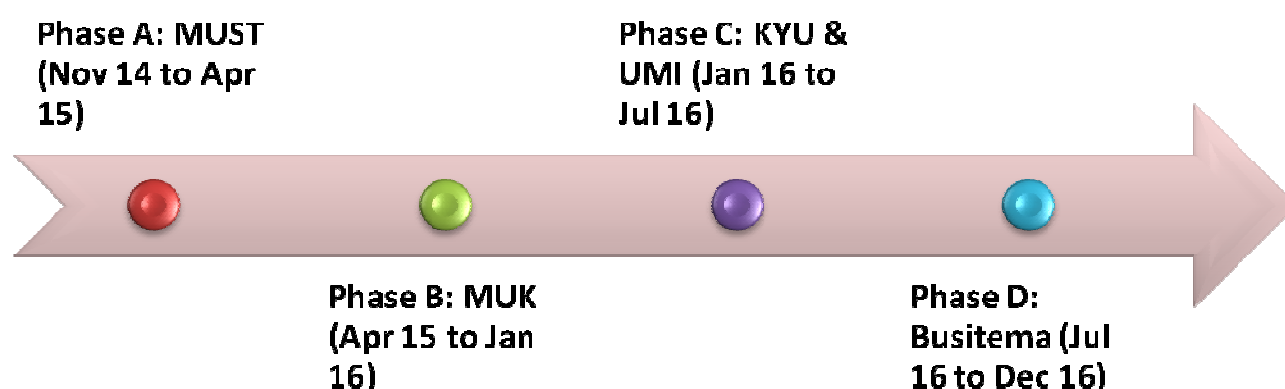
As a first step, the Computerised education management and accounting system (CEMAS) was piloted at Mbarara University of Science and Technology (MUST), out of the planned two PUSATIs. The system comprises three (3) modules namely human resource and payroll management; financial management; and, student and academic management.



Picture 1: The Accountant General after signing the CEMAS contract with the vice president of TALISMA

Other activities undertaken during the year included: installation of fibre optic cables to extend the national backbone infrastructure to the remaining seven (7) PUSATIs. Implementation of the CEMAS commenced at both Makerere University and MUBS and is scheduled to be completed in FY 15/16 as per the implementation schedule (see figure 20)

Figure 20: Implementation Schedule for CEMAS from FY 2014/15



Source: Office of Accountant General, MoFPED, 2015

Harmonization of GOU IT systems

The integration of the IFMS and other government systems is vital to providing fiduciary assurance in government. During the year, the interface between the IFMS and URA's e-portal linking to the e-tax system was implemented and the process of data validation is being finalized. Training was also conducted for stakeholders of the E-tax system, including suppliers who can now submit their identification details through the supplier e-registration portal.

The interface between IFMS and Integrated Payroll and Pensions System (IPPS) has now been operationalized at 191 out of 207 votes– with all staff salaries now paid through the interface. It is expected that the interface will be fully operational across government in the next financial year.

Professional Accountancy Training:

The development of the accounting profession in government remains vital to ensuring not only compliance with international financial reporting standards (IPSAS) but also integrity in financial management through imparting of professional ethos. During the year, the programme supported

40 (11 ACCA and 29 CPA)⁸ staff to undertake professional accountancy training (See annex 5 for detailed list sponsored students).

Decentralization of the GoU Payroll

Previous annual reports of both the Internal Auditor General and Auditor General identified significant fiduciary risks and mismanagement of the GoU payroll. To this end, Government embarked on decentralizing its payroll so as to hold accounting officers at both central and local governments responsible for the management of their respective payrolls.

During the year, this entailed the sensitization of accounting officers at the selected MALGs on this new policy directive. The officials were also trained and equipped with skills on new business processes for de-centralized salary payments. Of the 10 planned centres, eight (8) regional support centres (in Gulu, Bushenyi, Jinja, Soroti, Arua, Hoima, Kampala and Masaka) were established and provided with LAN infrastructure, computer equipment and office furniture. Mbarara and Mbale centres were not established due to budgetary constraints.

2.3.2 Improved Cash Management

As part of the effort to improved cash management in Government, the implementation of the first phase of the Treasury Single Account (TSA) framework was launched in October 2013. This initial stage targeted Central Government entities connected to the IFMS and included sensitization of accounting officers on the TSA and its implications.

During this financial year, a conceptual framework for the implementation of the TSA framework in donor funded projects and local governments were also developed. Consultative meetings were held with Development Partners (DPs) and other stakeholders. These included a presentation on the operational modalities for the TSA framework. DPs were agreeable (in principle) to the implementation of the framework in DFPs. The framework will subsequently be implemented once outstanding operational and legal issues are resolved. Government also intends to implement the TSA framework in LGs starting FY2015/16.

⁸ Of the 40 beneficiaries (1 student and 2 students successfully completed the ACCA and CPA courses respectively in FY2014/15)

2.3.3 Public Finance Management Legal Framework

A comprehensive and robust legal framework will provide an enabling environment for the effective and efficient implementation of public financial management by Government. To this end, a new public financial management act was signed into law by the President on the 6th March, 2015, after rigorous debate by Parliament. The Act was subsequently gazetted, copies printed and disseminated to all accounting officers in both central and local government. Intensive working retreats were also undertaken to develop the regulatory framework that will operationalize the provisions Act. Early next FY, the draft regulations will be submitted to the first Parliamentary Counsel for legal drafting.

2.3.4 Institutionally strengthen the Public Procurement Function

Under this objective, the aim is to develop and implement a national public procurement policy.

During the year, the editing of the draft procurement policy was finalized by a task team constituted by Government. The draft policy document will subsequently be presented to the top management of MoFPED prior to submission before cabinet.

The procurement tribunal was also launched during the year. FINMAP will support the equipping and furnishing of the tribunal with audio and video equipment. Once fully operational, the tribunal will help expedite the clearance of the backlog of various procurement disputes.

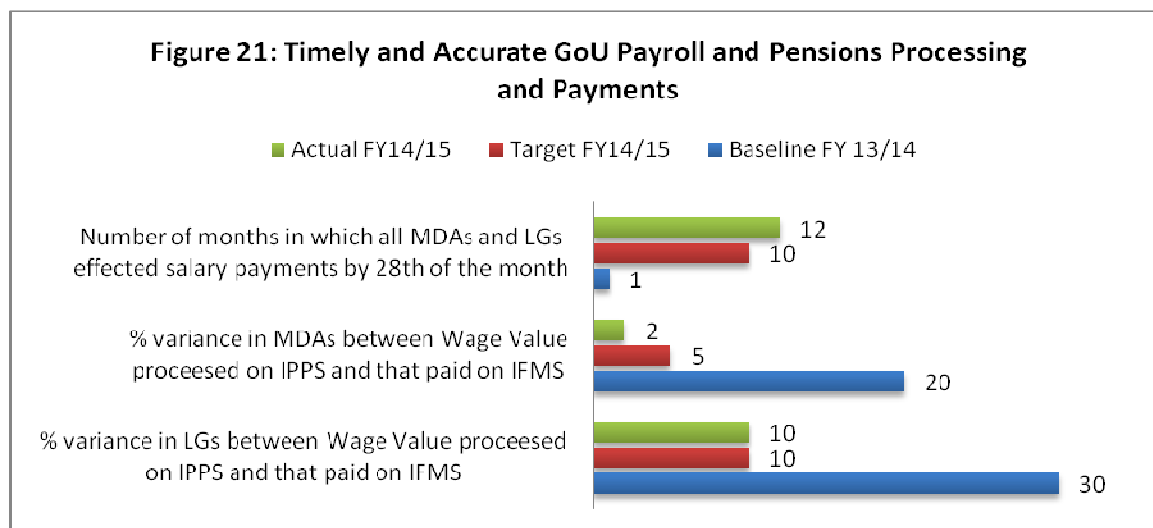
The process of procuring consultancy services to conduct a spend analysis in selected high expenditure votes has been finalised. The spend analysis will entail collection, cleansing, classifying and analyzing of expenditure data in these selected votes with a view to reducing procurement costs through improving efficiency and compliance monitoring.

2.4 Payroll, Pension and Human Resources Management

The specific reform objective of the component is to improve the timeliness, quality and accuracy of payment processing of the GoU payroll and pensions. The results achieved during the fiscal year are highlighted below:

2.4.1 Timely and Accurate GoU Payroll, Pensions Processing and Payments

During financial year 2014/15, there was tremendous progress in the timeliness and accuracy of both payroll and pension payment processed on the IPPS. This was evidenced by a reduction in the variance between the wage value processed on the IPPS and that paid on the IFMS in both MDAs and LGs. (See figure 21). In addition, the salaries of all public servants across all MDAs and LGs were effected on time⁹ in each of the months of the year.



Source: Ministry of Public Service, 2015

These gains are likely to have also contributed to the improvements in the proportion of clean audit opinions noted earlier (See figures 16, 17, and 18) across Government.

However, to ensure that these gains are not undermined, it is essential that safeguards are put in place so that the payroll data processed on the IPPS cannot be manipulated during the

⁹ Salaries are to be paid by the 28th day of the month.

processing of monthly salary payments on the IFMS.¹⁰ A soon-to-be implemented biometrics system will further enhance these safeguards.

During the financial year, the integrated payroll and personnel system (IPPS) was also rolled out successfully to all 52 planned sites. This entailed set up, supply, and installation of local area networks (LAN) as well as training of human resources staff. To date, the IPPS system is operational in 91 out of 207 votes. Alongside the rollout of the system, staff from all the 91 votes received training on use of the IPPS-IFMS interface and are currently effecting salary payments via the interface.

All pension data was also successfully migrated from the manual *Legacy* system to the IPPS. The Ministry of Public Service also conducted functional training on pension management and data migration for human resources staff across all votes in Government. Accordingly, effective October 2014, the entire gratuity and pension's payroll was processed on the IPPS.

¹⁰ This potential area of risk was flagged during monitoring visits by the MSU to various MDAs and LGs.

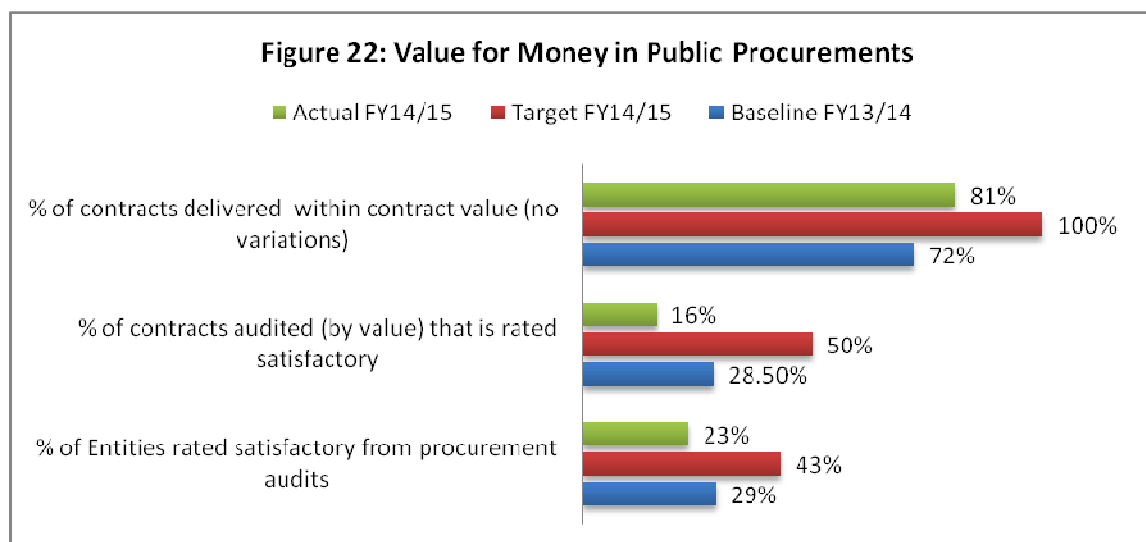
2.5. Public Procurement

The specific reform objective of this component is to improve compliance among entities in both central and local government, with the public procurement legal and regulatory framework.

2.5.1 Improved compliance with Public Procurement Legal and Regulatory Frameworks

The results during this financial year were mixed. On the one hand, there was significant improvement in the value for money in public procurements evidenced by an improvement in the proportion of contracts delivered within contract value from 72 to 81 percent (See figure 22).

On the other hand however, the proportion of contracts subjected to open competition (by contract value) above national threshold reduced from 88 percent to 50 percent (See figure 23).

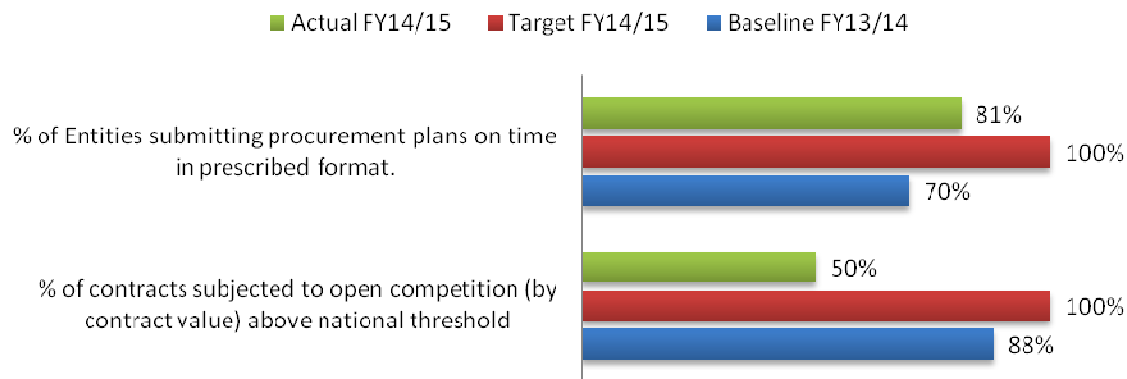


Source: PPDA, 2015

This decline in performance may have been in part due to the significant raising of the thresholds for open competition in the central government PDEs as per the PPDA Act amendments (otherwise the result would have been 74%). Also, there was a change in the verification criteria for contracts audited by value where more parameters such as posting on the tender portal and PPMS were added.

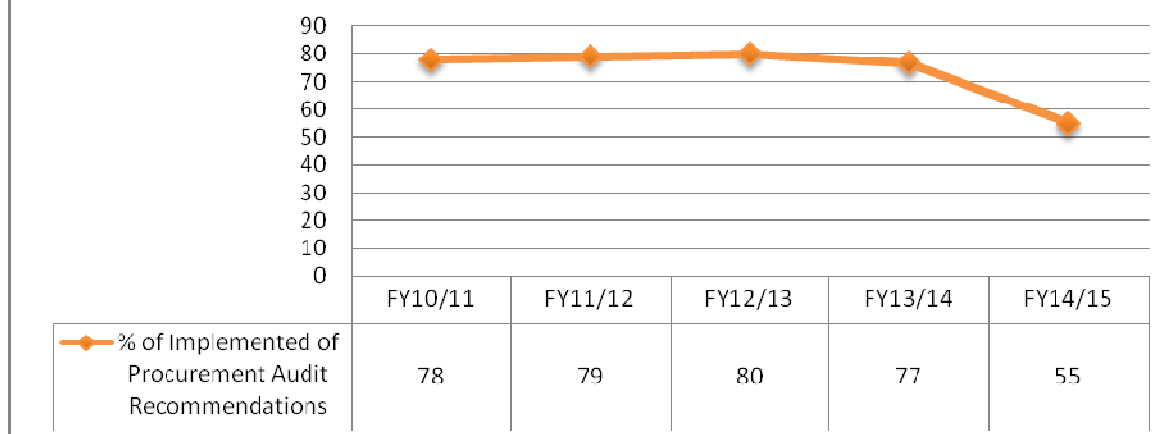
The situation may have been further exacerbated by a decline in the proportion of procurement audit recommendations implemented by the entities (See 24)

Figure 23: Compliance with public procurement Legal and regulatory frameworks



Source: PPDA, 2015

Figure 24: Implementation of Procurement Audit Recommendations in FY 2014/15



Source: PPDA, 2015

This drop is partly attributed to the high rates of PDU staff turnover in local government Entities which have been persistently performing poorly. This does not allow for learning from previous audit processes and implementation of previous recommendations. Six of such entities contributed to 33 percent of the unimplemented recommendations.

It is therefore critical that in the subsequent financial year, Government accords top priority to availing funds to PPDA for broadening both the coverage and scope of procurement audits¹¹. In addition, it is vital that the authority aggressively follows up with entities on the recommendations of the previous year's procurement audits. Government should also ensure that the implementation of the E-procurement system does not get stagnated by any further bureaucratic delays.

Despite these challenges, the following reform activities were implemented during the year:

A five-year strategy for the implementation of an electronic government procurement system (e-GP) was launched in December 2014. The system seeks to consolidate gains in procurement reform by providing a platform for: increasing the transparency in procurement procedures and practices; improving efficiency in the procurement process by minimising the procurement cycle time; maximising value for money; fostering accountability; and, improving confidentiality, integrity and authenticity of transactions between procurement entities and suppliers. The design of the system will start in FY 2015/16 in close liaison with NITA.

Separately, a verification exercise for the usage of the public procurement management system was conducted during the year. A key finding of the exercise was the notable improvement in the authentication of procurement data. It however was also noted, that significant challenges still existed in contract management, which should be expeditiously addressed.

A two-day procurement forum for procurement and disposal entities (PDEs) was held. The forum was attended by 110 procurement cadre and discussed among others the various inconsistencies in the existing public procurement law. Two procurement clinics were also conducted in the districts of Masaka and Mbale.

The review of the PPDA regulations was completed. In addition, a simplified user guide for the PPDA act of 2003 and PPDA regulations of 2014 were completed. The user guide is expected to be finalized and disseminated in the first half of the next financial year.

