

# Vote: 141 URA

## Vote Summary

### VI: Vote Overview

This section sets out the Vote Mission, Strategic Objectives, and provides a description of the vote's services

#### (i) Snapshot of Medium Term Budget Allocations

Table V1 below summarises the Medium Term Budget allocations for the Vote:

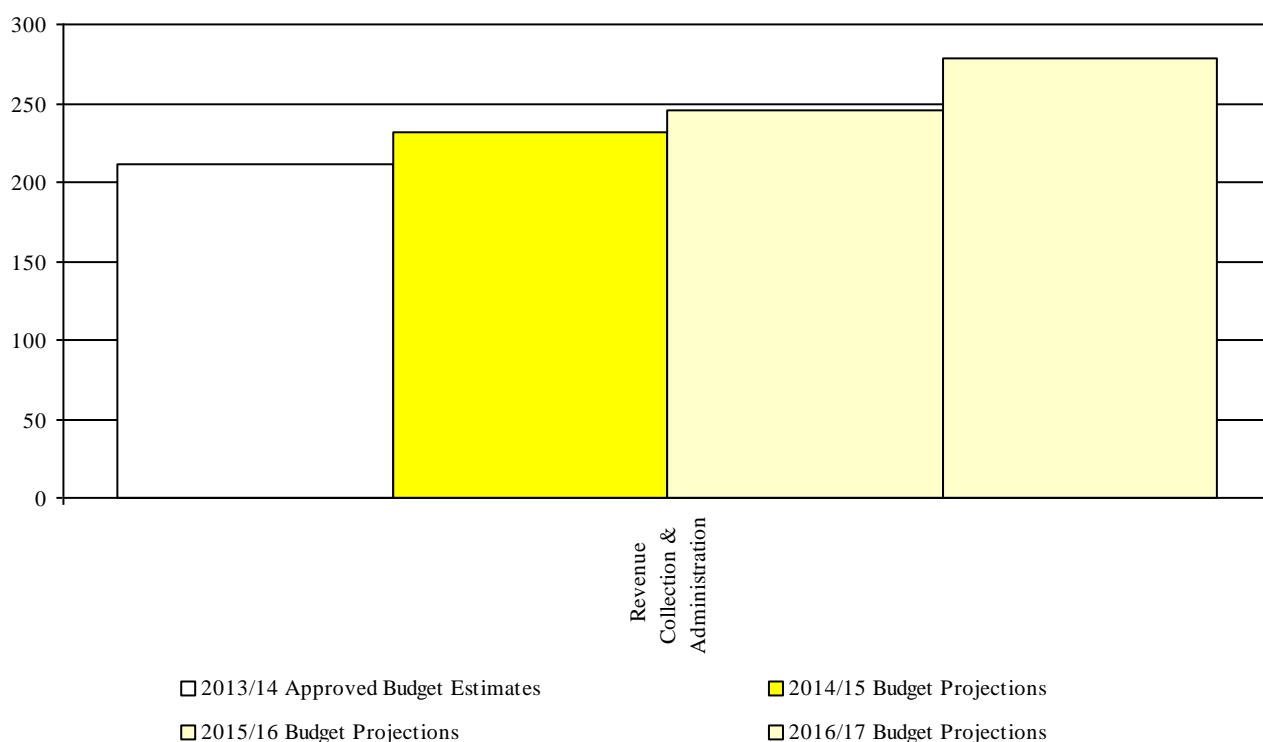
**Table V1.1: Overview of Vote Expenditures (UShs Billion)**

	2012/13 Outturn	2013/14		MTEF Budget Projections		
		Approved Budget	Spent by End Dec	2014/15	2015/16	2016/17
<i>(i) Excluding Arrears, Taxes</i>						
Recurrent Wage	107.132	107.132	53.566	107.132	107.132	136.753
Recurrent Non Wage	82.589	84.089	41.320	84.089	92.077	95.760
Development GoU	17.400	17.400	9.917	37.400	43.758	45.508
Development Ext. Fin	0.000	2.433	0.000	2.490	1.994	0.000
<b>GoU Total</b>	<b>207.120</b>	<b>208.620</b>	<b>104.802</b>	<b>228.620</b>	<b>242.966</b>	<b>278.022</b>
<b>total GoU + Ext Fin. (MTEF)</b>	<b>207.120</b>	<b>211.053</b>	<b>104.802</b>	<b>231.110</b>	<b>244.961</b>	<b>278.022</b>
<i>(ii) Arrears and Taxes</i>						
Arrears	0.000	0.000	0.000	0.000	N/A	N/A
Taxes	0.000	0.000	0.000	0.000	N/A	N/A
<b>Total Budget</b>	<b>207.120</b>	<b>211.053</b>	<b>104.802</b>	<b>231.110</b>	<b>N/A</b>	<b>N/A</b>

\*\* Non VAT taxes on capital expenditure

The chart below shows total funding allocations to the Vote by Vote Function over the medium term:

**Chart V1.1: Medium Term Budget Projections by Vote Function (UShs Bn, Excluding Taxes, Arrears)**



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### (ii) Vote Mission Statement

The Vote's Mission Statement is:

*To Provide Excellent Revenue Service with Purpose and Passion*

### (iii) Vote Outputs which Contribute to Priority Sector Outcomes

The table below sets out the vote functions and outputs delivered by the vote which the sector considers as contributing most to priority sector outcomes.

**Table V1.2: Sector Outcomes, Vote Functions and Key Outputs**

Sector Outcome 1:	Sector Outcome 2:	Sector Outcome 3:
<i>Efficient service delivery through formulation and monitoring of credible budgets.</i>	<i>Compliance to accountability policies, service delivery standards and regulations.</i>	<i>Accountability Sector's contribution to economic growth and development enhanced</i>
<b>Vote Function: 14 54 Revenue Collection &amp; Administration</b>		
<i>Outputs Contributing to Outcome 1:</i>	<i>Outputs Contributing to Outcome 2:</i>	<i>Outputs Contributing to Outcome 3:</i>
None	None	<i>Outputs Provided</i> 145401 Customs Tax Collection 145402 Domestic Tax Collection 145403 Tax Investigations

## V2: Past Vote Performance and Medium Term Plans

*This section describes past and future vote performance, in terms of key vote outputs and plans to address sector policy implementation issues.*

### (i) Past and Future Planned Vote Outputs

#### 2012/13 Performance

Net revenue collections for FY2012/13 were UGX 7,149.48Bn against a target of UGX 7,284.67Bn, registering a deficit of UGX 135.19Bn. However, compared to FY2011/12, net revenue collections increased by 15.16% (UGX 941.13Bn). For the month of June 2013, net revenue collections were UGX 821.53 Bn against a target of UGX 797.68 Bn posting a surplus of UGX 23.85 Bn and a growth of 9.13% (UGX 68.74 Bn) compared to June 2012.

Gross revenue collections for FY2012/13 were UGX 7,489.35Bn against a target of UGX 7,638.83Bn, registering a deficit of UGX 149.48 Bn. However, compared to FY2011/12, gross revenue collections increased by 14.93% (UGX 972.85Bn). For the month of June 2013, gross revenue collections were UGX 866.46Bn against a target of UGX 828.99Bn, posting a surplus of UGX 37.47 Bn and a growth of 10.78% (UGX 84.31Bn) compared to June 2012.

