



THE THIRD FINANCIAL MANAGEMENT AND ACCOUNTABILITY PROGRAMME (FINMAP III)

MINISTRY OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

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ANNUAL
PROGRESS REPORT
FY2015/16

AUGUST 2016

Ministry of Finance, Planning, and Economic Development,

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COMPONENT 1

MACRO-ECONOMIC 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

COMPONENT 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 highlight was completion of the design of the Programme Based Budgeting System.

COMPONENT 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

COMPONENT 4

PAYROLL, PENSION AND HUMAN RESOURCES MANAGEMENT: The specific reform objective here is to improve the timeliness, quality and accuracy of the GoU payroll and pensions payment processing. One of the key highlights during the year was the cleanup of the government active payroll to reduce variance of wagebill processed on the IPPS and that paid on the IFMS to just 1 percent and reduce on "ghost" workers.

COMPONENT 5

PUBLIC PROCUREMENT: The specific reform objective here is to improve compliance of all central and LG entities with the public procurement legal and regulatory framework. GoU recorded increased value for money of public procurements with the proportion of entities rated satisfactory by value rising from 23 to 89.5 percent. However, the perception of corruption in public procurement recorded at 71.8 percent, up from 69.8 percent in the previous survey.

COMPONENT 6

INTERNAL OVERSIGHT: The component's specific reform objective is improved timeliness and quality of internal auditing. The results under this objective are a benchmark under the results based financing arrangement for development partners. The agreed target of 75 percent of internal audit recommendations implemented remains the interim target towards optimum performance. FY15/16 recorded 66.2 percent.

COMPONENT 7

EXTERNAL OVERSIGHT: The specific reform objective of the component is to improve the timeliness and quality of external auditing. Government sought to further strengthen external oversight through construction of the Moroto and Hoima Offices of the Auditor General. This comes on the heels of key milestones of the completion of the OAG Headquarters in Kampala and the office in Mbarara in FY14/15.

COMPONENT 8

LEGISLATIVE OVERSIGHT: Reforms here focus on ensuring timely and quality analysis by committees of Parliament of budget and accountability submissions by the Executive. The reforms were implemented through support for PFM committees on: the National Budget; National Economy; Commissions; Public Accounts Committee (PAC); LG Accounts Committee (LGPAC); Statutory Authorities and state Enterprises (COSASE), and, Finance, Planning and Economic Development.

COMPONENT 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 LG Accounts Committee (LGPAC). The IFMS II (mid-range solution) was deployed at 16 additional LGs sites bringing the total number of sites under IFMS II to 59 LGs.

COMPONENT 10

PROGRAMME COORDINATION AND MANAGEMENT: This component aims at increasing efficiency in implementation of the programme through support to the components in 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.

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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
CFR	Charter for Fiscal Responsibility
CIA	Chartered Institute of Internal Auditors
CISA	Certified Information System Auditor
CIPS	Chartered Institute of Purchasing and Supply
CFE	Certified Fraud Examiners
CG(s)	Central Government(s)
CGAP	Certified Government Auditing Professional
COFOG	Classification of the Functions of Government
COSASE	Committee on Commissions, Statutory Authorities and State Enterprises
CPAU	Certified Public Accountants of Uganda
CPD	Continuous Professional Development
CPL	Computer Point Limited
CSGBAG	Civil Society Budget Advocacy Group
DARC	Development Assistance and Regional Cooperation
DEA	Directorate of Economic Affairs
DFID	Department for International Development
DOB	Directorate of Budget
DTA	Double Taxation Agreement
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
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
PFMA	Public Finance Management Act
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 second 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 wish to take this opportunity to convey Government's gratitude to you as the key stakeholders and champions of Uganda's Public Financial Management reforms and specifically for the milestones registered.

The report show cases Government's continued commitment to the enhancement of key public financial management through a broad spectrum of PFM reforms implemented during the year. One of the key achievements was the development of the regulations of the PFM Act. The regulations in essence operationalize the Act by providing detailed guidance in various areas of interest, including budget preparation, cash and asset management, and new arrangements for authorising and reporting on loans.

Other notable achievements include: the enhancement of safeguards against potential risks to the IPPS through the use of a biometric verification system. This was undertaken in collaboration with the National Identification and Regulatory Authority. The cleanup of the payroll and pensions, coupled with the decentralization of their management has resulted in significant savings, estimated at about UGX 300 billion during the financial year. The continued implementation of the Treasury Single Account (TSA), which resulted in over 3,000 Government bank accounts in commercial banks being closed, has continued to improve the Government's cash management.

In addition, the completion of the Programme Based Budgeting framework this financial year marked a transition in Government's planning and budgeting, based on activities and outputs to demonstrating linkages with outcomes and service delivery in line with Uganda's Vision 2040. During the year, Government adopted a new planning and budgeting cycle under the new Public Financial Management Act (2015), which enabled timely availability of resources and improved compliance for service delivery. PEMCOM was again able to approve the FY 2016/17 programme plans prior to the budget speech.

Government also embarked on strengthening the profile of the internal audit function through the restructuring of the department and appointment of an acting Internal Auditor General.

In FY 2016/17, emphasis will be placed on consolidating the decentralized payroll management and salary payment system, IPPS, by strengthening the Human Resource monitoring and support supervision; elimination of outstanding salary and pension arrears; and integration of the payroll system with the IFMS and the Budgeting System.

Going forward, FY 2016/17 will mark the first year Government's fiscal policy is underpinned by a Charter for Fiscal Responsibility (CFR), a requirement under the Public Finance Management Act (PFMA) 2015. The Charter will specify measurable fiscal objectives for the medium term based on fiscal principles such as sufficiency in revenue mobilisation to finance Government programmes; maintenance of prudent and sustainable levels of public debt; management of revenues from petroleum resources and other finite natural resources for the benefit of current and future generations; management of fiscal risks in a prudent manner; consistency of the Medium Term Expenditure Framework (MTEF) and the National Development Plan (NDP); and efficiency, effectiveness and value for money of public expenditure.

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 and Civil Society for their continued and steadfast support to PFM reforms through FINMAP. Special gratitude goes to key partners who departed during the course of the year: Anja N. Kramer, the outgoing Country Director – KfW for the four years of dedicated service to Uganda's PFM reform cause. The same sentiments are also expressed to Sam Amule and Jane K. Mwesiga the Component Managers at MoLG and MoPS for their consistent endeavors in furthering improvements in accountability and management of the Programmes strategic direction during their terms in office. Last and certainly not least, I wish to acknowledge the relentless efforts of Mr. Thomas Miller (EU), my Co-Chair of the Public Expenditure Management Committee and outgoing Coordinator of PFM development group to the furtherance of the Reforms. I wish them well in their next endeavors.

Patrick Ocalap

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 2015 to 30 June 2016. 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 relating Public Financial Management (PFM) systems in Central Government. These include: the fiduciary systems in central government component (which oversaw the further roll out of the IFMS fixed asset modules and the treasury single account as well as augmenting the system security for GoU payment systems); the public financial management in local governments component (responsible for rolling out of the mid-range IFMS system in selected local governments and enhancing revenue collection in local governments); and the payroll and pensions management component (that implemented the IPPS system in a significant number of votes).

Such concerted efforts have translated into significant progress in strengthening the processes and systems in the overall PFM chain, as evidenced by progress in obtaining unqualified opinions from the Office of Auditor General at both central and local government level. It is intended that the new PFM guidelines drafted during the year will complete this cycle with a robust sanctions regime to foster compliance with the PFM legal provisions. Moreover, the office of the Internal Auditor General was empowered to ensure that accounting officers implement audit recommendations with renewal of their contracts dependant on previous performance in accountability under the decision of the PS/ST.

Key among other developments included the comprehensive clean up of the active government pay roll using the Biometric system, thus enhancing credibility of the payroll. This was particularly lauded given that by close of the year all 207 government votes had access to the payroll and pension modules. This means 108 government agencies can now operate from their locations without travelling to the Headquarters in Kampala.

The programme also rapidly responded to the need for enhancement of IFMS security controls including provision of high end security tools following the attempted hacks into the system. Most notably, government progressed efforts towards systems integration following a comprehensive analysis supported by the NITA-U. Subsequently, a strategic decision was taken to halt further rollout of Tier 2 IFMS system, shifting emphasis to the Tier 1 version.

On the other hand, the PPDA perception index revealed continued existence of corruption in public procurement which had risen to 71.8 percent – up from 69.8 percent in the previous survey. This validates government's continued pursuit of key procurement reforms during the year, including the rollout of the Government Procurement Portal (GPP), as part of efforts improve transparency in public procurement through display of procurement plans and posting of government tender opportunities as required by law. Currently, the target now is to have entities on the online GPP and not just the PPMS. Parliament approved World Bank funding for the e-GP and will be spearheading the reform.

The programme witnessed a marked improvement in the implementation level in all components with exception of the component on external oversight (OAG) and PFM in Local Government. This apparent retrogression in absorption is mainly due to delays in securing approval of procurements¹ for construction of the regional offices of the Office of the Auditor General in Moroto and Hoima, as well as a less than anticipated funding release on the part of GoU for implementation of Tier 2 sites in local governments.

The overall funds absorption during the year stood at 83 percent, an increase of 6 percent points compared to the previous period. Barring the underwhelming performance of capital intensive activities in the external oversight component, the performance this financial year would stand at 90 percent. Approval from KFW was received at the turn of the financial year. Section VI on page 84 provides detailed summary of expenditure analysis for FY15/16. Table 1 below shows a summary of funding contributions to the programme basket during the year.

The programme was subjected to a comprehensive EU Pillar Assessment to scrutinize the management systems put in place and controls, rules, and procedures applied as per the Financial Regulation applicable to the European Development Fund. The purpose of the assessment was for EU to satisfy itself on whether to entrust budget implementation tasks to FINMAP III management as an entity. There were no major issues found with the exception of system related bugs hindering effective reconciliation, which was in the process of being resolved.

¹ The external oversight component is mainly facilitated through earmarked funding modality used by KFW with special requisite procurement processes for some activities.

Table 1: Summary of Funding for FY 2015/16

Financing	DP Currency	Equivalent USD	Disbursements during Final Quarter		Cumulative Disbursement during the Year
	Annual Commitments (FY 15/16)		DP Currency	Equivalent in USD	USD
DFID ¹	GBP 1,000,000	1,500,000	GBP 500,000	681,050	2,156,950
DFID (Earmarked for Tier 2 rollout in FY16/17)	GBP 1,043,000	1,420,670.30	GBP 1,043,000	1,420,670.30	1,420,670
Norway ²	NOK 5,000,000	650,000	NOK 5,000,000	650,000	586,613
KfW	EUR 4,000,000	4,800,000	-	-	4,343,891
Denmark	DKK 7,000,000	1,050,000	DKK 7,000,000	1,032,103.47	1,032,103
GoU ('000)	UGX 26,526,415,953	8,530,501	UGX 12,629,169,940	3,753,118.87	7,284,235
Total Received					16,824,464
Balance from FY 14/15					2,444,964
Total Funding for FY 2015/16					19,269,428

Source: FINMAP Financial Records, 2016

NB: Cumulative disbursement from DFID was GBP 1,500,000 & included GBP 500,000 meant for FY14/15 but received in quarter one of FY15/16.

Disbursement of Norway was received on 12th July 2016, after the close of FY15/16.

Table 2: Funds Reconciliation for FY 2015/16

Funding Source	US\$ BSKT	US\$ GOU	US\$ Total
Balance at 1 Jul 2015	2,444,963.76	-	2,444,963.76
Receipts-Transfers from DPs/GoU	8,953,615.17	7,284,235.03	16,237,850.20
Other receipts-Income from sale of bids, refunds of balances from activity advances	218,481.40		218,481.40
Other receipts-GoU refunds for advances from the Basket	1,940,053.40		1,940,053.40
Funds Available	13,557,113.73	7,284,235.03	20,841,348.76
Payments* (including salaries)	10,560,190.21	7,043,176.67	17,603,366.88
Add adjustment for exchange rate differences - opening, closing & transaction rates	316,127.53	63,428.23	379,555.76
Balance at 30 June 2016	3,313,051.05	304,486.59	3,617,537.64
Payments* above	10,560,190.21	7,043,176.67	17,603,366.88
Less total advances during the year			3,337,597
Total Annual Expenditure (Basket and GoU)			14,265,770

Source: FINMAP Financial Records, 2016

Basket balance of US\$3,313,051.06			
FINMAP III Operations US\$ Account	3,202,926.33		
FINMAP III Operations UGX Account	110,124.73		
(UGX 374,959,272) @3,404.86-BoU average rate 30.06.16			
Total Balances as at 30.06.16	3,313,051.06	304,486.60 ²	3,617,537.64

FINMAP III QUARTERLY EXPENDITURE FY15/16	US\$ TOTAL
Expenditure Reported in Quarter I	2,893,418.71
Expenditure Reported in Quarter II	2,550,385.40
Expenditure Reported in Quarter III	2,001,846.63
Expenditure Reported in Quarter IV	6,820,118.92
CUMMULATIVE REPORTED EXPENDITURE (Bskt and GoU) Equivalent to UGX 50,464,896,571	14,265,769.66

² Equivalent UGX1,036,734,238

SECTION I

Introduction

1. INTRODUCTION

This annual report of the Third Financial Management and Accountability Programme (FINMAP III) covers the financial year 2015/16 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.

It is worth noting that due to the Programmes mainstreams approach to implementation, some of the broader government reporting cycles still hold. As such some of the key results provided were preliminary and will pend the publication of respective Departments' annual reports such as the annual Internal Auditors reports and OAG annual report. These gaps will be highlighted in the relevant component sections in annex 1 of the report. .

The financial year 2015/16 is the second year 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 PFM Reform Strategy, the implementation of the strategic objectives of the programme is encapsulated in 10 components. Table 4 below highlights the key programme components with attendant budget allocations in FY 15/16

Table 3: FINMAP III Components and FY 15/16 Budget Allocation

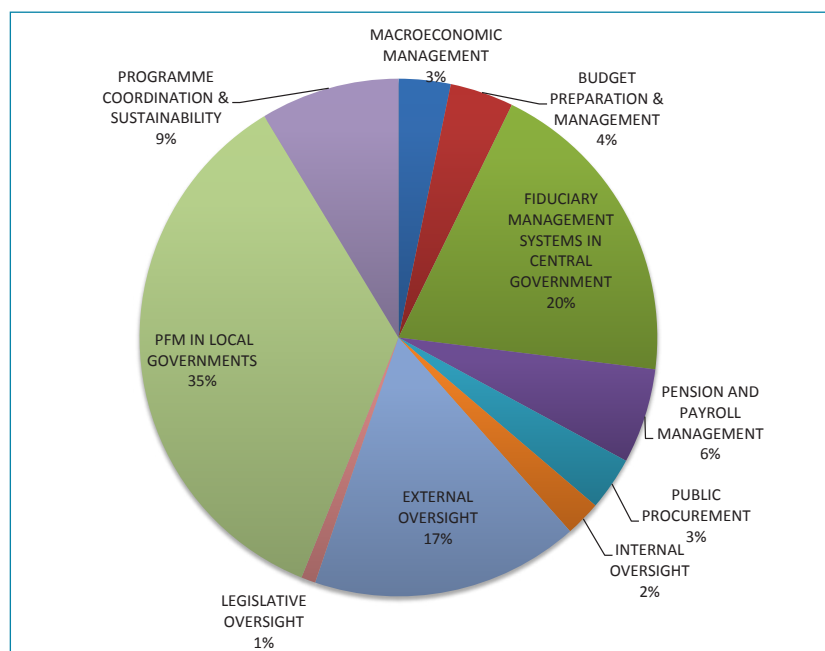
	Component Description	Management Responsibility Centre	FY 2015/16 Budget Allocation (USD Million)
1	Macroeconomic Management	Directorate of Economic Affairs, MoFPED	510,973
2	Budgeting Preparation and Monitoring	Directorate of Budget, MoFPED	625,032
3	Fiduciary Management Systems in CG	Accountant General's Office, MoFPED	3,106,915
4	Payroll and Pensions Management	Ministry of Public service	934,028
5	Public Procurement	PPDA	524,766
6	Internal Oversight	Directorate of Internal Audit MoFPED	350,000
7	External Oversight	Office of the Auditor General	2,636,410
8	Legislative Oversight	Parliament	141,000
9	Public Financial Management in LGs	Ministry of Local Government	5,540,613
10	Programme Coordination and Sustainability	The Management Support Unit, FINMAP	1,364,784
		TOTAL	15,734,521

Source: FINMAP Financial Records, 2016

Components focused on financial management systems in central government; external oversight management; and financial management systems in local government, had the largest share of the programme budget in FY 2015/16. This reflects the priority that was accorded to the implementation of

PFM systems during the period (See figure 1). The component on external oversight was given a significant share of the budget to cover the major costs relating to the construction of regional offices in Hoima and Moroto.

Figure 1: FINMAP III Budget Composition for FY15/16



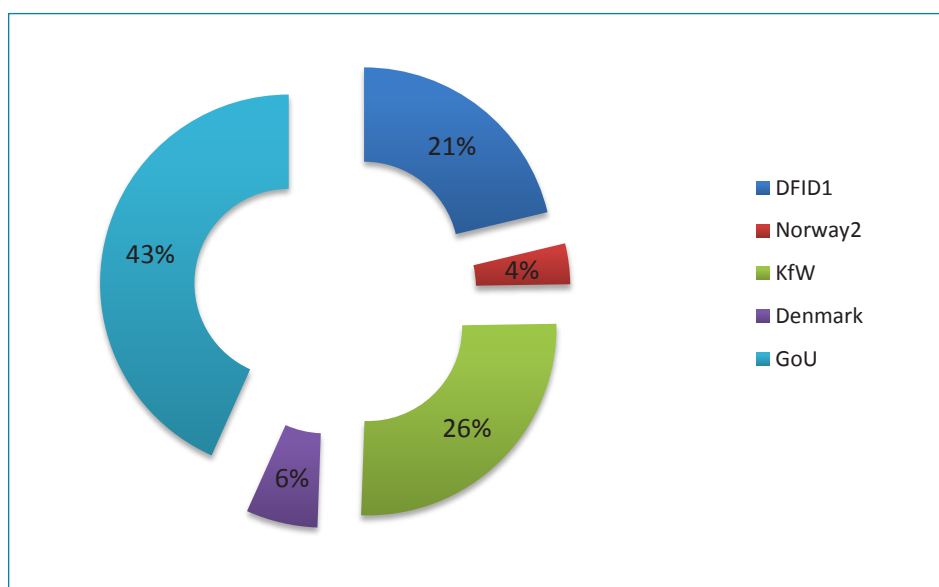
Source: FINMAP Financial Records, 2016

1.3 Funding

During FY 15/16, the programme received disbursements amounting to USD 19.2 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 2015/16



Source: FINMAP Financial Records, 2016

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

Progress During FY 2015/16

SECTION II:

ACHIEVEMENTS FOR FY 2015/16

2. Introduction

This section of the report provides a detailed analysis of component-specific progress in terms of the activities implemented and outputs delivered, as well as the contribution to specific reform objectives during FY 2015/16. Annex 7 (Component Performance Analysis) provides the detailed output level implementation status as per the work plan. Results at outcome level are documented in annex1.

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 Forecasting of Macroeconomic Aggregates

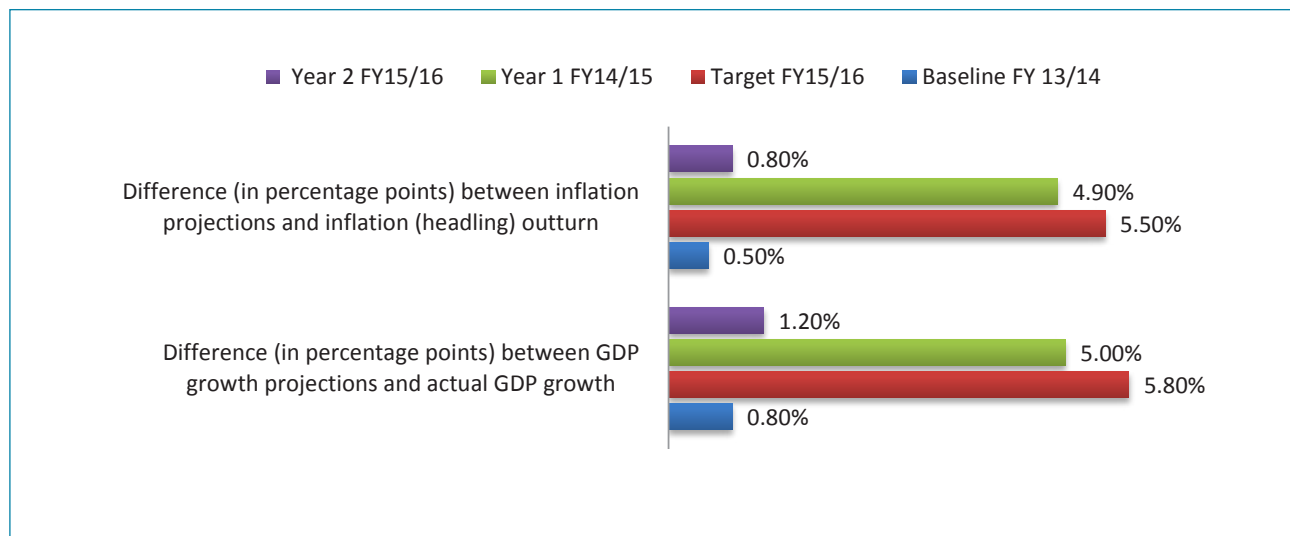
One of the objectives reforms under this component is the reliability of GDP growth forecasts. During the year, there was a

decrease in the difference between the projections and outturns for GDP growth from 5 to 1.2 percent (see figure 3). This drastic improvement in the accuracy of forecasting was in part due to continued capacity building of the macro forecasting function of government.

Indeed, the economy remained resilient in the face of a less favourable global economic environment, inflationary pressures, a volatile foreign exchange market and speculation over the recently concluded general elections. This resilience is, in part, attributed to a prudent monetary and fiscal policy response to these challenges. As a result, the economy is estimated to have grown at a rate of 4.6 per cent during FY2015/16, compared to a growth rate of 5.0 per cent registered in FY 2014/15.

The same trend was apparent with inflation projections. During the period, the variance between inflation (headline) projections and actual outturns narrowed. Again, FY 2015/16 has seen BoU pursue a tight monetary policy stance in a bid to rein-in inflationary pressures.

Figure 3: Forecasting of Macro-economic Aggregates



Source: Macro-Policy Department, MoFPED, 2016

Despite the limited progress in the full operationalization of the IMEM, the recent establishment of a fully staffed macroeconomic forecasting unit contributed to the accuracy in projections.

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

The integrated macro-econometric model (IMEM)

Development work on the integrated macroeconomic model (IMEM) was not completed as earlier envisaged in the inception report. This is scheduled to be completed before the end of 2016. The IMEM is made up of three models i.e. the computable general equilibrium (CGE), the macro econometric and micro simulation models.

Delays are mainly attributed to modifications in the initial implementation plan. At inception, the consultant had envisaged to use the Social Accounting Matrix (SAM) for 2002 as basis for the CGE Model rather than the SAM 2009/10, by then still under development by the Uganda Bureau of Statistics (UBOS). However, the key stakeholders decided to allocate resources to expedite the finalization of the newer SAM to avoid basing the development of the CGE model on obsolete socio-economic data. This was completed in 2014.

By June 2016, both the CGE and the micro simulation models were completed and fully functional, following the incorporation of the Social Accounting Matrix (SAM) with the latest FY 2009/10 socio-economic data. The updated SAM is now capable of carrying out more accurate simulations and forecasts to inform policy making. The component is now able to undertake impact analysis on macro variables for individual sectors. This involves evaluation of the impact of economic and policy shocks – particularly policy reforms – in the economy as a whole. Because of its nature, this tool will be very useful for policy design.

Furthermore, the delays are partly attributable to the requisite capacity building efforts to implement the new modelling tools. This was a key oversight in the inception report. The component sought for a gradual hands-on implementation to involve key users in MoFPED, BoU, UBOS, NPA, URA and Parliament during the development stage. This approach will make the initiative more sustainable as it allows for training in a broad spectrum

of related areas including econometrics, optimisation and other specialised software packages.

Despite the completion of the basic structure during the financial year, there was need for linkages with the CGE model and micro-simulation. By then based on the 2009/10 Uganda National Household Survey (UNHS), it was deemed prudent that the micro simulation model be updated using the 2012/13 UNHS.

Operationalization of the macroeconomic modelling unit

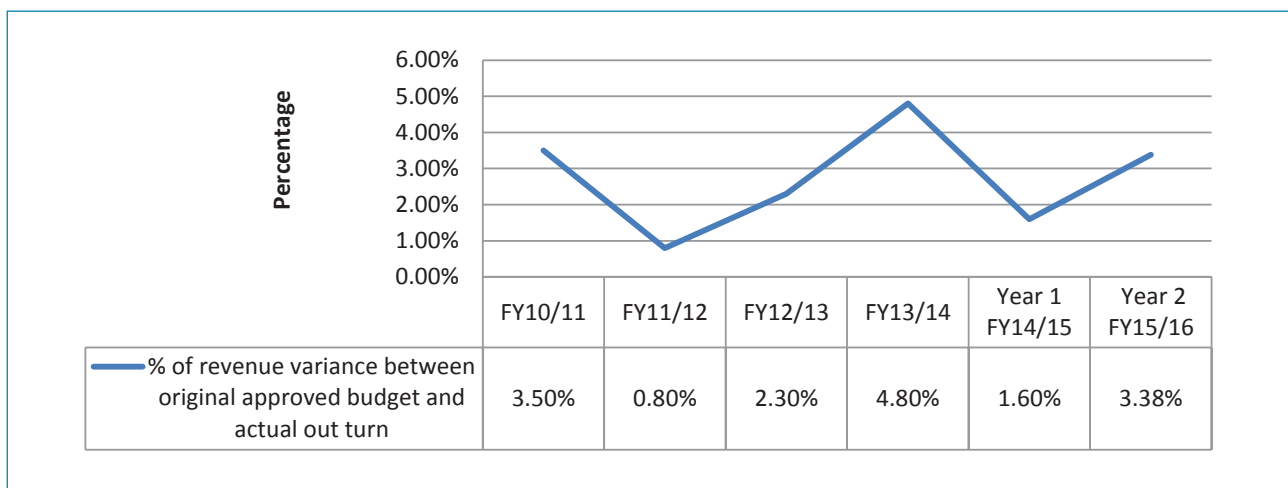
The macroeconomic modelling unit was established in 2015/16 in the Directorate of Economic Affairs and is now fully fledged. Already, preliminary test analysis using the models was conducted. This included test simulations on the economic impact of the anticipated oil and gas sector investments, the macroeconomic convergence criteria of the East African Community, and the expected impact of the standard gauge railway on the Ugandan economy among others. Indeed, some of the analysis helped inform key policy decisions, particularly the imposition of the 18 percent VAT on agricultural inputs in the FY14/15 budget.

In light of the above delays, a review of the initiative was undertaken during the year to expedite implementation. Key among the resolutions was the need to fast track development of a detailed manual describing the underlying assumptions used in the development of the models so as to enable an external validation of the IMEM. It is also important to share preliminary findings from analyses conducted using the model with external stakeholders for peer review.

2.1.2 Quality of Revenue Forecasts, Monitoring and Evaluation

During the year, there was a significant reduction in the accuracy of revenue forecasts as the variance between the revenue estimates in the approved budget and the actual outturns increased (see figure 5 below). This was in part due to shortfalls in revenue collections, largely attributed to a number of factors, including: lower import demand as a result of depreciation pressures, a slow-down in business activity in the run up to the 2016 general elections, and the impact of tight credit conditions on private investment.

Figure 5: Quality of Revenue Forecasts



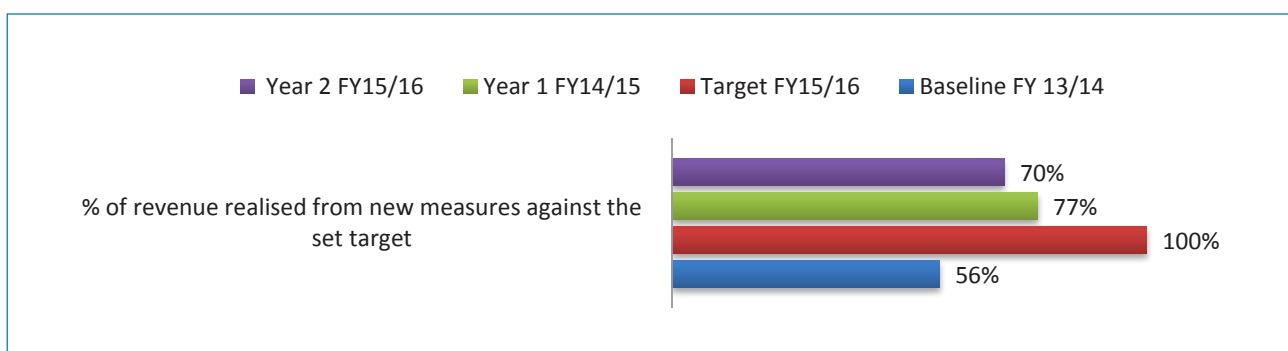
Source: Macro-Policy Department, MoFPED, 2016

2.1.3 Widened Tax Base and Improved Tax Administration

During FY 2015/16, the share of revenue realised from new tax measures remained under the 100 percent target (see figure 6). The tax collection effort was boosted by the ongoing tax administration reform efforts by the URA, including enhanced usage of E-tax systems, sensitisation activities to increase awareness of existing tax regimes, as well as comprehensive auditing. In the 2015/16 financial year, at least UGX 10 trillion was paid through the e-tax payment systems, accounting for close to 88 per cent of the revenue body's target of UGX11.3tn.

Going forward, government will continue with its policy of increasing revenue to GDP by 0.5 percent points per annum through a mixture of policy and compliance measures. There is limited room for a comprehensive new tax policy and the emphasis will thus be on modest adjustments to some rates. Proposed adjustments will take into account inflation so that rates reflect the true value of the tax. More emphasis will be placed on tax administration to enforce collection of taxes that are being avoided or evaded.

Figure 6: Revenue realised from New Measures

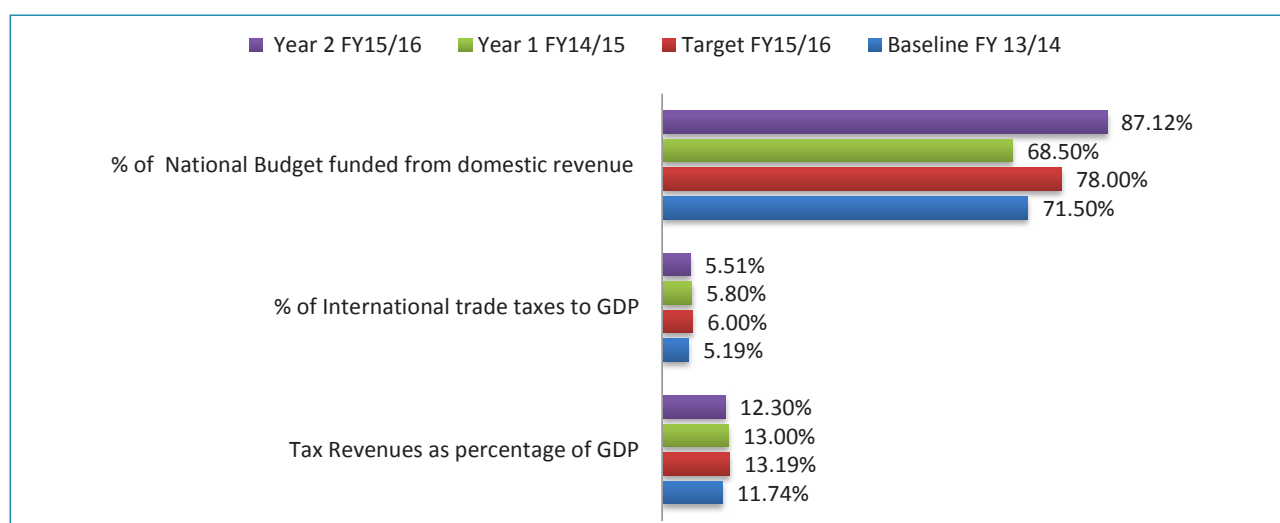


Source: Tax Policy Department, MoFPED, 2016

Non-Tax Revenue (NTR) as a percentage of GDP also increased from 0.19 to 0.28 percent (See figures 7 and 8 below). This was mainly due to institutional reforms to increase transparency, reporting and accountability. Government departments and agencies which collect and retain NTRs are required to submit details of their revenue collections to the Treasury to ensure

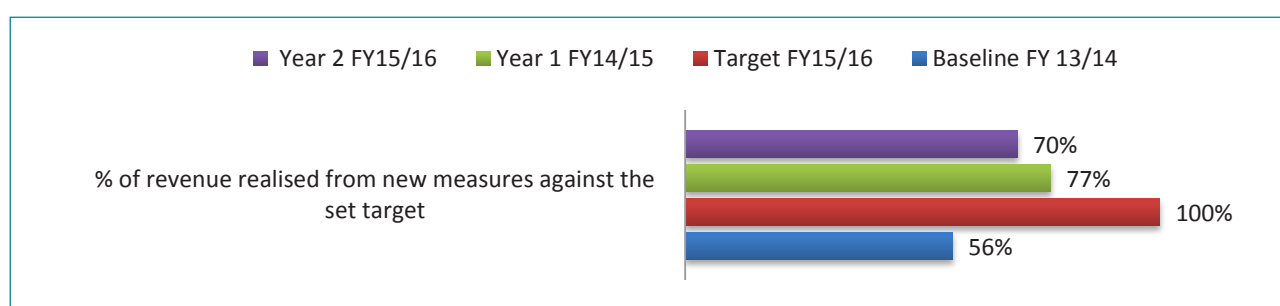
that resources available are consistent with their work plans. As part of the reform, Ministry of Finance, Planning and Economic Development will engage MDAs to amend fees and other charges so that they represent the cost of provision of a service and the need to generate additional resources.

Figure 7: Overall Revenue Performance



Source: Tax Policy Department, MoFPED, 2016

Figure 8: Proportion of Non Tax Revenue to GDP



Source: Tax Policy Department, MoFPED, 2016

Double Tax Agreement policy: The component registered progress in adoption of the Double Tax Agreement policy. Cabinet approved Uganda's Double Taxation Agreement (DTA) Policy and the related Model Tax Treaty. This is a major step in the process of reviewing and updating policies and laws in international taxation.

Capacity building at URA: The programme continued to facilitate capacity building initiatives for URA staff. During the year, an in-house training program on international taxation was undertaken through a consultancy with the African Tax Administration Forum (ATAF).

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

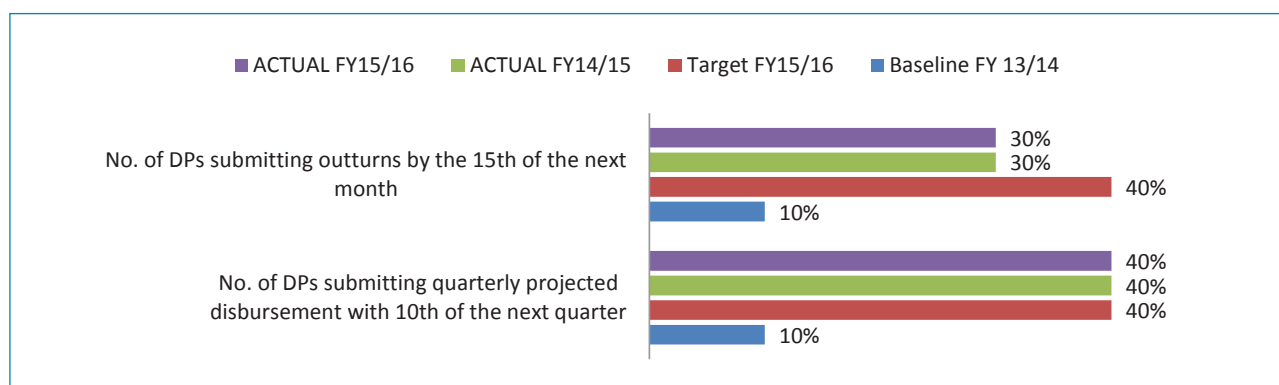
Government continued with efforts to operationalise the Aid Management Platform (AMP), which was launched in FY14/15.