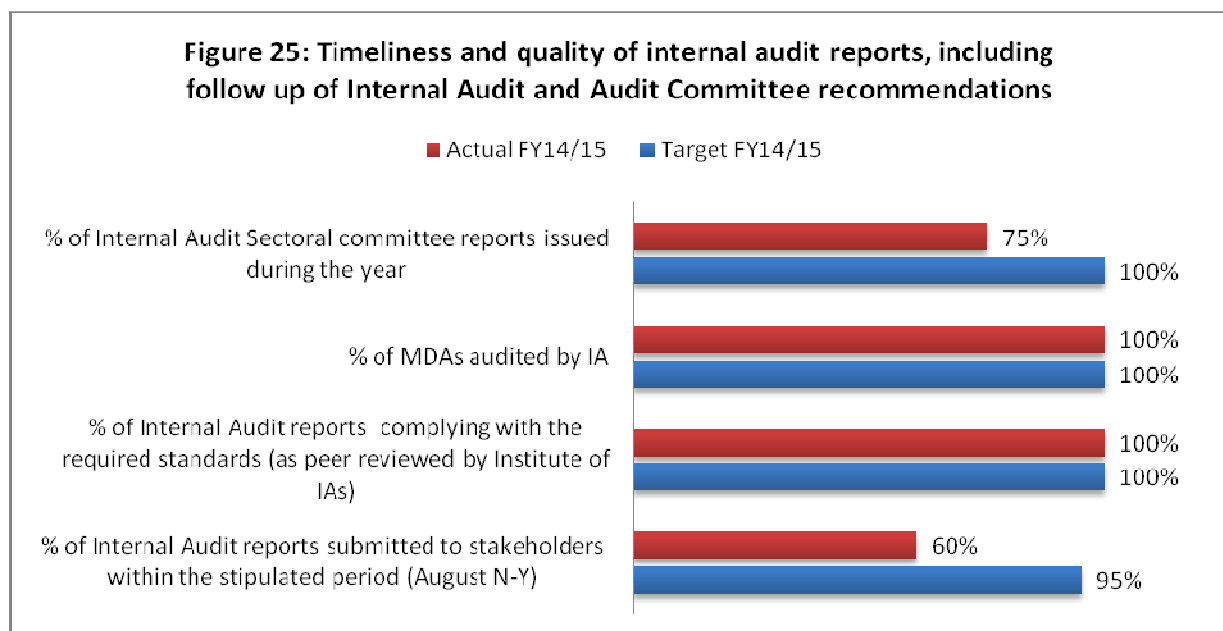
¹¹ The total number of procurement audits undertaken by PPDA this FY was 155, of which 22 were funded under FINMAP.

2.6. Internal Oversight

The component's specific reform objective is improved timeliness and quality of internal auditing. The results under this objective are highlighted hereunder:

2.6.1 Improved Timeliness and Quality of Internal Audit Reports, Including Follow up of Internal Audit and Audit Committee Recommendations

During the period under review, the performance was mixed: compliance of internal audit reports with the required standards (as peer reviewed by the Institute of Internal Auditors) was maintained. In addition, the coverage of MDAs audited by the directorate was comprehensive. On the other hand, the timeliness of submission of quarterly IA reports to stakeholders fell short of the planned target (See figure 25 below):



Source: Directorate of Internal Audit, 2015

The following key reform activities were implemented during the financial year:

An internal audit strategy for the period FY 2015/16 – FY 2019/ 2020 was developed and later launched in March 2015. The strategy is consistent with Government's own planning principles and comes on the heels of two major developments: the enactment of the PFM act 2015 and the re-structuring of MOFPED that raise the profile of internal audit from a department to a directorate. The internal audit strategy will be vital in guiding the directorate to prioritize its

resources and efforts on the most critical areas and ultimately deliver quality and impactful assurance and advisory services. In a related development, the regulations for operationalizing the internal audit provisions within the PFM Act were finalized and will be submitted to the first parliamentary counsel for legal drafting in early FY 2015/16.

A functional training in report writing was conducted for 50 internal audit staff. This need had been identified earlier during the capacity needs assessment for the directorate. The trained staff will in turn be able to provide actionable recommendations to accounting officers.

The programme also supported professional training for its staff in both accounting and internal audit as highlighted in table 5 below (See annex 5 for full list of graduates sponsored under Accountant Generals Office since FY2011/12):–

Training	Number of staff
CPA(U)	80
ACCA	40
CIA	60
CFE	60
CGAP	60

Source: FINMAP HR Records, 2015

As part of the recommendations for managing risk within budget execution, audit fraud software and hardware was procured and delivered for the forensic lab. In addition, Enterprise Risk Assessment (ERA) licenses were also procured for 50 central government entities. It is vital in the next financial year that IDEA licences are procured to facilitate data extraction.

The eight sectoral internal audit committees (see table 6) were facilitated to review and approve the internal audit work plans for FY2014/15 and review reports issued in the fourth quarter of FY2013/14.

Table 6: Audit Committees

Audit Committees	Composition	Established
1	Accountability	MoFPED, OAG and the Directorate of Ethics and Integrity.
2	Education	Ministry of Education, all tertiary institutions and the Education Service Commission
3	Public Management	MoLG, MoPS, Office of the Prime Minister, and the Public Service Commission.

4	Health	Ministry of Health, Mulago Hospital, Butabika Hospital, 11 regional referral hospitals, Health Service Commission and Uganda Blood Transfusion.	April 2009
5	Works and Infrastructure	Ministries of Works and Transport, Energy and Mineral Development and Ministry of Lands	April 2009
6	Justice, Law and Order Sector.	Ministry of Defence, Ministry of Justice, Ministry of Internal Affairs	April 2009
7	Natural Resources	Agriculture, Animal Industry and Fisheries Energy and Mineral Development	April 2010
8	International Relations	Foreign Affairs, East African Community EAC, Tourism Trade and Industry	April 2010

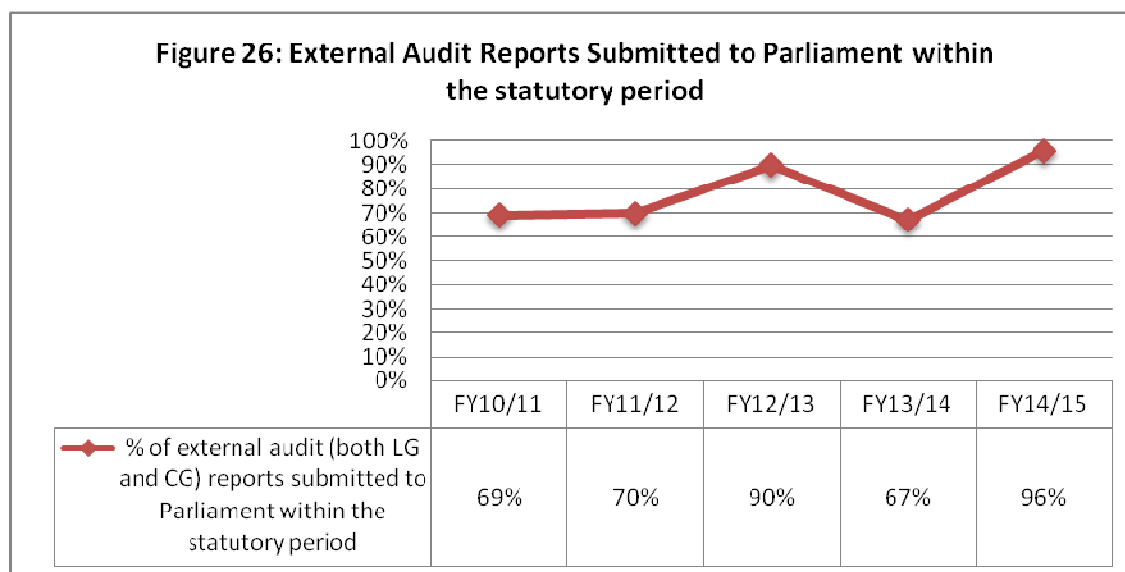
Source: OAG, 2015

2.7. External Oversight

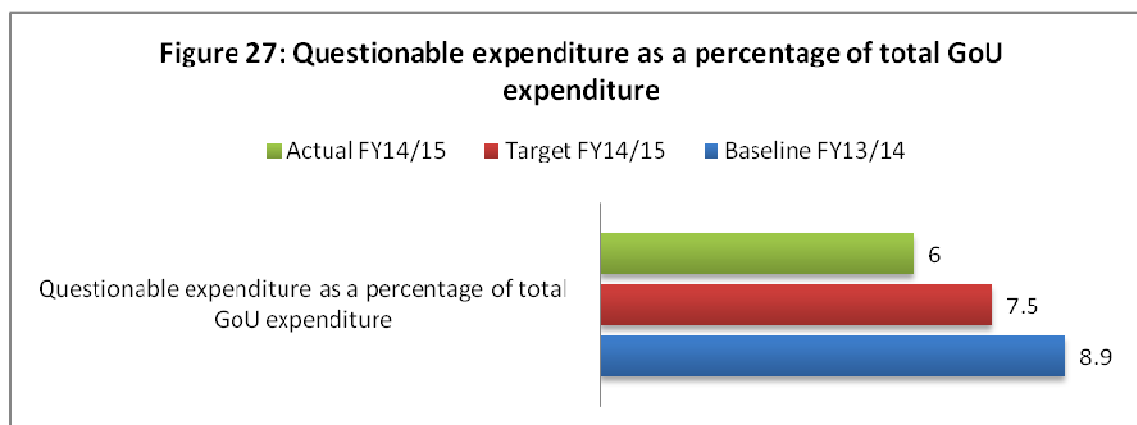
The specific reform objective of the component is to improve the timeliness and quality of external auditing. The results achieved during the fiscal year are highlighted below:

2.7.1 Timely and Quality External Audit Reporting and Follow up of Recommendations

During the year, commendable progress was registered in the reforms as evidenced by an improvement in the proportion of external audit reports submitted to parliament within the statutory period (see figure 26). Of even greater significance, was the reduction in the proportion of questionable expenditure from 8.9 to 6 percent - a five-year all time low (see figure 27 below). This performance could likely have arisen from a combination of both the comprehensiveness of the audits conducted by OAG; and the robust follow up by the Secretary to the Treasury on the implementation of recommendations by the Auditor General.



Source: OAG, 2015



Source: OAG, 2015

This commendable performance comes on the heels of various programme efforts towards strengthening the capacity of the Office of the Auditor General (OAG) to effectively execute its external oversight and scrutiny role as detailed below:

Staff Capacity Development: The programme continued to build the capacity of staff of OAG in a number of specialised audits such as VFM and forensic audit (see table 7)

Training	Number of staff
ACCA	52
CISA	1
VFM 3-modules	4
Gender Audit	3
Measuring and assessment of value in VFM for public investment infrastructure	2
Management of forensic investigation submission	4
Quality assurance	1
Communication	1
Monitoring and evaluation	1

Source: FINMAP HR Records, 2015

Physical Independence of OAG: During the period, two major milestones were achieved: the commissioning of both the OAG head office (Audit House) on 20th November 2014 by H.E. the Vice President of Uganda (who represented the President); and, the Mbarara regional office on the 23rd March 2015 by the Speaker of Parliament. These new premises will help strengthen the physical independence of the OAG.

Separately, bids for the design of the OAG regional offices in Moroto and Hoima are currently being evaluated.



Picture 2: A gleaming Audit House on the day it was commissioned



Picture 3: H.E the Vice President flanked by Auditor General, and Ho. Minister of MoFPED commission the Audit House



Picture 4: H.E the Vice President taken on a guided tour of Audit House as PS/ST looks on



Picture 5: The completed regional office in Mbarara



Picture 6: The Hon. Speaker of Parliament commissioning Mbarara OAG regional offices



Picture 7: The Auditor General receives keys for the Mbarara office.

2.8. Legislative Oversight

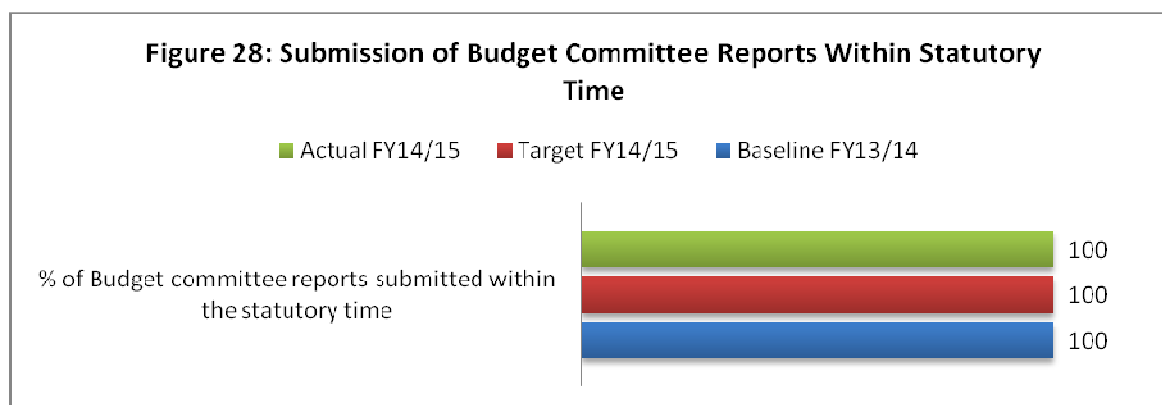
The specific reform objective of the component is to ensure the timely and quality analysis by committees of Parliament of budget and accountability submissions by the Executive. The reforms were implemented through various forms of support in the following PFM committees: the Budget Committee; Committee on National Economy; Public Accounts Committee (PAC); Local Government Accounts Committee (LGPAC); the Committee on Commissions, Statutory Authorities and state Enterprises (COSASE), and, the Committee of Finance, Planning and Economic Development.

The results achieved during the fiscal year are highlighted below:-

2.8.1 Improved Legislative Scrutiny of the Budget and Audit Reports

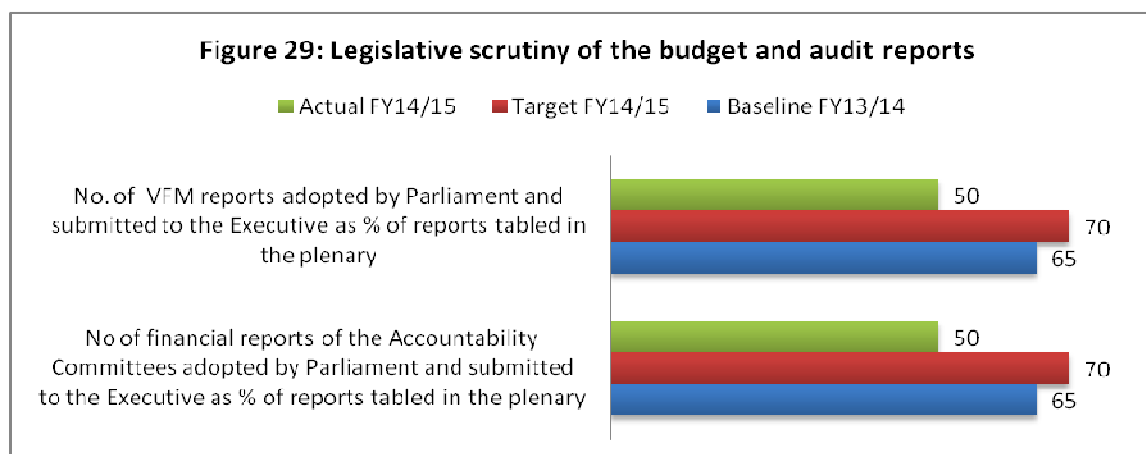
The Programme set out to enhance the capacity of Parliamentary Committees in execution of their oversight function.

During the year, the results were mixed. On one hand, the reforms continued to register optimal performance in the timeliness of submission of reports by the budget committee of Parliament (see figure 28). This was likely due to the concerted efforts under the programme to build the capacity of MPs and staff on the budget committee.



Source: Parliament of Uganda, 2015

On the other hand however, the proportion of financial and value for money reports adopted by Parliament (and later submitted to the Executive) dropped from 65 to 50 percent. In addition, the proportion of financial and VFM audit reports scrutinised by the Parliamentary Accountability Committee (within the statutory period) also fell short of the set targets (see figure 29).



Source: Parliament of Uganda, 2015

The key reform activities undertaken during the year included:

The parliamentary committee handbook on PFM was finalized. In addition, the development of eight PFM training modules and manuals for members of the oversight committees of parliament was concluded.

Three (3) pending Treasury Memoranda were also laid before Parliament and referred to the Committee on Local Government Accounts:

- (i) the Report of the Local Government Accounts Committee for Financial Year ended 30th June, 2009;
- (ii) the Report of the Local Government Accounts Committee for Financial Year ended 30th June, 2009 [Selected Municipalities]; and,
- (iii) the Report of the Local Government Accounts Committee for Financial Year ended 30th June, 2010.

Going forward, there are a new set of innovative PFM reform activities planned in the next financial year (2015/16) aimed at reversing these unsatisfactory trends. These include:

- (i) Development of the proposed Parliamentary Information Management system with information tracker functionality for committee reports among others; and,
- (ii) Operationalization the of PFM modules for the Institute of Parliamentary Studies.

