

# Vote:141 URA

## VI: Vote Overview

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

**Table V1.1: Overview of Vote Expenditures**

Billion Uganda Shillings	FY2016/17 Outturn	FY2017/18		FY2018/19 Proposed Budget	MTEF Budget Projections			
		Approved Budget	Spent by End Sep		2019/20	2020/21	2021/22	2022/23
Recurrent Wage	112.132	133.964	33.071	133.964	147.361	154.729	162.465	170.588
Non Wage	108.389	176.868	43.085	176.868	215.780	248.146	297.776	357.331
Devt. GoU	55.662	52.640	13.135	34.640	42.260	50.713	50.713	50.713
Ext. Fin.	0.000	2.291	0.000	0.000	0.000	0.000	0.000	0.000
<b>GoU Total</b>	<b>276.182</b>	<b>363.472</b>	<b>89.291</b>	<b>345.472</b>	<b>405.401</b>	<b>453.588</b>	<b>510.953</b>	<b>578.632</b>
<b>Total GoU+Ext Fin (MTEF)</b>	<b>276.182</b>	<b>365.763</b>	<b>89.291</b>	<b>345.472</b>	<b>405.401</b>	<b>453.588</b>	<b>510.953</b>	<b>578.632</b>
<i>A.I.A Total</i>	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Grand Total</b>	<b>276.182</b>	<b>365.763</b>	<b>89.291</b>	<b>345.472</b>	<b>405.401</b>	<b>453.588</b>	<b>510.953</b>	<b>578.632</b>

### (ii) Vote Strategic Objective

Cultivate a taxpaying culture through provision of reliable services, leadership development and building strategic Partnerships.

## V2: Past Vote Performance and Medium Term Plans

### Performance for Previous Year FY 2016/17

1. Revenue collection to target was 96.93% (Net collection UGX 12,719.63Bn)
2. Net Domestic Tax revenue performed at 99% ( UGX 7,314Bn)
3. Net Customs revenue collection UGX 5,406 Bn
4. Compliance level was at 80.6%
5. Tax to GDP ratio was at 14.05%
6. Tax administration cost as percentage of revenue was 2.06% against a target of 2.3%
7. 214 Tax clinics, 28 exhibitions, 16 tax katales were conducted
8. 14.1% growth in Taxpayer register (127,203 taxpayers)
9. 1,908 audits carried out yielding UGX 68.91Bn
10. 71 judgements were secured with 33 cases judged in URA's favor
11. UGX 80.68Bn arrears collected against a target of 75Bn (107.5% performance )
12. 93 cases investigated and concluded (UGX 43.34Bn debt recovered )

# Vote:141 URA

## Performance as of BFP FY 2017/18 (Performance as of BFP)

1. Revenue collection to target was 95.97% (UGX 3,147.07Bn collected) posting a growth of 11.77%
2. Compliance level 75.5%
3. Tax administration cost as percentage of revenue was 2.8%
4. 60% of strategic plan delivered
5. 388 tax audits and examinations conducted
6. 42 customs audits conducted
7. Arrears management recovered UGX 120.29Bn
8. Growth in the tax register is by 3.2% (33,770 new taxpayers )
9. TREP interventions registered 24,552 taxpayers
10. Implementation of the Block Management System (BMS) that registered 13,535 taxpayers occupying 793 key buildings
11. Legal cases were 63 recovering UGX 19.85Bn
12. 28 rulings received in favor of URA
13. 21 Tax fraud cases investigated
14. Full implementation of the National Targeting Centre
15. Implementation of the central monitoring system
16. Customs enforcement interventions generated UGX 12.73Bn from 2,040 seizures

## FY 2018/19 Planned Outputs

1. 100% revenue collection to target (UGX 16,992Bn)
2. Compliance level 77%
3. Administration cost as percentage of revenue 2.3%
4. Percentage growth in taxpayer register 10%
5. Average filing ratio 88%
6. Collection of UGX 75Bn from Tax arrears
7. 65% of cases won and settled in URA's favor
8. Complete 250 Post clearance audits
9. Complete 3,000 tax audits and examinations

## Medium Term Plans

1. Implement risk based compliance programs
2. Implement tax education programs
3. Strengthen debt recovery and litigation
4. Implement tax register expansion programs
5. Implement service enhancement programs
6. Implement revenue management & resource optimisation programs
7. Implement Staff capacity building
8. Participate in the development of the Medium Term Revenue Strategy (MTRS)
9. Participate in the review of the National Revenue Policy
10. Participate in Tax education & financial literacy program sensitization
11. Participate in the development of systems to support revenue collection in local governments
12. Participate in capacity building of internal auditors and inspectors
13. Participate in the integration of systems across Government institutions
14. Participate in the development & implementation of communication strategy to link service delivery and revenue mobilisation

