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THE REPUBLIC OF UGANDA

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To All Accounting Officers:

- (i) **Public Universities;**
- (ii) **Missions Abroad;**
- (iii) **Law Development Centre; and**
- (iv) **Local Governments.**

SECOND QUARTER (OCTOBER – DECEMBER 2015) FY 2015/16 DEVELOPMENT BUDGET RELEASE FOR PUBLIC UNIVERSITIES; MISSIONS ABROAD; LAW DEVELOPMENT CENTRE; AND LOCAL GOVERNMENTS

Please find attached the Development Budget release schedule for the second Quarter (October – December 2015) of FY 2015/16 for Missions Abroad, Public Universities and Law Development Centre (**Annex 1**) and Local Governments (**Annex 2**). The attached release schedule clearly indicates the Vote Code, Project Code, Project name, Approved Budget Estimates and the amount released for the second Quarter of FY 2015/16.

It is important to note the following:

1.0 Accessibility on the Website

The summary of the Second Quarter release schedule can be accessed on the Ministry of Finance, Planning and Economic Development website at 'http: www.finance.go.ug and 'http: www.budget.go.ug

2.0 Work plans and Accountability

2.1 All Accounting Officers are advised to utilize the funds released under this circular in accordance with quarterly work plans as specified under the appointment letters for Accounting Officers and the Performance Contracts signed with the Permanent Secretary/Secretary to the Treasury in line with the provisions of the Public Finance Management Act, 2015.

2.2 For Central Government votes, accountability from Project Managers should continue to be submitted to the respective Accounting Officers with three copies to this Ministry - one for the attention of the Director Budget; the other two to the Ag. Internal Auditor General and the Ag. Commissioner/Treasury Inspectorate and Policy Department.

2.3 As you execute the programmed activities for the second quarter, you are advised to note that any release under the subsequent quarters will largely depend on the absorption capacity based on the information generated from the Treasury Single Account (TSA). A vote with a low absorption capacity will not be considered for any additional release unless there is a clear justification for such a level of performance.

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3.0 Performance Progress Reports

3.1 All spending Agencies must ensure that performance is reported on in their respective Output Budgeting Tools (OBT's) and there should be special focus on the financial performance as well as the physical performance by articulating the funds spent and the actual outputs attained against the annual planned levels in addition to indicating the geographical location. **For the case of civil works, performance reports should be backed by sufficient evidence such as interim Certificates, as the case may be.** Where underperformance is recorded, reasons for underperformance should be specified and reports with general statements such as 'delayed procurement' will not be acceptable.

4.0 Taxes

4.1 Unlike the previous financial years, the budgeting for the year is tax inclusive. Accordingly, funds for taxes have been released as part of this schedule and you are advised to ensure that you clear all the tax obligations for goods and services including imports with Uganda Revenue Authority since the funds have been released and there should be no recourse to this Ministry.

4.2 Accounting Officers will be personally liable for failure to comply with the above requirements and remittance of taxes to Uganda Revenue Authority (URA).

5.0 Total Funds Released under this circular is **Ushs. 82,045,997,000/= (Uganda Shillings: Eighty Two Billion, Forty Five Million, Nine Hundred Ninety Seven Thousand Only)** has been released for utilization under the different government projects as detailed under Annexes 1 and 2 referred to above.

6.0 Specific Information for Local Government Release

6.1 With effect from FY 2015/16, Central Government transfers to local governments were consolidated. Therefore, the following should be noted:

- i) There is only one Development Grant per sector; and
- ii) New Project and item codes have been accordingly created in the Chart of Accounts for each sector grant.

6.2 Out of the total Release referred to in para 5.0 above, **Ushs. 67,291,527,000/= (Uganda Shillings: Sixty Seven Billion, Two Hundred Ninety One Million, Five Hundred Twenty Seven Thousand Only)** is earmarked for projects under Local Governments and will be disbursed as follows:

- i) **UShs. 61,811,769,043 (Uganda Shillings: Sixty One Billion, Eight Hundred and Eleven Million, Seven Hundred Sixty Nine Thousand and Forty Three Only)** will be credited on the Local Governments' General Fund Accounts for the projects of LGMSD, Health Development, Water and Environment Development, Roads Development and SFG component of Education Development; and
- ii) The balance of **Ushs. 5,479,757,957/= (Uganda Shillings: Five Billion, Four Hundred Seventy Nine Million, Seven Hundred Fifty Seven Thousand, Nine Hundred Fifty Seven Only)** which is for Secondary School Construction component under Education Development Grant and LGMSD will be sent directly to the beneficiary schools and Town Councils, based on the advice by Ministry of Education Science, technology and Sports and Ministry of

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Local Government respectively.

6.3 I have attached schedules of breakdown as follows:

- i) Funds released to Local Governments under each Sector Development Grant, for normal GoU and PRDP component (**Annex 3**); and
- ii) Funds released under Local Government Management Service Delivery Programme (LGMSD) indicated a portion transferred to the General Fund Account and the component transferred directly to Town Councils (**Annex 4**);
- iii) Details for development funds released under Health Sector – Proj 1385, item 321470 (**Annex 5**) and Education Sector – Proj 1383, item 321470 (**Annex 6**)
- iv) Details of funds directly transferred to schools for Secondary School Construction (**Annex 7**);
- v) Details of funds directly transferred to Town Councils under Local Government Management Service Delivery Programme (LGMSD) (**Annex 8**);

6.4 Whereas the funds referred to in para 6.3 (iv) and (v) above have been remitted directly to the service delivery units, the Local Government Accounting Officers are personally liable for effective utilization of these funds, submission of performance progress reports as well as the accountability of the funds.

6.5 The Local Government release referred to under para 5.0 above excludes the funds for Project 1255, Item 321465: Urban Municipal Infrastructure Support Project (USMID) which will be released under a separate schedule by Ministry of Lands, Housing and Urban Development.

7.0 By copy of this letter, the Auditor General and the Commissioner General, Uganda Revenue Authority are informed. The Accountant General and the Commissioner Financial Management Services are hereby requested to take the necessary action.


Keith Mwanakazi

PERMANENT SECRETARY/SECRETARY TO THE TREASURY

- cc: The Hon. Minister of Finance, Planning and Economic Development
- cc: All Hon. Ministers of State, Ministry of Finance, Planning and Economic Development
- cc: The Head of Public Service and Secretary to Cabinet
- cc: The Deputy Head of Public Service
- cc: The Auditor General
- cc: The Inspector General of Government
- cc: The Accountant General
- cc: The Commissioner General, Uganda Revenue Authority
- cc: The Commissioner, Financial Management Services
- cc: The Ag. Internal Auditor General
- cc: The Ag. Commissioner, Treasury Inspectorate and Policy Department
- cc: The Ag. Commissioner, Debt Management Department
- cc: The Resident District Commissioners
- cc: The LC V Chairpersons, Local Governments
- cc: All Project Coordinators/Managers

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