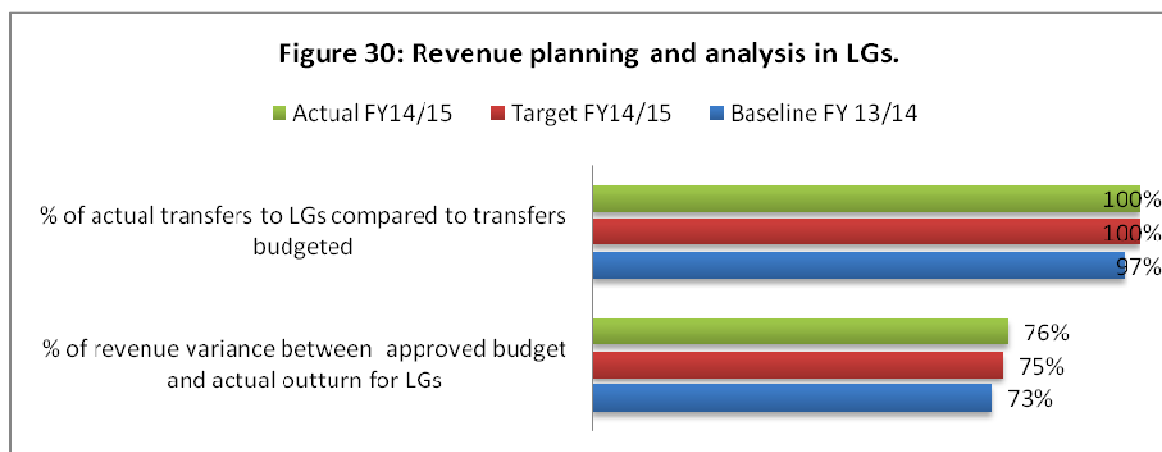
A combination of these initiatives and persistent capacity building will enhance the performance of the legislative function for oversight of Public Financial Management as envisaged in the Reform Strategy.

2.9. Public Financial Management in Local Governments

The specific reform objectives of this component include: improved revenue planning and analysis in LGs; timely and quality financial performance reporting in LGs; timely and quality internal audit reporting in LGs; timely and quality reporting by LGPACs. The results registered under this component are highlighted below:

2.9.1 Improved Revenue Planning and Analysis in LGs

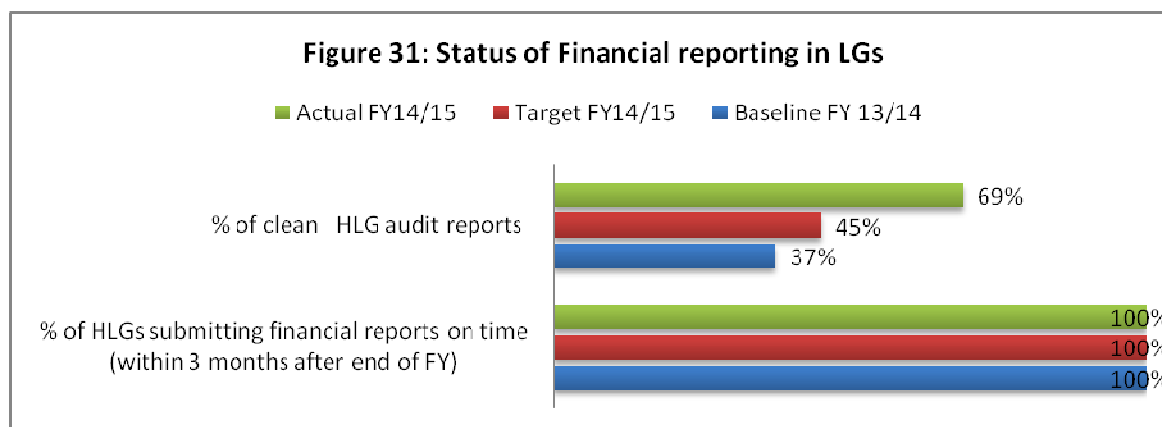
During the year, there was optimal performance in the proportion of actual transfers to LGs. On the other hand however, the variance between the planned and actual outturns in the revenue for LGs declined by three percentage points, compared with the previous financial year (see figure 30)



Source: Directorate of Budget, MoFPED, 2015

2.9.2 Improved timeliness and Quality Financial Performance Reporting in LGs

During the year, the programme registered commendable progress under this reform objective. This was reflected in not only an increase in the proportion of higher Local Governments submitting both quality and timely financial performance reports (see figure 31). This has been in large part due to the roll out and utilization of the IFMS in local governments.



Source: Directorate of Budget, MoFPED, 2015

During the year, the IFMS (mid-range solution) was deployed at 17 local government sites¹². (See Annex 3 for detailed cumulative status of implementation of IFMS in local governments)



Picture 8: Minister of state for Local Government, Hon. Onzima (L) at the kick-off of Tier-2 IFMS rollout at Entebbe Municipality

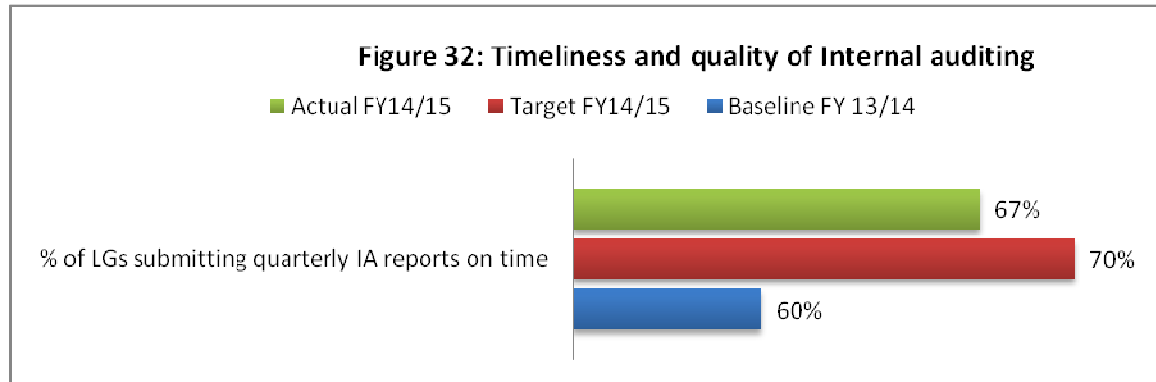


Picture 9: Equipment Installed at a Entebbe Municipality Tier-2 site running the mid-range Microsoft Dynamics Navigator.

¹². These included Masaka, Entebbe, Tororo, Mbale, Soroti, Lira, Kabale, Mbarara, Fort portal, Arua, Moroto, Gulu, Mukono, Kabarole, Hoima, Kamuli and Katakwi.

2.9.3 Improved timeliness and Quality of Internal Audit Reporting

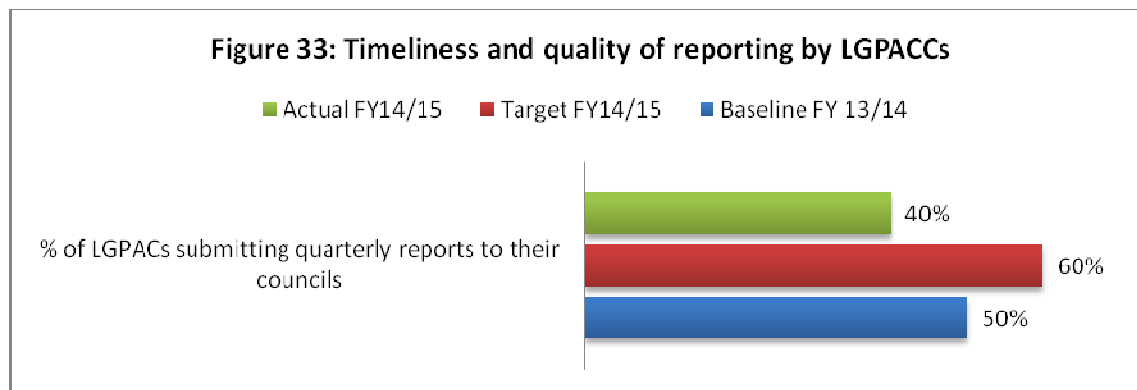
There was significant progress in the proportion of local governments submitting quarterly internal audit reports on time from 60 to 67 to percent in FY 2014/15 (see figure 32).



Source: Directorate of Internal Audit, MoFPED, 2015

2.9.4 Improved timeliness and Quality of Reporting by LGPACs

During the year, the proportion of LG Public Accounts Committee submitting quarterly reports to their councils declined by 10 percentage points (See figure 33). This could possibly be due to a reduction in the number of LGPACs meetings convened during the year – an unhealthy, albeit typical trend during an election year.



Source: Directorate of Budget, MoFPED, 2015

2.10 Programme Coordination and Management

This component aims at increasing efficiency in implementation of the programme through support to the components on the areas of planning, finance, procurement, monitoring, evaluation, change management, and learning. All these were geared towards driving coordinating and facilitating the implementation of the programme action plan.

Spearheaded by a core design team with oversight from the PEMCOM, a four-year PFM reform strategy was developed. The strategy was launched by the Honourable Prime Minister of Uganda, Patrick Amama Mbabazi in August 2014.

Following the launch of the strategy, the core design team embarked on the process of developing the implementation document for FINMAP - the prime implementation framework for PFM reforms.



Picture 10: The Rt. Hon. Prime Minister formally launching the PFM Reform Strategy. Looking on is the Hon. Minister of Finance, Planning & Economic Development, Ms. Maria Kiwanuka, the Deputy Secretary to the Treasury, Mr. Patrick Ocailap and, the EU Ambassador, H.E. Kristian Schmidt.



Picture 11: The Chair and Co-Chair of the PEMCOM with members of the core design team at the launch the Public Financial Management Strategy 2014/15 -17/18

The external audit exercise for FY 13/14 was undertaken and completed by the second quarter of the year. The Auditor General issued an unqualified opinion of the financial statements of the programme.

SECTION III: CAPACITY BUILDING

The programme supported a number of capacity building efforts for individual staff aimed at consolidating the sustainability of Government of Uganda's PFM reforms. This took the form of short training courses, study tours and conferences as well as attachments with government entities abroad as shown in the summary table below.

Table12: International Training and Conferences Sponsored in FY 2014/15

Trainee	Training	Country
Economic Planning and Management		
Moses Ogwapus	OECD Forum on Exchange of Information	Korea
Susan Nakagoro	International Trade Policy Analysis	United Kingdom
John Muheirwoha	Cash Management and Investment of Public Funds	Kenya
Claire Ninsiima Bashaasha	Tax Symposium on “Trends in International Taxation – an African Perspective	Zambia
Martin Nsubuga	Planning, Measuring and Managing Contingent Liabilities and Government Risks in Public Private Partnership Projects	USA
Francis Twinamatsiko	Leadership in International Development & Negotiations	USA
Wilson Asiimwe	Practical General Equilibrium Model. Online Advanced Techniques in General Equilibrium Model.	USA
Priscilla Kisakye	Macro-Econometric Modelling using E-views.	Czech Republic.
Wahab Ssesimba	Debt Management Strategies & Techniques.	Kenya
Stella Nabakooza	Principles of International Taxation	Netherlands
Fiduciary Management		
Lawrence Semakula	CISCO live Europe Event	Italy
Judith Kobusingye		
Fredrick Okwangale		
Bernadette Nakubuye	International consortium on Government Financial Management Conference	USA
Monica Mugisha	Oracle Database11g RAC administration Release 2	UAE
Sande Erasmus		
Daniel Lubowa	Oracle Database 11g Data guard Administration release 2	UAE
Mofaht Masaba	Oracle Grid Infrastructure 11g Manage Cluster ware and ASM Release 2	
Vivienne Kigozi	Performance Tuning Certified Expert	UAE
Leona Kwikiriza		
Stella Olinga	Oracle Security release 2	UAE
Public Procurement		
Simon Businge	Value for Money Auditing course, Organized by the Globe Management Training,	South Africa
Aggrey Amanyabyoona	Essentials of Contracting and contract management	South Africa
Martin Byamukama	Private Public Partnership training	South Africa
Dan Atuhaire		
Rebecca Nalubega Masajjage		
Diana Nalubuula		
Martin Byamukama		
Mr Stephen Busulwa	Public Financial Management and Best Practices Management	South Africa
Susan Basheija		
External Oversight		
Francis Masuba	Fraud and Cyber Crime	Israel
John Muyimbwa	Leaders in Development	USA

Trainee	Training	Country
Miriam Dhikusooka	Gender Audit Programme	Tanzania
Lawrence Muhanguzi		
Manasseh Kwihangana		
Agatha Akankunda	Sustainable energy fundamentals	USA
Gloria Nakibuuka Namugera	Citizen engagement and strategic communication	United Kingdom
Godfrey Bagoole	Effective Coaching, motivation & Professional Excellence	South Africa
Odyek Arido Marino	Advanced Financial Management and Accounting for Financial Managers/Officers in the Public and Private Sectors	South Africa
Florence Baleke	Public Private Partnership	USA
Anthony Kamuli		
Didas Tumuhairwe	Developing Strategic Skills for organizational growth	South Africa
Josephine Kiggundu Nikirijja		
Augustine Lubowa	Performance Audit	South Africa
Miriam Dhikusooka		
Bruno Ruberwa		
Robert Okee		
David B. Ndamulira	Performance Audit ¹³	Nigeria
Roselyne N. Mawanda		
Denny A. Muheise		
Ronald Mwesigwa	Forensic Audit	South Africa
Barbra Mutenyo Okurut		
Hillary Musinguzi		
Teddy Atim		
Carlvin Jim Kasigwa	Specialized Audit	South Africa
Martin Birungi		
Harold Serugooti		
Sylvia Birabwa	IT Security and Fraud	South Africa
Duncan Tusiime		
Sylvia Birabwa		
Ali Tagoole	Monitoring and Evaluation	United Kingdom
Gloria Nakibuuka Namugera	Strategic Public Relations Management	
Financial Management in Local Governments		
Onesmus Mulondo	Effective Project Management	Malaysia
Ismail Ahmed		
Program Coordination and management		
Daphne Nyakaisiki	Purchasing & Supply Chain Management	UAE
Michael Kiggundu	Supply Chain Management in Public Procurement	South Africa
Moses Ziwa	Supply Chain Management in Public Procurement	South Africa
Winifred Ainomugisha	Financial Management	Arusha
Ruth Komujuni	Advanced Records Management	Arusha
Patrick Kagaba	Negotiating Contracts Effectively	UAE
Yusuf Mawanda	Procurement of Consulting and Technical Expertise	UAE

¹³ This training was modular. These three trainees were awarded with Diplomas in Performance Audit after the third module (VFM Module 3). All courses were to take place in Nigeria but for ebola epidemic in September, they went to South Africa.

SECTION IV: RISK MANAGEMENT

Risk management is critical to ensuring that the implementation of the PFM reforms is exposed to a level of risk which is acceptable and manageable.

Below is an analysis of the key risks that were associated with the implementation of the programme during the year, including the sustainability of the reform activities. The risk mitigation strategy for FINMAP seeks to ensure sustainability of the reforms by: (i) designating PS/ST as the overall champion of the PFM reforms; (ii) assigning DST as the task manager for FINMAP III to ensure a high level commitment by MoFPED, the DPs and other stakeholders represented through the programme's components; (iii) actively engaging in the PEMCOM, now re-focused as a vibrant and effective forum for PFM reform coordination efforts

Table 13: Risk Assessment and Mitigation Measures as at end of FY14/15

Key Risks	Risk Rating	Risk Mitigation Strategy	Risk Mitigation Status	Risk Owner
Limited absorption of funds	Medium	Initiate procurement early and keep Components informed of absorption trends	The procurement unit followed up the initiation of procurement requests and provided regular updates to components. Funds absorption increased from 47 to 72 percent during the period.	Components & MSU
Limited resources (Financial , equipment and human) to promote efficiency in accomplishment of tasks	High	There is need for components to annually review their priority areas before the budgeting process	Components remain generally weak in prioritizing their activities, especially in light of the constrained resource envelope of the programme.	PS/ST and DPs
Poor attitude, commitment and ethics of staff	Medium	Continuous professional development, appraisal and counselling of staff	While the ethics of staff have generally remained high through professional training, morale under the programme remains mixed due to a combination of lack of monetary and non-monetary incentives.	
Poor internal and external communications e.g. Messages that are vague, contradictory, inaccurate, or ill-timed	Medium	Institute regular briefing for and ensure proper and timely communication flow and effective use of existing media platforms	This remains an area of improvement under the programme. Staffs need to improve on the timeliness, accuracy and appropriateness of their communication.	Components & MSU

Key Risks	Risk Rating	Risk Mitigation Strategy	Risk Mitigation Status	Risk Owner
High Staff turnover stemming from Human resource practices which may result in a hostile work environment, dis-incentive or cause poor staff morale	High	Implement a system that allows for upward feedback to Management and institute regular review of terms and conditions of service	This remains a major and pertinent area for improvement. There currently aren't adequate or functional mechanisms for upward feedback to management of issues pertaining to the staff of the programme. In addition, the terms and conditions of staff need to be reviewed to reflect the prevailing cost of living and comparable compensation.	Components & MSU
Disregard of regulations, policies and procedures by those in decision-making offices either out of ignorance or negligence.	Medium	Increase awareness about the need to observe laws, policies and procedures when making decisions	The MSU has made an effort to issue reminders on prevailing policies and procedures, through the issuance of a programme Human Resources manual.	Components & MSU

SECTION V: CHALLENGES AND LESSONS LEARNED

5.1. Challenges Faced

A number of challenges were faced during FY 2014/15. They were both strategic and operational in nature. These included:

- I. **Procurement:** Delays in procurement arising from a combination of delayed initiation of the procurement process and inadequate budgetary provisions for the best evaluated bids.
- II. **Expenditure Information:** The non-availability of timely and accurate activity level expenditure information undermined the capacity of the component's to make effective management decisions.
- III. **Training:** The combination of delayed submission of training plans by GoU and their late approval by PEMCOM meant that a number of scheduled trainings could not proceed as planned.
- IV. **Forex Rate Fluctuations:** The significant depreciation of the dollar against the shilling and the DPs currencies led to shrinkage in the availability of “real” funds available for activities that were to be paid for in American dollars – particularly, for the roll out of the various PFM systems – IFMS, CEMAS and IPPS.
- V. **Ambitious work planning:** Some of the components did not necessarily take into consideration their capacity limitations, especially in terms of available manpower and time to implement the activities they set out to implement in the approved plans.
- VI. **Staff attrition:** Again, the attrition of staff from the programme was relatively high during the year. It was markedly high in the Programme Coordination Office.

