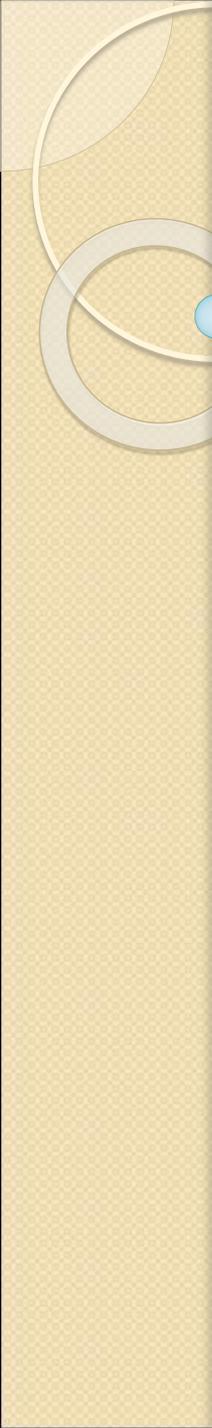


FINANCE DEPARTMENT PRESENTATION AT THE BUDGET CONFERENCE FOR FY 2020/21

BY

Angwech Veronica
Finance officer
Ngora District

ON 14TH October 2019



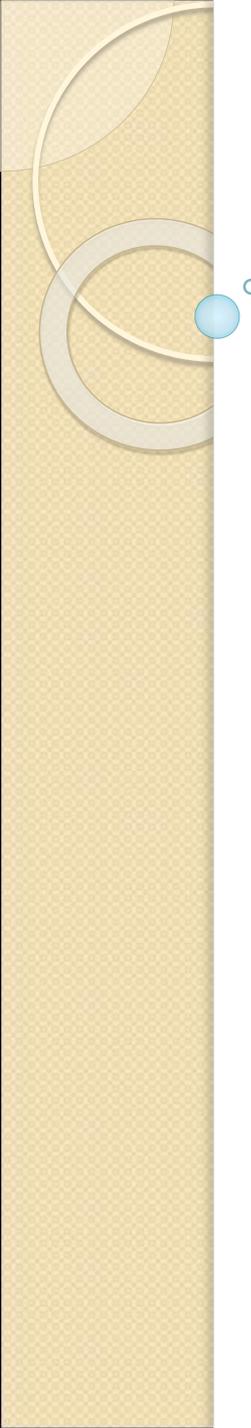
Presentation outline

- ❖ Introduction
- ❖ Staffing position
- ❖ Budget structure
- ❖ Budget performance
- ❖ Achievements
- ❖ Challenges
- ❖ Outlook for the future
- ❖ Think tanks
- ❖ Tax quotes

INTRODUCTION

Finance department is a service department to other councils departments. The specific functions of the department include:

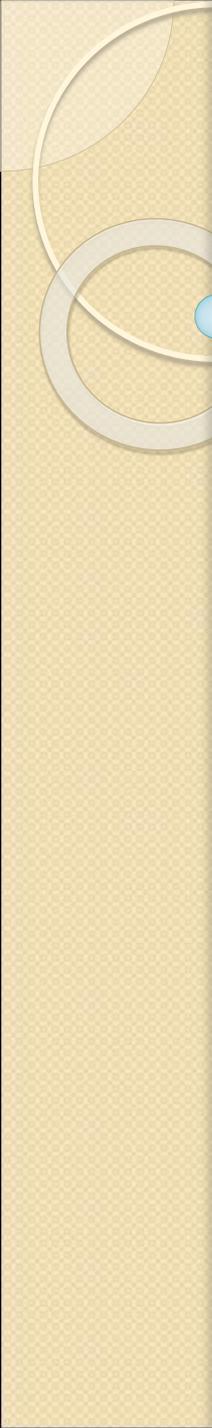
- COORDINATING THE PREPARATION OF COUNCIL BUDGET
- COLLECTING COUNCIL REVENUES
- REVENUE ASSESSMENT
- REVENUE MOBILIZATION
- MAKING PAYMENTS
- CASH FLOW MANAGEMENT
- BUDGET IMPLEMENTATION
- BOOK KEEPING
- FINANCIAL REPORTING
- ASSET MANAGEMENT
- CUSTODY OF FINANCIAL DOCUMENTS, STATIONERY AND ACCOUNTING RECORDS
- FACILITATING INTERNAL AND STATUTORY EXTERNAL AUDITS.



