



THE REPUBLIC OF UGANDA



THE INSPECTORATE OF GOVERNMENT

BUDGET FRAMEWORK PAPER (BFP)

FY 2019/20-2021/22

PRESENTED

TO

**THE COMMITTEE ON LEGAL AND PARLIAMENTARY AFFAIRS OF
PARLIAMENT**

VOTE 103

FY 2019/20

By

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Inspector General of Government

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**THE HONORABLE CHAIRPERSON AND HON. MEMBERS,
LEGAL AND PARLIAMENTARY AFFAIRS COMMITTEE**

1. Introduction

a) Mandate/Objectives of the Inspectorate of Government

The Inspectorate of Government (IG), Vote 103 is an office provided for by Chapters 13 and 14 of the Constitution of the Republic of Uganda. The IG is also governed by the Inspectorate of Government Act of 2002 which spells out its functions, responsibilities and jurisdiction. The mandate of the IG as stipulated under Article 225 of the Constitution is to promote and foster strict adherence to the rule of law and principles of natural justice in administration, to eliminate and foster the elimination of corruption, abuse of authority and of public office, to promote fair, efficient and good governance in public offices, to supervise the enforcement of the Leadership Code Act, to investigate any act, omission, advice, decision or recommendation by a public officer or any other authority to which this article applies, taken, made, given or done in exercise of administrative functions, and to stimulate public awareness about the values of constitutionalism in general.

The Vision of the Inspectorate of Government is ***“A responsive and accountable public sector”*** and its Mission is ***“To promote good governance, accountability and the rule of law in public office”***.

The IG strategic objectives as laid out in the Strategic Plan for the period FY 2015/16-2019/20 are:

- i. Improve efficiency and effectiveness in preventing, detecting, investigating and eliminating corruption;
- ii. Leverage the ombudsman role to embed adherence to the rule of law, efficiency, natural justice and good governance in public administration;
- iii. Strengthen the enforcement of the Leadership Code of Conduct;

- iv. Strengthen organizational capacity to build an efficient performance driven culture;
- v. Enhance public awareness about good governance and strengthen strategic partnerships.

b) How the Sector complied with the gender and equity requirement in line with section 9(6) of the Public Finance Management Act (PFMA), 2015

This Section of the PFMA Act, 2015 stipulates that the Minister in consultation with Equal Opportunities Commission certify that the Institutional Budget Framework Papers are gender and equity responsive and that measures are taken to equalize opportunities for women, men, persons with disabilities and other marginalized groups.

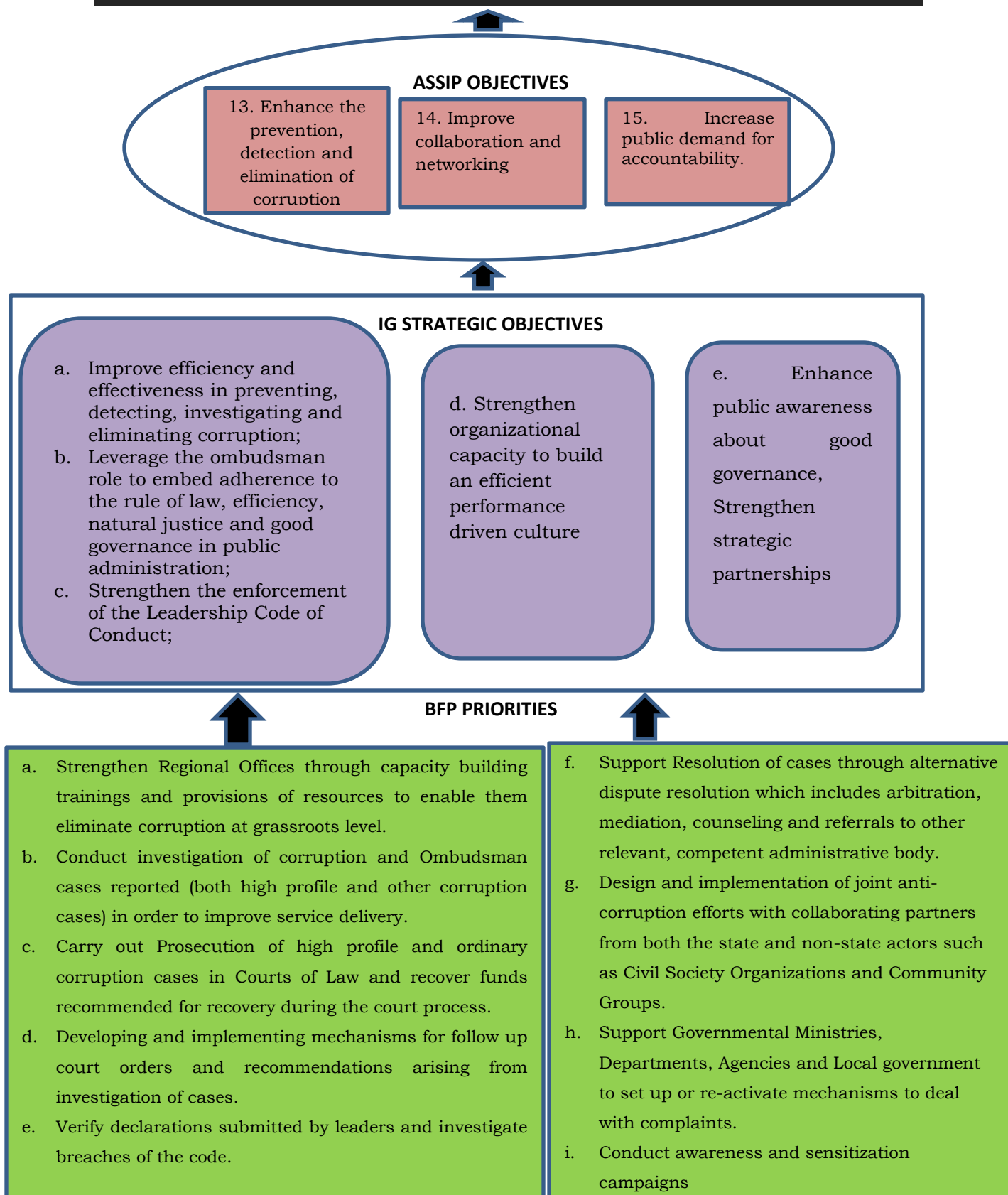
The Equal Opportunities Commission made an assessment of the Accountability Sector BFP for FY 2019/20 of which IG is a member and found out that it was **63% compliant with gender and equity requirements**. The assessment indicated that the sector made significant allocation to youths, gender and older persons. However, the sector still needs to make more commitment on the concerns of children and persons with disabilities which had a compliance rating of 18% and 41% respectively.