5.2. Lessons Learned

A number of lessons were learnt during FY 2014/15 as follows:

- I. Need for timely, comprehensive planning and budgeting. Planning and budgeting by components should be accorded the priority it deserves – being informed by past experiences in terms of capacity to implement the activities rather than availability of

funds. This is particularly vital following the enactment of the new PFM Act which limits the provisions for budget re-allocations.

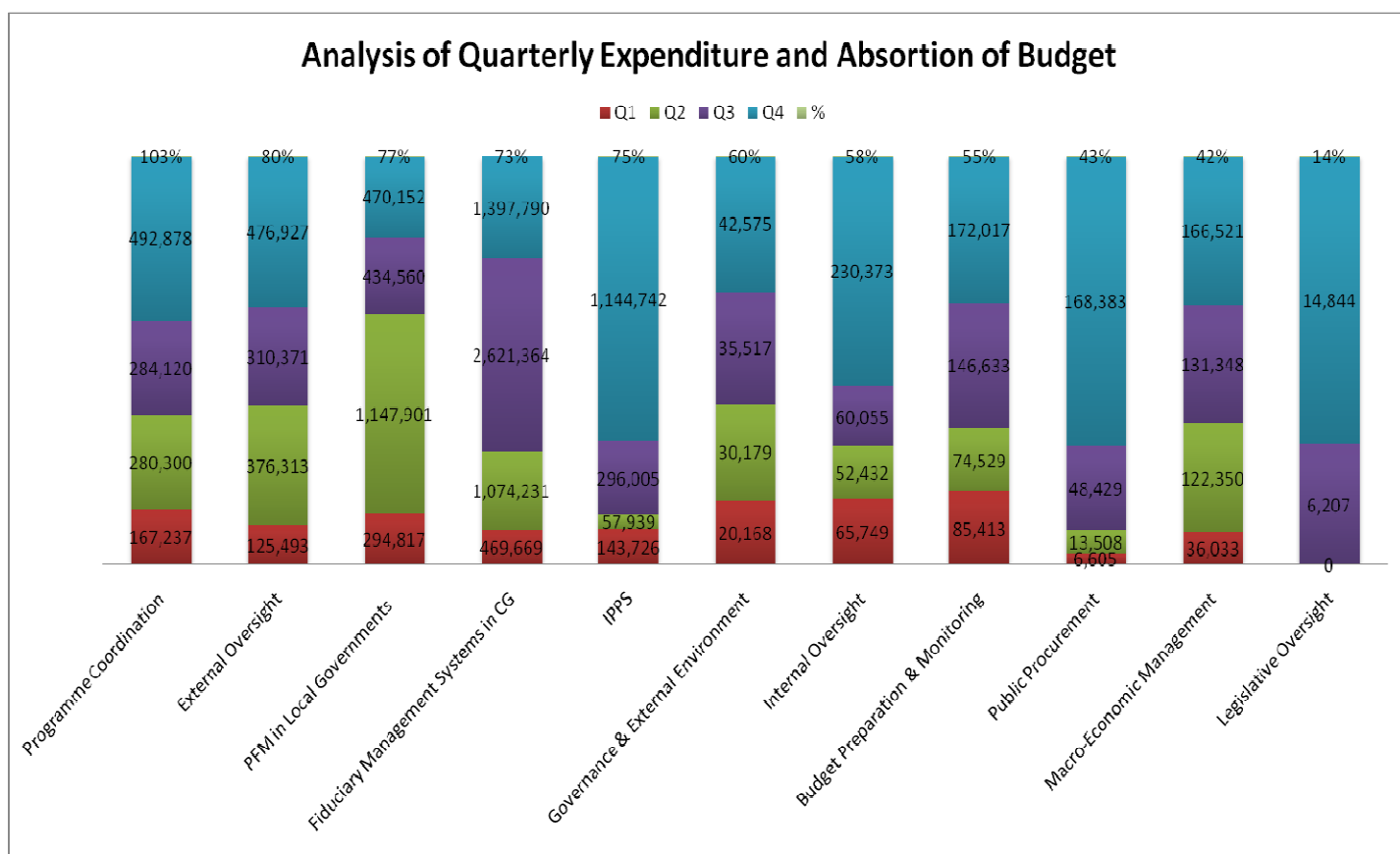
- II. To the extent possible, the activities of the programme (and the subsequent contracts signed) should be costed in Uganda shillings so as to mitigate the risks of foreign exchange fluctuations.
- III. The programme management should make an in-depth review of the work place incentives for staff (both monetary and non-monetary) so as to ensure that the programme remains attractive as an employer of choice within the accountability sector.

SECTION VI: EXPENDITURE ANALYSIS FOR FY2014/15

6.1 Summary of Expenditure by Component FY 2014/15

The overall absorption for FY 2014/15 was 77% percent. Some components registered comparatively high absorption levels notably external oversight and programme coordination. The lowest absorption was registered by component on legislative oversight. Figure 34 below highlights quarterly absorption by the component ranked from the highest to the lowest. The expenditure analysis by component is detailed out in Annex 2.

Figure 34: Expenditure Analysis by Component (USD)



Source: FINMAP Financial Records, 2015

SECTION VII: A SNAPSHOT VIEW OF PLANS FOR FY 2015/16

Table 14: Summary of Approved Work Plan and Budget FY 2015/16

COMPONENT 1: MACROECONOMIC MANAGEMENT			
	Key Output/ Activity	Budget (UGX)	Budget (USD)
1	Institutional Capacity in Macro-Economic Modelling Strengthened (Finalization of IMEM and DEA staff training) – This includes salaries of 2 Advisers and 2 Economists assistants	950,116,812	305,848
2	Conduct workshops to review and update the existing VAT and Income Tax Bills	37,278,000	12,000
3	Undertake task team meetings and workshop to update Policies and Laws on International Taxation	205,029,000	66,000
4	Conduct training for 75 URA staff in Tax Audit	108,727,500	35,000
5	Conduct training for DARC staff in analysis and management of ODA	46,597,500	15,000
	Total	1,347,748,812	433,848
COMPONENT 1B: DEBT & CASH MANAGEMENT			
	Key Output/ Activity	Budget (UGX)	Budget (USD)
1	Undertake functional training for 5 DDCM staff in cash & debt management and post graduate studies in PFM	68,343,000	22,000
2	Conduct one study tour for 4 DDCM staff to develop cash management policy and guidelines/procedures	93,195,000	30,000
3	Undertake a consultancy to develop cash management policy and guidelines/procedures	78,050,813	25,125
	Total	239,588,813	77,125
COMPONENT 2: BUDGET PREPARATION AND MONITORING			
	Key Output/ Activity	Budget (UGX)	Budget (USD)
1	Undertake consultative stakeholder workshops on Programme Based Budgeting Framework	155,325,000	50,000
2	Conduct training for staff of planning units at MDAs and LGs in budgeting (in line with national policy priorities and budget calendar)	124,260,000	40,000
3	Salaries of 50 Graduate Economists	1,587,520,908	511,032
4	Conduct training for two (2) selected staff in Strategic Planning	74,556,000	24,000
	Total	1,941,661,908	625,032
COMPONENT 3A: FIDUCIARY MANAGEMENT SYSTEMS IN CENTRAL GOVERNMENT			
	Key Output/ Activity	Budget (UGX)	Budget (USD)

1	IFMS Tier 1 Solution Rolled out to 5 Hybrid Sites, 12 Referral Hospitals & 15 Donor Funded Projects. (This includes consultant and staff salaries)	6,868,206,635	2,210,915
2	Computerized Education Management and Accounting System (CEMAS) rolled out to two additional PUSATIs	2,174,549,433	700,000
3	Support professional and functional training for accounting cadre in AGO & MDAs in accounting, financial reporting & emerging areas	96,301,500	31,000
4	Strengthen Inspectorate Function under AGO (Functional Staff Training and Purchase of Computer Equipment)	155,325,000	50,000
5	Undertake sensitization and training of accounting officers in LGs on Treasury Single Account (TSA) Framework	186,390,000	60,000
6	Develop and finalize the GoU Procurement Policy (Consultancy for development of implementation strategy for the policy and stakeholder consultations)	170,857,500	55,000
	Total	9,651,630,068	3,106,915
COMPONENT 3B: IMPROVED GoU PAYROLL, PENSION AND HUMAN RESOURCE MANAGEMENT			
	Key Output/ Activity	Budget (UGX)	Budget (USD)
1	IPPS rolled out to 10 selected MALGs (includes training of users, field support visits, and salaries for IPPS support team)	1,947,862,482	627,028
2	Implementation of the Biometric System for the GoU Payroll and Pensions	953,695,500	307,000
	Total	2,901,557,982	934,028
COMPONENT 4A: PUBLIC PROCUREMENT			
	Key Output/ Activity	Budget (UGX)	Budget (USD)
1	Undertake sensitization of stakeholders on the PPDA law	46,597,500	15,000
2	Design, Test and roll-out e-learning systems in PDEs	62,130,000	20,000
3	Undertake procurement audits in 20 selected entities	338,117,673	108,842
4	Conduct short-term in-country functional training for 15 PPDA staff	62,130,000	20,000
5	Conduct functional training for PDEs in effective contract management	31,065,000	10,000
6	Design and test E-procurement system	1,090,145,406	350,924
	Total	1,630,185,579	524,766
COMPONENT 4B: INTERNAL OVERSIGHT			
	Key Output/ Activity	Budget (UGX)	Budget (USD)
1	Enterprise Risk Assessor system rolled out to 50 remaining Central Government entities.	403,845,000	130,000
2	Develop an Internal Audit Compliance Monitoring Tool/Mechanism	124,260,000	40,000
3	Support 8 sectoral Audit Committees (Retainer fees, sitting allowances and functional training for members of audit committees)	497,040,000	160,000

4	Conduct professional training for Internal Audit cadre	62,130,000	20,000
	Total	1,087,275,000	350,000
COMPONENT 4C: EXTERNAL OVERSIGHT			
	Key Output/ Activity	Budget (UGX)	Budget (USD)
1	Design, construct and supervise the construction of OAG regional offices in Moroto and Hoima	2,274,467,466	732,164
2	Computer based audit and management information system (TEAMMATE) purchased for 100 CG and LG entities	3,293,125,496	1,060,076
3	Support staff training in professional accounting and specialized courses (CPA, ACCA, CIPFA, WGEA, Engineering Audits etc...)	2,502,950,541	805,714
4	Undertake sensitization of stakeholders in LGs on the findings of OAG audit reports	119,463,564	38,456
	Total	8,190,007,067	2,636,410
COMPONENT 4D: LEGISLATIVE OVERSIGHT			
	Key Output/ Activity	Budget (UGX)	Budget (USD)
1	Review and disseminate the Parliamentary hand book for Parliamentary Committees on PFM	31,065,000	10,000
2	Conduct in-house training for Parliamentary Staff in Public Financial Management	62,130,000	20,000
3	Support training of component coordination staff in monitoring and evaluation of the performance of PFM parliamentary committees	43,491,000	14,000
4	Undertake a consultancy to develop a Parliamentary Information Management system	217,455,000	70,000
5	Undertake a consultancy to digitalize the training programmes for the Institute of Parliamentary Studies (IPS) – to ease access by MPs and other stakeholders	83,875,500	27,000
	Total	438,016,500	141,000
COMPONENT 5: PUBLIC FINANCIAL MANAGEMENT IN LOCAL GOVERNMENTS			
	Key Output/ Activity	Budget (UGX)	Budget (USD)
1	Procure desktop computers, laptops and filing cabinets for the revenue units in 25 LGs and LGFC.	155,325,000	50,000
2	Develop a database for all potential revenue sources in 25 selected LGs	116,045,697	37,356
3	Conduct taskforce meeting to publish and disseminate the findings of the study on the sharing of the national aggregate revenue between the central government and the local government	19,881,600	6,400
4	Develop simplified LG Financial management guidelines	77,662,500	25,000
5	Conduct a three-day training workshop for 2 staff in each of the Urban LGs in basic accounting concepts and book keeping skills, financial management and reporting	93,195,000	30,000

6A	IFMIS Tier 2 solution rolled out to 16 Local Governments (Including Core Solution and WAN Lines)	13,962,164,250	4,494,500
7	Support professional and functional training for 70 Internal Audit staff in selected local governments.	154,608,115	49,769
8	Component Running and Coordination Costs (Contract Staff Salaries, Office Rent, Utilities, Vehicle Maintenance and Printing).	2,633,032,122	847,588
	Total	17,211,914,285	5,540,613
COMPONENT 6A: GOVERNANCE AND EXTERNAL ENVIRONMENT			
	Key Output/ Activity	Budget (UGX)	Budget (USD)
1	Facilitate ISN Technical Support team and other admin staff under the office of the Accounting Officer (Finance and Admin)	727,368,336	234,144
2	Support training for 2 staff in the office of the Accounting Officer to manage PFM reforms - post FINMAP	62,130,000	20,000
	Total	789,498,336	254,144
COMPONENT 6B: PROGRAMME COORDINATION			
	Key Output/ Activity	Budget (UGX)	Budget (USD)
1	Conduct annual component planning and budgeting workshop	77,662,500	25,000
2	Facilitate quarterly PTC, PEMCOM and Component Coordinators' Meetings	90,088,500	29,000
3	Fees for Annual Audit Exercise of FINMAP	62,130,000	20,000
4	Salaries for the staff of the Programme Coordination Office (Coordination, Planning, Monitoring, Finance, Admin and Procurement)	3,080,529,660	991,640
5	Non-Wage recurrent costs for the Programme Coordination Office (Vehicle maintenance, Printing, Utilities, Fuel etc.)	512,572,500	165,000
	Total	3,822,983,160	1,230,640
	Grand total	49,252,067,509	15,854,520

ANNEX 1: PERFORMANCE ANALYSIS OF PROGRAMME OUTCOMES

Component 1: Macroeconomic Management					
Results Chain	Performance Indicators	Data Source	Baseline FY 13/14	Target FY14/15	Actual FY14/15
Final PFM Outcomes					
Resource Inflows Increased	Tax Revenues as percentage of GDP	Government Finance Statistics	11.74%	12.69%	13.00%
	% of International trade taxes to GDP		5.19%	5.68%	5.80%
	% of Non Tax Revenue to GDP		0.19%	0.27%	0.28%
	% of National Budget funded from domestic revenue		71.50%	81.80%	88.00%
National Debt Sustained	Fiscal deficit as a percentage of GDP	Government Finance Statistics	-4.20%	7.60%	4.60%
	Total Public Debt Stock as a percentage of GDP		34.70%	36.00%	30.60%
	External debt stock / GDP		18.10%	22.40%	16.90%
Specific Reform Objectives (SROs)					
SRO 1.1: Improve the forecasting of macroeconomic aggregates	Difference (in percentage points) between GDP growth projections and actual GDP growth	Government Finance Statistics	0.80%	5.30%	5.00%
	Difference (in percentage points) between inflation projections and inflation (headline) outturn		0.50%	5.00%	4.90%
SRO 1.2: Improve the quality of revenue forecasts and revenue monitoring and evaluation framework	% of revenue variance between original approved budget and actual out turn		6.86%	0.5	1.60%
SRO 1.3: Widen the tax base and improve tax administration	% of revenue realised from new measures against the set target		56%	98	77%
SRO 1.4: Improve the quality and timeliness of reporting on ODA	No. of DPs submitting quarterly projected disbursement with 10th of the next quarter	Government Finance Statistics	10%	20%	40%
	No. of DPs submitting outturns by the 15th of the next month	Government Finance Statistics	10%	20%	30%
SRO: 1.5 Improve the quality and timeliness of debt analysis	Quality Debt Sustainability Analysis Report; Quality Medium Term Debt Management Report	Debt Analysis Reports (DSA and MTDM)		1	

Component 2: Budget Preparation and Monitoring					
Results	Performance Indicators	Data Source	Baseline FY 2013/14	Target FY14/15	Actual FY14/15
Final Outcome					
Allocated funds utilized as planned	% of funds utilized against the funds released	Annual Budget Performance Report	88%	90%	96%
	% of funds released against originally approved budget		103%	95%	88%
	% of funds utilized against originally approved budget		69%	75%	96%
Budget credibility, transparency and comprehensiveness with predictability and control in execution	Arrears as a % of total expenditures FY N-2		7.00%	5%	1%
	Net Change in the Stock of Domestic Arrears (Billions of Ushs)		-500	-80	-177
	Total value of supplementary appropriations as a % of approved budget		5%	3%	4%
Specific Reform Objectives (SROs)					
SRO 2.1: Improve the timeliness and accuracy in budget preparation	% of MDAs submitting budgets on time	Annual Budget Performance Reports	100%	100%	100%
	% of LGs submitting budgets on time		38%	45%	Not Available
SRO 2.2: Improve the timeliness and quality of budget analysis, monitoring and evaluation	% of MDAs submitting budget performance reports on time		92%	94%	85%
	% of LGs submitting budget performance reports on time		92%	94%	Not available
SRO 2.3: Improve the timeliness and quality of project design, appraisal, monitoring and evaluation	% of projects (unconditionally) approved by the development committee	Minutes of the Development Committee Meetings	65%	81%	80%
SRO 2.4: Improve the timeliness and quality of Public Private Partnership-based project designs in MDAs	% of PPP projects (unconditionally) approved by the development committee		N/A	40%	N/A

COMPONENT 3A: FIDUCIARY MANAGEMENT SYSTEMS IN CENTRAL GOVERNMENT					
Results	Performance Indicators	Data Source	Baseline FY 13/14	Target FY14/15	Actual FY14/15
Final Outcome					
Improved compliance and Accountability	% of clean audit reports (CG)	Annual OAG Reports	58%	62%	70%
	% of clean audit reports (Statutory bodies)	Annual OAG Reports	41%	64%	60%
Improved Value for Money	% of contracts audited (by	VFM Audit	28.5%	50%	60%

in Public Procurement	value) rated satisfactory	reports			
Specific Reform Objectives (SROs)					
SRO 3.1: Improve the timeliness, quality and comprehensiveness of financial Reporting by Central Government entities	% of MDAs submitting financial reports on time (3 months after end of FY) - IFMS/Tier1	Annual Statutory Financial Reports	85%	100%	23%
	% of Foreign Missions financial reports on time (3 months after end of FY) - Microsoft Navision	Annual Statutory Financial Reports	96.97%	100%	63.40%
	% of MDA and PUSATI financial reports in compliance with Public Finance and Accounting Regulations	Annual Internal Audit/Inspection Report	58%	62%	70%
	% of MDAs (excluding DFPs) Budget executed using automated Financial Management Systems (IFMS, CEMAS & Microsoft Navision)	National Budget Book	99%	100%	99%
SRO 3.3: Harmonize PFM Legal Framework	New Public Finance Law enacted by FY2014/15	Publication of the Law	-	1	1
SRO 3.4: Institutionally strengthen the Public Procurement Function	National Public Procurement Policy Issued by FY2014/15	Publication of the Policy	-	1	0.514
	% of Contracts with complete records	Public Procurement Measurement System (PPMS)	21%	40%	-15
	% of contracts completed within the original contract time		72%	85%	81%
COMPONENT 3B: PAYROLL, PENSIONS AND HUMAN RESOURCES MANAGEMENT					
Results	Performance Indicators	Data Source	Baseline FY13/14	Target FY14/15	Actual FY14/15
Final Outcome					
Specific Reform Objectives (SROs)					
SRO 4.1: Timely and Accurate GoU Payroll and Pensions Processing and Payments	% variance in LGs between Wage Value processed on IPPS and that paid on IFMS	IPPS and IFMS (AGO) records	30	10	10
	% variance in MDAs between Wage Value processed on IPPS and that paid on IFMS		20	5	2
	Number of months in which all MDAs and LGs effected salary payments by 28th		1	10	12

¹⁴ Draft policy was finalized and will be submitted to Cabinet in August 2015.