## Efficiency of Vote Budget Allocations

1. Implement program based budgeting
2. Implement resource optimization programs
3. Implement revenue management and reporting mechanism
4. Enhanced utilization of data analysis through data warehouse to enhance risk profiling and decision making
5. Institutionalize enterprise risk based management
6. Implement Business process re engineering

## Vote Investment Plans

# Vote:141 URA

1. URA H/Q building
2. Office equipment, furniture & fittings
3. computer equipment
4. Vehicles (Finance Lease)
5. Disaster Recovery system & IT licenses
6. Enterprise Resource Planning (ERP)

## Major Expenditure Allocations in the Vote for FY 2018/19

A total budget of 345.472 Bn was allocated as the MTEF for FY 2018/19 out of which UGX 310.83 Bn is for Recurrent budget and 34.64Bn is for capital development.

### Recurrent Budget (89.97%)

staff costs is 52.07% (UGX179.89Bn),  
 Travel & Transport is 3.93% (UGX 13.57Bn)  
 Repairs & maintenance is 17.78% (UGX 61.44Bn)  
 Other Charges & staff development is 16.18% ( UGX 55.91Bn)

### Capital & strategic budget (10.03%)

URA HQ is UGX 12.90Bn  
 Office Equipment, Furniture & fittings is UGX 0.10Bn  
 Computer equipment UGX 0.20Bn  
 Vehicle (Finance lease ) is UGX 3.02Bn  
 Disaster Recovery systems & IT licenses is UGX 10.41Bn  
 Enterprise Resource Planning (ERP) is 8.00Bn

## V3: PROGRAMME OUTCOMES, OUTCOME INDICATORS AND PROPOSED BUDGET ALLOCATION

**Table V3.1: Programme Outcome and Outcome Indicators**

<b>Vote Controller :</b>							
<b>Programme :</b>		<b>18 Administration and Support Services</b>					
<b>Programme Objective :</b>		Improve institutional performance					
<b>Responsible Officer:</b>		Doris Akol					
<b>Programme Outcome:</b>		<b>Efficient and effective institutional performance</b>					
<i>Sector Outcomes contributed to by the Programme Outcome</i>							
<b>1. Sustainable Macroeconomic Stability</b>							
<b>Programme Performance Indicators (Output)</b>	<b>Performance Targets</b>						
	<b>2016/17 Actual</b>	<b>2017/18 Target</b>	<b>Base year</b>	<b>Baseline</b>	<b>2018/19 Target</b>	<b>2019/20 Target</b>	<b>2020/21 Target</b>
• Level of Strategic plan delivered	0	75%			80%	85%	85%
• Annual Auditor General rating of institutions	0	Unqualified			unqualified	unqualified	unqualified
<b>Vote Controller :</b>							
<b>Programme :</b>		<b>54 Revenue Collection &amp; Administration</b>					
<b>Programme Objective :</b>		Maximise Revenue					
<b>Responsible Officer:</b>		Doris Akol					
<b>Programme Outcome:</b>		<b>Maximum revenue</b>					
<i>Sector Outcomes contributed to by the Programme Outcome</i>							

# Vote:141 URA

1. Sustainable Macroeconomic Stability							
Programme Performance Indicators (Output)	Performance Targets						
	2016/17 Actual	2017/18 Target	Base year	Baseline	2018/19 Target	2019/20 Target	2020/21 Target
• Revenue collection to target	0	100%			100%	100%	100%
• Compliance level	0	74%			77%	80%	80%
• Tax Administration cost as % of revenue	0	2.4%			2.3%	2.3%	2.3%

**Table V3.2: Past Expenditure Outturns and Medium Term Projections by Programme**

Billion Uganda shillings	2016/17	2017/18		2018-19	MTEF Budget Projections			
	Outturn	Approved Budget	Spent By End Q1	Proposed Budget	2019-20	2020-21	2021-22	2022-23
<b>Vote :141 URA</b>								
18 Administration and Support Services	0.000	171.745	42.018	168.813	182.209	294.364	296.774	328.637
54 Revenue Collection & Administration	275.878	194.018	47.248	176.659	223.191	159.223	214.179	249.995
<b>Total for the Vote</b>	<b>275.878</b>	<b>365.763</b>	<b>89.266</b>	<b>345.472</b>	<b>405.401</b>	<b>453.588</b>	<b>510.953</b>	<b>578.632</b>

