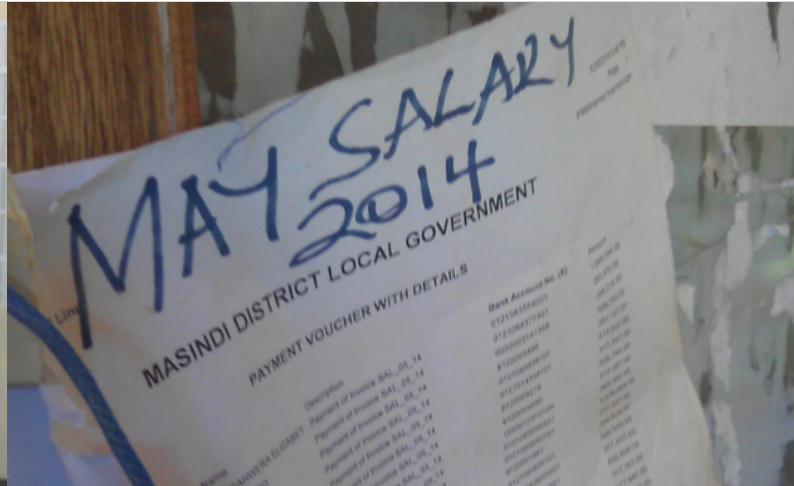




RESEARCH SERIES No. 121



A REVIEW OF UGANDA'S PUBLIC FINANCE MANAGEMENT REFORMS (2012 TO 2014): Are the Reforms Yielding the Expected Outcomes?

EZRA MUNYAMBONERA
MUSA MAYANJA LWANGA

APRIL 2015



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EXECUTIVE SUMMARY

Despite the enactment of a number of public finance management reforms since the 1990s, misappropriation of public funds in Uganda remains a challenge. For example, scandals in the Office of the Prime Minister where UGX 60 billion was stolen and UGX 340 billion was lost to ghost pensioners in the Ministry of Public Services prompted several donor governments to suspend budget support to Uganda in 2012. In response to this and other challenges, the government took advantage of provisions in existing laws and regulations to initiate a number of new reforms and measures to further strengthen public financial management and improve public service delivery.

This report examines the progress and impact of these on-going public finance management reforms undertaken by the MFPED since 2012/13. These reforms include the implementation of the Treasury Single Account (TSA); upgrading the Integrated Financial Management System (IFMS) and the Integrated Personnel and Payroll System (IPPS); improving wage and payroll management, improving budget formulation, implementation, monitoring and reporting; and strengthening budget transparency.

The study employed different but complimentary approaches to gather the relevant data and information. These included an extensive review of government documents and reports relating to the reforms to obtain a clear understanding of the existing public finance management system, consultations with key ministries and government departments who were driving and implementing the reforms to capture their perspectives on the progress of the reforms in terms of achievement and challenges, and the collection of qualitative data from local governments (districts and municipalities) as well as service delivery units (schools and health centers) using a multi-stage purposive sampling procedure.

The study findings show that despite some challenges, the reforms are so far yielding positive results in terms of improved accountability, reporting and service delivery. A summary of the outcomes of the key reforms is as follows.

The key reforms contributed to improved public finance management at different levels of government. These areas include improved public expenditure management through the (TSA), improved accountability and public expenditure use through the IFMS, reduction in ghost workers and the overall wage bill at MDAs and local governments through the IPPS and the decentralization of the wage and payroll management system. A major milestone of these reforms in particular is the decentralization of payroll management that has so far reduced the incidence of ghost workers and reduced the government's total wage bill.

However, despite the noted improvements, there are still challenges with the implementation of some of these reforms. The challenges include limited coverage of the IFMS; limited interfacing between the IFMS and IPPS; limited internet infrastructure to support the IFMS and IPPS; and inadequate technical capacity to operate the IFMS, IPPS and OBT systems. There is also limited printing and display of the payroll at local government units.

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ABBREVIATIONS

BoU	Bank of Uganda
CAO	Chief Administrative officer
CFO	Chief Finance Officer
IFMS	Integrated Financial Management System
IPPS	Integrated Personnel and Payroll System
MDA	Ministries, Departments and Agencies
MoES	Ministry of Education and Sports
MFPEd	Ministry of Finance Planning and Economic Development
MoH	Ministry of Health
MPS	Ministry of Public Service
OBt	Output Budgeting Tool
OECD	Organisation for Economic Cooperation and Development
PFAA	Public Finance and Accountability
PFAR	Public Finance and Accountability Regulations
PPDA	Public Procurement and Disposal of Public Assets
PS/ST	Permanent Secretary/ Secretary to Treasury
TAI	Treasury Accounting Instructions
TSA	Treasury Single Account
UPE	Universal Primary Education

1.0 INTRODUCTION

Despite the enactment of a number of public finance management reforms since the 1990s, misappropriation of public funds in Uganda remains a challenge. On one hand, the reforms aim to create a sound public finance management system that supports aggregate control, prioritization, accountability and efficiency in the management of public resources and the delivery of services critical to Uganda's development goals (Ministry of Finance Planning and Economic Development, 2013). These include the enactment of the Budget Act, 2001; the 2003 Public Finance and Accountability Act¹ (PFAA), which repealed the Public Finance Act of 1964; the Public Procurement and Disposal of Public Assets (PPDA) Act, 2003; the Public Finance and Accountability Regulations, (PFAR), 2003; and the Treasury Accounting Instructions (TAI), 2004; and the implementation of the Integrated Financial Management System (IFMS) among others.

On the other hand, the prevalence of misappropriation of public funds by public servants, delays in fund disbursement, low absorption capacity by some departments, and idle, dormant bank accounts continue to have a negative impact on the delivery of public services. For example, scandals in the Office of the Prime Minister, where UGX 60 billion was stolen and UGX 340 billion was lost to ghost pensioners in the Ministry of Public Services, amounted to the equivalent of the total budget of the Ministry of Agriculture Animal Industry and Fisheries in 2013/14 and approximately 3 % of Uganda's total annual budget. In

response to these challenges, several donor governments suspended budget support to Uganda in 2012. In response to all of this, the government took advantage of provisions in existing laws and regulations to initiate a number of new reforms and measures to strengthen public financial management and improve public service delivery.

The key reforms and measures highlighted in this paper include the creation of the Treasury Single Account (TSA) in 2013; the upgrade of the Integrated Financial Management System (IFMS); the closure of all redundant bank accounts; the institution of limits on cash withdrawals and advances; the improvement in payroll management; improvements in budget formulation, implementation, monitoring and reporting; and strengthening budget transparency. Given Uganda's implementation challenges, it is important to critically review the progress of these ongoing PFM reforms and measures. This paper specifically looks at the achievements thus far and the challenges facing the implementation of the new measures and provides some policy options.

The paper is organized as follows: section one provides the background and rationale of the study, section two presents the methodology and evaluation framework, and section three contains a review of the ongoing and proposed reforms. The last section presents the conclusions and recommendations.

2.0 STUDY APPROACH

2.1 Study Design

This study employed different but complimentary approaches to gather

¹ The Public Finance and Accountability Act of 2003 is now in the process of being amended to cater for the new developments in the economy.

the relevant data and information. First, we conducted an extensive review of government documents and reports relating to the reforms to obtain a clear understanding of the existing public finance management system. Second, we held consultations with key ministries and government departments responsible for implementing the reforms. These consultations were used to capture their perspectives of the departments on the progress of the reforms in terms of achievement and challenges. Third, we collected qualitative data from local governments (districts and municipalities) as well as service delivery units (schools and health centers). We used a multi-stage purposive sampling procedure to select local governments and service delivery units. The districts and municipalities were stratified into homogeneous groups according to their connectivity to IFMS. From each group, the local governments were further categorized according to their administrative regions (Central, Western and Northern). From each of these regions, three to five local governments were selected. The local governments were selected with consideration of time and travel costs. Fourth, from each district or municipality, a Universal Primary Education (UPE) school and a Health Service Center were randomly selected. In Nakaseke and Masindi, we were prevented from gathering data at the school because Primary Leaving Examinations were taking place at the time of the survey.

2.1.1 Data Collection and Analysis

Qualitative data were collected from the different levels of government through key informant interviews, focus group discussions and structured interviews.

Central government level; information was collected using key informant interviews and focus group discussions with key ministries, departments and agencies. These groups included the MFPED, the Ministry of Education and Sports (MoES), the Ministry of Health (MoH), the Ministry of Public Service (MoPS) and other government agencies, including the offices of the Auditor General and the Accountant General.

Local government level; key informant interviews and focus group discussions were conducted with administrators from a number of districts and municipalities. The local governments selected included the Mityana, Luwero, and Nakaseke districts from the Central region, the Masindi, Isingiro, Mbarara, Kiruhura districts and the Bushenyi and Mbarara municipalities from the Western region. From the Northern region we selected the Lira and Dokolo districts and the Lira municipality.

Service delivery units; at this level, information was collected using both key informant interviews with head teachers and medical health administrators. In addition, a structured questionnaire was administered to teachers and medical health workers. In total, 10 schools and 6 health centers, 80 teachers and 60 medical workers were interviewed.

2.1.2. Data analysis

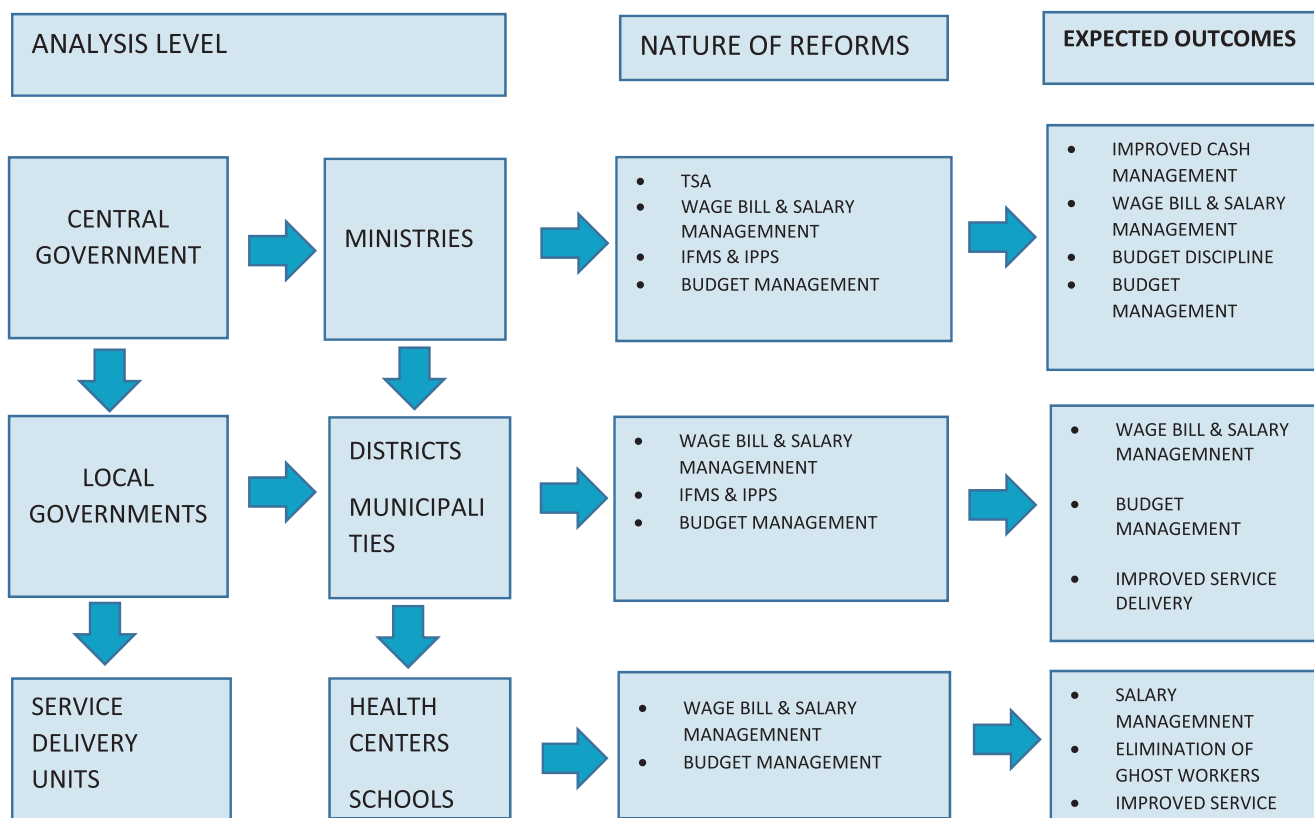
Data analysis employed content and thematic analyses of the qualitative data collected from ministries and local governments according to the thematic areas of the reforms (TSA, IFMS, IPPS and OBT). In addition, descriptive analysis of the qualitative data collected from service delivery units was carried out.