Domestic taxes' collections for FY2012/13 were UGX 4,274.73Bn against a target of UGX 4,072.45Bn, posting a surplus of UGX 202.27 Bn. Compared to FY2011/12, domestic tax collections increased by 23.12% (UGX 802.69Bn). For the month of June 2013, domestic collections were UGX 573.79 Bn against a target of UGX 521.55 Bn posting a surplus of UGX 52.24 Bn and a growth of 10.33% (UGX 53.74 Bn) compared to June 2012.

International trade tax collections for FY2012/13 were UGX 3,070.51Bn against a target of UGX 3,392.92 Bn, registering a deficit of UGX 322.41 Bn. However compared to FY2011/12, there was a growth in revenue of 4.54% (UGX 133.34 Bn). For the month of June 2013, international trade taxes were UGX 286.13 Bn against a target of UGX 291.19 Bn registering a deficit of UGX 5.06 Bn. However, compared to June 2012, there was a growth of 15.97% (UGX 39.40 Bn).

Tax Administration

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### Taxpayer Registration:

Total tax register as of 30th June 2013 was 245,067 with 116,974 new taxpayers registered within FY2012/13 a growth of 91.32%.

### Average Monthly Filing:

Average filing ratios for LTO were 98.32% for VAT and 94.94% for PAYE while average filing ratios for MTO were 95.27% for VAT and 86.58% for PAYE. Other Field Service Stations average filing ratios were 78.25% for VAT and 63.03% for PAYE for FY2012/13.

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### Tax Audit:

For FY2012/13, total audits completed were 1,831 against a target of 1,924 audits; net agreed assessments were UGX 370.87Bn out of which UGX 102.71Bn was collected.

### Arrears Management:

The debt stock as at end of June 2013 was UGX 187.38 Bn out of which UGX 5.44Bn is owed by Local Governments. Total recoveries for FY2012/13 amounted to UGX 223.21Bn. Central Government arrears stood at UGX 161.25Bn as at end of June 2013.

### Performance of the Economy:

The economy grew by 5.1% in FY 2012/13 compared to 3.4% growth that was registered in FY 2011/12 and lower than the projected 7% growth. The Tax to GDP ratio increased from 12.5% to 13.1%, despite the annual revenue target not being met. This was attributed to the domestic revenue 8% contribution to GDP compared to 7% in FY 2011/12. Inflation has been in single digit for most of the FY2012/13 registering a 5.6% average annual headline inflation rate. The average applied exchange rate for FY 2012/13 imports was UGX 2,584.02 compared to the projected UGX 2609.30 leading to an estimated loss of UGX 27.4 Bn. Fuel import volumes grew at an average rate of 0.41% compared to the projected 6.6% which resulted in an estimated UGX 43.56 Bn loss in revenue.

### Tax Policy Outlook for FY 2013/14:

The proposed policies for FY2013/14 signify increased efforts by government to expand the tax-base with minimal distortions of the current tax rates, a direction deemed beneficial to both tax policy and tax administration. At the domestic level, based on past trends in the performance of excise duty, emphasis on consumption taxes will yield revenues fast. From the international trade taxes, the reduction of Uganda's list in the EAC gazette from 136 to 48 will save the revenue that was foregone under CPCs 450 and 550 of the CET and generate more revenues through a multiplier effect due to efficiency from industrial competitiveness within the region.

### *Preliminary 2013/14 Performance*

Net revenue collections for first quarter of FY 2013/14 were UGX 1,826.69 Bn against a target of UGX 1,853.34Bn, registering a deficit of UGX 26.65 Bn. Comparing the performance of first quarter of FY 2013/14 to first quarter of FY 2012/13, net revenue collections increased by 17.44% (UGX 271.31Bn). Domestic taxes' collections for First quarter of FY 2013/14 were UGX 1,013.26 Bn against a target of UGX 1,029.47 Bn, registering a deficit of UGX 16.21 Bn. Comparing the performance of first quarter of FY 2013/14 to first quarter of FY 2012/13, domestic tax collections increased by 17.09% (UGX 147.86 Bn). Domestic taxes collections performance of 98.43% in first quarter of FY 2013/14 is mainly attributed to;

- Deficits of UGX 29.82 Bn recorded in VAT influenced by shortfall in some subsectors that included; piped water (UGX 5.52 Bn), sugar (UGX 5.33 Bn) and other goods and services (UGX 47.93 Bn).

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□ Late releases by the government influenced by delays in the budget approval process negatively impacted the performance of Withholding tax and PAYE.

□ Increased capital investments by taxpayers has impacted their profitability and influenced the performance of corporation tax and VAT.

International trade taxes' collections for first quarter of FY 2013/14 were UGX 860.92 Bn against a target of UGX 864.50Bn, registering a deficit of UGX 3.58 Bn. When comparing the performance of first quarter of FY 2013/14 to that of first quarter of FY 2012/13, international trade taxes' collections grew by 17.11%(UGX 125.77Bn). The international trade taxes' performance of 99.59% is attributed to; Growths in fuel import volumes- taxable fuel imports increased by 12.67% to 333.40 million litres in the first quarter of FY 2013/14 from 295.91million litres in the first quarter of FY 2012/13.

Growths in dutiable imports – dutiable goods grew by 34.79% to UGX 924.06 Bn in first quarter of FY 2013/14 from UGX 685.55 Bn in first quarter of FY 2012/13.

Growths in VATable imports- VATable imports grew by 3.22% to UGX 2031.28Bn in first quarter of FY 2013/14 from UGX 1,968.07Bn in first quarter of FY 2012/13.

### Tax Administration

#### Taxpayer Registration:

Total taxpayer register as at the end of the first quarter of FY 2013/14 was 274,634 with 29,567 new taxpayers registered within the first quarter of FY 2013/14.

#### Monthly Filing ratios:

For First quarter of FY 2013/14,

□ LTO filing ratios for VAT was 98.34%, 96.43% for LED and 95.95% for PAYE

□ MTO filing ratio for VAT was 94.01%, 100% for LED and 85.68% for PAYE

□ STO filing ratio for VAT was 79.74%, 73.37% for LED and 66.04% for PAYE.

#### Tax Audit:

During the first quarter of FY 2013/14, 323 domestic tax audits were completed against a target of 657 cases, registering a performance of 49.16%. Assessments from audits in first quarter of FY 2013/14 amounted to UGX 57.74 Bn. Actual agreed tax in first quarter of FY 2013/14 was UGX 42.93 Bn, out of which UGX 6.93 Bn was collected in first quarter of FY 2013/14.

For the first quarter of FY 2013/14, 49 Customs post clearance audits were completed against a target of 64 cases, registering a performance of 76.56%.

#### Arrears Management:

The debt stock for domestic taxes was UGX 186.59 Bn as at the end of the first quarter of FY 2013/14. A total of UGX 22.92 Bn was recovered in first quarter of FY 2013/14.

By the end of First quarter of FY 2013/14, Local Government arrears stood at UGX 4.62Bn with UGX 0.75 Bn recovered during the quarter.

Government arrears as at end of the first quarter of FY 2013/14 were UGX 231.90Bn.

Outstanding private customs arrears as at end of first quarter of FY 2013/14 were UGX 42.87Bn, while outstanding government customs arrears as at the end of first quarter of FY 2013/14 were UGX 1.93Bn.