This is part of Government's commitment to transparency, accountability and aid effectiveness, providing in-depth and up-to-date information on how external support is being used to drive social and economic development across the country. AMP is an information-sharing tool to streamline reporting of international aid.

During the year, capacity building engagements in usage of the tool for both the department of Development Assistance and Regional Cooperation (DARC) in the MoFPED as well as development partner agencies³ continued. Update of donor portfolios with commitments and disbursement information was also undertaken. These efforts resulted in improved timeliness of submission of both projected and actual disbursement data (see figure 9). However, the measure of '*DPs submitting both actual quarterly disbursements*' will have to be reviewed. This is because in practice, development partners disburse funds according to the memoranda of understanding. As such, some disbursements are realised bi-annually and as agreed.

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)

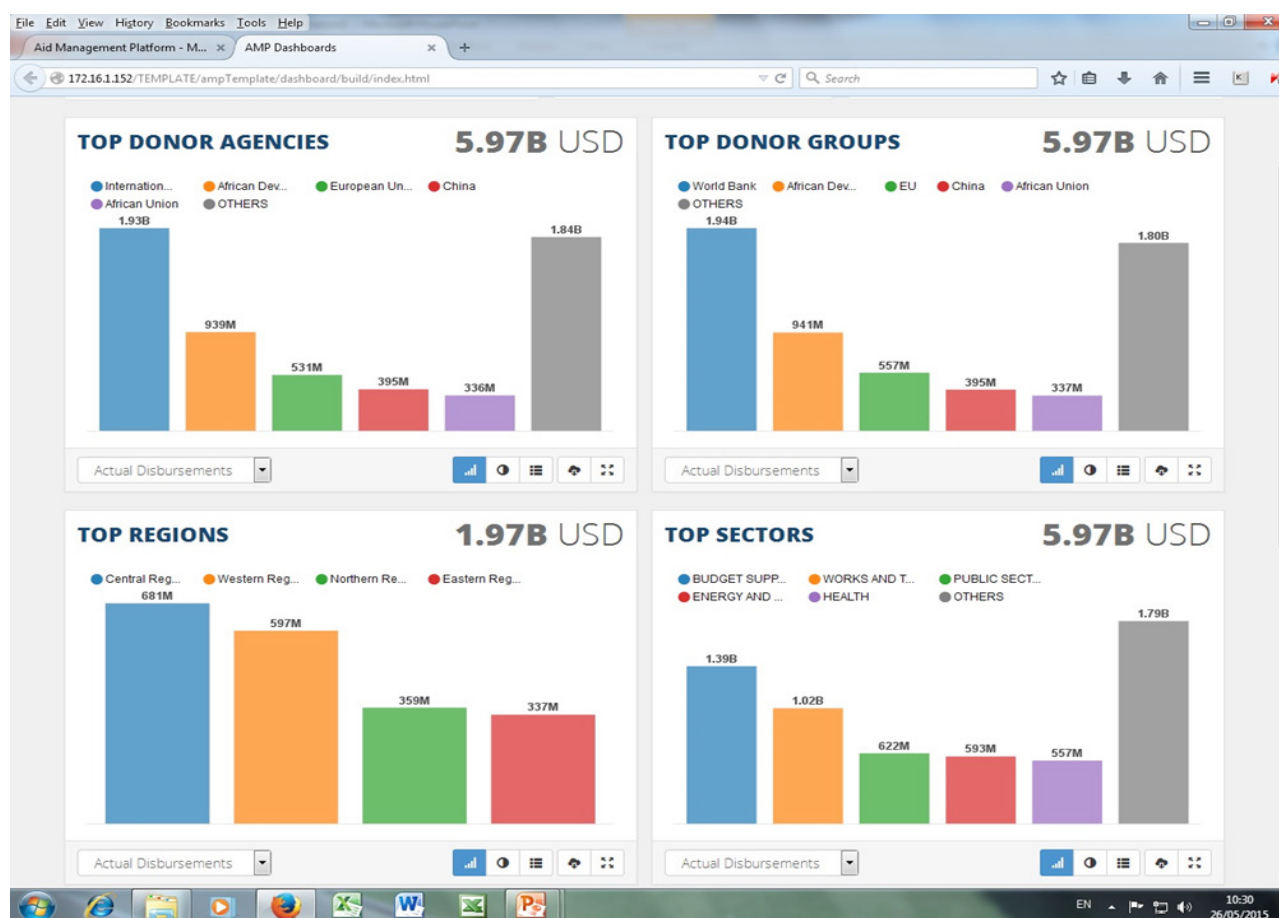
Figure 9: Quality and Timeliness of Reporting on ODA



Source: Department of Development Assistance and Regional Cooperation (DARC), 2016

Most notably this year, the public investment management information system (PIMIS) – a constituent component of the AMP went live. PIMIS tracks sources and utilisation of Overseas Development Aid to Uganda. This functionality enables development partners and other pertinent key stakeholders to access and update information online directly into the system including including project details such as location, timeline, scope and resources.

The department continues to handle issues pertaining to the uptake of the initiative by development partners, especially when it comes to release of information pertaining to off-budget support. Change management efforts will be required in the forth coming years to reverse this trend.



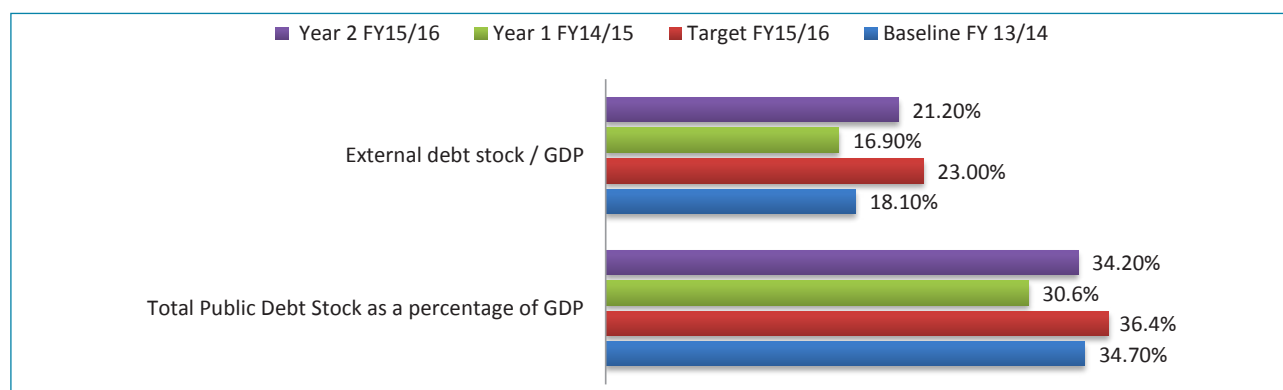
Screen Short of AMP dashboard. This unique AMP feature summarises the data in a chart for easy appreciation of the data sets. The AMP also has a GIS module to analyse project distribution across the district in Uganda

2.1.5 Improved Quality and Timeliness of Debt Analysis

Public debt stock as percentage of GDP increased during the year to 34.2 percent (compared to 30.6 percent the previous year) – see figure 10 below. This is under the target and well below

the EAC monitoring union convergence criteria threshold of 50 percent (figure 10).

Figure 10: National Debt Levels



Source: Directorate of Debt & Cash Management, MoFPED, 2016

This is in part attributed to the fact that currently 62 per cent of the public debt portfolio is denominated in foreign currency (external debt) while 38 per cent is Shilling denominated (domestic debt). Hence part of the increase in public debt has been due to the huge currency depreciation that hit the country over the past one year and Government's external borrowing for investment in large infrastructure projects, mainly in the transport, energy and oil sectors.

Analysis of the total external debt exposure reveals that the increment in exposure arose out of continued borrowing to finance priority infrastructure investments required to enhance productivity, particularly in sectors such as Energy and Mineral Development, Works and Transport, Education and Health. The stock of outstanding external debt as of 31st March 2016 stood at USD 5.06 billion of which 79 per cent is due to multilaterals and 21 per cent to bilateral creditors.

Government of Uganda will continue to address the constraints that hinder disbursements of borrowed funds including, fulfilling the conditions for project execution, providing counterpart funding and bridging the gaps in implementation capacity through utilization of short term experts. In addition, The Ministry of Finance, Planning and Economic Development in collaboration with Bank of Uganda is planning to enhance development of the domestic debt financial market, including reform of the primary dealer system, which is expected to improve yields and curb under subscriptions.

During the financial year, MoFPED progressed efforts to operationalize the debt management and financial analysis

system (DMFAS) with development of a prototype interface linking DMFAS, IFMS and PIMIS as a first step. The purpose of the system is to manage debt related expenditures and revenues, which ultimately will reinforce control measures for public expenditure. The prototype tool will be used to engage and train users on the functionality of DMFAS before a fully fledged system is finalised. In the coming year, the programme will continue to support the institutional capacity of the recently established Directorate of Debt and Cash Management.

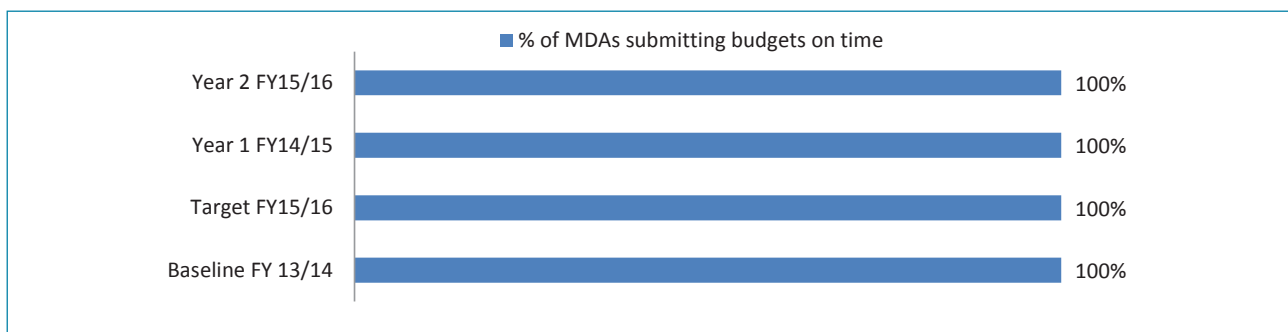
2.2 Budget Preparation and Monitoring

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

Government continued to register optimal performance in the timeliness of budget submissions by MDAs (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 the new budget calendar as stipulated in the PFMA 2015. This ensures that the national budgets are approved by the 1st day of July each year.

Figure 11: Timeliness and Accuracy in Budget Preparation



Source: Department of Budget Policy & Evaluation, MoFPED, 2016

This continued performance has also been contributed to by the graduate economist scheme under the programme. An additional 18 graduate economists were recruited in FY15/16 bringing the total number to 50 economists. Distributed across GoU planning and budget units, the economists have supported budget

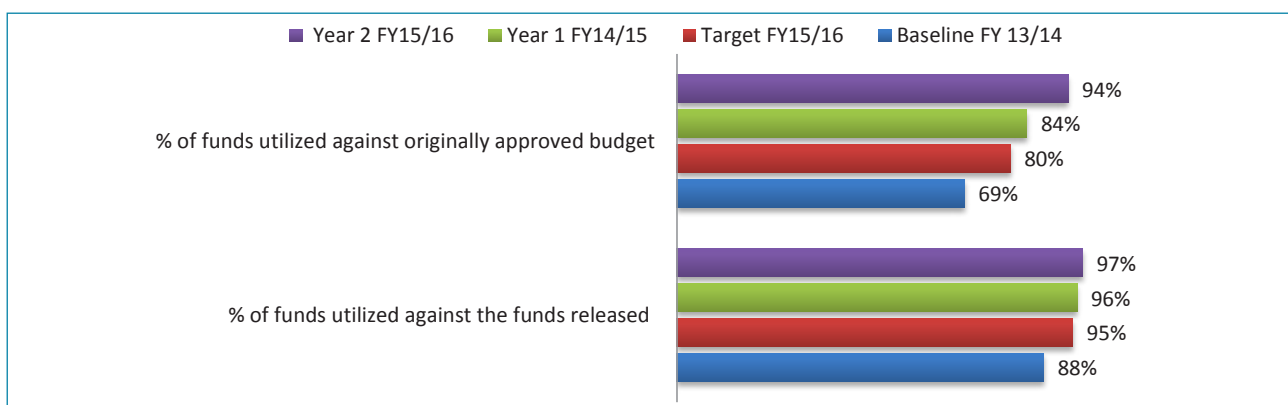
preparation and monitoring towards establishment of credible budgeting processes, particularly finalization of the budget for the FY 2015/16, half-year Budget Performance Reports for the FY 2015/16, and preparation of Programme Based Budgeting.

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. Despite the delays in the submission of budgets, there was commendable improvement in the utilisation of funds released (see figure 13 below). This was probably 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. The incidence of in-year virements, however, remains significant, suggesting that more remains to be done on budget planning and execution.

Figure 13: Funds Utilization in FY 2015/16



Source: Department of Development Assistance, MoFPED, 2016

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

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

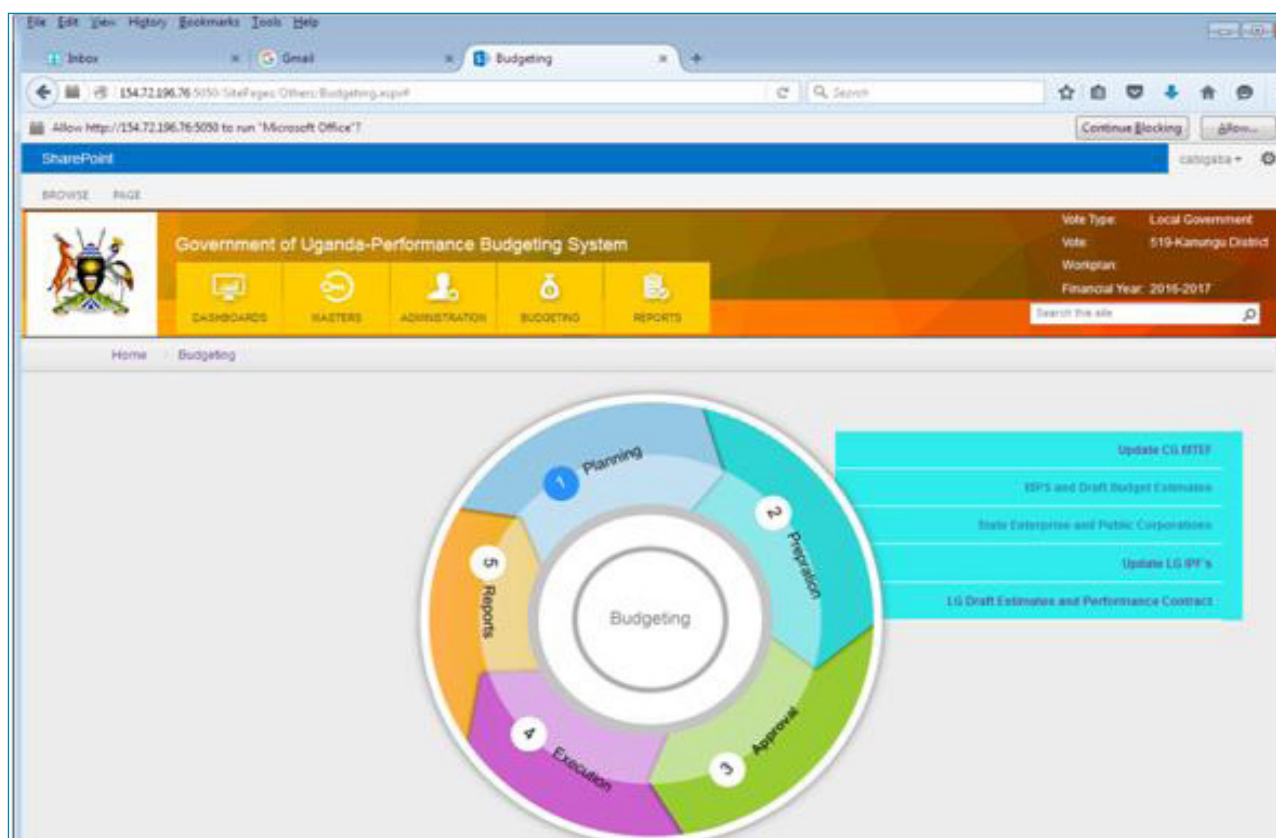
The programme based budgeting system

The focus of the component this financial year was on the operationalisation of the programme based budgeting framework – a budget practice that entails a shift in emphasis from outputs to outcome budgeting as a means of improving

service delivery. The programme based budgeting system (PBS), which is an upgrade from the OBT system, will be web-based and interfaced with the IFMS to enable automatic synchronization of budget data. This reform aims to raise the performance assessment criteria for MDAs to higher-level results that reflect the development objectives in NDP II.

Figure 13: Funds Utilization in FY 2015/16

Source: Department of Development Assistance, MoFPED, 2016



Screenshot of the on-line base Performance Budgeting System

By year end, the first PBS module for budget preparation – BFP, work-plans and estimates was completed, while the interface with IFMS was still at development stage. This has to be ready to enable upload of the budget into the IFMS to enable the issuance of warrants – treasury releases for expenditure – from the IFMS to the PBS, which was previously arranged manually.

It is envisaged that the system will be used for budget reporting for the first quarter of FY16/17 and preparation of the FY17/18 budget. Table 2.1 below shows the critical timelines for full operation of the PBS.

Table 2.1: Timeline for Implementation of the Programme Budgeting System

Complete System development for release 1,2 and 3 for both Local and Central Government	22nd July 2016
Finalization of Interfaces between the PBS and IFMS, AMP and IPPS	21st July 2016
Go-live of the PBS	1st August 2016
Usage for Budget Reporting	Q1 of FY16/17
Usage for Preparation of Budgets	FY17/28

Preparations for usage are now in advanced stages with all planning units in all MALGs having received the first phase of training on PBB. This training focused on the broad PBB concepts and approaches. As for the PBS system itself, the component has adopted a cascading approach to training where TOTs from

selected MDA and LGs will be used to train their respective units. The detailed scope will be developed in FY16/17. The PBS is running using advanced SharePoint integration with Microsoft Dynamics and SQL servers.

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

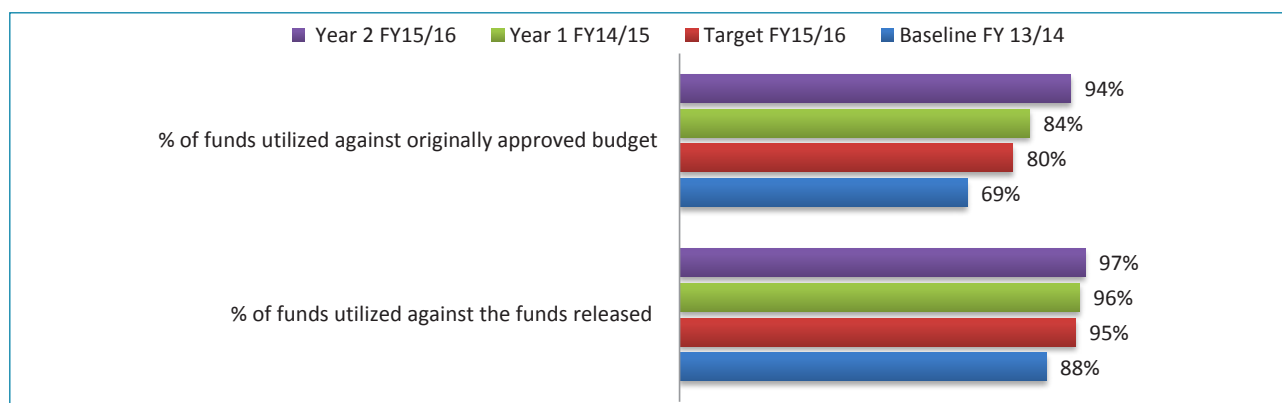
tertiary institutions (PUSATIs). In addition, the component aims to improve cash management in government. The results achieved during the fiscal year are highlighted below:

2.3.1 Improved Timeliness, Quality and Comprehensiveness of Financial Reporting by Central Government entities

By the end of the statutory reporting period, the component anticipates significant improvement in the quality of financial reporting in the proportion of MDAs submitting financial reports in compliance with the public finance and accounting regulations. It is expected that continued effective utilization of the IFMS by MDAs and local governments should deliver this improvement.

Currently, at the time of reporting, 27.3 percent (of MDAs) and 85.7 percent (of foreign missions) had submitted their financial reports for FY2015/16 (See figure 15 below). This should increase by the end of the statutory deadline.⁵

Figure 15: Timeliness and Quality of Financial Reporting by Central Governments Entities



Source: Office of Accountant General, MoFPED, 2016

Furthermore, the proportion of MDAs registering unqualified audit opinions and clean reports across Government has continued to register improved performance as a result of quality financial reporting and improved accountability (see figures 16, 17 and 18).

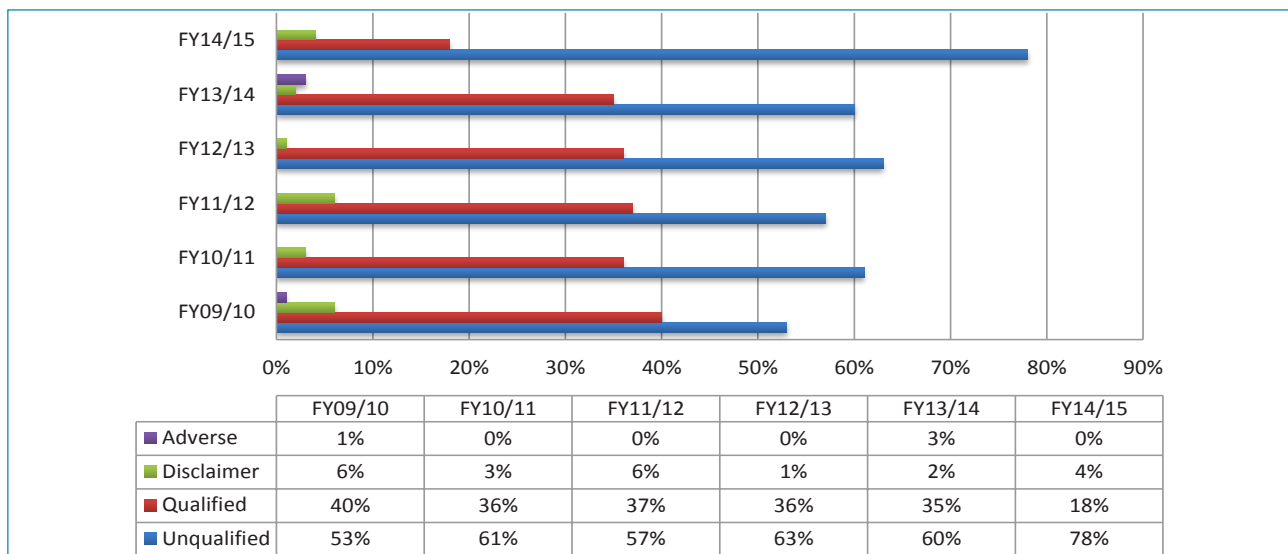
For the previous years the Office of the Auditor General has been producing three (3) Volumes on financial audits i.e. Central Government, Statutory Corporations and Local Government. These volumes contained all the findings in the various entities

of government and as such were bulky. This had a drawback in terms of time taken to discuss the issues contained therein, and also in prioritising issues Parliament should raise with the various Accounting Officers.

In order to address the above constraints, the OAG developed risk-profiling guidelines that enabled selection of only issues of high significance to be included on the OAG report, and thereafter discussed by the Accountability Committees of Parliament.

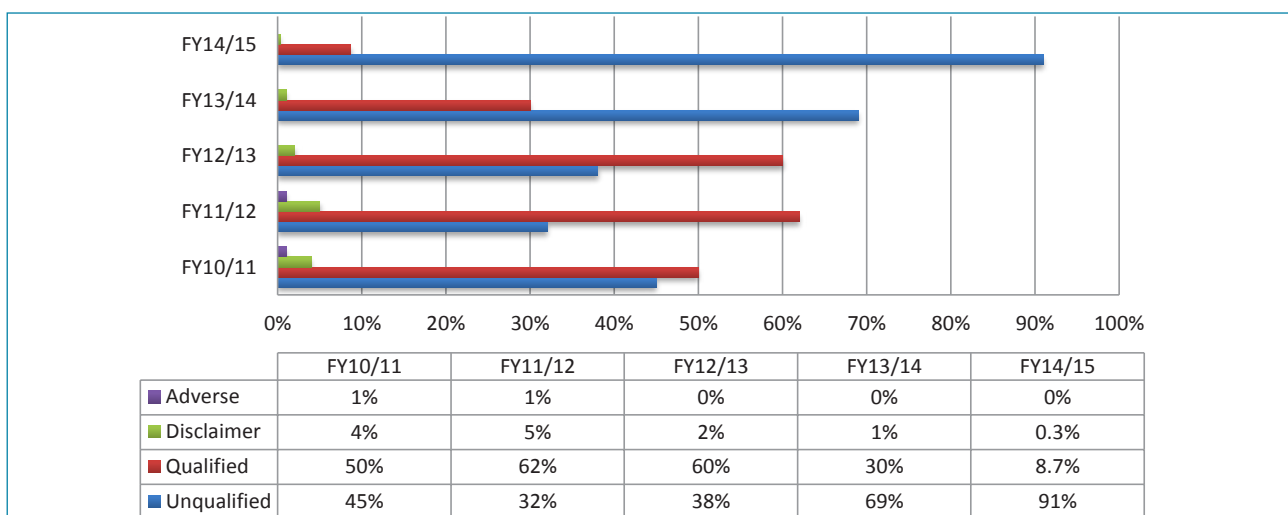
⁵ The statutory deadline for submission of annual financial reports is two (2) months after the end of the financial year i.e. August 2016. This result therefore is based on nine (9) months submissions.

Figure 16: Audit Opinions for Statutory Authorities



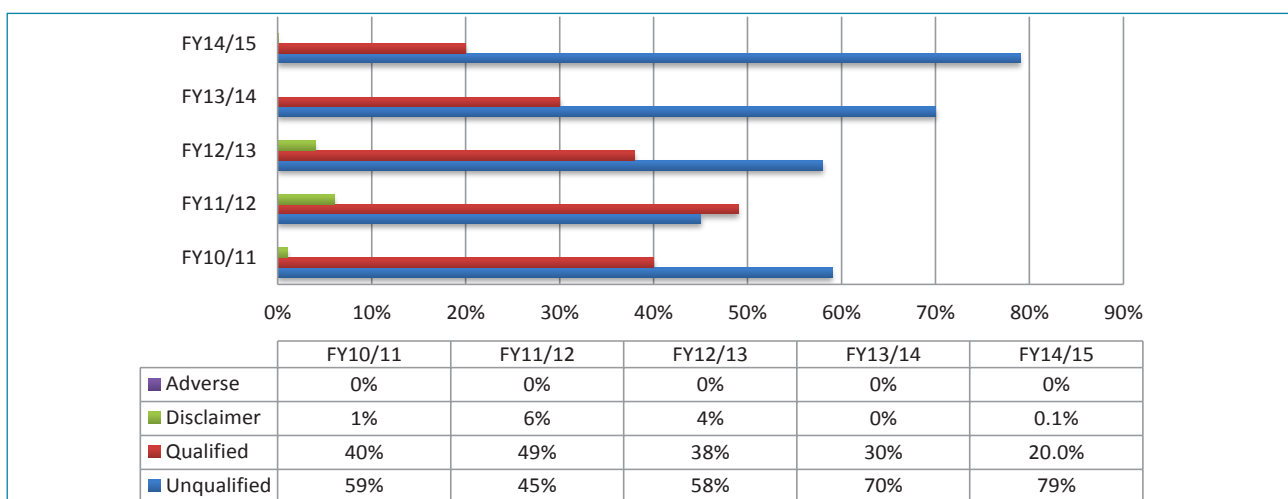
Source: OAG, 2016

Figure 17: Audit Opinions in Local Government



Source: OAG, 2016

Figure 18: Audit Opinions in Central Government



Source: OAG, 2016

The following key reform activities were undertaken during the year:

Development of Public Financial Management (PFM) regulations

Government successfully developed PFM regulations in compliance with Section 81 of the PFM Act requiring that, by statutory instrument, the Minister issues regulations to

operationalize the law. The MoFPED consulted with the civil society (CSBAG) to provide input into the draft regulations.

Roll out of the Integrated Financial Management System (IFMS)

Flowing last FY14/15, the GoU continued to implement its plans to rollout IFMS to 33 new sites. This financial year, all the 33 sites were handed over to GoU. The major activity during the year was provision of technical support to sites for introduction of the fixed assets management module. The fixed assets module was extended to 40 additional sites bringing the total number of votes whose asset information has been uploaded into the

IFMS to 50 votes. Annex 3 provides a detailed status of IFMS Implementation.

It is worth noting however, that further roll out of the IFMS to new votes and DFPs in the FY16/17 is going to be influenced by the outcomes of policy decisions on systems integrations currently being spearheaded by NITAU.

Table 3.1 IFMS IMPLEMENTATION STATUS – 2016

	Entities/Votes	Detail	Votes	IFMS Fully implemented	Ongoing FY2016/17	Planned FY2017/18	Pending
1	Ministries	IFMS Tier I (Oracle Financials)	22	22			
2	Agencies and Departments	IFMS Tier I (Oracle Financials)	55	47	6	2	
3	Hospitals	IFMS Tier I (Oracle Financials)	16	16			
4	Projects (Donor & GoU)	IFMS Tier I (Oracle Financials)	143	26	30	35	52
6	Foreign Missions	FMFMS (Microsoft Navision)	35	33	1	1	
7	Public Universities	CEMAS	10	0	3	5	2
		Hybrid Votes (Salaries only) IFMS Tier I	10				
8	Local Governments (130 Districts & 25 Municipalities)	IFMS Tier I (Oracle Financials)	155	14	29	25	28
		IFMS Tier II (Microsoft Navision)		59			
		IFMS Tier II Conversion to IFMS Tier I		0	0	22	37
		Hybrid Votes (Salaries only) IFMS Tier I	82				
	Total			217	69	90	119

Source: AGO, 2016

Systems' Security Review

An independent comprehensive security review of the IFMS was undertaken in FY2013/14 to assess the systems 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 at the MoFPED, 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, 89 percent of all the recommendations of the security review have been implemented (See table 3.1).

Table 3.2: Status of implementation of IFMS Security Audit recommendation as at 30th June 2015

#	Review Area	High	Mid	Low	Total No. of Issues identified	Total No. of issues resolved	Un-resolved issues	Major reasons for non-resolution and status of implementation.	% 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	15	0	N/A	100
4	Operating System Review	47	33	8	80	75	5	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 six (6) issues were referred to IT General controls and are addressed in the IT Security Policy.	94
5	Application Review	12	4	1	16	14	2	Tests of the remaining issues are on-going in the test environment. Oracle IFMS support contract is under procurement and once done, the issues will be considered by the oracle consultants.	88
6	Infrastructure Review	60	49	7	109	80	29	A number of automated software tools, patch management & update, O/S were recommended. The automated software tool (Checkpoint) has been deployed. Implementation of Imperva to enhance security of data and applications is ongoing. Procurement of GRC is also underway.	73
7	Penetration Testing	29	17	4	46	40	6	Implementation of some recommendations e.g. upgrading from SNMP version 1 & 2 to version 3, caused incidents of IFMS users failing to access the system and some of these were rescinded. However, our vendor, CPL, has been engaged to assess logical conclusion of these recommendations.	87

Source: AGO, 2016

Enhancement of the Data Centre

During the year, government embarked on enhancement of the Data Centre infrastructure. To date the requisite approvals for procurements have been done and it is expected that the

process will be complete in FY16/17. This is required due to the gradual degradation of performance, which will be addressed by scaling up of storage and processing power. The problems of

performance have been caused by the recent expansion to new sites and addition of new modules and functionality with heavy impact on system requirements. This includes the decision to decentralise payroll processing with over 206 votes now paying wages through the IFMS as of December 2015. Already, the most critical infrastructure components have reached their planned obsolescence (end of life) date.

The proposed enhancement aims to cater for the immediate and longer term system requirements by the GoU business (IT) and MOFPED IT operations. The objectives of the enhancement include the following:

Provide the required system capacity needed for MOFPED business.

(a) *Consolidation of computing resources.*

Preparing the infrastructure for scaling up to cater for the impending introduction of related PFM systems such as E-Government Procurement system and integration of IPPS into IFMS.

(b) *Mitigate risks caused by individual components getting to end-of-support/end of life.*

Piloting of Computerised Education Management and Accounting System (CEMAS)

The introduction of CEMAS aims at improving transparency and accountability for resources in public universities and self accounting institutions (PUSATIs) considering the lack of credible financial and educational information from these entities in the past, as well as the significant amount of resources (approximately Ushs 400 billion) provided annually by Government.

CEMAS was piloted at Mbarara University of Science and Technology (MUST). The system comprises three (3) modules, namely human resource and payroll management, financial management, and student and academic management.

The roll out of the system in MUST is close to completion and is having positive impacts on accountability and efficiency. The move to a new campus has complicated the process, but good management systems are facilitating change. The University is in the process of moving campus from Mbarara to Kihumuro, 7klm from town on the Bushenyi Road. This has created some logistics challenges as the data centre will need to be transferred to the new site and network constraints are affecting performance. Payment of fees has been automated along with student registration and records, and timetabling. Student ID cards with bio data have helped automate identification at exams.

There is greater transparency and oversight with the computerized financial system replacing manual accounting. The human

resources module has only payroll and leave, and the payroll has to be processed through IPPS/IFMS. A decision is required on the optimum system for payroll and human resource management.

A key risk noted is the support and administration of the system after the implementing contractor's (*Talisma*) support ends in 2017. In addition, the transfer of the budget for ICT services (networking and internet) from Universities to NITAU was raising cost concern among the key users with calls for a review of the ICT budget policy.

At Makerere University Business School, the following activities were undertaken: migration of student information from the legacy system to CEMAS is ongoing – to be completed in Feb 2017; completed registration of new students on CEMAS; finalised the deployment of the timetabling module; and, operationalized student marks management functionality.

Towards the end of the financial year, the implementation of CEMAS at Makerere University also commenced with change management support as required of the initiative.

The interface between the Uganda National Examination Board (UNEb) management information system and CEMAS is partially operational. The next steps will involve design of a system for full integration, removing the risks associated with the current interface, which requires manual input.

Progress of GOU IT systems interfaces

During the year, the interface between the IFMS and URA's e-portal linking to the e-tax system was expanded and to date, the IFMS/E-tax link has been rolled out to 122 entities (Central Government votes-83, Tier 1 LGs-14 and DFPs -25). This ensures that all GoU contractors provide a valid Tax Identification Number (TIN).

The interface between IFMS and the Integrated Payroll and Pensions System (IPPS) is fully operational across all 207 government votes. All staff salaries are paid through the interface either directly or through the regional centres. Government is focused on bringing on board the few pending Government agencies, which draw wages from the Consolidated Fund, but currently do not process their payrolls through the GoU payroll processing system.

Integration of Systems

Government furthered strategic discussion on integration of the IFMS, IPPS and other government systems vital to providing fiduciary assurance in government. Overall it is envisioned that integration of systems will improve performance and reduce costs associated operations, support and maintenance, arising from duplicate investment in ICT systems and sub-optimal yields from the existing interfaces.