¹⁵ Actual data is awaiting finalisation of PPDA annual report which is the means of verification document.

	of the month				
COMPONENT 4A: PUBLIC PROCUREMENT					
Results	Performance Indicators	Data Source	Baseline FY13/14	Target FY14/15	Actual FY14/15
Final Outcome					
Value for money in public procurements increased	% of Entities rated satisfactory from procurement audits	PPDA Annual Procurement Audit Reports	29	43	23
	% of contracts audited (by value) that is rated satisfactory		28.5	50	16 ¹⁶
	% of contracts delivered within contract value (no variations)		72	100	81
Specific Reform Objectives (SROs)					
SRO 5.1: Compliance with public procurement Legal and regulatory frameworks improved	% of contracts subjected to open competition (by contract value) above national threshold	Public Procurement and Measurement System (PPMS) reports and Follow up Reports	88	100	50
	% of Entities submitting procurement plans on time in prescribed format.		70	100	81
	% of Procurement audit and investigations recommendations implemented by Entities		77	80	55
COMPONENT 4B: INTERNAL OVERSIGHT					
Results	Performance Indicators	Data Source	Baseline FY 13/14	Target FY14/15	Actual FY14/15
Final Outcome					
Implementation of internal audit recommendations increased	% of internal audit recommendations in MALGs implemented	Annual consolidated Internal Audit report	58	72	63.3
Specific Reform Objectives (SROs)					
SRO 6.1: Improved timeliness and quality of internal audit reports, including follow up of Internal Audit and Audit Committee recommendations	% of Internal audit reports submitted to stakeholders within the stipulated period (August N-Y)	Annual consolidated Internal Audit report	TBD	95%	60%
	% of Internal audit reports complying with the required standards (as peer reviewed by Institute of Internal		TBD	100%	100%

¹⁶ There was a change in the criteria where more parameters like posting on the tender portal and PPMS were added to the criteria of a satisfactory Entity

	Auditors)				
	% of MDAs audited by IA		TBD	100%	100%
	% of Internal Audit Sectoral committee reports issued during the year		TBD	100%	75%
COMPONENT 4C: EXTERNAL OVERSIGHT					
Results	Performance Indicators	Data Source	Baseline FY13/14	Target FY14/15	Actual FY14/15
Final Outcome					
Specific Reform Objectives (SROs)					
SRO 7.1: Improve the timeliness and quality of external audit reporting and follow-up of recommendations	% of external audit (both LG and CG) reports submitted to Parliament within the statutory period	Annual Report of the Auditor General	67%	95%	96%
	% of entities audited against plan	Annual Report of the Auditor		100%	189%
	% of sampled external audit reports complying with ISSAls	Annual OAG Post Issuance Review Report	50%	60%	Not available
	Questionable expenditure as a percentage of total GoU expenditure	Extracts of the summary of key findings in the Annual Report of the Auditor General	8.9	7.5	6
COMPONENT 4D: LEGISLATIVE OVERSIGHT					
Results	Performance Indicators	Data Source	Baseline FY13/14	Target FY14/15	Actual FY14/15
Final Outcome					
Enhanced Parliamentary oversight	No of financial reports of the Accountability Committees adopted by Parliament and submitted to the Executive as % of reports tabled in the plenary	Parliamentary Records, Annual Government Performance Report, Annual Reports of the Auditor General	65	70	50
	No. of VFM reports adopted by Parliament and submitted to the Executive as % of reports tabled in the plenary		65	70	50
	% of Treasury Memoranda audited by OAG against one issued		-	25	0
	% of actions taken			25	0

	reported in the treasury memoranda in line with the Parliamentary resolutions.		-		
	Average satisfaction rating from an annual sample of key informants on the quality and impact of parliamentary actions		-	50	0
Specific Reform Objectives (SROs)					
SRO 8.1: Improved legislative scrutiny of the budget and audit reports	% of Budget committee reports submitted within the statutory time	Parliamentary Records	100	100	100
	% of financial and VFM audit reports scrutinised by Parliamentary Accountability Committees within the statutory period		65	70	50
COMPONENT 5: PUBLIC FINANCIAL MANAGEMENT IN LOCAL GOVERNMENTS					
Results	Performance Indicators	Data Source	Baseline FY 13/14	Target FY14/15	Actual FY14/15
Final Outcome					
Resource inflows increased in LGs	Rural local Government local Revenue as % of LG Budgets	LG Audited Final Accounts	3%	5%	2.10%
	Urban local Government local Revenue as % of LG Budgets		20%	25%	8.40%
Improved compliance and Accountability	% of clean HLG audit reports	Annual OAG Reports	37%	45%	69%
Specific Reform Objectives (SROs)					
SRO 9.1: Improve revenue planning and analysis in LGs.	% of revenue variance between approved budget and actual outturn for LGs	LG Audited Annual Final Accounts	73%	75%	76%
	% of actual transfers to LGs compared to transfers budgeted	MoFPED Background to the Budget	97%	100%	100%
SRO 9.2: Improve financial reporting in LGs	% of H LGs submitting financial reports on time (within 3 months after end of FY)	OAG Annual Reports	100%	100%	100%
	% of clean HLG audit reports	OAG Annual Reports	37%	45%	69%
SRO 9.3: Improve the timeliness and quality of internal auditing	% of LGs submitting quarterly IA reports on time	MOLG Inspection Reports	60%	70%	67%
SRO 9.4: Improve the timeliness and quality of reporting by LGPACs	% of LGPACs submitting quarterly reports to their councils	MOLG Inspection Reports	50%	60%	40%

ANNEX 2: DETAILED ACTIVITY LEVEL EXPENDITURE ANALYSIS

Description	Budget (USD)	Total Expenditure as at 30th June 2015 (USD)	Total expenditure as % of budget
01.01 Develop and implement the Integrated Macro-Economic Model	357,000	75,222	21%
01.03 Conduct training of DEA staff in economic policy and analysis	10,000	11,600	116%
01.04 Technical support to macro-economic management	221,208	218,774	99%
01.06 Re-tool offices of TPD and URA	19,257	1,062	6%
01.07 Prepare and publish revenue estimates book	65,000	25,292	39%
01.12 Undertake a review of the existing policies on international taxation	52,000	21,277	41%
01.13 Capacity of URA staff in International taxation and Tax Audit Strengthened (incl long TA in tax audit)	110,000	370	0%
01.15 Finalize the framework for aid management	43,600	4,105	9%
01.16 Roll out the Public Investment Management System (PIMIS)	130,912	56,721	43%
01.17 Conduct training for staff in cash and debt management, sustainability & analysis	48,000	19,475	41%
01.19 Develop Debt regulations	5,970	17,910	300%
01.20 Conduct sensitization on public debt strategy	20,000	26,718	134%
Component 01: Macro-Economic Management	1,082,947	478,156	44%
02.01 Develop a simplified version of the guidelines on the budget process and the national budget	90,000	15,461	17%
02.02 Publish the annual revenue and expenditure reports for each local government	6,000	0	0%
02.06 Conduct training in budgeting and reporting for heads of planning units at MALGs and projects	48,000	55,698	116%
02.07 Conduct training for budget directorate staff in strategic planning (including alignment with the NDP)	65,000	32,548	50%
01.08 Technical support to budget preparation and monitoring	517,646	358,426	69%
01.08 Technical support to budget preparation and monitoring	517,646	358,426	69%

Description	Budget (USD)	Total Expenditure as at 30th June 2015 (USD)	Total expenditure as % of budget
02.09 Develop a guide for budget performance monitoring and evaluation	70,000	0	0%
02.11 Train staff in MoFPED and other MDAs, LGs and CSOs in monitoring, evaluation and reporting on budget performance	30,000	4,170	14%
02.11 Train staff in MoFPED and other MDAs, LGs and CSOs in monitoring, evaluation and reporting on budget performance	30,000	4,170	14%
02.13 Roll out automated OBT in all MALGs	12,290	12,290	100%
02.14 Develop institutional capacity in project cycle management for public investments	15,000	0	0%
02.14 Develop institutional capacity in project cycle management for public investments	15,000	-00	0%
Component 02 Outputs: Budget Preparation And Monitoring	853,936	478,592	56%
03.01 Deploy IFMS tier 1 solution and provide technical support in hybrid sites, referral hospitals & donor funded projects	3,451,299	2,685,580	78%
03.02 Undertake system reviews and audits	105,797	103,714	98%
03.02 Undertake system reviews and audits	105,797	109,295	103%
03.03 Update the data centre with computer hardware and software	433,459	367,711	85%
03.04 Determine system integration requirements of IFMS with other PFM systems	25,000	2,177	9%
03.04 Determine system integration requirements of IFMS with other PFM systems	25,000	2,177	9%
03.06 Implement the de-centralized salary payment to remaining MALGs	343,820	545,990	159%
03.07 Procure, test and roll out CEMAS solution to 8 PUSATIs	2,877,839	1,896,786	66%
03.08 Conduct training programmes for accounting cadre in AGO staff & MDAs in accounting, compliance monitoring, professional certification, financial reporting & emerging areas	16,620	17,513	105%
03.08 Conduct training programmes for accounting cadre in AGO staff & MDAs in accounting, compliance monitoring, professional certification, financial reporting & emerging areas	59,313	45,554	77%
03.12 Implement the noncurrent assets module of IFMS in MDAs	7,500	12,577	168%
03.13 Disseminate the new public finance act	15,000	11,698	78%
03.14 Develop and disseminate new PFM regulations and guidelines	0	18,465	

Description	Budget (USD)	Total Expenditure as at 30th June 2015 (USD)	Total expenditure as % of budget
03.15 Develop and implement TSA framework for Donor Funded Projects	48,444	58,768	121%
03.17 Print and disseminate the public the procurement policy	15,000		0%
03.18 Conduct a sensitization workshop for stakeholders on the public procurement policy	10,531	38,081	362%
03.19 Conduct spend analysis undertaken in key selected PDEs	50,000	1,356	3%
03.20 Develop the implementation strategy for the public procurement policy	12,500	1,371	11%
03.21 Develop and implement a case management system for the tribunal	40,000	0	0%
03.22 Draft the IPPU bill	6,000	8,867	148%
03.23 Conduct professional training (CIPS) for procurement cadre in PDEs	18,000	30,979	172%
Component 03 Outputs: Fiduciary Management Systems in CG	7,519,501	5,835,255	78%
04.01 Existing IPPS Supplier Support and Maintenance Contracts for the IPPS Business Application, EDMS, UTL, Generator, Air Conditioners, Security and Access Control Systems for the Data Centre, and Functional Support to the existing 39 Sites	570,267	420,372	74%
04.02 Rollout of the IPPS to 52 VOTES	261,919	340,683	130%
04.02 Rollout of the IPPS to 52 VOTES	443,919	437,178	98%
04.03 Operationalize the Pensions Management module, training and capacity building	231,932	621,718	268%
04.05 Functional and technical support to IPPS	80,000	68,094	85%
04.05 Functional and technical support to IPPS	516,824	392,367	76%
Undertake a consultancy to implement GoU Biometric payroll system	175,000	175	0%
04.08 Upgrade Security of the IPPS Infrastructure Software (HP Data Protector, HP Open View, Intrusion Prevention Sensor Licenses-IPS, Back-up systems, anti-virus software etc)	28,000		0%
04.09 Enhance the IPPS Data Centre Hardware and systems	120,000	240,000	200%
04.09 Enhance the IPPS Data Centre Hardware and systems	120,000	240,000	200%
04.10 Setup IPPS Offices	125,000	125,000	
Component 04 Outputs: IPPS	2,210,943	2,236,809	101%
05.03 Develop a database for all potential revenue	82,500	9,813	12%

Description	Budget (USD)	Total Expenditure as at 30th June 2015 (USD)	Total expenditure as % of budget
sources in selected LG			
05.06 Review of grants allocation formulae for LG; publish and disseminate the simplified version	40,000	759	2%
05.10 Develop simplified LG Financial management guidelines	29,000	18,063	62%
Develop revised LG financial and accounting regulations, manuals and guidelines	46,400		0%
05.13 Enhance HLG capacity in basic accounting concepts and book keeping skills	50,000	51,105	102%
05.15 Deploy tier 2 solution and provide technical post-implementation support to the LGs (funded under FINMAP)	1,325,000	908,587	69%
05.15 Deploy tier 2 solution and provide technical post-implementation support to the LGs (funded under FINMAP)	2,611,869	2,081,801	80%
05.17 Develop and disseminate the LG inspection manual	38,560	38,636	100%
Undertake field visits to provide technical support to IFMS Tier 1 and Tier 2 sites in LGs	60,000	84,989	142%
05.21 Support Institute of Internal Auditors(Uganda) to Undertake short courses in specialised areas of internal audit for cadre in LGs - see also under IA of Central Government	15,000	12,764	85%
05.22 Undertake professional training for IA cadre - (CIA)	30,000	32,769	109%
ct a needs assessment for local governments public accounts committees	40,000	16,730	42%
Component 05 Outputs: PFM in Local Governments	3,043,329	2,347,430	77%
06.01 IEC materials and tools for the PPDA law	107,500	43,174	40%
06.02 Amend the PPDA LG regulations	30,000	0	0%
06.02 Amend the PPDA LG regulations	30,000		0%
06.03 Amend PPDA LG guidelines and SBDs	20,000	-00	0%
06.06 Review, upgrade and regular monitoring of the PPMS in PDEs	20,000	11,676	58%
06.07 Undertake procurement audits in selected entities	120,380	65,170	54%
06.08 Conduct functional training for PPDA staff	86,500	9,735	11%
06.08 Conduct functional training for PPDA staff	131,500	34,330	26%
06.09 Conduct training for PDEs in contract management	20,000	28,779	144%
06.09 Conduct training for PDEs in contract management	20,000	28,779	144%
06.10 Design, test and implement e-procurement system	32,064	7,012	22%

Description	Budget (USD)	Total Expenditure as at 30th June 2015 (USD)	Total expenditure as % of budget
across government			
06.10 Design, test and implement e-procurement system across government	65,064	32,111	49%
06.11 Provide technical support to PFM reforms in public procurements	20,954	21,686	103%
Component 06 Outputs: Public Procurement	535,398	236,925	44%
07.01 Enterprise Risk Assessor system rolled out to remaining to remaining CG entities.	107,000	51,779	48%
07.02 Twin with a reputable firm or institutions to undertake performance and IT audits for staff.	45,000	-00	0%
07.03 Retooling IA directorate to effectively conduct IT and performance audits.	20,000	39,070	195%
07.04 Conduct capacity needs assessment and develop CDP.	15,000	0	0%
07.05 Partner with the Institute of Internal Auditors and create focus groups that continuously monitor, train and conduct quality assurance of Internal Audit Function both in central and local governments.	50,000	33,695	67%
07.06 Development of indicators to determine compliance with IA recommendations	20,000	0	0%
07.07 Procure audit and risk management tools	106,284	93,316	88%
07.08 Development of a Risk Management strategy	4,500	1,371	30%
07.11 Stock the institute of internal auditors	40,000	40,321	101%
07.13 Conduct bi-annual workshops and seminars as part of continuous professional development for IA cadre	40,000	10,815	27%
07.14 Develop regulations for operationalizing the internal audit provisions within the PFM Act	24,000	25,399	106%
07.15 Provide institutional support to the sectoral internal audit committees	144,000	106,123	74%
07.16 Revise and update internal audit and audit committee charters.	10,000	0	0%
07.17 Conduct benchmarking studies on IA with other countries in the region and overseas	20,000	4,718	24%
07.18 Conduct professional training for IA cadre e.g. CIA, ACCA, CISA, CIPS, CFE & CPA	54,000	2,003	4%
07.20 Develop and Implement in-house capacity enhancement programme for Inspectors on work planning, inspection/monitoring and reporting	12,500	0	0%
07.21 Re-tool the inspectorate function	12,000	0	0%
Component 07 Outputs: Internal Oversight	724,284	408,609	56%
08.01 Design, construct and supervise the construction of	855,446	934,651	109%