**Table V2.1: Past and 2014/15 Key Vote Outputs\***

<i>Vote, Vote Function Key Output</i>	<b>Approved Budget and Planned outputs</b>	<b>2013/14 Spending and Outputs Achieved by End Dec</b>	<b>2014/15 Proposed Budget and Planned Outputs</b>
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<i>Vote, Vote Function Key Output</i>	<b>Approved Budget and Planned outputs</b>	<b>2013/14 Spending and Outputs Achieved by End Dec</b>	<b>2014/15 Proposed Budget and Planned Outputs</b>
<b>Vote: 141 URA</b>			
<i>Vote Function: 1454 Revenue Collection &amp; Administration</i>			
<b>Output: 145401</b>	<b>Customs Tax Collection</b>		
<i>Description of Outputs:</i>	18% Growth in customs revenue collection	Customs revenue collections grew by 17.11% in the first quarter, FY 2013/14 compared to the same period last FY 2012/13. The collections were UGX 860.92Bn against a target of UGX 864.50Bn, registering a deficit of UGX 3.58 Bn.	18% Growth in customs Revenue
	70% Reduction in customs arrears portfolio	The Customs arrears portfolio reduced by 10%. By the end of FY 2012/13, the debt stock was UGX 81.57Bn and UGX 90.67Bn by the end of first quarter 2013/14, a reduction of UGX 9.1Bn (10%).	100% Customs revenue collection to target.
	170 Comprehensive Audits & 30 Spot Audits conducted.	41 comprehensive audits and 6 issue audits were conducted during the first quarter.	30% Reduction in Arrears
	900 Real time alerts and 30 Risk Alerts issued.	15 tax clinics were conducted in the first quarter. 04 of these were in Central region, 02 in South Western region and 09 in Eastern region.	20% Red lane transactions
	30 Tax clinics conducted.	5 stakeholder engagements were held with UMA, PSFU, KACITA, Fuel dealers and clearing agents.	160 Comprehensive Audits
	8 Stakeholder engagements conducted.	The Customs lane performance and transaction average clearance times could not be established due to ASYCUDA ++ system upgrade to ASYCUDA World involving data cleaning and migration.	40 Oil Issue Audits completed.
	65% Green and blue lane lane transactions	208 Customs Officers in Kampala were trained in ASYCUDA World.	12 Taxpayers accredited
	Average clearance time reduced to 24 hours.		
	250 in-house and refresher trainings conducted		
<i>Performance Indicators:</i>			
Proportion of green lane transaction to total lane transactions	65	-	65
% of Customs tax Revenue collected against target (Ush bn)	3549.92	860.92	100

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<i>Vote, Vote Function Key Output</i>	<b>Approved Budget and Planned outputs</b>	<b>2013/14 Spending and Outputs Achieved by End Dec</b>	<b>2014/15 Proposed Budget and Planned Outputs</b>
	<i>Output Cost: UShs Bn:</i> 51.232	<i>UShs Bn:</i> 12.446	<i>UShs Bn:</i> 49.433
<b>Output: 145402</b>	<b>Domestic Tax Collection</b>		
<i>Description of Outputs:</i>	87% Average Filing Ratio	The average filing ratio for the first quarter period was 87.72%.	88 Average filing ratio
	65% Reduction in Arrears Portfolio	The total DT collectible arrears by the end of first quarter were UGX 72.22Bn, out of which UGX 43.11Bn were collected, posting a performance of 59.70%.	65% Collectable arrears collected & 30% Reduction in total arrears portfolio
	50% Audit yield		3568 Audits completed broken down as follows: 2421 desk audits, 828 field issue and 319 comprehensive audits
	24% Growth in DT revenue collection.		0.1% Of collected revenue from new value registered taxpayers.
	Growth in Tax payers Register by 30%	There was 16.14% audit yield. This resulted from the agreed taxes after audits of UGX 42.93Bn. The taxes paid after the audits were UGX 6.93Bn, thus the reported audit yield.	64 Tax hubs conducted
	77 Tax clinics conducted	Domestic taxes revenue collections grew by 17.09% (UGX 147.86Bn) in quarter 1 FY 2013/14 compared to the same period in FY 2012/13. The collections were UGX 1,013.26Bn against a target of UGX 1,029.47 Bn, registering a deficit of UGX 16.21 Bn.	Growth in Tax payers Register by 30%
	0.1% Collected revenue from newly registered value taxpayers.		22% Growth in DT revenue collection.
	253 Comprehensive and 1671 issue audits carried out.		50% Audit yield for current year audits and 90% of previous years
		The taxpayer register grew by 12% from 245,067 as at 31st July, 2013 to 274,634 as at 30th September 2013.	
		26 tax clinics were carried out in first quarter.	
		The proportion of revenue from new DT clients was 2.5% (23.54Bn).	
		77 comprehensive and 246 issue were completed in the first quarter period.	
<i>Performance Indicators:</i>			
Percentage growth in tax register	30	12	30
% of Domestic Tax Revenue collected against target (Ush bn)	4906.16	1013.26	100
Average filing ratio	86	87.72	88
	<i>Output Cost: UShs Bn:</i> 62.621	<i>UShs Bn:</i> 15.655	<i>UShs Bn:</i> 61.662
<b>Output: 145403</b>	<b>Tax Investigations</b>		

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<i>Vote, Vote Function Key Output</i>	<b>Approved Budget and Planned outputs</b>	<b>2013/14 Spending and Outputs Achieved by End Dec</b>	<b>2014/15 Proposed Budget and Planned Outputs</b>
<i>Description of Outputs:</i>			
	100% Budget absorption rate	TID absorbed 60% of the first quarter budget.	100% Planned compliance programme executed
	80% Client issues addressed	100% of the client issues were fully addressed.	55 Investigation cases concluded & 17 investigated Cases recommended for prosecution.
	75% Business units employing the TI business Standards in their work	100% of the business units adhered to the department's business standards.	Industry familiarization visits to 4 players conducted.
	5 Partners engaged.	3 partners were engaged. These were Uganda Police, KCCA and NSSF.	Expert intervention on 30% of the cases investigated carried out.
	70% Of partners expectations met	100% of partners expectations were met during the first quarter.	100% Quality Service Management Plan (QSMP) executed.
	80% Of Investigation cases handled as per re-engineered investigations processes	100% of cases in the TID were handled as per the re-engineered investigations processes.	100% Stakeholder engagement program implemented
	50 Investigations cases completed	11 investigations cases were completed in the first quarter.	
	30% investigated cases recommended for prosecution.	No cases were recommended for prosecution.	
	100% Business units complying to the TI business Standards.	100% of the activities scheduled for the first quarter were accomplished.	
	100% Investigations processes re-engineered.		
	4 Stakeholder engagements executed		
	4 Innovations and ideas developed and implemented		
	4 Knowledge sources acquired and shared		
<i>Performance Indicators:</i>			
Number of investigations cases completed	30	11	17
% of investigated cases recommended for prosecution	80	-	55
<i>Output Cost: US\$ Bn:</i>	6.253	<i>US\$ Bn:</i>	1.563
			<i>US\$ Bn:</i> 6.257
<b>Vote Function Cost</b>	<b>US\$ Bn:</b>	<b>211.053 US\$ Bn:</b>	<b>104.802 US\$ Bn:</b>
<i>VF Cost Excl. Ext Fin.</i>	<i>US\$ Bn</i>	<i>208.620 US\$ Bn</i>	<i>104.802 US\$ Bn</i>
<b>Cost of Vote Services:</b>	<b>US\$ Bn:</b>	<b>211.053 US\$ Bn:</b>	<b>104.802 US\$ Bn:</b>
<i>Vote Cost Excl. Ext Fin.</i>	<i>US\$ Bn</i>	<i>208.620 US\$ Bn</i>	<i>104.802 US\$ Bn</i>