Furthermore, the enactment of the PFMA 2015 brought up new business needs requiring the consolidation of financial statements of government entities including LGs. Currently, these reporting requirements cannot be adequately met, given the decentralised architecture of the Tier 2 system where LG's are set up as "separate and standalone" entities. Recent reforms involving the decentralisation of the payroll and pension payments and introduction of the Treasury Single Account (TSA), intended to streamline cash management in LGs, have also introduced challenges with regard to the performance of the Tier 2 system.

The case for integration was strengthened by heightened security threats and attempted hacks into the systems. While no loss was suffered on Tier 1, the breach resulted in substantial losses in the case of Tier 2. In all instances, breaches on Tier 1 were detected using existing security alerts and controls within the system. These developments come in the face of continued concerns pertaining to variances in the wage bill processed on IPPS and that paid on IFMS.

An in-depth review of issues pertaining to these lapses prompted a Presidential directive to expeditiously progress integration of all financial management systems. NITA-U, the National IT agency undertook a study and consultations with the key stakeholders, which recommended a halt to further deployment of IFMS Tier 2. By close of the year, a road map was being developed to guide the transition process.

The Programme flagged a key risk to ensure that the adopted policy shift meets the business needs of LG's and does not conflict with the Decentralisation Policy. Even as NITAU plays its role, systems development should remain business-led to ensure that the information systems (IS) and information technology (IT) deliver real organizational and business benefits.

The Programme risk register will therefore be updated to take cognizance of implications of the new systems integration policy, particularly the current capacity of NITA-U to lead the process in the forthcoming year.

Functional and technical support to systems

A core function of the component during the financial year was continuous support to systems and users as part of its sustainability strategy. This involved recurrent functional and technical support to all IFMS sites including the 33 new sites.

The component worked in collaboration with Bank of Uganda on measures to strengthen internal controls and security within the IFMS systems environment. There was a review of system security and development of revised procedures for payment processing particularly for foreign exchange payments.

IFMS security

Following the recent IFMS security incidents in which there were attempts to process unauthorised payments from government accounts in Bank of Uganda, the programme supported MoFPED in acquiring two (2) new tools to strengthen system security. The actual implementation of these tools will commence in July 2016/17 and is due to be completed within six (6) months.

In the interim, the adoption of the new measures to mitigate risks may cause a small delay in payments, and will require votes to process payments in time. The delay in payment is a necessary inconvenience to avoid losses due to fraud.

The tools included the following:

(i) The Oracle Governance, Risk and Compliance Tool:

The overall objective of the tool is to create a central repository to store and manage all governance, risk and compliance risks on the oracle application platform while provide management with a single view and access point for critical information. The tool will

- (a) Provide the ability to fine-tune user access and to track that access, provide real-time monitoring and proactive enforcement of crucial access policies.
- (b) Provide an automated solution that controls and tracks changes to key application setup data, using notifications and detailed reports to facilitate change management without burdening core business operations.
- (c) Continuously monitor accuracy of transactions and mitigate exposure to fraud.

(i) Database Firewall and Audit Vault Tool:

The tool will Monitor and proactively protect databases from internal abuse, database attacks, and unauthorized activity. In particular, the tools should be able to do the following:-

- (a) Support automated and scalable activity monitoring, auditing, and reporting for heterogeneous databases.
- (b) Track privileged user access, SQL transactions for forensic monitoring, prevent database leaks, and ensure audit integrity by establishing an independent audit trail of user activity.
- (c) Track SQL queries and responses without degrading database performance.

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 by imparting professional ethics and

standards. During the year, the programme supported 51 staff (ACCA-10, CIPS-17, and CPA-24) to undertake professional training.

To date, 171 professional accountants have been supported through the programme. See summary in table 3.3 below:

Table 3.3: Summary by Rank:	
Accountant General	1
Commissioners	3
Assistant Commissioners	7
Principal Accountants	20
Principal Internal Auditors	14
Senior Accountants	22
Senior Internal Auditors	21
Accountants	38
Internal Auditors	20
Senior Accounts Assistants	13
Accounts Assistants	6
Economists	1
FMS	5
Total	171

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.

The government planned to operationalize 10 regional centres beginning with eight (8) in FY2014/15 and the remaining two centres in Mbarara and Mbale in FY2015/16. All the centres were operational by June 2016. These were provided with LAN infrastructure, computer equipment and office furniture. Table 3.4 below provides information on regional support centres and sites served by each centre.

TABLE 3.4 SCHEDULE OF REGIONAL SUPPORT CENTERS AND SITES SERVED BY EACH CENTER		
	CENTER	SUPPORTED SITES
1	Gulu	Amuru, Nwoya, Nebbi, Agago, Kole, Otuke, Amolatar, Alebtong, Gulu Rrh, Gulu University, Abim, Lamwo, Oyam
2	Arua	Arua, Arua Mc, Maracha, Koboko, Yumbe, Moyo, Adjumani, Zombo, Nebbi, Muni University
3	Hoima	Kibaale, Kyegegwa, Kabarole, Ntoroko, Kyankwanzi, Hoima, Hoima Rrh, Kyankwanzi, Kiboga, Buliisa, Kamwenge, Kiryandongo
4	Soroti	Amuria, Katakwi, Serere, Kaberamaido, Dokolo, Amolatar, Buyende, Kibuku, Kumi, Bukedea, Amudat, Kapchorwa, Bukwo, Bulambuli
5	Mbale	Budaka, Bududa, Busia Mc, Busitema University, Butaleja, Kaabong, Kibuku, Kotido, Kween, Manafwa, Moroto, Nakapiripiriti, Ngora, Napak, Sironko
6	Jinja	Kamuli, Kayunga, Kaliro, Mayuge, Namayingo, Luuka, Jinja Mc, Butaleja, Namutumba, Budaka, Sironko, Jinja Rrh, Iganga Mc, Busia Mc, Tororo Mc
7	Masaka	Kalungu, Lwengo, Bukomansimbi, Gomba, Masaka Mc, Sembabule, Kalangala, Masaka Rrh, Rakai
8	Bushenyi	Buhweju, Sheema, Mitooma, Rubiriizi, Kasese, Ishaka-Bushenyi Mc, Kasese Mc
9	Mbarara	Mbarara University Of Science And Technology, Lyantonde, Ntungamo Mc, Rukungiri Mc, Ibanda, Isingiro, Kamwenge, Kanungu, Kiruhura
10	Kampala	Mubs, Mityana, Buikwe, Butambala, Buvuma, Any Other Of The Above Votes Where Network Speeds Are Too Slow

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.

Preliminary analysis reveals a 4.15 percent variance between annual cash forecasts and cash released from the national budget. The introduction of the TSA has contributed to this performance. During the financial year, TSA was extended to 42 Tier 2 sites out of the planned total of 58 local governments. This brings the total number of LG sites operating on TSA to 56 including 14 Tier 1 sites. The TSA reform has enabled better funds absorption and improved predictability of funding to Local Governments.

IFMS is a pre-requisite for TSA implementation. GoU has approved a policy to transfer all the LGs onto IFMS Tier 1. This will overcome infrastructure challenges experienced with IFMS Tier II solution in LGs as advised by NITAU. NITA

2.3.3 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 draft procurement policy was approved by top management of MoFPED and is currently awaiting approval by cabinet. This process is expected to be completed in the FY16/17 coupled with sensitization of key stakeholders.

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 improved efficiency and compliance monitoring.

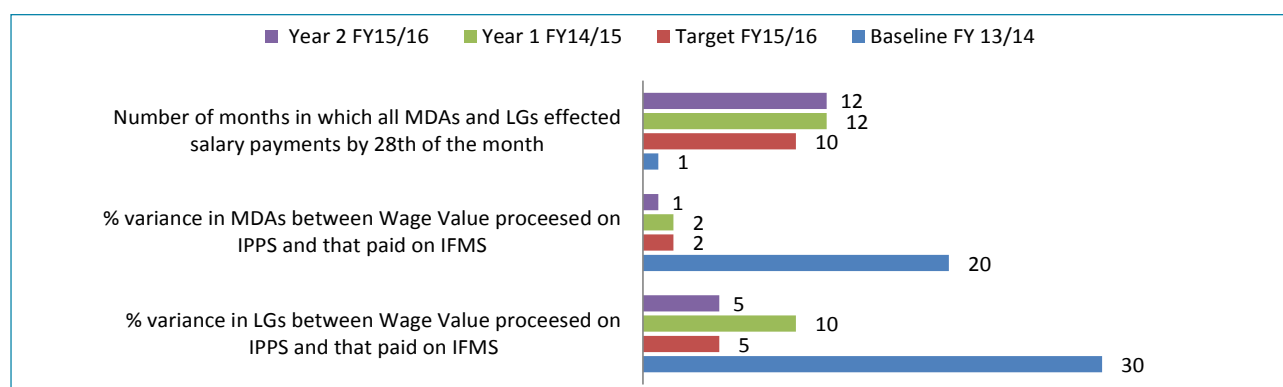
2.4 Payroll, Pension and Human Resources Management

The specific reform objective of the component is to improve the timeliness, quality and accuracy of the GoU payroll and pensions payment processing. 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 2015/16, the sector continued to register increased 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 released on time⁶ in each of the 12 months of the year. These results were in part contributed to by the rigorous effort to clean up the government active payroll through the operationalization of the biometrics system, a key reform initiative of the programme.

Figure 21: Timely and Accurate GoU Payroll and Pensions Processing



Source: Ministry of Public Service, 2016

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 processing of monthly salary payments on the IFMS.⁷

⁶Salaries are to be paid by the 28th day of the month.

⁷This potential area of risk was flagged during monitoring visits by the MSU to various MDAs and LGs.

Credibility of Government Active payroll

To enhance safeguards against potential risks to the IPPS, government embarked on the introduction of biometric based verification system in line with the recommendations of the Auditor General. During the year, MoPS submitted the OAG biometrics payroll data to the National Identification and Registration Authority (NIRA) to undertake the identification and verification of the OAG biometrics payroll data against the National Identification Register. NIRA completed the verification process of the OAG biometrics payroll data and submitted reports of the findings to MoPS.

By close of the financial year, the payroll cleanup exercise was being completed and the confidence level in the active payroll reliability was estimated at 99.5 percent. Over 7,000 entries were expunged from the payroll and over 2,500 entries with exceptional anomalies were flagged for further validation. The verification process is planned to continue in FY16/17.

The bulk of the anomalies were found in the high recruiting entities, mainly the teachers and police force. It will be necessary

to undertake a similar exercise for the government pension scheme.

During the financial year, the integrated payroll and personnel system (IPPS) was also rolled out successfully to 11 planned votes being funded under FINMAP in addition to 16 new votes that already had computers and LAN connections (supported under the GoU mainstream budget). This entailed set up, supply, and installation of local area networks (LAN), as well as training of human resources staff.

Coupled with the efficiency initiative of regional centres, all the GoU 207 votes are now processing their payroll and pension using the IPPS and have had their payroll and pension management processes decentralized. From inception, the roll out of the IPPS has been done in a phased manner as determined by available funding. In the interim, efficient approaches to increase access to the IPPS such as adoption of regional centres have been adopted to increase access. In essence, districts not on IFMS have to visit an IFMS/IPPS site to upload and verify the payroll. The 4th phase of the roll out has been implemented in FY2015/16.

Phase	Votes Rolled out	Cumulative
1	11	11
2	28	39
3	52	91
4	27	118 – to-date
Pending	89 Votes, which use the 10 Regional Centres to process their payrolls.	

Key Outputs	Achieved to June 2015	2015/16 target	2015/16 achieved	Cum. total	Total target
Roll out of IPPS to central votes completed	31	21	21	52	52
Roll out of IPPS to LG votes completed	8	30	61	69	134 DLGs & MCs. This excludes new votes i.e. 19 MCs and 4 DLGs w.e.f July 2016
Regional centres for processing payroll functioning	4	4	6	10	10
No. of civil servants verified on payroll	N/A	313,979	303,149		Currently Validating the part of 7,040 published in media, and 2,717 with different names on payroll vs. National ID
No of pensioners verified	N/A	63,715	66,168	66,168	As at June 20th 2016. There remain approx 2,500 pension records not yet validated and remain centralized i.e. if at all they exist.
No of IPPS sites provided with refresher training	39	90	207	207	90



Long Queues during the mass biometrics payroll validation of public officers at Kololo where work often progressed into the evening

The initiative on payroll and pension decentralization using the IPPS has been recurrently marred by slow network links. These IFMS and IPPS network limitations were hindering timely payroll processing and usage of IFMS and IPPS. As evidenced from the Annual joint DP visits to Mbarara regional centre. This challenge renders the users experience frustrating and is reportedly worse in more remote regions.

On a more technical perspective, a key risk specific to this initiative is that the IPPS data centre hardware equipment has reached end-of-life and end-of-support by manufactures. This includes servers, routers, and switches. In addition, variances in payroll figures processed on IPPS and those actually paid on

IFMS have continued to be reported. This has increased calls for faster adoption of a shared payroll strategy between finance and MoPS to facilitate effective payroll reconciliation. It is strongly recommended that the IPPS-IFMS integration be fast-tracked as the appropriate risk management strategy for the reform programme.

In addition, the decentralization of pensions has been marred by the lack of records for retired staff held by Accounting Officers. MoPS were planning to computerise records to facilitate verification. According to findings from the DP field visit in Mbarara, it emerged that pensioners have to travel to their last place of work for verification.

2.5. Public Procurement

The specific reform objective of this component is to improve compliance of all central and LG entities with the public procurement legal and regulatory framework.

2.5.1 Improved Compliance with Public Procurement Legal and Regulatory Frameworks

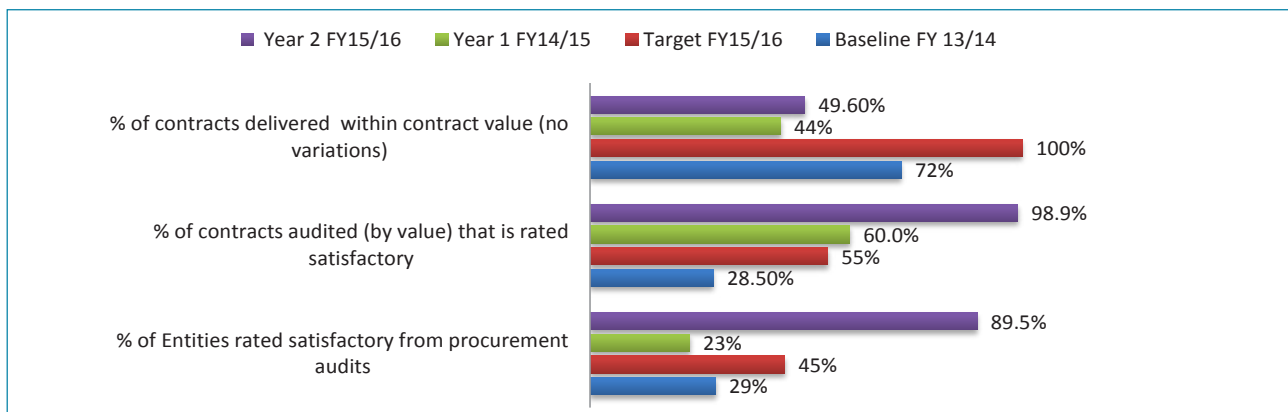
The results during this financial year were mixed. On the one hand, government recorded increased value for money of public procurements as evidenced by an improvement in the proportion of entities rated satisfactory by value from 23 to 89.5 percent (See

figure 22). This is in part attributed to contract management, the general uptake of the PPMS and enforcement of the supporting framework.

On the other hand however, the proportion of contracts subjected to open competition (by contract value) above national threshold continued to decline from 88 percent in the baseline year 13/14 to 45.5 percent by year end (See figure 23).

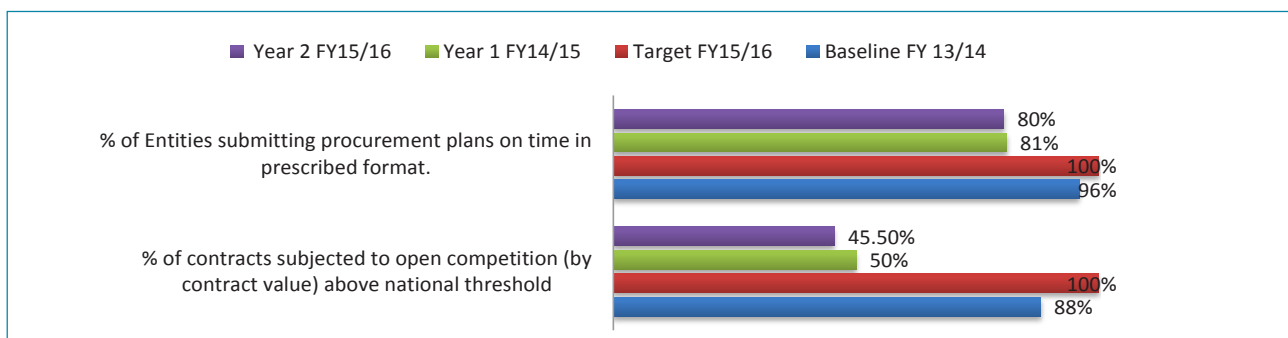
This decline in performance may have been in part due to the PPDA Act amendment to raise the threshold to UGX 200M for open competition. In addition, new parameters, such as posting on the tender portal and PPMS were included in the assessment process.

Figure 22: Value for Money in Public Procurements



Source: PPDA, 2016

Figure 23: Compliance with Public Procurement Regulatory Frameworks



Source: PPDA, 2016

Of concern however, the poor performance was also due to failure to adhere to evaluation criteria as stated in the solicitation documents. This was even more vivid during a study conducted by PPDA on the *perception index of Corruption in Public Procurement* during the year.

The 3rd Procurement Integrity Survey Report was issued in 2016. The perception of corruption in public procurement was found to be 71.8 percent, as compared to 69.8 percent in the previous

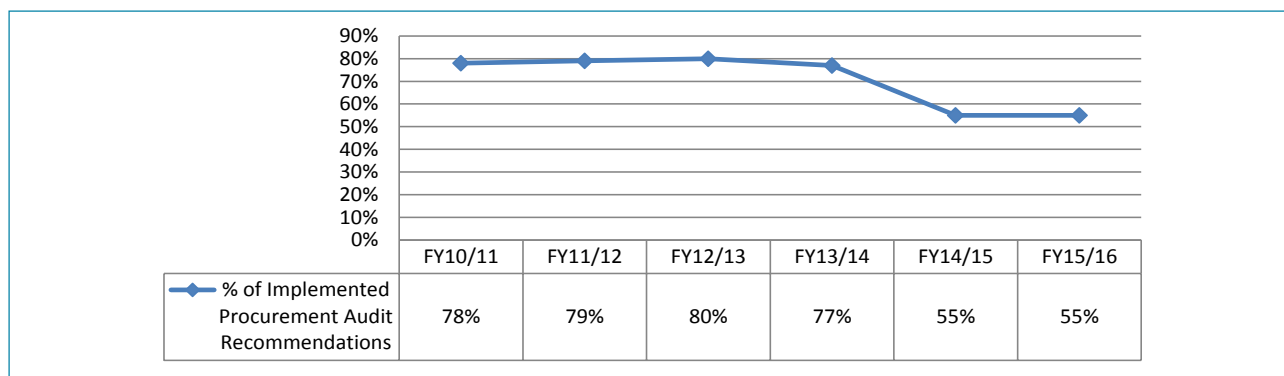
survey. More disconcerting was the admission by public officials and service providers of regularly receiving and paying bribes to win contracts. Fast tracking the e-procurement initiative should increase efficiency and reduce interface between providers and public officials. This should be complemented by actions to enhance capacity of actors engaged in public procurement function.

Implementation of procurement recommendations

The component undertook in depth tracking to gauge the extent to which PDEs have implemented recommendations arising from

procurement audits. As seen from figure 24, the performance continues to be poor.

Figure 24: Implementation of Procurement Audit Recommendations



Source: PPDA, 2016

This drop is in part attributed to the following:

- (i) Understaffing⁸ in PDEs, especially those in local governments, coupled with high staff turnover. This undermines learning from previous audit processes and follow up of recommendations.
- (ii) Inadequate resources for PDEs, again especially those in local governments, which depend on a conditional grant of only USD 800 in some cases.
- (iii) A recent study by PPDA revealed that there was misconception that contract management was only required for large high risk contracts. This left loop holes as the majority of contracts are small.

In light of the above, it is clear that PPDA should continue to liaise with line MDAs including the OAG, IAG, the Inspectorate of Government, MoLG and the MoFPED to fast track implementation of recommendations.

In addition, it is vital that a recommendation tracking system is established. This would go a long way to ease the tracking process, through provision of real time status of recommendations. The Authority plans to put in place tracking criteria to build capacity of the worst performing entities.

During the financial year, the programme supported 23 percent of the procurement audits (26⁹ procurement audits out of the 114) conducted in FY 2015/16. It remains critical that government increases the scope of this exercise, as well as the coverage of investigations for follow up of recommendations.

E-Government Procurement System

During the year, the programme initiated the procurement process for the consultancy to design the E-government

procurement system. As part of the new systems integration drive, the e-GP initiative will be furthered through the NITAU led WB/IDA Regional Communications Infrastructure Program, whose objectives include improving Government's efficiency and transparency through e-government applications.

The PPDA ICT strategy was updated to include the planned implementation of e-GP. Once complete, the system will go a long way to improve transparency and efficiency in management and tracking of the procurement processes.

The Government Procurement Portal (GPP)

Government continued rollout of the GPP as part of its efforts to improve transparency in public procurement through display of procurement plans and posting of government tender opportunities as required by law.

The system was extended to 14 more PDEs - bringing the total number of entities on the system to 98¹⁰ including 5 Local Government Entities¹¹ that were trained in using the newly developed Government Procurement Portal (GPP). This represents 35 per cent coverage.

The GPP/PPMS is now installed in 165 (of which 98 are on GPP proper) Procurement and Disposal Entities (PDEs), from a total of 294, against a target of 180. The plan is now to have entities transferred to GPP. PPMS is static while GPP will have online capabilities. Full coverage is envisaged in two years' time as PPDA continues preparation of the private sector for e-GP roll out. Annex 4 has the complete lists of entities on the GPP.

⁸ PDEs are often manned by 1 staff instead of the approved structure of 3.

⁹ Out of the 140 audits planned, PPDA conducted 114.

¹⁰ Complete list availed in the detailed activity analysis annex 6

¹¹ Jinja Municipal Council, Mukono District Local Council, Wakiso District Local Council, Entebbe Municipal Council, and Kayunga District Local Council

Highlight of Key Outputs

Outputs	Achieved to 6/1/2015	2015-16 target	2015-16 achieved	Cumulative total	Total target
No. of entities on the GoU Procurement Portal	0	100	100	100	100
No. of PDEs using the PPMS	162	0	62	62	0
No. of procurement audits undertaken funded by FINMAP	20	20	26	46	40
% audits funded by FINMAP	17%		23%		
Number of PPDA staff supported by FINMAP			17	20	
Government Procurement Portal (GPP) Notices					
IFB (#)			7,036		
BEB Notices (#)			114,242		
Contract Notices			7,478		

2.6. Internal Oversight

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

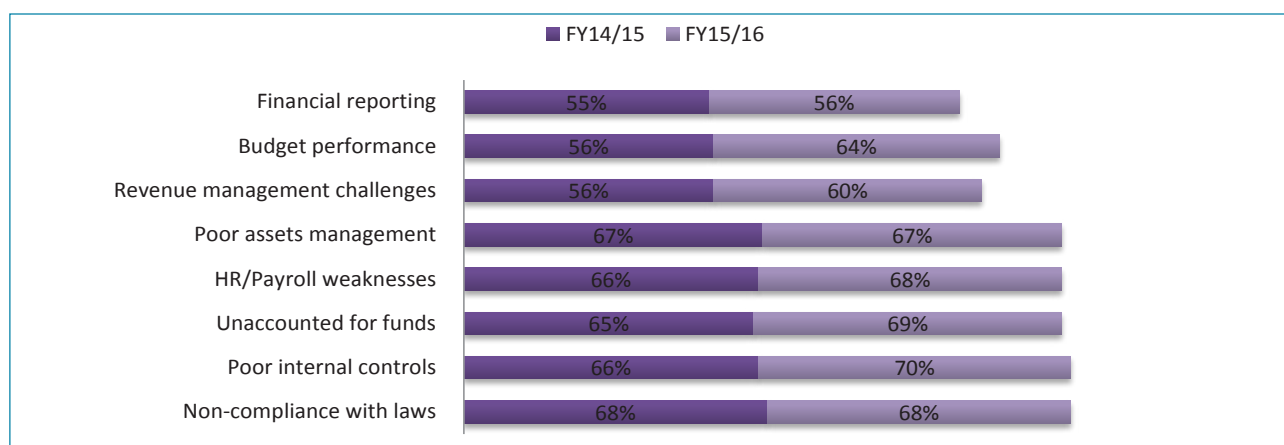
are a benchmark under the results based financing arrangement for development partners. The agreed target of 75% on internal audit recommendations implemented remains the interim target towards optimum performance.

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

In the FY 2015/16, 66.2% of the Internal Audit recommendations made in 2014/15 were addressed compared to FY 2014/15 where 63.3% of the recommendations were implemented. On the whole, the trend is still positive as this outcome has progressively

improved from the baseline 54.45% recommendations addressed in FY 2012/13 to 56.2% Internal Audit recommendations implemented in FY 2013/14.

Figure 25: Comparative analysis of Implementation of Internal Audit Recommendations (disaggregated by Internal



Source: Internal Audit Annual Report – October 2015

In spite of this commendable improvement, this is still below governments aspirations of 75% for the FY15/16 target of implemented internal audit recommendations as per programme implementation document. However the Public Finance Management Act Section 11(2) (g) provides a silver lining in empowering the Permanent Secretary/ Secretary to the Treasury

not to appoint or designate a person as Accounting Officer who fails to take action on the report on the Internal Auditor General and the Auditor General. With this provision, there is likely to be steady improvement in the implementation of the Internal Audit recommendations by the Accounting Officers.

FY 2013/14 Recommendations addressed in FY 2014/15

	INTERNAL AUDIT INDICATORS	Proportion of IA recommendations that were satisfactorily addressed	Weight	Score
		(A)	(B)	(A*B)
1	Non-compliance with laws	68%	15	10.2
2	Poor internal controls	66%	15	9.9
3	Unaccounted for funds	65%	10	6.5
4	HR/Payroll weaknesses	66%	15	9.9
5	Poor assets management	67%	15	10.1
6	Revenue management challenges	56%	10	5.6
7	Budget performance	56%	10	5.6
8	Financial reporting	55%	10	5.5
	Total		100	63.3

Source: Internal Audit Annual Report – September 2015

FY 2014/15 Recommendations addressed in FY 2015/16

	INTERNAL AUDIT INDICATORS	Proportion of IA recommendations that were satisfactorily addressed	Weight	Score
		(A)	(B)	(A*B)
1	Non-compliance with laws	68%	15	10.2
2	Poor internal controls	70%	15	10.5
3	Unaccounted for funds	69%	10	6.9
4	HR/Payroll weaknesses	68%	15	10.5
5	Poor assets management	67%	15	10.05
6	Revenue management challenges	60%	10	6.0
7	Budget performance	64%	10	6.4
8	Financial reporting	56%	10	5.6
	Total		100	66.2

Source: Internal Audit Annual Report – September 2014

In FY 2016/17, Government will strengthen the capacity for prevention and detection of corruption through implementing risk management and enhancing internal controls across

Government in accordance with the new PFMA 2015. Government will also develop a risk management policy to guide all Accounting Officers.

As part of reforms in Government; the internal audit function is being strengthened to provide enhanced scrutiny over public expenditure by carrying out more specialised audits in the areas of forensics, audit of automated systems, audit externally funded projects and value for money audits. Government will also pursue a multi-sectoral collaborative approach in its anti-corruption response. The collaboration will enhance Government's capacity to detect, investigate and successfully prosecute cases of corruption.

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

Strengthening the office of the Internal Auditor General: Government embarked on strengthening the profile of the internal audit function through the restructuring of the department and appointment of an acting Internal Auditor General. This gives greater independence to the internal oversight functions as provided for by the 2015 PFM Act.

Enterprise Risk Assessment: During the year, all the thirty (30) additional Enterprise Risk Assessor (ERA) licenses were procured with attendant training for internal auditors across government. Currently the directorate has 85 ERA licences leaving a gap of 50 licences in FY 2016/17 as new votes come on board. The Enterprise Risk Assessor (ERA) audit software deals with governance, risk and compliance (GRC) by handling all risk and audit activities within a single application. With increasing business complexity and audit requirements, spreadsheet-based systems are no longer suitable for managing internal audit programs. This is critical for organisations that operate within a regulated environment, or are following quality standards. Regular audits need to achieve a high level of efficiency to reduce the risk of non-compliance.

It is vital however that government plans for the sustainable support of the Internal Auditor General licenses including the IDEA licences to facilitate data extraction. IDEA allows users to read, display, analyze, manipulate, sample or extract from data files from almost any source including protection and data integrity, whilst facilitating the accuracy of audit assessments and disclosures.

As part of the recommendations for managing risk within budget execution, audit fraud software and hardware was procured and delivered for the forensic lab.

Audit Committees: The programme continued to facilitate the various internal audit committees to review and approve the internal audit work plans for FY2015/16 and review reports issued from FY2014/15. In addition, 30 members of Local Government Audit Committees as well as five members of Central Government Audit Committees were inducted to enhance capacity of the committees.

To date, there are eight sector audit committees (table 6) and six at Local Government level. The local governments are divided according to regions and the committees include Central Region, Western region, Eastern A region, Eastern B region, Northern region, and Southern region.

However, a key issue arising during the year has been sustainability of the funding to audit committee activities, which have been depending on support from FINMAP. The general agreement is that MoFPED should transfer facilitation of audit committees to the GoU mainstream budget for financial year 17/18.

Table 6.1: Sectoral Audit Committees Supported

Audit Committees		Composition	Established
1	Accountability	MoFPED, OAG and the Directorate of Ethics and Integrity.	October, 2008
2	Education	Ministry of Education, all tertiary institutions and the Education Service Commission	October 2008
3	Public Management	MoLG, MoPS, Office of the Prime Minister, and the Public Service Commission.	April 2009
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, 2016

Despite the sustained efforts towards professionalization of the internal audit cadre, capacity gaps and resource constraints in areas of performance and IT audits, forensics and audit of extractive industries still remain. Another key issue hampering the internal audit function is the low risk management maturity across government. Although the Internal Audit function adopted a risk based internal auditing approach, risk management practices are yet to be embraced in its operations. This undermines effective internal audit resource mobilization and scope of audit coverage. There is therefore need to sustain efforts for uptake of the new risk management approaches as well as update the Treasury Accounting Instructions of 2003.

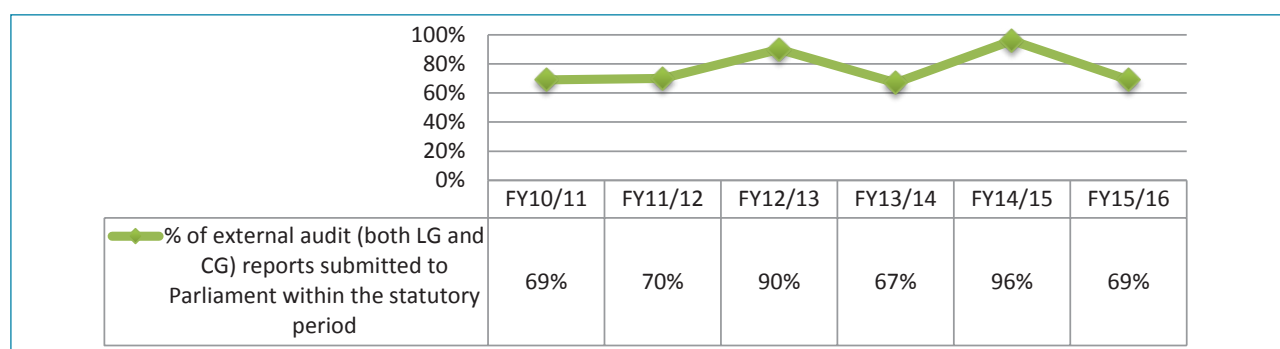
2.7. External Oversight

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, there was a decline in the proportion of external audit reports submitted to parliament within the statutory period (see figure 26). Of greater significance however, was the reduction in the proportion of questionable expenditure from 8.9 to 4 percent - a five-year all time low (see figure 27 below). The Secretary to the Treasury has fervently continued to mount pressure on the implementation of recommendations by the Auditor General. This performance could also be occasioned by the comprehensiveness of the audits conducted by OAG.

Figure 26: Submission of External Audit Reports to Parliament within the Statutory Period

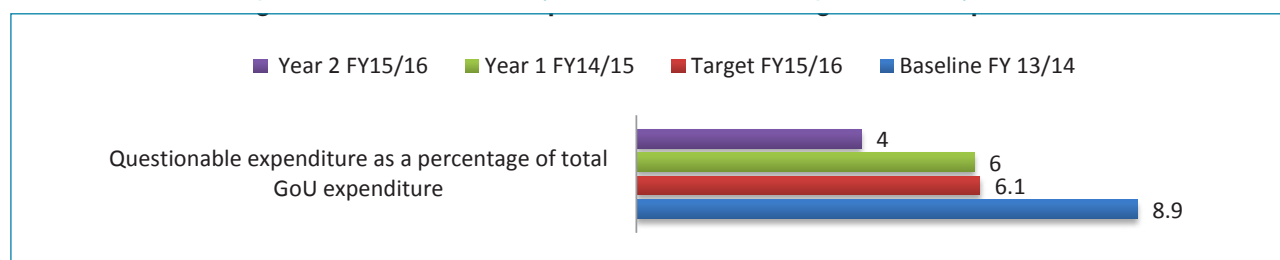


Source: OAG, 2015

It is important to note that the results on key performance indicators were still preliminary and final numbers will be reported on 31st December 2016, together with audits to be conducted in FY2016/17. However, in FY 2015/16, the Office of the Auditor General (AOG) planned to conduct a total of 2,212 financial audits, 10 Value for Money (VfM) audits and 6 specialised on Government's accounts for FY 2014/15. As of December 2015, OAG had completed 1,518 financial audits, 11

VfM audits and 4 specialised audits. Findings of the OAG raised 24 key challenges that the Central Government continues to face including nugatory expenditure; unsustainable pension liabilities; escalating liabilities; and outstanding court awards and compensations, and other liabilities. The findings of OAG also identified other key fiscal challenges with Statutory Corporations (7) and Local Authorities (12).

Figure 27: Questionable Expenditure as a Percentage of GoU Expenditure



Source: OAG, 2016

Implementation of External Audit Recommendations

A review of the status on implementation of audit recommendations was undertaken as part of the audit for 2014/15 financial statements. 142 entities (59 MDAs, 37 projects and 46 Statutory Enterprises) were reviewed and 25% of the recommendations were found fully implemented, 25% partially implemented, while 50% was not implemented. The status will be updated continuously as the audit for 2015/16 financial year progresses.

During the year, key stakeholders were holding discussions to review the definition and appropriateness of this indicator for purposes of rating implementation of the recommendations. This debate arises following persistent failure to assess the level of recommendations given the peculiarity of the OAG processes and mandate.

The current indicator does not take account of the various stages of implementation of OAG recommendations, as well as the quality aspects and status of implementation. During the year, the OAG commenced work on adopting a comprehensive results framework suited to the audit environment and respective results chain. The new framework under development will also be informed by the International Organisation of Supreme Audit Institutions (INTOSAI) key national indicators.

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:

Physical Independence of OAG:

During the period, government sought to further strengthen external oversight through construction of the Moroto and Hoima Offices of the Auditor General. This comes on the heels of key milestones of the completion of the OAG Headquarters in Kampala and the office in Mbarara in FY14/15.

The procurement for the design, supervision and construction of two additional regional offices in Moroto and Hoima Districts were initiated. These two new offices are intended to enhance audit service delivery to the entities in the respective regions. By the time of reporting, the design and construction consultancy contracts had been approved by the Solicitor General and signed. Construction is expected to begin in 2016.