2.2 Evaluation Framework

The study adopted a modified OECD (2001-2010) evaluation framework that considered the level of the MDAs and their relationship to service delivery units, the nature of reforms, and the expected outcome from these reforms. This framework is illustrated in Figure 1. In terms of impact, some of the reforms are of a macro nature and operate

at the central government level, whereas others are specific to local government and service delivery units. All the reforms cut across all levels, except the TSA, which is specific to the central government. It should also be noted that the IFMS and the Integrated Personnel and Payroll System (IPPS) do not operate at service delivery units. This study assesses progress made so far against the expected outcomes as shown in figure 1.

Figure 1: Evaluation Framework for on-Going PFMR



Source: Adapted with modification from the OECD Evaluation Framework for Public Financial Management Reforms, 2010

3.0 THE FINDINGS OF THE STUDY

In this section, we present study findings for each of the key reforms separately and include the intention of the reform, its achievements and its challenges.

3.1 Treasury Single Account (TSA)

The MFPED introduced a TSA² in October 2013 in accordance with Section 4 (1)³ of the Public Finance and Accountability Act (PFAA), 2003. Prior to the creation of the TSA, the ministry operated over 2000 accounts, some of which had long become dormant. Multiple accounts presented a breeding ground for the misappropriation of public funds (as was the case in the OPM scandal) and resulted in inadequate supervision by MFPED. Sometimes, public funds would lie idle and undetected in some accounts while the ministry borrowed to finance other activities. With the implementation of the TSA, a number of idle and dormant accounts in the Bank of Uganda and other commercial banks have been closed. For example, by January 2014, 165 dormant Bank Accounts had been closed with UGX

14.9 billion transferred from these accounts to the Consolidated Fund. Another 380 accounts from the Central Bank were closed as a result of setting up the TSA (Muhakanizi, 2014).

The TSA framework is being implemented in a phased manner as illustrated in Figure 2. The first phase initially covered expenditure and revenue bank accounts for Central Government votes and has extended gradually to include salary accounts, holding accounts, non-donor funded projects and deposit accounts. This included Central Government bank accounts managed through the IFMS, maintained at the Bank of Uganda (BoU) and upcountry referral hospitals connected to the IFMS (MFPED, 2013). In the later phase, the TSA is expected to include donor funded projects and other accounts holding public funds.

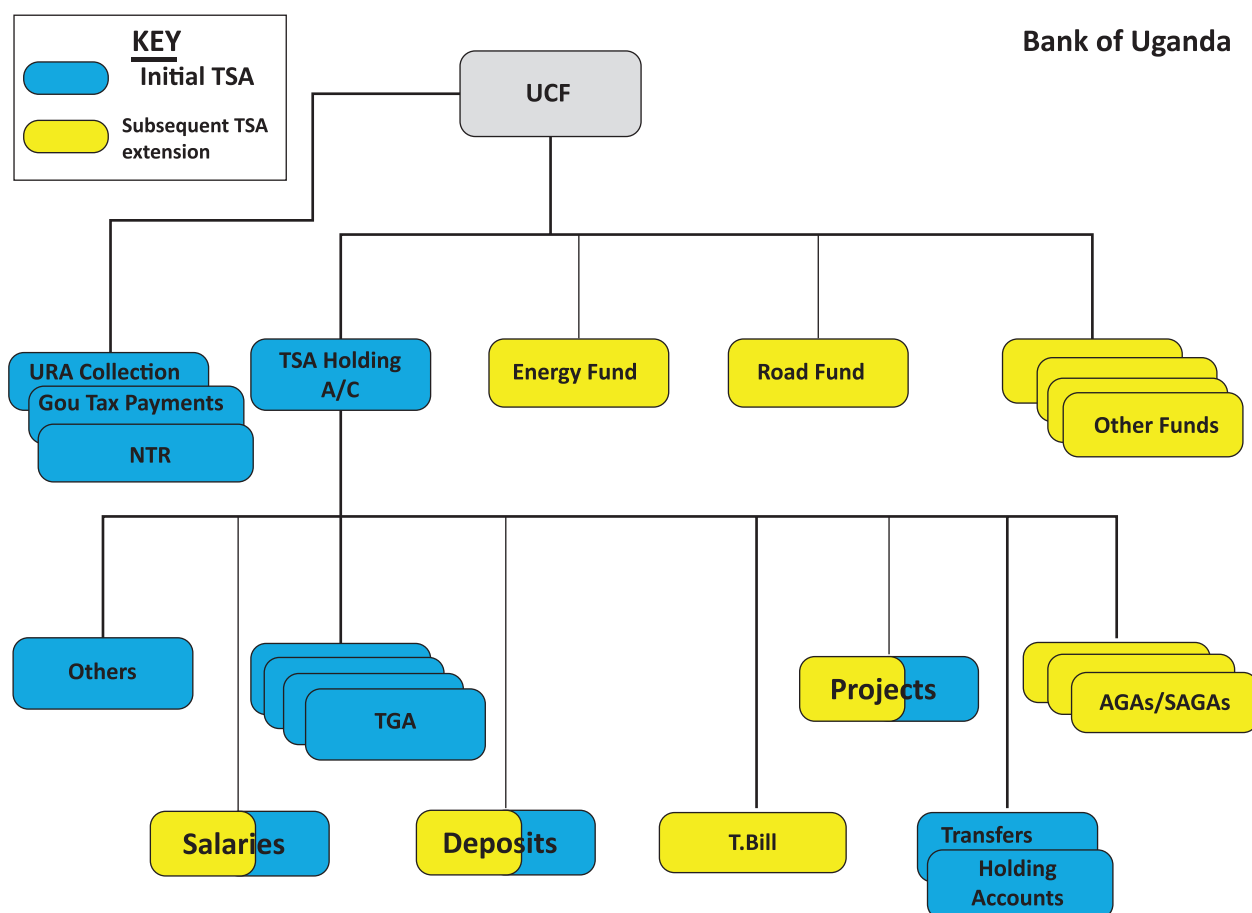
When fully implemented, it is expected that the TSA will ensure that the government's banking arrangement is unified and that transfers are easily traceable, therefore enabling the MFPED to better monitor the government's cash flows. The unified structure of government bank accounts allows complete fungibility of all cash resources, including on a real-time basis if electronic banking is in place (Pattanayak and Fainboim, 2010). In addition, the TSA aims to strengthen the institutional capacity both at the MFPED and other MDAs by improving their day-to-day cash and debt management. The TSA should ultimately eliminate the need for cash rationing, which affects service delivery, and help solve the persistent problem of low absorption of public funds.

2 "A TSA is a unified structure of government bank accounts that gives a consolidated view of government cash resources. Based on the principle of unity of cash and the unity of treasury, a TSA is a bank account or a set of linked accounts through which the government transacts all its receipts and payments. The principle of unity follows from the fungibility of all cash irrespective of its end use. While it is necessary to distinguish individual cash transactions for control and reporting purposes, this purpose is achieved through the accounting system and not by holding/depositing cash in transaction specific bank accounts. This enables the treasury to delink management of cash from control at a transaction level" (Pattanayak and Fainboim, 2010).

3 Supervision, control and management of public finances.

- (1) The Minister shall-
- (a) ensure that systems are established throughout Government for planning, allocating, and budgeting for the use of resources in order to improve the economy, efficiency and effectiveness of Government;
- (b) consider all requests for the issue of moneys from the Consolidated Fund and, where the Minister considers it appropriate, approve their inclusion in estimates of expenditure for submission to Parliament in accordance with section 15; and

Figure 2: Treasury Single Account Operation Structure

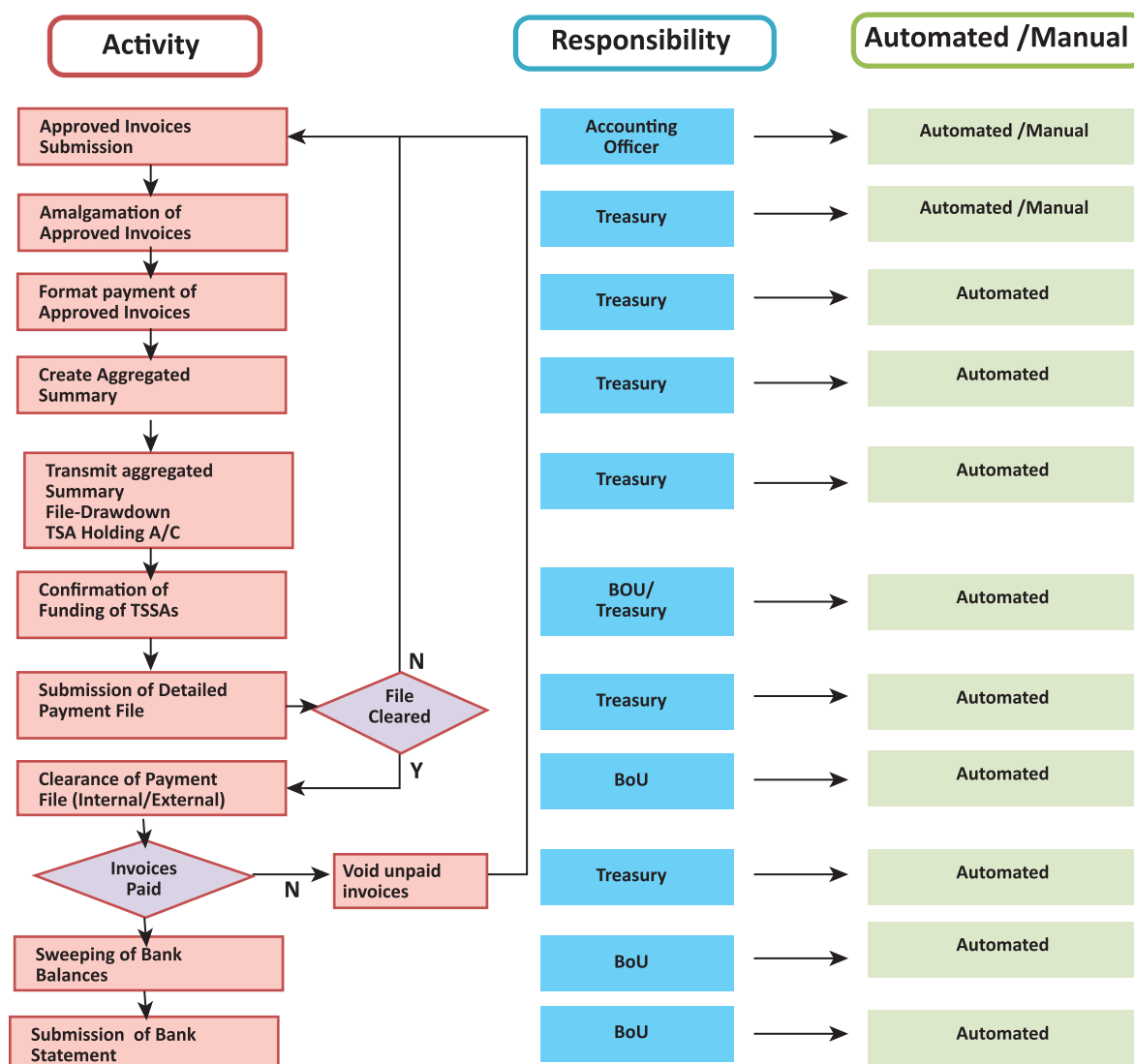


Source: MFPED, 2013

How does the TSA operate? Within the TSA framework, accounting officers are given quarterly releases under the instructions of the Permanent Secretary/Secretary to the Treasury (PS/ST). The process of generating payments starts with the MDAs approving payments from their TSA Subsidiary accounts and then sending instructions to the Treasury to generate a bank file for payment, as illustrated in Figure 3. A file is then created to debit the TSA main account and fund the TSA subsidiary accounts with the aggregated approved invoices per MDA. After an interval, the detailed “approved invoices payment file” is sent to BOU for clearance and payment. Accounting officers have a limit they cannot exceed without approval from the PS/ST. The TSA is operated

