

# **VOTE: 147 Local Government Finance Commission (LGFC)**

## **I. VOTE MISSION STATEMENT**

A centre of excellence in intergovernmental fiscal policy and equitable local government financing in Uganda

## **II. STRATEGIC OBJECTIVE**

- i) Promote adequacy, equity and transparency in resource allocation to and among LGs
- ii) Enhance local revenue performance
- iii) Enhance the institutional capacity of the LGFC to effectively perform its mandate

## **III. MAJOR ACHIEVEMENTS IN 2025/26**

### **Corporate Governance and Institutional Development**

The Commission implemented its Corporate Rebranding Strategy to strengthen institutional identity, professionalism and visibility. Newly recruited staff were provided with branded corporate wear and laptop bags to enhance field presence and corporate consistency. The Commission's website and social media platforms were fully updated to reflect the new brand identity.

Six Commission Policy Meetings and eleven SubCommittee Meetings were convened to guide strategic direction and oversight. Two Balanced Scorecard engagements were conducted for the Commission Secretary and DFA facilitated by the Ministry of Public Service.

Value for Money field visits were undertaken in selected Local Governments in Western Uganda to assess economy efficiency and effectiveness in public resource utilization.

Followup audits were conducted in Namisindwa Luuka and Butebo DLGs and responses submitted to the Internal Auditor General on centrally funded projects.

### **Human Resource Management**

The Commission strengthened its staffing structure to address technical capacity gaps.

Staff replacements were effected for three positions: Human Resource Officer, Senior Financial Analyst and Senior Accounts Assistant.

Recruitment processes were undertaken for sixteen technical positions across planning, finance, research, ICT, data analytics and customer care functions.

Staff training was conducted on documentation and records management systems to improve compliance and institutional knowledge management.

All staff were oriented on the new organizational structure to support effective operationalization.

### **Planning and Budgeting**

Preparation of the Budget Framework Paper for FY 2026/27 commenced under the Programme Based Budgeting framework. Work plans were aligned to the LGFC Strategic Plan FY 2025/26-2029/30, Programme Implementation Action Plans and national budget guidelines.

The BFP was submitted to MoFPED in line with the budget calendar.

The Commission finalized its Strategic Plan FY 2025/26 to 2029/30 and was awarded a Certificate of Compliance confirming alignment with NDP IV and national planning frameworks.

### **Programme Based Negotiations and Budget Analysis**

The Commission coordinated Programme Based Negotiations between LGs and Central Government Programme Leaders across eight national programmes, reaching consensus on priorities, grant guidelines and emerging policy issues.

The FY 2025/26 National Budget was analyzed to assess allocation trends to Local Governments, wage, non-wage and development.

Capacity building on budget formulation was conducted for twenty-four LGs to strengthen Technical Planning Committees.

The Commission initiated preparation of the Annual Statistical Abstract on Local Government finances.

Analysis of 112 LG budgets assessed credibility, compliance with the PFMA and revenue completeness.

Targeted feedback was provided to five LGs while data verification exercises were conducted in twenty LGs to strengthen reporting accuracy. Analysis was also undertaken to identify LGs below the national average in grant allocation parameters to inform ongoing IGFT reforms.

### **Review of the Allocation Formula**

Two stakeholder engagements were conducted to review and redesign the Intergovernmental Fiscal Transfer grant system incorporating inclusivity and

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equity considerations for marginalized groups

### Local Revenue Enhancement and IRAS Implementation

Action research on potential revenue sources was conducted in thirty LGs including cities and municipalities

Regional stakeholder engagement in Kigezi Region promoted peer learning and best practices in revenue mobilization

Technical support on amended revenue laws was provided to six LGs

Training on IRAS Version III reached 140 LG officers, while 490 officers were supported through call centre-facilitated online training across six regional centres. Eleven LG votes and clustered sites were migrated from eLogRev to IRAS, with nine fully launched

Two Local Revenue Enhancement Coordinating Committee meetings focused on Trading Licenses, Operational Permits Local Service Tax and Local Government Hotel Tax implementation Outreach on wildlife royalties management was conducted in six districts

### Local Economic Development

Followup engagements in Nebbi DLG and Arua City strengthened linkages between LED initiatives and local revenue generation. Support was provided to Bugiri Butaleja and Mityana to develop and customize Local Revenue Enhancement Plans

### ICT and Records Management

Development of the Commissions ICT Strategic Plan commenced. Firewall license renewal is under procurement and servicing of ICT equipment was completed