I.1 STAFFING POSITION:

The department approved structure is 28 staff out of which 17 are currently in place representing 60% staffing level as summarized in the table below there is therefore a need to fill the existing gaps to boost the performance levels of the sector.

S/N	Category/Designation	Approved Structure	Filled	Vacant	Remarks
1.	Chief Finance Officer	1	1	-	Substantially appointed
2.	Senior Accountant	1	1	-	Substantially appointed
3.	Senior Finance Officer Revenue	1	-	1	
4	District Accountant	1	1	-	Substantially appointed
5.	Finance Officer(Revenue)	1	1	-	Substantially appointed
6.	Senior Accounts Assistant	5	2	3	
7	Accounts Assistants	7	4	3	Substantially appointed
8	Secretary/Stenographer	1	1	-	Substantially appointed
9	Driver	1	1	-	
10	Office Attendant	1	1	-	
A	Total	20	13	7	
Sub County Administration					
1.	Senior Accounts Assistants	4	1	3	
2.	Accounts Assistants	4	3	1	Dully appointed
B	Total	8	4	4	
A+B	Total	28	17	11	



District budget for FY 2015/16, 2016/17, 2017/18, 2018/19 & 2019/20

Analysis (Table 1.2) below provides the composition of the District budget for the above stated financial years as approved by the District Council:

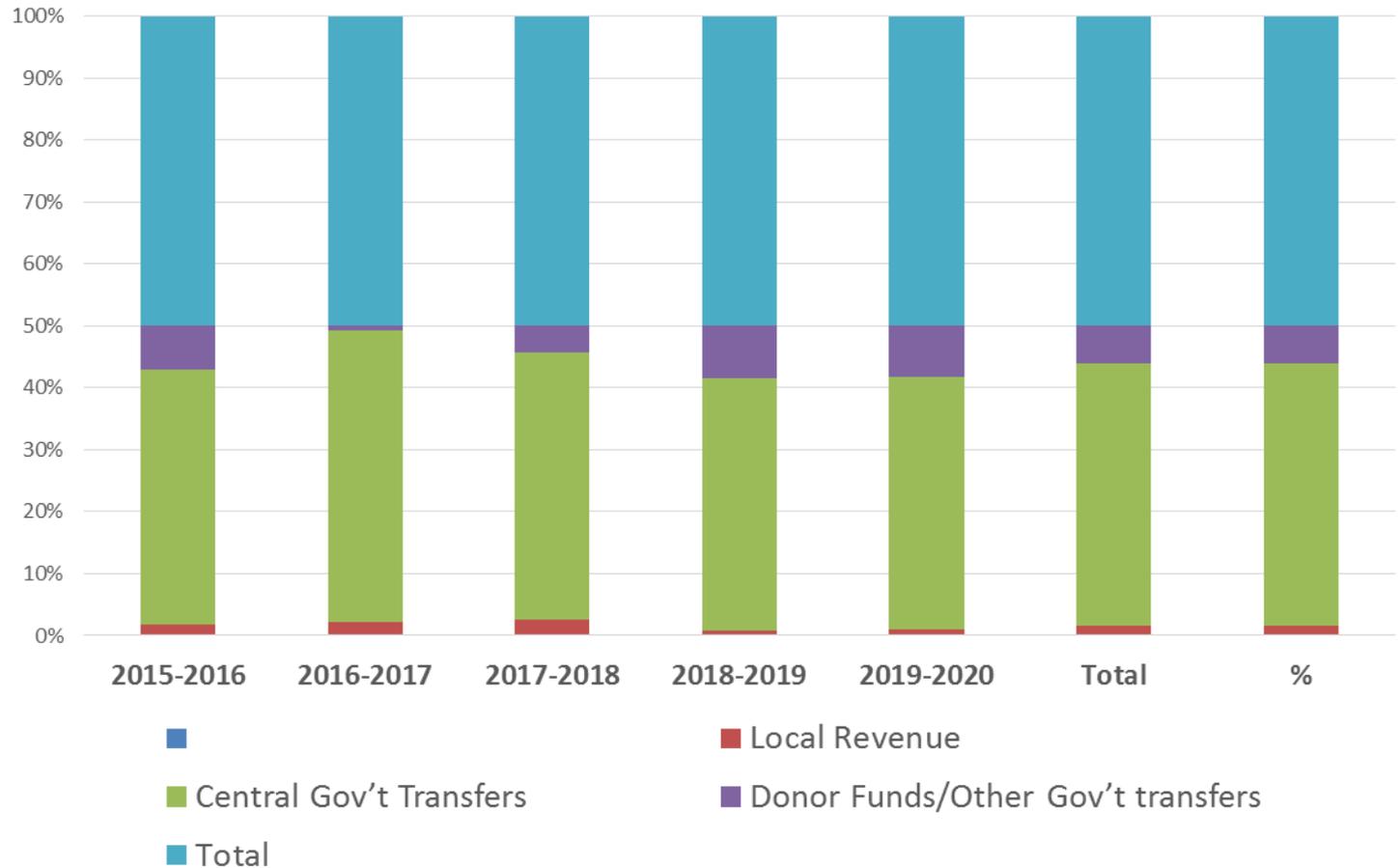
Table 1.2

Composition of the Budget

Category	2015-2016 "000"	2016-2017 "000"	2017-2018 "000"	2018-2019 "000"	2019-2020 "000"	Total "000"	%
Local Revenue	569,528	631,074	779,639	255,285	435,037	2,670,563	3%
Central Gov't Transfers	13,013,154	13,380,718	13,296,323	14,963,723	17,071,004	71,724,922	85%
Donor Funds/Other Gov't transfers	2,237,744	195,455	1,300,993	3,098,631	3,426,589	10,259,412	12%
Total	15,820,425	14,207,247	15,376,955	18,317,639	20,933,039	84,655,305	100%

Bar Graph Showing District Budget for FY 2015/16, 2016/17, 2017/18, 2018/2019 & 2019/20

Bar graph showing budget composition



Budget composition con't

As indicated from the above table 1.2 and the graph Central government grants finances the highest percentage of our budgets i.e.85%, Local revenue, Donors & other government transfers contribute 3% and 12% of our resource envelope respectively in the stated period above therefore, there is a need for us to reverse this trend to increase our local revenue base if we have to gain discretionary powers in resource allocations.

BUDGET PERFORMANCE IN THE FY 2015/16,2016/17,2017/2018,2018/2019,2019/20

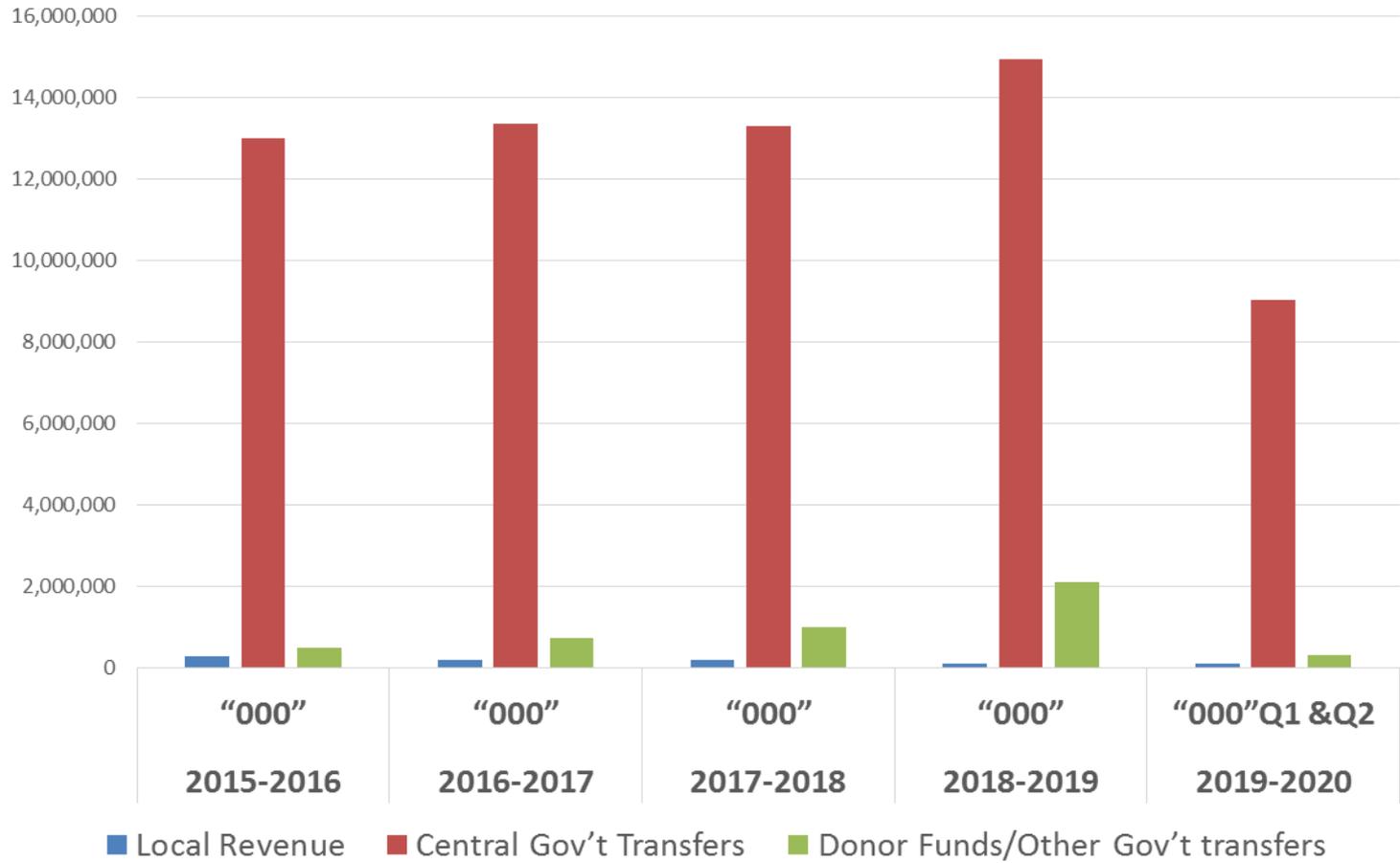
In the period the overall budget performance are as summarized below:

Table 1.3 Performance of Revenue Budget.

Category	2015-2016 "000"	2016-2017 "000"	2017-2018 "000"	2018-2019 "000"	2019-2020 "000" Q1 & Q2	Total "000"	%
Local Revenue	271,931	201,000	193,231	100,720	108,722	875,604	1.2%
Central Gov't Transfers	13,013,154	13,380,718	13,296,323	14,963,723	8,626,465	63,280,383	92%
Donor Funds/Other Gov't transfers	500,744	720,455	1,000,993	2,098,631	366,000	4,626,823	6.8%
Total							

Chart showing District actual receipts FY 2015-16 to 2019/20

Bar graph showing the Actual revenue receipts.



The critical analysis of budget performance in the FY 2019/20 is as shown in the table below

Category	Budget	Actual Receipts (july-14 th October)	%age
Local Revenue	435,037,000	108,722,000	25
Central Gov't Transfers	17,071,413,000	8,626,465,711	51
Donor Funds/Other Gov't transfers	3,426,589,000	366,000,000	10.7
Total overall	20,933,039,000	9,101,187,000	44%

Critical analysis of budget performance in the FY 2019/20

Con't

The table above analyses the performance of various sources of revenue in FY 2019/20 up to 11th October, 2019 which indicates that 25% of the budgeted local revenue has been realized, 51% and 11% of Central government transfers and Donor funds respectively have been realized, overall we have realized 44% of our revenue.



I.4 REVIEW OF REVENUE BY SOURCE FY 2019/20:

A deeper analysis of the budget performance of individual revenue items making up our resource envelope is as below:

LOCAL REVENUE

This has been sub-divided in two sections i.e. Taxes and Property incomes and their contributions to the revenues realized are as below:

Table 1.4**Sub-Division of Local Revenue:**

S/N	Detail of Local Revenue	Budget	Actual to October 2019	Percentage performance
1	Taxes	412,508,000	102,002,500	24.7%
2	Property Income	22,529,000	6,719,500	29%
	Totals	435,037,000	108,722,000	25%

From the above analysis much of our local revenue is from taxes which has contributed 24.7% of our budget and overall we have realized 25% of our budgeted local revenue in FY 2019/20.

Central Government Grants.

