



**THE REPUBLIC OF UGANDA**

**THE INSPECTORATE OF GOVERNMENT BUDGET FRAMEWORK PAPER (BFP)**

**FY 2018/19-2020/21**

**PRESENTED**

**TO**

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

**VOTE 103**

**FY 2018/19**

**By**

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**Inspector General of Government**

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# Contents

<b>Contents .....</b>	<b>i</b>
<b>1. Introduction.....</b>	<b>1</b>
a) Mandates/Objectives of the Inspectorate of Government .....	1
b) How the Sector complied with the gender and equity requirement in line with the section 9(6) of the Public Finance Management Act (PFMA), 2015 .....	2
c) Consistency of the BFP with the Sector Investment Plan (SIP) and NDP II as provided for in Section 9(3) of the PFMA Act, 2015 .....	2
<b>2. Budget Performance for FY 2016/17 and first half of FY 2017/18 .....</b>	<b>3</b>
a) An overview of last year's budget performance against the targets .....	3
b) Comment on performance of the output and indicators .....	6
c) Challenges experienced during budget execution.....	6
<b>3. Overview on Vote Proposed Budget Allocation.....</b>	<b>8</b>
a) Overall sector and vote budgetary allocation for FY 2018/19 .....	8
b) Key priorities for FY 2018/19 .....	8
c) IG contribution to GDP where applicable .....	8
d) Envisaged budget execution challenges and solutions/recommendations.....	9
e) Critical Un-Funded Priorities.....	9
<b>4. Vote Projects .....</b>	<b>9</b>

**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 the 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 of which the IG is a member and found it was 60% compliant with gender and equity requirements. However, among others, the sector still has the following issues to address:

- i. Limited physical tracking of Government expenditure by all government agencies on an annual basis which compromises quality assurance, efficiency and effective resource utilization.
- ii. Limited access to information on financial inclusion programmes with respect to Women, youth, older persons and PWDs.
- iii. Complaints of unfair taxation which result into collapse of various businesses with over 50% failing to reach their first birthday.
- iv. Declining ethics and integrity in the public service delivery Institutions/ points i.e. Police, Health Centers, Land Offices, Courts of Law, Buying of Votes. These have resulted into escalation of marginalization of the vulnerable persons.

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

This Section of the PFMA Act, 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.

The Inspectorate of Government BFP was formulated based on the National Development Goal of 'Achieving Middle Income Status by 2020', National Development Plan objective No.4 of 'Strengthening mechanisms for quality, effective and efficient service delivery', and the revised Accountability Sector Strategic Investment Plan (ASSIP) for the period 2017/18-2019/20, Audit and Anti-Corruption Sub-Sector objectives No.13, 14 and 15 which are 'enhancing prevention, detection and elimination of corruption', increase public demand for accountability and 'improving collaboration and networking amongst

development institutions'. The Inspectorate of Government contributes to the NDP II through the Governance Sector; the Audit and the Oversight Sub-Sector. The sub-sector is mandated to provide oversight and ensure transparency, integrity and accountability in delivery of services to the citizenry. As part of the Audit and Oversight sub-sector, the IG has interventions which are anticipated to reduce the incidence of corruption in public offices, ensure increased effectiveness in service delivery, increase citizen involvement in service delivery and improve efficiency and effectiveness in the public sector.

## 2. Budget Performance for FY 2016/17 and first half of FY 2017/18

### a) An overview of last year's budget performance against the targets

#### Budget Performance FY 2016/17

##### i. Financial Performance

Budget Items		Approved Budget	Released	Spent	% Released	% Spent
Recurrent	Wage	19.789	20.592	19.580	104.1%	95.1%
	Non Wage	19.721	21.309	20.221	108.1%	94.9%
<b>Sub-Total</b>		<b>39.510</b>	<b>41.901</b>	<b>39.801</b>	<b>106.1%</b>	<b>95.0%</b>
Development	GoU	3.931	2.317	1.584	58.9%	68.4%
	External Financing	1.980	1.382	1.382	69.8%	100.0%
<b>Sub-Total</b>		<b>5.911</b>	<b>3.699</b>	<b>2.966</b>	<b>62.6%</b>	<b>80.2%</b>
<b>Grand Total</b>		<b>45.421</b>	<b>45.600</b>	<b>42.767</b>	<b>100.4%</b>	<b>93.8%</b>

As shown in the table above, the IG approved budget was UGX 45.421 Billion out of which UGX 45.6 Billion (100.4%) was released and UGX 42.767 Billion (93.8%) of the release was spent. In the same period, the IG received a supplementary funding of UGX 0.643 Billion for payment of rent for the Head Office, PAYE, NSSF contributions and other operational expenses.