Roll out of International Standards of Supreme Audit Institutions (ISSAIs) Framework

Government also rolled out ISSAIs in all MDAs, LGs, Statutory Bodies and Projects (currently in 3rd year). The International Standards of Supreme Audit Institutions (ISSAI) state the basic

prerequisites for the proper functioning and professional conduct of Supreme Audit Institutions and the fundamental principles in auditing of public entities.

An ISSAI compliance assessment tool was developed and approved by Top Management in April 2016. Training/sensitisation of staff on the tool has been done. Application of the tool will commence with the FY 2015/16 Audits.

During the year however, an assessment on compliance was undertaken albeit not using the tool. A total of 8 reports (6 LGs, 1 MDA and 1 Statutory Body) were sampled for pre-issuance review on 2014/15 audits and there was a 54.5% compliance to ISSAIs.

Professional Training

During the period under review, the programme continued to support OAG plans to build the professional capacity of staff in various audit specializations including ACCA, CPAU, CISA and CFE. The numbers of professional accountants have therefore been on the rise from 106 in FY2013/15 to the current 121 professionals as at June 2015.

Dissemination of Audit Reports

During the reporting period (as at 30th December, 2015), a total of 18,231 copies (3,840 reports for higher Local Governments, 2,871 reports for Central Government, 1,176 secondary schools' reports relating to 2012/2013 financial year and 10,344 audit reports for Lower Local Governments) were produced and disseminated to stakeholders with funding support from FINMAP III.

In addition, 2,880 copies of extracts of key audit findings for the financial year 2013/2014 (1,430 copies) and 2012/2013 (450) were prepared and disseminated to stakeholders. The user-friendly approach has increased readability and demand for more abridged audit report extracts, and hence enhanced stakeholder management.

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.

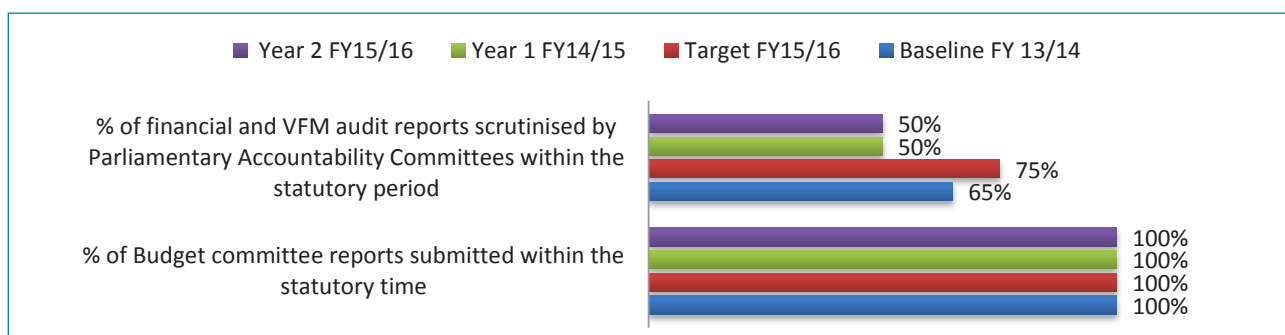
The results achieved during the fiscal year are highlighted below:-

2.8.1 Improved Legislative Scrutiny of the Budget and Audit Reports

The Programme aims to enhance the capacity of Parliamentary Committees in execution of their oversight function. Again, the reforms registered 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. On the other hand, however, the proportion of financial and value for money reports adopted by Parliament (and later submitted to the Executive) remained sub optimal at 50 per cent.

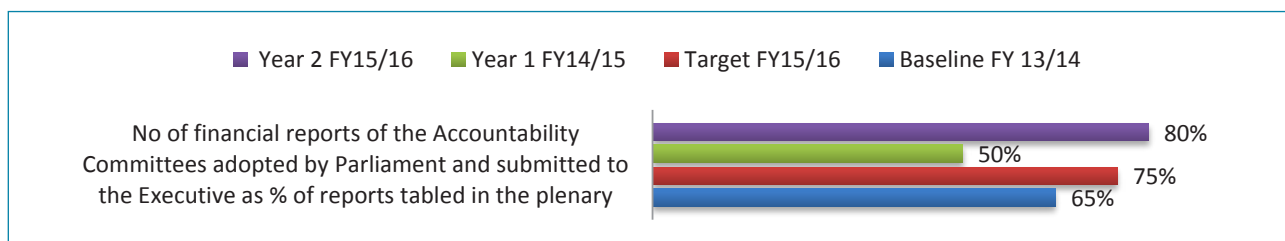
Figure 28: Legislative Scrutiny of Budget and Audit Reports



Source: Parliament of Uganda, 2016

The Programme registered better fortunes in the proportion of reports submitted to the executive which improved by 30 percentage points (see figure 29).

Figure 29: Scope of Parliamentary Accountability Committee



Source: Parliament of Uganda, 2016

The PAC committee planned to discuss 54 financial audit reports and 8 value for money audit reports by the end of November 2015. By the time of reporting, the committee had held 50 sessions and discussed 36 of the financial audit reports, out

of 54 planned and 5 values for money audit reports out of 8. The committee also discussed the Special Audit Report on the pension scam in the Ministry of Public service where UGX 165 billion was lost.



The programme supported IPS to conduct the Post-election induction seminar for the 10th Parliament held at Imperial Royale from 27th June-1st July, 2016.



The Rt. Hon Speaker and Leader of Opposition at the FINMAP and CSBAG joint exhibition booth during the 10th Parliament Induction



Members of Parliament during the 10th Parliament Induction

Despite the capacity building efforts of the Parliamentary Accountability Committees, the backlog of audit reports and unprocessed Accountability Committee reports is still on the rise. During the year specifically, the discussions by accountability committees were in part affected due to electioneering as some months were designated for primary elections for some of the political parties.

As a first step in addressing this issue, the Office of Auditor General has restructured and reduced the size of their report. In comparison to previous years, the report for the audit year ended 30th June was significantly reduced. It is hoped that this will augment other efforts in enabling Parliament to focus its discussions. The consolidated report reflected significant and fundamental crosscutting audit issues and those issues which are high risk².

The programme continued to Support the Institute of Parliamentary Studies to cater for capacity building for monitoring and managing of PFM reforms under parliament. Most of the training was based on PFM training modules also developed with support of the Programme.

Through this cascading model, the institute trained PFM parliamentary committees and conducted an orientation and induction workshop for new committee members. The training used the revised handbook on managing the PFM reforms for PFM parliamentary committees.³

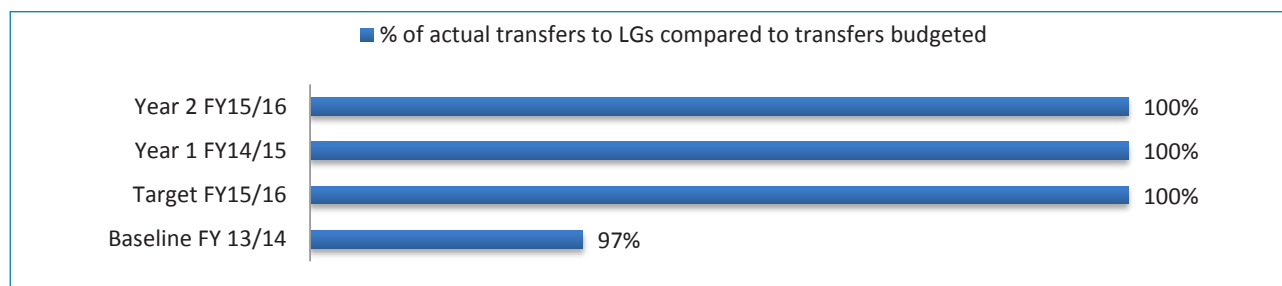
2.9. Public Financial Management in Local Governments

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 good performance in the proportion of actual transfers to LGs (see figure 30). The results on the variance between the planned and actual outturns in revenue for LGs will be provided after issuance of the Annual OAG Report for 2015/16 in December 2016.

Figure 30: Revenue Planning and Analysis in LGs



Source: Directorate of Budget, MoFPED, 2016

A consultancy was undertaken to review the legal and regulatory framework for LG revenue mobilisation. Of immediate concern is that some legal provisions are currently not elaborate, restrictive

or very weak in supporting LGs in collecting local revenue. There is need to update the legislation appropriate for LGs to use in mobilizing local revenue.

Roll-out of automated Local Revenue Databases in LGs

GoU continued to roll out the LG revenue collection software to all planned 25 local governments this financial year. This is part of the component's plans to roll out the revenue database for all potential revenue sources in selected LGs to enhance revenue collection. The database system helps local governments in planning, monitoring and reviewing the local revenue performance, including creation of local revenue registers, recording of revenue payments and production of reports on revenue registration, payment and history.

This relatively cost effective initiative (on average 4,500 USD) has gone a long way to increase the revenue resources at local governments. For instance, Mbarara Municipality reported a significant increase in revenue from 3 billion UGX to 5 billion UGX as a result of the system and training provided. The main new sources of revenue are from user fees, markets, property rates, land fees, building inspection fees, local service tax and administration fees on trading licences and local service taxes. The database makes it much easier to verify payment and follow up of debtors.

The stand-alone design on Microsoft Access is appropriate for use at sub-county and division level where revenue is collected. Technical constraints in migrating from the original version of the system to the latest version need to be resolved. Further improvements identified by users could significantly enhance efficiency. There has been limited analysis of the impacts of the system.

A critical finding during the annual programme monitoring was that MoLG had developed a web-based system and advised that it will replace the LGFC system. The Programme flagged the need for consensus between the MoLG and LGFC on the optimum system and mandate to support revenue collection. Going forward however, FINMAP will continue supporting the current LGFC MS Access based system, which is deemed to be more sustainable and pragmatic – cognizant of the rural operational environments of some of the local governments.

The main users of the database are the local Divisions, which are responsible for enumerating taxpayers and collecting payments. To date, a total of 43 district LGs now have functional

local revenue databases (38 percent nationwide coverage). The sources covered include:

1. Local Service Tax
2. Local Government Hotel Tax
3. Market dues
4. Business Licenses
5. Parking Fees
6. Property Rates
7. Ground Rents
8. Property Related Charges
9. Royalty fees
10. Other revenue sources

In July-August 2015, eighteen (18) LGs supported were Arua, Nebbi, Gulu, Lira, Kapchorwa, Soroti, Kumi, Jinja, Mbale, Tororo, Mukono, Masaka, Kabarole, Kasese, Mbarara, Rukungiri, Bushenyi and Kabale.

In May-June 2016 the twenty five (25) district LGs supported were: Iganga, Busia, Kamuli, Kaberamaido, Bukedea, Moroto, Napak, Kitgum Ngora, Amolatar, Dokolo, Apac, Luwero, Kayunga, Wakiso, Mubende, Mityana, Buikwe, Kiboga, Nakasongora, Hoima, Masindi, Kisoro, Ntungamo and Nakaseke.

One concern is that there is currently no link between the IFMS and revenue collection system. Information on revenue collected is transferred to IFMS as lump sum payments. However, this may not be a major issue since responsibility for revenue collection rests mainly with the sub-county and division levels of Local Government and the detailed information on collections can be shared with the District administration, while the accounts are only required to show the transfer of revenue.

Plans to review the allocation formulae were not implemented under the programme as envisaged during the year. However, the World Bank in collaboration with the component finalized

the design for the allocation formulae. This will improve the effectiveness; promote equity, transparency and adequacy of fiscal transfers from the central government to the local governments for poverty reduction and service delivery.

Dissemination of findings of the study on the sharing of the national aggregate revenue between the central government and the local government

The Key stakeholders (sector ministries, and key MDAs such as MoFPED, MoPS, OPM, MoLG, NPA and LGFC and LGs) formed different taskforce units, which are holding consensus meetings regularly to build cohesion on feasible strategies for implementing the recently revised allocation formulae (the revised formulae is a principle component of the reforms). The transition process is planned over the medium term, as more supportive strategies have been included, for example, the recent formation of the Reform Assessment Committee (spearheaded by OPM). The committee has already begun assessing the performance of LGs with respect to their preparation of the FY2016/17 budgets, while using the new guidelines and observing the prescribed budget requirements.

At the same time there will be LG Consultative workshops at regional level in September 2016, where LGs will interface with the centre to discuss better ways of managing the ongoing reforms which are basically grant transfers to LGs. This will be followed by other consultative meetings to discuss the implementation of the new formulae principles for FY2017/18.

With support from the programme, the stakeholder consultative meetings kicked off on 27th June 2016 at UBOS conference centre. A key resolution arising from the workshop was to ensure the reforms are undertaken to remove the various obstacles that have hindered service delivery.

In the meantime the same teams are awaiting the outputs of the consultancy on design of new fiscal decentralisation architecture (FDA), i.e. determining the LG share of national budget.

Re-Designing the Fiscal Decentralisation Architecture (FDA)

The 2012 report on the Review of Local Government Financing, Management and Accountability for Decentralized Services, by LGFC recommended a Re-Design of the FDA aimed at strengthening fiscal decentralization by protecting and promoting local government financing, enhancing orderliness and control in the management of intergovernmental fiscal

relations, strengthening LG capacity for supervision and monitoring of service delivery and increasing discretion in local decision making.

During the year, the procurement for the assignment commenced, but the process will only be completed during FY16/17.

2.9.2 Improved Timeliness and Quality Financial Performance Reporting in LGs

During the year, the programme set out to consolidate on gains registered under this reform objective from FY14/15. The final results are awaiting the Annual OAG report for 2015/16 in December 2016. However, from the preliminary analysis, it is expected that the proportion of higher Local Governments submitting both quality and timely financial performance reports will indeed increase. This has been in large part due to the roll out and utilization of the IFMS in local governments. The Annual OAG Report for 2015/16 will be issued in December 2016

Rollout of Tier 2

During the year, the IFMS II (mid-range solution) was deployed at 16 additional local government sites: Moyo, Koboko, Moroto, Kotido, Sironko, Lyantonde, Ibanda, Kasese, Kiruhura, Kanungu,

Kibale, Kayunga, Nakaseke, Kiboga, Mayuge and Kiryandongo. The activity was hampered by delayed release of GoU funds, specifically for roll out of Tier 2 to the planned sites.

This brings the total number of sites under IFMS to 73 i.e. 14 Tier-1 sites and 59 Tier-2 sites. This still falls short of the total target of 134 (111 Districts, 22 MCs, 1 TC). In terms of targets therefore, we targeted 120 Tier 2 sites and have achieved 59 to date. After the first 14 tier 1 sites were achieved, a decision was taken to rollout the tier 2 solution to all the remaining sites. However this decision will await the resolution of the systems integration policy review. To date, the total number of Local Governments not operating on the IFMS is 61 (54 Districts + 7 MCs). Annex 3 provides a detailed list of IFMS Implementation in Local Governments as at June 2016.

Highlight of Key Outputs

Key Outputs	Achieved to June 2015	2015-16 target	2015-16 achieved	Cumulative total	Total target
Roll out of revenue database – no. of LGs/MCs completed	18 districts	25 districts	25 districts	43 districts	112 districts
Roll of IFMS Tier 2 – no. of LGs / MCs completed		16 LGs	16 LGs	59 LGs	133 LGs
No of internal auditors in LGs trained – enrolment for CIA certification (Districts, MCs & TCs)		20 LG Internal Auditors	20 LG Internal Auditors	94 LG Internal Auditors	293 LG Internal Auditors (115 Dist, 34 MCs & 144 TCs)
No of internal auditors in LGs trained – CPDs		51 LG Internal Auditors	51 LG Internal Auditors	51 LG Internal Auditors	293 LG Internal Auditors



Pre-Go Live Change Management Session at Kiryandongo District Local Government IFMS Tier 2 Site



Commissioning the Civil Works done by the Consultant and Official Handover the IFMS Tier 2 Equipment to Kibale District Local Government – Server Room.



Commission and Handover of a Generator at Ibanda District Local Government IFMS Tier 2 Site



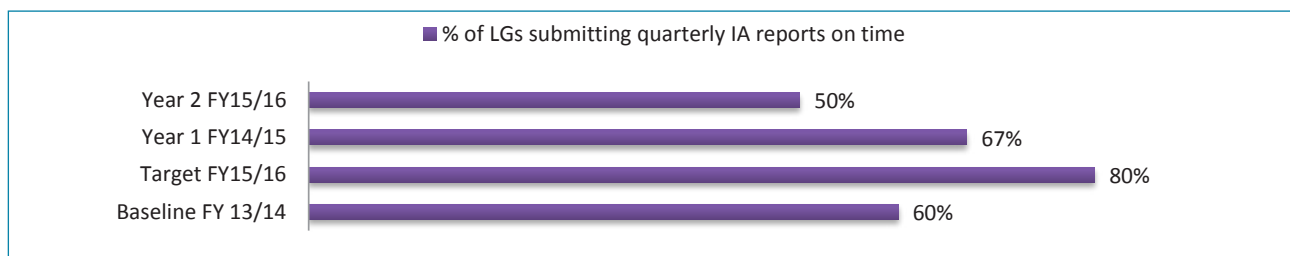
Pool Office for the Heads of Departments at Moroto District Local Government IFMS Tier 2 Site

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. At the time of reporting 50 percent had achieved on time reporting. At this rate, it is anticipated to surpass the 67 percent

achievement of last financial year. The proportion of departments providing timely and quality financial reporting is expected to rise as the uptake of the IFMS continues to rise. By reporting time, the statutory deadline was still open. (See figure 32).

Figure 32: Timeliness of Internal Audit Reporting



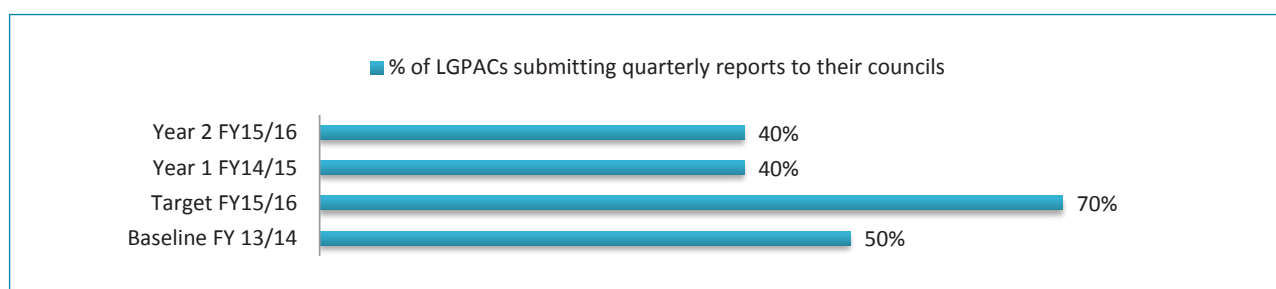
Source: Directorate of Internal Audit, MoFPED, 2016

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). The financial year coincided with an election year that in part may have contributed to a

reduction in the number of LGPACs meetings convened during the year – an unhealthy, albeit typical trend during an election year.

Figure 33: Timeline of LGPACs submitting quarterly reports to their



Source: Directorate of Budget, MoFPED, 2016

- (a) In addition, this trend is exacerbated by the fact that committees inherited audit reports, which had already been discussed and concluded by the previous committees. As per the OAG report 2015, these reports were yet to be presented for consideration and adoption by Parliament.
- (b) Report of the Local Government Accounts Committee on the Special Audit Report of the Auditor General on the Public Accounts of Kawempe Division for the FY ended 30th June 2006 and 2007.
- (c) Report of the Local Government Accounts Committee on the Special Audit report of the Auditor General on the Public accounts of Kampala District for the Financial Years 2000/2001 -2006/2007.
- (d) Report of the Local Government Accounts Committee on the Report of the Auditor General on the Public Accounts of Districts and Municipal Councils for the Financial Years 2005/06.
- (e) Report of the Local Government Accounts Committee on the reports of the Auditor General on the Public accounts Committee of Districts and Municipal Councils for the Financial Year 2006/07.

Report of the Local Government Accounts Committee on the Reports of the Auditor general on the Public Accounts of Districts and Municipal Councils for Financial Year 2007/08.

2.10 Programme Coordination and Management

This component aims at increasing efficiency in implementation of the programme through support to the components in 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.

Component programming and monitoring

The Managements Support Unit instituted a robust workplan monitoring system that facilitated collaborative reviews and assessment of implementation progress. This was reinforced by timely sharing of information including financials and procurements. This year registered an all time high absorption rate of 83 percent. These lessons will be taken into the forthcoming year.

External Audit

The external audit exercise for FY 14/15 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.

EU Pillar Assessment

The programme was subjected to a comprehensive EU Pillar Assessment to scrutinize the systems put in place and controls, rules, and procedures applied as per the Financial Regulation applicable to the European Development Fund. The purpose of the assessment was for EU to satisfy itself on whether to entrust budget implementation tasks to FINMAP III management as an entity.

The evaluation focused on the effectiveness and efficiency of the internal control systems, the accounting system, procurement function, arrangements for independent external audit, as well as the adequacy of management and administrative procedures for providing financing from EU funds through FINMAP.

The assessment found no major issues except for a system issue on reconciliations. This was occasioned by a bug on the IFMS system affecting the bank book and cash book. The programme had already identified this risk and an Oracle consultant was already on board to resolve the issue.

The Public Expenditure and Financial Accountability (PEFA) Assessment 2016

The Programme commenced preparations to undertake the PEFA review for 2016. The assessment provides a thorough, consistent and evidence-based analysis of the country's PFM systems. The PEFA study will attempt to measure the contribution of PFM systems and processes to the achievement of desirable outcomes as per the PFM strategy. The process is being coordinated by the Office of the Accountant General and the final results should be provided in January 2017. To date, an Oversight Committee (for policy and quality assurance) and Technical Assessment Committee (data validation and capacity building) have already been constituted.

Change Management

During the year, there were concerted efforts to facilitate the uptake of reforms across the programme as part of the sustainability strategy. This was undertaken through multiple change management sessions and training in the various

components for actors at both the coordinating and outfield level in the local governments and votes.

PEMCOM Coordination

FINMAPs Coordination office ably steered the PEMCOM Secretariat to facilitate key debates and strategic discussions on implementation of the government wide PFM strategies and policies. The FINMAP III budget for FY16/17 was approved at the 33rd PEMCOM. Furthermore, the partnership with civil society was consolidated through active engagement with the civil society budget advocacy group (CSBAG) who were represented in the quarterly PEMCOM.

The year also witnessed a consolidation of the Public Financial Management Priority Reform Action Matrix (PRAM) as a strategic tool for tracking key process undertakings and guiding dialogue with actors on progress of reform actions. The matrix included indicators agreed upon for the National Partnership Dialogue on implementation of audit recommendations and strengthening the sanctions regime for PFM compliance. *Annex 8 provides status of the PFM PRAM matrix as at June 2016.*



Pre-Go Live Change Management Session at Ibanda District Local Government IFMS Tier 2 Site



Thomas Millar (EU – Head Development Partners PFM Group), Patrick Ocaïlap (DST/Chairman PEMCOM) and Julius Mukunda (Co-ordinator CSBAG) at 32nd PEMCOM Meeting in Kampala

Risk Management

As part the end year activities, the programme coordination office embarked on a comprehensive risk assessment of the programme so as to implement the risk register as set out in the programme implementation document. The relative significance of the identified risks is being assessed to enable risk response planning and prioritisation for further attention during FY16/17. The updated programme registers should be completed in 2016.

Coordination with SUGAR and GAPP programmes

As part of efforts to promote collaboration and build synergies with other PFM programmes, FINMAP undertook high level engagements with SUGAR and GAPP. Arising from the process, a special working mechanism was agreed to further improve coordination on PFM reform actions. This involves sharing of detailed workplans and frequent coordination and learning meetings.

The Strengthening Uganda's Anti-Corruption and Accountability Regime (SUGAR) project focuses on tackling corruption in the public sector, while the Governance, Accountability, Participation and Performance (GAPP) Program complements the PFM Reform

efforts in capacity building at LG level in the areas of planning, budgeting, internal audit, procurement, LGPAC and Local councils.

This is a follow-up on key recommendations during the design process of (FINMAP III) when it was observed that significant investments in staff capacity building and enhanced PFM systems did not necessarily translate into improved compliance with rules and regulations as earlier envisaged. In light of this, improvement in compliance with rules and regulations became a top priority under FINMAP III.

Programme Leadership

During the financial year, the programme witnessed a number of staff changes. Most notably, the Component Manager for PFM in Local Governments, Sam Amule (Commissioner, LG Inspectorate) went into retirement after more than 30 years in public service. Jane K. Mwesigwa, Component Manager for Pensions and Payroll Management, was transferred to the Ministry of Agriculture after four years of service as component manager.

Having served as Chair for the Development Partners group, Anja N. Kramer – Country Director, KFW, completed her assignment after 4 years of steering the Joint GoU and DP efforts for furtherance of the Country's PFM reform agenda.



Permanent Secretary /MoPS Mrs. Catherine B. Musingwire at a send-off function for Ms. Jane K. Mwesigwa, Component Manager IPPS (and Commissioner for Human Resource Management)

Auditor General and PC/FINMAP handing a plaque to Anja Kramer during the farewell dinner



SECTION III

Capacity Building

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 2015/16

S/N	Beneficiary	TRAINING COURSE/ CONFERENCE	INSTITUTION	COUNTRY
Macro Economic Management				
	Moses Kaggwa	*OECD Conference International Tax Avoidance and developing countries	OECD International Tax Centre - Vienna	Vienna, Austria
	Vanessa Ihunde	Tax Analysis and Revenue Forecasting	Institute of Capacity Development	Pretoria, South Africa
	Anthony Maraka	Tax Analysis and Revenue Forecasting	Institute of Capacity Development	Pretoria, South Africa
	Achidri Mustapha	Macroeconomic Modelling		Pretoria, South Africa
	Yasin Mayanja	Practical General Equilibrium Modelling		Singapore
Accountant General's Office				
	Lawrence Semakula	Oracle Open World	Oracle	USA
	Paulo Kyama			
	James Wokadala			
	Stephen Barungi			
	Lawrence Semakula	Cisco Live event	Cisco Systems, Corporation in	Berlin, Germany
	Fredrick Okwangale			
	Dorothy Binkiya			
	Fay Ninsiima			
	Lawrence Semakula	Oracle Open World	Oracle	USA
	Paulo T. Kyama			
	Rogers Baguma			
	Daniel Lubowa			
	Leona Kwikiriza			
Debt and Cash management				
	Isaac Mpoza	Benchmarking Debt and Cash Management	Government of the republic of South Africa	South Africa
	Jennifer Muhuruzi			
	Moses Zziwa			
	John Muheirwoha			
	Bernadette Nakabuye			
PPDA				
	Aggrey Amanyabyona	Essentials of Contracting and Contract Management	Rainbow Events & conferencing	Johannesburg South Africa
	Cornelia K. Sabiiti	e-Procurement: Developing, Implementing & Managing the Complete process	Project Management Institute	Dubai , United Arab Emirates

S/N	Beneficiary	TRAINING COURSE/ CONFERENCE	INSTITUTION	COUNTRY
	Bradford Ochieng	Business Process Management	Global Management Training	Cape Town– South Africa
Office of the Auditor general				
	Stephen Kateregga	Forestry Audit	BPK training	Jakarta Indonesia
	Oyo Mugenyi Peter			
	James Bantu	GAO International Auditor Fellowship		Washington, DC
	Florence Baleke Businge			
Legislative Oversight				
	Oswald Lugajju	Advanced Systems Administration training	Content Modeling and Advanced Workflows with Alfresco	university.alfresco
	Dennis Muhire	Advanced Systems Administration training	Content Modeling and Advanced Workflows with Alfresco	university.alfresco
	Patrick Okello	Attachment to gain hands on experience	Evaluation Association of Africa (AFREA Head offices,)	South Africa
	Patrick Ajalimo Okello	Development of Indicators for Effective Governance		Mombasa, Kenya
	Josephine Watera	Africa Centre for Parliamentary Affairs and the Parliament of Ghana	Attachment	Ghana
Programme Coordination				
	Paul Ankunda	Public Financial Management –Budget Planning and control	RIPA	London United Kingdom
	Paulo T. Kyama	ACMP Africa Change Conference	ACMP Africa	South Africa
	Patrick Ocailap	creating Anti Corruption Measures to improve Government Transparency and accountability	Institute for Public Private Partnership	USA
	Immaculate Apuki			
MoFPED Finance and Administration Department				
	Andrew Aribaruho	Public Procurement Partnerships	Crown Agents,	Dubai, UAE
	James Tibenkana	Best Practices in Public Sector Budgeting	Eastern and Southern African Management Institute (ESAMI),	Arusha, Tanzania
	Swalleh Ssentenza	Performance Auditing Programme,	Eastern and Southern African Management Institute (ESAMI),	Zanzibar

SECTION IV

Risk Management:

SECTION IV:

RISK MANAGEMENT:

Risk management is critical to ensuring that implementation of 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 *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 FY15/16

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 76 to 83% 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. The 2017/18 budget is planned to start with a strategic planning meeting to review and agree on priority outputs.	PS/ST and DPs
Poor attitude, commitment and ethics of staff	Medium	Continuous professional development, appraisal and counseling 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.	Components & MSU
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	Component specific fora instituted to bridge communication gaps during programming to improve on the timeliness, accuracy and appropriateness of their communication. This remains an area of improvement under the programme.	Components & MSU
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 on 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. Agreement was reached between DPs and MoFPED on a harmonized the pay structure among the comparable staff positions. This took effect 2016/17	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 in FY2014/15. MSU has continued to oversee adherence to the manual during the course of the year.	Components & MSU

SECTION V

Challenges And Lessons Learned

SECTION V:

CHALLENGES AND LESSONS LEARNED

5.1. Challenges Faced

A number of challenges were faced during FY 2015/16. 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. **Forex Rate Fluctuations:** Pertaining to financial risk, the programme is still faced with the current inflationary rates that threaten to devalue the overall budget. Already, prudent coping measures are being planned by the Management Support Unit for the next planning season. To this end, components were guided that budgets for the forthcoming financial years are to be drawn and pegged to a definitive dollar rate as advised by the Budget Directorate.
- III. There was a perpetuation of funding shortfalls across the quarters. This was mainly due to the partial release of the projected counterpart funding especially on the part of GoU for ongoing contracts, which presented a major constraint to effective reform programme implementation. This was most felt in the component responsible for PFM in Local Governments.

5.2. Lessons Learned

A number of lessons were learnt during FY 2015/16 as follows:

Procurement Strategy – There is need for an effective procurement strategy specific to the reform programme to implement the procurement policy. This will reduce project delay and cost overruns. Components poor procurement management is the leading contributory factor to low absorption. The strategy would entail the adoption of a planning approach for cost-effectively procuring the programmes requisite services, taking into consideration several elements and factors such as the timeline for procurement, the funding and budget, correct estimates, the projected risks and opportunities, among others. Training in basic procurement management for component staff should be incorporated into the overall training strategy of the programme.

As part of the strategy, the MSU is now requiring all components to prepare attendant terms of reference and indeed, where possible, that components initiate the procurement process for activities in anticipation of FY2016/17. This will go a long way to shorten the lead time and improve absorption.

Approvals for DP Procurements – There is need for Development Partners to specify procurements and attendant lead times that would require special approvals outside the country procurement regimes being currently implemented. This would guide the programme to provide for any extra ordinary lead-time requirements while still taking cognizance of the DP specific procurement administrative periods and policies. This will be updated in the forthcoming financial year programme risk profiles.

Change management strategy – FINMAP is a socio-technological programme for which the organisational change management strategy will need to be sustained to facilitate uptake of reforms across the programme. This will entail maintaining focus on both the technical aspects of workflows, the various stakeholders and understanding what the changes mean for them and their roles.

Project forecasting – Components will have to improve on project forecasting especially during the planning process. This is especially so with FINMAP III being a mainstream programme. Project assumptions, such as evidenced in parliamentary oversight, should have been adequately forecasted by the component and managed.

Risk Management – There is need for closer scrutiny and monitoring of the programme's risk management strategy. This will enable the programme managers and stakeholder's to better monitor the risk environment and adopt responsive risk mitigation measures to respond to developments, such as the delayed disbursement of funding and poor work planning.

SECTION VI

Expenditure Analysis For FY2015/16

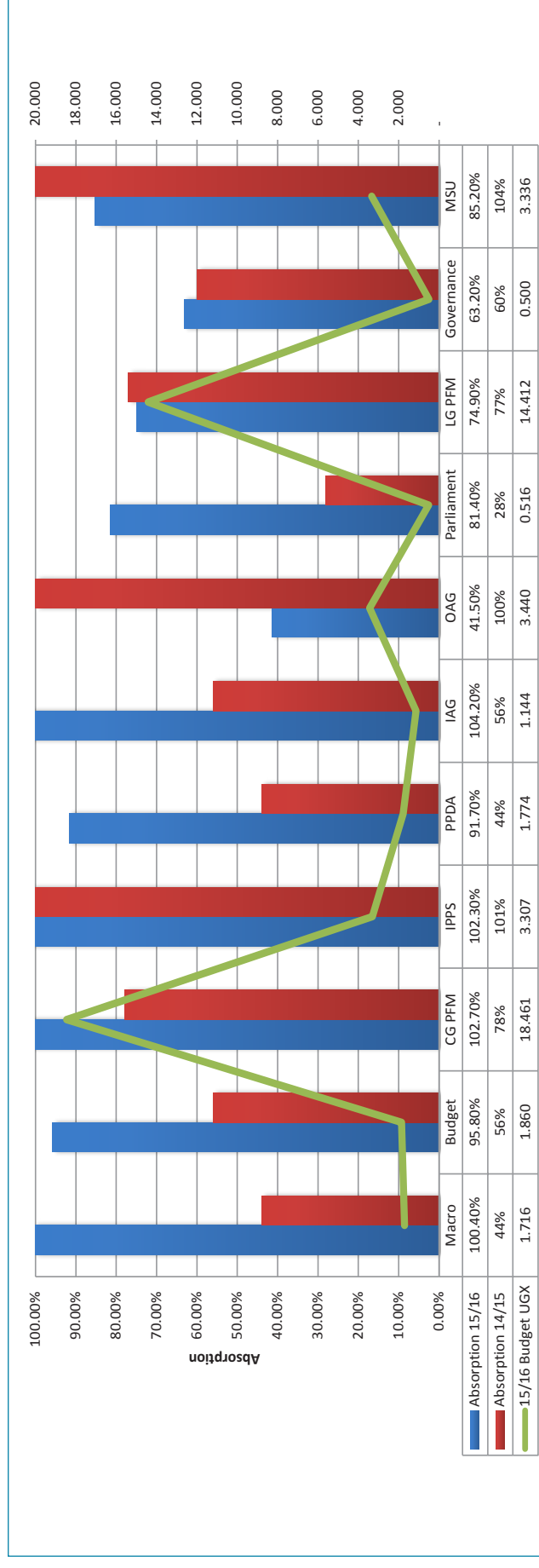
SECTION VI:

EXPENDITURE ANALYSIS FOR FY2015/16

6.1 Summary of Expenditure by Component FY 2015/16

The overall absorption for FY 2015/16 was 83% percent. Figure 34 below highlights the comparative absorption trend of components over the last two years of programme implementation. Comparatively, components at OAG and MoLG registered reverse absorption trends as compared to last financial year. The expenditure analysis by component is detailed out in Annex 2.