on a daily basis with unused funds “swept” into the consolidated account each evening. To reduce the mismanagement of the public funds and restore confidence in public finance management, the ministry has put a limit on cash advances and withdrawals. Prior to the TSA, there was no limit on the amount of cash withdraws by the ministries. Public servants can now withdraw only UGX 40 million per month. Over time, the ministry intends to make payments directly to service providers throughout the system.

Figure 3: TSA Payment Workflow



Source: MFPED, 2013

Benefits of TSA: stakeholders' views

Stakeholders from government ministries and departments that were interviewed reported that the implementation of the TSA system has so far ensured efficiency and accountability for public funds as well as improved reporting mechanisms.

Improved cash management; the implementation of the TSA has also led to improvements in the government's cash management by consolidating all

government funds into one account. As a result, the MFPED can now more easily monitor all government funds and allocations.

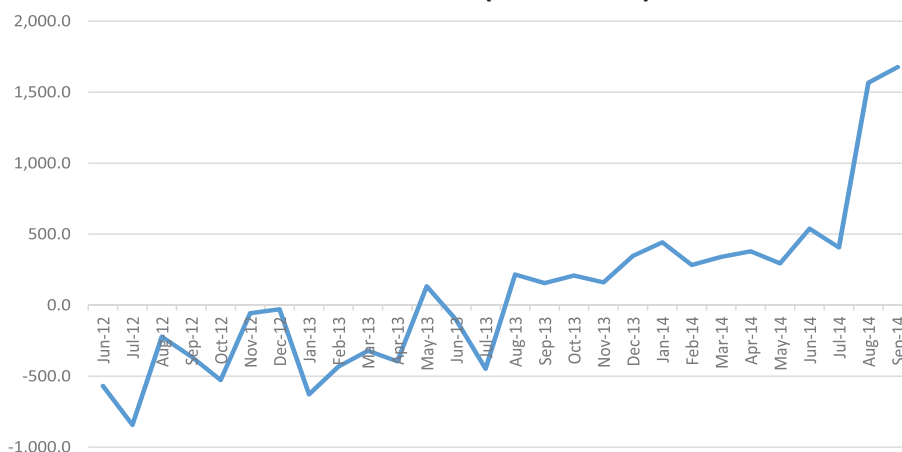
Improved absorption capacity; under this framework, money is released from the main TSA account to only TSA subsidiary accounts for approved invoiced expenditures on a daily basis. Unspent funds are swept back into main TSA account at the end of the day. As a result, accounting officers are more efficient in managing expenditures

and payments. In time, this aspect of TSA accounts is expected to improve the absorption capacity at the MDA level.

Reduction in government borrowing; the consolidation of all funds into one account has eliminated the occurrence of idle funds in scattered accounts, thus improving the government's liquidity position. With this framework, funds are released on a need basis and not based on appropriation. Government borrowing is likely to be reduced with the elimination of idle funds and the consolidation of scattered accounts at the MDA level. Although these things have

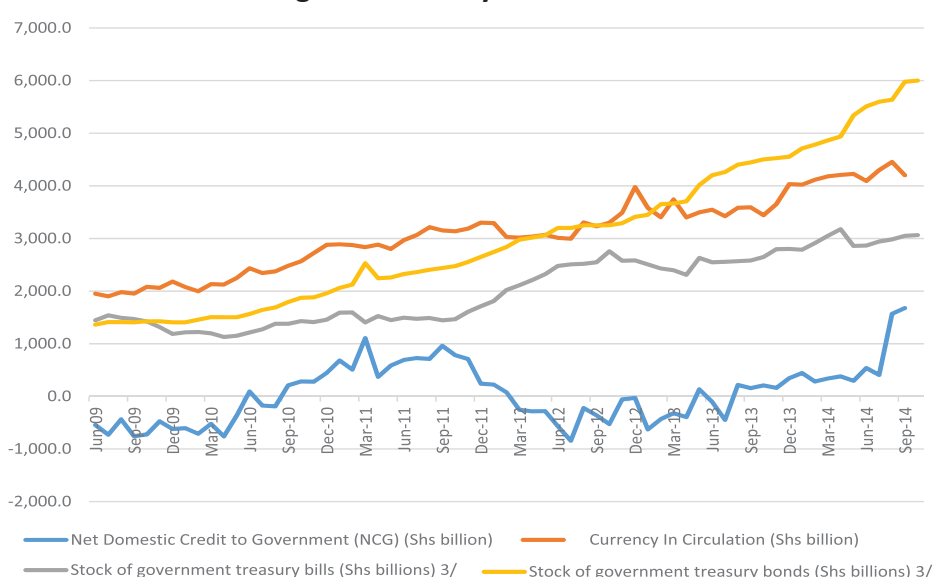
been reported by a number of stakeholders, statistics at the macro level do not support this view. Government borrowing both foreign and domestic continues to increase at a high rate. For example, domestic credit extended to the government has increased from UGX 113 billion in May 2013 to UGX 1,676 billion in September 2014 (Figure 4 and 5). The increase in domestic borrowing can have adverse macroeconomic consequences. A recent study by Lwanga and Mawejje (2014) has shown that domestic borrowing by government crowds out private investment through increased lending interest rates.

Figure 4: Net Domestic Credit to Government (UGX Billion)



Source: Bank of Uganda, 2014

Figure 5: Government Borrowing and Currency in Circulation



Source: Bank of Uganda, 2014

Reduced likelihood of the abuse of funds; as previously mentioned, Uganda has experienced the abuse of funds through dormant accounts and the use of cash transactions. The implementation of the TSA framework minimizes the misappropriation of funds through these avenues and imposes a cash limit at the MDA level, thereby reducing the opportunity for the abuse of funds.

Reduced transaction costs; before the introduction of the TSA, the ministry of finance operated many accounts in the central bank and various commercial banks. Operating many accounts increased the transaction costs in the form of bank charges, transfer costs and other related costs. With the closure of most accounts, the transactions costs should be reduced.

Challenges faced by the implementation of the TSA

Capacity to use the system and ICT-Related Challenges; informant interviews with various stakeholders revealed that there are still capacity gaps in terms of the skills required to use the TSA in some MDAs. In addition, the effective use of the TSA is constrained by network outages at the MFPED and the Central Bank. This hampers the day-to-day operations of officers who work with the system.

3.2 Integrated Financial Management System (IFMS⁴)

Due to increased demand for transparency and accountability in the management of public finances, the government of Uganda decided to implement an Integrated Finance Management System (IFMS) in 2003 funded under the Second Economic and Financial Management Project (EFMP II). Before the introduction of the IFMS, the existing financial management system had a number of issues that hindered the production of timely and accurate financial information for statutory reporting requirements and decision making in critical areas, such as budget planning, management, procurement and asset management (MFPED, 2013). At the time, the majority of government processes were largely manual due to the absence of computing hardware and application software. Although a few government ministries, agencies and local governments had stand-alone computerized systems (largely provided by donor governments and agencies), the fragmented and uncoordinated computerization resulted in a number of different systems with variations in how financial information was processed and presented. This further complicated the task of reporting. Thus, the government opted for the implementation of IFMS with the intention of improving and standardizing its financial information processing and reporting systems.

The implementation of IFMS is still on-

4 "An IFMS is a fiscal and financial management information system for Government that bundles all financial management functions into one suite of applications. In simple terms, it is an IT-based budgeting and accounting system that assists GOU entities to initiate, spend and monitor their budgets, initiate and process their payments, and manage and report on their financial activities. The IFMS can streamline all fiscal and financial management processes throughout Government and provide GOU with a modern budgeting and accounting system with state of the art functionality on which to undertake its national and public sector accounting and financial management" (MFPED, 2004)

going and is to be accomplished in phases. The first (pilot) phase covered 6 ministries and 4 local governments between February 2003 and October 2004. This phase covered key Expenditure Management Systems and included 1. Accounting and Reporting (General Ledger), 2. Budgeting, 3. Purchasing and Commitment Accounting, 4. Payments 5. Cash Management and Revenue Receipting/Accounts Receivable, 6. Purchasing and 7. Public Sector Budgeting, including Activity-Based Costing.

Since then, IFMS has been extended across all 22 ministries and 25 central government agencies. The IFMS has also been implemented in 8 local Governments with plans to extend it to 6 more districts as part of Tier 1 (based on Oracle financial application) IFMS implementation. Implementation of Tier 2 (based on MS Navision), which offers less complexity, has begun and is to be extended to all local governments.

The Integrated Financial Management System (IFMS) will eventually cover all major Government business processes including Budgeting, Accounting and Reporting, Purchasing, Payments / Payables, Revenue management, Commitment Accounting, Cash Management, Debt Management, Fixed Assets and Fleet Management, and Inventory/Stock Control.

Stakeholders' views on IFMS

The majority of the stakeholders consulted reported that the introduction of the IFMS improved public finance management by improving accountability (because every transaction leaves a digital footprint), improving efficiency by eliminating paperwork, reducing red tape created by unnecessary bureaucratic controls that

were in place before the introduction of IFMS and improving reporting; because data and information is now stored on the IFMS, producing reports is a quicker process.