##### ii. Physical Performance FY 2016/17

In the previous financial year 2016/17, the IG conducted investigations into allegations of corruption and maladministration, prosecuted corruption cases, and defended cases brought against it. It further carried out public awareness programmes, conducted policy and systems studies to identify areas susceptible to corruption and enforced the Leadership Code of Conduct. Arising from the above actions the following were achieved:

- a) A total of **2,876** corruption and ombudsman complaints were registered; **1,316** were recorded at the head office and **1,560** recorded at the regional offices.
- b) **2, 486** investigations into allegations of corruption and maladministration in public offices were concluded out of the planned **1,930**.
- c) Arising from the investigation **40** cases were prosecuted resulting into **24** convictions and recovery of **UGX 718,466,256** which was deposited in the Asset Recovery Account.
- d) The institution followed-up on **452** recommendations that were made during investigations and it was found out that **207** of them were implemented, representing **45.8%** implementation rate.
- e) In addition, the IG carried out **17** sensitization initiatives through dissemination of assorted IEC materials, Radio Talk Shows, TV programs, radio spot messages, supporting activities of **23** Integrity Ambassador Clubs. The purpose of the sensitization efforts was to educate the communities mostly in the NUSAF and PRDP areas on effects of corruption on service delivery, their roles in fighting corruption and the different mechanisms for reporting corruption and maladministration.
- f) In order to improve procedures, systems and practices in public offices, **6** systemic investigations were conducted and a systems study on storage and distribution of vaccines in Uganda was concluded.
- g) The IG procured vehicles and office equipment (Computers and Accessories, 13 Pick-Ups and 3 Saloon Cars).
- h) Trained **195** technical officers (**63** Report Writing, **41** Management of Ombudsman Affairs, **79** Leadership Skills Training at Kyankwanzi and **12** Financial Investigation Asset Recovery).
- i) Under the Leadership Code, 62 verifications of leaders' declarations were conducted out of the planned 60 and 20 investigations into breaches of the Leadership Code were concluded. Furthermore, the IG introduced the Online Declaration System (IG-ODS) for disclosure of Assets and Liabilities. It was projected that **25,000** leaders were eligible to submit declarations, a total of **22,844** had logged into the system and **22,122** declared representing compliance rate of **88.4%**.
- j) The IG under Social Accountability and Community Monitoring Project supported by World Bank carried out monthly inspections of development projects as follows: Discretionary Development Equalization Grant (DDEG) **84**, Uganda Support to Municipal Infrastructure Development Program Project (USMID) **35**, Northern Uganda Social Action Fund (NUSAF) **7** and

conducted verifications in **152** Health Facilities. Arising from the Inspections, **39** complaints were recorded of which **33** were investigated to conclusion, completed **1** backlog case out of **16**, made **36** recommendations and **35** of them were implemented. Furthermore recommendations were for recovery of **UGX65.9M** and **UGX 30M (46%)** was actually recovered.

### iii. Financial Performance, First Half of FY 2017/18

Budget Items		Approved Budget	Released	Spent	% Released	% Spent
Recurrent	Wage	21.167	10.584	10.553	50.0%	99.7%
	Non Wage	18.841	12.306	11.904	65.3%	96.7%
<b>Sub-Total</b>		<b>40.008</b>	<b>22.890</b>	<b>22.457</b>	<b>57.2%</b>	<b>98.1%</b>
Development	GoU	3.925	0.873	0.417	22.2%	47.8%
	External Financing	1.480	0.00	0.00	0.00	0.00
<b>Sub-Total</b>		<b>5.405</b>	<b>0.873</b>	<b>0.417</b>	<b>16.2%</b>	<b>47.8%</b>
<b>Grand Total</b>		<b>45.413</b>	<b>23.763</b>	<b>22.874</b>	<b>52.3%</b>	<b>96.3%</b>