Figure 34: Comparative Components Absorption Trend



Source: FINMAP Financial Records, 2016

SECTION VII

A Snapshot View of Plans For FY 2016/17

SECTION VII:

A SNAPSHOT VIEW OF PLANS FOR FY 2016/17

Table 14: Summary of Approved Work Plan and Budget FY 2016/17

COMPONENT 1: MACROECONOMIC MANAGEMENT		
No.	Key Output/ Activity	Funds Available
1	Institutional Capacity in Macro-Economic Modelling Strengthened	1,976,505,569
2	Revenue monitoring and analysis tool developed	87,564,247
3	Capacity of URA staff in Tax Audit Strengthened	36,559,656
4	Institutional Capacity of debt issuance and Analysis Strengthened	255,892,000
	Total	2,356,521,472
COMPONENT 2: BUDGET PREPARATION AND MONITORING		
No.	Key Output/ Activity	Funds Available
1	Programme Based Budgeting Framework Developed and Implemented at all levels of Government	259,913,160
2	Capacity of planning units at MDAs and LGs in budgeting (in line with national policy priorities and budget calendar) Strengthened	2,058,044,310
3	Capacity of the directorate in Public Private Partnership (PPP) developed	406,868,280
	Total	2,724,825,750
COMPONENT 3A: FIDUCIARY MANAGEMENT SYSTEMS IN CENTRAL GOVERNMENT		
	Key Output/ Activity	Funds Available
1	Support implementation of PFM systems: Including IFMS tier 1 solution to CG sites	11,536,848,261
2	Systems security of GoU Financial Management Systems strengthened	8,585,440,953
3	Support implementation of CEMAS solution to 3 PUSATIs	3,989,670,266
4	Treasury Single Account (TSA) Framework implemented	1,870,862,200
5	National Procurement Policy developed	358,950,000
	Total	26,341,771,680
COMPONENT 3B: IMPROVED GoU PAYROLL, PENSION AND HUMAN RESOURCE MANAGEMENT		
	Key Output/ Activity	Funds Available
1	Improved timeliness, accuracy and accountability of GoU payroll and pensions payment processing	3,176,473,770
	Total	3,176,473,770
COMPONENT 4A: PUBLIC PROCUREMENT		
	Key Output/ Activity	Funds Available
1	Revised PPDA legal and regulatory framework strengthened	235,943,391
2	E - Learning systems implemented	87,734,400
3	Procurement audits in PDEs undertaken	266,566,352
4	Electronic Procurement system rolled out to selected CG entities	67,518,000
	Total	657,762,143

COMPONENT 4B: INTERNAL OVERSIGHT		
	Key Output/ Activity	Funds Available
1	Capacity of Internal Audit staff in IT and performance audits strengthened	196,305,720
2	Internal and External Quality Assessments of the Internal Audit function in GoU undertaken.	467,916,800
3	Capacity for risk management in central government developed.	46,206,784
4	Functional independence of Internal Audit role strengthened	693,101,760
	Total	1,403,531,064
COMPONENT 4C: EXTERNAL OVERSIGHT		
	Key Output/ Activity	Funds Available
1	Physical and operational independence of OAG strengthened	9,456,237,468
2	Computer based audit and management information systems rolled out	3,100,705,948
3	Capacity built in financial and performance audits	673,854,709
	Total	13,230,798,125
COMPONENT 4D: LEGISLATIVE OVERSIGHT		
	Key Output/ Activity	Funds Available
1	Parliamentary Information Management System developed	219,336,000
2	Capacity of the Institute of Parliamentary Studies (IPS) strengthened	135,257,200
	Total	354,593,200
COMPONENT 5: PUBLIC FINANCIAL MANAGEMENT IN LOCAL GOVERNMENTS		
	Key Output/ Activity	Funds Available
1	Institutional capacity of revenue units in LGs strengthened	278,191,160
2	An automated tax information system implemented in LGs	129,956,580
3	Deploy IFMS Tier 2 solution and provide technical post-implementation support to 10 LGs	11,774,893,847
4	Simplified, transparent and equitable transfer formulae for LG's developed	329,004,000
5	LG financial management regulation revised	363,377,607
6	IFMIS Tier 2 solution rolled out to 16 LG sites under current contract	4,501,140,280
7	Capacity of LG PAC strengthened	3,362,708,664
	Total	20,739,272,138
COMPONENT 6A: GOVERNANCE AND EXTERNAL ENVIRONMENT		
	Key Output/ Activity	Funds Available
1	Institutional strengthening of MoFPED - Salaries	808,161,143
	Total	808,161,143
COMPONENT 6B: PROGRAMME COORDINATION		
	Key Output/ Activity	Funds Available
1	Annual Programme Work plans & Annual Procurement Plans Consolidated	86,637,720
2	Annual and Quarterly Programme Performance - Evaluations and Coordination	608,702,072
3	Technical support - Including consultants and audit	3,007,921,927
4	Facilitate programme coordination	829,121,006
	Total	4,532,382,726
	Grand total	76,326,093,210

SECTION VIII

Annexes

ANNEX 1:

PERFORMANCE ANALYSIS OF PROGRAMME OUTCOMES

Results Chain	Performance Indicators	Data Source	Baseline FY 13/14	Target FY14/15	Actual FY14/15	Target FY15/16	Actual FY15/16
COMPONENT 1: MACROECONOMIC MANAGEMENT							
Final PFM Outcomes							
Resource Inflows Increased	Domestic tax revenue as a % of GDP (excluding domestic Oil and Gas revenues)	Background to the Budget	11.93%	12.96%	13.30%	13.51%	12.90%
	Tax Revenues as percentage of GDP		11.74%	12.69%	13.00%	13.19%	12.30%
	% of International trade taxes to GDP		5.19%	5.68%	5.80%	6%	5.51%
	% of Domestic Taxes to GDP		6.61%	7.12%	7.20%	7.39%	7.00%
	% of Non-Tax Revenue to GDP		0.19%	0.27%	0.28%	0.32%	0.32%
	% of National Budget funded from domestic revenue		71.50%	81.80%	88.00%	78%	87.12%
National Debt Sustained	Fiscal deficit as a percentage of GDP		-4.20%	7.6%	4.2%	4.50%	4.60%
	Total Public Debt Stock as a percentage of GDP		34.70%	36.0%	31.0%	36.40%	33.0%
	External debt stock / GDP		18.10%	22.40%	18.40%	23.00%	19.8%
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%	5.80%	0.40%
	Difference (in percentage points) between inflation projections and inflation (heading) outturn		0.50%	5.00%	4.90%	5.50%	6.60%
	% of revenue variance between original approved budget and actual out turn		6.86%	0.5	1.60%	0.5	3.38%
SRO 1.2: Improve the quality of revenue forecasts and revenue monitoring and evaluation framework	% of revenue realized from new measures against the set target		56%	98	77%	100	70.00%
SRO 1.3: Widen the tax base and improve tax administration	No. of DPs submitting quarterly projected disbursement with 10th of the next quarter	Government Finance Statistics	10%	20%	40%	40%	
	No. of DPs submitting outturns by the 15th of the next month	Government Finance Statistics	10%	20%	30%	40%	
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	1		1	

Results Chain	Performance Indicators	Data Source	Baseline FY 13/14	Target FY14/15	Actual FY14/15	Target FY15/16	Actual FY15/16
COMPONENT 2: BUDGET PREPARATION AND MONITORING							
Results	Performance Indicators	Data Source	Baseline FY 13/14	Target FY14/15	Actual FY14/15	Target FY15/16	Actual FY15/16
Final Outcome							
Allocated funds utilized as planned	% of funds utilized against the funds released	Annual Budget Performance Report	88%	90%	96%	95%	97%
	% of funds released against originally approved budget		103%	95%	88%	97%	97%
	% of funds utilized against originally approved budget		69%	75%	96%	80%	94%
	Arrears as a % of total expenditures FY N-2		7.0%	5%	1%	3%	TBD
	Net Change in the Stock of Domestic Arrears (Billions of Ushs)		-500	-80	-177	-40	TBD
Budget credibility, transparency and comprehensiveness with predictability and control in execution	Total value of supplementary appropriations as a % of approved budget		5%	3%	4%	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%	100%	100%
	% of LGs submitting budgets on time		38%	45%		55%	100%
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%	96%	TBD
	% of LGs submitting budget performance reports on time		92%	94%		96%	TBD
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%	85%	TBD
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	50%	TBD
COMPONENT 3A: FIDUCIARY MANAGEMENT SYSTEMS IN CENTRAL GOVERNMENT							
Results	Performance Indicators	Data Source	Baseline FY 13/14	Target FY14/15	Actual FY14/15	Target FY15/16	Actual FY15/16
Final Outcome							
Improved compliance and Accountability	% of clean audit reports (CG)	Annual OAG Reports	58%	62%	78%	66%	OAG report due December 2016
	% of clean audit reports (Statutory bodies)	Annual OAG Reports	41%	64%	79%	66%	
	% of contracts audited (by value) rated satisfactory	VFM Audit reports	46%	50%	60%	55%	

Results Chain	Performance Indicators	Data Source	Baseline FY 13/14	Target FY14/15	Actual FY14/15	Target FY15/16	Actual FY15/16
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%	27%	100%	Report due September 2016
	% of Foreign Missions financial reports on time (3 months after end of FY) – Microsoft Navision	Annual Statutory Financial Reports	96.97%	100%	85.7%	100%	
	% of MDA and PUSATI financial reports in compliance with Public Finance and Accounting Regulations	Annual Internal Audit/Inspection Report	58%	62%	70%	66%	IA September 2016
	% of MDAs (excluding DFPs) Budget executed using automated Financial Management Systems (IFMS, CEMAS & Microsoft Navision)	National Budget Book	99%	100%	99%	100%	99%
SRO 3.2: Improve cash management	% Variance between Annual Cash Forecasted and Cash Released from the National Budget	Annual Cash Forecasts/IFMS	N/A	N/A	N/A		4.15% exclude direct project disbursement by DPs
SRO 3.3: Harmonize PFM Legal Framework	New Public Finance Law enacted by FY2014/15	Publication of the Law	-	1	1	5%	1
	New PFM Regulatory framework by FY2015/16	Publication of the Regulations	-				1
SRO 3.4: Institutionally strengthen the Public Procurement Function	National Public Procurement Policy Issued by FY2014/15	Publication of the Policy	-	1	0.5	1	0.5
	% of Contracts with complete records	Public Procurement Measurement System (PPMS)	21%	40%			PPDA
	% of contracts completed within the original contract time	Public Procurement Measurement System (PPMS)	78%	85%		70%	
COMPONENT 3B: PAYROLL, PENSIONS AND HUMAN RESOURCES MANAGEMENT							
Results	Performance Indicators	Data Source	Baseline FY13/14	Target FY14/15	Actual FY14/15	Target FY15/16	Actual FY15/16
Final Outcome							
Improved compliance and Accountability	% of clean audit reports (CG)	Annual OAG Reports	58%	62%		66%	OAG report due December 2016
	% of clean audit reports (LG)	Annual OAG Reports	37.40%	55%		66%	
	% of clean audit reports (Statutory bodies)	Annual OAG Reports	62.50%	64%		55%	

Results Chain	Performance Indicators	Data Source	Baseline FY 13/14	Target FY14/15	Actual FY14/15	Target FY15/16	Actual FY15/16
Specific Reform Objectives (SROs)							
SRO 4.1: Timely and Accurate GoJ 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		5
	% variance in MDAs between Wage Value processed on IPPS and that paid on IFMS		20	5	2		1
	Number of months in which all MDAs and LGs effected salary payments by 28th of the month		1	10	12		12
COMPONENT 4A: PUBLIC PROCUREMENT							
Results	Performance Indicators	Data Source	Baseline FY13/14	Target FY14/15	Actual FY14/15	Target FY15/16	Actual FY15/16
Final Outcome							
Value for money in public procurements increased	% of Entities rated satisfactory from procurement audits	PPDA Annual Procurement Audit Reports	29	43	23	45%	80
	% of contracts audited (by value) that is rated satisfactory		28.5	50	60	55%	96
	% of contracts delivered within contract value (no variations)		72	100	44	100%	66.39
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	47	100%	33.9
	% of Entities submitting procurement plans on time in prescribed format.		96	100	68	100%	81
	% of Procurement audit and investigations recommendations implemented by Entities		77	80	55	100%	74
COMPONENT 4B: INTERNAL OVERSIGHT							
Results	Performance Indicators	Data Source	Baseline FY 13/14	Target FY14/15	Actual FY14/15	Target FY15/16	Actual FY15/16
Final Outcome							
Implementation of internal audit recommendations increased	% of internal audit recommendations in MALGs implemented	Annual consolidated Internal Audit report	58%	72%	63.3	75%	66.2%
Specific Reform Objectives (SROs)							

Results Chain	Performance Indicators	Data Source	Baseline FY 13/14	Target FY14/15	Actual FY14/15	Target FY15/16	Actual FY15/16
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%	100%	100%
	% of Internal audit reports complying with the required standards (as peer reviewed by Institute of Internal Auditors)		TBD	100%	100%	100%	100%
	% of MDAs audited by IIA		TBD	100%	100%	100%	100%
	% of Internal Audit Sectoral committee reports issued during the year		TBD	100%	75%	100%	100%
COMPONENT 4C: EXTERNAL OVERSIGHT OAG							
Results	Performance Indicators	Data Source	Baseline FY13/14	Target FY14/15	Actual FY14/15	Target FY15/16	Actual FY15/16
Final Outcome							
Improved compliance with accountability rules and regulations	% of external audit recommendations implemented by MDAs and LGs	Annual Report of the Auditor General	28	40		45%	25 ¹⁴
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	95%	69 ¹⁵
	% of entities audited against plan			100%	189%	100%	84
	% of sampled external audit reports complying with ISSAIs	Annual OAG Post Issuance Review Report	50	60		80%	55 ¹⁶
	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	6.1	4

¹⁴ A review of the status on implementation of Audit recommendations was taken as part of the audit for 2014/15 financial statements, cognizant of the fact that Parliament, has to debate and consider these recommendations. Therefore, 142 entities (59 MDAs, 37 projects and 46 Statutory Enterprises) were reviewed and 25% of the recommendations were found fully implemented, 25% partially implemented while 50% was not implemented. The status will continue to be updated continuously as the audit for 2015/16 financial year progresses.

¹⁵ The audits which are work in progress will be reported on 31st December 2016 together with audits to be conducted in FY2016/17.

¹⁶ ISSAIs were rolled out in audit of all MDAs, LGs, Statutory Bodies and Projects (currently in 3rd year). An ISSAI compliance assessment tool was developed and approved by Top Management in April 2016. Training/sensitization of staff on the tool has been done. Application of the tool will commence with the FY 2015/16 Audits. However, 8 reports (6 LGs, 1 MDA and 1 Statutory Body) sampled for pre-issuance review on 2014/15 audits had 54.5% compliance to ISSAIs.

Results Chain	Performance Indicators	Data Source	Baseline FY 13/14	Target FY14/15	Actual FY14/15	Target FY15/16	Actual FY15/16
COMPONENT 4D: LEGISLATIVE OVERSIGHT							
Results	Performance Indicators	Data Source	Baseline FY13/14	Target FY14/15	Actual FY14/15	Target FY15/16	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	75%	80
	No. of VFM reports adopted by Parliament and submitted to the Executive as % of reports tabled in the plenary		65	70	50	75%	80
	% of Treasury Memoranda audited by OAG against one issued		-	25	0	40%	0
	% of actions taken reported in the treasury memoranda in line with the Parliamentary resolutions.		-	25	0	40%	50
	Average satisfaction rating from an annual sample of key informants on the quality and impact of parliamentary actions		-	50	0	70%	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	100%	100
	% of financial and VFM audit reports scrutinized by Parliamentary Accountability Committees within the statutory period		65	70	50	75%	50
COMPONENT 5: PUBLIC FINANCIAL MANAGEMENT IN LOCAL GOVERNMENTS							
Results	Performance Indicators	Data Source	Baseline FY 13/14	Target FY14/15	Actual FY14/15	Target FY15/16	Actual FY15/16
Final Outcome							
Resource inflows increased in LGs	Rural local Government local Revenue as % of LG Budgets	LG Audited Final Accounts	3%	5%	2.1%	10%	OAG report due December 2016
	Urban local Government local Revenue as % of LG Budgets		20%	25%	8.4%	30%	
Improved compliance and Accountability	% of clean HLG audit reports	Annual OAG Reports	37%	45%	69%	50%	
Specific Reform Objectives (SROs)							

Results Chain	Performance Indicators	Data Source	Baseline FY 13/14	Target FY14/15	Actual FY14/15	Target FY15/16	Actual FY15/16
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%	80%	OAG report due December 2016
	% of actual transfers to LGs compared to transfers budgeted	MoFPED Background to the Budget	97%	100%	100%	100%	100%
SRO 9.2: Improve financial reporting in LGs	% of HLGs submitting financial reports on time (within 3 months after end of FY)	OAG Annual Reports	100%	100%	100%	100%	OAG report due December 2016
	% of clean HLG audit reports		37%	45%	69%	50%	50%
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%	80%	50%
SRO 9.4: Improve the timeliness and quality of reporting by LGPACCs	% of LGPACs submitting quarterly reports to their councils		50%	60%	40%	70%	40%

ANNEX 2:

DETAILED ACTIVITY LEVEL EXPENDITURE ANALYSIS FY15/16

Component Outputs and Input Codes	Short Description Outputs/ Inputs	Approved Budget Plan UGX	Commitments Basket (A) UGX	Actual Expenditure Basket (B) UGX	Commitments GOU UGX	Actual Expenditure GOU (D) UGX	Total Expenditure (A+B+C+D) UGX	% age Expenditure	Unspent Funds (A-B-C-D) UGX
Component 01 & 01B -Outputs: Macro-economic Management & Cash & Debt Management									
01.01.07	Individual training course in macro-economic modelling	68,107,756	0	68,302,735	0	0	68,302,735	100.3%	-194,979
01.01.09	Purchase of computer equipment	69,976,955	0	69,865,719	0	0	69,865,719	99.8%	111,236
01.01.10/ 01.02.03/ 01.03.01	In-country trainings in statistical compilation and management conducted	143,774,609	0	150,664,573	0	0	150,664,573	104.8%	-6,889,964
01.04.01	Provide technical support to PFM reforms in macro-economic management	682,336,512	0	0	0	682,336,512	682,336,512	100.0%	0
01.06.01/ 01.06.03/ 01.06.04	Desk top computers purchased, Printers purchased, Photo copiers purchased	64,599,500	0	63,202,030	0	0	63,202,030	97.8%	1,397,470
01.09.01	Updated explanatory notes for VAT, Income tax and Excise duty laws developed	41,586,280	0	41,586,280	0	0	41,586,280	100.0%	0
01.12.03	Consultative stakeholder workshops on the DTA policy conducted	37,278,000	0	37,278,000	0	0	37,278,000	100.0%	0
01.12.07	Overseas seminars in international taxation for key staff undertaken	81,018,700	0	81,018,700	0	0	81,018,700	100.0%	0
01.12.08	Long term consultancy to review existing int'l tax policy undertaken	112,252,249	0	112,252,249	0	0	112,252,249	100.0%	0

Component Outputs and Input Codes	Short Description Outputs/ Inputs	Approved Budget Plan UGX	Commitments Basket (A) UGX	Actual Expenditure Basket (B) UGX	Commitments GOU UGX	Actual Expenditure GOU (D) UGX	Total Expenditure (A+B+C+D) UGX	% age Expenditure	Unspent Funds (A-B-C-D) UGX
01.13.01	In-house training program on tax audit and international taxation undertaken	100,424,917	0	105,159,420	0	0	105,159,420	104.7%	-4,734,503
01.15.02	Undertaking Post graduate studies in Public Finance Management	13,319,119	0	13,319,119	0	0	13,319,119	100.0%	0
01.15.04	A two-week in-house training programme conducted for end users	31,065,000	0	31,065,000	0	0	31,065,000	100.0%	0
01.17.03	Training for ALD staff and DPs in the effective usage of PIMIS usage conducted	35,573,742	0	35,573,742	0	0	35,573,742	100.0%	0
01.17.04	DP profile database developed and Updated	23,298,369	0	23,298,369	0	0	23,298,369	100.0%	0
01.20.03	Study Tours for the officers to benchmark best practices in Debt and Cash Management	125,456,464	0	125,112,804	0	0	125,112,804	99.7%	343,660
01.24.01	DMFAS Systems Expert	25,628,625	0	25,628,625	0	0	25,628,625	100.0%	0
01.24.02	DMFAS Debt Expert	27,958,500	0	27,958,500	0	0	27,958,500	100.0%	0
01.24.03	DMFAS IT Expert	24,463,688	0	22,015,305	0	0	22,015,305	90.0%	2,448,383
Component 01 & 01B Total		1,708,118,985	0	1,033,301,170	0	682,336,512	1,715,637,682	100.4%	-7,518,697
Component 02 Outputs: Budget Preparation And Monitoring									
Component Outputs and Input Codes	Short Description Outputs/ Inputs	Approved Budget Plan UGX	Commitments Basket (A) UGX	Actual Expenditure Basket (B) UGX	Commitments GOU UGX	Actual Expenditure GOU (D) UGX	Total Expenditure (A+B+C+D) UGX	% age Expenditure	Unspent Funds (A-B-C-D) UGX
02.03.04	Conduct stakeholder workshops on Programme Based Budgeting (200 pax)	221,180,300	0	216,183,400	0	0	216,183,400	97.7%	4,996,900
02.06.02	Conduct regional training for heads of Planning Units, Department/projects in budgeting and reporting	116,960,700	0	116,960,700	0	0	116,960,700	100.0%	0

Component Outputs and Input Codes	Short Description Outputs/ Inputs	Approved Budget Plan UGX	Commitments Basket (A) UGX	Actual Expenditure Basket (B) UGX	Commitments GOU UGX	Actual Expenditure GOU (D) UGX	Total Expenditure (A+B+C+D) UGX	% age Expenditure	Unspent Funds (A-B-C-D) UGX
02.06.03	Facilitate the Graduate Economists Scheme	1,587,520,908	0	4,716,000	0	1,506,124,295	1,510,840,295	95.2%	76,680,613
02.07.01	Conduct training in strategic planning for budget directorate	16,000,000	0	16,000,000	0	0	16,000,000	100.0%	0
Component 02 Total		1,941,661,908	0	353,860,100	0	1,506,124,295	1,859,984,395	95.8%	81,677,513
Component 03A Outputs: Fiduciary Management Systems in CG									
Component Outputs and Input Codes	Short Description Outputs/ Inputs	Approved Budget Plan UGX	Commitments Basket (A) UGX	Actual Expenditure Basket (B) UGX	Commitments GOU UGX	Actual Expenditure GOU (D) UGX	Total Expenditure (A+B+C+D) UGX	% age Expenditure	Unspent Funds (A-B-C-D) UGX
03.01.01	Undertake turn-key consultancy to deploy IFMS tier 1 solution and provide technical support in hybrid sites, referral hospitals and donor funded projects	8,604,072,055	11,978,549	9,012,335,508	0	533,101,788	9,557,415,845	111.1%	-953,343,790
03.01.05	Undertake capacity building for IT staff	18,465,497	0	18,465,497	0	0	18,465,497	100.0%	0
03.01.06	Provide technical support to PFM reforms in AGO	3,631,258,487	0	0	0	3,483,972,497	3,483,972,497	95.9%	147,285,990
03.01.07	Provide administrative support to the IFMS Project Office	292,339,106	0	270,355,247	0	2,431,000	272,786,247	93.3%	19,552,859
03.06.01	In-house teams clean up master data, conduct sensitization and user training on the de-centralized payroll modality through an outreach program	15,646,800	0	15,646,800	0	0	15,646,800	100.0%	0
03.07.02	Undertake consultancy for the design, installation and support of the CEMAS core solution03.07.03	4,579,841,763	453,011,000	2,901,652,633	0	997,492,051	4,352,155,684	95.0%	227,686,079

Component Outputs and Input Codes	Short Description Outputs/ Inputs	Approved Budget Plan UGX	Commitments Basket (A) UGX	Actual Expenditure Basket (B) UGX	Commitments GOU UGX	Actual Expenditure GOU (D) UGX	Total Expenditure (A+B+C+D) UGX	% age Expenditure	Unspent Funds (A-B-C-D) UGX
03.08.01	Professional training for accounting cadre in Central Government conducted	115,937,500	0	115,937,500	0	0	115,937,500	100.0%	0
03.08.02	Conduct training programme for lower level cadre in basic accounting concepts and book keeping skills, financial management and reporting (Accounts Assistants etc..)	18,639,000	0	15,276,407	0	0	15,276,407	82.0%	3,362,593
03.09.01	Conduct in-house functional training and update of inspection manuals	93,195,000	0	87,863,390	0	0	87,863,390	94.3%	5,331,610
03.09.03	Procure laptops , desktops and office equipment	62,130,000	0	17,738,944	0	0	17,738,944	28.6%	44,391,056
03.13.01/ 03.14.01/ 03.19.01	Develop training and sensitisation material for key stakeholders on the PFM law, Develop PFM regulations and treasury instructions, Undertake a spend analysis	141,324,770	0	141,324,770	0	0	141,324,770	100.0%	0
03.16.03	Conduct sensitisation and change management workshops for accounting officers and HoDs on TSA	186,390,000	0	177,045,274	0	0	177,045,274	95.0%	9,344,726
03.18.01	Conduct sensitization workshops for stakeholders on the public procurement policy	162,952,500	0	162,952,500	0	0	162,952,500	100.0%	0
03.20.01	Undertake a consultancy to develop the implementation strategy for the public procurement policy	46,597,500	0	42,173,306	0	0	42,173,306	90.5%	4,424,194

Component Outputs and Input Codes	Short Description Outputs/ Inputs	Approved Budget Plan UGX	Commitments Basket (A) UGX	Actual Expenditure Basket (B) UGX	Commitments GOU UGX	Actual Expenditure GOU (D) UGX	Total Expenditure (A+B+C+D) UGX	% age Expenditure	Unspent Funds (A-B-C-D) UGX
Component 03A Total		17,968,789,978	464,989,549	12,978,767,776	0	5,016,997,336	18,460,754,661	102.7%	-491,964,683
Component 03B Outputs: IPPS									
Component Outputs and Input Codes	Short Description Outputs/ Inputs	Approved Budget Plan UGX	Commitments Basket (A) UGX	Actual Expenditure Basket (B) UGX	Commitments GOU UGX	Actual Expenditure GOU (D) UGX	Total Expenditure (A+B+C+D) UGX	% age Expenditure	Unspent Funds (A-B-C-D) UGX
04.02.03/ 04.01.03/ 04.02.01	Procure, Supply and installation of HARDWARE Computers (2) and UPS (2) with Operating System and MSWord, LAN extension cabling	354,000,615	0	311,907,600	0	0	311,907,600	88.1%	42,093,015
04.02.04	Rollout to 37 votes (DLGs/MCs and Public Universities)	462,873,700	0	451,688,550	0	0	451,688,550	97.6%	11,185,150
04.04.01	Regional Centres (11) - functional and technical support	80,251,533	0	80,251,533	0	0	80,251,533	100.0%	0
04.05.01	Project Running Costs	341,664,819	0	341,664,819	0	0	341,664,819	100.0%	0
04.05.06	Provide technical support to PFM reforms in IPPS	925,202,682	0	0	0	925,202,682	925,202,682	100.0%	0
04.05.08	Conduct Activity based refresher Functional and technical training for End Users in the 91 IPPS Sites (39/52)	377,623,230	0	377,538,149	0	0	377,538,149	100.0%	85,081
04.06.01	Procure, Supply, install, configure, test, an additional Biometrics on IPPS	690,944,518	0	819,086,973	0	0	819,086,973	118.5%	-128,142,455
Component 03B Total		3,232,561,097	0	2,382,137,624	0	925,202,682	3,307,340,306	102.3%	-74,779,209
Component 04A Outputs: Public Procurement									
Component Outputs and Input Codes	Short Description Outputs/ Inputs	Approved Budget Plan UGX	Commitments Basket (A) UGX	Actual Expenditure Basket (B) UGX	Commitments GOU UGX	Actual Expenditure GOU (D) UGX	Total Expenditure (A+B+C+D) UGX	% age Expenditure	Unspent Funds (A-B-C-D) UGX

Component Outputs and Input Codes	Short Description Outputs/ Inputs	Approved Budget Plan UGX	Commitments Basket (A) UGX	Actual Expenditure Basket (B) UGX	Commitments GOU UGX	Actual Expenditure GOU (D) UGX	Total Expenditure (A+B+C+D) UGX	% age Expenditure	Unspent Funds (A-B-C-D) UGX
06.01.03/ 06.01.04	Sensitization of procurement cadre in PDEs on PPDA law	118,284,180	0	117,517,880	0	0	117,517,880	99.4%	766,300
06.06.03	Support the establishment of the procurement e-learning system	162,000,500	0	157,168,731	0	0	157,168,731	97.0%	4,831,769
06.07.01	Conduct procurement audits	310,032,440	0	313,249,829	0	0	313,249,829	101.0%	-3,217,389
06.07.02	Undertake follow up exercises on the recommendations of procurement audits	15,532,500	0	14,581,700	0	0	14,581,700	93.9%	950,800
06.08.01	Conduct organisation development assessment of PPDA	131,640,380	0	127,376,122	0	0	127,376,122	96.8%	4,264,258
06.08.03	Undertake short term seminars/conferences in specialised areas in public procurement	121,551,704	0	108,765,184	0	0	108,765,184	89.5%	12,786,520
06.09.01	Conduct hands on support to technical staff in 20 PDEs in contracts management	69,227,674	0	69,227,674	0	0	69,227,674	100.0%	0
06.10.01	Procure and implement e-GP System	525,300,000	0	446,520,619	0	0	446,520,619	85.0%	78,779,381
06.10.03	Conduct e-procurement change management sessions	105,777,075	0	85,316,097	0	0	85,316,097	80.7%	20,460,978
06.11.01	Provide technical support to PFM reforms in public procurements	375,650,406	0	0	0	334,639,943	334,639,943	89.1%	41,010,463
Component 04A Total		1,934,996,859	0	1,439,723,836	0	334,639,943	1,774,363,779	91.7%	160,633,080
Component 04B Outputs: Internal Oversight									

Component Outputs and Input Codes	Short Description Outputs/ Inputs	Approved Budget Plan UGX	Commitments Basket (A) UGX	Actual Expenditure Basket (B) UGX	Commitments GOU UGX	Actual Expenditure GOU (D) UGX	Total Expenditure (A+B+C+D) UGX	% age Expenditure	Unspent Funds (A-B-C-D) UGX
Component Outputs and Input Codes	Short Description Outputs/ Inputs	Approved Budget Plan UGX	Commitments Basket (A) UGX	Actual Expenditure Basket (B) UGX	Commitments GOU UGX	Actual Expenditure GOU (D) UGX	Total Expenditure (A+B+C+D) UGX	% age Expenditure	Unspent Funds (A-B-C-D) UGX
07.01.01	Procure and deploy ERA software licenses and training of staff to utilise the software.	443,465,760	0	436,056,176	0	0	436,056,176	98.3%	7,409,584
07.06.01	Undertake quality review of internal Audit reports and workplan for subsequent years and current year	89,032,000	0	89,032,000	0	0	89,032,000	100.0%	0
07.15.02	Payment of retainer fees, sitting allowances and holding training seminars for audit committee members	447,336,000	0	505,307,543	0	0	505,307,543	113.0%	-57,971,543
07.15.03	Induction of new Audit Committee members	49,704,000	0	50,747,400	0	0	50,747,400	102.1%	-1,043,400
07.18.03	Undertake training in CIA for 60 staff	6,224,213	0	5,306,891	0	0	5,306,891	85.3%	917,322
07.18.06	Undertake training in professional courses subscriptions and continuous professional development (CIA, ACCA, CISA, CIPS, CFE and CPA)	62,130,000	0	57,321,686	0	0	57,321,686	92.3%	4,808,314
Component 04B Total		1,097,891,973	0	1,143,771,696	0	0	1,143,771,696	104.2%	-45,879,723
Component 04C Outputs: External Oversight									
Component Outputs and Input Codes	Short Description Outputs/ Inputs	Approved Budget Plan UGX	Commitments Basket (A) UGX	Actual Expenditure Basket (B) UGX	Commitments GOU UGX	Actual Expenditure GOU (D) UGX	Total Expenditure (A+B+C+D) UGX	% age Expenditure	Unspent Funds (A-B-C-D) UGX
08.01.01	Undertake construction and supervision of the OAG Mbarara regional office	191,616,972	0	72,987,071	0	112,230,077	185,217,148	96.7%	6,399,824

Component Outputs and Input Codes	Short Description Outputs/ Inputs	Approved Budget Plan UGX	Commitments Basket (A) UGX	Actual Expenditure Basket (B) UGX	Commitments GOU UGX	Actual Expenditure GOU (D) UGX	Total Expenditure (A+B+C+D) UGX	% age Expenditure	Unspent Funds (A-B-C-D) UGX
08.01.02	Project manager and administrative assistant	306,164,214	0	0	0	306,164,214	306,164,214	100.0%	0
08.01.03	Undertake supervision meetings of construction works on the Mbarara regional office	36,103,743	0	10,324,082	0	0	10,324,082	28.6%	25,779,661
08.01.05 KFW	Construction of the OAG Hoima regional office	782,089,334	0	8,351,000	0	0	8,351,000	1.1%	773,738,334
08.01.11 KFW	Design and supervision of Hoima and Moroto regional offices (construction and supervision in FY 14/15)	347,887,616	0	76,705,648	0	131,271,072	207,976,720	59.8%	139,910,896
08.01.12 KFW	Construction of the OAG Moroto regional office	521,394,960	0	0	0	0	0	0.0%	521,394,960
08.01.13 KFW	Quarterly supervision meetings of construction works on the Hoima regional office	33,997,536	0	4,492,000	0	2,499,400	6,991,400	20.6%	27,006,136
08.01.14 KFW	Quarterly supervision meetings of construction works on the Moroto regional office	60,440,064	0	6,292,000	0	0	6,292,000	10.4%	54,148,064
08.02.04 KFW	Establish disaster recovery data centre for backing-up teammate project	254,981,520	0	2,200,000	0	0	2,200,000	0.9%	252,781,520
08.02.05/ 08.02.06 KFW	Procure 140 laptop chargers & laptop computers for up-country staff	993,317,729	0	962,268,493	0	0	962,268,493	96.9%	31,049,236
08.02.07 KFW	Developing specifications for MIS and related applications (EDMS, IM, and FM). Procure and install components of MIS system	930,740,663	0	72,010,902	0	0	72,010,902	7.7%	858,729,761

Component Outputs and Input Codes	Short Description Outputs/ Inputs	Approved Budget Plan UGX	Commitments Basket (A) UGX	Actual Expenditure Basket (B) UGX	Commitments GOU UGX	Actual Expenditure GOU (D) UGX	Total Expenditure (A+B+C+D) UGX	% age Expenditure	Unspent Funds (A-B-C-D) UGX
08.02.08 KFW	Replacement of branch wide area net work equipment and servers at 6 branch offices	595,267,530	0	595,000,000	0	0	595,000,000	100.0%	267,530
08.02.09 KFW	Establish connection between the OAG regional offices and the OAGWAN (Jinja, Mbarara and Mbale)	297,478,440	0	167,621,613	0	0	167,621,613	56.3%	129,856,827
08.02.10	Train staff on use of the management information system (30 staff)	80,340,614	0	82,940,614	0	0	82,940,614	103.2%	-2,600,000
08.02.13	Training of all teammate users (400 staff)	142,899,000	0	150,214,494	0	0	150,214,494	105.1%	-7,315,494
08.05.01	Conduct staff professional staff training in ACCA	89,311,875	0	100,857,361	0	0	100,857,361	112.9%	-11,545,486
08.05.02	Conduct staff professional staff training in CISA/CFA/ CFE for 40 Staff	15,139,140	0	15,139,140	0	0	15,139,140	100.0%	0
08.05.03	Conduct staff professional staff training in CPA for 200 Staff	138,658,000	0	137,302,496	0	0	137,302,496	99.0%	1,355,504
08.05.04	Conduct staff professional staff training in CIPFA for 8 Staff	13,047,300	0	13,047,300	0	0	13,047,300	100.0%	0
08.06.05	Staff trained in WGEA-Env. audit	44,266,179	0	44,266,179	0	0	44,266,179	100.0%	0
08.06.10	VFM 3-Module Course	8,799,000	0	8,609,470	0	0	8,609,470	97.8%	189,530
08.06.13	Training in PPP	93,195,000	0	107,449,707	0	0	107,449,707	115.3%	-14,254,707
08.06.16 KFW	Procure an assortment of engineering audit tools	2,039,883,225	0	9,586,000	0	0	9,586,000	0.5%	2,030,297,225
08.06.17 KFW	Engineering software procured	63,745,380	0	0	0	0	0	0.0%	63,745,380