Description	Budget (USD)	Total Expenditure as at 30th June 2015 (USD)	Total expenditure as % of budget
3 OAG regional offices in Mbarara, Moroto and Hoima			
08.02 Acquire and deploy TEAMMATE and related training	334,000	334,000	100%
08.03 Train staff in IT audit	10,000	0	0%
08.05 Conduct staff training in professional accounting certification courses	63,450	41,548	65%
08.06 Build the capacity of staff in specialised audits	133,996	84,295	63%
08.07 Staff trained in management of forensic investigation and submission	15,000	21,352	142%
08.07 Staff trained in management of forensic investigation and submission	27,472	21,352	78%
08.08 Build the capacity of Stakeholders in utilisation of audit reports	95,316	115,948	122%
08.09 Conduct a leadership and management program for Senior managers	34,000	30,856	91%
08.10 Staff trained in building and strengthening of internal financial management processes, legal proceedings that affect the Auditor General and the office, effective communication with stakeholders and monitoring and evaluation.	53,778	50,807	94%
Component 08 Outputs: External Oversight	1,607,458	1,613,458	100%
09.01 Review and disseminate the Parliamentary hand book for Parliamentary Committees on PFM	30,000	-00	0%
09.04 Enhance capacity of PFM secretariat in parliament	13,600	14,377	106%
09.05 Develop and Operationalize a Parliamentary Information Management system with information tracker functionality for committee reports among others	60,000	-00	0%
09.06 Development and implementation of PFM modules and manuals & related training of oversight committees	30,000	6,493	22%
09.08 Support the piloting of PFM module on an online platform	15,000		0%
Component 09 Outputs: Legislative Oversight	148,600	41,920	28%
10.01 Maintain the information sharing network in MoFPED	175,347	121,042	69%
10.02 Enhance capacity in risk based internal audit, project management, appraisal	40,000	7,398	18%
Component 10 Outputs: Governance and External Environment	215,347	128,439	60%
11.01 Develop annual component plans and budgets	4,086	37,352	914%
11.03 Monitor programme implementation	675	18,430	2730%
11.07 Undertake financial reporting and audit of the	10,609	21,734	205%

Description	Budget (USD)	Total Expenditure as at 30th June 2015 (USD)	Total expenditure as % of budget
programme			
11.09 Undertake end of programme evaluation	20,000	0	0%
11.10 Provide overall programme coordination	725,340	713,326	98%
11.11 Provide technical support to PFM reform communication and change management strategy	59,500	71,843	121%
11.12 Purchase furniture for the MSU offices	35,000	26,175	75%
11.13 MSU Operating Costs (Utilities, Fuel, Stationery, meetings)	139,871	166,568	119%
11.14 Purchase of computer equipment	35,605	23,579	66%
11.15 Purchase of Motor Vehicles	80,000	79,999	100%
11.16 Enhance the capacity of staff to effectively coordinate the programme reform activities	80,000	76,138	95%
Component 11 Outputs: Programme Coordination	1,190,686	1,235,143	104%
	19,132,429	14,786,098	77%

ANNEX 3: DETAILED STATUS OF IFMS IMPLEMENTATION

IFMS Tier 1 (Pilot LGs) Completed			
1	Lira District Local Government	3	Jinja District Local Government
2	Bushenyi District Local Government		
IFMS Tier 1 (1st Rollout) Completed			
4	Soroti District Local Government	7	Masaka District Local Government
5	Mbale District Local Government	8	Mbarara District Local Government
6	Mpigi District Local Government		
IFMS Tier 1 (2nd Rollout) Completed			
9	Arua District Local Government	12	Gulu District Local Government
10	Rakai District Local Government	13	Kabale District Local Government
11	Wakiso District Local Government	14	Tororo District Local Government
IFMS Tier 2 (Pilot) Completed			
15	Nebbi District Local Government	18	Luwero District Local Government
16	Kumi District Local Government	19	Mubende District Local Government
17	Iganga District Local Government	20	Ntungamo District Local Government
IFMS Tier 2 (1st Rollout) Completed			
21	Rukungiri District Local Government	40	Lugazi Town Council
22	Kyenjojo District Local Government	41	Masaka Municipal Council
23	Bundibugyo District Local Government	42	Mbarara Municipal Council
24	Kisoro District Local Government	43	Soroti Municipal Council
25	Sembabule District Local Government	44	Mbale Municipal Council
26	Masindi District Local Government	45	Lira Municipal Council
27	Kitgum District Local Government	46	Fortportal Municipal Council
28	Apac District Local Government	47	Kabale Municipal Council
29	Adjumani District Local Government	48	Tororo Municipal Council
30	Pader District Local Government	49	Arua Municipal Council
31	Busia District Local Government	50	Gulu Municipal Council
32	Nakasongola District Local Government	51	Entebbe Municipal Council
33	Kapchorwa District Local Government	52	Moroto Municipal Council
34	Pallisa District Local Government	53	Mukono District Local Government
35	Bugiri District Local Government	54	Kabalore District Local Government
36	Kalangala District Local Government	55	Kotido District Local Government
37	Jinja Municipal Council	56	Hoima District Local Government
38	Hoima Municipal Council	57	Kamuli District Local Government
39	Mukono Municipal Council		
IFMS Tier 2 (2nd Rollout LGs) FY 2015/16 On going			
58	Moyo DA	66	Kanungu DA
59	Koboko DA	67	Kasese DA
60	Moroto DA	68	Kibale DA

61	Kotido DA	69	Kayunga DA
62	Sironko DA	70	Mityana DA
63	Lyantonde DA	71	Nakaseke DA
64	Ibanda DA	72	Kiboga DA
65	Kiruhura DA	73	Mayuge DA
IFMS Tier 2 (3rd Rollout) FY 2016/17 Planned			
74	Kaliro DA	90	Rukungiri MC
75	Kaberaimaido DA	91	Amuru DA
76	Dokolo DA	92	Budaka DA
77	Butaleja DA	93	Bududa DA
78	Bukedea DA	94	Nakapiripirit DA
79	Isingiro DA	95	Amolatar DA
80	Amuria DA	96	Manafa DA
81	Yumbe DA	97	Bukwo DA
82	Kaabong DA	98	Abim DA
83	Kiryandongo DA	99	Namutumba DA
84	Kasese MC	100	Oyam DA
85	Iganga MC	101	Amudat DA
86	Busia MC	102	Buikwe DA
87	Bushenyi-Ishaka MC	103	Buyende DA
88	Ntungamo MC		
89	Masindi MC		
IFMS Tier 2 (4th Rollout LGs) FY 2017/18 -Planned			
104	Kyegegwa DA	120	Butambala DA
105	Lamwo DA	121	Lwengo DA
106	Otuke DA	122	Mitooma DA
107	Zombo DA	123	Rubirizi DA
108	Alebtong DA	124	Sheema DA
109	Bulambuli DA	125	Buhweju DA
110	Buvuma DA	126	Ngora DA
111	Gomba DA	127	Napak DA
112	Maracha DA	128	Kibuku DA
113	Buliisa DA	129	Nwoya DA
114	Luuka DA	130	Kole DA
115	Namayingo DA	131	Agago DA
116	Ntoroko DA	132	Kween DA
117	Serere DA	133	Kyankwanzi DA
118	Kalungu DA		
119	Bukomansimbi DA		

IFMS Rollout Sites at July 1, 2015 - Readiness Status

No	MINISTRIES/DEPARTMENTS/AGENCIES AND DFPs	Location	Done
1	Equal Opportunities Commission	Bugolobi	✓
2	National Animal Genetic Resource Centre & Data Bank	Entebbe	✓
3	Uganda National Examinations Board (UNEBC) Not on original list, added later	Kampala	✓
4	Rural Electrification Agency	Kampala	✓
5	Uganda Coffee Development Authority	Kampala	✓

6	Competitive and Investment Climate Strategy	MoFPED	✓
	REFERRAL HOSPITALS		
1	Kabale Referral Hospital	Kabale	✓
2	Mbarara Referral Hospital	Mbarara	✓
3	Masaka Referral Hospital	Masaka	✓
4	Hoima Referral Hospital	Hoima	✓
5	Fort Portal Referral Hospital	Fort	✓
6	Mubende Referral Hospital	Mubende	✓
7	Arua Referral Hospital	Arua	✓
8	Gulu Referral Hospital	Gulu	✓
9	Naguru Referral Hospital	Naguru	✓
10	Moroto Referral Hospital	Moroto	✓
11	Jinja Referral Hospital	Jinja	✓
12	Soroti Referral Hospital	Soroti	✓
	DONOR FUNDED PROJECTS		
1	UPDF Peace Keeping Mission in Somalia (AMISOM)	MOD	✓
2	North Eastern Road-corridor Asset Management Project (NERAMP)	UNRA	✓
3	Second Kampala Institutional and Infrastructure Development Project (KIIDP II)	KCCA	✓
4	Health Systems Strengthening for HIV/AIDS (HSS-HIV/AIDS)	MOH	✓
5	Uganda Albertine Region Sustainable Development Project (UARSDP) ¹⁷	MEMD	X
6	Water Management and Development Project (WMDP)	MOWE	✓
7	Agriculture Cluster Development Project (ACDP)	NARO	✓
8	Uganda Teacher and School Effectiveness Project (UTSEP)	MOES	✓
9	Uganda Support to Municipal Infrastructure Development Project (USMIDP)	MOLHUD	✓
10	Improvement of Health Facilities at Mulago Hospital (IHFMHRH)	MOH	✓
11	Enhancing National Food Security through Increased Rice Production (ENFSRPP)	MOAAIF	✓
12	Improving training of TVET Instructors, Health Tutors & Secondary Teachers in Uganda (ITTHSU)	MOES	✓
13	Vegetables Oil Development Project Phase 2 (VODP II)	MOAAIF	✓
14	Regional Integration Implementation Programme (RIIP) Support for Uganda (RIIP)	MTIC	✓
15	Second Private Sector (Competitive and Enterprise Development Program) CEDP	Kampala	✓

17 Not done. Project was planning to relocate offices

ANNEX 4: STATUS OF IMPLEMENTATION OF FY 13/14 EXTERNAL AUDIT RECOMMENDATIONS

Area	Audit observation	Auditor Recommendation	General's Update on action Taken by 30 June 2015
Compliance with Withholding Tax	We noted instances where withholding tax was not deducted from some payments made to suppliers of goods and services yet these suppliers are not exempted from withholding tax. Non compliance with all the provisions of the Income Tax Act may lead to heavy penalties and interest being imposed on the project by the relevant authorities	All the provisions of the tax laws should be complied with in order to avoid associated penalties and interest.	Of the six instances noted, withholding tax has subsequently been recovered from four of the suppliers. Recovery is yet to be made from two suppliers whom we have not dealt with this Financial Year. In all other instances this Financial Year, withholding Tax is remitted to URA as appropriate.
Cash Receipts	We noted that there is cash for sale of bids and cash refunds on accountability that is receipted at office. However these receipts are not banked regularly by the accounts officer in charge. The reason for doing it like this was not explained.	Cash being the most tempting asset, holding large amounts of cash risk the project to fraud and thefts. Cash being the most liquid asset and so tempting, management should ensure that cash collections are banked intact and regularly. Management should also establish limits on how much cash should be kept in the cash safe	All funds are receipted on the IFMS which protects the record and guards against loss. Also, we have tried to enforce a more regular banking schedule.
	Our review of the project budget for the year indicated a number of project activities that were not carried out as planned by the end of the year. Examples of these activities include the following:	Unless project activities are carried out as planned, the intended purpose of the project may not be achieved. Project management should always endeavour to set project milestone and deliverables for specific periods so as to track project performance and progress	
	Training of users of IMEM		The IMEM was not yet finalized and hence training could not be programmed.

Area	Audit observation	Auditor Recommendation	General's Update on action Taken by 30 June 2015
	Conduct consultative stakeholder workshops and disseminate final report analyzing national revenue base		A more comprehensive internal study to analyze the current tax system with a view towards generating revenue enhancement measures for FY 14/15 was conducted instead, and a report has been compiled and disseminated.
	Undertake consultancy for the automation of the system		The procurement process for the consultancy to develop the OBT was delayed following a decision to fund and procure the activity through the mainstream GoU budget and procurement modalities respectively
	Undertake consultancy for the review of the GoU/MTEF		The review of the GoU/MTEF was placed on hold pending further policy guidance by top management on how to proceed
	Procure IFMIS audit tools and conduct security related training		The procurement was held back by the delays in the finalization of the security audit and its attendant recommendations.
	Undertake a consultancy to develop noncurrent assets module of IFMIS: conduct related user training and change management sessions		It was resolved that the development of the non-current assets module be included in a (subsequent) contract with Oracle for post IFMS upgrade technical support.
	Set up the system application: conduct ICT trainings, and procure licenses		The activity was put on hold pending the successful upgrade of the IFMS to version 12.
	Disaster recovery site set up and tested		Un-anticipated delays in the procurement process, arising in large part from delayed disbursement of funds by development partners.
	Conduct monitoring of implementation of RAM, hot and cold reviews		This was due to operational delays in the commencement of the RAM training.
	Acquire forensic tools for the Unit's lab		Un-anticipated delays in the procurement process, arising in large part from delayed disbursement of funds by development partners.

Area	Audit observation	Auditor Recommendation	General's Update on action Taken by 30 June 2015
	Acquire ERA licenses for 30 staff		Un-anticipated delays in the procurement process, arising in large part from delayed disbursement of funds by development partners.
	Conduct training for 30 internal audit staff		Un-anticipated delays in the procurement of the software.
	Conduct hands on training for IA staff in Quality Assurance		The activity was re-programmed to the next FY.
	Undertake Quality Assurance reviews and specialized training for supervision and inspection staff.		The activity was re-programmed to the next FY.
	Conduct pilot of Alternative Energy Sources for IFMIS in LGs		None of the bidders were identified to have the requisite experience and competence for the activity, which has now been postponed to next FY.
	Conduct post implementation change management sessions at 26 Tier 2 sites +6 Tier 1 rollout undertaken		Un-anticipated delays in the processing of the funds for the activity.
	Conduct basic ICT trainings for new users at the IFMIS LG sites at 26 Tier 2 sites +6 Tier 1 rollout		Un-anticipated delays in the processing of the funds for the activity.
	Engage consultancy to roll out IFMIS Tier 2 solution to 13 LG sites		Un-anticipated delays in the procurement process, arising in large part from delayed disbursement of funds by development partners.
	Review the LG Act to clarify the jurisdiction of parliament and the LGPAC		Un-anticipated delays in the procurement process, arising in large part from delayed disbursement of funds by development partners.
	Conduct capacity building for members of the LGPACs and their support staff on LGPAC		Un-anticipated delays in the procurement process, arising in large part from delayed disbursement of funds by development partners.
	Conduct capacity assessment for the LGPACs targeting committee members and support staff, Design capacity building programme		Un-anticipated delays in the procurement process, arising in large part from delayed disbursement of funds by development

Area	Audit observation	Auditor Recommendation	General's Update on action Taken by 30 June 2015
			partners.
	Conduct capacity assessment for LGPACs targeting Conduct capacity assessment for the LGPACs targeting committee members and support staff, Design capacity building programme (task force)		Un-anticipated delays in the processing of the funds for the activity arising in large part from delayed disbursement of funds by development partners..
	PFM Advisor recruited (by 1 Jan 2014)		A decision was taken not to proceed until further notice.
	Undertake take consultancy for the road map for the integration of Accounting and Budgeting systems.		This activity was placed on hold following a policy directive that this activity would be led (under FINMAP III) by the new department of MIS in the Accountant General's Office (AGO), in collaboration with NITAU.
	Acquire and disseminate IEC materials to enhance staff capacity and public awareness on accountability.		There were no related activities that were initiated by the component
	Commission studies, benchmarks and reviews of PFM implementation		There were no related activities that were initiated by the component

ANNEX 5: DETAILED SPONSORSHIP LIST FOR PROFESSIONAL QUALIFICATIONS

SPONSORED STUDENTS UNDER ACCOUNTANT GENERALS OFFICE							
CPA JUNE 2015 SITTING							
SN	SURNAME	OTHER NAMES	REG NO	DEPLOYMENT	STATUS	PAPERS	INSTITUTIONS
1	ACHENG	Enid	CP/15775	FMS/AGO	New	1,5	GLOBAL
2	AHIMBISIBWE	Celia Lwamafa	CP/11310	FMS/AGO	New	6,9	MAT
3	ATUHAIRE	Ronald	CP/15769	FMS/AGO	New	1,5	GLOBAL
4	DDAMULIRA	Samson	00466	ESC	New	1,5	MAT
5	GATARE	Rodney	CP/15774	FMS/AGO	New	1,5	MAT
6	KANSIIME	Glory	CP/08110	FMS/AGO	New	8,11,12	GLOBAL
7	KATUSHABE	Rita	CP/08293	FMS/AGO	New	1,5,9	GLOBAL
8	KAVULE	M. Augustine	01740	Police	Continuing	10	ZENITH
9	KENKWAZI	Miriam	CP/12804	AGO/TIPD	New	10,12	MAT
10	KICONCO	Maureen	CP/11754	DDCM	Continuing	10,12	MAT
11	KIWANUKA	Emmanuel	CP/15751	FMS/AGO	New	1,5,7	MAT
12	MABUYA	Job	CP/15753	FMS/AGO	New	1,5,9	MAT
13	MANDU	Julius	CP/13518	FMS/AGO	Continuing	10	
14	MUGISHA	Kenneth	CP/12014	FMS/AGO	New	1,5	MAT
15	MUHEREZA	Gerald	CP/12046	FMS/AGO	New	1,5,7	MAT
16	MUNIALO	Eliab Pelex	CP/09610	DDCM	New	1,3	MAT
17	MUSANA	Felix	CP/08060	MoES	Continuing	16	MAT
18	MUTAawe	Sekabanja	CP/13517	DDCM	Continuing	9,12	MAT
19	NAKAYONDO	Doreen	CP/14022	AGO/TIPD	New	10,11,12	GLOBAL
20	NAKKU	Hanifah	CP/11484	FMS/AGO	New	8,12	GLOBAL

