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In any correspondence on
this subject please quote No.HRM155/222/02
14th March 2019

All Accounting Officers (Central and Local Governments)

PAYMENT OF SALARIES, PENSION AND GRATUITY TO PUBLIC OFFICERS WITH IPPS AND IFMS SUPPLIER NUMBERS

Reference is made to our letter of even reference dated 9th November 2018 clarifying that casual and temporary staff should be budgeted for and paid from item 211103 for allowances. Despite the above, it has been noted that some of you have continuously paid casual labourers and temporary staff from the wage budgets under items 211101 (General Staff Salaries) and 211102 (Contract Staff Salaries). This leads to distortions in the Wage bill and creates discrepancies in the payroll and IFMS payments.

On account of the above, among other reasons, we have noted with concern that for the past two quarters of FY 2018/19, there are a number of unexplained variances between the amount of wage processed on the IPPS and final payments on the IFMS based on wage expenditure reconciliation reports. The discrepancies are on account of paying casual labourers and temporary staff from the wage budget, paying of staff on the IFMS without having IPPS numbers and also payment of other staff using dummy supplier numbers, among others.

As a way forward and in line with the payroll decentralization policy, the following process should be followed with immediate effect:

- i). Ensure that staff and beneficiaries to be paid on the IFMS should have a National Identification Number (NIN) and Tax Identification Number (TIN) to identify the same person;
- ii). Upon obtaining TIN numbers, they should apply for IFMS supplier numbers using the e-registration system;
- iii). Thereafter, application should be made for your staff to acquire IPPS numbers and subsequently access the payroll;
- iv). No staff should be paid against items 211101 (General Staff Salaries) and 211102 (Contract Staff Salaries) without having both IPPS and IFMS Supplier numbers. This requirement also applies to Pensions and Gratuities as well as associated arrears payments;
- v). You should not pay people with multiple IFMS Supplier and IPPS numbers;
- vi). No staff should acquire an IPPS number and access the payroll without an IFMS supplier number, which leads to creation of wrong/dummy supplier numbers;

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"

- vii). No Gratuities should be paid from the Pension payroll and also ensure that the relevant code in the Chart of Accounts is charged; and
- viii). Pension and Gratuity arrears must be verified first for previous financial years using the forms provided by this Ministry before payment is made.

By copy of this letter, the Permanent Secretary, Ministry of Public Service and the Accountant General are accordingly informed and requested to ensure that this process is adhered to immediately.

Patrick Ocailap

For: PERMANENT SECRETARY/SECRETARY TO THE TREASURY

Copy to: The Head of Public Service and Secretary to Cabinet
The Deputy Head of Public Service and Deputy Secretary to Cabinet
The Auditor General
The Accountant General
All Resident District Commissioners
All District Chairpersons and Mayors of Municipalities

Mission

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