- This has been divided into Conditional and Unconditional grants as analyzed in the table below:

Summary of performance of Grants by Nature:

S/N	Detail of Central Government Transfers	Budget	Actual up to October 2019	%age Performance
1	Conditional Grants	14,700,904,000	7,441,211,211	51
2	Unconditional Grants	2,370,509,000	1,185,254,500	50
	Total	17,071,413,000	8,626,465,711	51%

REVIEW OF REVENUE BY SOURCE FY 2019/20: CON'T

Information to note

From the above table, the district so far has realized 51% of its Conditional grants and 50% of the unconditional grants; overall we have realized 51% of central government transfers.

Conditional Grants:

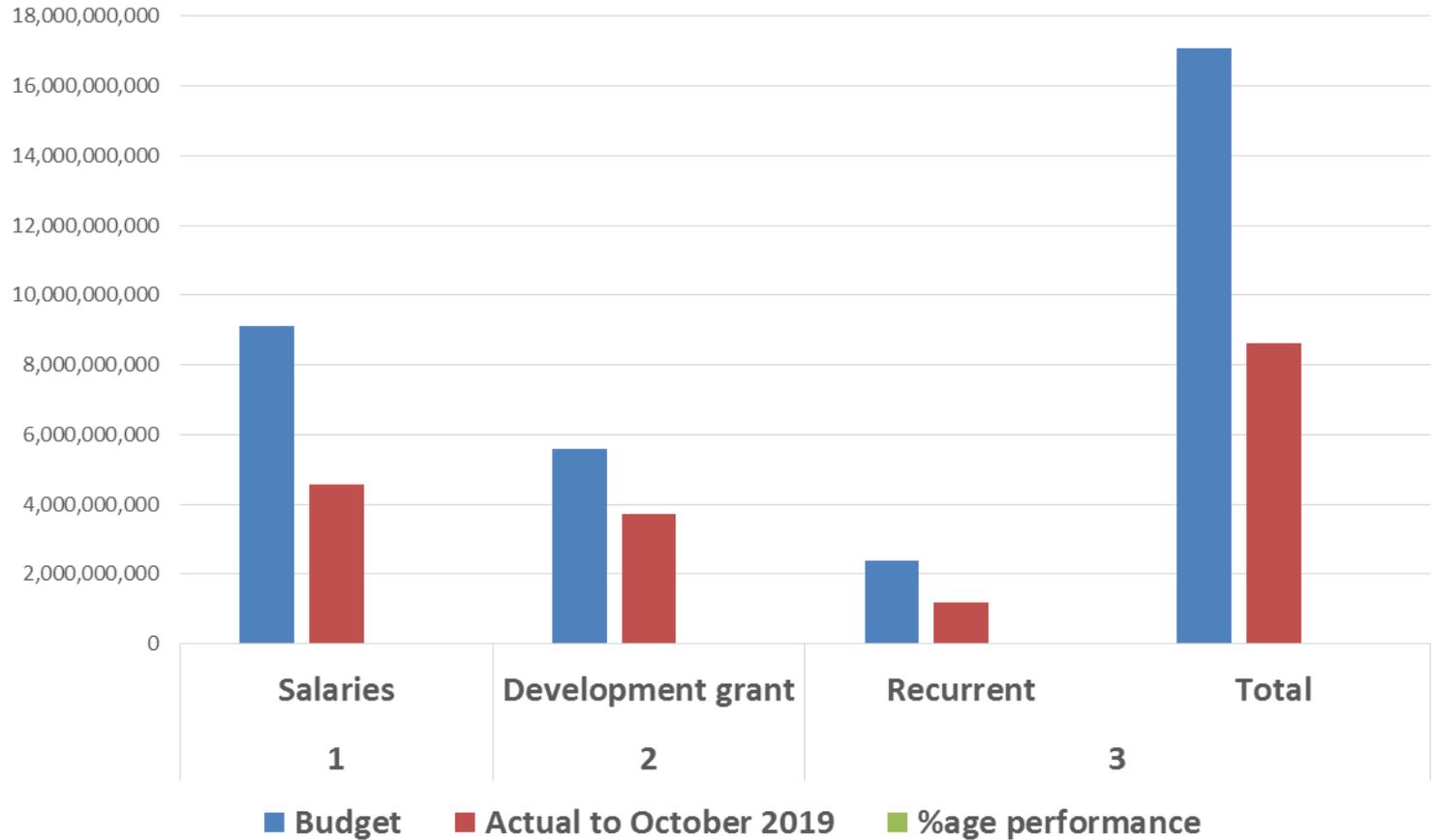
From the table below 52% cater for payment of salaries to staffs under conditional payroll who include teachers, Health workers and staff in production department, 75% represent development grants realized and 50% of the realized revenue is recurrent grant:

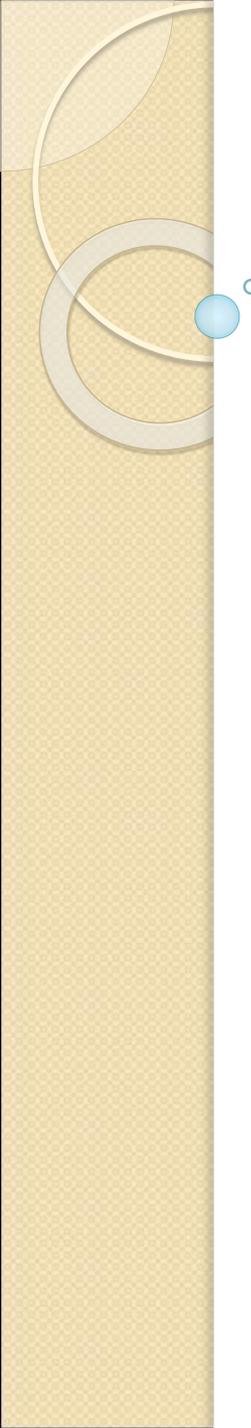
Table 1.6 Performances of Grants by Function:

S/N	Conditional Grant Allocations	Budget	Actual to October 2019	%age performance
1	Salaries	9,128,362,652	4,564,181,326	52
2	Development grant	5,572,541,348	3,715,027,565	75
3	Recurrent	2,370,509,000	1,185,254,500	50
	Total	17,071,413,000	8,626,465,711	51%

Chart showing Conditional Grant performance FY 2019/20

Conditional Grant Performance July-October 2019





Donor Funds/Other gov't transfers

An in depth analysis of donor funding as indicated in table below shows that the district so far has realized 11% of donor & other government transfer funds which is only from MoH i.e immunization fund (polio and rubella) NUSAF3, VODP and TASO (U)

Table 1.8 Performance of Donor funds by Category:

S/n o	Donor	Budget	Actual	%percent age
1	TASO (U)	322,000,000	32,255,000	10%
2	UNDP	72,000,000	0	0
3	UNICEF	30,000,000	0	0
4	Global Fund for HIV,TB & malaria	100,000,000	0	0
5	World Heath Organisation (WHO) Rubella ,Polio Vaccine	520,330,000	83,250,000	16%
6	GAVI	100,000,000	0	0
	TOTAL	1,144,330,000	115,505,000	10%

Table 1.9 Performance of other government transfers by Category:

S/ No	Grant	Budget	Actual receipt up to oct	%tage perform ance
1	NUSAF3	1,171,654,000	20,011,000	1.7%
2	Support to PLE (UNEB)	12,000,000	0	0
3	URF	493,167,000	123,291,750	25%
4	VODP	32,178,000	29,255,000	91%
5	YLP	268,004,000	0	0%
6	Micro projects under Rwenzori devt programme	288,000,000	0	0%
	TOTAL	2,265,003,000	172,557,750	7.6%

Achievements

The department so far has registered the following achievements:

- Successfully coordinated the preparation of the 5-year development plan, approved by council from FY 2016 to 2020
- Prepared annual financial statements for the preceding years and submitted to Accountant General.
- Supported and coordinated internal and external audit processes and responded to audit queries there in.
- Supported and coordinated responses to matters raised by various oversight institutions.
- Supported and coordinated through budget desk the preparation of budgets and work plans.
- Supported and coordinated the production of financial and physical accountability reports
- Updated Local revenue data base System with the help of Uganda Finance Commission
- Carried out support supervision of LLGs on financial management.
- Supported and coordinated the internal Mock assessments.
- Supported capacity building of primary school head teachers on financial management.
- Supported capacity building of finance staff for CPA course.

