

QUARTER 1: Highlights of Vote Performance

V1: Summary of Issues in Budget Execution

This section provides an overview of Vote expenditure

(i) Snapshot of Vote Releases and Expenditures

Table V1.1 below summarises cumulative releases and expenditures by the end of the quarter:

Table V1.1: Overview of Vote Expenditures (UShs Billion)

(i) Excluding Arrears, Taxes		Approved Budget	Cashlimits by End	Released by End	Spent by End Sept	% Budget Released	% Budget Spent	% Releases Spent
Recurrent	Wage	107.132	0.000	26.783	26.783	25.0%	25.0%	100.0%
	Non Wage	84.089	0.000	21.033	21.033	25.0%	25.0%	100.0%
Development	GoU	45.662	0.000	11.829	11.829	25.9%	25.9%	100.0%
	Donor*	1.652	N/A	0.000	0.000	0.0%	0.0%	N/A
GoU Total		236.882	0.000	59.645	59.645	25.2%	25.2%	100.0%
Total GoU+Donor (MTEF)		238.534	N/A	59.645	59.645	25.0%	25.0%	100.0%
(ii) Arrears and Taxes	Arrears	0.000	N/A	0.000	0.000	N/A	N/A	N/A
	Taxes**	0.000	N/A	0.000	0.000	N/A	N/A	N/A
Total Budget		238.534	0.000	59.645	59.645	25.0%	25.0%	100.0%

\* Donor expenditure data available

\*\* Non VAT on capital expenditure

The table below shows cumulative releases and expenditures to the Vote by Vote Function :

Table V1.2: Releases and Expenditure by Vote Function\*

Billion Uganda Shillings	Approved Budget	Released	Spent	% Budget Released	% Budget Spent	% Releases Spent
VF:1454 Revenue Collection & Administration	238.53	59.64	59.64	25.0%	25.0%	100.0%
Total For Vote	238.53	59.64	59.64	25.0%	25.0%	100.0%

\* Excluding Taxes and Arrears

(ii) Matters to note in budget execution

N/A

Table V1.3: High Unspent Balances and Over-Expenditure in the Domestic Budget (Ushs Bn)

(i) Major unspent balances
(ii) Expenditures in excess of the original approved budget
* Excluding Taxes and Arrears

V2: Performance Highlights

This section provides highlights of output performance, focusing on key outputs and actions impelemented to improve section performance.

Table V2.1: Key Vote Output Indicators and Expenditures\*

Vote, Vote Function Key Output	Approved Budget and Planned outputs	Cumulative Expenditure and Performance	Status and Reasons for any Variation from Plans
Vote Function: 1454 Revenue Collection & Administration			
Output: 145401	Customs Tax Collection		
Description of Performance:	18% Growth in customs Revenue	Customs revenue grew by 14.07% (UGX 142.42Bn) in the first quarter of FY 2015/16 compared to the same period last FY.	The growth in customs' revenue collections mainly due to the growth in VATable and dutiable imports due to efficient administrative measures under automated systems.This also justifies the 101.52% performance of customs revenue to target.
	100% Customs revenue collection to target.		
	30% Recovery of collectable Arrears.	Customs revenue collections in the first quarter FY 2015/16 was UGX 1,154.66Bn against a	