\* Excluding Taxes and Arrears

### 2014/15 Planned Outputs

The following are the planned outputs for FY 2014/15

-100% Revenue collection to target-

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- 22% Growth in DT Revenue collection
- 18% Growth in Customs Revenue
- 2.30% Tax Administration Costs as % of Revenue
- 88% Average filing ratio
- Audit recovery: 50% current year audits and 90% of previous year
- 20% Red lane performance
- 3568 Audits completed broken down as follows: 2421 desk audits, 828 field issue and 319 comprehensive audits
- 55 Tax cases investigated & 15 recommended for prosecution
- 65% Collectable arrears recovered & 30% reduction in total arrears portfolio
- Annual debt stock of private arrears reduced by 50Bn
- 65% Tax payers filing & paying by due date
- 12 Tax Payers accredited
- 32 Hubs per 6months
- 103 Primary tax clinics conducted.
- 32 Tax payer Day Hubs held.
- 7 Exhibitions held
- Service enhancement programmes implemented.
- 28 Service centers with onsite support areas established.
- 75% Expectations from Partner interactions met
- 30% Growth in value tax register
- 0.1% Of revenue from new taxpayers
- 100% Planned communication enhancement programs implemented.
- 85% Effectiveness of Communication Channels
- 100% Planned BP improvement Programmes Implemented.
- Business Process Maturity level 2 attained.
- UGX 3.8Bn Revenue per Staff
- 95% Staff exceeding performance expectation
- Training Budget as a percentage of total Budget (3%) (Input measure)
- 100% Of staff trained as per the training planner
- 100% Planned staff motivation programmes implemented.
- 90% Staff Motivation level
- 4% Staff attrition rate
- 100% Planned knowledge management programmes implemented.
- Knowledge management framework developed.
- 100% Planned corporate culture improvement interventions implemented.

**Table V2.2: Past and Medium Term Key Vote Output Indicators\***

Vote Function Key Output Indicators and Costs:	2012/13 Outturn	2013/14 Approved Plan	Outturn by End Dec	MTEF Projections		
				2014/15	2015/16	2016/17
<b>Vote: 141 URA</b>						
<b>Vote Function: 1454 Revenue Collection &amp; Administration</b>						
% of Customs tax Revenue collected against target (Ush bn)		3549.92	860.92	100		
Proportion of green lane transaction to total lane transactions		65	-	65		
% of Domestic Tax Revenue collected against target (Ush bn)		4906.16	1013.26	100		
Average filing ratio		86	87.72	88		



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Vote Function Key Output Indicators and Costs:	2012/13 Outturn	2013/14 Approved Plan	Outturn by End Dec	MTEF Projections		
				2014/15	2015/16	2016/17
Percentage growth in tax register		30	12	30		
% of investigated cases recommended for prosecution		80	-	55		
Number of investigations cases completed		30	11	17		
<b>Vote Function Cost (US\$ bn)</b>	<i>N/A</i>	<b>211.053</b>	<b>104.802</b>	<b>231.110</b>	<b>244.961</b>	<b>278.022</b>
<i>VF Cost Excl. Ext Fin.</i>	207.120	208.62	104.802	228.620	N/A	N/A
<b>Cost of Vote Services (US\$ Bn)</b>	<i>N/A</i>	<b>211.053</b>	<b>104.802</b>	<b>231.110</b>	<b>244.961</b>	<b>278.022</b>
<i>Vote Cost Excl. Ext Fin</i>	207.120	208.620	104.802	228.620	N/A	N/A

### Medium Term Plans

- Decentralise revenue services
- Design sector focused service packages
- Implement tax education programmes
- Conduct industry based familiarization visits.
- Develop and implement Service enhancement Programmes
- Hold Exhibitions with (ULGA, PSFU, UMA, Buganda Land Board, SME, NCHE)

### (ii) Efficiency of Vote Budget Allocations

In order to improve service delivery in URA, the following initiatives will be implemented:

- Decentralise revenue services
- Design sector focused service packages
- Implement tax education programmes
- Conduct industry based familiarization visits.
- Develop and implement Service enhancement Programmes
- Hold Exhibitions(ULGA, PSFU, UMA, Buganda Land Board, SME, NCHE).The following outputs are expected:
- 32 Hubs per quarter
- 103 Primary tax clinics conducted.
- 32 Tax payer Day Hubs held.
- 7 Exhibitions held
- Service enhancement programmes implemented.
- 28 service centers with onsite support areas established.

**Table V2.3: Allocations to Key Sector and Service Delivery Outputs over the Medium Term**

Billion Uganda Shillings	(i) Allocation (Shs Bn)				(ii) % Vote Budget			
	2013/14	2014/15	2015/16	2016/17	2013/14	2014/15	2015/16	2016/17
Key Sector	120.1	117.4	133.8	133.8	56.9%	50.8%	54.6%	48.1%
Service Delivery	120.1	117.4	133.8	133.8	56.9%	50.8%	54.6%	48.1%

### BUDGET ALLOCATION PROPOSALS FOR FY2014-2015

1)The Ministry of Finance has provisionally allocated a total UGX 228.62 billion and UGX 2.49 billion as Development External Financing (Donor Component) to URA as the MTEF funding for the FY 2014/2015. The overall total is UGX 231.11 billion.

2)The budget proposal for the financial year 2014/2015 has been split into; the operational budget ( to cater for the routine activities), the capital budget ( to cater for development expenditure) and the strategic budget ( to cater for interventions and projects that are initiated to improve on business)

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3)UGX 191.22 billion has been allocated to recurrent (operational) expenditure and UGX 39.89 billion for capital and strategic expenditure. For the financial year 2014/2015, URA will allocate the UGX 231.11 billion towards the priorities listed below;

Facilitation of operational activities- The traditional operational items like rent, fuel, electricity, water and telecommunication charges have all been affected by rising prices—we have fully provided for all of these in this budget.

Among other budgetary considerations maintained because of the various business and operational needs are: Training: a total of UGX 5.8 billion has been provided. Enhancement of office security UGX 1.3 Billion, Tax Investigations Laboratory Equipment UGX 580 Million, maintenance of the e-tax licences UGX 2.7 billion, Legal Fees & Expenses UGX 1.3 Billion URANET contracts (UTL & ORANGE) UGX 5.9 billion.

4) Considerations under the capital items are:

- Construction of the URA Head Quarter Building UGX 20 Billion
- Implementation of the Disaster Recovery Solution. UGX 2.6 Billion
- Records Management System. UGX 1 Billion
- Enterprise Resource Planning. Consultancy & HRMS items. UGX 4.3 Billion
- Vehicle Lease Rentals. UGX 4 Billion
- MCP and IDEP programs UGX 5.5 Billion

5) PROPOSED RECURRENT EXPENDITURE

## OPERATIONAL BUDGET

The recurrent expenditure for the financial year 2014/2015 of UGX. 191.22 billion has been allocated as follows:

Staff costs (59.61%)

This will cover the staff salary and related benefits (NSSF, Workmen's compensation, Group Life Assurance, medical expenses, Retirement Benefit Scheme contribution, death benefits, gratuity and service award).

Transport and Travel (3.31%)

This will cover the costs of transport and travel, including motor vehicles repairs and insurance, fuel, public transport, subsistence allowances, regional and international travel and transfer expenses.

Maintenance Costs (5.64%)

This covers maintenance of building, office equipment including computer equipment, parking yards, and furniture.