21	NAMBAFU	Maureen	CP/11438	FMS/AGO	New	3	GLOBAL
22	NANNONO	Sarah	CP/14554	MoES	New	1,5	GLOBAL
23	NANTEZA	Shamim	CP/15749	FMS/AGO	New	1,4,7	MAT
24	OCEN	Francis	CP/15915	MOPS	Continuing	1,5	MAT
25	OMONGIN	Augustine	CP/15633	Mbarara RRH	Continuing	1,5	GLOBAL
26	ONGOM	Thomas	CP/07750	MOWT	Continuing	8,12	MAT
27	SHYAKA	R. Kabageni	CP/10788	FMS/AGO	New	9,11	MAT
28	TUMURANZE	Moses	CP/05137	FMS/AGO	New	1,5	GLOBAL
29	MWESIGWA	Joseph	CP/15802	FMS/AGO	New	1,3,7	
	Musana	Felix			Affiliate		
	Ssemogerere	Gertrude			Affiliate		
ACCA JUNE 2015 SITTING							
SN	SURNAME	OTHER NAMES	REGN NO	DEPLOYMENT	STATUS	PAPERS	INST
1	AKUMU	Offungi Jenevefa	1347312	ESC	Continuing	P5	MAT
2	BAMEKA	Steven	2303757	FMS/AGO	Continuing	F9	MAT
3	DHAKABA	M. Kirunda	1180055	MOGLSD	New	P3	MAT
4	ENTONGU	Rose Diye	4585061	Uganda Prisons	Continuing	P1	MAT
5	ESERU	Joseph Engwau	2097387	Heart Inst.	New	F7,F8,F9	MAT
6	JENALIST	Francis	1891342	FMS/AGO	New	P1,P2	MAT
7	KYOMUHANGI	Maclean	2576840	FMS/AGO	New	P5,P7	DATAMINE
8	LOGOSE	Faith	2457798	FMS/AGO	New	F9	MAT
9	MUMANYIRE	Arthur	826372	AGO	Continuing	P2,P3	DATAMINE
10	NAKANWAGI	Christine	2395319	MoES	Continuing	P1	DATAMINE
11	OTIM	Chris Jaramogi	2211072	FMS/AGO	New	P2,P3	DATAMINE
	BBOSA	Norman		Mubende RRH	Affiliate		

Source: Office of Accountant General, MoFPED, 2015

OAG LIST OF STAFF WHO ATTAINED PROFESSIONAL QUALIFICATIONS SINCE DECEMBER 2011

S/N	NAME	COURSE	SITTING	YEAR
1	BIRUNGI NATHANSON CHEN	ACCA	JUNE	2015
2	NABAWANDAH PHIONA	ACCA	DECEMBER	2014
3	TUMWESIGE DOUGLAS	ACCA	AUGUST	2014
4	MUTESI JULIET	ACCA	DECEMBER	2014
5	ABAHO T. ALEX	ACCA	DECEMBER	2014
6	MBAGUTA INNONCENT	ACCA	AUGUST	2013
7	OKOU C. JOSEPH	ACCA	AUGUST	2012
S/N	NAME	COURSE	SITTING	YEAR
1	CUTHBERT OGWANG	CPAU	JUNE	2015
2	NABAWANDAH PHIONA	CPAU	JUNE	2015
3	NAYIGA FORTUNATE	CPAU	JUNE	2014
4	TUMWESIGE DOUGLAS	CPAU	DECEMBER	2014
5	WALUBI K. CATHERINE	CPAU	JUNE	2014
6	OKWARE ALEX	CPAU	JUNE	2014
7	ATUHUMUZA GAD	CPAU	JUNE	2014
8	BIRAKWATTE BERNADETTE	CPAU	DECEMBER	2013
9	AKANKWASA ERASMUS	CPAU	JUNE	2013
10	MBAGUTA INNONCENT	CPAU	DECEMBER	2013
11	KYOHANGIRWE CATHERINE	CPAU	JUNE	2012
12	ALUM O. SUZANNE	CPAU	JUNE	2012
13	NALUMU ANN	CPAU	DECEMBER	2012
S/N	NAME	COURSE	SITTING	YEAR
1	OLOWO RAPHAEL	CISA	JUNE	2015
2	MULATI SIMON PETER	CISA	JUNE	2015
3	MUTEBI NATHAN	CISA	DECEMBER	2013
S/N	NAME	COURSE	SITTING	YEAR
1	OLOWO RAPHAEL	CFE	JUNE	2015
2	LUGEMWA M. MICHAEL	CFE	FEBRUARY	2013
3	KIBIRANGO IVAN	CFE	FEBRUARY	2013
4	BYAMUKAMA JOSHUA	CFE	DECEMBER	2011

Source: OAG, 2015

ANNEX 6: DETAILED COMPONENT PERFORMANCE ANALYSIS FY 2014/15

PLANNED ACTIVITIES	STATUS OF IMPLEMENTATION	REASONS FOR VARIANCE
COMPONENT 1: MACROECONOMIC MANAGEMENT		
01.01 Develop and implement the Integrated Macro-Economic Model	<p>The integrated macroeconomic model was updated to include the newly re-based GDP numbers and also to incorporate other updated statistics to improve accuracy of the forecasts from the model. A macro econometric modeling consultant was engaged to guide the model team during the updating exercise.</p> <p>The 2009/10 Supply Use Tables (SUT) and Social Accounting Matrix (SAM) were finalized and approved.</p>	The planned two-week in-house training programme for DEA staff did not take place due to scheduling discrepancies with the consultant – Oxford Policy Management.
01.02 Establish a macroeconomic modeling unit	<p>The macroeconomic modeling unit is now fully established with the following full-time staff:</p> <ul style="list-style-type: none"> i. Joel Muhinda (Head). ii. Oscar Ayebazibwe iii. Davis Vuningoma iv. Wilson Asiimwe v. Priscilla Kisakye 	
01.03 Conduct training of DEA staff in economic policy and analysis	<p>Two economists were trained in the following areas:</p> <p>Dynamic stochastic general equilibrium modeling using GAMS (from the ECOMOD Institute).</p> <p>Macroeconomic forecasting using E-views (from the ECOMOD Institute).</p>	
01.04 Technical support to macro-economic management	<p>Two advisors provided technical support in the following areas:</p> <ul style="list-style-type: none"> -Operations for the macroeconomic framework and cash flow; -The EAC medium term macroeconomic convergence criteria; -Drafting regulations for the Public Financial Management (PFM) Act; -Loan negotiations. 	
01.06 Re-tool offices of TPD and URA	The following computer equipment and accessories were purchased: 4 desk top computers, 4 printers, 1 heavy duty copier	

01.07 Prepare and publish revenue estimates book	The draft final revenue estimates book was compiled.	The planned stakeholder workshop to disseminate the final revenue estimates book was not conducted due to various exigencies.
01.12 Undertake a review of the existing policies on international taxation	The procurement process was initiated for a consultant to review the double tax agreement (DTA) policy. The contract will be awarded early in the first quarter of next FY. The consultant will work closely with a technical team in MoFPED to identify existing gaps to inform further re-negotiations of treaties on DTAs.	There were delays in finalizing and agreeing the Terms of Reference for the consultancy.
01.13 Conduct training for URA staff in tax auditing	<p>-A specialized short-term training was undertaken for URA staff in tax audit.</p> <p>-The procurement process for a long term TA in tax audit is also underway and the consultant procurement already under way, the consultant is expected to complete the assignment in FY. The following key issues will be identified as part of the consultancy:</p> <p>Current constraints in organizational structure, processes and systems affecting tax revenue mobilization in Uganda;</p> <p>Interventions to address the above challenges;</p> <p>Quantified cost for implementing the interventions;</p> <p>Quantified revenue implications resulting from the interventions and develop the tax revenue enhancement strategy</p>	
01.15 Finalize the framework for aid management	The Aid Management Platform was launched and both GoU and DP staff were trained on the use of the PIMIS. The system will provide information on both loans and grants to the various projects in Government.	
01.17 Conduct training for staff in cash and debt management, sustainability & analysis	Two officers were trained in specialized cash and debt management courses. (See section VII in report for details).	A short term consultant to facilitate in-house training in cash management could not be hired in time as planned.
01.19 Develop Debt regulations	No activities were implemented during the FY.	A task force to develop debt regulations was not constituted. But a number of preliminary meetings were held to develop the debt regulations related to the Public Finance Management Act 2015
01.20 Conduct sensitization on public debt strategy	Printing of the public debt strategy was done as planned and published on the MoFPED website.	Dissemination workshop for the strategy not conducted.

COMPONENT 2: BUDGET PREPARATION AND REPORTING		
02.01 Develop a simplified version of the guidelines on the budget process and the national budget	The technical evaluation of the bids for the consultancy for developing of a simplified version of the guidelines on the process was finalized.	There were initial delays in initiating the procurement process for the guidelines.
02.02 Publish the annual revenue and expenditure reports for each local government	No implementation was undertaken during the year.	The Planned Printing of Annual LG Revenue and Expenditure Reports for FY 2014/15 were affected by delays in submission of Budget Performance Reports.
02.06 Conduct training in budgeting and reporting for heads of planning units at MALGs and projects	Conducted training for planning staff of all MDAs integrate pension and gratuity estimates for the FY 2015/16 into the OBT.	
02.08 Technical support to budget preparation and monitoring	<ul style="list-style-type: none"> -Technical support to the Component for finalization of the Budget Strategy for FY 2015/16; -Through the Graduate Economists Scheme, the Component supported MDAs in preparation of final Budget Estimates and Annual Work plans for the FY 2015/16; and, -Provided IT support to Budget Directorate and MDAs to finalize Budget Estimates for FY 2015/16. 	
02.09 Develop a guide for budget performance monitoring and evaluation	<ul style="list-style-type: none"> -Finalized the technical evaluation of the Bids for the Consultancy to develop a guide to budget monitoring, evaluation and reporting; and, -Facilitated the Capacity Building of Budget Directorate on Implementation of the PFAA 2015 and Budget Reforms. 	Printing and dissemination of the Guide to Budget Monitoring, Evaluation and Reporting was not undertaken pending finalization of the design of the guide.
02.11 Train staff in MoFPED and other MDAs, LGs and CSOs in monitoring, evaluation and reporting on budget performance	No implementation was undertaken during the period.	The Training of Staff was postponed pending development of a training strategy.
02.13 Roll out automated OBT in all MALGs	Conducted nation-wide verification and validation of the school enrolment data submitted by the Accounting officers through the OBT. An International consultancy firm was tasked to develop the online (web-based) budgeting system. The development of the new system is now in advanced stages and will be deployed in all MDAs by 1st October 2015 to facilitate the budgeting for the FY 2016/17.	
02.14 Develop institutional capacity in project cycle management for public investments	No implementation took place.	This activity was postponed pending approval of the new structure of the MoFPED.

03.01 Deploy IFMS tier 1 solution and provide technical support in hybrid sites, referral hospitals & donor funded projects	The IFMS tier 1 system was deployed at the planned 6 hybrid sites, 12 out of the 12 referral hospitals; and 14 out of 15 donor funded projects.	There was delayed technical support (by Oracle) pending legal clearance of the contract. The contract was subsequently revised and cleared by both PPDA and Contracts Committee. There was a delay in the training for IFMS users due to funding constraints.
03.02 Undertake system security reviews and audits	77 percent of the recommendations arising from the audit were implemented, including deployment of all 16 identified application logs in the report.	
03.03 Update the Data Centre with computer hardware and software	The Enterprise backup server was installed as part of the Business Continuity Strategy to ensure that all production systems and data are backed up for future restoration. In addition, a service desk solution was procured and a GoU team identified to man the service desk to provide technical support.	
03.04 Undertake system integration requirements of IFMS with other PFM systems	<ul style="list-style-type: none"> -Designed and Implemented IFMS/URA interface. To-date, 58,000 out of 340,000 employee and 1,400 out of 31,000 unique supplier records were validated. -To further support the IFMS/IPPS interface, training was conducted at 55 additional LGs. -Documented the business requirements for DMFAS/ IFMS interface. 	Data validation on-going and poor attendance for IFMS/IPPS training of Non-IFMS sites.
03.06 Implement the de-centralized salary payment to remaining MALGs	8 (out of 10 planned) regional centres were established and operationalized at Gulu, Bushenyi, Jinja, Masaka, Soroti, Arua, Hoima and Kampala. The centres were equipped with both furniture and ICT equipment.	Due to budgetary constraints, Mbarara and Mbale regional centres are pending.
03.07 Procure, test and roll out CEMAS solution to 2 (of the 8) PUSATIs	<ul style="list-style-type: none"> - Out of the 2 planned PUSATIs sites, CEMAS was commissioned at one (MUST), with 3 modules operational, namely: Human Resource and Payroll Management; Financial Management; and, Student & Academic Management. -Completed civil works and installed fiber optic cables for extending the national backbone infrastructure to the 7 remaining PUSATIs. -Commenced implementation of the CEMAS system at Makerere University Business School (MUBS) and Makerere University. -Signed contract for core implementation of the Mobile Money gateway -Furnished both the CEMAS boardroom and offices 	Cancelled procurement of civil, electro-mechanical, and ICT works for improvement of PUSATI infrastructure, due to price of best evaluated bidder (BEB) exceeding CEMAS budget. A revised submission with reduced Civil works and cost was made and an addendum was being prepared to that effect at time of review.

03.08 Conduct training programmes for accounting cadre in AGO staff & MDAs in accounting, compliance monitoring, professional certification, financial reporting & emerging areas	Supported staff for professional training and examination at both the June and December sittings for ACCA and CPA.	The planned support ICPAU to develop the syllabus for public sector accounting and e-learning modules was not conducted due to budgetary constraints.
03.12 Implement the non-current assets module of IFMS in MDAs	Piloted the implementation of the non-current assets module of the IFMS at 10 selected entities.	The further rollout is pending finalization of the non-current assets policy and technical assistance for quality assurance and support on setups.
03.13 Disseminate the new public finance management Act	-Copies of the PFM Act copies were printed and distributed to Accounting Officers across Government. -Started drafting of the regulations for operationalizing the new PFM Act. The draft regulations will later be submitted to the first parliamentary counsel for legal drafting.	
03.15 Develop and implement TSA framework for Donor Funded Projects	Developed concept and strategy for TSA framework for DFPs and LG and held consultative meetings with key stakeholders including DPs.	Activity is pending policy agreement between GoU & DPs for its implementation in donor funded projects (DFPs). The planned benchmarking study on TSA and cash management was not undertaken due to various exigencies.
03.17 Print and disseminate the public the procurement policy	-Stakeholder consultative workshops were conducted to review the first draft of the public procurement policy. -The draft final procurement policy was finalized and is slated to be submitted to the MoFPED top management for review.	The printing couldn't take place prior to concurrence with the policy by cabinet.
03.19 Conduct spend analysis undertaken in key selected PDEs	Spend analysis was not completed. Procurement process was still ongoing.	The Evaluation of the Expressions of Interest for bids for consultancy and issued RFP to shortlisted firms
03.21 Develop and implement a case management system for the tribunal	No implementation was undertaken	There were a number of delays in the procurement process.
03.22 Draft the IPPU bill	A task team (comprising 10 members) charged with drafting the bill was inaugurated on 13th Jan 2015. The team held a two-day retreat to review the draft IPPU Bill	To finalize IPPU Bill and submit to Cabinet

03.23 Conduct professional training (CIPS) for procurement cadre in PDEs	Sponsored 6 staff from PDEs undertake professional training (CIPS)	
COMPONENT 3B: PAYROLL AND PENSIONS MANAGEMENT		
04.01 Existing IPPS Supplier Support and Maintenance Contracts for the IPPS Business Application, EDMS, UTL, Generator, Air Conditioners, Security and Access Control Systems for the Data Centre, and Functional Support to the existing 39 Sites	<p>-The IPPS Business application system was duly supported and maintained. IPPS system software upgrades were undertaken and new revisions provided, Most of the Logged cases have been resolved and the Hardware at the data centre was serviced.</p> <p>-EDMS Annual Software Maintenance was provided and Functional support given to the MoPS team and Users.</p> <p>-Data links for IPPS were maintained along with air conditioning, power backup, security (Biometric Access Control and CCTV).</p> <p>-The IPPS team supported ALL votes in the following activities:-</p> <p>Creating and updating employee positions in accordance with establishment;</p> <p>Generation and analysis of payroll reports and effecting the required payroll updates;</p> <p>Working on salary transitions and annual increments; and,</p> <p>Undertaking payroll calculation and final payroll processing</p>	The operationalization of other HR modules is still work in progress.
04.02 Rollout of the IPPS to 52 VOTES	<p>-All the 52 votes were configured and setup on the IPPS and rolled out on IPPS. All the 52 IPPS Rollouts are now processing from their votes. The LAN Setups and installation were completed for the 33 IPPS Rollout Vote;</p> <p>-8 (out of 10 planned) regional centres were established and operationalized at Gulu, Bushenyi, Jinja, Masaka, Soroti, Arua, Hoima and Kampala.</p>	

04.03 Operationalized the Pensions Management module, training and capacity building	<p>-The IPPS pensions module was fully operationalized and all Pension and Gratuity payments for ALL GoU votes are processed on IPPS;</p> <p>-The IPPS team provided technical and functional support in Pensions Management to the 59 votes connected on to IPPS and to over 134 votes were trained and supported from MoPS. The Pensions Data has been fully migrated from the Legacy system PIMS to the IPPS;</p> <p>-Specifically, the team Supported ALL votes in the following activities:-</p> <p>Management of decentralized pension files processes;</p> <p>Creation of Retirement plans;</p> <p>Calculation of retirement benefits;</p> <p>Verification and validation of Pension files;</p> <p>Generation of Pension payroll reports; and,</p> <p>Processing of final pension payroll.</p>	
04.05 Functional and technical support to IPPS	An IPPS team, based at the Ministry of Public Service was facilitated to provide technical support to the roll out of the IPPS; its interface with the IFMS; and the de-centralization of the payroll and pensions.	
04.06 Implement GoU Biometrics Payroll System (BPS)	No implementation took place.	Initiation of procurement for a consultancy to implement GoU Biometric payroll system is awaiting approval of the ToRs by NITAU.
04.08 Upgrade Security of the IPPS Infrastructure Software (HP Data Protector, HP Open View, Intrusion Prevention Sensor Licenses-IPS, Back-up systems, anti-virus software etc.)	A server for the Disaster Recovery Site (DRS) was delivered and setups installed to serve as a disaster recovery site.	
04.10 Setup IPPS Offices	Various ICT equipment was purchased for the IPPS offices; The procurement of two (2) vehicles and furniture to support the IPPS project implementation is soon to be finalized.	
COMPONENT 4A: PUBLIC PROCUREMENT		