Phase I of the Electronic Records Management System was finalized focusing on manual records classification

The Resource Centre was reorganized, materials catalogued obsolete records weeded and periodicals donated to the National Archives

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## IV. MEDIUM TERM BUDGET ALLOCATIONS

Table 4.1: Overview of Vote Expenditure (Ushs Billion)

	2025/26		2026/27	MTEF Budget Projections				
	Approved Budget	Spent by End Dec	Budget Estimates	2027/28	2028/29	2029/30	2030/31	
<b>Recurrent</b>	Wage	2.850	1.425	2.850	2.992	3.142	3.299	3.464
	Non-Wage	10.250	4.356	17.850	20.528	22.204	26.645	31.974
<b>Devt.</b>	GoU	1.500	0.000	1.500	1.650	1.980	2.376	2.851
	Ext Fin.	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>GoU Total</b>	<b>14.600</b>	<b>5.781</b>	<b>22.200</b>	<b>25.170</b>	<b>27.326</b>	<b>32.320</b>	<b>38.289</b>	
<b>Total GoU+Ext Fin (MTEF)</b>	<b>14.600</b>	<b>5.781</b>	<b>22.200</b>	<b>25.170</b>	<b>27.326</b>	<b>32.320</b>	<b>38.289</b>	
<b>Arrears</b>	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
<b>Total Budget</b>	<b>14.600</b>	<b>5.781</b>	<b>22.200</b>	<b>25.170</b>	<b>27.326</b>	<b>32.320</b>	<b>38.289</b>	
<b>Total Vote Budget Excluding Arrears</b>	<b>14.600</b>	<b>5.781</b>	<b>22.200</b>	<b>25.170</b>	<b>27.326</b>	<b>32.320</b>	<b>38.289</b>	

**VOTE: 147 Local Government Finance Commission (LGFC)****Table 4.2: Budget Allocation by Department for Recurrent and Development (Ushs Billion)**

<i>Billion Uganda Shillings</i>	Draft Budget Estimates FY 2026/27	
	Recurrent	Development
<b>Programme:14 Public Sector Transformation</b>	<b>12.374</b>	<b>1.500</b>
<b>Vote Function:02 Local Government Financing</b>	<b>12.374</b>	<b>1.500</b>
001 Finance and Administration	12.374	1.500
<b>Programme:17 Regional Balanced Development</b>	<b>4.556</b>	<b>0.000</b>
<b>Vote Function:02 Local Government Financing</b>	<b>4.556</b>	<b>0.000</b>
004 Revenue and Research	4.556	0.000
<b>Programme:18 Development Plan Implementation</b>	<b>3.770</b>	<b>0.000</b>
<b>Vote Function:02 Local Government Financing</b>	<b>3.770</b>	<b>0.000</b>
004 Revenue and Research	3.770	0.000
<b>Total for the Vote</b>	<b>20.700</b>	<b>1.500</b>

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## V. PERFORMANCE INDICATORS AND PLANNED OUTPUTS

**Table 5.1: Performance Indicators**

**Programme: 14 Public Sector Transformation**

**Vote Function: 02 Local Government Financing**

**Department: 001 Finance and Administration**

**Key Service Area: 000005 Human Resource Management**

**PIAP Output: Human Resources managed**

**Programme Intervention: 146111 Enhance Institutional Coordination and Administrative Efficiency**

Indicator Name	Indicator Measure	Base Year	Base Level	Performance Targets
				2026/27
Percentage of staff supported to undertake their roles and responsibilities by vote	Percentage	2023/24	100%	100%

**Key Service Area: 000006 Planning and Budgeting services**

**PIAP Output: Planning and budgeting undertaken**

**Programme Intervention: 146111 Enhance Institutional Coordination and Administrative Efficiency**

Indicator Name	Indicator Measure	Base Year	Base Level	Performance Targets
				2026/27
MDA strategic plan developed by vote	Percentage	2023/24	1%	100%
Number of planning and budget statutory reports produced and submitted	Number	2023/24	4	2
Strategic Plan end evaluation report	Percentage	2023/24	0%	25%
strategic plan Midterm review report	Percentage	2023/24	0%	50%

**Key Service Area: 000014 Administrative and Support Services**

**PIAP Output: Leadership and management strengthened**

**Programme Intervention: 146111 Enhance Institutional Coordination and Administrative Efficiency**

Indicator Name	Indicator Measure	Base Year	Base Level	Performance Targets
				2026/27
Frequency of top management monitoring visits to MDAs/LGs or projects, disaggregated by sector or program.	Number	2023/24	4	4