The total budget approved for IG in the current FY 2017/18 was UGX 45.413 Billion. By the end of the first half UGX 23.763 Billion (52.3%) of the annual budget was released and UGX 22.874 Billion (96.3%) was spent. Furthermore, UGX 0.873 Billion (22.2%) of the GoU development budget and UGX 0.417 Billion (47.8%) was spent. The unspent balance is funds to kick start construction of the IG head office building.

### iv. Physical Performance by September of FY 2017/18

In the current FY 2017/18, the IG planned to undertake the following activities: investigate and complete 6 high profile cases and 218 other corruption cases in MDAs and complete 50% of them within one year, investigate 500 corruption and 900 Ombudsman complaints in Local Governments and prosecute 60 cases and obtain a conviction rate of not less than 85%, recover at least 50% of funds from court decisions and investigations and conclude 9 cases against the IG. Furthermore the institution planned to organize 24 sensitization workshops, establish 24 partnerships, implement 4 initiatives through government institutions and another 4 with non-state actors, verify 60 declarations of leaders, conclude 20 investigations into breaches of the Leadership Code act, conduct 150 Ombudsman investigations in MDAs, support 20 MDALGs to revive internal mechanisms to address complaints, resolve at least 5% of the ombudsman cases using Alternative Dispute Resolution mechanism, conduct 10 systemic investigations and follow-up on all the recommendations. By the end of September 2017, the IG had achieved the following:

- i. The IG registered a total of **734** complaints by the end of September of which **338(46%)** were registered at the Head office while **396(54%)** were registered across the regional offices.
- ii. **509(30%)** investigations were concluded out of the annual target of 1649 and of these, 467 cases were investigated by Regional offices, 21 cases by Information and Internal Inspection Division, 18 cases by Directorate of Ombudsman Affairs, 2 cases by Directorate of Leadership Code, and 1 case by Project Monitoring Division. 130 cases were referred to other institutions.
- iii. A total of **4409** investigations are still ongoing with Directorate of Regional Offices having **4228**, Directorate of Ombudsman Affairs having **(5)** Information and Internal Inspection Division **83** and **93** by Directorate of Special Investigations.
- iv. **UGX 107,274,151** was recovered out of **UGX 1,088,185,295** due for recovery.
- v. A total sum of **UGX 1,590,386,788** was extracted from court orders and **UGX 45,000,000** was recovered during the reporting period.
- vi. The compliance rate for declaration of Income, Assets and Liabilities by leaders stands at **90.2%** and verification of **106** declarations is ongoing.
- vii. **175** backlog cases were concluded by Regional Offices out of the **2106** cases available representing **8%**. Directorate of Special Investigations managed to conclude **2** out of **87** backlog cases which represent **3%** achievement.
- viii. **144(28%)** recommendations were followed up out of the **505**.

**b) Comment on performance of the output and indicators**

In the current FY 2017/18, the IG is reporting on 17 outputs. By the end of September 2017, the institution was on track to achieve more than 50% of the annual planned outputs.

**c) Challenges experienced during budget execution**

The IG has made significant progress in the recent past in promoting good governance and combating corruption. However, several constraints still remain which enormously affect budget execution and these include:

- i. Prevalence and complexity of corruption in the public and private sector; of particular concern to the IG is the evolving nature of corruption. While previously limited to favours and bribes to a few officials, it now encompasses grand syndicated corruption where controls are deliberately circumvented in a systematic way, involving networks of corrupt officials from different MDA/LGs and the private sector.