Other Charges/staff development (15.11%)

This covers items like URANET, rent & utility charges, tax payer education, publicity, property rates, staff recruitment costs, staff training costs, legal costs, printing and stationery and program costs among others.

6)THE CAPITAL AND STRATEGIC BUDGET

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16.18 % has been allocated to capital costs to cater for URA Headquarter Building Construction, Disaster Recovery Solution, and Implementation of the Enterprise Resource Planning Solution, servicing of the vehicle lease, Records Management System.

**Table V2.4: Key Unit Costs of Services Provided and Services Funded (Shs '000)**

### (iii) Vote Investment Plans

URA is strategically re-aligning her systems to be able to adapt to the ever changing technological and business environments. To that end a deliberate effort to invest in efficient transport system and technology is anticipated over the medium term. Emphasis is therefore on robust electronic/online payment systems, mobile applications, computer & electronic equipments and disaster recovery systems. Allocations to capital purchases have been made as follows:

1. Disaster recovery programme, UGX8.9Bn
2. Construction of URA one stop centre(URA House) ,UGX20Bn
3. Motor Vehicles-UGX.. 4 Billion. This will cover the lease payments for the newly acquired vehicles. We have settled for this amount to avoid high lease interest payments.
4. (UGX. 5.5 Billion for Managing Compliance Programme
- 5.UGX2.533 for URA Data warehouse

**Table V2.5: Allocations to Capital Investment over the Medium Term**

Billion Uganda Shillings	(i) Allocation (Shs Bn)				(ii) % Vote Budget			
	2013/14	2014/15	2015/16	2016/17	2013/14	2014/15	2015/16	2016/17
Consumption Expenditure(Outputs Provided)	191.2	191.2	214.0	214.0	90.6%	82.7%	87.4%	77.0%
Investment (Capital Purchases)	19.8	39.9	31.0	64.0	9.4%	17.3%	12.6%	23.0%
<b>Grand Total</b>	<b>211.1</b>	<b>231.1</b>	<b>245.0</b>	<b>278.0</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

In the FY 2013/14, we are allocating UGX 39.89billion for capital and strategic expenditure. as follows:

- HeadQuarter Construction, UGX20Bn
- Disaster Recovery Solution,UGX 2.6Bn
- Vehicle Lease Repayments,UGX 4Bn
- Enterprise Resource Planning (ERP) -Consultancy & HRMS,UGX 4.3Bn
- Managing Compliance Programs (MCP) ,UGX 4.973Bn
- IDEP,UGX 0.527Bn
- Records Management System,UGX 1Bn
- Data Warehouse Project, UGX2.49Bn

**Table V2.6: Major Capital Investments**

Project, Programme Vote Function Output <i>UShs Thousand</i>	2013/14		2014/15
	Approved Budget, Planned Outputs (Quantity and Location)	Actual Expenditure and Outputs by September (Quantity and Location)	Proposed Budget, Planned Outputs (Quantity and Location)
<b>Project 0653 Support to URA Projects</b>			
<b>145472 Government Buildings and Administrative Infrastructure</b>	Redesign of Nakawa Inland Parking Yard for Office Space. At Nakawa HeadQuarters	The redesigning of NIP building for office space at Nakawa headquarters is ongoing and is expected to be completed by third quarter.	URA Headquarter Building Construction
<b>Total</b>	<b>1,600,000</b>	<b>400,000</b>	<b>20,000,000</b>
<i>GoU Development</i>	<i>1,600,000</i>	<i>400,000</i>	<i>20,000,000</i>
<i>External Financing</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>145475 Purchase of Motor Vehicles and Other Transport Equipment</b>	68 Vehicles. Finance Lease Payments	The 68 vehicles were leased last FY. The lease is payable every year.	Vehicle Lease

# Vote: 141 URA

## Vote Summary

Project, Programme Vote Function Output <i>US\$ Thousand</i>	2013/14		2014/15
	Approved Budget, Planned Outputs (Quantity and Location)	Actual Expenditure and Outputs by September (Quantity and Location)	Proposed Budget, Planned Outputs (Quantity and Location)
<b>Total</b>	<b>4,000,000</b>	<i>1,000,000</i>	<b>4,000,000</b>
<i>GoU Development</i>	<i>4,000,000</i>	<i>1,000,000</i>	<i>4,000,000</i>
<i>External Financing</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>145479 Acquisition of Other Capital Assets</b>	<p>Rolled out Asycuda World system to Malaba, Busia, Katuna, Mutukula and Mbale</p> <p>Signing of MOUs and hand over of Authorization certificates to 7 Companies done.</p> <p>Reviewed ECTS and In-Transit Monitoring System (IMS) business design document.</p> <p>Conduct a Business Impact Analysis</p> <p>Reviewed &amp; completed draft BCP policy for management's consideration</p> <p>Rolled out Asycuda World system Kampala and other upcountry stations</p> <p>Installed, Tested, Piloted &amp; rolled out ECTS</p> <p>Other 7 companies from the 40 applicants after fulfillment of the authorization requirements. Authorized.</p> <p>New Customs Business Process Rengineering Manual (5 core processes) published.</p> <p>Further identified requirements and information exchange for Ayscuda system implemented;</p> <p>Stakeholders/Other Government Agencies for Asycuda system Integrated</p> <p>Completed documentation of the Oil and Gas Processes</p> <p>Completed Procurement of the Oil and Gas system</p> <p>1 cost recovery audit under Oil &amp; Gas carried out</p> <p>Human Resource Management System works commenced</p> <p>Signing of the Human Resource Management System contract</p>	<p>The ASYCUDA World system roll is complete in customs stations of Malaba, Busia, Katuna, Mutukula, Kampala and Mbale.</p> <p>The signing of MoUs has been completed for 10 AEOs.</p> <p>By the end of quarter one, the review of the ECTS and In-Transit Monitoring System (IMS) business design document had been completed. Installation, testing and roll out of the system is expected in quarter two.</p>	<p>Asycuda World System roll out to 29 stations (Lwakhakha, Swam river, Bunagana, Busunga, Cynika, Mirama Hills, Kikagati, Kamwezi, Oraba, Vurra, Elegu, Arua, Goli, Paidha, Busitema, Kamdini, Pakwach, Koboko, Lia, Lokung, Madi Opei, Mbarara, Moyo, Mpondwe, Ntoroko, Kasese, Ishasha and Butyaba)</p> <p>Interface between Asycuda world and Other Government Agencies to facilitate interconnections/information exchange developed.</p> <p>Processes for Border Management and Airport and Land documented.</p> <p>Pre-authorisation activities of Bonded warehouse Keepers performed</p> <p>Pre-authorisation inspections and common risk mapping performed on 3 companies</p> <p>Self management benefit (Bonded warehouse Keeper's Program) Piloted and Evaluated</p> <p>Sensitisation of 80 operators on the Authorized Economic Operator program done.</p> <p>Standard Operating Procedures for Electronic Cargo Tracking system developed</p> <p>Operational Testing &amp; System Handover for Electronic Cargo Tracking system done</p> <p>Electronic Cargo Tracking System rolled out.</p> <p>User Acceptance Testing and support Interface between Asycuda world and Other Government Agencies to facilitate interconnections/information exchange Developed &amp; performed.</p>