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<i>Vote, Vote Function Key Output</i>	<b>Approved Budget and Planned outputs</b>	<b>Cumulative Expenditure and Performance</b>	<b>Status and Reasons for any Variation from Plans</b>
	250 Comprehensive Audits 30 Oil Issue Audits completed.	target of 1,137.36Bn , a performance rate of 101.52%.	The good customs revenue collection to target was mainly due to the growth in VATable and dutiable imports due to efficient administrative measures under automated systems.
	100% Taxpayer applications for accreditation evaluated.	18.25% of the customs collectable arrears were recovered in the first quarter of FY 2015/16. This reduced arrears from UGX 14.365Bn as 1st July-2015 to UGX 11.74 Bn as at 30th September-2015.	
		49 comprehensive audits were completed against a target of 85 in the first quarter of FY 2015/16 with an assessment of UGX 11.63Bn.	
		100% of the two taxpayers applications received for accreditation during the quarter were evaluated.	
<i>Performance Indicators:</i>			
Percentage of Customs tax Revenue collected against target	100		101
<i>Output Cost:</i>	US\$ Bn: 52.626	US\$ Bn: 4.627	% Budget Spent: 8.8%
<b>Output: 145402</b>	<b>Domestic Tax Collection</b>		
<i>Description of Performance:</i>	19% Growth in Domestic taxes revenue collection	Domestic tax revenue grew by 21.79% (UGX 234.50Bn) in the first quarter of FY 2015/16 compared to the same period last FY.	Sustained currency depreciation affected the corporate businesses through imported inflation and high cost of inputs.
	100% Domestic taxes revenue collection to target		
	30% Recovery of collectable arrears at the beginning of the year excluding Government arrears.	The quarter one FY 2015/16 domestic tax revenue collections were UGX 1,310.52Bn against the target of UGX 1,364.36Bn recording a performance rate of 96.05%.	The performance in the recovery of arrears was due to vigorous enforcement measures.
	1,573 Compliance Risk based Audits completed and broken down as follows:	22.95% of the collectable arrears were recovered in the first quarter FY 2015/16. Total recoveries for the period were UGX 66.53 Bn against total collectable arrears of UGX 289.85Bn by 30th September 2015 .	The good performance in the number of tax hubs was because of the need to sensitize taxpayers on the new policies affecting these sectors.
	Whole sale and retail 1,175 cases Manufacturing - 398 cases cases		The growth in the taxpayer register was because of the ongoing sensitization of the informal sector and the need to acquire TINs
	Joint compliance strategy FY 2015/16 developed.		
	40 Tax hubs held.	541 compliance risk based audits were completed in wholesale, manufacturing, and other sectors against a quarterly target of 395 audits in quarter one of FY 2015/16 with a tax assessment of UGX 36.64Bn..	
	15% Growth in value taxpayer register.		
	30% Increase in total taxpayer register	The joint compliance strategy was developed by July-2015 .It is being implemented as planned, monitored and evaluated on a quarterly basis.	
	5% Revenue from new value taxpayers		
	50% Newly registered clients filing returns ontime	Conducted 24-tax clinics/hub. These targeted the agriculturalists, transporters,	

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<i>Vote, Vote Function Key Output</i>	<b>Approved Budget and Planned outputs</b>	<b>Cumulative Expenditure and Performance</b>	<b>Status and Reasons for any Variation from Plans</b>
	4 Stakeholder engagements conducted.	manufacturers, educationists, constructors, retail and wholesalers, among other sectors.	
	10% Reduction in offset portfolio	The value taxpayers register increased by 8.2% in quarter one FY 2015/16. Total value clients as at 1st July-2015 were 78,227 which number increased to 84,604 by end September 2015.	
		The tax register increased by 5.3% in quarter one FY 2015/16 against the target of 7.5%. The tax register as at 1st July 2015 was 763,150 which increased to 803,583 and as at 30th September 2015.	
		0.22% in revenue was collected from new value clients against a target of 5% in quarter one FY 2015/26.	
		16% of the newly registered clients filed returns on time ,in the first quarter FY 2015/16.	
		Stakeholder engagements were not held in the quarter.They were rescheduled to quarter 2.	
<i>Performance Indicators:</i>			
Percentage of Domestic Tax Revenue collected against target	100	96.05	
Percentage Growth in taxpayer register	30	5.3	
Average filling ratio	89	83.05	
<i>Output Cost:</i>	US\$ Bn:	64.151	US\$ Bn: 5.298 % Budget Spent: 8.3%
<b>Output: 145403</b>	<b>Tax Investigations</b>		
<i>Description of Performance:</i>	75 Cases investigated to conclusion and 20 recommended for prosecution	Investigations on 12 fraudulent cases were concluded against a target of 17,a performance of 71% .	N/A
	4 Strategic briefs developed and presented to the board.	One (1) strategic brief was developed and presented to the URA board.	
	12 Tactical briefs developed and shared with the relevant stakeholders on time	Three (03) tactical intelligence reports were developed and shared with stakeholders during the quarter against a target of 3:	
	100% Of Quality Service Management Plan (QSMP) executed.	These were; tax on payments to non-resident, fuel industry by contractors, non-declaration of supplies made to government, motor vehicle supplies and an assessment of fuel station dealers.	
	100% Of stakeholder engagement plan implemented		
	100% Of the TID process improvement activities executed as per the Departmental plan.		
	100% Of staff Development Programms implemented	100% Of quality service management Plan executed.This included the	