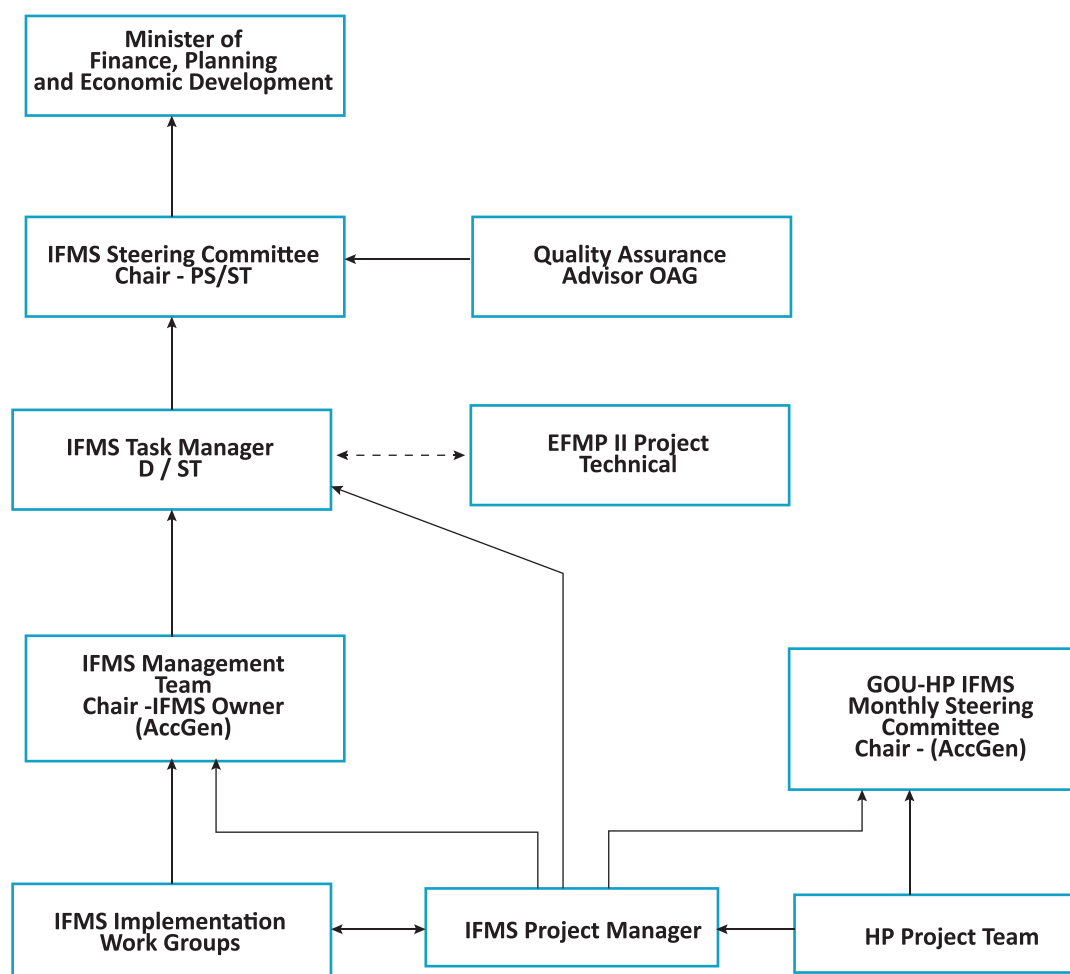
Despite the installation of the IFMS and its achievements mentioned above, public finance management is still a challenge in Uganda. As a result, the ministry introduced a number of reforms and measures to improve the effectiveness of the system, as follows:

Upgrading the Integrated Financial Management System (IFMS) with additional security features. These could include commitment control, which would allow entities to commit the Government only up to the level of appropriated funds.

Additionally, the system would be extended to cover all donor-funded projects and the remaining referral hospitals' and Local Governments' next fiscal year.

IFMS Governance Structures

Figure 6: IFMS Governance Structures



Source: (MFPED, 2013)

Challenges to the implementation of the new IFMS measures

Capacity to use the system; informant interviews with various stakeholders revealed that there are still capacity gaps in terms of the skills required to use the system, especially at the local government level. In some districts, the initial staff trained in using the IFMS have since moved on, leaving a capacity vacuum. In some places where system upgrades have been made, follow-up training has been inadequate and made the use of IFMS problematic.

ICT-Related Challenges (Network, system and server failures); interviews have revealed that the effective use of IFMS is constrained by network outages which sometimes last several days. This hinders the day-to-day work of the staff, especially where urgent and timely reporting or the execution of tasks is concerned. In addition, the smooth operation of the system is also hindered by occasional systemic or server failures, which hamper the work of officers using the system. To correct these failures, local governments have to rely on technical assistance from the center, which sometimes results in a lengthy delay.

Outreach; the IFMS system has not been implemented in all central government agencies and is in use by only some local governments. This limits the benefits of the system to just a number of agencies and local governments and these agencies and local governments cannot move at the same pace in terms of executing their day-to-day activities. This means that service delivery is not occurring at the same speed across local governments. Even where the system has been installed, not all modules have been effective, which has prevented the government from reaping the full benefits of the IFMS system.

3.3 Wage Bill and Payroll Management

Payroll management has been a challenge for the government of Uganda for some time. These challenges include inaccuracies in payroll, delays in salary payments, incorrect bank accounts, the presence of 'ghosts' on the payroll and so on. Because of these challenges, the government, in January 2014, decentralized payroll management and salary processing. Under the new payment system, accounting officers are required to verify and approve the payroll and each salary payment. The Ministry of Public Service, which previously managed the payroll, is limited to providing policy guidance, administration and monitoring. In addition to decentralizing the management payroll systems, a number of other measures have been introduced to better manage the wage bill and payroll. These include the following:

- Printing and displaying payrolls on public notice boards:
- Interfacing the Integrated Personnel and Payroll System (IPPS) with the IFMS:
- Entering staff lists into the Output Budgeting tool (OBT):

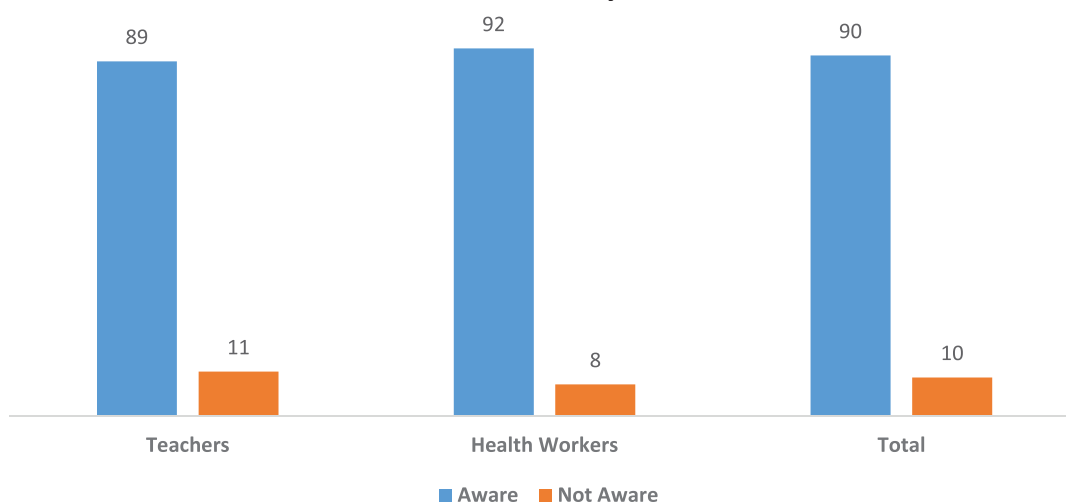
3.3.1 Decentralization of the payroll processing and salary payments

Interviews with key informants and other stakeholders indicated that the decentralization of the payroll has yielded positive results in terms of eliminating ghost workers, improving the timely payment of salaries, cleaning the payroll and auditing, improving service delivery through improved motivation and better staff supervision, improving the management of salary arrears and increasing the ease in deducting local service tax by the local government.

Eliminating "ghost" workers; because accounting officers are now in control of the payroll, it has become easy to monitor and confirm the number of local government employees and other service delivery units. This has helped eliminate "ghosts" on the payroll. There are indications from accounting officers both at the ministry and local government levels that since the implementation of this measure, they are paying less in salaries than before despite the salary increases made by the government this financial year. A preliminary audit of the wage bill from the office of the auditor general shows that between the first quarter of July to September 2014, the government saved approximately UGX 100 billion through the cleaning and verification of the payroll both at MDAs and local governments. If this is confirmed in the audit reports, we are likely to see a reduction in the government's total wage bill and, consequently, an improvement in services delivery as the money saved can be reallocated to other activities.

At the service delivery units, of the staff interviewed, 90 percent were aware of this reform and the majority reported that this

Figure 7: Awareness of the Decentralization of Payroll



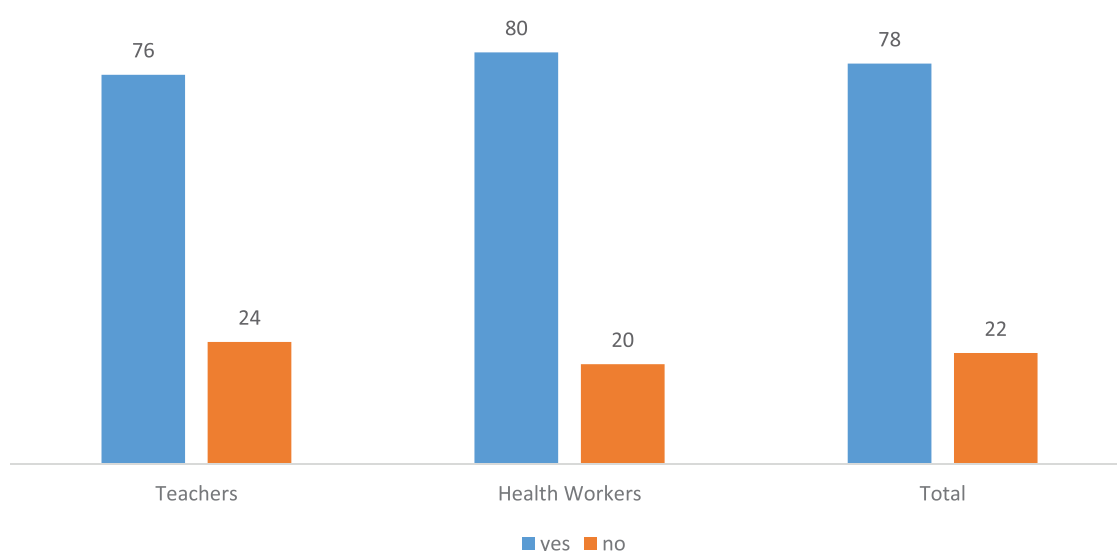
Source: Authors Own Calculations from primary data collection (October – November 2014)

measure was yielding positive results in eliminating ghost workers.

Timely payment of salaries; the measure has also improved the timely payment of salaries. The majority of the stakeholders interviewed both at the central and local government level, reported improvements in the timing of salary payments. Survey results indicated that 76 percent of the

teachers and 80 percent of the health workers reported an improvement in the timing of salary payments. Where delays occurred, blame was not apportioned to the MPS but to the late submission of payroll particulars by the accounting officers. This has put pressure on the accounting officers and made them more efficient in compiling and submitting the payroll to avoid antagonizing their staff.

Figure 8: Reported Positive Change in timing of Salary Payment



Source: Authors Own Calculations from primary data collection (October – November 2014)

Cleaning and auditing the payroll has been made easier; the decentralization of the payroll has made it easier and faster to add and delete staff on the payroll. In addition, it is easier to make corrections of staff information such as names or bank accounts as opposed to the former practice of writing to the Ministry of Public Service.

Improved supervision of staffs' performance; this measure has empowered accounting officers by giving them more control in the supervision of the performance of their staff. For example, if a teacher is to abscond from duty, the threat or actual deletion from the payroll enforces compliance. This has reduced absenteeism and has thus positively impacted service delivery. Additionally, the measure requires workers to sign in to the payroll. Although this is not done routinely in all local governments, it has helped reduce absenteeism and the occurrence of 'ghost' public servants on the payrolls.