**VOTE: 147 Local Government Finance Commission (LGFC)****Vote Function: 02 Local Government Financing****Department: 001 Finance and Administration****Key Service Area: 000019 ICT Services****PIAP Output: Information and communication technology uptake enhanced****Programme Intervention: 146111 Enhance Institutional Coordination and Administrative Efficiency**

Indicator Name	Indicator Measure	Base Year	Base Level	Performance Targets
				2026/27
Percentage of staff supported in ICT	Percentage	2023/24	100%	100%

**Key Service Area: 000022 Research and Development****PIAP Output: Decentralized Services Receiving at Least 50% of Required Funding****Programme Intervention: 144111 Build LG decentralization and self-reliance capacity**

Indicator Name	Indicator Measure	Base Year	Base Level	Performance Targets
				2026/27
Percentage of Decentralized Services Receiving at Least 60 of Required Funding	Percentage	2023/24	34%	42%

**Key Service Area: 000026 Grants Management****PIAP Output: Share of National Budget Allocated to Local Governments****Programme Intervention: 144111 Build LG decentralization and self-reliance capacity**

Indicator Name	Indicator Measure	Base Year	Base Level	Performance Targets
				2026/27
Percentage share between the central and local governments	Percentage	2023/24	15.40%	16.4%

**Key Service Area: 000056 Data Management****PIAP Output: Reduced disparities in funding levels among local governments, ensuring more equitable distribution of financial resources.****Programme Intervention: 144111 Build LG decentralization and self-reliance capacity**

Indicator Name	Indicator Measure	Base Year	Base Level	Performance Targets
				2026/27
No. of local governments and cities below the national average for service delivery.	Number	2023/24	100	80

**VOTE: 147 Local Government Finance Commission (LGFC)****Vote Function: 02 Local Government Financing****Project: 1871 Institutional Development for Local Government Finance Commission****Key Service Area: 000003 Facilities and Equipment Management****PIAP Output: Institutions retooled****Programme Intervention: 146111 Enhance Institutional Coordination and Administrative Efficiency**

Indicator Name	Indicator Measure	Base Year	Base Level	Performance Targets
				2026/27
Required equipment installed by vote	Number	2023/24	500	15

**Programme: 17 Regional Balanced Development****Vote Function: 02 Local Government Financing****Department: 004 Revenue and Research****Key Service Area: 000045 Support to Local Governments****PIAP Output: Local revenue mobilized and generated****Programme Intervention: 172111 Implementation of Local Government Revenue Mobilisation Strategy**

Indicator Name	Indicator Measure	Base Year	Base Level	Performance Targets
				2026/27
Amount of Local Revenue collected(bn)	Value	2023/24	287.10000000000002	431
Number of new Local Revenue tax payers registered	Number	2023/24	1436117	1613621

**Key Service Area: 000058 Stakeholder Management****PIAP Output: Local revenue mobilized and generated****Programme Intervention: 172111 Implementation of Local Government Revenue Mobilisation Strategy**

Indicator Name	Indicator Measure	Base Year	Base Level	Performance Targets
				2026/27
Amount of Local Revenue collected(bn)	Value	2023/24	287.10000000000002	431
Number of new Local Revenue tax payers registered	Number	2023/24	1436117	1613621

**Programme: 18 Development Plan Implementation**

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Vote Function: 02 Local Government Financing

Department: 004 Revenue and Research

Key Service Area: 560008 Revenue Mobilization

PIAP Output: Local Government own source revenue growth

Programme Intervention: 182112 Strengthen Local Government Revenue Mobilization

Indicator Name	Indicator Measure	Base Year	Base Level	Performance Targets
				2026/27
Percentage increase in own source revenue	Percentage	2023/24	54%	29%

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## VI. VOTE NARRATIVE

### Vote Challenges

- a) Limited LG resources inadequate allocations undermine service delivery disproportionately affecting marginalized populations
- b) Low tax compliance and inefficiencies Tax evasion and weak enforcement hinder local revenue growth
- c) Conflicting decentralization policies Regulatory inconsistencies limit LG autonomy and equitable decision making
- d) Lack of dedicated local revenue units: Weak revenue mobilization affects sustainable financing
- e) Inadequate staffing and logistical support Constraints at the Commission impact service efficiency
- f) Inadequate release of fund to the Commission causing adjustments in the planned activities.
- g) The LGs have not uploaded their budget onto the IRAS system. Uploading the budget enables assessment of collections against both the budget and assessments.
- h) New staff are not oriented, which results in the adoption of poor practices from peers.
- i) Some LGs have not yet set a council rate for the valuation roll.
- j) Political leaders were noted to make pronouncements that discourage communities from paying taxes.