# Vote: 141 URA

## Vote Summary

Project, Programme Vote Function Output <i>US\$ Thousands</i>	2013/14 Approved Budget, Planned Outputs (Quantity and Location)   Actual Expenditure and Outputs by September (Quantity and Location)		2014/15 Proposed Budget, Planned Outputs (Quantity and Location)
	<p>done</p> <p>Gap Analysis for Integrations in URA conducted</p> <p>Diagnosis and definition of organizational culture, including road map for change management done.</p> <p>Designed and developed organizational model, include implementing quick wins as elements of the model done.</p> <p>Solution provider to implement the Data Warehouse and Business Intelligence solution in URA contracted.</p> <p>Contract an Independent Quality assurance consultant for the DWH/BI implementation.</p> <p>Conduct Data Readiness assessment workshops for the mission critical process supported by three Transaction processing systems</p> <p>Conduct a readiness assessment for Data Warehouse and Business Intelligence solution together with the solution provider.</p> <p>Documentation of AS-IS and TO-BE decision support mechanism for the organisation done.</p> <p>Documentation of a draft Data analytics curriculum done</p> <p>Developed, documented and operationalize Business Continuity Plans for at least three processes within the management processes, support processes and core processes done.</p> <p>Completed documentation of the Oil and Gas Processes</p> <p>1) Completed Procurement of the Oil and Gas system</p> <p>1 cost recovery audit under Oil &amp; Gas carried out</p>		<p>Authorised Economic Operator for Importers and clearing agents, Bonded Warehouse keeper's and Exporters' Program implemented.</p> <p>MoUs with importers and clearing agents on Authorized Economic Operator program Authorised, Signed &amp; Issued with Certificates.</p> <p>Authorised, Signed MoUs and Issued Certificates to Bonded Warehouse Keepers on Authorized Economic Operator program</p> <p>Authorised 6 Exporters, Signed MOUs and issued certificates on Authorized Economic Operator Program</p> <p>Approval and licencing of agents process (Legal and Bonds) and Exemptions completed</p> <p>User manual for 4 processes (Border management, Airport and Land, temporary import and export, bonded warehousing) developed.</p> <p>Signing of Contract with the System Vendor of the Oil and Gas System done</p> <p>Capacity Building for Oil &amp; Gas done</p> <p>Contract with System Vendor for Human Resource Management System Signed.</p> <p>Enterprise Integration Solution procured .</p> <p>Human Resource Management System Developed, Testing and full Integration with e Tax and Asycuda World done.</p> <p>Oil and Gas System Developed, Testing and full Integration with e Tax and Asycuda World done</p> <p>Customising, testing and full integration for Enterprise Integration Solution done.</p> <p>End User training for Enterprise</p>

# Vote: 141 URA

## Vote Summary

Project, Programme	2013/14		2014/15
Vote Function Output <i>US\$ Thousand</i>	Approved Budget, Planned Outputs (Quantity and Location)	Actual Expenditure and Outputs by September (Quantity and Location)	Proposed Budget, Planned Outputs (Quantity and Location)
	<p>Human Resource Management System works commenced</p>		<p>Integration Solution done.</p> <p>Human Resource Management System Rolled Out,</p> <p>End User training for Human Resource Management Solution done.</p> <p>Consultancy services for Business Continuity Quality Assurance procured.</p> <p>Change programs to support the culture mainstreaming initiatives implemented</p> <p>Communication platform (intranet) with e-learning platform enhanced.</p> <p>Contact Center framework developed</p> <p>TO BE Decision Making Framework documented</p> <p>Business Continuity Quality Assurance consultant contracted</p> <p>URA Services Catalogue reviewed and published.</p> <p>Self help units in select upcountry service centers implemented.</p> <p>Contact Center solution provider procured.</p> <p>Four service centers in the Kampala region enhanced</p> <p>Staff on data management and analytics trained.</p> <p>Business Continuity Plan developed.</p> <p>URA Service Standards developed</p> <p>Technical implementation Phase 1: Design, develop, test upto to roll out of Business Intelligence solution done.</p> <p>Business Continuity Management Sustenance toolkit developed.</p> <p>BCM End user sensitization and</p>

# Vote: 141 URA

## Vote Summary

Project, Programme Vote Function Output <i>US\$ Thousands</i>	2013/14		2014/15
	Approved Budget, Planned Outputs (Quantity and Location)	Actual Expenditure and Outputs by September (Quantity and Location)	Proposed Budget, Planned Outputs (Quantity and Location)
			training done
			New Service Model implemented
			ERP-HRMS procured,
			Records Management System procured,
			Disaster Recovery Solution and MCP
<b>Total</b>	<b>10,533,149</b>	<b>2,633,287</b>	<b>15,889,580</b>
<i>GoU Development</i>	<i>8,100,000</i>	<i>2,633,287</i>	<i>13,400,000</i>
<i>External Financing</i>	<i>2,433,149</i>	<i>0</i>	<i>2,489,580</i>

### (iv) Vote Actions to improve Priority Sector Outcomes

Key policy and process actions planned to address vote function performance issues include the following:

- Audit Recovery of current FY agreed audits and uncollected collectable arrears from audits of previous years
- Recovery of Collectible Arrears
- Cleaning of the VAT, PAYE and Income tax ledgers
- Implementing a DT risk management program
- Implementing the national audit plan
- Setting up transfer pricing section
- Operationalising Oil and Gas division
- Improve monitoring and evaluation of Compliance Division workplans
- Improve compliance of the construction sector
- Minimize the impact of Treaty shopping
- Implement monitoring of newly registered clients compliance program
- Improve compliance monitoring for income tax
- Maintain a clean and active register
- Design service packages tailored that are sector focused and segment targeted
- Offer standardized and reliable services
- Rolling out of Authorised Economic Operator Programme
- Implementation of the URA training planner

**Table V2.7: Priority Vote Actions to Improve Sector Performance**

2013/14 Planned Actions:	2013/14 Actions by Sept:	2014/15 Planned Actions:	MT Strategy:
<b>Sector Outcome 1: Efficient service delivery through formulation and monitoring of credible budgets.</b>			
Vote Function: 14 54 Revenue Collection & Administration			
<i>VF Performance Issue:</i>	<i>Compliance Management-shall focus on: Implementing intelligence management to support prosecution and strengthen the debt management function, Detecting and Deterring tax fraud and Evasion, identifying tax planning schemes.</i>		
Implement Revenue collection controls;	In the implementation of revenue collection controls, a	-Implement the tax investigation programme.	Managing Coppliance Programme:
Implement the National Audit plan;	review of the management and control of Customs	-Strengthen the litigation & Debt recovery function	-Service Support Enhancement
Implement Tax payer awareness program;	warehouses was carried out and some of the new initiatives	-Implement the tax investigation programme.	-Customs Business Systems Enhancement
			-Integrated Tax System

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## Vote Summary

2013/14 Planned Actions:	2013/14 Actions by Sept:	2014/15 Planned Actions:	MT Strategy:
Roll out ASYCUDA World to all customs business areas.	<p>implemented include;</p> <ul style="list-style-type: none"> <li>*Spot checks for bonded warehouses</li> <li>*Extension of working hours especially over the weekends</li> <li>*Quality assurance of verification accounts</li> <li>*Daily inspections of bonded warehouses</li> <li>*Weekly staff engagements</li> <li>*Stock taking for bonded warehouses.</li> </ul>	<ul style="list-style-type: none"> <li>-Strengthen the litigation &amp; Debt recovery functions</li> <li>-Roll out the Authorised Economic Operator Programme</li> </ul>	
	<p>03 monthly meetings were held to come up with strategies to improve Customs revenue collections. Out of these meetings, some of the risks identified for the quarter included; mis use of CPCs, missclassification of goods, undervaluation due to insufficient documentation, non-declaration/misdeclaration of surcharge, payment of less registration fees, Misdeclaration of year of manufacture and models for motor vehicle units, under declaration of the bond in force for sensitive re-exports (vehicle units, fabrics, sugar, rice and cooking oil); non inclusion of freight and insurance in transaction documents and non - identification of sensitive export items. Other risks identified were omission of signatures on authority letters in ASYCUDA World entries,registering motor cycles on dummy entries without viewing the inspection act to get the justification for use of CPC 483, variance in declared import values of yeast by different importers, lodgement of vehicle units (from Elegu)for processing under CB10s yet their KPs expired, omission of previous declaration documents in box 40 of the SAD. Also identified was loaning out of goods to clients before payment of taxes and the exit process and concealment among other</p>		