c) Consistency of the BFP with the Sector Investment Plan (SIP) and NDP II as provided for in Section 9(3) of the PFMA, 2015

This Section of the PFMA, 2015 states that the Minister shall each financial year, prepare a Budget Framework Paper which shall be consistent with the National Development Plan and Charter of Fiscal Responsibility. This is illustrated in the **figure 1** below:

Consistency of BFP with ASSIP and NDP II

NDPII Objective 4: Strengthen Mechanisms for Quality, Effective and Efficient Service Delivery



2. Budget Performance for FY 2017/18 and Half year of FY 2019/20

a) An overview of last year's budget performance against the targets for FY 2017/18

i. Table 1: Financial Performance Table

Budget Items		Approved Budget	Released	Spent	% of Budget Released	% Budget Spent	% of Release Spent
Recurrent	Wage	21.167	21.167	21.167	100%	100.0%	100.0%
	Non-Wage	18.841	18.841	18.827	100%	99.9%	99.9%
Sub-Total		40.008	40.008	39.994	100%	100.0%	100.0%
Development	GoU	3.925	3.925	1.495	100%	38.1%	38.1%
	External Financing	1.480	1.480	1.480	100%	100.0%	100.0%
Sub-Total		5.405	5.504	2.975	100%	55.0%	55.0%
Grand Total		45.413	45.413	42.969	100%	94.6%	94.6%

As shown in the table above, the IG total approved budget for FY 2017/18 was UGX 45.413 Billion. The entire approved funds were released to the institution. The IG spent UGX 42.969 (94.6%) of the released funds as follows; Recurrent (Wage and Non-Wage UGX 39.994 Billion (100%) and Development (GoU and DANIDA) UGX 2.975 Billion (55%). The unspent development fund of UGX 2.529 Billion was appropriated for the construction of the IG head office building. The process of procuring a firm to carryout construction is still ongoing.

ii. Physical Performance FY 2017/18

In the period under review, the IG planned to conduct investigations in Ministries, Departments Agencies and Local Governments (MDALGs) into alleged corruption and maladministration, prosecute cases corruption, and defend cases brought against it. It further planned to strengthen Transparency and Accountability in government projects, carryout public awareness programmes, conduct policy and systems studies to identify areas susceptible to corruption and enforce the Leadership Code of Conduct. The achievements are indicated in the **table 2** below:

Table 2: IG Performance on Key Results Areas in FY 2017/18

No.	Key Results Area	Performance			Comments
		Annual Target	Achieved	% achieved	
1	Registration of corruption and ombudsman complaints.	N/A	2,914	N/A	1,354 registered at Head Office and 1,560 in the 16 Regional Offices.
2	Investigation of High Profile or Syndicated Corruption cases.	6	13	217%	Some of the concluded investigations commenced in the previous FYs.
3	Investigation of other corruption cases in MDALGs.	718	1543	215%	Some of these concluded investigations commenced in the previous FYs.
4	Prosecution of corruption cases.	60	47	78%	9 were high profile in nature.
5	Conviction rate obtained from prosecution of corruption cases.	80%	66%	66%	Out of the 47 cases prosecuted, the IG obtained 31 convictions.
6	Funds recovered arising from investigations and prosecutions.	718 M	578 M	80.5%	Asset recovery Unit was established and is being equipped to step up recovery of proceeds of crime.
7	Implementation of recommendations made by the IG.	1,657	390	23.5%	This FY the IG planned stakeholder engagement meeting to strategize the implementation of recommendations.
8	Verification of Leaders' Declarations.	65	58	89.2%	The verification tool has been developed and the plan is to verify 300 MDAs annually.
9	Investigations into breaches of the Leadership Code of Conduct.	25	16	64%	Funding has been received under EU to step up verification.
10	Resolution of Ombudsman complaints in MDALGs.	1050	883	84%	748 were resolved in Local Governments
11	Investigation in the procedures and practices of MDALGs.	10	15	150%	Working with MDALGs to strengthen grievance handling mechanisms
12	Inspection of Development Projects.	372	1310	352%	The projects implement the transparency, accountability and anti-corruption component (TAAC)
13	Training of community to monitor and report misuse of project funds.	2240	7017	313%	The IG used CSOs and was able to train more persons than planned.

Other achievements were:

- a. In addition, the IG carried out **24** sensitization drives through dissemination of assorted IEC materials, **60** Radio Talk Shows, airing out **240** radio Spot messages and supporting activities of **11** integrity ambassador clubs in Primary, Secondary Schools, Universities and Tertiary Institutions, designed and disseminated assorted IEC materials. The purpose of the sensitization drive was to educate the community mostly in the NUSAF and PRDP areas on effects of corruption on service delivery, their roles in fighting corruption and the mechanism for reporting corruption cases.
- b. The IG further procured vehicles and office equipment (Computers and Accessories, **7** Pick-Ups and **1** Saloon Car) and trained **209** technical officers (101 Asset Tracing and Recovery, 73 Prosecution Led Investigations, 35 Managers and Supervisors in Leadership Management and other 6 staff attended Regional and International Trainings in Policy Analysis, Rule of Law Building & Governance Capacity for Developing Countries and Production as well as other disciplines).

iii. Table 3: Financial Performance, Half year FY 2018/19

Budget Items		Approved Budget	Released	Spent	% Released	% Spent
Recurrent	Wage	21.169	10.584	10.582	50%	99.7%
	Non-Wage	18.044	11.961	10.471	66.3%	87.5%
Sub-Total		39.213	22.545	21.053	57.5%	93.4%
Development	GoU	13.593	11.072	0.714	81.5%	6.4%
	External Financing	3.549	3.346	1.798	94.82%	53.74%
Sub-Total		17.142	14.418	2.512	84.11%	17.42%
Grand Total		56.355	36.963	23.565	65.59%	63.75%

The total budget approved for IG in the current FY 2018/19 was UGX 56.355 Billion. By the end of the second quarter UGX 36.963 Billion (65.59%) of the annual budget was released and UGX 23.565 Billion (63.75%) was spent. The unspent balance of UGX 23.565 Billion is funds to kick start construction of the IG head office building and DANIDA support to Inspectorate of Government.

iv. Physical Performance by December of FY 2018/19

The IG in the current FY 2018/19, planned to undertake the following activities: investigate 12 high profile cases, completing 50% of them within 9 months of registration, investigate 718 other corruption cases and follow-up 100% of the recommendations made. Furthermore, the institution planned to prosecute 60 corruption cases, obtain at least a conviction rate of 85%, conclude 9 Judicial Review cases, follow-up 16 Court Orders to recover 50% of awards made, organize 15 sensitization workshops, establish 24 partnerships, implement 3 anti-corruption and ombudsman initiatives through partnership with government institutions and 15 with non-state actors, verify 300 declarations of leaders, conclude 25 investigations into breaches of Leadership Code, resolve 1050 Ombudsman complaints (resolve at least 5% of cases using Alternative Dispute Resolutions), support 20 MDAs to setup or reactivate internal inspectorates and conclude 8 systemic investigation. Under Strengthening Transparency and Anti-Corruption (STAAC) component, IG planned to train 10000 citizens to monitor projects. 2240 projects were targeted for inspection and 80% of disputes arising from the implementation of the project to be resolved.