# Vote: 141 URA

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<i>Vote, Vote Function Key Output</i>	<b>Approved Budget and Planned outputs</b>	<b>Cumulative Expenditure and Performance</b>	<b>Status and Reasons for any Variation from Plans</b>
		<p>strategic tactical brief prepared and presented to the board,tactical intelligence reports and improvement of the TID processes.</p> <p>Engaged 100% of the stakeholders scheduled for first quarter, these were; Uganda Police, Uganda National Roads Authority, Uganda National Bureau of Standards, Ministry of Agriculture, Animal Husbandry &amp; Fisheries, Financial Intelligence Authority.Ministry of Fianance and Bank of Uganda.</p> <p>100% TID process improvement activities were executed.These include; sensitized staff on business process documentation, identified gaps in the TID processes and developed avenues for filling them, developed informers procedural guidelines and checklist for informer vetting.</p> <p>Implemented 100% staff competence programs in quarter one in which 21 staff were trained in PODITI . Other trainings conducted include; tax evasion planning schemes, financial markets, anti-money laundering, AML regulations, Oil, gas &amp; minerals, intellectual property, science ,laws supporting motor vehicle fraud investigations, leadership trainings, tax treaties and staff also participated in the OECD forum on forum on tax &amp; crime.</p>	
	<i>Output Cost:</i> UShs Bn:	5.919 UShs Bn:	0.529 % Budget Spent: 8.9%
<b>Vote Function Cost</b>	<b>UShs Bn:</b>	<b>238.534 UShs Bn:</b>	<b>59.645 % Budget Spent: 25.0%</b>
<b>Cost of Vote Services:</b>	<b>UShs Bn:</b>	<b>238.534 UShs Bn:</b>	<b>59.645 % Budget Spent: 25.0%</b>

\* Excluding Taxes and Arrears

N/A

**Table V2.2: Implementing Actions to Improve Vote Performance**

<b>Planned Actions:</b>	<b>Actual Actions:</b>	<b>Reasons for Variation</b>
Vote: 141 URA		
Vote Function: 14 54 Revenue Collection & Administration		
Implementation of the training planner	<b>The training planner for FY 2015/16 was approved by URA management and the implementation of the plan is going.</b>	N/A
Operationalise(STRAMAL) Model that is premised on three pillars namely: Strategy: Maintenance & Leadership.	<b>The staff developenet trainings for FY 2015/16 is based on the STRAMAL model focusing on leadership development, strategic and maintenance trainings, technical programs in tax</b>	

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Planned Actions:	Actual Actions:	Reasons for Variation
<ul style="list-style-type: none"> <li>-Decentralise revenue services</li> <li>-Design sector focused service packages</li> <li>-Implement tax education programmes</li> <li>-Conduct industry based familiarization visits.</li> <li>-Develop and implement Service enhancement Programmes</li> <li>-Hold Exhibitions</li> </ul>	<p>administration and professional development programs.</p> <p>Revenue services were decentralised.</p> <p>All services packages were developed focusing on the priority sectors of manufacturing and wholesale and retail trade.</p> <p>Implemented 100% tax education programmes like ; media communcations, publications,feedback engagements, virtual &amp; e-communications and Show case &amp; visibility events.</p> <p>Conducted industry based familiarization visits under joint compliance initiatives in the construction and whole sale sectors. This involved visiting whole sale traders and contructors.</p> <p>Developed and implemented service enhancement programmes ; These included tax hubs/clinics,talk shows, taxation annoucement on community radios.</p> <p>Held exhibitions, show case &amp; visibility events.</p>	<p>N/A</p>
<ul style="list-style-type: none"> <li>-Strengthen litigation and prosection function</li> <li>-Implement the national audit plan</li> <li>-Operationalize the oil and gas division</li> <li>-Implement the joint compliance strategy</li> <li>-Enhance risk selectivity profiling</li> <li>-Strengthen post clearance audits</li> </ul>	<p>Strenthened litigation and prosecution function.</p> <p>Operationalized oil and gas divison with staff posted to the unit.</p> <p>Joint compliance strategy was developed in July-2015 and its implementation is on going.</p> <p>Enhanced risk selectivity profiling in both ccustoms department.</p> <p>Strengthened post clearence audits.</p>	<p>N/A</p>

## V3: Details of Releases and Expenditure

This section provides a comprehensive summary of the outputs delivered by the Vote and further details of Vote expenditures by Vote Function and Expenditure Item.