## V4: SUBPROGRAMME PAST EXPENDITURE OUTTURNS AND PROPOSED BUDGET ALLOCATIONS

**Table V4.1: Past Expenditure Outturns and Medium Term Projections by SubProgramme**

Billion Uganda shillings	2016/17	FY 2017/18		2018-19	Medium Term Projections			
	Outturn	Approved Budget	Spent By End Sep	Proposed Budget	2019-20	2020-21	2021-22	2022-23
<b>Programme: 18 Administration and Support Services</b>								
02 Internal Audit and Compliance	0.000	5.052	1.253	5.640	5.916	13.779	174.975	277.924
03 Corporate services	0.000	93.593	23.198	109.268	111.082	27.193	19.876	0.000
04 Legal Services	0.000	6.613	1.643	6.511	10.677	92.684	10.309	0.000
0653 Support to URA Projects	0.000	54.931	13.135	34.640	34.640	50.713	50.713	50.713
08 Research & Planning, Public Awareness and Tax Education	0.000	11.557	2.789	12.754	19.894	109.996	40.901	0.000
<b>Total For the Programme : 18</b>	<b>0.000</b>	<b>171.745</b>	<b>42.018</b>	<b>168.813</b>	<b>182.209</b>	<b>294.364</b>	<b>296.774</b>	<b>328.637</b>
<b>Programme: 54 Revenue Collection &amp; Administration</b>								
01 Revenue Collection & Administration	220.266	0.000	0.000	0.000	0.000	0.000	0.000	0.000
05 Domestic Taxes	0.000	99.199	23.678	96.224	98.458	60.746	64.635	70.718
06 Customs	0.000	87.956	21.854	73.942	74.718	48.004	89.942	33.985
0653 Support to URA Projects	55.662	0.000	0.000	0.000	7.621	0.000	0.000	0.000
07 Tax Investigations	0.000	6.863	1.716	6.493	42.395	50.473	59.602	145.292
<b>Total For the Programme : 54</b>	<b>275.928</b>	<b>194.018</b>	<b>47.248</b>	<b>176.659</b>	<b>223.191</b>	<b>159.223</b>	<b>214.179</b>	<b>249.995</b>
<b>Total for the Vote :141</b>	<b>275.928</b>	<b>365.763</b>	<b>89.266</b>	<b>345.472</b>	<b>405.401</b>	<b>453.588</b>	<b>510.953</b>	<b>578.632</b>

N / A

**Table V4.3: Major Capital Investment (Capital Purchases outputs over 0.5Billion)**

# Vote:141 URA

FY 2017/18		FY 2018/19	
Appr. Budget and Planned Outputs	Expenditures and Achievements by end Sep	Proposed Budget and Planned Outputs	
<b>Vote 141 URA</b>			
Programme : 18 Administration and Support Services			
Project : 0653 Support to URA Projects			
<b>Output: 72 Government Buildings and Administrative Infrastructure</b>			
URA Headquarter building construction	Overall physical work progress is 64.00% and actual period-wise progress is 86.54% as per the approved work plan.	Completion of the Construction of the URA HQ Building	
IDEP Project administration costs	Internal final finishes are behind schedule i.e. according to the Contractor's approved programme we ought to have completed 88% of internal final finishes		
<b>Total Output Cost(Ushs Thousand):</b>	<b>30.900</b>	<b>7.725</b>	<b>12.900</b>
Gou Dev't:	30.900	7.725	12.900
Ext Fin:	0.000	0.000	0.000
A.I.A:	0.000	0.000	0.000
<b>Output: 75 Purchase of Motor Vehicles and Other Transport Equipment</b>			
Acquire 90 vehicles	Lease payment for 90 vehicles in first quarter FY 2017/18.	Acquire vehicles by finance lease.	
<b>Total Output Cost(Ushs Thousand):</b>	<b>3.022</b>	<b>0.756</b>	<b>3.022</b>
Gou Dev't:	3.022	0.756	3.022
Ext Fin:	0.000	0.000	0.000
A.I.A:	0.000	0.000	0.000