By the end of December 2018, the IG had achieved the following:

- a. Registered a total of **1145** corruption and maladministration complaints, 647 at head office and 498 at the 16 Regional Offices. The complaints resulted into sanctioning of 878 investigations during the half year. The IG referred 157 of these complaints to other institutions for further management, while 86 had no merit and were rejected. The complainants were informed of the IG decisions. 24 cases were still under review by end of the reporting period.
- b. The IG completed 8(133%) high profile investigations out of a biannual target of 6: Civil Aviation Authority (CAA), Rural Electrification Agency (REA), Uganda Police Force (UPF), OPM (Old Kampala Land), Ministry of Agriculture, Ministry of Internal Affairs (Uganda Police), Iraj

Bridge (UNHCR) and Ministry of Education (Shimon PTC). The cases involved a sum of UGX 19,419,619,300 in addition to another MoH (GAVI) case which involves USD 3,632,087. The one of the UPF involved Irregular Promotion and Recruitment of 996 Police Officers. Furthermore, USD 541,544 and UGX 52,194,595 were recommended for recovery in the investigations conducted in CAA and REA. Also, UGX 470,010,520 was recommended to be recovered by UNHCR from Danish Refugee Council) and, UGX 10,481,000 was recovered from investigations previously conducted in the Ministry of Local Government. 103 (47.2%) other corruption cases considered to be of low profile nature were concluded in MDAs out of a planned target of 218.

- c. In the Local Governments, the IG investigated and concluded **794 (317.6%) corruption cases** out of a biannual target of 250. These were related to abuse of office 306 (38.5%), forgery 80 (10%), embezzlement 98 (12.3%), 18 (2.3%) bribery, misappropriation of funds 145 (18.2%), Conflict of interest 24 (3.0%), False accounting 26 (3.3%), False claims 15(1.9%), Uttering false documents 17 (2.14%), Extortion 9 (1.13%), causing financial loss 52 (6.5%) and Nepotism 4 (0.5%). From the above investigations in LGs; 8 persons are under prosecution, 305 recommended for administrative actions, UGX 765,967,125 recommended for recovery and 277 with no proof of offence. Despite the above performance, a total of 1941 investigations are still ongoing. Furthermore **315 (70%) Ombudsman complaints** were resolved out of a biannual target of 450 and these involved mismanagement 62 (19.7%), employment disputes 33 (10.5%), non-payment complaints 135 (42.3%), abuse of authority 10 (3.2%), delayed service 21 (6.6%), victimization cases 19 (6.0%) and 35 (11.1%) cases were categorized as others.
- d. The IG Prosecuted **22 (73%)** cases of corruption against a planned target of 30, which resulted into 17 convictions, 3 withdrawals and 2 acquittals. Furthermore 2 judicial review cases against the Inspectorate of Government were successfully defended.

- e. In the MDAs, the IG resolved **27 (36%) ombudsman complaints** against planned 75 in the following areas: mismanagement 1 (3.7%), employment disputes 10 (37%), nonpayment of salaries 9 (33.3%), delayed service 1 (3.7%), victimization 2 (7.4%), and 4 (14.8%) categorized as others. 432 complaints were still being handled. Two systemic reviews was concluded, out of the planned 5; A review into Disciplinary proceedings was conducted in Uganda Wildlife Authority (UWA) against its staff as well as a systemic investigation into the procedures used in the interdiction of the Executive Director and filling of Top positions in the newly restructured Uganda Investment Authority. Another 19 reviews were ongoing by end of December 2018.
- f. Finalized verification of 39 (26%) leader's declarations out of the biannual target of 150 and the total incomes verified and investigated was **UGX 42,621,309,182** while the assets verified were worth **UGX 33,841,542,344**. The verification exercise revealed that all the declarations were commensurate with known sources of incomes and there was no evidence of illicit amassing of wealth. The verified officials were from BOU, MOE&S, MFSC, MOFA, MOIA, MOH, MOFFPED, NARO, MOLG, MOTWA, Min of Energy and Mineral Dvpt, OPM, NSSF among others. 138 verifications were still ongoing by the end of the quarter. Also investigations in the breach of the Leadership Code of Conduct were conducted on 9(36%) leaders from OPM, MOFA, UNRA, URA, BOU, and MOFFPED; all of them were found not to be in breach of the Code.
- g. Under Strengthening Transparency, Accountability and Anti-Corruption (STAAC) in the Implementation of Projects, 746 (66.6%) of projects benefiting mainly the rural poor such as youths, women and the elderly were inspected out of a biannual target of 1120. The institution followed-up on the utilization of NUSAF 3 funds for disbursed to Local Government for Q1 and it established that a sum of UGX 4,611,920,870 was disbursed; UGX2,262,296,310 (49%) was accounted for. During the same period, through partnership with Civil Society Organizations (CSOs), 6869

(274.7%) out of a planned 2500 community members were trained in monitoring projects. The trained community members received 145 grievances resulting from implementation of project activities and were able to resolve 47 (32.4%) of them on time and, recovered UGX 31,760,000(90%) out of UGX 35,470,000 that was found to have been misused.

- h. Conducted 21 sensitization workshops; in Kumi District Local Government for CSOs, Local Government officials, and the media, community barazas and boardroom sessions with district officials in the districts of Buikwe, Iganga, Busia, Kapchorwa, Mbale Inter-religious Council of Uganda, Next Media group, Buganda Broadcasting Services, Oil and Gas Sector, Education Sector and Uganda Police. The purpose of the events was to create awareness about anti-corruption laws, the roles of the IG and, dangers of corruption, and empower citizens to demand for accountability from their leaders. A Stakeholder engagement workshop on extractive industry for key government actors was organized jointly with OAG and PPDA to discuss issues relating to land acquisition for the oil and gas projects, opportunities in the oil and gas sector and compensation of project affected persons. A Public rally at Kololo Ceremonial Grounds marking the International Anti-corruption Day held and was graced by HE The President of Uganda. Nine (9) Radio programs were organized to discuss the anti- corruption campaign 2018, focusing on citizen participation in the prevention of corruption. Radio spot messages were also developed and aired to further reach out to the citizens and strengthen the message. Furthermore 12 partnerships were established to strengthen synergies and information sharing in the fight against corruption, five initiative with a state actor and seven with non-state actors. The IG also trained officials from 4 public institutions about anti-corruption.

b) Comment on performance and indicators

In the current FY 2018/19, the IG is reporting on 17 key outputs. By the end of December 2018, the institution was on track to achieve 10 (58.8%)

of the annual planned outputs. The indicators which are on track are related to; investigation of corruption cases in local governments investigations, investigation of syndicated or high profile corruption cases, implementation of joint anti-corruption initiatives with state and non-state actors, inspection of projects and training of community monitoring groups. However, the IG is fast tracking the following indicators in order to have them achieved at the end of financial year 2018/19; Ombudsman function, follow up of recommendations, verification of leader's declarations and prosecution of corrupt persons.

c) Challenges experienced during budget execution

The challenges highlighted below were experienced by the Inspectorate of government while executing the budget for the current FY 2018/19 and the previous Financial Year.

- i. The depreciation of the shilling against the dollar continues to increase cost of operations, in particular payment of rent for head office, regional offices and in travel costs (fuel and lubricants). The payment of rent for the head office is executed in US Dollars.
- ii. Increasing cost of fuel, lubricants, Oils and vehicle maintenance will affect the IG operations. This is because most of the IG activities involve travel to gather information and carry out prosecutions.
- iii. Budget cuts arising from government re-aligning and changing its priorities.

In order to overcome the above constraints, the Inspectorate requests the following:

- i. In the FY 2019/20, the IG should be allocated funding of UGX 30 billion to complete construction of the head office building project within the 3 years planned period.
- ii. Provide additional funding (as indicated in below) to cater for rising overhead costs and fluctuating exchange rates.

3. Overview on Vote Proposed Budget Allocation

a) Overall sector and vote budgetary allocation for FY 2019/20

A comparison of the IG budgetary allocation to the overall accountability sector is illustrated in table 4 below:

Table 4: Comparison of IG Budget Allocation to the Sector Budget

Budget Items		Sector Allocation	IG Allocation	% of IG Allocation to the Sector
Recurrent	Wage	218.110	21.167	9.7%
	Non-Wage	613.290	18.044	2.9%
Sub-Total		831.400	39.211	4.7%
Development	GoU	138.650	13.590	9.8%
	External Financing	49.280	3.500	7.1%
Sub-Total		187.930	17.090	9.1%
Grand Total		1,019.330	56.301	5.5%

Overall only 5.5% (UGX 56.301 Billion) of the sector budget (UGX 1.019 Trillion) is allocated to the IG to execute the three core mandate of anti-Corruption, Ombudsman and enforcement of the Leadership Code. This is insufficient given that each of the three mandates requires a separate Programme or vote, as is in neighboring countries.

b) Key priorities for FY 2019/20

In the ensuing financial year, the IG will pursue the following priorities in order to scale up its effort in the fight against corruption, reducing incidences of maladministration and enforcing the Leadership Code of Conduct.

- i. Scale up recovery of illicitly acquired wealth as a deterrent to corrupt practices. In addition, the Inspectorate of Government in collaboration with Directorate of Ethics and Integrity (DEI) initiated the process of enactment of a Civil Recovery Law where the standard of proof is balance of probability compared to the conviction based recovery which requires high burden of proof.

- ii. Roll-out the Transparency, Accountability and Anti-Corruption (TAAC) intervention through training more members of the community to monitor and report misuse of Government project funds. The IG in collaboration with Office of The Prime Minister Delivery Unit is planning strategies to mainstream this initiative in all major government projects.
- iii. Strengthen Regional Offices through capacity building trainings and provision of resources to enable them eliminate corruption at grass root level.
- iv. Conduct investigation of corruption and Ombudsman cases reported (both high profile and other corruption cases) in order to improve service delivery. Furthermore, the IG will establish a forensic analysis unit to facilitate analysis of documents during investigations in order to prepare evidence required for successful prosecution.
- v. Carry out Prosecution of high profile and ordinary corruption cases in Courts of Law and recover funds recommended for recovery during the court process.
- vi. Support Resolution of cases through alternative dispute resolution which includes arbitration, mediation, counseling and referrals to other relevant, competent administrative bodies.
- vii. Design and implementation of joint anti-corruption efforts with collaborating partners from both the state and non-state actors such as Civil Society Organizations and Community Groups.
- viii. Support Government Ministries, Departments, Agencies and Local governments to set up or re-activate mechanisms to deal with complaints.
- ix. Verify declarations submitted by leaders and investigate breaches of the code.
- x. Develop and implement a complaint management system with a modern Call Centre to receive complaints from the public and provide prompt feedback to the complainants.

c) IG contribution to GDP where applicable

The IG as an institution does not make a direct contribution to the realization of the GDP. However, given its mandate, the institution provides an oversight role to ensure that there is transparency and accountability in the implementation of the planned interventions which directly contribute to attainment of GDP. IG participates in ensuring that monies collected in the public sector are expended on the right priorities and no losses are made. Should there be any; the IG will ensure that where possible, losses are recovered, thereby contributing to the sustainable use of the GDP in the public sector for delivery of services to citizens.

d) Implementation challenges and solutions/recommendations

In FY 2019/20, the IG is foreseeing the following challenges which will significantly impact on budget execution:

- i. **Inadequate operational funds:** In the last four financial years, the Non-Wage Recurrent budget allocation to the Inspectorate of Government has reduced by UGX 1.677 Billion; that is from UGX 19.721 Billion in FY 2017/18 to UGX 18.044 Billion in the current FY 2018/19 and maintained at the same level for the ensuing FY 2019/20. This is illustrated in the table 5 below:

Table 5: An illustration of decline in non-wage

Budget Category		Financial Years			
		FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
Recurrent	Wage	19.789	21.167	21.167	21.167
	Non-Wage	19.721	18.841	18.044	18.044
Development	GoU	03.931	03.931	13.593	13.593
	External Financing	01.980	01.480	03.500	03.500
Total		45.421	45.419	56.304	56.304

Due to the above budget cuts, the Inspectorate of Government was only able to partially allocate funding for operational expenses leaving a funding gap of UGX 3.30 Billion. This is illustrated in the table 6 below:

Table 6: additional funding required by the IG

No.	Budget Items	Proposed Expenditure for FY 2019/20 (UGX Billion)		Additional Funds required
		Projected	Allocated	
1	Allocations to 16 Regional Offices.	1.536	0.768	0.768
2	Travel Inland for investigations, prosecutions & verifications.	2.052	0.779	1.273
3	Vehicle Maintenance	0.895	0.233	0.662
4	Fuel and Lubricants	0.934	0.333	0.601
5	Total	5.417	2.113	3.300

- ii. **Understaffing:** In the last three years the number of local governments (districts, municipalities, town councils and sub counties) has significantly increased. The growth in the number of administration units implies additional work since cost centers, number of leaders and complaints reported have increased. The capacity of the IG to handle corruption and ombudsman complaints has not commensurately changed to match with the increasing workload. For a long time the Regional Offices have been 16 with 5 technical staff for each Regional Office. The IG therefore requires additional UGX 4 Billion for recruitment of additional 30 staff to deal with increasing workload in Local Governments.
- iii. **Low rate of implementation of IG recommendations;** upon completion of investigations the IG issues a number of recommendations. However, there have been instances where these recommendations have not been implemented leading to matters remaining unresolved. For example in the FY 2016/17 the Inspectorate

of Government followed up on 452 recommendations of which 207 were acted upon representing implementation rate of 45.8%. Similarly in FY 2017/18, 1657 recommendations were followed up and 390 were implemented representing 23.5%.