<p>06.01 IEC materials and tools for the PPDA law developed.</p>	<p>Organised a two-day residential cadre forum focusing on “Strengthening Procurement Capacity for Effective Service Delivery” for LG Entities¹⁸ at Acholi Inn Hotel –Guluon 27 & 28 May 2015. Over 132 participants were invited and 125 attended representing 95% attendance. A Procurement Cadre Forum was also held in Masaka on 25-26 March 2015 for CG Entities and attended by 110 participants.</p> <p>Two procurement clinics for Contracts Committee members were conducted in Masaka and Mbale.</p> <p>A health sector clinic was also conducted for²³Health Sector Entities¹⁹ that comprised of one PDU staff and two (2) Contracts Committee members. The objective was to sensitize the Contracts Committee and PDU staff in the health sector on the amendments to the PPDA Act 2003 and the attendant Regulations.</p> <p>Small and Medium Enterprises (SME) training was conducted on 22 & 23 June 2015 in Mukono where 103 representatives of enterprises attended. The objective of the training was to sensitise providers and SMEs on preparation of responsive bids in line with the PPDA Act 2003 and attendant Regulations 2014, and discuss practical issues facing the providers in the bidding process and determine ways to increase efficiency in the procurement and disposal process.</p>	<p>Printing and dissemination of the simplified version of the procurement law awaits the finalization of the simplified version of the law.</p>
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¹⁸Jinja DLG, Jinja MC ,Iganga DLG,Iganga MC, Jinja RRH ,Kamuli DLG, Bugiri DLG,Luuka DLG and Buikwe DLG, Mukon DLG , Mukono MC,Ntoroko DLG, Lyantonde DLG, Kiruhura DLG,Gulu DLG, Gulu MC, Arua DLG, Arua MC, Bushenyi DLG,Ishaka Bushenyi MC, Mbale DLG, Mbale MC, Soroti DLG, Soroti MC, Dokolo DLG, Alebtongo DLG, Pader DLG,Amuria DLG, Kamuli DLG, Iganga DLG,Iganga MC, Mubende DLG, Ntungamo DLG, Ntungamo MC, Mbarara DLG, Mbarara MC, Rukungiri DLG,Rukungiri MC,Kanungu DLG, Kabale DLG,Kabale MC, Kisoro DLG, Apach DLG, Kabulamaido DLG, Kabarole DLG, Manafwa DLG,Bududa DLG,Ibanda DLG,Sheema DLG.

¹⁹Fort Portal Hospital, Gulu Hospital, Butabika Hospital Gulu Hospital, Hoima Hospital, Jinja Hospital, Kabale Hospital, Lira Hospital, Masaka Hospital, Mbale Hospital, Mbarara Hospital, Moroto RRH, Mubende RRH, Mulago NRH, Soroti RRH, China-Uganda Friendship Hospital, National Medical Stores, National Drug Authority, Ministry of Health, Cancer Institute, Joint Medical Stores, Uganda Heart Institute and Joint Clinical Research Centre.

06.02 Amend the PPDA LG regulations		Initially the activity was to be executed by a consultant but later agreed to be done by an internal taskforce to be coordinated by the PPDA and the Ministry of Local Government. The consultative process delayed the activity which will now be executed in Q1 of FY 2015/16.
06.03 Amend PPDA LG guidelines and SBDs		Awaiting completion of Amendments to the PPDA LG Regulations
06.06 Review, upgrade and regular monitoring of the PPMS in PDEs	A total of 3,452 contracts from 114 Entities (amounting to Ushs 560 billion) were verified for PPMS usage	
06.07 Undertake procurement audits in selected entities	The procurement audit draft reports completed for all the 20 Entities financed under FINMAP III. A follow up exercise was conducted on 30 Entities to assess the extent of implementation of PPDA recommendations.	
06.09 Conduct training for PDEs in contract management	Conducted hands on functional training in procurement for procurement cadre in the following LGs: Lira Lamwo, Kitgum, Agago, Apach, Pader, Alebtong. Otuke, Kole, Dokolo and Amolatar.	
06.10 Design, test and implement e-procurement system across government	A five-year strategy for the implementation of an electronic government procurement system (E-GP) was launched in December 2014. The system seeks to consolidate existing gains in public procurement by facilitating both the effectiveness and efficiency in public procurement.	
06.11 Provide technical support to PFM reforms in public procurements	Remuneration of staff providing support to PFM reform in public procurement done	
COMPONENT 4B: INTERNAL OVERSIGHT		
07.01 Enterprise Risk Assessor system rolled out to remaining to remaining CG entities.	No ERA licenses were purchased.	There were delays in the procurement process for 50 Enterprise Risk Assessor (ERA) licenses due to the need to clear existing arrears – which have since been made. The licenses will be delivered in the first quarter of FY 2015/16.

07.02 Twin with a reputable firm or institutions to undertake performance and IT audits for staff.	No implementation was undertaken	There were delays in the procurement of IDEA software for both performance and IT audits.
07.03 Retooling IA directorate to effectively conduct IT and performance audits.	-Forty (40) laptops and 5 printers were procured to facilitate the directorate undertake performance and IT audits.	
07.04 Conducting a capacity needs assessment and CPD.	No activity was implemented during the year.	
07.05 Partner with the Institute of Internal Auditors and create focus groups that continuously monitor, train and conduct quality assurance of Internal Audit Function both in central and local governments.	-Fifty (50) Internal Auditors were trained in report writing. This training was to enable the Internal Auditors draft reports in line with the required standards, with meaningful recommendations for implementation by the Accounting Officers. -A new internal audit strategy was approved and disseminated. Forensic lab was furnished with 40 laptops. In addition, audit fraud software was availed; and, -Eight (8) staff trained in use of forensic tools and staff can ably use the forensic tools while conducting special audits.	
07.11 Stock the institute of internal auditors	A consignment of IA core text books was procured and delivered to the Institute of Internal Auditors.	
07.13 Conduct bi-annual workshops and seminars as part of continuous professional development for IA cadre	-Forty (40) Internal Auditors attended the annual Internal Auditing Conference under the theme: "Speak Out". The conference aimed at enhancing professionalism in reporting audit results, and to ensuring quality recommendations to support decision making.	
07.14 Develop regulations for operationalizing the internal audit provisions within the PFM Act	Regulations and IA Manuals for operationalizing the internal audit provisions within the PFM Act were duly developed.	
07.15 Provide institutional support to the sectoral internal audit committees	The eight sectoral audit committees reviewed the annual procurement plans and quarterly reports for various entities and approved the former, while making a number of recommendations for the latter.	
07.17 Conduct benchmarking studies on IA with other countries in the region and overseas	No studies were undertaken.	The delay in the approval of the training plan of the programme affected this activity.

07.18 Conduct professional training for IA cadre e.g. CIA, ACCA, CISA, CIPS, CFE & CPA	Support was provided towards professional training in Accountancy and Internal Audit as follows: CPAU for 80 staff ACCA for 40 staff CIA for 60 staff CFE for 60 staff CGAP for 60 staff	
07.20 Develop and Implement in-house capacity enhancement programme for Inspectors on work planning, inspection/monitoring and reporting	No activities were implemented during the year.	No activities were initiated.
COMPONENT 4C: EXTERNAL OVERSIGHT		
08.01 Design, construct and supervise the construction of 3 OAG regional offices in Mbarara, Moroto and Hoima	-Office of the Auditor General Mbarara was successfully commissioned on the 23rd of March 2015 by the speaker of Parliament. -Pre-bid meetings were held for OAG Sites for the Hoima and Moroto regional offices.	Process of procuring a design consultant for Hoima and Moroto regional office was at evaluation stage
08.02 Acquire and deploy TEAMMATE and related training	-200 old TEAMMATE licenses renewed and 100 new ones acquired; 42 Auditors selected across Directorates were trained in CAATS, audit of IFMS, IT audit and Teammate; and, 23 staff trained in data analysis -100 laptop computers delivered and distributed to up-country staff	
08.03 Train staff in IT audit		A training request had been submitted to the MSU for facilitation by the end of the FY. The activity will be implemented next FY.
08.04 Connect OAG regional offices to the OAGWAN, Navision (tier 2) and IFMIS	No activities were initiated.	
08.03 Capacity built in financial and performance audits	No activities were initiated.	

08.05 Conduct staff training in professional accounting certification courses	Staff were enrolled for various professional training as follows: 21 staff trained in ACCA 20 staff trained in CPA 1 staff trained in Certified Information Systems Auditor by the Information systems Audit and control Association	Staff professional training in CISA/CFA/CFE and CIPFA was not conducted as applications were not received.
08.06 Build the capacity of staff in VFM and specialized audits	No activities were implemented.	Staff training in specialized audits such as extractive industries and public works did not take place. This is mainly due to the international scheduling of courses not being in line with internal training schedule. This will be synchronised in the next FY.
08.07 Staff trained in management of forensic investigation and submission	Four staff were facilitated to undertake forensic training (under AFROSAI-E) in Pretoria South Africa from the 20th to 24th April 2015.	
Output 8.1.4: Communication of audit findings and stakeholder engagement enhanced		No activities were undertaken, pending further consultations on the nature of engagement with Parliament
08.08 Build the capacity of Stakeholders in utilization of audit reports	Accounting Officers sensitized on audit findings. One staff member of OAG was trained (in Pretoria) in effective coaching, motivation and professional excellence as a trainer in the department of quality assurance and audit	Capacity building for Committee members on audit finding; Districts Accountability Committees; and, District Executive and Council Speakers on utilization of audit reports to monitor public funds not conducted. Due to incoming changes of office for current political leaders it was deemed prudent to forward this training to 2016 when new leaders have been elected to office
08.09 Conduct a leadership and management program for Senior managers	Two staff were facilitated to undergo a training course in Leadership, Management and Negotiations in International Development in Washington DC.	

08.10 Staff trained in building and strengthening of internal financial management processes, legal proceedings that affect the Auditor General and the office, effective communication with stakeholders and monitoring and evaluation.	<p>One staff trained in advanced financial management and accounting for finance managers in public and private sector.</p> <p>One staff member trained at the International Law Institute from the 08th to the 19th of June 2015 in Washington DC for legal, policy and commercial aspects of contract administration</p> <p>One staff member trained in strategic public relations management from 09th to 20th March 2015 at London Corporate Training (Hammersmith centre).</p> <p>One staff member trained in monitoring and evaluation at RIPA International - London from the 09th to 20th of March 2015</p>	
COMPONENT 4D; LEGISLATIVE OVERSIGHT		
09.01 Review and disseminate the Parliamentary handbook for Parliamentary Committees on PFM	Not done. The review of the handbook for Parliamentary Committees on PFM is still ongoing.	<p>The PFM act was passed in February 2015. However, there were delays in the enactment and assent of the law. A taskforce was established and is currently working on the following drafts:</p> <p>The harmonized rules of procedure of Parliament with the new PFM law; The updated Parliamentary Committee handbook.</p> <p>Adoption of a taskforce was opted as procurement of consultancy services would have been more time consuming, costly and less customized.</p>
09.04 Enhance capacity of PFM secretariat in parliament	The programme set out to train the team managing the PFM reforms under parliament in monitoring and evaluation of the performance of PFM parliamentary committees. One officer was facilitated to attend attachment programme at the Parliament of Kenya to understudy	

	PFM reforms. In addition, equipment and other tools for the office of the component manager and coordinator were procured.	
09.05 Develop and operationalize a Parliamentary Information Management system with information tracker functionality for committee reports among others	Implementation of the Parliamentary Information Management system including training not done.	The activity was still awaiting approval by the Development Partners which came in May 2015. This will therefore be planned in the forthcoming financial year.
09.06 Development and implementation of PFM modules and manuals & related training of oversight committees	The modules and manuals on PFM were developed.	
09.08 Support the piloting of PFM module on an online platform	Equipment to support the PFM module on the online platform was provided. This included computer hardware and software (10 computers, software and hard ware).	
COMPONENT 5: PUBLIC FINANCIAL MANAGEMENT IN LOCAL GOVERNMENTS		
05.03 Develop a database for all potential revenue sources in selected LG	18 printers were procured and delivered for selected LGs. computer software licenses for revenue software were procured and installed Not done.	Release of the funds for the activity had been tied to finalization of the database upgrade which delayed till early June 2015. Field visits were therefore scheduled beyond the period under review.
05.06 Review of grants allocation formulae for LG; publish and disseminate the simplified version	Not done.	Evaluation of the bids to review the grants allocation formulae for LGs was completed in June 2015. However, the successful firm required a lot more funds than was allocated; which necessitated negotiations. Still ongoing.
05.10 Develop simplified LG Financial management guidelines.	There was a delay in the procurement of a consultant to develop the simplified guidelines in budgeting, accounting and reporting for LLGs and service units (incl. secondary schools, primary schools, hospitals and health units) guidelines.	By end of the 4th quarter, the contract had been signed and the exercise would proceed during the next reporting period. The programme also planned to

		provide technical backstopping to the development of the simplified guidelines. This will be handled when the consultant commences on the assignment.
05.12 Revise the local Government Financial and accounting regulations, manual and guidelines	Not done. The revision of the LGFA Regulations was delayed by the enactment of the PFMA.	With the new law in place, review is underway to identify areas that would require revision of the LG financial and accounting regulations, manuals and guidelines and other related statutory instruments.
05.13 Enhance HLG capacity in basic accounting concepts and book keeping skills	<p>-Three (3) regional training workshops were organized for LG staff in basic accounting concepts and book keeping skills, financial management and reporting in LGs Regional Costs.</p> <p>-The workshops were held at 3 regional centres of: Masaka, Mbale and Lira. Two accounts staff from each District attended the training. The programme also planned to enhance capacity in the inspection function of the PFM reforms. Two (2) staff from the Ministry of Local Government attended a short training course in effective projects management in in Kuala Lumpur, Malaysia.</p>	
05.15 Deploy tier 2 solution and provide technical post-implementation support to the LGs (funded under FINMAP)	<p>-IFMS tier 2 solutions were planned to for deployment in 33 districts in a 2-phase manner (i.e. two FYs). In Phase 1, covering FY2014/15, 17 LGs were setup and deployed, including the provision of WAN links to Moroto MC that were previously inexistent.</p> <p>Batch 1 LGs (i.e. 6 MCs – Masaka, Entebbe, Tororo, Mbale, Soroti and Lira)</p> <p>All the 6 Batch 1 Sites are now operating on the IFMS</p> <p>Batch 2 LGs (i.e. 6 MCs – Kabale, Mbarara, Fort portal, Arua, Moroto and Gulu)</p> <p>All the batch 2 Sites are operating on the IFMS;</p> <p>A mini tower was installed in Moroto MC by Airtel to enable installation of the WAN links</p> <p>Batch 3 LGs (i.e. 5 Districts – Mukono, Kabarole, Hoima, Kamuli and Katakwi)</p> <p>-All the 5 Districts were commissioned and went live on the system; Change management sessions were conducted at each site. It involved all system users and stakeholders including local political leaders, commercial banks and vendors.</p>	<p>The WAN links to some sites were still unstable</p> <p>Delayed payment of bills for service providers like: car garages and washing bays continued.</p> <p>Delayed supply of stationery to the component by the MSU continued.</p> <p>Funds for the exercise were released late and not in full.</p>

	<p>The programme continued to provide both technical and operational to PFM reforms in LG. The following key planned activities were supported:</p> <ul style="list-style-type: none"> -Provision of pre and post rollout support to 5 IFMS tier-2 rollout sites; -Maintenance of WAN Links provided to all the 26 IFMS Tier 2 rollout sites ; -Tenancy agreement cleared and signed by Uganda Land Commission. Rent and electricity bills for the PFM Office and Fees for Private Parking continued to be paid by the MSU; -Continued provision of leased line services to 17 IFMS Tier 2 rollout LGs to facilitate their respective WAN; and, -Remuneration of contract staff providing PFM technical support in LGs and purchased of four (4) double cabin pickups to support operations in the PFM Office 	
05.17 Develop and disseminate the LG inspection manual	A short term consultancy was successfully undertaken to finalize LG Inspection manual.	
05.19 Undertake field visits to provide technical support to IFMS Tier 1 and Tier 2 sites in LGs	The programme sought to provide technical and functional support to existing IFMS LGs (Tier 1 & 2) on the use of the system. In addition, support was provided to payroll decentralization for both IFMS and non-IFMS LGs. Payment of salaries through IPPS /IFMS Tier 2 interface to Jinja MC and Kumi DA was successfully piloted.	
05.21 Support IIA (Uganda) to Undertake short courses in specialized areas of internal audit for cadre in LG	30 LG Internal Auditors were facilitated and attended specialized training in Risk Based Auditing and Procurement Auditing. The course was conducted by the Institute of Internal Auditors (IIA)	
05.22 Undertake professional training for IA cadre - (CIA)	Professional Development of IA Ten (10) LG Internal Auditors were enrolled with the College for Professional Development and are currently undertaking professional training in Audit leading to CIA. They are scheduled to have their examinations in July 2015.	
5.23 Capacity needs assessment for LGPACs undertaken	An assessment of needs for local governments public accounts committees was conducted.	