- ii. Non-implementation of IG recommendations; upon completion of investigations, there have been instances where the recommendations made by the IG have not been implemented. When recommendations (such as civil/administrative sanctions of various officials) are not effected promptly, the matters remain unresolved.
- iii. Poor methods of storage and retrieval of records and sharing in public offices. Poor record keeping results in great difficulty for the IG to collect credible information from the public officers or offices. The absence of proper records has continuously created a bottleneck for investigations.
- iv. Increasing cost of rent from UGX 2.285 Billion in FY 2017/18 to UGX 2.756 Billion in FY 2018/19. Currently, the IG is operating in rented office premises for both its Headoffice and the 16 Regional Offices. The rent for the Head Office is paid in US dollars, thus the continuous rise in the dollar has adversely affected the funds available for other activities given that rent is a primary cost to the institution's existence and operations. In addition, landlords for Regional Offices have a tendency of adjusting rents upwards at the end of tenancy agreements.
- v. There is complete breakdown in the internal complaints and grievance handling mechanisms in the MDALGs. Previously government institutions had functional structures to manage complaints internally and would only refer cases which had either failed or those that were outside their jurisdiction to the Inspectorate of Government. This situation has created increased workload as aggrieved public officers report to the Inspectorate as a first resort.

### 3. Overview on Vote Proposed Budget Allocation

#### a) Overall sector and vote budgetary allocation for FY 2018/19

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

Budget Items		Sector Allocation	IG Allocation	% of IG Allocation to the Sector
Recurrent	Wage	209.900	21.167	10.1
	Non Wage	388.060	18.841	04.9
<b>Sub-Total</b>		<b>597.960</b>	<b>40.008</b>	<b>06.7</b>
Development	GoU	215.570	13.925	06.5
	External Financing	038.120	00.000	00.0
<b>Sub-Total</b>		<b>253.670</b>	<b>13.925</b>	<b>05.5</b>
<b>Grand Total</b>		<b>851.650</b>	<b>53.933</b>	<b>06.3</b>

Overall only 4.4% (UGX 45.42 Billion) of the sector budget (UGX 1.03 Trillion) is allocated to the IG to execute the three core mandates of anti-Corruption, Ombudsman and enforcement of the Leadership Code. This is insufficient given each of the three mandates in reality requires a separate vote.

#### b) Key priorities for FY 2018/19

During the FY 2018/19 the IG strategic focus is (i) Improving efficiency and effectiveness in preventing, detecting and eliminating corruption; (ii) Leveraging the ombudsman role to embed adherence to the rule of law, efficiency, natural justice and good governance in public administration; (iii) Strengthening the enforcement of the Leadership Code of Conduct and (iv) Enhancing public awareness about the IG mandate and strengthen strategic partnerships. Details under **issue no. 9**

#### 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. The 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) Envisaged budget execution challenges and solutions/recommendations**

In FY 2018/19, the IG is foreseeing the following challenges which will significantly impact on budget execution:

- i. The depreciation of the shilling against the dollar will continue to increase cost of operations, in particular affecting 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, because the running agreement was signed before the Ministry of Finance directive, thus any depreciation in the shilling increases the amount paid to the service provider.
- ii. Increasing cost of fuel, lubricants, Oils and vehicle maintenance will affect the IG operations. This is because most of the IG activities involve travels to collect information and carry out prosecutions.
- iii. Increasing complexity of corruption; corruption is now sophisticated and involves wide network of people (syndicates) in and outside Uganda. Combating this type of corruption requires significant resources (financial and skilled human resources).

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

- i. In the FY 2018/19, the IG should be allocated funding to complete construction within the 3 years planned period for completion of the head office building project.
- ii. Provide additional funding of UGX 2.66 Billion to cater for operational and obligatory expenses. This fund will also to finance the activities of the Directorate of Special Investigations which was established to expeditiously investigate grand and syndicated corruption.

#### **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. The IG has a funding gap of UGX 3.827 Billion as explained in **issue no. 6**

#### **4. Vote Projects**

The IG has no ongoing project that is currently receiving external support. However, in the FY 2018/19, the IG will embark on the construction of the IG head office building project.