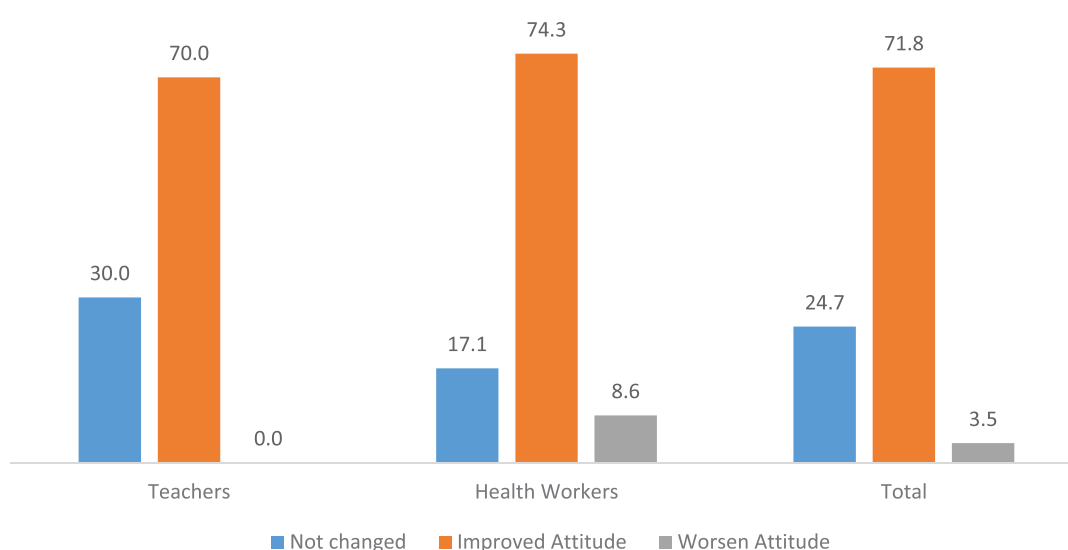
Staff motivation; the decentralization of the payroll has indirectly led to an improvement

in staff motivation. Survey results at the service delivery units revealed that 70 percent and 74 percent of teachers and health workers, respectively, reported an improved attitude toward their work (figure 3). The main reason for this improved attitude was the timely payment of salaries. Consequently, this improvement in attitude is likely to positively impact service delivery.

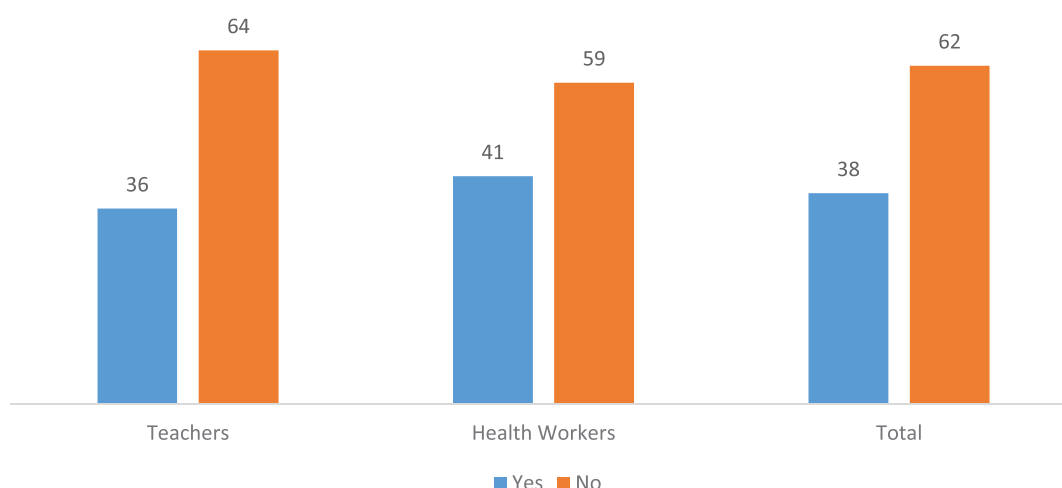
Local service tax; the decentralization of the payroll has made the deduction and receipt of local service tax easier. Local government can now directly deduct this tax during the compilation of the payroll.

Improved management of salary arrears; the decentralization of the payroll has had a positive impact on the management of salary arrears. Unlike the former, time-consuming practice of having to report missed salaries to the ministry of public service, accounting officers can now authorize the payment of missed salaries, and reduce the occurrence of salary arrears. This practice is possible for only salaries missed within an ongoing financial year (domestic arrears). Once the

Figure 9: Change in Attitude toward work as a result of payroll decentralization



Source: Authors Own Calculations from primary data collection (October – November 2014)

Figure 10: Reported Arrears

Source: Authors Own Calculations from primary data collection (October – November 2014)

arrears cross into another financial year, the responsibility of payment is with the MPS and the MFPED. Fieldwork results show a higher proportion of health workers, 41 %, having salary arrears compared to 36 % of teachers. Most of the reported arrears came into being before 2013. Most of the recent arrears came up as a result of the process of decentralizing the payroll. A number of workers' names were deleted from the payroll during this process, and these workers were not paid for some time, leading to an accumulation of arrears. In most cases, the arrears that arose as a result of the process of decentralizing the payroll have been cleared. The higher incidence of arrears for health workers vis-à-vis teachers is due to unpaid allowances.

Reported Challenges

Overall, the decentralization of the payroll has been welcomed widely by the stakeholders. The majority view is that this measure is bound to create efficiency and improvement in the delivery of public services. However, despite the merits, there are challenges identified by stakeholders in the decentralization of the payroll. Such

challenges include the following:

The cost of updating the payroll and effecting salary payments; for Local Governments not connected to the IPPS and IFMS, updating the payroll and effecting salary payment is done at the MPS and MFPED, respectively. This requires staff travelling to Kampala to carry out these functions, which are additional costs to the districts in terms of staff time and travel expenses. Staff like the CAO, human resource officer and the chief finance officer (CFO) spend on average 5 to 10 days every month out of the office for this purpose. This reduces the time allocated to other activities, which negatively impacts the quality of their performance and affects service delivery. It is estimated that approximately UGX 5 million are spent monthly in terms of per diem and other travel costs for a district/municipality not connected to IFMS. Considering there are 69 districts not connected to IFMS, about UGX 345 million is spent monthly to update the payroll and effect salary payments. This comes to an annual operational cost of approximately UGX 4.14 billion.

Increased workload for the human resource offices; in some districts that are understaffed, the management of payroll accounts for almost all of the time of human resource officers.

Network failures; sometimes the network fails, and this creates delays in the execution of payroll activities. This problem is common both at the ministries and the local government level.

Capacity gaps; as noted before, there are still capacity gaps in local governments with regard to using the IPPS and the IFMS.

The migration from the old system created problems; some of the problems caused by migrating from the old system have not yet been rectified. These include the omission of some staff from the payroll or some staff names sent to other districts, where they are deleted as ghost workers. This has resulted in some staff missing their salaries, and has led to a rise in salary arrears.

Managing salary loan deductions; a number of local governments surveyed reported having difficulties regarding effectively making salary loan deductions. The main issues are that making deductions involves substantial work and may require additional costs to facilitate the implementation of these deductions.

3.3.2 Printing and display of payrolls on public notice boards

Interviews with key stakeholders indicated that the display of the payroll on public notice boards yielded positive results in terms of identifying mistakes on the payroll. This measure has made it easier to identify errors and omissions on the payroll and made the cleaning and correction of the

payroll easier and faster. For example, in some places, it was discovered that some staff had been paid more or less than what they were supposed to earn. The display of the payroll has helped expose such anomalies. With the decentralization of the payroll system, such anomalies can now be corrected promptly. However, during our fieldwork observations, it was noted that not all local governments printed and displayed the staff payroll on the notice boards, thus limiting staff participation in eliminating the ghost workers and correcting errors and omissions in their salaries.

Reported challenges

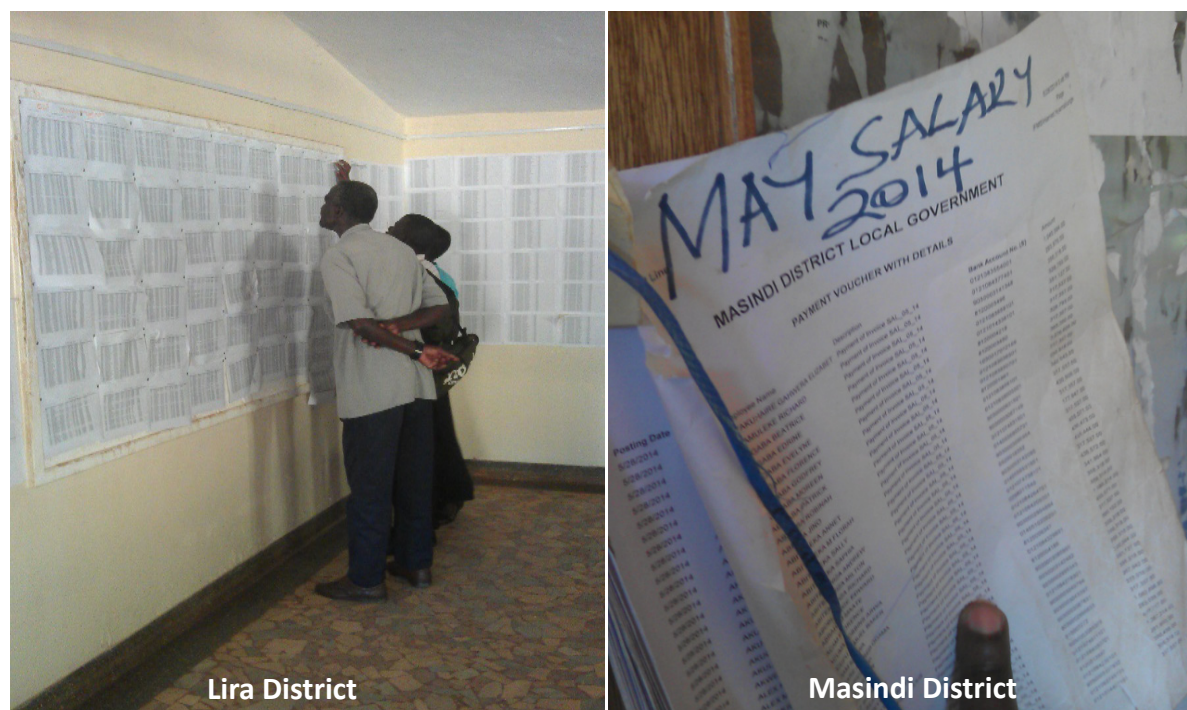
Despite the observed merits of this measure, there are still challenges and obstacles that need to be addressed to fully reap the benefits of this measure. Such limitations include the following:

Mode of implementation; survey findings show that not all service delivery units display the payroll. Thus, the intended benefits of displaying the payroll, such as the elimination of the ghost workers and the correction of errors and omissions, are not realized at all levels. This limits the effectiveness of this measure. For example, many schools and health facilities, especially those located further away from the district and municipality headquarters, could benefit greatly from this practice.

The way the payroll is displayed limits its use; currently the payroll is displayed without any filtering, which limits the depth of scrutiny and thus reduces the effectiveness of this measure. To make it more effective, staff names should be displayed according to their stations for easier identification.

The cost of publishing the monthly payroll;

Figure 11: Public Display of Payroll



Source: Picture Taken by Authors (October – November 2014)

some local governments reported that displaying the payroll is costly and this is why most of them limit it to the headquarters.

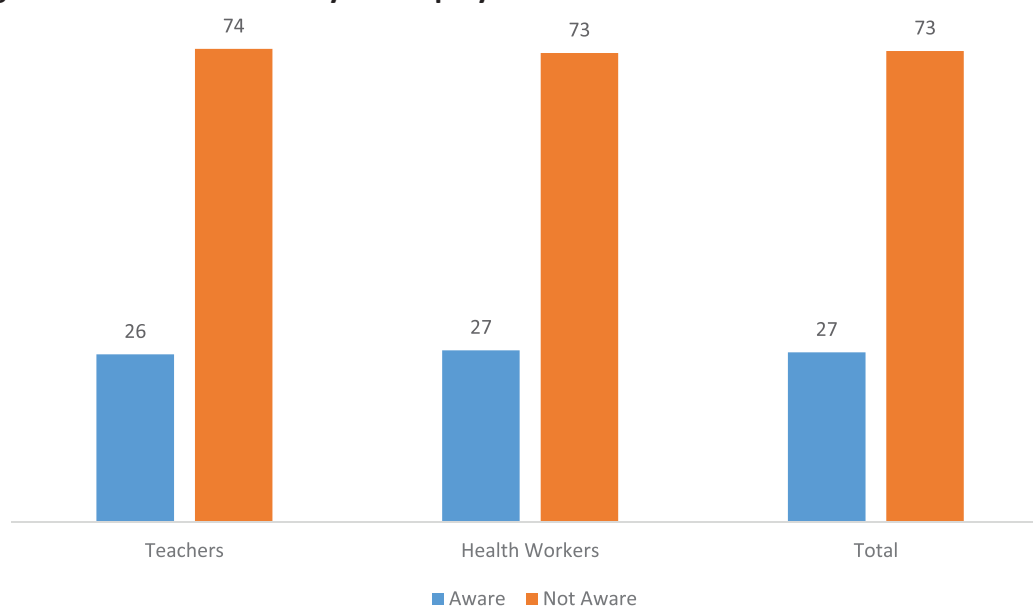
Awareness of and sensitization to the measure; there is still limited awareness among the stakeholders about the existence of this practice. This is especially prominent in local governments where the payroll is not displayed regularly and at service delivery units located further away from the district or municipality headquarters. The results from the field survey reveal that only 27 % of teachers and health workers were aware of this measure.

Infringement of privacy; while the majority of the stakeholders interviewed supported the display of the payroll, some saw this as an infringement of their privacy. A few respondents reported that their salary was a private matter and that displaying it on a public notice board violated their privacy.

3.3.3 Integrated Personnel and Payroll Management system (IPPS)

To improve payroll management and pension processing, the government introduced the Integrated Personnel and Payroll Management System (IPPS) under the Public Service Reforms Program in 2011. The IPPS is intended to meet the Government requirements for strengthened accountability and control by improving the management of the public service workforce and enhancing payroll and pension controls; improving the quality of human resource information available to decision makers; improving efficiency and consistency in payroll, HR processing, reporting and standardize pay and benefits business processes; and reducing duplication, paper flow and manual adjustments (MPS, 2011). The implementation of the IPPS has been performed in a phased manner and is still on-going. The first phase, or pilot, started in July 2010 and ended in June 2011. It covered

Figure 12: Awareness of Payroll Display



Source: Authors Own Calculations from primary data collection (October – November 2014)

eleven sites, which included four ministries, four national service commissions, one department and two local governments. The second phase began in July 2011 and is expected to be completed by June 2015. So far, 66 MDA, 42 districts and 21 municipalities are connected to the systems.

IPPS is expected to enable the Government of Uganda to carry out human resource planning, have better system controls and accountability, improve transaction processing through the real time processing of HR transactions, improve reporting capability in terms of the number and variety of Human Resource-related reports, adopt best Human Resource practices, and provide early alerts to action Officers at various stages of the HR processes, among others (MPS, 2011).

The IPPS will be phased in. The first phase will be the pilot phase (1 July 2010 to 30 June 2011) followed by a rollout implementation (Phases 2 to 5 i.e., from 1 July 2011 to 30 June 2015). At the end of these phases, the

IPPS will have been implemented across all Ministries, Departments, Agencies and Local Governments (MPS, 2011).

The IPPS has the following key features:

- a) Human resources module to support recruitment and selection, for performance management and establishing control over promotion and leave management
- b) Payroll and Pensions module, for processing and control;
- c) Benefits and self-service module, for accumulated travel and subsistence benefits management with a self-service portal.

In this arrangement, the Ministry of public service processes all employee master information from recruitment to separation, assisted by the different service commissions. The processing of the computerized payrolls for MDAs and local governments is done by the accounting officers and chief administration officers at their centers (MFPED, 2012).

Interfacing IPPS with IFMS

Interfacing IPPS with IFMS; interfacing the two systems started in January 2014. This aimed to improve salary payments through the IFMS as the sole Government payment system, accelerate the processing of the payroll and the approval of salary payments, accelerate the detection of errors and omissions in the payroll, and strengthen the control measures of the data contained in the IPPS. So far, over 66 MDAs and local governments connected to IFMS have been interfaced with IPPS. Plans are underway to cover all local governments that are connected to IFMS.

However, despite the noted benefits, the process of interfacing the system has faced some challenges, which are noted below:

Capacity Gap in Using the Two systems; there is inadequate verification of the payroll by the accounting officers. It was reported that there is some level of inefficiency in checking and verifying the payroll by the Accounting Officers such that ghosts can easily be created and paid through the system. Limited staff at the MPS to input and verify data from the MDAs and LGs contributes to this problem. Key ministries and sample local governments reported a lack of staff capacity in terms of numbers and expertise to enter data into the system and process reports.

Incidence of errors in the payroll from Ministry of finance; in 4 of the sampled local governments, there were instances where they identified some ghost workers originating from the Ministry Finance payroll. This can arise either at the MPS while entering data into the IPPS system or at the MFPED while entering IFMS for

payment.

ICT-related Challenges, such as Overload of IFMS; some of the local governments reported that while entering data into the IPPS system, these data overload the IFMS and delays the processing of reports and the approval of payments.

3.3.4 Implementing the output based tool (OBT)

The OBT is a budgeting tool that is used by the ministry of finance to coordinate budget implementation in terms of work plans, outputs and expenditure. At the beginning of every fiscal year, line ministries, government departments, and agencies and local governments generate data on staff names and work plans within the budget as provided by budget a framework paper that indicates planning figures. The work plans are matched with anticipated outputs and expenditure estimates. On a quarterly basis, the ministry of finance generates reports to monitor the progress of budget implementation at the different levels of government.

Interviews with key stakeholders indicated that entering data into the OBT has yielded positive results in terms of improving budgeting and reporting, reducing ghost workers and pupils in UPE and USE, improving record keeping, and helping monitoring and evaluate budget implementation.

Despite the noted achievements, the OBT has some challenges:

The OBT is IT based; the survey findings reveal that most of the senior staff at local governments are not IT compliant with modern computer applications and their

participation with the OBT data on work plans is limited. The generation and entering of the OB data are limited to staff who are trained to work within the OB system. There is thus a need to enable the senior staff to use the OB system.

The OBT keeps changing; survey findings show that although the OBT has been in place since 2010, it is not yet standardized in terms of operating codes and indicators, with the indicators and operating codes continually changing. The ever-changing OB system is thus difficult to follow at both the MDA and local government levels. The staff has to travel frequently to the ministry of finance to obtain further instructions on how to enter their data into the OBT. At times, the adjustments in the OB system contribute to a loss of some key indicators.

The OBT misses key outcome indicators; while the system allows work plan data, expenditure indicators and output indicators to be entered, it does not include key outcome indicators that could help make better judgments regarding budget implementation.

The OBT is also not yet online or web based; the OBT is housed in the ministry of finance and all the MDAs and local governments' technical staff have to submit both a soft and hard copy to the ministry of finance, which further consolidates all reports into a single report.

3.4 Improving Budget Formulation

To improve the formulation of the budget, the ministry intends to implement a number of reforms and measures. These include upgrading the Output Budgeting Tool (OBT) to enhance its functionality and coverage

by converting it to an online system. This is intended to make it comprehensive and more secure. The OBT will also be interfaced with other Government systems, such as the Integrated Financial Management System (IFMS), the Integrated Personnel and Payroll System (IPPS) and the Human Resources Information Management System (HMIS), etc. The automated OBT will allow for the proper alignment of budgets, work-plans, procurement plans, monitoring and accountability. It will also facilitate the integration of budgeting and accounting systems for better budget execution and control as well as reconciliation of budget performance information. The reforms further include the extension of the Performance Based Budgeting System and the use of the OBT to all Government parastatals and Semi-Autonomous Agencies, which were previously not part of the Government.

3.5 Improving Budget Implementation, Monitoring and Reporting

The government has initiated new measures to improve budget implementation, monitoring and reporting. Among these is a measure that limits quarterly cash releases to MDAs and direct transfer of funds to schools, town councils and health centers, and strengthens performance reporting and budget monitoring.

3.5.1 Direct transfer of funds to service delivery Units

Since the financial year 2013/14, the ministry of finance has been transferring funds directly to Town Councils and Schools. This measure was intended to reduce delays in fund transfers and reduce the misappropriation of funds by accounting officers. This measure was extended to

Health Centers in financial year 2014/15.

Stakeholders interviewed about this measure had mixed views about it. Although officials from different ministries and heads of the various service delivery units, such as schools and health centers, saw it as a good and effective measure for reducing delays in fund transfers and the misappropriation of funds, some local government officers were concerned about this measure. Local government leaders noted that although service delivery units in the district were accountable to the CAO, when they receive money directly from the center they are reluctant to pass on accountability to the CAO. Second, information from the MFPED about releases of these funds reaches the CAOs offices late, making the monitoring and evaluation of the activities of the service delivery units rather difficult.

In some incidents, it was noted that the CAOs office did not know the actual amounts released, which makes accountability difficult. It was also noted that fraudulent behavior might occur as a result of this practice. In some districts, the leaders stated that the funds set aside for monitoring the projects of the service delivery units were inadequate and thus that they need more funds from the central government to improve the value of money and service delivery. Some local government leaders indicated that service delivery units receiving money directly from the central government should account directly to the central government. Although this would address the concerns of the local government leaders, it seems quite impractical in terms of cost and outreach. We thus recommend that there should be timely communication from the central government to local

governments about the releases and that reporting mechanisms between the local governments and the service delivery units should be strengthened.

3.5.2 Performance reporting

This measure requires all accounting officers to submit timely and quality performance reports indicating how the funds released to them were utilized. This is intended to track the implementation of government programs and improve accountability in the use of public resources.

Quarterly performance reporting on the budget implementation

Quarterly performance reporting is a directive from the ministry of finance for all permanent secretaries, executives of government departments and agencies, chief administrative officers and heads of service centers such as the headmasters and health center administrators. Accordingly, progress reports on budget implementation at the ministry and local government levels in terms of activity, outputs and expenditures are submitted against the budget. Subsequent budget releases are based on the approval of these reports.

Stakeholder consultation confirmed that these reports are generated quarterly. At the ministry level, the reports are directly submitted to the ministry of finance. Quarterly reporting is required of all local governments. Chief administrative officers and their heads of departments prepare quarterly reports and submit them to the ministry of finance. This is followed by the head of departments submitting their sub-reports to the line ministries such as health and education for information and for subsequent technical follow up on some

programs.

At the school and health center levels, the reporting channels are clearly laid out. The health units have a reporting mechanism that feeds into the health management information system that is first approved by the health unit management committee; then, the report is approved by the district sub-accountant at health center IV and finally submitted to the district medical officer (DMO) for final compilation into the district's consolidated report. At the school level, the headmaster reports quarterly to the sub-county chief and to the district education officer, who then compiles the reports into the district's consolidated report. The figure below explains the evaluation framework adopted to examine the effectiveness of on-going public finance management reforms. There are challenges to the implementation of this measure:

Understaffing; at the MDA and local government levels, this was reported to be a major challenge to the timely production of quarterly reports. The freeze on staff recruitment by government has continued to affect the efficiency of service delivery at all levels of budget implementation. In some local governments, for example, staffing levels are below 50 percent, which has a negative effect on the ability to achieve quality service delivery.