Component Outputs and Input Codes	Short Description Outputs/ Inputs	Approved Budget Plan UGX	Commitments Basket (A) UGX	Actual Expenditure Basket (B) UGX	Commitments GOU UGX	Actual Expenditure GOU (D) UGX	Total Expenditure (A+B+C+D) UGX	% age Expenditure	Unspent Funds (A-B-C-D) UGX
08.07.01	Undertake training of staff in management of forensic investigation and submission	36,644,173	0	36,878,719	0	0	36,878,719	100.6%	-234,546
08.07.03	Training of 10 staff in expert witness submission	26,591,640	0	28,075,379	0	0	28,075,379	105.6%	-1,483,739
08.08.01	Conduct sensitisation workshops for Committee members on audit findings and discussion of audit reports	75,461,800	0	91,681,000	0	0	91,681,000	121.5%	-16,219,200
08.08.02	Build the capacity of Districts Accountability Committees in discussion of Audit Reports.	46,988,919	0	59,916,120	0	0	59,916,120	127.5%	-12,927,201
08.08.03	Build capacity of District Executive and Council Speakers on utilization of audit reports to monitor public funds	24,681,143	0	23,562,857	0	0	23,562,857	95.5%	1,118,286
Component 04C Total		8,291,132,709	0	2,887,779,645	0	552,164,763	3,439,944,408	41.5%	4,851,188,301
Component 04D Outputs: Legislative Oversight									
Component Outputs and Input Codes	Short Description Outputs/ Inputs	Approved Budget Plan UGX	Commitments Basket (A) UGX	Actual Expenditure Basket (B) UGX	Commitments GOU UGX	Actual Expenditure GOU (D) UGX	Total Expenditure (A+B+C+D) UGX	% age Expenditure	Unspent Funds (A-B-C-D) UGX
09.01.04	Conduct an orientation and induction workshop for new committee members on the revised handbook	31,065,000	0	30,066,400	0	0	30,066,400	96.8%	998,600
09.03.04	Conduct in-house training for Parliamentary Staff in Elements of Public Financial Management	62,130,000	0	48,127,000	0	0	48,127,000	77.5%	14,003,000

Component Outputs and Input Codes	Short Description Outputs/ Inputs	Approved Budget Plan UGX	Commitments Basket (A) UGX	Actual Expenditure Basket (B) UGX	Commitments GOU UGX	Actual Expenditure GOU (D) UGX	Total Expenditure (A+B+C+D) UGX	% age Expenditure	Unspent Funds (A-B-C-D) UGX
09.04.01	Train the team managing the PFM reforms under parliament in monitoring and evaluation of the performance of PFM parliamentary committees	43,491,000	0	51,862,640	0	0	51,862,640	119.2%	-8,371,640
09.05.01	Procure hardware and software for the system	225,390,000	0	225,291,264	0	0	225,291,264	100.0%	98,736
09.05.04	Undertake training and rollout of the system	31,065,000	0	17,904,543	0	0	17,904,543	57.6%	13,160,457
09.06.01	Undertake a consultancy to develop manuals	136,349,850	0	84,292,335	0	0	84,292,335	61.8%	52,057,515
09.06.02	Undertake international consultancy to digitise the IPS programs for easy and continuous access by MPs and other stakeholders	44,875,500	0	0	0	0	0	0.0%	44,875,500
09.08.01	Procure computer hardware and software (10 computers, software and hardware)	59,577,000	0	58,342,857	0	0	58,342,857	97.9%	1,234,143
Component 04D Total		633,943,350	0	515,887,039	0	0	515,887,039	81.4%	118,056,311
Component 05 Outputs: PFM in Local Governments									
Component Outputs and Input Codes	Short Description Outputs/ Inputs	Approved Budget Plan UGX	Commitments Basket (A) UGX	Actual Expenditure Basket (B) UGX	Commitments GOU UGX	Actual Expenditure GOU (D) UGX	Total Expenditure (A+B+C+D) UGX	% age Expenditure	Unspent Funds (A-B-C-D) UGX
05.02.02	Procure desktop computers, laptops and filling cabinets for the revenue units in MoLG, LGFC and LGs	279,075,000	0	276,942,435	0	0	276,942,435	99.2%	2,132,565
05.03.02	Procure computer software licences for revenue software	77,662,500	0	76,097,803	0	0	76,097,803	98.0%	1,564,697

Component Outputs and Input Codes	Short Description Outputs/ Inputs	Approved Budget Plan UGX	Commitments Basket (A) UGX	Actual Expenditure Basket (B) UGX	Commitments GOU UGX	Actual Expenditure GOU (D) UGX	Total Expenditure (A+B+C+D) UGX	% age Expenditure	Unspent Funds (A-B-C-D) UGX
05.03.03	Undertake field visits to train staff on the use of the database	38,383,197	0	36,413,800	0	0	36,413,800	94.9%	1,969,397
05.08.02	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	0	16,268,500	0	0	16,268,500	81.8%	3,613,100
05.10.02	Provide technical backstopping to the development of the simplified guidelines	38,133,690	0	32,842,819	0	0	32,842,819	86.1%	5,290,871
05.12.01	Undertake a consultancy to review and strengthen the legal and regulatory framework for LG revenue mobilisation	36,410,000	0	36,410,000	0	0	36,410,000	100.0%	0
05.13.01	Undertake regional training for LG staff in basic accounting concepts and book keeping skills, financial management and reporting in LGs Regional Costs (5 persons from each LG-3 day workshops)	90,007,490	0	90,007,490	0	0	90,007,490	100.0%	0
05.15.01	Setup and deploy the IFMS tier-2 solution	14,827,872,544	0	1,005,520,583	0	9,230,582,700	10,236,103,283	69.0%	4,591,769,261
05.15.02	Provide technical support to PFM reforms in LG	2,322,382,122	0	0	0	2,322,359,851	2,322,359,851	100.0%	22,271
05.15.05/ 05.19.02	Provide pre and post rollout support IFMS tier-2 sites	56,506,700	0	27,381,456	0	25,613,700	52,995,156	93.8%	3,511,544

Component Outputs and Input Codes	Short Description Outputs/ Inputs	Approved Budget Plan UGX	Commitments Basket (A) UGX	Actual Expenditure Basket (B) UGX	Commitments GOU UGX	Actual Expenditure GOU (D) UGX	Total Expenditure (A+B+C+D) UGX	% age Expenditure	Unspent Funds (A-B-C-D) UGX
05.15.09	Undertake consultancy to setup WAN to rollout sites	119,289,600	0	0	0	0	0	0.0%	119,289,600
05.15.10	Site Readiness Assessment	12,489,200	0	12,489,200	0	0	12,489,200	100.0%	0
05.15.11	Project Kick Off Meeting	37,952,331	0	37,952,331	0	0	37,952,331	100.0%	0
05.15.13	Master Data Collection and Validation	53,064,144	0	37,219,395	0	2,479,100	39,698,495	74.8%	13,365,649
05.15.14	Training of Core and End Users	33,191,971	0	33,191,971	0	0	33,191,971	100.0%	0
05.15.16	Pre and Post Go Live Change Management for 12 Rollout Sites	87,942,831	0	84,762,831	0	0	84,762,831	96.4%	3,180,000
05.15.17	Equipment Inspection and User Acceptance Sign Off	24,852,000	0	16,700,111	0	0	16,700,111	67.2%	8,151,889
05.15.18	Commissioning and official hand over of the sites	61,896,097	0	50,186,737	0	0	50,186,737	81.1%	11,709,360
05.15.19	Provision of WAN Link to existing sites - upgrade to 512 kbps	363,025,877	0	339,970,705	0	0	339,970,705	93.6%	23,055,172
05.15.20	Setup WAN to the rollout Tier 2 rollout sites	119,289,600	0	75,514,616	0	0	75,514,616	63.3%	43,774,984
05.15.21	Provision of WAN Link to new rollout sites - upgrade to 512 kbps	34,792,800	0	0	0	0	0	0.0%	34,792,800
05.22.01	Undertake professional training and development of IA cadre	93,195,000	0	115,385,917	0	0	115,385,917	123.8%	-22,190,917
05.22.02	Undertake in-house training in internal audit function in LGs	59,948,288	0	59,948,288	0	0	59,948,288	100.0%	0
05.23.01	Procure computer assisted audit tools (CAAT's)	7,916,250	0	7,916,250	0	0	7,916,250	100.0%	0
05.28.01/ 05.15.03	Project running costs including office rent	356,150,499	0	361,926,325	0	0	361,926,325	101.6%	-5,775,826
Component 05 Total		19,251,311,331	0	2,831,049,563	0	11,581,035,351	14,412,084,914	74.9%	4,839,226,417

Component Outputs and Input Codes	Short Description Outputs/ Inputs	Approved Budget Plan UGX	Commitments Basket (A) UGX	Actual Expenditure Basket (B) UGX	Commitments GOU UGX	Actual Expenditure GOU (D) UGX	Total Expenditure (A+B+C+D) UGX	% age Expenditure	Unspent Funds (A-B-C-D) UGX
Component 06A Outputs: Governance and External Environment									
Component Outputs and Input Codes	Short Description Outputs/ Inputs	Approved Budget Plan UGX	Commitments Basket (A) UGX	Actual Expenditure Basket (B) UGX	Commitments GOU UGX	Actual Expenditure GOU (D) UGX	Total Expenditure (A+B+C+D) UGX	% age Expenditure	Unspent Funds (A-B-C-D) UGX
10.01.01	Provide technical support to the ISN maintenance	727,368,336	0	0	0	440,961,286	440,961,286	60.6%	286,407,050
10.02.01	Conduct short term functional training for key staff in the office of the accounting officer	62,130,000	0	58,152,397	0	0	58,152,397	93.6%	3,977,603
Component 06A Total		789,498,336	0	58,152,397	0	440,961,286	499,113,683	63.2%	290,384,653
Component 06B Outputs: Programme Coordination									
Component Outputs and Input Codes	Short Description Outputs/ Inputs	Approved Budget Plan UGX	Commitments Basket (A) UGX	Actual Expenditure Basket (B) UGX	Commitments GOU UGX	Actual Expenditure GOU (D) UGX	Total Expenditure (A+B+C+D) UGX	% age Expenditure	Unspent Funds (A-B-C-D) UGX
11.01.01	Conduct Annual Component planning and budgeting workshops	77,662,500	0	65,654,300	0	0	65,654,300	84.5%	12,008,200
11.03.01	Undertake Field Monitoring visits to IFMS, CEMAS, IPPS sites	49,704,000	0	47,109,147	0	0	47,109,147	94.8%	2,594,853
11.03.02	Conduct quarterly/bi-annual component review meetings/ retreats and retreats (PTC, PEMCOM etc...)	12,940,440	0	11,748,448	0	0	11,748,448	90.8%	1,191,992
11.03.03	Hold quarterly component coordinators' meetings	18,895,300	0	6,895,300	0	0	6,895,300	36.5%	12,000,000
11.07.01	Contract audit firm to undertake annual programme audit	30,383,919	0	30,383,919	0	0	30,383,919	100.0%	0

Component Outputs and Input Codes	Short Description Outputs/ Inputs	Approved Budget Plan UGX	Commitments Basket (A) UGX	Actual Expenditure Basket (B) UGX	Commitments GOU UGX	Actual Expenditure GOU (D) UGX	Total Expenditure (A+B+C+D) UGX	% age Expenditure	Unspent Funds (A-B-C-D) UGX
11.10.01	Engage Planning, Monitoring, Evaluation, Change Management, Finance, Admin and Procurement expertise	2,925,204,660	4,747,271	2,259,500	0	2,357,400,236	2,364,407,007	80.8%	560,797,653
11.10.02	Execute Change Management Plans a) Disseminate Change Management and Communication Strategy and materials	75,658,856	0	57,391,851	0	189,561	57,581,412	76.1%	18,077,444
11.12.03/ 11.14.03	Office Equipment, Purchase of desktop computers	66,552,073	0	53,103,692	0	0	53,103,692	79.8%	13,448,381
11.12.04/ 11.11.02	Conduct Annual staff retreat	61,663,030	0	58,960,057	0	0	58,960,057	95.6%	2,702,973
11.12.05/ 11.16.01	Conduct functional training for Staff	91,423,428	0	93,914,198	0	0	93,914,198	102.7%	-2,490,770
11.13.01	MSU Operating Costs (Utilities, Fuel, Stationery)	504,486,624	2,100,000	543,872,528	0	284,000	546,256,528	108.3%	-41,769,904
Component 6B Total		3,914,574,830	6,847,271	971,292,940	0	2,357,873,797	3,336,014,008	85.2%	578,560,822
GRAND TOTAL		60,764,481,356	471,836,820	26,595,723,786	0	23,397,335,965	50,464,896,571	83.0%	10,299,584,785
LESS KWF EAR-MARKED FUNDS		6,921,223,997	0	1,904,527,656	0	133,770,472	2,038,298,128	29.4%	4,882,925,869
NON EAR-MARKED FUNDS		53,843,257,359	471,836,820	24,691,196,130	0	23,263,565,493	48,426,598,443	89.9%	5,416,658,916

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 (Rollout) Completed			
21	Rukungiri District Local Government	48	Tororo Municipal Council
22	Kyenjojo District Local Government	49	Arua Municipal Council
23	Bundibugyo District Local Government	50	Gulu Municipal Council
24	Kisoro District Local Government	51	Entebbe Municipal Council
25	Sembabule District Local Government	52	Moroto Municipal Council
26	Masindi District Local Government	53	Mukono District Local Government
27	Kitgum District Local Government	54	Kabalore District Local Government
28	Apac District Local Government	55	Kotido District Local Government
29	Adjumani District Local Government	56	Hoima District Local Government
30	Pader District Local Government	57	Kamuli District Local Government
31	Busia District Local Government	58	Moyo District Local Government
32	Nakasongola District Local Government	59	Koboko District Local Government
33	Kapchorwa District Local Government	60	Moroto District Local Government
34	Pallisa District Local Government	61	Kotido District Local Government
35	Bugiri District Local Government	62	Sironko District Local Government
36	Kalangala District Local Government	63	Lyantonde District Local Government
37	Jinja Municipal Council	64	Ibanda District Local Government
38	Hoima Municipal Council	65	Kiruhura District Local Government
39	Mukono Municipal Council	66	Kanungu District Local Government
40	Lugazi Town Council	67	Kasese District Local Government
41	Masaka Municipal Council	68	Kibale District Local Government
42	Mbarara Municipal Council	69	Kayunga District Local Government
43	Soroti Municipal Council	70	Kiryandongo District Local Government

44	Mbale Municipal Council	71	Nakaseke District Local Government
45	Lira Municipal Council	72	Kiboga District Local Government
46	Fortportal Municipal Council	73	Mayuge District Local Government
47	Kabale Municipal Council		
IFMS Tier 2 (Rollout) FY 2016/17 Planned - Pending Roadmap for Integration of ICT			
74	Kaberamaido DA	79	Amuria DA
75	Dokolo DA	80	Yumbe DA
76	Butaleja DA	81	Kaabong DA
77	Bukedea DA	82	Mityana DA
78	Isingiro DA	83	Amuru DA
IFMS Tier 2 (Rollout) FY 2017/18 Planned - Pending Roadmap for Integration of ICT			
84	Kasese MC	99	Oyam DA
85	Iganga MC	100	Amudat DA
86	Busia MC	101	Buikwe DA
87	Bushenyi-Ishaka MC	102	Buyende DA
88	Ntungamo MC	103	Kaliro DA
89	Masindi MC	104	Kyegegwa DA
90	Rukungiri MC	105	Lamwo DA
91	Budaka DA	106	Otuke DA
92	Bududa DA	107	Zombo DA
93	Nakapiripirit DA	108	Alebtong DA
94	Amolatar DA	109	Buvuma DA
95	Manafa DA	110	Gomba DA
96	Bukwo DA	111	Maracha DA
97	Abim DA	112	Buliisa DA
98	Namutumba DA		
IFMS Tier 2 (Rollout) FY 2018/19 Planned - Pending Roadmap for Integration of ICT			
113	Luuka DA	124	Buhweju DA
114	Namayingo DA	125	Ngora DA
115	Ntoroko DA	126	Napak DA
116	Serere DA	127	Kibuku DA
117	Kalungu DA	128	Nwoya DA
118	Bukomansimbi DA	129	Kole DA
119	Butambala DA	130	Agago DA
120	Lwengo DA	131	Kween DA
121	Mitooma DA	132	Kyankwanzi DA
122	Rubirizi DA		
123	Sheema DA		

IFMS Rollout Sites at July 1, 2015 - Readiness Status			
No	MINISTRIES/DEPARTMENTS/AGENCIES AND DFPs	Location	Done
1	Equal Opportunities Commission	Bugolobi	P
2	National Animal Genetic Resource Centre & Data Bank	Entebbe	P
3	Uganda National Examinations Board (UNEB) Not on original list, added later	Kampala	P
4	Rural Electrification Agency	Kampala	P
5	Uganda Coffee Development Authority	Kampala	P
6	Competitive and Investment Climate Strategy	MoFPED	P
REFERRAL HOSPITALS			
1	Kabale Referral Hospital	Kabale	P
2	Mbarara Referral Hospital	Mbarara	P
3	Masaka Referral Hospital	Masaka	P
4	Hoima Referral Hospital	Hoima	P
5	Fort Portal Referral Hospital	Fort	P
6	Mubende Referral Hospital	Mubende	P
7	Arua Referral Hospital	Arua	P
8	Gulu Referral Hospital	Gulu	P
9	Naguru Referral Hospital	Naguru	P
10	Moroto Referral Hospital	Moroto	P
11	Jinja Referral Hospital	Jinja	P
12	Soroti Referral Hospital	Soroti	P
DONOR FUNDED PROJECTS			
1	UPDF Peace Keeping Mission in Somalia (AMISOM)	MOD	P
2	North Eastern Road-corridor Asset Management Project (NERAMP)	UNRA	P
3	Second Kampala Institutional and Infrastructure Development Project (KIIDP II)	KCCA	P
4	Health Systems Strengthening for HIV/AIDS (HSS-HIV/AIDS)	MOH	P
5	Uganda Albertine Region Sustainable Development Project (UARSDP) ¹⁷	MEMD	X
6	Water Management and Development Project (WMDP)	MOWE	P
7	Agriculture Cluster Development Project (ACDP)	NARO	P
8	Uganda Teacher and School Effectiveness Project (UTSEP)	MOES	P
9	Uganda Support to Municipal Infrastructure Development Project (USMIDP)	MOLHUD	P
10	Improvement of Health Facilities at Mulago Hospital (IHFMRH)	MOH	P
11	Enhancing National Food Security through Increased Rice Production (ENFSRPP)	MOAAIF	P
12	Improving training of TVET Instructors, Health Tutors & Secondary Teachers in Uganda (ITHSU)	MOES	P
13	Vegetables Oil Development Project Phase 2 (VODP II)	MOAAIF	P
14	Regional Integration Implementation Programme (RIIP) Support for Uganda (RIIP)	MTIC	P
15	Second Private Sector (Competitive and Enterprise Development Program) CEDP	Kampala	P

¹⁷ Not done. Project was planning to relocate offices

ANNEX 4:

LIST OF ENTITIES ON GOVERNMENT PROCUREMENT PORTAL
AS AT JUNE 2016

1	Amnesty Commission
2	Butabika Hospital
3	Capital Markets Authority
4	Civil Aviation Authority
5	Cotton Development Organization
6	Courts of Judicature
7	Diary Development Authority
8	Directorate Citizenship and Immigration Control
9	Directorate of Public Prosecutions
10	Education Service Commission
11	Electoral Commission
12	Electricity Regulatory Authority
13	FINMAP III
14	Health Service Commission
15	Inspectorate of Government
16	Insurance Regulatory Authority
17	JINJA DLG
18	Jinja MC
19	Jinja Referral Hospital
20	Judicial Service Commission
21	Kampala Capital City Authority
22	KAYUNGA DLG
23	Kyambogo University
24	Law Development Centre
25	Local Government Finance Commission
26	Makerere University
27	Makerere University Business School

28	Microfinance Support Centre Ltd
29	Ministry of Agriculture, Animal Industry and Fisheries
30	Ministry of Defense
31	Ministry of East African Community Affairs
32	Ministry of Education and Sports
33	Ministry of Energy and Mineral Development
34	Ministry of Finance, Planning and Economic Development
35	Ministry of Foreign Affairs
36	Ministry of Gender, Labour and Social Development
37	Ministry of Health
38	Ministry of Internal Affairs
39	Ministry of Justice and Constitutional Affairs
40	Ministry of Lands, Housing and Urban Development
41	Ministry of Local Government
42	Ministry of Public Service
43	Ministry of Tourism Wildlife and Antiquities
44	Ministry of Trade, Industry and Co-operative
45	Ministry of Water and Environment
46	Ministry of Works and Transport
47	MPIGI DLG
48	Mukono DLG
49	Mulago Hospital Complex
50	National Agricultural Advisory Services
51	National Agricultural Research Organization
52	National Council for Higher Education
53	National Council for Science & Technology

54	National Drug Authority
55	National Environment Management Authority
56	National Forestry Authority
57	National Information and Technology Authority
58	National Medical Stores
59	National Planning Authority
60	National Social Security Fund
61	National Water & Sewerage Corporation
62	Office of the Auditor General
63	Office of the Prime Minister
64	Parliament of Uganda
65	Police Department
66	Pride Microfinance
67	Private Sector Foundation
68	Privatization Unit
69	Public Procurement and Disposal of Public Assets Authority
70	Public Service commission
71	Rural Electrification Agency
72	Uganda AIDS Commission Secretariat
73	Uganda Broadcasting Corporation
74	Uganda Bureau of Statistics
75	Uganda Cancer Institute

76	Uganda Coffee Development Authority
77	Uganda Communications Commission
78	Uganda Development Bank
79	Uganda Electricity Distribution Company
80	Uganda Electricity Generation Company
81	Uganda Electricity Transmission Company
82	Uganda Exports Promotions Board
83	Uganda Heart Institute
84	Uganda Human Rights Commission
85	Uganda Industrial Research Institute
86	Uganda Investment Authority
87	Uganda National Bureau of Standards
88	Uganda National Examinations Board
89	Uganda National Roads Authority
90	Uganda Prisons Service
91	Uganda Registration Services Bureau
92	Uganda Revenue Authority
93	Uganda Road Fund
94	Uganda Tourist Board
95	Uganda Wildlife Authority
96	Uganda Wildlife Education Centre
97	Wakiso DLG

ANNEX 5:

STATUS OF IMPLEMENTATION OF FY 14/15 EXTERNAL AUDIT RECOMMENDATIONS

Area	Audit observation	Auditor General's Recommendation	Update on action Taken by 30 June 2015
Expenditure Re-allocation	Expenditure re-allocations were made by project management without prior approval from the development partners	Await accounting officers' actions on the matter	IMPLEMENTED Reallocations are now approved by DPs
Management of Cash advances	Advances were not accounted for within 14 days as required by the operations Financial Management Manual	Management advised to adhere to the operations and financial management manual so as to safeguard the assets of the organizations	IMPLEMENTED recovered all unaccounted for cash advances
Property, plant and Equipment Engraving of Assets	Majority of organizations assets supplied to IFMS sites have not been engraved with the organizations logo or any other organizations identification mark Identification number column not updated on the fixed Assets register at the site	All assets must be engraved with the organizations logo or any other organizations identification mark	IMPLEMENTED –All assets engraved.
Field Visit Findings			
Masaka Referral Hospital	Misuse of server room: There were a number of empty boxes which were kept in the server. This is a potential risk in case of a fire break. Management Response: This is a new site. IFMS security team will advise the responsible officer to remove the box files from the server room. Additional awareness training on IT security will be conducted	Management urged to follow up the matter with IFMS	IMPLEMENTED
	Lack of visitor's book: There was no visitors' book for people accessing the server room and their purpose of visit. This made it hard to track those who visited the server room and fix responsibility in case a problem happened Management Response: This is a new site. IFMS security team will advise the responsible officer at the site to provide a visitors book to record all people accessing the server room Additional awareness training on IT security policy for IFMS users will be conducted	Await Management Action on the matter	IMPLEMENTED

	<p>Failure to engrave equipment: Equipment not engraved can easily be taken or used for private business</p> <p>Management Response: Equipment will be engraved at the end of the warranty period because the provider cannot replace equipment that is engraved.</p>	Await Management Action on the matter	IMPLEMENTED
	<p>Non-functional Generator: Generator supplied to the hospital had never been used. Hospital did not have a budget line for IFMS operational costs such as fuel</p> <p>Management Response: Arrangements are underway to determine the IFMS recurrent budgets to the new sites. The recurrent budget covers the cost of stationery, IT consumables, maintaining the IFMS equipment including fuel for the running the generators deployed at the site.</p>	Hospital advised to follow up with the Ministry and ensure that the generator is functional	IMPLEMENTED
	<p>Inadequate Training All staff trained on IFMS however the users interacted with expressed that the training was short, some trained staff did not have basic computer knowledge and staff believe that there is still a knowledge gap</p> <p>Management Response: Comprehensive IFMS functional training for users from the site was conducted.</p> <p>A systems accountant has been assigned to the site to provide onsite first level technical support and hands on training to the new users. Arrangements are also underway to conduct refresher IFMS functional training for trainees.</p>	Awaiting management Action on the matter.	IMPLEMENTED
	<p>Lack of assets register: There was no assets register of the equipment delivered at the site facility</p> <p>Management Response: The IFMS asset module is being rolled out to all IFMS sites with target completion date of March 2016. However there is a manual schedule with details of the equipment that were delivered to the site.</p>	Hospital management advised to maintain a computerized asset register.	PARTIALLY IMPLEMENTED - ongoing automation of the asset register.

Masaka Municipal Council	<p>Failure to engrave Assets: Installed equipment not engraved Management Response: The IFMS equipment deployed at the local government is under warranty for a period of 36 months. Such equipment when engraved cannot be replaced in they develop issues during the warranty period.</p>	Advised the Municipal council to engrave equipment after expiry of warranty period	IMPLEMENTED
	<p>Non-Functional Air Conditioner: One of the air conditioners installed in the server room has never worked The site facility received 18 computer sets but one the monitor was faulty and carried back without replacement. Management Response: The LG site had not reported the AC problem as required. The matter will be addressed by the vendor immediately. The vendor picked the monitor from the site for repair but after verification it was noted that it had been damaged by the users at site and repairs of such is not covered under warranty.</p>	Await rectification of defects by management	IMPLEMENTED
	<p>Noise Pollution: Complaints of too much noise of the generator from the neighbors have been raised. The Municipal Council offices are located in a business environment. The too much noise from the generator has negative impact on people's business because when it is switched on they have to close. Management Response: The generators deployed for IFMS implementation in the local government are supposed to be located at least 100M from the offices to ensure that noise does not interrupt office operations. However, this was not possible in the case of Masaka Municipal Council as they have very little space where their offices are located in the middle of town</p>	Advised management to install a silencer (if possible) to minimize noise the noise pollution	Not Implemented
	<p>IFMS Systems Support: The Municipality gets support from the Ministry of Local Government. However, users expressed concern on the too much delay in getting responses. The systems technical teams take long to respond or even to come to site in case of a problem. Management Response: The provision of timely responses to site issues is largely caused by failure of the users at the sites to report issue timely to the ministry. The issues raised if reported can either be resolved online or by visiting the sites.</p>	Management advised to provide support to IFMS users on local governments	IMPLEMENTED

Entebbe Municipal Council	<p>Installed equipment not engraved Management Response: The IFMS equipment deployed at the local government is under warranty for a period of 36 months. Such equipment when engraved cannot be replaced when they develop issues. Therefore engraving will be done after acceptance.</p>	Advised the Municipal council to engrave assets after expiry of warranty period	IMPLEMENTED
	<p>Non-Functional Air Conditioner: One of the air conditioners installed in the server room has never worked since installation. One CPU that was supplied is also faulty. The problem on equipment was reported but has not been addressed to date. The objective of installing the equipment may not be achieved Management Response: At the time of the audit visit, the LG site had not reported to the Ministry about the malfunctioned AC and CPU as required. The matter will be addressed by the vendor immediately</p>	Awaiting action of Ministry of Local Government	IMPLEMENTED
	<p>Inadequate IFMS Training: All staff trained on IFMS however the users interacted with expressed that the training was short, some trained staff did not have basic computer knowledge and staff believe that there is still a knowledge gap Management Response: The system users at the sites are at times redeployed and at times new ones are brought on board. Some local governments keep transferring accounts staff who trained on the system to sub counties and divisions and replace them with those who are not trained. There are also a number of cases of trained staff who leave the local governments for greener pastures and these are replaced at times with staff without any training. The Ministry also noted that each LG site has two super users (Trained trainers) who were trained to provide first level capacity building to their fellow users at the sites.</p>	Awaiting provision of refresher training by the Ministry of local government	IMPLEMENTED
	<p>IFMS System Support: The Municipal gets support from the Ministry of Local Government, contacting and obtaining support is by email and telephone. However users expressed concern on the too much delay in getting responses. The systems technical team takes long to respond or even to come to site in case of a problem. Delayed responses and lack of and lack of enough supervision by the systems technical team may have a direct impact on systems performance. Management Response: The provision of timely responses to site issues is largely caused by failure of the users at the sites to report these to the ministry on time. All local governments on IFMS are expected to report issues affecting implementation of IFMS immediately such issues arise to the support teams at the ministry. The issues raised if reported can either be resolved online or by telephone or by visiting the sites.</p>	Awaiting action by IFMS technical support team	IMPLEMENTED

Naguru Referral Hospital	<p>Installed equipment not engraved Equipment not engraved can easily be taken or used for private business Management Response: The equipment will be engraved at the end of the warranty period because it is not possible for vendor to replace engraved equipment</p>	The equipment will be engraved at the end of the warranty period because it is not possible for vendor to replace engraved equipment.	IMPLEMENTED
	<p>Installed equipment not engraved Equipment not engraved can easily be taken or used for private business Management Response: The equipment will be engraved at the end of the warranty period because it is not possible for vendor to replace engraved equipment</p>		IMPLEMENTED to the extent of the budget provision.
	<p>IFMS System Support: When there is a technical problem, the IFMS support team takes long to visit or respond. Delayed response and lack of enough supervision by the systems technical team may have a direct impact on system performance. Management Response: Sites are advised to log all system related issues through the IFMS Help desk for follow up and timely resolution. In addition the systems accountant has been assigned to the site to provide onsite first level technical support and hands on training to users when required.</p>		IMPLEMENTED
	<p>Staff turnover: Most of the staff who trained on IFMS have left the hospital especially in accounts department. This is likely to have a direct impact on system performance. Management Response: The accountants General's office organizes regular IFMS functional training for new staff. The next round of training is scheduled to take place November 2015.</p>	The equipment will be engraved at the end of the warranty period because it is not possible for vendor to replace engraved equipment.	IMPLEMENTED
Uganda National Examinations Board (UNEB)	<p>The site is live on IFMS: Installation on the system was done on UNEB's equipment. I noted that FINMAPIII supplied equipment also which has been left unutilized (equipment still in boxes not installed). The reason for supplying equipment to this site when they already had theirs was not explained. Benefit for which the equipment were purchased not utilized. Management Response: Development of the equipment (uplink switches) awaits a thorough clean-up of the existing switch, which it's self requires significant down time. UNEB is currently handling examinations and cannot afford significant down time .MoPED and vendor technical items are working with UNEB to agree on appropriate time to display the equipment</p>	Awaiting management action	IMPLEMENTED

Competitive and Enterprise Development(CEDP) Private sector foundation General complaint	<p>Installed equipment not engraved and may be easily be taken or used for private business.</p> <p>IFMS is usually very low and sometimes completely off which makes it very cumbersome to the users. This also has a direct impact on the level/ number of transactions on IFMS.-</p> <p>Management Response: The equipment will be engraved at the end of the warranty period because it is not possible for vendor to replace engraved equipment</p>	Awaiting management action	IMPLEMENTED
General complaint	<p>IFMS is usually very low and sometimes completely off which makes it very cumbersome to the users. This also has a direct impact on the level/ number of transactions on IFMS.</p> <p>Management Response: IFMS rely on third party vendors for the IFMS Wide Area Network (UTL and MTN). Connectivity in some areas is generally low. However, the technical support team at MoFPED is working with the vendors to address in the long run when the government backbone infrastructure under NITAU is deployed in the affected areas.</p>	Awaiting outcome of the technical support team and NITAU	IMPLEMENTED
Status of prior year (FY 13/14) audit recommendations			
	<p>Automated tracking of advances on IFMS:</p> <p>An evaluation of the system should be carried out to mitigate user challenges and take corrective action</p>	Not Implemented	This is an IFMS issue and the accountant General confirms that activating the advances functionality would create more problems compared to the advantage tracking advances. Consequently, FINMAP advances are tracked manually.
	<p>Delayed project activities:</p> <p>Project management should always endeavor to set project mile stone and deliverables for specific periods so as to track project performance and progress</p>	Implemented	
	<p>Payment vouchers:</p> <p>Management should always ensure that all payments vouchers and their supporting documents are stamped or marked "PAID" after payment.</p>	Implemented	
	<p>Cash Receipts:</p> <p>Cash being the most liquid asset and so tempting, management should ensure that cash collections are banked intact regularly.</p> <p>Management should also establish limits on how much cash should be kept in the cash safe.</p>	Implemented	

Entebbe Municipal Council	<p>Installed equipment not engraved Management Response: The IFMS equipment deployed at the local government is under warranty for a period of 36 months. Such equipment when engraved cannot be replaced when they develop issues. Therefore engraving will be done after acceptance.</p> <p>Non-Functional Air Conditioner: One of the air conditioners installed in the server room has never worked since installation. One CPU that was supplied is also faulty. The problem on equipment was reported but has not been addressed to date. The objective of installing the equipment may not be achieved Management Response: At the time of the audit visit, the LG site had not reported to the Ministry about the malfunctioned AC and CPU as required. The matter will be addressed by the vendor immediately</p>	Advised the Municipal council to engrave assets after expiry of warranty period	IMPLEMENTED
	<p>Inadequate IFMS Training: All staff trained on IFMS however the users interacted with expressed that the training was short, some trained staff did not have basic computer knowledge and staff believe that there is still a knowledge gap Management Response: The system users at the sites are at times redeployed and at times new ones are brought on board. Some local governments keep transferring accounts staff who trained on the system to sub counties and divisions and replace them with those who are not trained. There are also a number of cases of trained staff who leave the local governments for greener pastures and these are replaced at times with staff without any training. The Ministry also noted that each LG site has two super users (Trained trainers) who were trained to provide first level capacity building to their fellow users at the sites.</p>	Awaiting provision of refresher training by the Ministry of local government	IMPLEMENTED
	<p>IFMS System Support: The Municipal gets support from the Ministry of Local Government, contacting and obtaining support is by email and telephone. However users expressed concern on the too much delay in getting responses. The systems technical team takes long to respond or even to come to site in case of a problem. Delayed responses and lack of and lack of enough supervision by the systems technical team may have a direct impact on systems performance. Management Response: The provision of timely responses to site issues is largely caused by failure of the users at the sites to report these to the ministry on time. All local governments on IFMS are expected to report issues affecting implementation of IFMS immediately such issues arise to the support teams at the ministry. The issues raised if reported can either be resolved online or by telephone or by visiting the sites.</p>	Awaiting action by IFMS technical support team	IMPLEMENTED