# Vote:141 URA

**Output: 76 Purchase of Office and ICT Equipment, including software**

<p>Computer equipment for new staff Implement and maintain the ERP system</p>	<p>Procurement for new PCs was initiated in this quarter</p> <p>Paid License for Disaster Recovery system1. Implemented more Direct peering with Telecoms; Africell and Liquid Telecom</p> <p>Maintained 99.03% internet availability</p> <p>Installed the fleet management system in vehicle on going.</p> <p>The donor funding component towards the Datawarehouse and Business Intelligence system was not recieved</p> <p>(i) Execution of change management strategy for phase 1                  a. Promotional Campaigns                  b. Awareness Campaigns                  c. Stakeholder engagements                  (ii) Super user training (for HR staff)                  (iii) End-user training (Organization wide)                  (iv) HR data preparation, cleaning and migration into the ERP system                  (v) User Acceptance Testing (UAT)                  (vi) Preparation of ERP user manuals for HR module /phase 1                  (vii) Roll out of ERP HR modules (Core HR, Performance Management System and Self Service HR)                  Successfully monitored and ensured synchronization of production Data Bases to their standbys (AW, eTAX, ERP, eHUB)</p>	<p>Acquire new computers for staff DR systems &amp; IT licence maintenance Enterprise Resource Planning (ERP) final implementation</p>	
<p><b>Total Output Cost(Ushs Thousand):</b></p>	<p><b>20.908</b></p>	<p><b>4.654</b></p>	<p><b>18.617</b></p>
<p>Gou Dev't:</p>	<p>18.617</p>	<p>4.654</p>	<p>18.617</p>
<p>Ext Fin:</p>	<p>2.291</p>	<p>0.000</p>	<p>0.000</p>
<p>A.I.A:</p>	<p>0.000</p>	<p>0.000</p>	<p>0.000</p>

**V5: VOTE CHALLENGES FOR 2018/19 AND ADDITIONAL FUNDING REQUESTS**

**Vote Challenges for FY 2018/19**

# Vote:141 URA

1. Inadequate resources
2. Inadequate funding to support structure changes to align with current business needs
3. Increasing IT disruptions due to obsolescence of IT assets
4. Inadequate staff skills, strength & reach
5. Increasing smuggling
6. Dumping and diversion of cargo
7. Incomplete implementation of EAC customs regional initiatives

**Table V5.1: Additional Funding Requests**

Additional requirements for funding and outputs in 2018/19	Justification of requirement for additional outputs and funding
<b>Vote : 141 URA</b>	
<b>Programme : 18 Administration and Support Services</b>	
<i>OutPut : 01 Internal Audit and Compliance</i>	
Funding requirement US\$ Bn : <b>1.255</b>	Increase in business requires more reviews and independent assessments both within and outside the country, increasing the number of licenses on the integrated data extraction and analysis tool (IDEA)-this helps in quick analysis of big volumes of data hence quick decision making
<i>OutPut : 03 Administrative Support Services</i>	
Funding requirement US\$ Bn : <b>86.633</b>	Structural Review is to respond to changes in the business environment so as to improve service delivery and operational efficiency, improve staff productivity, quality of service, compliance & revenue hence fiscal sustainability and credibility as per NDP II
<i>OutPut : 04 Public Awareness and Tax Education/Modernization</i>	
Funding requirement US\$ Bn : <b>8.085</b>	Tax education, service support mechanisms, independent process evaluation, public relation initiatives are drivers for voluntary compliance which URA needs to expand scope and untapped potential of taxpayers to ultimately increase revenue collection to support NDP objectives
<i>OutPut : 05 Legal services</i>	
Funding requirement US\$ Bn : <b>7.653</b>	large sums of revenue will be at risk of not being recovered if proactive litigation & prosecution are not undertaken. they are increasing cases of massive fraud which are cross border cutting hence the need for cross border litigation. URA pursues such cases in order to close the pitfalls to the public and deter fraudulent dealings which are the root cause of revenue loss
<b>Programme : 54 Revenue Collection &amp; Administration</b>	
<i>OutPut : 01 Customs Tax Collection</i>	
Funding requirement US\$ Bn : <b>5.209</b>	warehouse stock management, customs audit tracking system, attachment to strategic embassies, additional seals etc will improve trade facilitation and reduce smuggling to protect local industries from unfair competition. This will ultimately lead to improved revenue collection and fiscal credibility as projected in the NDP.

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# Vote:141 URA

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***OutPut : 02 Domestic Tax Collection***Funding requirement US\$ Bn : **102.929**

Not fully funding Domestic Tax collection initiatives will lead to under performance of the Domestic Revenue and hence affecting fiscal credibility and sustainability. Full implementation of etax2, TREPIII, digital stamps, mobile office will improve the quality of service, compliance levels and revenue performance

***OutPut : 03 Tax Investigations***Funding requirement US\$ Bn : **0.360**

Implementation of the above initiatives shall enable URA to fully utilize the access provided by multi-lateral treaties to obtain information in tackling off shore tax evasion

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