Late funds releases; this affects more of the local governments. The ministries under the TSA system are not affected by this challenge as funds are released through approved and invoiced expenditures. Although funds are supposed to be released at the beginning of the quarter, funds for the first quarter were released in late august and those for the

second quarter were released in November. This affects procurement schedules and timely project implementation. Thus, the goal of submitting progress reports by the 15th of the month at the beginning of the quarter cannot be met by most local governments. This likely affects budget absorption by the end of the financial year.

3.5.3 Budget Monitoring:

Budget monitoring is the responsibility of the Budget Monitoring and Accountability Unit (BMAU) in the MFPED. This unit has intensified the monitoring and implementation of various government programs with emphasis on the major sectors of Agriculture, Education, Energy, Health, ICT, Industrialization, Microfinance, Roads, and Water and Sanitation.

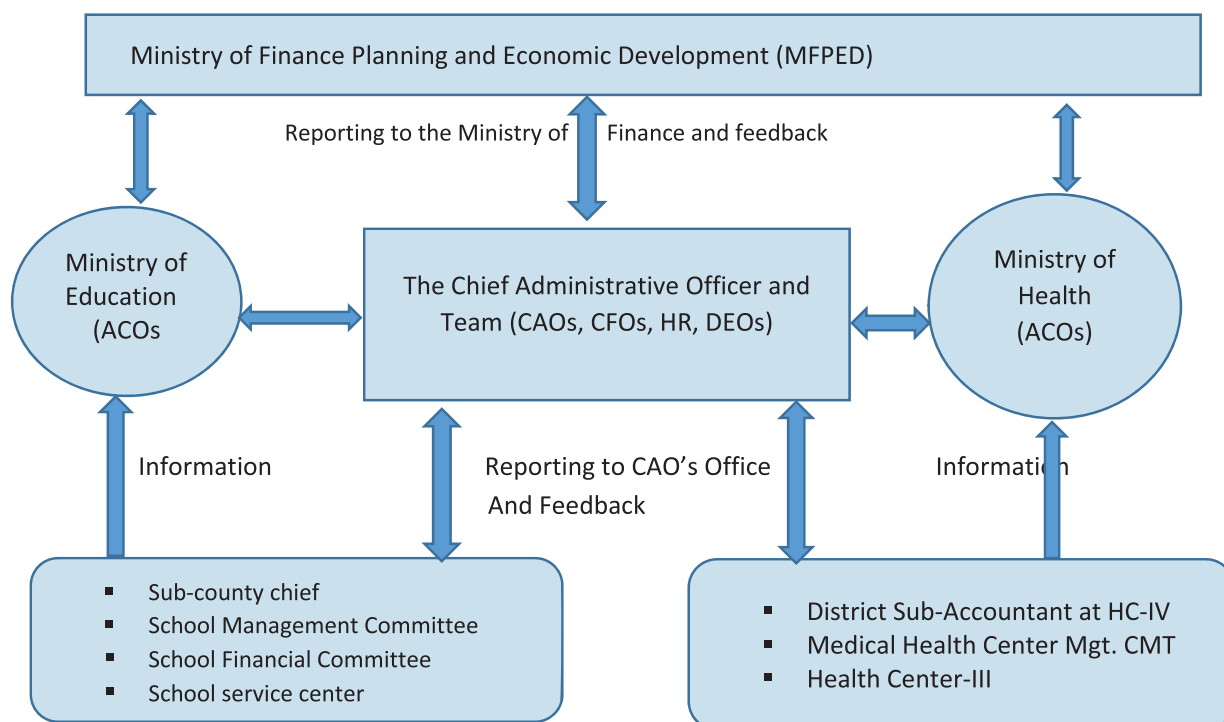
Stakeholder views on budgeting monitoring

Stakeholders interviewed observed that budget monitoring should move beyond the budgeting unit to a systematic monitoring and auditing of all government activities to improve service delivery. The system should be designed to effect monitoring and auditing at all levels. The delivery of services goes beyond management of money and thus the accountability framework needs to be adjusted to reflect this; auditing should go beyond financial accountability and encompass the auditing of actual services delivered. The principle of value for money should be instilled in all government activities.

3.6 Strengthening Budget Transparency

The government has recently implemented a number of measures to improve budget transparency. Such measures include the publication of quarterly releases, quarterly media briefings on the release

Figure 13: Quarterly Performance Reporting Framework



Source: Constructed by the Authors, November, 2014.

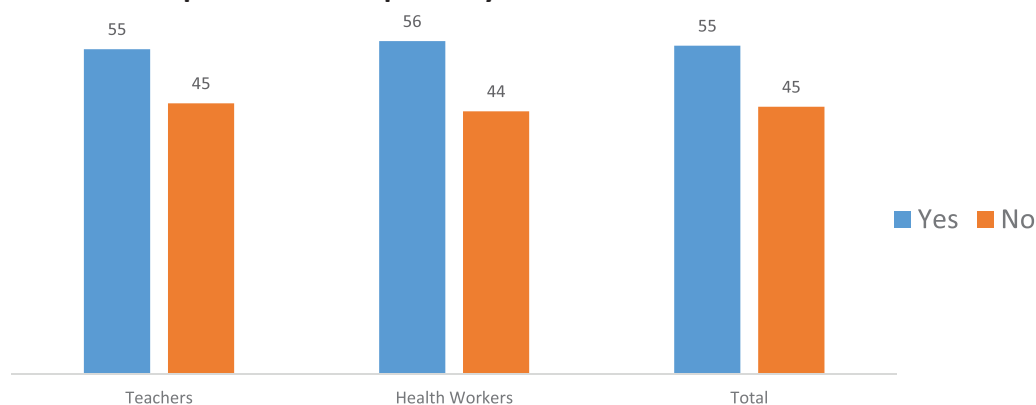
of government funds, and the creation of a budget Information website. The objective of the new measures is to provide information to stakeholders and the public for the purposes of monitoring government expenditure.

3.6.1 Publication of quarterly and quarterly media briefing

Details of quarterly releases by the Vote, Program and Project for central government

institutions and by the Vote and Grant for local governments are published in the major newspapers. In addition, the MFPED convenes quarterly media briefings on the release of Government funds. The objective is to provide information to stakeholders and the public for the purpose of monitoring government expenditure. Fieldwork findings show that 55 percent of the teachers interviewed were aware of this measure compared to 56 percent of medical workers.

Figure 14: Aware of the publication of quarterly releases



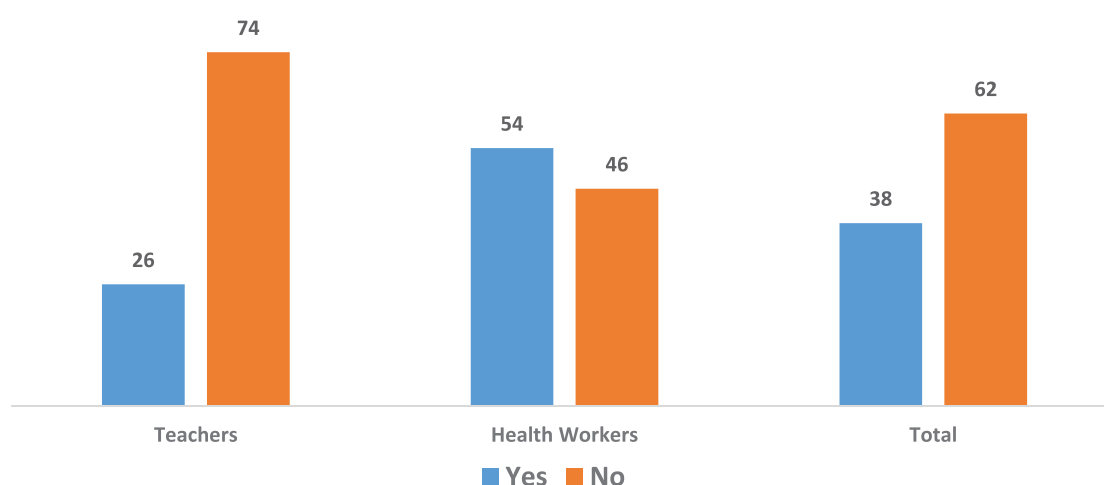
Source: Authors Own Calculations from primary data collection (October – November 2014)

3.6.2 Budget information website (www.budget.go.ug)

A budget monitoring website was created with the aim of providing the public access to detailed and accessible information about how public funds are being spent. This mechanism aims to mobilize the public to better monitor the quality of service delivery and provide feedback through the different local intermediaries.

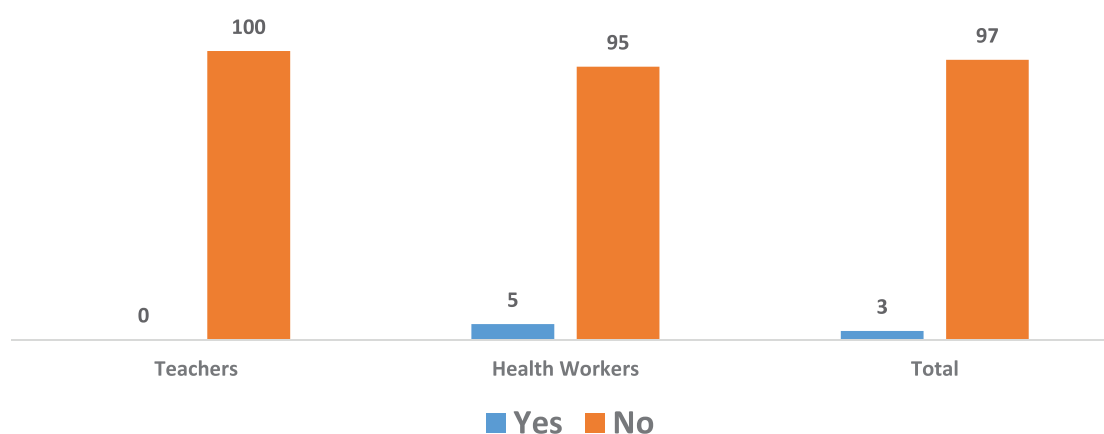
This measure, although very good, has limitations in terms of access and use. The majority of stakeholders we interviewed expressed ignorance of its existence, and those who knew about it had either not used it before or found that it was not user friendly. Improvement of the website and publication of its existence will make this measure more useful to those who have access to the internet

Figure 15: Access to the Internet



Source: Authors Own Calculations from primary data collection (October – November 2014)

Figure 16: Awareness of Budget Monitoring Website



Source: Authors Own Calculations from primary data collection (October – November 2014)

4.0 CONCLUSIONS AND EMERGING POLICY RECOMMENDATIONS

4.1 Conclusions

Overall, the reforms and measures under review have positively improved public finance management. This has been demonstrated by the timely disbursement of funds to service delivery units, timely salary payments, the improved accuracy of the payroll, and the reported reduction in the total public wage bill. However, despite these improvements, there are still issues with the implementation of these reforms, which hamper the effectiveness of Uganda's public finance management and affect the delivery of public services. These challenges include limited coverage of the IFMS and IPPS, limited interfacing of the IFMS with IPPS and OBT, limited internet and other infrastructure coverage, and a shortage of technical capacity expertise to operate the IFMS, IPPS and OBT systems.

4.2 Emerging Policy Recommendations

A critical review of the on-going public finance management reforms has produced the following policy recommendations:

Accelerate the Interfacing of IPPS with IFMS. Although, at MDA levels, there is some improvement in interfacing IFMS with IPPS in payroll management, at local government level, there is need to more quickly interface the systems to improve accountability and monitoring budget performance.

The OBT should be online and internet based. The OBT is currently housed and accessed at the ministry of finance. The technical staff from the MDAs and local

governments submit their budget reports to the ministry of finance, which uses the reports to generate consolidated quarterly reports on budget performance. Making this tool web based would reduce travel and other expenses incurred by the MDAs and local governments, who constantly travel to the ministry of finance.

Roll out the IFMS and IPPS systems to regional as an intermediate intervention.

To reduce the costs of implementing the reforms at the local government level, there is a need to establish well-equipped regional centers that local governments could effectively report to through IFMS and IPPS. Although 42 districts and 20 municipalities are connected to the IFMS and IPPS, access is still limited to a few centers. This will also accelerate the connectivity of the remaining districts to the regional centers.

Improving quarterly reporting and accountability.

It was generally reported at local government levels that the delays of quarterly budget releases are a major constraint to timely reporting and accountability of funds. To improve this, the government should be committed to releasing funds at the beginning of every quarter, which will improve budget absorption.

Display of the payroll on local government notice boards.

To effectively clean the payroll, correct errors and omissions in staff salaries and eliminate ghost workers, payroll should be displayed at all service delivery units, such as schools and health centers. Further, the payroll should be filtered and displayed according to station to improve scrutiny of the payroll.

Direct funding to schools and health centers. To improve efficiency in budget implementation, we recommend that the ministry of finance provide timely information on the details of fund releases to service centers, such as schools and medical health centers, to the CAOs for effective monitoring of the use of funds at these points. Additionally, the service center managers, such as the headmasters and medical health center supervisors must adhere to good practices of budget reporting and report to the local governments' accounting officers on fund releases and budget expenditures. To effectively monitor the use of funds at these units, the CAOs, the LCV and LCIII chairpersons and the district resident officers should be involved in monitoring the use of funds at the schools and medical health centers for effective service delivery.

Implement other public service reforms.

For Uganda to improve in the overall delivery of public services, there is a need to move beyond the reforms reviewed in this study. Creating a system alone, without improving productivity or changing the mindset of the civil service might not be enough. There is a need to address the root causes of inefficiency in service delivery and the misuse of public funds. Measures such as the introduction of performance contracting may be suitable to improve the efficiency of public service. Through this measure, public servants would have target-oriented contracts that condition renewal or promotion on the servant's performance in terms of the attainment of the set targets. This measure, however, requires not only the political will but also the amendment of existing laws to permit the employment termination of public servants who are

unable to perform tasks satisfactorily.

There is also a need to review and audit the structure of public service with the aim of restructuring and reducing the size of public service. A reduction in the size of public service would go a long way in cutting the current ballooning public wage bill. The review would further ascertain the optimal number of civil servants and ensure that the right people with the right qualification and competences are serving in the right places.

In addition, there is need to revise the public sector salary structure and make it comparable with that of the private sector. We should aspire to attain a smaller, efficient but well paid public sector. Better payment of civil servants will reduce the need to embezzle government funds to improve their efficiency.

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LIST OF KEY INFORMANTS INTERVIEWED

1. Mr. Mwamba Wycliffe, Assistant Commissioner Accounts, Ministry of Health
2. Mr. Joseph Enyimu, Ag. Assistant Commissioner, Economic Policy and Research Department, Ministry of Finance Planning and Economic Development
3. Ms. Rosetti Nabbumba Nayenga, Deputy Head/Technical Monitoring Officer. Budget Monitoring and Accountability Unit, Ministry of Finance Planning and Economic Development
4. Mr. Stephen Mugenyi, Principal Economist/Ag. Assistant Commissioner, Policy and Planning, Ministry of Public Service
5. Mr. Lubwama Musaasizi Jimmy, Assistant Commissioner Accounts, Ministry of Education and Sports
6. Mr. Mugume Cedric, Senior Accountant, Ministry of Education and Sports
7. Ms. Turyasirwa Edith, Deputy Chief Administrative Officer, Mityana District Local Government
8. Ms. Namigadde Lovincer, District Education Officer, Mityana District Local Government
9. Mr. Kyagera Robert Albert, District Planner, Mityana District Local Government
10. Mr. Diika Livingstone, Chief Finance Officer, Mityana District Local Government

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26. Mr. Katusabe Mugisa, Senior Assistant Accountant, Masindi District
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29. Mr. Awio Patrick, Principal Treasurer, Lira Municipal Council
30. Mr. Apio Christine, Human Resource Management, Lira Municipal Council
31. Mr. Otoa Isaac, Director of Studies, V.H Public School, Lira Municipal Council
32. Mr. Ssentongo Badru, Assistant Chief Administration Officer, Nakaseke District
33. Ms. Navubya Imelda, Senior Human Resource Officer, Nakaseke District
34. Mr. Ssenyondwa David, Head Teacher, Kiwoko C/U Primary School, Nakaseke District
35. Mr. Sande Kyomya Christopher, Chief Administration Officer, Dokolo District
36. Mr. Kabundih Ntambi Edmond, Ag. Chief Finance Officer/Senior Accountant, Isingiro District
37. Ms. Ahabwe Irene, Ag. Personnel and Human Resource Officer/ Ag. CAO, Isingiro District
38. Mr. Kabikire Nathan, District Education Officer, Isingiro District
39. Mr. Eswilu Donath, Ag. Chief Administration Officer, Isingiro District
40. Mr. Deo Ndimu, Town Clerk, Bushenyi-Ishaka Municipal Council
41. Mr. Tumushime Charles, Principal Hospital Administrator, Mbarara Regional Referral Hospital
42. Mr. Muganzi Stephen Merengye, Human Resource Officer, Mbarara Regional Referral Hospital
43. Mr. Muhoozi Patrick, Chief Finance Officer, Kiruhura District
44. Ms. Kyomukama Phoebe, Finance Officer, Kiruhura District
45. Mr. Baguma Moses, Senior Accounts Assistant, Kiruhura District

46. Ms. Agaba Kasigwa Justine, Project Manager, IPPS, Ministry of Public Service

Annex 1: Rollout Plan for FY2014/15 to FY2016/17

A	IPPS PLANNED ROLLOUT IN FY2014/15 - 52 VOTES		
1	Directorate of Public Prosecutions		District Local Governments & Municipal Councils
2	Directorate of Citizenship and Immigration Control	22	Adjumani
3	Electoral Commission	23	Apac
4	Human Rights Commission	24	Arua
5	Inspector General of Government	25	Bugiri
6	Kampala City Council Authority	26	Bundibugyo
7	Local Government Finance Commission	27	Busia
8	National IT Authority - NITA-U	28	Gulu
9	National Planning Authority	29	Hoima
10	National Environment Management Authority (NEMA)	30	Iganga
11	Office of the Auditor General	31	Jinja Municipal Council
12	Uganda Aids Commission	32	Kabale
13	Uganda Blood Transfusion Services	33	Kalangala
14	Uganda Cancer Institute	34	Kapchorwa
15	Uganda Heart Institute	35	Kisoro
16	Uganda Land Commission	36	Kitgum
17	Uganda Law Reform Commission	37	Kumi
18	Uganda National Roads Authority	38	Kyenjojo
		39	Luwero
	Referral Hospitals	40	Masindi
19	Butabika Hospital	41	Mubende
20	Lira Hospital	42	Mukono Municipal Council
21	Mbale Hospital	43	Nakasongola
		44	Nebbi
		45	Ntungamo
		46	Pader
		47	Palisa
		48	Rakai
		49	Rukungiri DLG
		50	Sembabule
		51	Tororo
		52	Wakiso

B IPPS PLANNED ROLLOUT IN FY2015/2016 - 67 VOTES			
	Agencies		District Local Government & Municipalities
1	National Agricultural Advisory Services	33	Hoima District
2	National Agricultural Research Organ.	34	Kabarole District
3	National Forest Authority	35	Kamuli District
4	National Medical Stores	36	Kasese District
5	Parliamentary Commission	37	Katakwi District
6	Public Procurement and Disposal of Assets Authority - PPDA	38	Kiboga District
7	Uganda Bureau of Statistics	39	Kotido District
8	Uganda Coffee Development authority	40	Lira Municipal Council
9	Uganda Cotton Development Organization	41	Masaka Municipal Council
10	Uganda Industrial Research Institute	42	Mbale Municipal Council
11	Uganda National Bureau of Standards	43	Mbarara Municipal Council
12	Uganda Registration Services Bureau	44	Mukono District
13	Uganda Road Fund	45	Soroti Municipal Council
14	Uganda Tourism Board		
	Referral Hospitals	B2	Rollout Subject to IFMS WAN/LAN Availability by June 2015
15	Arua Referral Hospital	46	Arua Municipal council
16	Fort Portal Referral Hospital	47	Entebbe MC
17	Gulu Referral Hospital	48	Equal Opportunities Commission
18	Hoima Referral Hospital	49	Fort Portal MC
19	Jinja Referral Hospital	50	Gulu MC
20	Kabale Referral Hospital	51	Ibanda DLG
21	Masaka Referral Hospital	52	Kabale MC
22	Mbarara Referral Hospital	53	Kanungu DLG
23	Moroto Referral Hospital	54	Kayunga DLG
24	Mubende Referral Hospital	55	Kibale DLG
25	Naguru Referral Hospital	56	Kiruhura DLG
26	Soroti Referral Hospital	57	Koboko DLG
		58	Lyantonde DLG
		59	Mayuge DLG
	Public Universities	60	Mityana DLG

27	Busitema University	61	Moroto DLG
28	Gulu University	62	Moroto MC
29	Kyambogo University	63	Moyo DLG
30	Makerere University	64	Nakaseke DLG
31	Makerere University Business School -	65	Sironko DLG
32	Mbarara University of Science and Technology - MUST	66	National Animal Genetic Resource Centre and Data Bank
		67	Tororo MC
C	IPPS PLANNED ROLLOUT IN FY2016/2017 - 63 VOTES		
	IPPS Rollout is subject to IFMS WAN/LAN Availability by June 2016		
1	Abim District	33	Kasese Municipal
2	Agago District	34	Kibuku District
3	Albetong District	35	Kiryandongo District
4	Amolator District	36	Kole District
5	Amudat District	37	Kween District
6	Amuria District	38	Kyankwanzi District
7	Amuru District	39	Kyegegwa District
8	Budaka District	40	Lamwo District
9	Bududa District	41	Luuka District
10	Buhweju District	42	Lwengo District
11	Buikwe District	43	Manafwa District
12	Bukedea District	44	Maracha-Terego District
13	Bukomansimbi District	45	Masindi Municipal
14	Bukwo District	46	Mitooma District
15	Bulambuli District	47	Nakapiripit District
16	Bulisa District	48	Namayingo District
17	Busia Municipal	49	Namutumba District
18	Butaleja District	50	Napak District
19	Butambala District	51	Ngora District
20	Buvuma District	52	Ntoroko District
21	Buyende District	53	Ntungamo Municipal
22	Dokolo District	54	Nwoya District
23	Gomba District	55	Otuke District
24	Hoima Municipal	56	Oyam District
25	Iganga Municipal	57	Rubirizi District
26	Ishaka Municipal	58	Rukungiri Municipal
27	Isingiro District	59	Serere District
28	Kaabong District	60	Sheema District
29	Kaberamaido District	61	Tororo Municipality

30	Kaliro District	62	Yumbe District
31	Kalungu District	63	Zombo District
32	Kamwenge District		

Source: MPS

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