### Plans to improve Vote Performance

#### Strengthening Institutional Capacity and Efficiency

Introduce targeted and inclusive training programmes in planning data analytics, fiscal policy analysis and ICT systems IRAS IFMS HCM ensuring equitable participation of women and men and consideration for youth persons with disabilities and other marginalized groups within the institution  
Enforce clear measurable and gender responsive staff performance indicators aligned with the Strategic Plan to promote accountability fairness and equal opportunity in performance management

Digitize workflows including correspondence tracking records management and asset tracking systems to improve efficiency transparency and equitable access to institutional information while reducing manual errors and delays

Establish regular staff briefings and inclusive digital collaboration platforms e.g intranet or Microsoft Teams to ensure equal access to information participation in decision making and knowledge sharing among all staff

#### Enhancing Revenue Mobilization and the Advisory Role

Undertake periodic and inclusive studies on emerging and sustainable local revenue sources including the digital economy environmental levies and parking fees while assessing their equity implications across different socio economic groups and communities

Provide capacity building and technical support to Local Governments on revenue forecasting assessment administration and enforcement with emphasis on equitable revenue practices and gender responsive fiscal management

Upgrade the Integrated Revenue Administration System and roll out advanced modules to achieve 100 percent Local Government coverage ensuring accessibility and usability across all LGs

Establish multi sectoral and inclusive coordination mechanisms to strengthen oversight of local revenue mobilization policy reforms and implementation follow up

#### Improving Planning Monitoring and Evaluation

Develop and operationalize an Integrated Monitoring and Evaluation Framework aligned with Programme Implementation Action Plans and the NDP IV results framework incorporating gender and equity indicators with quarterly review mechanisms

Establish data dashboards and an online result monitoring platform to track Local Government financing transfers and service delivery performance disaggregated where possible by region gender and equity considerations

Promote evidence-based policy advice by producing quarterly fiscal policy briefs to inform Cabinet Parliament and stakeholders on equitable and sustainable Local Government financing

Conduct annual institutional performance reviews and midterm evaluations integrating gender and equity assessments to ensure inclusive outcomes

#### Strengthening Stakeholder Engagement and Institutional Visibility

Continue updating the Commissions website branding materials and social media platforms to improve transparency accessibility and dissemination of information to diverse stakeholders

Institutionalize an Annual Local Revenue Conference and regional policy dialogues that promote inclusive participation of Local Governments civil

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Institutionalize an Annual Local Revenue Conference and regional policy dialogues that promote inclusive participation of Local Governments civil society private sector women youth and other stakeholder groups

Strengthen engagement with MoFPED MDAs and development partners to mobilize technical and financial support for equitable Local Government financing reforms

Conduct tax education and citizen sensitization campaigns to enhance public awareness of Local Government financing accountability and the importance of equitable contribution and benefit sharing

Maintain and regularly update the institutional risk register integrating risks related to governance financial management and equity considerations and implement mitigation actions

Strengthen internal audit follow ups and compliance monitoring to enhance transparency accountability and prudent use of public resources

Align annual work plans with programme based budgets and undertake quarterly budget performance reviews to ensure resources are used efficiently and equitably

**Driving Innovation and Knowledge Sharing**

Develop a central Local Government finance knowledge platform to consolidate research, data policy analyses and best practices ensuring broad and equitable access to knowledge resources

Continue international benchmarking and peer learning engagements to adopt best practices in equitable fiscal decentralization and Local Government financing

Promote staff led innovation initiatives ensuring inclusive participation and recognizing impactful policy proposals that enhance equitable service delivery and fiscal governance

Pilot innovative technologies such as AI driven fiscal analysis tools and GIS based mapping to support evidence based fiscal equalization studies and equitable resource allocation across Local Governments

## **VII. Off Budget Support and NTR Projections**

### **Table 7.1: Off Budget Support by Project and Department**

N/A

**VOTE: 147 Local Government Finance Commission (LGFC)****Table 7.2: NTR Projections(Uganda Shillings Billions)**

<b>Revenue Code</b>	<b>Revenue Name</b>	<b>FY2025/26</b>	<b>Projection FY2026/27</b>
142159	Sale of bid documents-From Government Units	0.002	0.005
142163	Sale of Other produced assets-From Government Units	0.000	0.020
<b>Total</b>		<b>0.002</b>	<b>0.025</b>

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## VIII. PERSONNEL INFORMATION

**Table 8.1: Staff Establishment Analysis**

Title	Salary Scale	Number of Approved Positions	Number of filled Positions
Accountant	LGF-6	1	1
Assistant Records Officer	LGF-7	1	1
Chairperson	LGF-S 1	1	1
Commission Secretary	LGF-1	1	1
Customer Care Officer	LGF -6	4	4
Data Analyst	LGF -6	2	2
Driver	LGF-8	10	7
Financial Analyst	LGF-6	8	3
Front Desk Officer	LGF-6	1	0
Human Resource Officer	LGF- 6	1	0
Inventory Management Officer	LGF-7	1	1
ITO (Data Administrator)	LGF -6	1	1
ITO (Information Security)	LGF -6	1	1
ITO (Systems Administrator)	LGF -6	1	1
Librarian	LGF-6	1	1
Manager - Grant Advisory Services	LGF -3	1	0
Manager - Local Revenue Enhancement	LGF -3	1	0
Manager - Research	LGF -3	1	0
Office Attendant	LGF-9	3	3
Planner	LGF-6	1	0
Principal Accountant	LGF-4	1	1
Principal Financial Analyst	LGF-4	2	2
Principal Human Resource Officer	LGF-4	1	1
Principal Information Technology Officer	LGF -4	1	1
Principal Internal Auditor	LGF -4	1	0
Principal Planner	LGF -4	1	1
Principal Research Officer	LGF -4	1	1

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<b>Title</b>	<b>Salary Scale</b>	<b>Number of Approved Positions</b>	<b>Number of filled Positions</b>
Procurement Officer	LGF-6	1	1
Senior Accountant	LGF-5	1	1
Senior Administrative Officer	LGF -5	1	0
Senior Communication Officer	LGF -5	1	1
Senior Data Analysts /Statistician	LGF-5	1	1
Senior Financial Analyst	LGF-5	10	3
Senior Information Technology Officer	LGF -5	1	1
Senior Internal Auditor	LGF-5	1	1
Senior Legal Officer	LGF-5	1	0
Senior Manager - Research and Revenue	LGF-2	1	1
Senior Manager - Finance and Administration	LGF-2	1	1
Senior Personal Secretary	LGF- 5	2	2
Senior Planner	LGF-5	1	1
Senior Procurement Officer	LGF-5	1	1
Senior Research Officer	LGF-5	1	1
Vice Chairperson	LGF-S 2	1	1

**NOTE: 147 Local Government Finance Commission (LGFC)****Table 8.2: Staff Recruitment Plan**

Post Title	Salary Scale	No. Of Approved Posts	No. Of Filled Posts	No. Of Vacant Posts	No. Of Posts Cleared for Filling FY2026/27	Gross Salary Per Month (UGX)	Total Annual Salary (UGX)
Driver	LGF-8	10	7	3	3	1,616,510	58,194,360
Financial Analyst	LGF-6	8	3	5	5	3,954,346	237,260,760
Front Desk Officer	LGF-6	1	0	1	1	3,954,346	47,452,152
Human Resource Officer	LGF- 6	1	0	1	1	3,954,346	47,452,152
Manager - Grant Advisory Services	LGF -3	1	0	1	1	6,210,000	74,520,000
Manager - Local Revenue Enhancement	LGF -3	1	0	1	1	6,210,000	74,520,000
Manager - Research	LGF -3	1	0	1	1	6,210,000	74,520,000
Planner	LGF-6	1	0	1	1	3,954,346	47,452,152
Principal Internal Auditor	LGF -4	1	0	1	1	6,036,244	72,434,928
Senior Accountant	LGF-5	1	1	0	1	5,335,218	64,022,616
Senior Administrative Officer	LGF -5	1	0	1	1	5,335,218	64,022,616
Senior Financial Analyst	LGF-5	10	3	7	7	5,335,218	448,158,312
Senior Legal Officer	LGF-5	1	0	1	1	5,335,218	64,022,616
<b>Total</b>					<b>25</b>	<b>63,441,010</b>	<b>1,374,032,664</b>