Naguru Referral Hospital	<p>Installed equipment not engraved Equipment not engraved can easily be taken or used for private business Management Response: The equipment will be engraved at the end of the warranty period because it is not possible for vendor to replace engraved equipment</p>	The equipment will be engraved at the end of the warranty period because it is not possible for vendor to replace engraved equipment.	IMPLEMENTED
	<p>Installed equipment not engraved Equipment not engraved can easily be taken or used for private business Management Response: The equipment will be engraved at the end of the warranty period because it is not possible for vendor to replace engraved equipment</p>		IMPLEMENTED to the extent of the budget provision.
	<p>IFMS System Support: When there is a technical problem, the IFMS support team takes long to visit or respond. Delayed response and lack of enough supervision by the systems technical team may have a direct impact on system performance. Management Response: Sites are advised to log all system related issues through the IFMS Help desk for follow up and timely resolution. In addition the systems accountant has been assigned to the site to provide onsite first level technical support and hands on training to users when required.</p>		IMPLEMENTED
	<p>Staff turnover: Most of the staff who trained on IFMS have left the hospital especially in accounts department. This is likely to have a direct impact on system performance. Management Response: The accountants General's office organizes regular IFMS functional training for new staff. The next round of training is scheduled to take place November 2015.</p>	The equipment will be engraved at the end of the warranty period because it is not possible for vendor to replace engraved equipment.	IMPLEMENTED
Uganda National Examinations Board (UNEB)	<p>The site is live on IFMS: Installation on the system was done on UNEB's equipment. I noted that FINMAPIII supplied equipment also which has been left unutilized (equipment still in boxes not installed). The reason for supplying equipment to this site when they already had theirs was not explained. Benefit for which the equipment were purchased not utilized. Management Response: Development of the equipment (uplink switches) awaits a thorough clean-up of the existing switch, which it's self requires significant down time. UNEB is currently handling examinations and cannot afford significant down time .MoFPED and vendor technical items are working with UNEB to agree on appropriate time to display the equipment</p>	Awaiting management action	IMPLEMENTED

Competitive and Enterprise Development(CEDP) Private sector foundation General complaint	<p>Installed equipment not engraved and may be easily be taken or used for private business. IFMS is usually very low and sometimes completely off which makes it very cumbersome to the users. This also has a direct impact on the level/ number of transactions on IFMS. Management Response: The equipment will be engraved at the end of the warranty period because it is not possible for vendor to replace engraved equipment</p>	Awaiting management action	IMPLEMENTED
General complaint	<p>IFMS is usually very low and sometimes completely off which makes it very cumbersome to the users. This also has a direct impact on the level/ number of transactions on IFMS. Management Response: IFMS rely on third party vendors for the IFMS Wide Area Network (UTL and MTN). Connectivity in some areas is generally low. However, the technical support team at MoFPED is working with the vendors to address in the long run when the government backbone infrastructure under NITAU is deployed in the affected areas.</p>	Awaiting outcome of the technical support team and NITAU	IMPLEMENTED
Status of prior year (FY 13/14) audit recommendations			
	<p>Automated tracking of advances on IFMS: An evaluation of the system should be carried out to mitigate user challenges and take corrective action</p>	Not Implemented	This is an IFMS issue and the accountant General confirms that activating the advances functionality would create more problems compared to the advantage tracking advances. Consequently, FINMAP advances are tracked manually.
	<p>Delayed project activities: Project management should always endeavor to set project mile stone and deliverables for specific periods so as to track project performance and progress</p>	Implemented	
	<p>Payment vouchers: Management should always ensure that all payments vouchers and their supporting documents are stamped or marked "PAID" after payment.</p>	Implemented	
	<p>Cash Receipts: Cash being the most liquid asset and so tempting, management should ensure that cash collections are banked intact regularly. Management should also establish limits on how much cash should be kept in the cash safe.</p>	Implemented	

ANNEX 6:

DETAILED SPONSORSHIP LIST FOR PROFESSIONAL QUALIFICATIONS

SPONSORED STUDENTS UNDER ACCOUNTANT GENERALS OFFICE						
CPA JUNE 2015 SITTING						
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

ACCA June 2016 SITTING

SN	SURNAME	OTHER NAMES	REGN NO	DEPLOYMENT	INST	COURSE	PAPERS
1	ACEN	Lucy Vivian	3475921	AGO/TIPD	MAT	ACCA	F5,F8,F9
2	AKELLO	Kimberly Maria	2697336	AGO/TIPD	MAT	ACCA	F5,F8
3	ARINAITWE	Andrew	2949005	AGO/FMS	MAT	ACCA	F6,F9
4	BAMEKA	Steven	2303757	AGO/FMS	MAT	ACCA	P1,P2
5	DHAKABA	Mohammed Kirunda	1180055	Ministry of Gender	MAT	ACCA	P1,P2,P7
6	JARAMOGI	Chris Otim	2211072	AGO/FMS	DATAMINE	ACCA	P3
7	KAMUGENDERA	Samson	1739444	Fort Portal RRH	MAT	ACCA	P2,P7
8	MUGISHA	Wilfred	2757446	AGO/FMS	MAT	ACCA	P2,P3
9	NAKANWAGI	Christine	2395319	Ministry of Works	DATAMINE	ACCA	P3,P7
10	OCEN	Antony	0771311	Ministry of Public Service	MAT	ACCA	F6,P7

CPA June 2016 SITTING

SN	SURNAME	OTHER NAMES	REGN NO	DEPLOYMENT	COURSE	APPROVED PAPERS	INSTITUTIONS
1	ACHENG	Enid	CP/15775	AGO/FMS	CPA	6,12	GLOBAL
2	AGABA	Micheal	CP/13464	AGO/TIPD	CPA	14,16,17	MAT
3	AHIMBISIBWE	Celia Lwamafa	CP/11310	AGO/FMS	CPA	9,11	MAT
4	AKELLO	Ivy Linda	CP/17039	AGO	CPA	9,8,12	MAT
5	EMADIT	Aidah	CP/15380	AGO/FMS	CPA	15,16	GLOBAL
6	HIISA	James	02848	Ministry of Education	CPA	18	GLOBAL
7	KABIGUMIRA	Jacob	CP/14412	AGO/TIPD	CPA	9,11,15	MAT

8	KIWANUKA	Emmanuel	CP/15751	AGO/FMS	CPA	8,11,17	GLOBAL
9	MABUYU	Job	CP/15753	AGO/FMS	CPA	11,13,17	MAT
10	MBABAZI	Sarah	CP/08125	Ministry of ICT	CPA	8,11	MAT
11	MBABAZI	Getrude Mugimba	04249	State House	CPA	11	GLORY
12	MUHAIRWE	Katono Patrick	CP/17517	Ministry Of Finance	CPA	1,2,6	MAT
13	NAKANWAGI	Irene Ruth	CP/16862	AGO/FMS	CPA	8,12	MAT
14	NAKKU	Hanifa	CP/11484	AGO/FMS	CPA	13,14	GLORY
15	NAMANYA	Linnet	CP/13460	AGO/FMS	CPA	13,14,15	GLORY
16	NANSUBUGA	Melanie Kizito	CP/16997	AGO/TIPD	CPA	6,7	MAT
17	NATUKUNDA	Sylvia	CP/09967	PSC	CPA	9,11	GLORY
18	NAYEBARE	Bettina	CP/18085	AGO/FMS	CPA	1,2,6	MAT
19	OCHIENG	John	04514	Ministry of Works	CPA	13,14,15	GLOBAL
20	OJAMBO	Patrick Motoha	CP/07778	AGO/FMS	CPA	13,14,15	GLORY
21	OKELLO	Patrick	02730	Butabika Hospital	CPA	8	MAT
22	OMONGIN	Augustine	CP/15633	Mbarara RRH	CPA	8	GLOBAL
23	SSENKINDU	Moses	CP/17105	AGO/TIPD	CPA	6,7	GLORY
24	TONDOZIO	Obundika Eva	CP/16166	AGO/FMS	CPA	8,9,12	MAT

CIPS May 2016 SITTING

SN	SURNAME	OTHER NAMES	DEPLOYMENT	REG NO	COURSE	APPROVED PAPERS	INSTITUTION
1	ARINAITWE	Osbert	OPM	005554349	CIPS	AD1,AD2	UMI
2	BIRUNGI	Charity	Min. of Defence	005483682	CIPS	AD4,PD6	UMI
3	BYARUHANGA	Julius	Kabale RRH	005547430	CIPS	AD2,AD5,AD6	UMI
4	EMERU	James	Gulu RRH	005524462	CIPS	AD1,AD2	UMI
5	SSANYU	Amina	UCI	00545571	CIPS	AD1,AD3,PD4	UMI
6	MOHAMED	Amina	TIPD/AGO	005623776	CIPS	D3,D5	UMI
7	MURUGUTU	Beatrice Linet	Internal Affairs	005403380	CIPS	AD2,D1	UM1
8	MUSOBYA	Kagubiru Hassan	Internal Affairs	005390760	CIPS	D4,D2,AD2	UMI
9	NALODA	Patrick	Fort Portal	005404639	CIPS	PD1,PD5	UMI
10	NAMUDDU	Ruth	Foreign Affairs	005539729	CIPS	AD3,AD5	UMI
11	NANKUNDA	Lilian	Ministry. Health	005431183	CIPS	AD6,PD4,PD6	UMI
12	ODUCI	Daniel	Mulago Hosp	005507479	CIPS	AD1,AD2,PD3	UMI
13	OLERO	Daniel	AGO	005600428	CIPS	D1,D4,AD1	UMI
14	OPENY	Joseph	AGO	005599412	CIPS	D4,D5	UMI
15	RUTARAKA	Leevan	Internal Affairs	005457423	CIPS	D3	UMI
16	TUMUGUMYE	Caleb	Gulu RRH	005461772	CIPS	AD1,AD3,AD6	UMI
17	WANDERA	Dismas	Masaka RRH	005525828	CIPS	D3	UMI

Source: Office of Accountant General, MoFPED, 2016

OAG LIST OF STAFF WHO ATTAINED PROFESSIONAL QUALIFICATIONS SINCE DECEMBER 2011				
S/N	NAME	COURSE	SITTING	YEAR
1	PHIONA MUSOKE	ACCA	JUNE	2016
2	BRENDA KYOMUGISHA	ACCA	JUNE	2016
3	ALICE DRAZURU	ACCA	JUNE	2016
4	EDWIN TUKESIGA	ACCA	JUNE	2016
S/N	NAME	COURSE	SITTING	YEAR
1	FREDAH NABANOBA	CPAU	JUNE	2016
2	LUCIANO MUSIIME	CPAU	JUNE	2016
S/N	NAME	COURSE	SITTING	YEAR
1	ISMAIL NAKENDO	ACCA	DECEMBER	2015
2	REBECCA TUHAIRWE	ACCA	DECEMBER	2015
3	DENNIS KASOZI	ACCA	DECEMBER	2015
4	ANGELLA NAMULINDWA	ACCA	DECEMBER	2015
S/N	NAME	COURSE	SITTING	YEAR
1	AGGREY SAMUEL MANKAATI	CPAU	AUGUST	2015
S/N	NAME	COURSE	SITTING	YEAR
1	PATRICK KIBIRIGE	CFE	DECEMBER	2015
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 INNOCENT	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 INNOCENT	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: Office of Accountant General, MoFPED, 2016

ANNEX 7:

DETAILED COMPONENT PERFORMANCE ANALYSIS FY 2015/16

COMPONENT 1 : MACROECONOMIC MANAGEMENT

PLANNED ACTIVITIES	SUB-ACTIVITIES	STATUS OF IMPLEMENTATION	COMMENTS
01.01 Conduct training for DEA staff in macro-economic modelling and forecasting, Compile relevant socioeconomic data for forecasting, Establish a macro-economic modelling unit	01.01.07 Individual training course in macro-economic modelling	Two officers were supported for macro modelling course. (i) Mustapha Achidri (ii) Yasin Mayanja	
	01.01.09 Purchase of computer equipment	5 Computers were purchased and delivered to the department.	
	01.01.10 In-country trainings in statistical compilation and management conducted	The Department undertook training in the Debt Sustainability analysis in November 2015	
	01.06.01, 01.06.04, 01.06.04 Desktop computers, printers, photocopiers purchased	The following items were delivered to the department in June 2016. <ul style="list-style-type: none"> • 5 desk top computers • 5 printers • 1 heavy duty photocopier 	
01.04 Technical assistance in macro-economic and policy analysis	01.04.01 Contract macro economic advisor (1), Macroeconomic modelling advisor (1), and two economists	The entire TA team is now in place. It includes a Macroeconomic Advisor – Mr. Moses Bekabye; supported by Economists – Wilson Asimwe and Priscilla Kisakye. Macroeconomic modelling advisor: Peter Richens.	It was envisaged to procure a short term consultant to train the new staff of the division in 2015. The new plan is to have a consultant supporting the macro modelling unit. This will be done funded under GoU mainstream. The department will contract services from an ODI Fellow to undertake this task next FY16/17.

PLANNED ACTIVITIES	SUB-ACTIVITIES	STATUS OF IMPLEMENTATION	COMMENTS
01.09 Review the existing income tax, VAT and excise duty Acts explanatory notes	01.09.01 Updated explanatory notes for VAT, Income tax and Excise duty laws developed	Finalised cabinet memoranda and explanatory notes to bills for submission to cabinet by 1 st April 2016 to feed in the FY2016/17 budget. Data collection as well as fieldwork in URA up-country stations was concluded. This will facilitate preparation of tax amendment bills, preparation of explanatory notes, cabinet memos along with the respective principles for FY 2015/16.	
01.12 Review and update existing policies and laws in international taxation	01.12.03 Consultative stakeholder Workshops conducted	Cabinet approved Uganda's Double Taxation Agreement (DTA) Policy and the relevant Model Tax Treaty. A Taskforce constituting of relevant stakeholders was sanctioned accordingly to start the implementation. Key stakeholders including Uganda Investment Authority, Ministry of Justice, Uganda Revenue Authority, and the Southern and Eastern African Trade, Information and Negotiations Institute (SEATINI)-Uganda were consulted on the DTA policy. The consultative workshop was held at Hotel Protea from 27 th - 31 st July 2015. It provided a platform for stakeholder consultations on Uganda's DTA policy and further improvement of the DTA negotiation framework.	
	01.12.07 Overseas seminars in international taxation for key staff undertaken	Facilitated economists (Mr. Maraka Anthony and Ms. Vanessa Ihunde) from Tax Policy Department to attend training in Tax Analysis and Revenue Forecasting at the Institute of Capacity Development in Pretoria, South Africa from 5 th to 16 th October 2015.	
	01.12.08 Long term consultancy to review existing int'l tax policy undertaken	Uganda's DTA policy and related Model Tax Treaty were finalized to guide future negotiations. A consultant was procured. Along with a technical team. The consultant facilitated the development of a DTA policy for Uganda, which was subsequently approved by Cabinet.	
01.13 Conduct training for URA staff in tax auditing	01.13.01 In-house training program on tax audit and international taxation undertaken	A consultant was procured from the African Tax Administration Forum (ATAF), an international organisation which provides a platform for cooperation among African tax authorities. With the assistance of a consultant, a workshop on International Tax Audit for technical officers from URA and TPD was held from 14 th -18 th March 2016 at Lake Victoria Serena Resort. The workshop aimed at assisting the officers to handle complex matters relating to tax audit and transfer pricing, with a view to enhance the Uganda's revenue effort.	

PLANNED ACTIVITIES	SUB-ACTIVITIES	STATUS OF IMPLEMENTATION	COMMENTS
1.15 Training on Debt management in front, middle & back office roles, emerging debt and accounting issues	01.15.04 A two-week in-house training programme conducted for end users 01.15.02 Undertaking Post graduate studies in Public Finance Management.	No activities initiated.	The component plans to conduct training in Q4. No training reports received.
01.17 Roll out the Public Investment Management System (PIMIS), Conduct training in Aid Management and Analysis	01.17.03 Training for ALD staff and DPs in the effective usage of PIMIS usage conducted 01.17.04 DP profile database developed and Updated	No activities initiated. Special training on PIMIS usage was conducted on 2/2/2016, which targeted both DPs and MoFPED staff. The following development partners were represented: JICA, EU, WB, Austria, UN Women, Sweden, Ireland, Japan Embassy, and UNFPA. Training of Directorate of Debt & Cash Management staff in the use of AMP was conducted in Q2, especially focusing on report generation and usage of data for better analysis and results. User support on operation of the aid management platform was provided to DPs and MoFPED users	The Component did not submit a training plan.
01.20 Preparation of Cash Management Policy and Guidelines/ procedures, salaries and facilitation for two consultants/experts	01.20.03 Study Tours for the officers to benchmark best practices in Debt & Cash management	PIMIS is now live. Updates of donor portfolios with commitments and disbursements were done as they arose. This included input of financing agreement data for new and existing projects. Donor Disbursement data collected and database updated for the followings DP so far includes: WB-IDA, IDB, ADB, china, , IFAD, Japan, OPEC fund, Belgium, Denmark, EU, GEF – global environmental fund, KfW, Norway, Spain, UK-DFID, Austria. Study tours were conducted in Q1 during the month of September 2015. This was conducted in Q1 during the month of September 2015. The team visited South Africa national treasury (an Internationally known debt and cash institution) with mature operations in debt and cash, good policies, strategies, processes and structures for debt and cash management. The main activities involved understanding cash management, forecasting and TSA arrangements. The Institution offered to engage with GOU in future secondments and training.	Updates of donor portfolios with commitments and disbursements
01.24 Preparation of Cash Management Policy and Guidelines/ procedures	01.24.01 DMFAS Systems Expert 01.24.02 DMFAS Debt Expert 01.24.03 DMFAS IT Expert	UNCTAD experts in liaison with the components technical system commenced on the development of the DMFAS prototype to be used for user acceptance training.	

COMPONENT 2: BUDGET PREPARATION AND MONITORING

PLANNED ACTIVITIES	SUB-ACTIVITIES	STATUS OF IMPLEMENTATION	COMMENTS
02.03 Support design of the Programme Based Budgeting framework across MDAs and LGs.	02.03.04 Conduct stakeholder workshops on Programme Based Budgeting (200 pax)	Not done. Funds reallocated to clear outstanding commitment for the Budget Directorate Capacity Building Retreat held on 20-21 st August 2015.	Stakeholder workshops were deferred to Q4 in line with the PBB implementation Roadmap and development of the Online Budgeting System. User Acceptance Testing (UAT) workshops for the Programme Based Budgeting System (PBS) were conducted for representatives from selected MALGs ¹⁸ in Q1.
02.06 Conduct training in budgeting and reporting for heads of planning units at MALGs and projects	02.06.02 Conduct regional training for heads of planning units, departments/projects in budgeting and reporting.	Not done.	Postponed to Q4. Not undertaken due to allow the Component finalise the Budget for the FY 2016/17.
	02.06.03 Facilitate the Graduate Economists Scheme	Graduate Economists have been facilitated in the first and second Quarter of FY 2015/16. The economists were able to support the following: <ul style="list-style-type: none"> • Half year Budget Performance Reports for the FY 2015/16 and final budget estimates and Ministerial Policy Statements for FY 2016/17 • Technical Assistance to the Component on the Budget Strategy for FY 2016/17. • IT support to Budget Directorate and MALGs to finalise the budget for the FY 2015/16 and development of the Online Budgeting System. 	The overall number is 50. Of those, 18 were recruited in FY15/16.
02.07 Conduct training for budget directorate staff in strategic planning (including alignment with the NDP)	02.07.01 Conduct training in strategic planning for budget directorate staff	Not done.	Component Training was not approved by Development Partners due to delayed submission of the training plan. In the interim, a capacity building retreat on various aspects of budgeting and planning including strategic planning was conducted for the Directorate Technical Staff.

¹⁸ The following sectors were represented: Legislature; Lands; Housing and Urban Development; Public sector; Management; Agriculture; Security; Social Development; Justice and Law; Education; Tourism; Trade and Industry; Public Administration; Accountability; Water and Environment; Health; Information Technology

COMPONENT 3A:

FIDUCIARY MANAGEMENT SYSTEMS IN CENTRAL GOVERNMENT

PLANNED ACTIVITIES	SUB-ACTIVITIES	STATUS OF IMPLEMENTATION	COMMENTS
03.01 Deploy IFMS tier 1 solution and provide technical support in 5 hybrid sites, 12 referral hospitals & 15 donor funded projects plus network & accessories, Deploy IFMS Tier 1 solution to 30 additional DFPs, Foreign Missions upgrade and 3 missions rolled out on MS NAVISION	03.01.01 Undertake turn-key consultancy to deploy IFMS tier 1 solution and provide technical support in hybrid sites, referral hospitals & donor funded projects	<p>Functional and technical support</p> <ul style="list-style-type: none"> • Setup and operationalization of a restructured Service Desk to receive and escalate for resolution PFM systems user calls/logs. • Enhancement of the supplier and employee e-registration portal by incorporating additional validation rules for government suppliers to minimise data entry. The e-registration portal has reduced manual supplier forms by 90% and is expected to enhance revenue collection by facilitating proper identification of government suppliers. • Worked with NITAU on study on PFM system integration. A report with recommendations on integration of PFM systems was submitted to PS/ST for adoption • Working in liaison with Bank of Uganda on measures to further strengthen the internal controls in the systems. Reviewed system security and developed revised procedure for payment processing particularly for forex payments. • Continued to provide functional and technical support to all IFMS sites including the new 33 rollout sites including support to the sites to use the fixed Assets Management module; • The component agreed with DFPs on new report formats to be developed and deployed on IFMS • Undertook DFP IFMS training for 15 projects in Q1. • Setup and operationalization of a restructured Service Desk to receive and escalate for resolution PFM systems user calls/logs. • Enhancement of the supplier and employee e-registration portal by incorporating additional validation rules for government suppliers to minimise data entry. The e-registration portal has reduced manual supplier forms by 90% and is expected to enhance revenue collection by facilitating proper identification of government suppliers. <p>IFMS Rollout</p> <ul style="list-style-type: none"> • Provided support to the sites to use the Fixed Assets Management module. Fixed Asset Module training undertaken in October 2015. • Fixed asset module extended to 40 sites brings the total number of votes whose asset information has been uploaded into the IFMS Production environment to 50 votes. • Site readiness finalised in 33 rollout sites. Resolved residual issues in the rollout sites and issued operational acceptance certificate to CPL • Finalised review and update of user IFMS Manuals • Contractor handed over 33 out of 33 sites. Held Go-live sessions for referral hospitals. <p>Training and capacity development</p> <ul style="list-style-type: none"> • GoU team sponsored to attend Oracle Open World – annual convention for business decision-makers, IT management, and line-of-business end users. • Technical support provided to 122 IFMS sites, financial reporting and system performance monitoring • IFMS Training for Budget directorate and new staff undertaken in Nov 2015 • Conducted IFMS Fixed Assets module training for 44 votes • Completed functional and executive IFMS training for Referral hospitals 	<p>The sustainability of the In House Training Facility (ITF) needs to be addressed and an alternative venue sought to avoid disruption to the PFM system implementation.- issue raised with AO/MoPPED</p> <p>Funding constraints adversely affected provision of effective PFM system support</p> <ul style="list-style-type: none"> • Hoima Referral Hospital was handed over late (March 2016) due to late completion of the civil works on the IFMS server room

PLANNED ACTIVITIES	SUB-ACTIVITIES	STATUS OF IMPLEMENTATION	COMMENTS
	03.01.06 Provide technical support to PFM reforms implementation	Technical team provided support to IFMS, TSA, Pay roll and Pension Decentralization, PFM Act, Procurement Policy and ICT technical support	There are funding constraints on the TAls and FRTs. Need to recruit 2 Security experts and 5 IT system officers for Fy2016/17
	03.01.07 Provide administrative support to the IFMS Project Office	The IFMS Project Office was facilitated during the reporting period. Operational support was provided including heavy duty printer and photocopier for the Component Manager. Field visit for IT support teams for IFMS regional centres.	Funding was insufficient to cater to quarter 4 of Fy2015/16

PLANNED ACTIVITIES	SUB- ACTIVITIES	STATUS OF IMPLEMENTATION	COMMENTS
03.07 Procure, test and roll out CEMAS solution to 8 PUSATs	03.07.02 Undertake consultancy for the design, installation and support of the CEMAS core solution	<p><u>GENERAL</u></p> <ul style="list-style-type: none"> Conducted change management sessions at MUST and MUBS to update senior management on the implementation progress and address emerging issues. Contracted 3 additional staff to support the CEMAS implementation. Weekly project management support was availed to address emerging system related issues Routine financial management and Academic Registrar processes and other transactions on CEMAS being executed. Finalized testing and deployed the Stanbic, Barclays, Standard Chartered and Centenary commercial bank interfaces with CEMAS for MUST and MUBS facilitate student fees collection <u>MUST</u> Completed migration of student academic records from the legacy system to CEMAS Operationalization of the full functionality of the following CEMAS modules; <ul style="list-style-type: none"> ✓ Admissions ✓ Student registration ✓ Student Finance ✓ Timetabling ✓ Exams/Results ✓ Research and Internship ✓ Student Portals ✓ All financial management modules Design and deployment of key management reports Rolled out the student smart ID solution for lecture and exam attendance <p><u>MUBS</u></p> <ul style="list-style-type: none"> Migration of student academic records for academic years 2012/2013 to FY 2014/2015 from the legacy system to CEMAS Operationalization of the full functionality of the following CEMAS modules; <ul style="list-style-type: none"> ✓ Admissions ✓ Student registration ✓ Student Finance ✓ Timetabling ✓ Exams/Results ✓ Student Portals ✓ All financial management modules <p><u>MAK</u></p> <ul style="list-style-type: none"> CEMAS Setup and configuration in the three (3) pilot colleges Completed system walk through and testing to validate business processes for the 3 pilot colleges Review and validation of student records as part of the preparations for data migration from the legacy system to CEMAS 	<p>The progress of the project was affected by a funding constraint</p> <p>Migration of student academic records at MUST and MUBS has been a challenge due to data inconsistency and administrative issues at the Universities.</p>

PLANNED ACTIVITIES	SUB- ACTIVITIES	STATUS OF IMPLEMENTATION	COMMENTS
03.08 Conduct training for accounting cadre in AGO staff & MDAs in accounting, financial reporting & emerging areas, Conduct training for staff in financial management & reporting , compliance monitoring, professional certification & re-tooling.	03.08.01 Professional training for accounting cadre in CG conducted 03.08.02 Conduct training for lower level cadre in basic accounting concepts and book keeping skills, financial management and reporting (Accounts Assistants etc)	From the June 2015 sitting, 1 person completed ACCA and 2 People completed CPA. Processed ACCA, CPA and CIPS sponsorship application for Dec 2015 and June 2016 sitting. 3 ACCA and 24 CPA officers were facilitated for professional training and sitting in Dec 2015. Developed Training Plan to address skills gap.	IT Capacity building strategy implementation will be undertaken in FY2016/17 Implementation of the training plan was constrained by Funding Gap. Training was therefore postponed to FY2016/17
03.09 Develop and Implement in house capacity enhancement programme for Inspectors	03.09.01 Conduct in-house functional training and update of inspection manuals 03.09.03 Procure laptops, desktops & office equipment	Held a 3 day retreat on review and development of the Inspection manual. Developed Initial Draft Manual. Key issues being worked on include harmonisation with the new PFM act as well as operationalization of its provisions by making it user friendly Various items were delivered to strengthen the inspection function including 1 heavy duty photocopier and scanner, 5 laptops and 2 digital cameras, 5 hard disks	This activity and related training will be finalised in FY2016/17 This has facilitated better capturing of inspection findings and improved inspection reporting

PLANNED ACTIVITIES	SUB-ACTIVITIES	STATUS OF IMPLEMENTATION	COMMENTS
03.16 Develop a road map and strategy for improved treasury management for LGs	03.16.03 Conduct sensitisation and change management workshops for accounting officers and HoDs on TSA	<p>Provided technical support on TSA to 14 LGs on IFMS Tier 1 and 42 LGs on IFMS Tier II</p> <ul style="list-style-type: none"> • Bank Accounts and dossier set ups done • Bank Account Management guidelines issued • Prepared high level business process documents for LG Tier 1 and Appropriation in Aid • Funded the LG TSA bank accounts • Held sensitization for CFOs and Accountants • Held TSA implementation review meeting for the LGs • Provided intensive technical support to sites on TSA, payroll and Pension Payment processing <p>NITAU undertook a system integration study which guided on migration of LGs on IFMS Tier II to IFMS Tier 1 solution</p>	<p>The TSA reform has enabled better funds absorption and improved predictability of funding to Local Governments.</p> <p>The centralised nature of bank accounts provides Treasury with better control and liquidity management of public money</p> <p>IFMS is a pre-requisite for TSA implementation, GoU has approved a policy to transfer all the LGs on IFMS Tier 1 this will overcome infrastructure challenges experienced with IFMS Tier II solution in LGs as advised by NITAU study.</p>
03.18 Conduct a sensitization workshop for stakeholders on the public procurement policy	03.18.01 Conduct a sensitization workshop for stakeholders on the public procurement policy	Draft Procurement Policy was approved by Ministry's Top Management	<p>Await final consideration and approval by Cabinet, activity to be finalised in FY2016/17 including sensitisation of key stakeholders.</p> <p>The Policy once approved will provide overall policy guidance on government procurement in order to attain value for money in public expenditure management</p>
03.20 Undertake a consultancy to develop the implementation strategy for the public procurement strategy	03.20.01 Undertake a consultancy to develop the implementation strategy for the public procurement strategy	<p>An in-house team has been constituted, opting against external consultancy. The Task team terms of reference and workplan for the development of strategy and structure layout of the document were finalised.</p> <p>The consultancy will be engaged for quality assurance after in-house team.</p>	<p>Activity delayed pending approval of policy. The technical working group will continue with development of Procurement Policy implementation strategy into the FY2016/17.</p>

COMPONENT 3B: IPPS PROGRESS REPORT

PLANNED ACTIVITIES	SUB_ACTIVITIES	STATUS OF IMPLEMENTATION	COMMENTS
04.02 Rollout of the IPPS to 10 Votes	04.02.04 Rollout to 10 votes (DLGs/MCs and Public Universities)	<p>IPPS was rolled out to 11 votes funded under FINMAP in addition to 16 New votes (supported under the GoU mainstream budget).</p> <p>The total IPPS roll out to votes for this FY (Phase 4) is 27 votes FINMAP and GoU inclusive. These include the following:</p> <p>Tororo MC, Kamuli DLG, Fort portal Referral, Mubende Referral, Naguru Referral, Hoima DLG, Jinja Referral, Gulu MC, Gulu Referral, Mbale MC, Soroti MC, Moroto MC, Moroto Referral, Mbarara Referral, Mbarara MC, Kabale Referral, Entebbe MC, Fortportal MC, Kabarole DLG, Mukono DLG, Arua MC, Arua Referral, Masaka MC, Kabale MC, and Katakwi DLG, Soroti Referral, Masaka Referral Hospital</p> <p>The total cumulative of IPPS votes directly is 118 Votes out of the total 207. In the interim however, through the regional centre initiatives, all the 207 votes on the GoU Payroll use the IPPS for processing their payroll and pension.</p> <p>This has resulted in timely payroll updates and processing by the respective votes, leading to timely payments of salaries and pension by the 28th of every month.</p>	<p>(a) In addition to the 11 planned rollout votes, the IPPS was extended to an additional 16 votes that already had computers and LAN connection</p> <p>(b) All the 207 votes (Ministries, Agencies, Departs, Local Governments and Public Universities) have their payroll and pension management processes decentralized.</p> <p>(c) Efforts are underway to bring on board the few pending Government agencies which draw wage from the Consolidated Fund, yet they do not process their Payrolls through the IPPS which is the GoU Payroll processing system.</p>
04.04 Operationalize Regional Centres	04.02.03 LAN extension for IPPS rollout votes	<ul style="list-style-type: none"> The implementation for the LAN extension for the 11 IPPS rollout votes has been completed. Officers from the 11 Rollout votes are able to operate from their respective offices 	
	04.04.01 Regional Centre s'(11) – functional and technical support	<ul style="list-style-type: none"> Pension and Payroll Technical and Functional support to Ten (10) Regional Centres undertaken (i.e. Kampala, Gulu, Bushenyi, Arua, Masaka, Jinja, Soroti, Mbarara, Mbale and Hoima). Kabale Regional Centre was not setup since all neighboring votes have been directly connected to IPPS. 	10 Regional Centres fully operational and serve neighbouring districts.
04.05 Functional and technical support to IPPS	04.05.01 Project Running Costs	Project activities and operations were duly facilitated according to plan.	
	04.05.06 Provide technical support to PFM reforms in IPPS	Functional and Technical Support undertaken by the IPPS team in accordance with the contract terms.	
	04.05.08 Conduct Activity based refresher Functional and technical training for End Users in the 91 IPPS Sites (39/52)	<ul style="list-style-type: none"> Activity based refresher training and pension verification exercise undertaken for the 91 IPPS Phases 3 and 4 votes. Votes were also supported in payroll validation and verification and removal of dummy supplier IDs 	

PLANNED ACTIVITIES	SUB_ACTIVITIES	STATUS OF IMPLEMENTATION	COMMENTS
04-06 BIOMETRICS GoU clean Payroll Data from OAG and its sustainability	04.06.01 Procure, Supply, install, configure, test, an additional Biometrics on IPPS	<ul style="list-style-type: none"> This was done. Undertook cleanup of the Payroll and implement the OAG biometrics payroll audit recommendations, together with the votes. A total of 301,977 Public Officers have been validated and assigned National ID Numbers. 	<ul style="list-style-type: none"> Un-validated payroll records to be dropped off effective July 2016. MoPS submitted the OAG biometrics payroll data to the National Identification and Registration Authority (NIRA) to undertake the identification and verification of the OAG biometrics payroll data against the National Identification Register. NIRA has completed the verification process of the OAG biometrics payroll data and submitted reports of the findings to MoPS.

COMPONENT 4A: PUBLIC PROCUREMENT

PLANNED ACTIVITIES	SUB_ACTIVITIES	STATUS OF IMPLEMENTATION	COMMENTS
06.01 IEC materials and tools for the PPDA law	06.01.03 Sensitization of procurement cadre in PDEs on PPDA LG law and Regulations	<p>Technical Working Group finalised reviewing the amendments to LG PPDA Regulations. Regulations are currently being drafted by the FPC which will be gazetted thereafter before finally being signed by the Minister.</p> <p>The committee comprises representatives from the Ministry of Local Government, Ministry of Finance, Ministry of Justice and Constitutional Affairs, PPDA, and Representatives from selected LG PDEs.</p>	The Standard Bidding Documents and guidelines will be developed in FY 2016/17
06.06 Design, Test and roll-out e-learning systems in PDEs	06.06.01 Support the establishment of the procurement e-learning system	The e-learning system design and testing was completed with all the 16 learning modules and is now available online on the PPDA website. The official launch of the system will done in Q1 of FY 2016/17	13 PPDA staff – IT, capacity building and advisory services (GIZ) were also trained.

P L A N N E D ACTIVITIES		SUB_ACTIVITIES	STATUS OF IMPLEMENTATION	COMMENTS
06.07 Undertake procurement audits in selected entities	06.07.01 Undertake consultancy to conduct 20 procurement audits to improve compliance, efficiency and competition and value for money	15 procurement auditors were recruited and conducted the 20 planned audits. The audits were conducted in Jinja MC, Busia DLG, Masaka RRH, Masaka MC, Masindi MC, Masindi DLG, Mbale DLG, Manafwa DLG, Lamwo DLG, Agago DLG, Fortportal MC, Kabarole DLG, Kiruhura DLG, etc.		
	06.07.02 Undertake follow up exercises on the recommendations of procurement audits to ensure full compliance with the Law	Follow up activities completed in 21 Entities (Masindi DLG, Masindi MC, Buliisa DLG, Kyankwanzi, Tororo DLG, Busia DLG, Mbale DLG, Kibuku DLG, Rakai DLG, Bukomansimbi DLG, Masaka RRH, Buikwe DLG, Jinja DLG, Kayunga DLG, Bugiri DLG, Kaliro DLG, Mayuge DLG, Kween DLG, Bulambuli DLG, Katakwi DLG, EACAA, Ngora DLG, Bukwo DLG, Koboko DLG, Amolatar DLG, Amudat DLG, Kaabong DLG, Kaabong DLG Contract Audit and Napak DLG.)		
06.08 Conduct functional training for PPDA staff	06.08.03 Conduct short term in-country seminars/conferences in public procurement	Training for all PPDA Staff was conducted on 9th - 11th June 2016, with customized trainings on Public Private Partnership's procurements, Strategic leadership, e- Government Procurement and Communications and Public relations.		
06.09 Conduct training for PDEs in contract management	06.09.01 Conduct hands on support to technical staff in 20 PDEs in contracts management	30 members of the contracts committee in the Eastern Uganda were inducted. (Amudat, Bugiri DLG, Jinja DLG, Bukwo DLG, Butaleja DLG, Kapchorwa DLG, Serere DLG, Pallisa DLG, Kotido DLG, Tororo DLG, Katakwi DLG, Kaberamaido DLG, Manafwa DLG, Kaabong DLG and Busia DLG.)		
06.10 Design, test and implement e-procurement system across government	06.10.01 Acquiring and implementing e-GP System	Not completed. This initiative was taken over by NITAU.	Standard Bidding Document for acquisition of e-GP approved by the eGP Steering Committee and subsequently by the World Bank. The invitation to bid for the design, supply commissioning and management of the e- government procurement was issued out on 15th June 2016 and deadline for receiving bids is 11th August, 2016.	

PLANNED ACTIVITIES	SUB_ACTIVITIES	STATUS OF IMPLEMENTATION	COMMENTS
	06.10.03 Change Management and Stakeholder Engagement, workshops, sensitizations, seminars, training/ conferences	<p>Change management in 98 entities who are on GPP was conducted (Atomic Energy Council, Butabika Hospital, CAA, Capital Markets Authority, Cotton Devt Organisation, Courts of Judicature, DDA, Directorate Citizenship Immigration Control, DPP, Electoral Commission, Electricity Regulatory Authority, Entebbe Municipality, FINMAP III, Health Service Commission, IGG, Insurance Regulatory Authority, Judicial Service Commission, KCCA, Kyambogo University, Law Development Center, Law Reform Commission, LGFC, Makerere University, Makerere University Business School, Ministry of Works and Transport, Ministry of Agriculture and Animal Industries and fisheries, Ministry of Defence, Ministry of East African Affairs, Ministry of Education and sports, Ministry of Energy and mineral development, Ministry of Finance, Planning & Economic Devt., Ministry of Foreign Affairs, Ministry of Gender, Labour and Social Development, Ministry of Health, Ministry of Information and communication Technology, Ministry of internal affairs, Ministry of Justice and Constitutional Affairs, Ministry of Lands housing and Urban Development, Ministry of local government, Ministry of public service, Ministry of Tourism, Wildlife & Antiquities, Ministry of Trade, Industry & Co-Operatives, Ministry of water and Environment, Mulago Hospital, National Agricultural Advisory Services, National Agricultural Research Organisation, National Animal Genetic Resources Centre & Data Bank, National Drug Authority, National Forest Authority, National Medical stores, National Planning Authority, National Water and Sewerage Corporation, NEMA, NITA-U, NSSF, Office of prime minister, Office of the Auditor general, Parliament of Uganda, PPDA, Public Service commission, Rural Electrification Agency, UCDA, UEDCL, UEGCL, Uganda Aids Commission, Uganda Broadcasting Corporation, Uganda Bureau of Statistics, Uganda Cancer Institute, Uganda Communications Commission, Uganda Development Bank Ltd, Uganda Electricity Transmission Company, Uganda Export Promotions Board, Uganda Heart Institute, Uganda Human Right commission, Uganda Industrial Research Institute, Uganda National Examinations Board, Uganda Police Force, Uganda Prison Service, Uganda Revenue Authority, Uganda Road Fund, Uganda Tourism Board, Uganda Wildlife Authority, UNBS, UNRA, URSB)</p>	

PLAN N E D ACTIVITIES	SUB_ACTIVITIES	STATUS OF IMPLEMENTATION	COMMENTS
	06.10.04 Acquiring hardware infrastructure to support onsite hosting and backup services for the GPP component of e-GP (Servers and storage)	Hardware infrastructure to support online hosting and backup service for the GPP component of e-GP (Servers and Storage) was installed and commissioned. Migration onto the new hardware was also completed.	
	06.10.05 Re-Aligning PPDA ICT strategy in line with the move towards e-GP	Done. Realigned the PPDA ICT strategy with e- GP. The consultant submitted the final strategy report.	
	06.10.06 Acquiring and implementing EDMS system to support digital archiving and record keeping functionality of the GPP component of e-GP	The EDMS system was procured and commissioned. The training for all the users has also been completed and the PPDA is now using the EDMS system.	
	06.10.07 Specialised trainings for IT section on IT security in line with e-GP implementation	Not done. The component under budgeted.	

P L A N N E D SUB_ACTIVITIES		STATUS OF IMPLEMENTATION	COMMENTS
ACTIVITIES			
06.11 Provide technical support to PPDA	06.11.01 Provide technical support to PPDA (E-procurement & PPMIS Project Management Teams	<p>To date, 14 more Entities have been rolled on to the system bringing the total number of Entities rolled on to the system to 98 including 5 Local Government Entities¹⁹ that were trained in using the newly developed Government Procurement Portal (GPP). This is about 35% coverage. <u>Refer to annex on 4 for complete list of Entities on Government Procurement Portal</u></p> <p>84 Central Government Entities²⁰ were trained in using the newly developed Government Procurement Portal (GPP).</p>	There is staffing limitation to reach out to many Entities as per plan. Currently, the Authority is depending on interns as a coping mechanism

COMPONENT 4B: INTERNAL OVERSIGHT

PLANNED ACTIVITIES	SUB_ACTIVITIES	STATUS OF IMPLEMENTATION	COMMENTS
07.01 Enterprise Risk Assessor system rolled out to remaining to remaining CG entities.	07.01.01 Procure and deploy ERA ²¹ software licenses, maintenance and support costs and training of staff to utilise the software.	The procurement of additional 30 Enterprise Risk Assessor (ERA) licences was completed and installation of base licence, which has now base installed on the server and is functional. Currently the directorate has 85 ERA licences Administrator & super user Training took place from 5th - 6th January 2016	

¹⁹ Jinja Municipal Council, Mukono District Local Council, Wakiso District Local Council, Entebbe Municipal Council, and Kayunga District Local Council.

²⁰ The Entities where GPP has been rolled include: PPDA, KCCA, UNRA, UEDCL, NAGRIC, UDB, IDC, UIA, NFA, UNEB, URA, MUBS, Mulago Hospital, Ministries of Finance, Local Government, Lands, East African Community Affairs, Public Service, Agriculture, Education, Health, etc.

²¹ ERA is an audit software that deals with governance, risk and compliance that combines the integrity of international Risk Management and Internal Audit Standards, Methodologies, Recommendations and Legislation, with a risk-based approach to internal audit.

PLANNED ACTIVITIES	SUB-ACTIVITIES	STATUS OF IMPLEMENTATION	COMMENTS
07.06 Development of indicator/tool to determine compliance with IA recommendations, Development of a Quality Assurance Improvement Program (QAIP), Develop Internal Audit report writing guidelines	<p>07.06.01 Quality Review of Internal Audit reports and work plans for subsequent year and current year.</p> <p>07.06.02 Constitute a task force to review current reports and reporting formats. develop new reporting guidelines based on new structure and ERA software, and build capacity of staff in report writing and dissemination of guidelines to all staff</p>	<p>Quality Review of Internal Audit Reports and work plans conducted. Areas of improvement were identified and will be addressed through knowledge sharing and skills development.</p> <p>Review of Accounting Officers' responses to queries raised in the consolidated Internal Audit report for FY 2014/15 and OAG report for FY 2013/14 and FY 2014/15 completed. List of eligible Accounting Officers forwarded to PS/ST to be considered for reappointment</p> <p>The new reporting format for Internal Audit report was developed in accordance with the International Professional Practices Framework for Internal Auditors and PFM Act; and disseminated to all Votes. Timelines for reporting according to the PFM Act 2015 was also communicated to all Votes.</p>	<p>This exercise will continue to be undertaken s per the professional requirements of internal and external quality reviews are attained.</p> <p>This was in compliance with The PFM Act 2015 S.11 (2) g requiring the re-appointment of Accounting Officers based on the validation of their respective responses.</p>
07.15 Support to 8 sectoral Audit Committees : Retainer fees, sitting allowances and Conduct functional training for members of audit committees	<p>07.15.02 Payment of retainer fees, sitting allowances and holding training seminars for audit committee members</p>	<p>All IA committee at CG and LG level received allowances this FY15/16 with the exception of a few particular individuals due to some administrative issues (i.e. who are yet to complete their registration on URA portal and MoFPED as required of all officers who receive GOU monies)</p> <p>These committee include the following:</p> <ol style="list-style-type: none"> 1. Law, Justice and Order 2. Education and Social Services Sector 3. Health Sector 4. Works & Infrastructure 5. Accountability sector 6. Public Administration sector 7. Natural Resources 8. International Relations <p>At Local Government level they include:</p> <ol style="list-style-type: none"> 1. Central Region 2. Western region 3. Eastern A region 4. Eastern B region 5. Northern region 6. Southern region 	<p>Audit Committees continue to play a crucial role in the oversight function of Internal Audit and all necessary assistance should be provided to enhance their capacity in the execution of their mandate.</p>

PLANNED ACTIVITIES	SUB-ACTIVITIES	STATUS OF IMPLEMENTATION	COMMENTS
	07.15.03 Induction of new Audit Committee members	All Central and Local Government Audit Committees are in place. Induction of 30 members of Local Government Audit Committees as well as 5 members of Central Government Audit Committees was conducted on 29th February 2015. Audit Committee members attended Board Audit Committee meeting arranged by the Institute of Internal Auditors Uganda.	
07.18 Conduct professional training for Internal Audit cadre	07.18.06 Undertake training in professional courses subscriptions and continuous professional development (CIA, ACCA, CISA, CIPS, CFE & CPA)	Professional training facilitated for 6 officers in Internal Audit in CPA, ACCA and CIA. CIA Continuous professional development training was accorded to 3 Commissioners to attend the 3rd Chief Audit Executive Round table 2015 in Q2. During the Round table discussion, the Chief Audit Executives discussed the key issues that affect their unique knowledge and experiences on how key challenges of their job are handled as they interact with Top Management and the Board. Under CISA continuous professional development program, 9 Internal Auditors were facilitated to attend the East Africa Information Security Conference hosted by ISACA Uganda. From the conference, participants were able to gain an in-depth knowledge on promoting governance of enterprise IT; a practical approach to preventing, detecting and mitigating fraud risks among others. Two staff facilitated to attend the Association of Certified Forensic Annual Conference in Las Vegas. From this conference the staff gained an understanding on the mind-set of a fraudster and corruption risk governance in Africa, the ACFE – COSO fraud risk framework, techniques for cross examination, understanding an awareness, prevention and deterrence of fraud in Public Sector.. among other areas	The following training schedule was pending by close of quarter: the 3rd Chief Audit Executive Round table 2015; and, 9 Internal Auditors to attend the East Africa Information Security Conference hosted by ISACA Uganda

COMPONENT 4C: EXTERNAL OVERSIGHT

PLANNED ACTIVITIES	SUB ACTIVITIES	STATUS OF IMPLEMENTATION	COMMENTS
08.01 Design, construct and supervise the construction of 3 OAG regional offices in Mbarara, Moroto and Hoima	08.01.01 Undertake construction and supervision of the OAG Mbarara regional office	This activity was completed in FY2014/15 - only payment of tranches is effected as per the contract. Final invoices were honoured this financial year, thus marking the completion of the project.	
	08.01.02 Project manager and administrative assistant	Facilitation for Administrative support was effectively rendered.	
	08.01.03 Undertake supervision meetings of construction works on the Mbarara regional office.	3rd defects liability period site meeting held on 05/11/2015 and draft final accounts submitted. The defects liability period for Mbarara is expiring next year on 20th January 2017.	
	08.01.05 Construction of the OAG Hoima regional office	Actual construction did not commence. This activity is now planned for FY16/17.	Procurement of contractor is at bidding stage by close of the financial year. Bid closing at 29th July 2016.
	08.01.11 Design of Hoima and Moroto regional offices (construction and supervision in FY 14/15)	Designs for construction of Hoima and Moroto regional offices were approved.	
	08.01.12 Construction of the OAG Moroto regional office	Actual construction did not commence.	KfW has since issued a No Objection and the activity workplan accordingly reviewed. Site hand-over and official commencement is scheduled for Q2 of FY16/17.
	08.01.13 Quarterly supervision meetings of construction works on the Hoima regional office	Not done.	Supervision meetings contingent on commencement of construction works. To be undertaken in FY16/17.
	08.01.14 Supervision meetings of construction works on the Moroto regional office	Not done.	Supervision meetings contingent on commencement of construction works. To be undertaken in FY16/17.

PLANNED ACTIVITIES	SUB ACTIVITIES	STATUS OF IMPLEMENTATION	COMMENTS
08.02 Teammate version 10 audit software acquired and rolled out and Management information system procured, installed, tested and commissioned	08.02.09 Establish connection between the OAG regional offices and the OAGWAN (Jinja, Mbarara and Mbale)	Connection established between OAG and regional offices.	
	08.02.04 Establish disaster recovery data centre for backing-up teammate project	Disaster recovery data centre for backing-up teammate project was established.	
	08.02.05 Procure 140 laptop chargers for up-country staff	100 laptop chargers and 100 laptops for upcountry staff were procured and delivered to centre by close of FY. The equipment will be distributed to the nine OAG branches –each getting up to 11. The nine branches include Jinja Mbale Soroti Gulu Arua Fort portal Mbarara Masaka and Kampala central branch.	
	08.02.06 Procure 100 laptops for up-country staff	100 laptops were delivered to up-country staff to facilitate the audit process.	
	08.02.07 Developing specifications for MIS and related applications (EDMS, IM, FM). Procure and install components of MIS system	Not completed by close of financial year.	Terms of reference for Business Process re-Engineering and for the Tender agent to develop ToRs were sent to KfW for a No Objection. An expert from KfW was hired and he has completed gathering of the requirements. There will be a revised scope and procurement strategy for the MIS.
	08.02.10 Train 30 staff on use of the MIS	Activity not done. Awaiting procurement and installation of MIS	
	08.02.13 Training of staff in use of teammate (400 staff)	In-house teammate refresher training workshops were conducted and 222 staff were trained.	
	08.05.01 Conduct staff professional staff training in ACCA for 23 Staff	26 staff sponsored for ACCA during FY 2015–16 (December 2015 and June 2016 sittings)	
08.05 Conduct staff training in professional accounting	08.05.02 Conduct staff professional training in CISA/CFA/CFE for 10 Staff	4 staff sponsored for CISA during FY 2015–16 (December 2015 and June 2016 sittings)	
	08.05.03 Conduct staff professional staff training in CPA for 50 Staff	29 staff sponsored for CPA during FY 2015–16 (December 2015 and June 2016 sittings). The sponsorship is demand driven.	
	08.05.04 Conduct staff professional staff training in CIPFA for 2 Staff		No applications received.

PLANNED ACTIVITIES	SUB ACTIVITIES	STATUS OF IMPLEMENTATION	COMMENTS
08.06 Build the capacity of staff in specialised audits	08.06.05 Staff trained in environmental audit	Two staff were trained in Forestry Audit in Jakarta, Indonesia, (Mr. Katerega Stephen and Mr. Oyo Peter Mugenyi) from 14th – 18th September 2015. The training was aimed at equipping performance auditors with skills of undertaking forestry audits. Some of the key aspects covered included: Identifying risks associated with the forestry industry; developing audit methodology for forestry audits; and, the use of modern techniques like GPS and GIS in forestry audits.	
	08.06.13 Conduct training in PPP	2 Staff trained at Washington D.C IP3 (One for training in Designing Legislative, Institutional and Regulatory Framework, Second staff trained in Introduction to building and analysing financial models for Public and Private infrastructure investment)	
	08.06.16 Procure an assortment of engineering audit tools	Not procured.	KfW approved the bid document by close of the financial year. The invitation was done.
08.07 Build staff capacity in management of forensic investigation and submission	08.06.17 Engineering software procured	Not done.	Procurement not initiated. Pending procurement of the Engineering tools
	08.07.01 Undertake training of staff in management of forensic investigation and submission (1 staff)	1 staff trained in Forensic management strategies and techniques in Pretoria.	
	08.07.03 Training of 10 staff in expert witness submission	Not done.	Funding utilised for GAO fellowship in Washington D.C as per approved training plan
08.08 Build the capacity of Stakeholders in utilisation of audit reports	08.08.01 Conduct sensitisation workshops for Committee members on audit findings and discussion of audit reports	Stakeholder engagement activity done through dissemination of VFM audit reports to Senior district officials and other key stakeholders in Kampala, Gulu, Arua, Mbale, Jinja, Masaka and Mbarara regions.	
	08.08.02 Build the capacity of Districts Accountability Committees in discussion of Audit Reports.	Additionally, annual audit reports were distributed to regional public libraries and tertiary institutions.	
	08.08.03 Build capacity of District Executive and Council Speakers on utilization of audit reports to monitor public funds		

COMPONENT 4D: PARLIAMENTARY OVERSIGHT

PLANNED ACTIVITIES	SUB_ACTIVITIES	STATUS OF IMPLEMENTATION	COMMENTS
09.01 Review and disseminate the Parliamentary hand book for Parliamentary Committees on PFM	09.01.04 Conduct an orientation and induction workshop for new committee members on the revised handbook	Done. FINMAP funded hotel costs for general induction of new MPs in the 10th Parliament held from 27 th June to 1 st July, 2016.	
09.03 Enhance capacity of parliamentary technical support unit	09.03.04 Conduct in-house training for Parliamentary Staff in Elements of Public Financial Management	Three in-house trainings conducted on the PFM Act in February and March, 2016 covering a total of 120 staff.	
09.04 Enhance capacity of PFM secretariat in parliament	09.04.01 Train the team managing the PFM reforms under parliament in monitoring and evaluation of the performance of PFM parliamentary committees	One officer was supported to attend pre-conference trainings of the 5th Bi-annual Conference of the South Africa Monitoring and Evaluation Association. The other officer undertook an attachment programme in the Parliament of Ghana.	
09.05 Develop and Operationalize a Parliamentary Information Management system	09.05.01 Procure hardware and software for the system	Done. Four (4) heavy duty scanners and software were procured, delivered, installed and now in operation.	
	09.05.04 Undertake training and rollout of the system	Two IT officers were trained by AVERI institute in Alfresco training in workflow activity development and design and systems management.	
09.06 Digitalize the IPS programs for easy and continuous access by MPs and other stakeholders	09.06.02 Undertake international consultancy to digitize the IPS programs for easy and continuous access by MPs and other stakeholders	Procurement of a firm to provide services for development of a micro-web-site for the Institute of Parliamentary Studies was completed. The delivery is expected by end of August, 2016.	
		The second phase of digitization of IPS programs will be undertaken in FY 16/17.	

COMPONENT 5: PFM IN LOCAL GOVERNMENTS

PLANNED ACTIVITIES	SUB_ACTIVITIES	STATUS OF IMPLEMENTATION	COMMENTS
05.02 Equip revenue units in LGFC and LG to support resource mobilization	05.02.02 Procure 3desktop computers, 4laptops and a Storage unit for the revenue unit in LGFC	37 laptops and 25 printers and a data storage unit are being delivered to LGFC premises (some equipment has been received and more is coming).	Delivery of the laptop computers, storage unit and printers to be effected in Q4. The Laptop Computers and printers could not be provided by the supplier in the scheduled time because the stipulated equipment model was not readily available.
05.03 Develop a revenue database for all potential revenue sources in selected LGs	05.03.02 Procure computer software licenses for revenue software 05.03.03 Undertake 3-day field visits to train selected LG staff on the use of the database (hands-on training)	Funding was effected towards the end of 3rd Quarter. Evaluation of bids was completed in September 2015. This is not yet done.	Delivery to be effected in Q4. Scheduled for Q4.Awaiting delivery of equipment under 05.03.02 after which the training will be conducted (the equipment will be supplied during the training).

PLANNED ACTIVITIES	SUB_ACTIVITIES	STATUS OF IMPLEMENTATION	COMMENTS
05.08 Review the allocation of national aggregate revenue between the central and local governments and design new Fiscal Decentralisation Architecture	05.08.02 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	This will not be done this FY2015/16. However, the procurement process for the consultancy firm to facilitate the design of the fiscal decentralisation architecture and determine the share of LG transfers out of the National Budget is already on-going.	The activity was pushed to FY2016/17 due to insufficient funds. Procuring the Consultancy Firm was almost completed in FY2015/16. Awaiting endorsing the award.
5.10 Develop simplified LG Financial management guidelines	05.10.03 Printing of Simplified Guidelines 05.10.04 Rollout Guidelines in the LLGs & Service Units	Simplified Guidelines have not been developed.	Procurement of the contractor finalised but yet to be signed due to funding constraints.
05.13 Enhance HLG capacity in basic accounting concepts and book keeping skills/urban councils only and complete development of guidelines in the application of the LGFAR and LGFAM	05.13.01 Undertake training for urban local staff in basic accounting concepts and book keeping skills, financial management and reporting in LGs regional costs (2 persons from each LG for 3 day workshop)	Three 2-day regional training workshops were held at 3 regional centers of: Masaka, Mbale and Lira. One accounts staff from the selected 156 Urban LGs attended the training.	
5.15 Deploy tier 2 solution and provide technical post-implementation support to the LGs (funded under FINMAP)	5.15.01 Undertake consultancy to setup and deploy the IFMS tier-2 solution	<ul style="list-style-type: none"> IFMS Tier 2 was deployed in additional 16 District Local Governments of: Moyo, Koboko, Moroto, Kotido, Sironko, Lyantonde, Ibanda, Kaseke, Kiruhura, Kanungu, Kibale, Kayunga, Nakaseke, Kiboga, Mayuge and Kiryandongo The 5 Districts of Moyo, Koboko, Moroto, Kotido and Sironko went live on the system and all payments are through EFTs direct to the banks The 11 Districts of Lyantonde, Ibanda, Kaseke, Kiruhura, Kanungu, Kibale, Kayunga, Nakaseke, Kiboga, Mayuge and Kiryandongo will go live in July 2016 	
	05.15.02 Technical support to reforms in LG	Salaries were duly paid to staff facilitating technical support to reforms in local government	
	5.15.09 Undertake consultancy to setup WAN to rollout sites	M/S MTN Uganda was contracted and extended Wide Area Network links to the 16 additional IFMS Tier 2 rollout sites of: Moyo, Koboko, Moroto, Kotido, Sironko, Lyantonde, Ibanda, Kaseke, Kiruhura, Kanungu, Kibale, Kayunga, Nakaseke, Kiboga, Mayuge and Kiryandongo	

PLANNED ACTIVITIES	SUB_ACTIVITIES	STATUS OF IMPLEMENTATION	COMMENTS
	5.15.10 Site Readiness Assessment	Sites readiness exercise was carried out and completed in all the additional 16 rollout IFMS Tier 2 LGs	
	5.15.11 Project Kick Off Meeting	A kick off meeting was held in Kampala for the additional 16 IFMS Tier 2 Districts. In attendance were the District Chairpersons, Chief Administrative Officers and Heads of Finance from the LGs.	
	5.15.12 Basic ICT Training for Users	Not done.	Users from the 16 rollout sites had already benefited from the Basic ICT training provided in FY 2013/14
	5.15.13 Master Data Collection & Validation	Master data collection and validation was completed in all the 16 additional Districts of: Moyo, Koboko, Moroto, Kotido, Sironko, Lyantonde, Ibanda, Kasese, Kiruhura, Kanungu, Kibale, Kayunga, Nakaseke, Kiboga, Mayuge and Kiryandongo	
	5.15.14 Training of Core & End Users	Training of core and end users in the 16 Districts was held at the ITF in Kampala.	Lack of adequate space at the ITF delayed the Training of IFMS core and end users
	5.15.05 Pre- & Post Go live site support	Not done	Activity could not take place due to funding shortages.
	5.15.16 Pre & Post Go Live Change Management for 16 Rollout Sites	Pre Go Live Change Management Sessions were carried out at the 16 sites of Moyo, Koboko, Moroto, Kotido, and Sironko. Lyantonde, Ibanda, Kasese, Kiruhura, Kanungu, Kibale, Kayunga, Nakaseke, Kiboga, Mayuge and Kiryandongo	
	5.15.17 Equipment Inspection and User Acceptance Sign Off	Inspection of the IFMS Equipment was carried out in the 16 sites of Moyo, Koboko, Moroto, Kotido, Sironko, Lyantonde, Ibanda, Kasese, Kiruhura, Kanungu, Kibale, Kayunga, Nakaseke, Kiboga, Mayuge and Kiryandongo	
	5.15.18 Commissioning and official hand over of the sites	All the 16 additional IFMS Tier 2 District LGs of Moyo, Koboko, Moroto, Kotido, Sironko. Lyantonde, Ibanda, Kasese, Kiruhura, Kanungu, Kibale, Kayunga, Nakaseke, Kiboga, Mayuge and Kiryandongo were Commissioned and Officially Handed over by Government to the respective LGs ready to Go Live.	
	5.15.19 Provision of WAN Link to existing sites - upgrade to 512 kbps	The procurement to upgrade existing WAN links from 64kbps to 512kbps was completed but contract signature was halted due to lack of funding from USMID.	
	5.15.20 Setup WAN to the rollout Tier 2 rollout sites	M/S MTN Uganda extended Wide Area Network links to all the 16 additional IFMS Tier 2 rollout sites.	
	5.15.21 Provision of WAN Link to new rollout sites - upgrade to 512 kbps		

PLANNED ACTIVITIES	SUB_ACTIVITIES	STATUS OF IMPLEMENTATION	COMMENTS
05.22 Undertake professional training for IA cadre - (CIA)	05.22.01 Undertake professional training and development of IA cadre	10 Students enrolled for CIA training in Jan 2016 continued with their tutorial and revision sessions in preparation for the exams due in September 2016	
	05.22.02 Undertake in-house training in internal audit function in LGs	51 Internal Auditors from selected Local Governments supported and attended a 4-day training in Mastering of the Audit Process in the Public Sector. The training was conducted by the Institute of Internal Auditors – Uganda	
05.28 Project running cost	05.28.01 Project running costs including office rent	Office Rent paid & PFM Office operations facilitated	
05.29 (05.15) Technical support to reforms in LG	05.29.01 Technical support to reforms in LG	PFM Staff salaries paid to render continuous Technical support to reforms in LG	
Any Other Notable PFM-related Activities			
Continued providing ad-hoc technical support to Tier 3 LGs in the application of LGFAR & LGFAM on needs basis			
Consultant submitted acceptable draft Guidelines in the application of LGFAR & LGFAM			
			Funds are required in the budget to complete this activity, train trainers and pre-test the guidelines before the final guidelines are developed and issued.

ANNEX 8:

PEMCOM: High Level Action Matrix as at June 2016

PFM Reform Objectives and Actions	Responsibility	Date of Completion	Status	
			Met	
			On track	
			Not Met	
Objective 1: Strengthen implementation of internal and external audit recommendations				
The OAG to develop guidelines and systems to enable regular reporting on implementation of audit recommendations by risk level and type.	OAG	December 2016		
Internal Auditor General to report on key findings from the Consolidated Internal Audit report and action taken on audit recommendations of FY 14/15 (75% target).	PS/ST and Internal Auditor General	March 2016		Met: Letters were sent to AOs to follow up on key weaknesses. Received responses and issued report at end March 2016.
Parliament to provide current status on outstanding PAC reports and provide Action Plan for clearing the backlog.	Parliament	December 2016		On Track: Parliament to determine action on items in reports. Action Plan to be prepared with new Parliament Committees
Internal Auditor General and Parliament to develop systems for timely production of Treasury Memorandum and report on Treasury Memoranda implemented.	Internal Auditor General/Parliament	June 2016		On track: 3 OAG Officers have been assigned to Parliament and a structured programme has been drawn up. The focus will be on high risk issues and entities. 5 TM are ready for tabling in Parliament.
Objective 2: Comprehensive PFM legal and regulatory framework developed and enforced				
2.1 Finalise and obtain approval for the PFM regulations.	AGO	June 2016		Met: Minister approved Regulations and have been gazetted. To be laid in Parliament per procedure.
2.2 Develop harmonised guidelines for disciplinary procedures and sanctions which are compliant with the Public Service Standing Orders and the PFM Act, including sanctions against AOs of votes accumulating expenditure arrears and /or mischarging against budget lines.	MoPS MoFPED	September 2016		On track: Draft is in place. Consultations to be conducted.

PFM Reform Objectives and Actions	Responsibility	Date of Completion	Status	
			Met	
			On track	Not Met
2.3 Develop guidelines to implement non-monetary rewards for good performance, including PFM compliance, at institutional and individual level.	MoPS MoFPED	December 2016	On track: There's an existing framework and an update of the process is linked to progress in 2.2	
2.4 Finalise restructuring of MoFPED	PS/ST and MoPS	June 2016	Met: New Structure Approved by Cabinet. Implementation to progress.	
Objective 3: Value for money and increased compliance with procurement regulations				
Accountant General to develop and implement the National Public Sector Procurement Policy, including action to strengthen accountability and transparency of high value contracts, and non-compliance with regulations.	Accountant General	Approval of Policy by August 2016	On track: Policy finalised and to be submitted for Cabinet Approval. Proactively preparing Implementation strategy and awareness	
PPDA to draft amendments to the LG PPDA Regulations.	MoLG/PPDA	December 2016	On track: Technical Working Group finalised reviewing the amendments to LG PPDA Regulations. Regulations are currently being drafted by the FPC which will be gazetted thereafter before finally signed by the Minister.	
Review public procurement compliance monitoring, reporting and enforcement mechanisms/ framework.	PPDA	December 2016	On track: TORs for a study have been prepared to review the compliance monitoring and enforcement mechanisms for both the Central and Local Government Entities. Study will be conducted in Q1 of FY 2016/17.	
Undertake training and follow up of worst performing entities to help them improve their procurement practices and identify underlying causes.	PPDA	Plan and ToR by May 2016	On track: Capacity building work plan has been prepared to target the poorly performing Entities. Activities include publicising worst performers as well as recognizing good performers.	
PPDA to contract service provider for e-GP and change management completed for 15 High Spend Entities and other stakeholders including CSOs and the private sector to build capacity and strengthen readiness for eGP implementation. (DPO trigger)	PPDA	December 2016	On Track: a) IFB for supply, installation, commissioning and maintenance of the eGP system was posted on UNDB online on 15th June 2016 including other media. IFB will close on 11th August 2016. b) The Authority is looking for funding for change management/capacity building activities for the 15 pilot Entities targeted for the eGP.	
Finalise and disseminate the Project Appraisal User Manual to MDAs and update the Development Committee Guidelines to align with the new Manual. (PSI benchmark)	D/B	December 2016		
Objective 4: Enhanced efficiency in revenue administration and improved compliance				
URA to prepare roadmap to implement recommendations from the Tax Administration Diagnostic Assessment Tool (TADAT) report.	URA	March 2016	Met. Item is on Agenda	
DEA to report on impact of tax policy measures.	DEA	September 2016	Met: To be done in respect of Tax measures contained in the FY 16/17 Budget	

PFM Reform Objectives and Actions	Responsibility	Date of Completion	Status	
			Met	
			On track	Not Met
Develop strategy for improving revenue analysis and URA performance monitoring.	DEA	May 2016	Met - a review mechanism has been put in place	
4.4 Integration and deepening of e-tax with other Government automated systems (i.e. IFMIS, URSB, KCCA, Land Registry, Immigration and UIA).	URA	Plan and timeframe by June 2016	On track: Automation done on IFMS but manual processes are in place for the rest.	
4.5 Implementation of the LG Financing Strategy, including roll-out of standardised database of top 5 sources for local revenue completed in at least 24 Districts.	MoLG/LGFC	December 2016	Met-16 Districts were covered by June 2016. Another 8 to be covered by December	
Objective 5: Improved data quality and performance of PFM systems				
5.1 Progress on PFM system integrations (IFMS with OBT, E-tax, IPPS, E-GP etc.)	Accountant General	Report on progress by June 2016	On track- Meeting planned for 29th June to disseminate approved recommendations on PFM systems integration. NITA-U recommends the following: On IFMS Tier II; Rollout should be halted and Tier I deployed for PFM in LGs and MCs to remove duplication of functionality and reduce deployment and maintenance costs. Accountant General should draw up and commission a plan for migration of the current Tier II sites onto Tier I and later decommission Tier II On IPPS; It should be phased out and replaced with a new HRMS that is easy to integrate with IFMS Tier I with all modules tested and operational. IFMS with OBT; Data sharing interface [API] has been developed on PBS (the successor to OBT). It is being tested by the IFMS technical team.	
5.3 Liaise with NITAU to develop plan for reducing IFMS system downtime and link IFMS through a reliable and affordable National Backbone Infra-structure.	Accountant General/ NITAU	June 2016	On track: Several Central Government entities, LG's, Universities and Agencies have been connected to the NBI. Discussions on costs have been initiated. To date 36 MDA sites are utilizing IFMS through the backbone By 1st July, an additional 10 LGs with be utilizing IFMS through the backbone An additional 30 MDA sites will be connected to utilizing NBI in the financial year 2016/17	
5.4 Provide status update on the further roll-out of Tier 2 system, and implementation of OAG audit recommendations on Tier 2 system.	MoLG/AGO	June 2016	Met: Tier 2 Rolled out to 16 additional sites. A separate summary on audit recommendations has been tabled.	
5.5 Develop simplified bookkeeping and accounting formats/systems and guidelines for schools and health centres.	MoLG/AGO	June 2017	On track: Activity to commence after enactment of the PFMA Regulations	

PFM Reform Objectives and Actions	Responsibility	Date of Completion	Status	
			Met	
			On track	
			Not Met	
5.6 Approval and execution of new formulae for consolidated LG grants and action plan for their phase in over 5 years, along with guidelines for revised grant conditions, budgeting and reporting for LGs.	Budget	December 2016	Met:	
Objective 6: Improved timeliness, accuracy and accountability of GoU Payroll				
Fast track the implementation of the national biometric data system link to IPPS, including capture of all existing data in the IPPS database and a final payroll database linked to the national ID system.	MoPS	Report on progress June 2016	Met: 302,393 of payroll records validated as at 24th June 2016 out of a total of 313,979. Only 11,586 remain pending. These include 38 Foreign Service Officers. To deploy clean biometric payroll linked to national ID by 1 July 2016.	
Implement the recommendations of the IPPS audit by OAG.		Report on progress June 2016	On track. Joint meetings held with PS/ST, MoPS and NIRA. Roadmap drawn	
Roll out the IPPS system to remaining central and local government sites.		Plan and report on progress March 2017	On hold pending decision on integration: 119 Votes are now on IPPS	
Objective 7: Improved debt and cash management				
Draft and sign MoU between MoFPED and BoU on bank accounts, TSA management to guide processes, controls and management of EFT/STP transactions; and macroeconomic management.	Accountant General and DEA	June 2016	On Track: MoFPED & BoU Top Management to conclude concurrent review of draft. Service Level Agreements to be prepared to guide operationalization after signature of the MoU.	
Treasury to implement at least 90% of FY 2016/17 cash flow plans for the education, health, water and environment, and works and transport sectors.	Accountant General	June 2017	On track: Assessment moved by 1 year ahead	
MoFPED to publish semi-annual reports on the stock of domestic arrears in MDAs (PSI Benchmark) and provide an action plan for clearing of domestic arrears.	PS/ST	June 2016	On Track: The IAG has validated arrears and an action plan will be drawn up by D/Budget	



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