## Responses to the Issues Raised

**Issue 1:** During the Ministerial Policy Statement considerations for FY 2017/18, the IGG indicated that she was targeting to register 200 and 250 cases of grand or syndicated corruption for FY 2017/18 and FY 2018/19; however the IG is now indicating to target 75 cases in FY 2018/19. ***What is the cause of the changes in the targets set this year despite the increase in budget allocation to IG in FY 2018/19?***

**Response:** Whereas the IG's budget has been increased in FY 2018/19, the said increment is not for operations but rather for construction of the IG Head Office building. However the reduction in the expected registered cases was due to the following reasons;

- a. The targets of 200 and 250 cases for FY 2017/18 were based on the old Accountability Sector Strategic Investment Plan and they were highly ambitious. A review of the Sector Strategic Plan which was conducted in August 2017 set the targets to 75 cases for FY 2018/19. Furthermore, the IG had not developed a clear definition of a Grand/Syndicated/High profile case while setting the targets. These cases are defined as cases involving more than Ushs 1billion and High ranking Government officials such as the Kazinda and the Katosi road cases. Such cases are not very many in the country and cannot be targeted at such very high figures.
- b. High profile cases are very difficult to investigate and conclude due to their complexity hence targeting so many with the resources at IG's disposal would not be feasible.

**Issue 2:** The corruption perception index is projected to increase from the current 0.25 in FY 2017/18 to 0.28 in FY2018/19, despite a significant increase in the budget for the IG from Ushs 45.4 billion in FY 2017/18 to Ushs 53.9 billion in FY 2018/19. ***What strategies are in place to reverse this trend given the increment in the budget for IG?***

**Response:** While the IG budget allocation was increased as observed above, the increment was meant for construction of the IG Head Office Building. Furthermore, the Non-Wage component which supports implementation of the intervention of the core mandate reduced from Ushs 19.721 billion in FY2016/17 to Ushs 18.841 billion in FY 2017/18 and has remained the same for the ensuing FY 2018/19 as illustrated in the table below: A complete budget analysis of the IG and accountability Sector has been provided in the earlier section.

Budget Category		Financial Years		
		FY 2016/17	FY 2017/18	FY 2018/19
Recurrent	Wage	19.789	21.167	21.167
	Non-Wage	19.721	18.841	18.841
Development	GoU	03.931	03.931	13.925
	External Financing	01.980	01.480	00.000
<b>Total</b>		<b>45.421</b>	<b>45.419</b>	<b>53.933</b>

The IG has three core functions and these are Ombudsman role, Anti-corruption and Enforcement of Leadership Code of Conduct. Given the enormous activities under these functions, UGX 45Bn is insufficient for the IG to effectively deliver on its mandate in an economy of UGX 29Trillion.

It is also important to note that while the IG is responsible for prevention and combating corruption, there are other institutions such as OAG, Uganda Police and ODPP that are supposed to contribute to the reduction in the Corruption Perceptions Index. However going by the current budget allocations, a number of key Interventions and strategies have been put in place by the IG and these include;

- a. Formation and operationalization of the Directorate of Special Investigations (DSI).
- b. Recruitment and training of staff to equip them with specialized skills to handle emerging forms of corruption.
- c. Strengthening partnerships with anti-corruption agencies and other government institutions as well as development partners in the fight against corruption.
- d. Establishment of the Asset Recovery Unit.
- e. Implementation of the Citizen Engagement Framework.
- f. Automation of the declaration process in order to improve compliance and promote efficiency in verification and investigation of the breaches.

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

**Response:** The Equal Opportunities Commission conducted an assessment of the IG budget for the current FY 2017/18 to establish compliance with gender equality and equity and the institution was rated overall at 53%. The level of performance was due to the fact that the IG did not report progress on gender equality and equity specific outcome indicators, specify amount utilized on outputs that address gender

equality and equity requirements and budgetary resources not allocated to mechanisms that promote gender equality and equity. Overall, in the assessment for the BFP for FY 2018/19, the Accountability Sector of which IG is a member obtained a rating of 60% compared to 57% in FY 2017/18.

**Issue 4:** During FY 2016/17, only 59% of the GoU development budget was released. The underperformance of the development budget was due to non-completion of the feasibility study of the construction of the IG headquarters. ***What effort is in place to kick start the construction of the IG headquarters? What provisions have been made in FY 2018/19 to address this issue?***

**Response:** In FY 2016/17, Ministry of Finance Planning and Economic Development (MoFPED) advised the IG to pursue the construction of its headquarters as a project, this required the institution to conduct a feasibility study and also fulfill other requirements of the Public Investment Management System Framework. The IG produced a feasibility study report which was submitted to MoFPED with other documentation. Accordingly, the IG was granted project code **1496** titled **Construction of the IG Head Office Building Project**.

In the forthcoming FY 2018/19, the institution was allocated additional Ushs 10 billion bringing the total allocation to Ushs 12.5 to kick start construction of the long awaited IG Head Office Building Project. An advert has already been placed in the print media soliciting for firms to bid for the construction work. It is anticipated that construction will commence in July 2018. However, this allocation is far below Ushs 33.095 billion required in the first phase of the project.

**Issue 5:** Parliament passed the Leadership Code Amendment Bill into law. ***Provide the extent of the implementation of the law?***

**Response:**

- a. The Leadership Code (Amendment) Act, 2017 was assented to by the President of the Republic of Uganda on 17<sup>th</sup> May, 2017 and became operational on 2<sup>nd</sup> June, 2017.
- b. On 5<sup>th</sup> July 2017, the Minister of State for Ethics and Integrity wrote to the Minister of Finance, Planning and Economic Development requesting for funding to set up the Tribunal. Currently the total requirement of 3,306,722,642/- is included in the Directorate of Ethics and Integrity (DEI) budget for FY 2017/18 as unfunded priority.

- c. The Inspectorate of Government has continued to receive declarations, carry out verifications and investigations of the Breaches of the Code. Using the IG-Online Declaration System a compliance rate of 90.5% was achieved in 2017.
- d. The IG has embarked on phase II of IG-ODS whose objective is to develop the E-verification tool which will raise the number of verifications carried out annually and support the asset recovery process. However the absence of a Leadership Code Tribunal remains the biggest challenge in this effort.
- e. The amendment of the Act eliminated major breaches such as false declarations and excess or under declaration of property. This strongly affects the verification reports that find cases of false declarations and hidden assets by leaders. The amendment also does not provide penalties for breaches such as failure to declare, conflict of interest and anticipatory declaration.
- f. The provision for the declaration of income, assets and liabilities of the spouse, children or dependent was removed and replaced with “any other person”. While we appreciate that leaders hide assets in the names of other people; the provision for the declaration of income, assets and liabilities of the spouse, children or dependent ought to have been expressly provided for. This is mainly because most of the cases handled at the IG indicate that the illicitly acquired assets are hidden in the names of the spouse and children/dependent of the declaring leaders.
- g. The amendment introduced Sections 4A whose objective was to require all public officers to declare their income, assets and liabilities to their respective Accounting Officers. The provision requiring the existing public Officers to declare upon the commencement of the law was however omitted. This implies that the declaration is restricted to those who are new in service which leaves out the Officers that have been in service but are not leaders under the LCA. This defeats the objective of the law and makes it unenforceable in effect.

**Issue 6:** What are the unfunded priorities for the IG for FY 2018/19?

**Response:** Below are the IG major un-funded priorities for FY 2018/19

***i. Funds for mandatory obligations and Operations (Ushs 2.66 billion)***

Over the past two years, the IG allocations have been unbalanced in some areas. The wage increased from UGX 19.789 Billion in FY 2016/17 to UGX 21.167 Billion in FY 2017/18 and remained the same in FY 2018/19. However, the non-wage allocation reduced from UGX 19.721 Billion in FY 2016/17 to UGX 18.841

Billion in FY 2017/18 and remained the same for FY 2018/19. The insufficient allocation also created funding gaps for operational funds namely travel inland for investigations, prosecutions and conducting public awareness and vehicle maintenance including oil and lubricants. This is illustrated in the table below:

No.	Major Area of Allocation	Amount (UGX Billion)		
		Projected Budget	Actual Allocation	Funding Gap
1	Payment of Rent ( Head and Regional Offices)	2.756	2.285	0.471
2	10% NSSF Contributions	2.461	2.090	0.370
3	Gratuity	6.465	5.746	0.718
4	Allowances	3.213	2.892	0.321
5	Fuel, oil lubricants and vehicle maintenance	0.851	0.766	0.085
6	Travel Inland for Investigations, Prosecutions and Public Awareness	3.379	2.684	0.695
7	<b>Total</b>	<b>19.125</b>	<b>16.463</b>	<b>2.660</b>

**ii. Staff Training (UGX 0.646 Billion)**

Corruption in Uganda is becoming 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 addition, since FY 2013/14 the IG has concentrated on strengthening its capacity particularly the Regional Offices through staff acquisition with less prioritization of their trainings. In the FY 2018/19 the IG has prioritized trainings first to equip the new staff with prerequisite skills in investigation and prosecution and specialized skills to tackle the emerging trends of corruption. The IG requires additional UGX 0.646 Billion to conduct training both within and outside the country.

**iii. National Integrity Survey (UGX 0.521 Billion)**

The Inspectorate of Government in 1998 introduced National Integrity Survey (NIS) to generate empirical information to help Government, Civil Society, Private Sector and other stakeholders to improve implementation of strategies aim to promote governance and reduce corruption. In the initial programming, NIS was supposed to be conducted every five years; therefore NIS II and III were to be carried out in 2003 and 2008 respectively. With absence of needs the government lacks information on corruption trends and perception. The country is relying on surveys conducted by Transparency International whose methodology is always disputed. However, due to lack of resources, the survey has never been conducted again. The IG has prioritized to carry out this activity in FY 2018/19 and it requires an allocation of UGX 0.521 Billion.

**Issue 7:** What actions were taken on the previous year's recommendations by Parliament?

**Recommendation from the Report of the Budget Committee on the National Budget Framework Paper for the FY 2017/18 – 2021/22: National Integrity Survey:** The Committee further noted that the Inspectorate of Government (IG) introduced the National Integrity Survey (NIS) to generate empirical information to enable stakeholders monitor progress in combating and reducing corruption. However, due to lack of resources, the Survey for 2013 was not conducted. The IG has prioritized this activity in FY 2017/18. ***Government should provide Ushs 0.521 Billion during the FY2017/18 budget to facilitate the IG to undertake the National Integrity Survey.***

**Response:** The Inspectorate of Government was not provided with additional funding to conduct National Integrity Survey (NIS). The said activity has again been proposed to be undertaken in FY 2018/19 but it still un-funded. The IG therefore is requesting the committee to continue to lobby for funding for this very important activity.

**Issue 8:** You cite continuous transfer of Judicial Officers, adjournments and lack of quorum as a constraint in your attempt to shorten the period taken to complete prosecution of corruption cases. ***What has the Inspectorate of Government done to address these challenges?***

**Response:** The Inspectorate of Government has no control over the transfer and deployment of Judicial officers in different courts around the Country. However, in different forums like the Anti-corruption Court Users' Committee, the issue of transfer of judicial officers and adjournments has been raised and discussed at length and we believe the Chief Registrar will soon find a solution. We also continue to raise the same issue in our reports to parliament for debate and taking appropriate action with the relevant authorities.

The issue of quorum and delays at the Higher bench has been raised with the Deputy Chief Justice, action has been taken and recently we were able to receive two judgments that have been pending for over two years. (The Case of Uganda Vs Chandi Jamwa and Uganda Vs Sarah Kulata). We are hopeful that the Deputy Chief Justice has a strategy for faster disposal of cases at the Court of Appeal/Constitutional Court.

**Issue 9:** What are the institution's priorities and how have they have been addressed in the budget for FY 2018/19?

**Response: Priorities for FY 2018/19:**

- i. ***Establish and implement an improved complaints management system:***One of the IG's key challenges over the last few years has been an increasing workload, as a result of increased awareness of the dangers of corruption and the ease of reporting incidents. This has in turn resulted in the rise in the number of complaints received by the IG, which have clogged the highly manual complaints management system in place. The IG will manage this over the medium term by developing and implementing a more efficient and effective electronic complaints and case management system with Technical assistance from the SUGAR Technical Advisory Facility.
- ii. ***Strengthen mechanisms to detect and prevent corruption:***The IG has relied on received complaints and on reactive measures (investigations and prosecutions) as a means of detecting and eliminating corruption. While this has been successful, it is by no means sufficient. In recognition of this, the IG will focus on strengthening systems and policies that detect and prevent corruption incidences before they occur or become more widespread. This will be done by conducting periodical surveys and or risk assessments, improving whistleblower reporting, conducting inspections in public projects, strengthening intelligence gathering and deploying efficient ICT systems to facilitate the detection, reporting and prevention of corruption (training of officers and equipping them with necessary skills) as well as conducting proactive investigations in high risk areas.
- iii. ***Enhance the capacity of MDALGs to identify and resolve underlying drivers of complaints at source:*** Complaints related to maladministration and poor governance are often due to or related to certain underlying reasons. For instance, delayed/unpaid teachers' salaries can lead to absenteeism. Low pay in public sector may result in de-motivated staff, who in turn deliver inadequate services. The IG will enhance the capacity to identify and resolve underlying drivers of complaints where they arise. MDALGs to establish and revive the use of internal complaint handling mechanisms in order to resolve complaints at source and train their personnel in root cause analysis of those complaints.
- iv. ***Use the systems approach to proactively identify and address high risk areas in governance:***As part of its efforts to proactively promote good governance in public office, the IG will engage with various MDALGs in studying processes and procedures with a view to identifying high-risk areas and effectively minimizing threats to effective service delivery. The

- Inspectorate will design effective systemic study models that will be used to identify, investigate and address high-risk areas in governance and ensure recommendations are implemented.
- v. Continue with the implementation of the citizen engagement framework and scale-up monitoring and inspection of development projects. Currently, the IG is implementing Transparency Accountability Anti-Corruption model in PRDP, NUSAF3, YLP, USMID and Regional Pastoral Livelihood Resilience (RPLR) projects; the institution is holding discussions with the Office of the Prime Minister(OPM) to scale-up this model to other government development projects.
  - vi. Implement the recommendation of the IG Organizational Development Assessment conducted FY 2016/17.
  - vii. Embarked on phase II of IG-ODS whose objective is to develop the E-verification tool which we believe will raise the number of verifications carried out annually and support the asset recovery.

The above priorities will be achieved through implementations of the planned outputs listed below:

- a. Investigate at least 12 high profile/grand corruption cases in Ministries, Departments and Agencies (MDAs). The IG shall also target 160 high impact cases in Local Governments (LGs). Furthermore other 718 (218 in MDAs and 500 in LGs) corruption complaints (not rated as high profile) will also be investigated.
- b. Follow-up all (100%) of the recommendations made as a result of investigations and ensure that at least 75% of them are implemented by the responsible entities and persons.
- c. Carry out prosecution of over 45 corruption cases, obtain a conviction rate of at least 85% and conclude 12 Judicial Review cases.
- d. Recover more than 13% funds recommended for recovery from court decisions and investigations carried out.
- e. Ensure that all (100%) leaders eligible to fill asset disclosure meet their obligations using the IG Online Declaration System(IG-ODS).
- f. Conduct verification of at least 65 leader's declarations and investigate 25 cases of breaches of the Leadership Code of Conduct.
- g. Carryout tracing and identification of illicitly acquired assets and recover at least 50% of the traced or identified values.

- h. Enlist public support in the fight against corruption and create public awareness on the evils of corruption through: Development and dissemination of assorted IEC materials, conducting 24 sensitization workshops, establishing 29 partnerships and collaboration networks, implementing 4 initiatives with non-state actors and also 4 with government institutions.
- i. Carry out initiatives which promote Transparency, Accountability and Anti-Corruption in the implementation of development projects. These include: training of 1680 community members to monitor project implementation, carrying out inspections/monitoring of 2320 projects, resolving at least 80% of disputes arising from the implementation of the projects and following on all the recommendations arising from project implementation.
- j. Carryout initiatives to address maladministration and administrative injustice in public office and it will include: Conclude 150 ombudsman complaints, support 10 MDALGs to setup or reactivate internal inspectorates for resolution of complaints at source, resolve 30% of the ombudsman complaints using Alternative Dispute Resolutions Approach, conduct 10 systemic interventions and follow-up on all the resolutions made.