**Table V3.1: GoU Releases and Expenditure by Output\***

Billion Uganda Shillings	Approved Budget	Released	Spent	% GoU Budget Released	% GoU Budget Spent	% GoU Releases Spent
<b>VF:1454 Revenue Collection &amp; Administration</b>	<b>236.88</b>	<b>59.64</b>	<b>59.64</b>	<b>25.2%</b>	<b>25.2%</b>	<b>100.0%</b>
<i>Class: Outputs Provided</i>	<i>191.22</i>	<i>47.82</i>	<i>47.82</i>	<i>25.0%</i>	<i>25.0%</i>	<i>100.0%</i>
145401 Customs Tax Collection	52.63	13.50	13.50	25.7%	25.7%	100.0%
145402 Domestic Tax Collection	64.15	15.85	15.85	24.7%	24.7%	100.0%
145403 Tax Investigations	5.92	1.45	1.45	24.5%	24.5%	100.0%
145404 Internal Audit and Compliance	4.94	1.24	1.24	25.0%	25.0%	100.0%
145405 URA Legal and Administrative Support Services	52.56	13.06	13.06	24.8%	24.8%	100.0%
145406 Public Awareness and Tax Education/Modernization	11.02	2.73	2.73	24.7%	24.7%	100.0%
<i>Class: Capital Purchases</i>	<i>45.66</i>	<i>11.83</i>	<i>11.83</i>	<i>25.9%</i>	<i>25.9%</i>	<i>100.0%</i>
145472 Government Buildings and Administrative Infrastructure	20.30	5.08	5.08	25.0%	25.0%	100.0%
145475 Purchase of Motor Vehicles and Other Transport Equipment	5.04	1.26	1.26	25.0%	25.0%	100.0%
145476 Purchase of Office and ICT Equipment, including Software	3.24	0.81	0.81	25.0%	25.0%	100.0%
145477 Purchase of Specialised Machinery & Equipment	13.59	3.40	3.40	25.0%	25.0%	100.0%

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145478 Purchase of Office and Residential Furniture and Fittings	0.29	0.07	0.07	25.0%	25.0%	100.0%
145479 Acquisition of Other Capital Assets	3.20	1.21	1.21	37.9%	37.9%	100.0%
Total For Vote	236.88	59.64	59.64	25.2%	25.2%	100.0%

\* Excluding Taxes and Arrears

Table V3.2: 2016/17 GoU Expenditure by Item

Billion Uganda Shillings	Approved Budget	Releases	Expend-iture	% Budget Released	% Budget Spent	%Releases Spent
Output Class: Outputs Provided	191.22	47.82	47.82	25.0%	25.0%	100.0%
211101 General Staff Salaries	0.00	26.78	26.78	N/A	N/A	100.0%
211102 Contract Staff Salaries (Incl. Casuals, Temporary)	107.13	0.00	0.00	0.0%	0.0%	N/A
211103 Allowances	3.18	0.80	0.80	25.0%	25.0%	100.0%
212101 Social Security Contributions	18.53	4.63	4.63	25.0%	25.0%	100.0%
213001 Medical expenses (To employees)	3.90	0.98	0.98	25.0%	25.0%	100.0%
213002 Incapacity, death benefits and funeral expenses	0.35	0.09	0.09	25.0%	25.0%	100.0%
213004 Gratuity Expenses	3.22	0.80	0.80	25.0%	25.0%	100.0%
221001 Advertising and Public Relations	1.86	0.47	0.47	25.0%	25.0%	100.0%
221002 Workshops and Seminars	1.08	0.27	0.27	25.0%	25.0%	100.0%
221003 Staff Training	3.00	0.75	0.75	25.0%	25.0%	100.0%
221004 Recruitment Expenses	0.05	0.01	0.01	25.0%	25.0%	100.0%
221006 Commissions and related charges	0.44	0.00	0.00	0.0%	0.0%	N/A
221007 Books, Periodicals & Newspapers	0.09	0.02	0.02	25.0%	25.0%	100.0%
221008 Computer supplies and Information Technology (IT	7.86	1.96	1.96	25.0%	25.0%	100.0%
221009 Welfare and Entertainment	0.52	0.13	0.13	25.0%	25.0%	100.0%
221010 Special Meals and Drinks	5.82	1.45	1.45	25.0%	25.0%	100.0%
221011 Printing, Stationery, Photocopying and Binding	1.64	0.65	0.65	39.6%	39.6%	100.0%
221014 Bank Charges and other Bank related costs	0.12	0.03	0.03	25.0%	25.0%	100.0%
221017 Subscriptions	0.32	0.08	0.08	25.0%	25.0%	100.0%
222001 Telecommunications	0.72	0.18	0.18	25.0%	25.0%	100.0%
222002 Postage and Courier	0.14	0.04	0.04	25.0%	25.0%	100.0%
222003 Information and communications technology (ICT)	5.10	1.35	1.35	26.4%	26.4%	100.0%
223001 Property Expenses	0.02	0.00	0.00	25.0%	25.0%	100.0%
223002 Rates	0.29	0.00	0.00	0.0%	0.0%	N/A
223003 Rent – (Produced Assets) to private entities	5.39	2.21	2.21	40.9%	40.9%	100.0%
223004 Guard and Security services	2.25	0.50	0.50	22.3%	22.3%	100.0%
223005 Electricity	1.44	0.36	0.36	25.0%	25.0%	100.0%
223006 Water	0.44	0.10	0.10	22.1%	22.1%	100.0%
224002 General Supply of Goods and Services	0.00	0.00	0.00	N/A	N/A	100.0%
224004 Cleaning and Sanitation	0.60	0.12	0.12	19.8%	19.8%	100.0%
225001 Consultancy Services- Short term	0.36	0.02	0.02	4.9%	4.9%	100.0%
226001 Insurances	2.35	0.59	0.59	25.0%	25.0%	100.0%
227001 Travel inland	2.71	0.68	0.68	25.0%	25.0%	100.0%
227002 Travel abroad	1.30	0.33	0.33	25.1%	25.1%	100.0%
227003 Carriage, Haulage, Freight and transport hire	0.31	0.08	0.08	27.1%	27.1%	100.0%
227004 Fuel, Lubricants and Oils	2.72	0.68	0.68	25.0%	25.0%	100.0%
228001 Maintenance - Civil	0.51	0.13	0.13	25.0%	25.0%	100.0%
228002 Maintenance - Vehicles	2.14	0.53	0.53	25.0%	25.0%	100.0%
228003 Maintenance – Machinery, Equipment & Furniture	2.70	0.00	0.00	0.0%	0.0%	N/A
228004 Maintenance – Other	0.16	0.02	0.02	10.6%	10.6%	100.0%
273102 Incapacity, death benefits and funeral expenses	0.15	0.00	0.00	0.0%	0.0%	N/A
282102 Fines and Penalties/ Court wards	0.29	0.00	0.00	0.0%	0.0%	N/A
Output Class: Capital Purchases	45.66	11.83	11.83	25.9%	25.9%	100.0%
231001 Non Residential buildings (Depreciation)	0.00	5.08	5.08	N/A	N/A	100.0%
231004 Transport equipment	0.00	1.26	1.26	N/A	N/A	100.0%
231005 Machinery and equipment	0.00	3.45	3.45	N/A	N/A	100.0%
231006 Furniture and fittings (Depreciation)	0.00	0.07	0.07	N/A	N/A	100.0%
231007 Other Fixed Assets (Depreciation)	0.00	0.76	0.76	N/A	N/A	100.0%
281504 Monitoring, Supervision & Appraisal of capital wor	3.20	1.21	1.21	37.9%	37.9%	100.0%
312101 Non-Residential Buildings	20.30	0.00	0.00	0.0%	0.0%	N/A
312104 Other Structures	3.03	0.00	0.00	0.0%	0.0%	N/A
312201 Transport Equipment	5.04	0.00	0.00	0.0%	0.0%	N/A
312202 Machinery and Equipment	13.80	0.00	0.00	0.0%	0.0%	N/A

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<i>Billion Uganda Shillings</i>	Approved Budget	Releases	Expend-iture	% Budget Released	% Budget Spent	%Releases Spent
312203 Furniture & Fixtures	0.29	0.00	0.00	0.0%	0.0%	N/A
Grand Total:	236.88	59.64	59.64	25.2%	25.2%	100.0%
Total Excluding Taxes and Arrears:	236.88	59.64	59.64	25.2%	25.2%	100.0%

Table V3.3: GoU Releases and Expenditure by Project and Programme\*

<i>Billion Uganda Shillings</i>	Approved Budget	Released	Spent	% GoU Budget Released	% GoU Budget Spent	% GoU Releases Spent
VF:1454 Revenue Collection & Administration	236.88	59.64	59.64	25.2%	25.2%	100.0%
Recurrent Programmes						
01 Revenue Collection & Administration	191.22	47.82	47.82	25.0%	25.0%	100.0%
Development Projects						
0653 Support to URA Projects	45.66	11.83	11.83	25.9%	25.9%	100.0%
Total For Vote	236.88	59.64	59.64	25.2%	25.2%	100.0%

\* Excluding Taxes and Arrears

Table V3.4: Donor Releases and Expenditure by Project and Programme\*

<i>Billion Uganda Shillings</i>	Approved Budget	Released	Spent	% GoU Budget Released	% GoU Budget Spent	% GoU Releases Spent
VF:1454 Revenue Collection & Administration	1.65	0.00	0.00	0.0%	0.0%	N/A
Development Projects						
0653 Support to URA Projects	1.65	0.00	0.00	0.0%	0.0%	N/A
Total For Vote	1.65	0.00	0.00	0.0%	0.0%	N/A