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## Vote Summary

2013/14 Planned Actions:	2013/14 Actions by Sept:	2014/15 Planned Actions:	MT Strategy:
	<p>goods.</p> <p>For the 1st quarter FY 2013/14, ASYCUDA World has been rolled out to major Customs stations accounting for 95% of Customs transactions. These include; Kampala, Entebbe, Katuna, Mutukula, Jinja, Malaba and Busia. Roll out is still ongoing in the rest of the Customs stations.</p> <p>The activities carried out towards implementation of the national audit plan in the first quarter include; completion of 323 Audits, establishment of a joint risk committee between DT, Customs and Tax investigations departments, development of parameters for joint risk assessment and identification of 20 cases for joint audit between customs and DT. Documentation reviews on management services have been completed on the transfer pricing policies for 3 clients, namely Nile Breweries Ltd, Salini Construttori and Reime (U) Ltd.</p> <p>The activities carried out in first quarter towards taxpayer awareness include; holding of 25 tax clinics and 12 radio/TV talkshows, URA participation in 5 exhibition shows organised by PSFU, Science and Technology expo, DFCU Womenin business expo, the Uganda investor expo and the KCB expo. Tax information was shared with corporate bodies within Uganda and Ugandans in diaspora via email.</p>		
<p><i>VF Performance Issue:</i></p> <p>In order to improve staff skills, relevant course modules targeting bridging identified staff competence gaps have been developed</p>	<p><i>Enhancing staff competence and building capacity for sustainability of operations to achieve the vision by investing in employee development</i></p> <p>A corporate training planner for the FY 2013/14 was developed in which 46 trainings have been planned and 3370 staff have been</p>	<p>Develop and Implement standardized staff development programs</p> <p>Implement the training planner</p>	<p>Capacity Building: The capacity building program for medium term strategy has been designed in accordance with the Strategy, Maintenance and</p>

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## Vote Summary

2013/14 Planned Actions:	2013/14 Actions by Sept:	2014/15 Planned Actions:	MT Strategy:
and will be implemented during the course of the FY 2013/14. 204 new staff will undergo basic tax administration training.	scheduled for training.		Leadership (STRAMAL) Model that is premised on three pillars namely: Strategy: Maintenance & Leadership
<i>VF Performance Issue:</i>	<i>Strengthen Taxpayer Service Delivery by increasing e-tax Services available, decentralize motor vehicle and licensing services, implement the AEO (Authorized Economic Operator), review client service standards at corporate and departmental level.</i>		
Carry out client training in tax modules; Carry out etax support maintenance; Hold service provider engagements; Roll out of the new driving permit module to all regional offices.	2 workshops, one with MTN Mobile Money Agents Forum (MAF) and one with the accounting officers, were carried out. Also 4 training materials were developed for the following clients; WHT agents, money agents, agriculture sector tax amendments  MIS reports were reviewed to support URA business better. Out of the review, 14 requirements for MIS reports were developed. The new driving permit process user requirements and forms were reviewed and updated. Service provider engagements were held with PWC on Remm Channel, NSSF on performance management, WCO on training strategy and curriculum implementation committee review, DFCU and Global Trust Bank and Medical service providers for provision of medical services for staff in Mombasa. All revenue collecting stations were sensitized on revenue accounting policies. Engagements were held with budget liaison officers on e-procurement. Another engagement was held with all departments on the fleet management system.	-Decentralise revenue services -Design sector focused service packages -Implement tax education programmes -Conduct industry based familiarization visits. -Develop and implement Service enhancement Programmes -Hold Exhibitions	Managing Copmliance Programme: -Service Support Enhancement -Customs Business Systems Enhancement -Integrated Tax Systems

### V3 Proposed Budget Allocations for 2014/15 and the Medium Term

This section sets out the proposed vote budget allocations for 2014/15 and the medium term, including major areas of expenditures and any notable changes in allocations.

**Table V3.1: Past Outturns and Medium Term Projections by Vote Function\***

	2012/13 Outturn	2013/14		MTEF Budget Projections		
		Appr. Budget	Spent by End Sept	2014/15	2015/16	2016/17

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## Vote Summary

	2012/13 Outturn	2013/14		MTEF Budget Projections		
		Appr. Budget	Spent by End Sept	2014/15	2015/16	2016/17
<b>Vote: 141 URA</b>						
1454 Revenue Collection & Administration	207.120	211.053	52.401	231.110	244.961	278.022
<b>Total for Vote:</b>	<b>207.120</b>	<b>211.053</b>	<b>52.401</b>	<b>231.110</b>	<b>244.961</b>	<b>278.022</b>

### (i) The Total Budget over the Medium Term

Ministry of Finance has allocated the Medium Term Budget allocation to URA as follows:

FY 2012/13, UGX 207.120Bn; FY 2013/14, UGX 211.053Bn; FY 2014/15, UGX 231.110Bn

### (ii) The major expenditure allocations in the Vote for 2014/15

#### OPERATIONAL BUDGET

The recurrent expenditure for the financial year 2014/2015 of UGX. 191.22 billion has been allocated as follows:

#### Staff costs (59.61%)

This will cover the staff salary and related benefits (NSSF, Workmen's compensation, Group Life Assurance, medical expenses, Retirement Benefit Scheme contribution, death benefits, gratuity and service award).

#### Transport and Travel (3.31%)

This will cover the costs of transport and travel, including motor vehicles repairs and insurance, fuel, public transport, subsistence allowances, regional and international travel and transfer expenses.

#### Maintenance Costs (5.64%)

This covers maintenance of building, office equipment including computer equipment, parking yards, and furniture.

#### Other Charges/staff development (15.11%)

This covers items like URANET, rent & utility charges, tax payer education, publicity, property rates, staff recruitment costs, staff training costs, legal costs, printing and stationery and program costs among others.

#### THE CAPITAL AND STRATEGIC BUDGET

16.18 % has been allocated to capital costs to cater for URA Headquarter Building Construction, Disaster Recovery Solution, and Implementation of the Enterprise Resource Planning Solution, servicing of the vehicle lease, Records Management System.