- iv. **Prevalence and complexity** of corruption in the public and private sector; of particular concern the evolving nature of corruption. The IG lacks the optimum level of appropriate skills to investigate and prosecute the emerging trends of corruption.
- v. **Delays in the judicial process;** the establishment of the Anti-Corruption Division of the High Court significantly shortened the period taken to complete prosecution of corruption cases. However, even with a functional Anti-Corruption Court, cases face delays in courts of justice for various reasons including, but not limited to small number of judicial officers, transfers and continuous adjournments as well as increased number of those using the court.

e) Critical Un-Funded Priorities

Though allocations to the Inspectorate have been increasing significantly over time, the institution is still faced with the challenge of inadequate resources.

- i. **UGX 2.5 Billion for Scaling up Transparency Accountability and Anti-Corruption in Projects.** Under NUSAF 2, the Inspectorate of Government successfully implemented the Transparency, Accountability Anti-Corruption (TAAC) component of the project. The participation of the IG contributed to enhancing the role of the citizens on rights, roles and obligations in the project. Furthermore, misuse of project resources, fraud and corruption was minimized leading to improved service delivery. This model was then rolled out in NUSAF 3 and other projects namely Youth Livelihood Project, Development Response to Displacement Impact Project and Regional Postural Livelihood Resilience Project. Given the results attained using this approach in NUSAF 3, the IG is therefore requesting for additional UGX 2.5 Billion to scale up this model.

- ii. **Operational Funds UGX 3.30 Billion:** *Details provided in table 6 above.*
- iii. **Implementation of Organizational Development Assessment Recommendations.** In the FY 2016/17, the Inspectorate commissioned a consultant to carry out an Organizational Development Assessment (ODA) and the purpose of the exercise was to develop systems which will position the IG to better respond and adapt to the changing corruption trends and function more efficiently. This FY 2018/19, the entire process will be concluded with formulation of a new performance management framework, Competence Framework and a new IG Organizational Structure. In the ensuing FY 2019/20 the IG therefore will require additional approximately UGX 10 Billion for Wage and Non-Wage for implementation of the ODA recommendation to strengthen its operations.
- iv. **Staff Training:** Corruption in Uganda has become too much more sophisticated with more cases of organized and syndicated cases being recorded. As a result, the IG needs to continuously build capacity of its staff to promptly respond to the changing trends. In the ensuing FY 2019/20 the IG is requesting for UGX 0.646 Billion more to equip staff with specialized skills for investigations and prosecutions and to tackle the emerging trends of corruption.

4. Vote Projects

The IG is one of the institutions implementing several projects namely:

- a. GoU – EU Justice and Accountability Reform (JAR) - Sector Reform Contract. In the current FY 2018/19, the institution was allocated UGX 3.521 Billion and UGX 2.456 Billion has already been disbursed. The funding is supporting verifications, investigation of high profile corruption cases and their prosecutions, National Integrity Survey (NIS) and Policy and System Studies.

- b. NUSAF 3 –Under the Northern Uganda Social Action Fund, IG was allocated USD 1,800,000 to monitor the project. USD 827,689 was released and USD 471,307 had been spent by December 2018 leaving a balance of USD 356,382.
- c. DRDIP – Under this project in the current FY, the IG received USD 147,693 and had spent USD 38,209 by December 2018, leaving a balance of USD 109,484.
- d. YLP – UGX 62,120,000 was released to IG and UGX 10,000,000 was spent by Q2 hence leaving a balance of 52,120,000.
- e. RPLRP – UGX 107,461,200 was allocated and released to IG and, UGX 46,710,000 was utilized hence leaving an unspent balance of 60,751,200 by end of Q2.
- f. UNDP – The IG has not yet received funds from UNDP in the current FY but however received UGX 110,868,550 and utilized all these funds by December 2018.
- g. In addition, there is an ongoing project of the IG Head Office Building and a firm is being procured to commence construction works at the estimated cost of UGX 110 Billion.

A summary of the above off budget support is provided in the table below.