Challenges

While the Department realized a number of achievements a mentioned above, a number of challenges were encountered as below:

Challenges cont'

- Low participation by the public in planning and budgeting for their councils.
- Negative Public attitude towards tax payments.(Tax is non quid-proquo)
- Poor Coordination on revenue collection amongst departments.(Production, finance, community and administration)
- Limited tax base due to high levels of poverty.
- Ever changing Financial reforms(IFMS,PBS,IPPS,E- cash, E- procurement)
- High expectation of revenue by the various sectors at the district.



Challenges cont'

- Delays in award of contracts which affects the absorption levels of funds received.
- Low capacity of service providers.
- Limited wage bill that can not meet the salary wage requirement for 12 months.
- Limited involment of development partners in funding the district

Out look for the Future

The department is planning to undertake the following in the next FY with a view to improved performance hence consolidating gains towards achieving the district mission

- ♣ Enforcement of compliance with the LGFAR by all staff, through regular monitoring and supervisions.
- ♣ Compliance checks to ensure achievement of performance targets
- ♣ Regular follow up of audit recommendations.
- ♣ Sensitization of all stakeholders especially the potential taxpayers, and the general public.
- ♣ Lobby for recruitment of additional staff at least to 75% coverage.

Projected Budget composition for FY 2020-2021

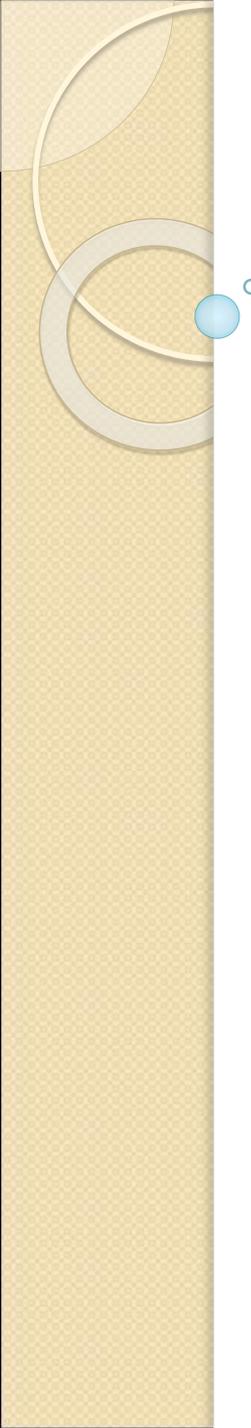
Category	Budget for FY 2019/20	Projected Budget 2020/2021
Local Revenue	435,037,000	435,037,000
Central Gov't Transfers	17,071,413,000	17,071,413,000
Donor Funds/Other gov't transfers	3,426,589,000	3,426,589,000
Total	20,9330,039	20,9330,039

Budget projections cont'

The MTEF allocations for the FY 2020/21 have been maintained at the level of FY2019/20

NB

Any resources required to implement the additional sector priorities should be realized through allocations efficiency by reducing expenditure on non-core activities and re directing the resources to the core and frontline service delivery activities under the respective sectors.

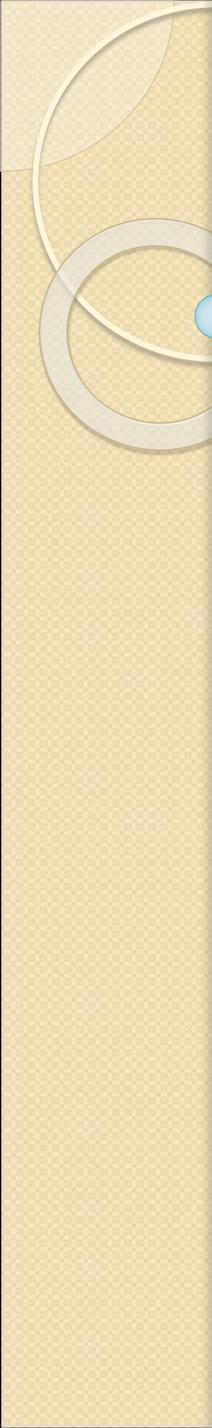


Think tank

❖ How do we improve on our local revenue base so as to reduce the dependency syndrome on central government transfers?

Tax Quotes

- ❑ For patriots paying taxes gives a feeling of responsibility of being part of the fabric of our Country, District of contributing to the common good Joyce Marcel,2006.
- ❑ In this world nothing can be said to be certain except death and taxes Benjamin Franklin, letter to Jean Baptiste Le Roy Nov.13,1789.



Thank you for listening