### (iii) The major planned changes in resource allocations within the Vote for 2014/15

N/A

#### Table V3.2: Key Changes in Vote Resource Allocation

Changes in Budget Allocations and Outputs from 2013/14 Planned Levels:			Justification for proposed Changes in Expenditure and Outputs
2014/15	2015/16	2016/17	
<i>Vote Function: 1401 Revenue Collection &amp; Administration</i>			
<b>Output: 1454 01 Customs Tax Collection</b>			
<b>US\$ Bn:</b>	<b>-1.799</b>	<b>US\$ Bn:</b>	<b>-4.428</b>
<b>US\$ Bn:</b>	<b>-1.799</b>	<b>US\$ Bn:</b>	<b>-4.428</b>
Government is now moving			Government is now moving towards supporting generation of more domestic

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Changes in Budget Allocations and Outputs from 2013/14 Planned Levels:			Justification for proposed Changes in Expenditure and Outputs
2014/15	2015/16	2016/17	
towards supporting generation of more domestic revenue as opposed to international trade taxes.			revenue as opposed to international trade taxes.
<b>Output: 1454 05 URA Legal and Administrative Support Services</b>			
US\$ Bn: 3.574	US\$ Bn: 2.583	US\$ Bn: 2.583	Internal realignment of budget
Internal realignment of budget			
<b>Output: 1454 72 Government Buildings and Administrative Infrastructure</b>			
US\$ Bn: 18.400	US\$ Bn: 1.850	US\$ Bn: 10.856	For construction of URA headquarter. Funding phased over a period of three years
construction of a one stop centre URA operations will increase efficiency			
<b>Output: 1454 76 Purchase of Office and ICT Equipment, including Software</b>			
US\$ Bn: -2.200	US\$ Bn: -1.623	US\$ Bn: 21.256	
internal realignment of budget			
<b>Output: 1454 79 Acquisition of Other Capital Assets</b>			
US\$ Bn: 5.356	US\$ Bn: -1.684	US\$ Bn: -2.607	Internal rationalization and realignment of the budget
Internal rationalization and realignment of the budget			

## V4: Vote Challenges for 2014/15 and the Medium Term

This section sets out the major challenges the vote faces in 2014/15 and the medium term which the vote has been unable to address in its spending plans.

### D.Major Challenges and Unfunded Priorities

URA faces a number of challenges, these include among others; growing operational costs as business expands, growing NSSF arrears, poor working environment especially at the boarder stations A number of priorities that are critical to the organization have remained un-funded or underfunded because of the inadequacy of resources as per the MTEF allocation. We request for an additional UGX 41.239 Bn to cater for the unfunded and underfunded priorities. These include:

- i.UGX 28 Bn for the construction of URA Headquarter building (Phase 1-). Construction of the building will save the organization vast resources in terms of rent, systems connectivity, transport and communication expenses, as well as improve service delivery to our clients.
- ii. UGX 1.869Bn to cater for contingency costs on oil cases
- iii.DT Interventions - e-tax filing racks, alteration of e-tax system and roll out of new driving permit process etc.-UGX 2.344Bn
- iv.Administrative Interventions – Record Mgt system, Asset Management system -UGX 2.650Bn
- v.Science and forensic Laboratory - equipment UGX.1.064
- vi.IT Solutions/Systems – LAN installation, IT Lab, Threat detection system, Licenses etc.UGX 5.312 Bn

**Table V4.1: Additional Output Funding Requests**

Additional Requirements for Funding and Outputs in 2014/15:	Justification of Requirement for Additional Outputs and Funding
<i>Vote Function:1402 Revenue Collection &amp; Administration</i>	
<b>Output: 1454 02 Domestic Tax Collection</b>	
US\$ Bn: 4.213	
E-tax filing racks, alteration of e-tax system and roll out of new driving permit process and continency costs for oil &	Continency costs for oil & Gas-URA will be able to defend her self in court of law as a result we will increase on collections and reduce on damages/legal costs

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## Vote Summary

Additional Requirements for Funding and Outputs in 2014/15:	Justification of Requirement for Additional Outputs and Funding
<p><b>Gas</b></p>	<p><i>Alterations to be made to the eTAX system following the move to criminal focused processes in the way TID is doing business (Busines Process Re-engineering System Design User Acceptance Testing, Training Piloting Implementation).</i></p> <p><i>Roll out new driving permit process to Kampala and all regional offices-Improved service delivery as a result, the number of taxpayers renewing their permits will be increase which positively impacts on revenue yield.</i></p> <p><i>E-tax filing racks-These will support the implementation of the DMS module on Etax</i></p>
<p><b>Output: 1454 03 Tax Investigations</b></p> <p><i>UShs Bn: 1.064</i></p> <p>Provison of equipment to enhance science and forensic laboratory</p>	<p><i>Provison of equipment to enhance science and forensic laboratory will help in the smooth operation of the Forensics lab. Their availability would aid investigations and collection of evidence admissible in courts of law. For example;</i></p> <ol style="list-style-type: none"> <li><i>1. The equipment will greatly improve the processing power of the forensic examiner machines which will eventually reduce on the amount of time needed to process a case and extract evidence.</i></li> <li><i>2. The equipment will enable simlutenious processing of the tasks in the forensic lab thus obtaining timely output.</i></li> <li><i>3. Increase the processing power in analysis of huge volumes of disk images.</i></li> <li><i>4. The equipment will be used for questioned documents examination</i></li> <li><i>5. Support the dual display capability of the forensics machines</i></li> <li><i>6. The Hard disks are used for storing data from computers seized from taxpayers. Their absence would complicate data extraction &amp; storage from computers and devices seized from taxpayers.</i></li> </ol>
<p><b>Output: 1454 72 Government Buildings and Administrative Infrastructure</b></p> <p><i>UShs Bn: 28.000</i></p> <p>Provide a one stop centre for URA operations</p>	<p><i>Construction of URA one stop centre building will save the organization vast resources in terms of rent, systems connectivity, transport and communication expenses, as well as improve service delivery to our clients.</i></p>
<p><b>Output: 1454 76 Purchase of Office and ICT Equipment, including Software</b></p> <p><i>UShs Bn: 7.963</i></p> <p>The Need enhance IT solutions</p>	<p><i>Unified Threat Management - Support and Maintenance-If Licence renewals are not made the license will be blocked and this will expose the ICT systems to various threats and attacks, hence, disruptions in service.</i></p> <p><i>LAN installation - 10 stations changing premises or Office movement-If not funded, movement of deserving offices can not take place</i></p> <p><i>Threat Detection Solution-If license not renewed URA systems security gets compromised and suffers being attaked without knowing</i></p> <p><i>Installation of IT LAB and test environment-Risk of tesing with live environment with possibility of accidentally damaging the system</i></p>

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## Vote Summary

*This section discusses how the vote's plans will address and respond to the cross-cutting policy, issues of gender and equity: HIV/AIDS; and the Environment, and other budgetary issues such as Arrears and NTR..*

### **(i) Cross-cutting Policy Issues**

#### *(i) Gender and Equity*

Gender Discrimination is not part of URA's Policy and Practice. No person therefore in the organization is excluded on the basis of Sex. 61.8% of the employees are males and 38.2% are females.

#### *(ii) HIV/AIDS*

Following the approval and implementation of the HIV/AIDS policy, the number of staff and their families receiving medication has been increasing year by year. There are 57 families currently receiving medication and all are receiving care from Mildmay Centre. In next financial year, implementation of the HIV/AIDS policy will require UGX 300m to cater for a total of 60 families that are expected to be on the scheme.

#### *(iii) Environment*

Under the 'Go Green project', we shall continue positioning ourselves as a socially responsible organization that makes environmentally mindful decisions. Through this project, we shall strive to preserve the environment in the selected communities. The focus for next financial year will be on Koba forest in Mpigi district and Malaba Customs where we planted trees in a previously water logged area. This will also reduce the spread of mosquitoes in this particular area.

### **(ii) Payment Arrears**

The table below shows all the payment arrears outstanding for the Vote:

N/A

### **(ii) Non Tax Revenue Collections**

The table below shows Non-Tax Revenues that will be collected under the Vote: