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Ministry of Finance, Planning & Economic
Development
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Uganda

10th March, 2021

All Accounting Officers (Central and Local Government)

CIRCULAR ON PAYROLL MANAGEMENT AND PROCESSING

As you may be aware, achieving the NDP III objective of public sector transformation will rely on, among others, the strengthening of the human resource management function of Government for improved service delivery.

In line with the above, Government shall continue to streamline the management of salary and monthly pension payments. Therefore, we have identified a number of issues that still affect payroll management and measures to address them are:

- 1. Processing of Salary, Pension and Gratuity payments on the IPPS;**
All staff recruited by Service Commissions, Boards & Councils and Appointing Authorities should use the Integrated Personnel and Payroll System (IPPS) for processing of their salary, pension and gratuity. Non-compliant Votes will not receive releases for salaries, pension and gratuity effective July, 2021.
- 2. Mischarges on the Wage Item to pay ineligible local staff and other non-salary related expenditure;**
Staff who are recruited by Ministries, Departments and Local Governments (MALGs) under Local Contracts and Temporary Staff should not access the IPPS but rather be paid using Item 211103 – Allowances. Furthermore, as part of the ongoing IFMS upgrade, Accountant General's Office (AGO) should configure the Integrated Financial Management System to ensure that only Salary related payments are charged on the Wage Item Codes- 211101, 211102 & 211104. The payments of salaries, pension and gratuity on the IFMS must have National Identification Numbers (NIN), Tax Identification Numbers (TIN), Supplier Numbers and IPPS Number as mandatory requirements.
- 3. Use of dummy supplier number in the IFMS to make payroll payments;**
Going forward, in order to eliminate the use of dummy numbers, a duly appointed Public Officer should have a VALID National Identification Number, Supplier Number before being accessed on the IPPS. In this regard, on a weekly basis, Accountant General should share information on Supplier Numbers for new or reactivated officers to be accessed on the payroll.
- 4. Unauthorized Recruitment;**
Under no circumstances should Public Universities and Ministries, Departments and Local Governments recruit without the explicit authorization of Ministry of Public Service and the confirmation of the availability of wage. Accounting Officers (AOs) who do not adhere to this guidance will be held liable in accordance with the law.

A handwritten signature in black ink, appearing to be 'F. N.', written over a horizontal line.

Mission

"To formulate sound economic policies, maximize revenue mobilization, ensure efficient allocation and accountability for public resources so as to achieve the most rapid and sustainable economic growth and development"

5. **Recruitment and Deployments of Secondary Teachers and Health Workers;**
Accounting Officers must ensure that they accurately capture the number and wage requirements of Health workers and Secondary Teachers at the beginning of the planning period. Relatedly, the Ministries of Health and Education and Sport should not recruit, deploy and transfer staff without ensuring availability of wage at the destination Votes.
6. **Inefficiencies in processing of Statutory and Non-Statutory deductions;**
Accounting Officers are directly responsible for making deductions from staff salaries. To that extent, Accountant General will ensure that no partial payment/ invoicing by Accounting Officers is authorized on the IFMS to ensure that all deductions are made at the same time as salary payments. In addition, MALGs should note that payroll deductions on behalf of credit agencies will be discontinued when the current MoU expires.
7. **Poor budgeting at Cost Centre and Departmental level;**
Accounting Officers are required to align staff under their correct cost centers under PBS during budgeting and on IPPS and IFMS at execution.
8. **Capacity gaps of Accounting Officers (CAOs, HROs and Internal Auditors) in the computation and processing of salary, pension and gratuity;**
Ministry of Public Service should undertake training of all relevant stakeholders as well as provide technical information and updates concerning payroll processing through the Uganda Media Centre and other print media.
9. **Lack of transparency in the payroll management as a result of not implementing the Government policy of regular and timely issuance and display of pay slips;**
All MALGs must publish payrolls on their notice boards and issue pay slips monthly, without fail.
10. **Delayed processing of Pension and Gratuity for retiring Officers;**
This practice has continued to be a menace. Accounting Officers must program to pay gratuity and pension for all staff retiring in each Financial Year. Accounting Officers must ensure that Human Resource Personnel transparently and accurately compute Pension and Gratuity requirements and that payments are made in a timely manner.

By copy of this letter, the Permanent Secretary of the Ministry of Public Service is requested to follow up and provide technical support towards the implementation of the above measures. The Accountant General is also requested to ensure that the IFMS upgrade prioritizes the creation of necessary system controls to prevent mischarges and other inconsistencies.

Patrick Ocailap

FOR: PERMANENT SECRETARY/SECRETARY TO THE TREASURY

Copy to: The Rt. Hon. Prime Minister

All Hon. Ministers and Ministers of State
The Head of Public Service and Secretary to the Cabinet
The Permanent Secretary, Ministry of Public Service
The Accountant General
The Internal Auditor
All Resident District Commissioners
All District Chairpersons and Mayors for Municipalities

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