Table 7: Summary of Off- Budget support

Item	Annual Budget	Releases	Expenditure	Balance
NUSAF 3	\$1,800,000	\$827,689	\$471,307	356,382
DRDIP	\$147,693	\$147,693	\$38,209	\$109,484
YLP	62,120,000	62,120,000	10,000,000	52,120,000
UNDP	110,868,550	110,868,550	110,865,560	2,990
RPLRP	107,461,200	107,461,200	46,710,000	60,751,200
EU- JAR Support	3,521,036,000	2,456,114,286	-	2,456,114,286

Responses to the Issues Raised:

Issue 1: Implementation of the Leadership Code Act, as Amended: The IG is mandated to enforce the Leadership Code of Conduct so as to meet its strategic objective 3. However it was noted that out of the targeted 65, only 10 leaders' declarations have been verified. This comes as a result of the continued reduction in the Non-wage budget from UGX 19.72 Billion in FY 2016/17 to UGX 18.841 Billion in FY 2017/18. To this, Parliament recommended that IG be provided with adequate resources to expedite the verification of declarations of all leaders in the Country. ***Provide an update on the implementation of this recommendation.***

Response: This financial year the Government of Uganda with funding from the European Union started implementing a new programme entitled Justice and Accountability Reform (JAR)-Sector Reform Contract and Inspectorate of Government is one of the benefiting institutions. Under this programme a sum of UGX 1.488 Billion was provided for verification of Leader's Declarations and UGX 0.950 Billion (63.3%) has already been released. This support is enabling the institution to verify 300 declarations compared to 65 in previous years representing an increment of 361.5%.

Parliament further recommended an additional UGX 0.88 Billion to be provided to facilitate the enforcement of the Leadership Code Act. ***Provide an extent of the implementation of this law.***

Response: The Leadership Code (Amendment) Act, 2017 was assented to by the President on 17th May, 2017 and became operational on 2nd June, 2017. The Directorate of Ethics and Integrity also received funding under the Justice and Accountability Reform (JAR)-Sector Reform Contract for establishment of the Leadership Code Tribunal. They have initiated the process of setting up the tribunal.

Issue 2: Staff Training: Parliament recommended that UGX 0.646 Billion be provided to the IG non-wage recurrent budget to improve its capacity in fighting corruption. ***What mechanisms are in place to ensure that staff are up to date in countering the sophistication in corruption?***

Response: The Inspectorate of Government established the following measures; (i) Training Policy, (ii) Capacity Building Plan, (iii) Annualized Training Plans and a Training Committee to ensure that staff members acquire needed skills and competencies to encounter emerging forms of corruption. In regard to the Parliament observation, the institution was not allocated additional funding in the current year and in the MTEF for ensuing financial years for staff training. Therefore this item has remained an underfunded priority for FY 2019/20. However, the institution has continued to offer some specialized training and investigation equipment with funding from DANIDA, GIZ, SUGAR, EU and World Bank. It must be observed that this funding is not sufficient given our training demand hence the IG staff under operations learn skills on job.

Issue 3: *What is the level of gender and equity compliance of the institution budget?*

Response: The Equal Opportunities Commission made an assessment of the Accountability Sector BFP for FY 2019/20 of which IG is a member and found out that it was 63% compliant with gender and equity requirements. The assessment indicated that the sector made significant allocation to youths, gender and older persons. However, the sector still needs to make more commitment on the concerns of children and persons with disabilities which had compliance rating score of 18% and 41% respectively. The sector is therefore working out mechanism to support the institutions to address the identified gaps.

Issue 4: Rent and Utilities; IG still faces a challenge of rent which is paid in dollars. The fluctuating dollar rates make it hard to budget sufficiently for Rent. We observed that the IG requires additional UGX 0.471 Billion to meet the rent obligations and recommended that IG engages the Land Lord and renegotiates the payment mode to avoid rental arrears. ***What is the status of the rent agreement with the landlord and mode of payments?***

Response: The tenancy agreement for the IG Head Office premises expires in March 2019. Negotiations are ongoing and the purpose is to ensure that all the terms which were not in favor of the IG such as payment in US Dollars rather than Ugandan Shillings and the tenancy period are revised. The Parliament and other relevant government authorities will be informed about the outcome of the negotiations.

As a temporary measure to address the shortfall highlighted above the Parliament approved a supplementary budget of UGX 849 Million in the current financial year and UGX 200 million for payment of rent obligations. In the ensuing FY 2019/20, the obligatory expenses/fixed costs such as rent, gratuity, NSSF contributions and utilities were given the first call on the budget and therefore allocated appropriate funding. However this decision never provided a solution but simply transferred the funding gaps from fixed costs to operational expenses. This is indicated in table 6 above.

Issue 5: NSSF Contributions and Gratuity; we noted that the IG requires UGX 1.088 Billion to enable it meet its NSSF and Gratuity obligations recommended an additional UGX 0.370 Billion for NSSF contributions and UGX 0.718 Billion for Gratuity to be provided to meet this statutory obligation. ***What is the status?***

Response: Under issue number4 above it was noted that the IG was provided with supplementary allocation of UGX 849 Million, it was also appropriated for gratuity and NSSF (UGX 295 million) contributions. Similarly gratuity and NSSF contributions being fixed costs were given the first call in the FY 2019/20 and therefore there is no funding gap.