

## **BUDGET SPEECH TO THE DISTRICT COUNCIL ON 26<sup>TH</sup> APRIL 2016**

Mr. Speaker

District Chairperson

Resident District Commissioner

Hon. Members of Parliament

Hon. Members of District Executive Committee

Hon. District Councillors

Chief Administrative Officer

Chairpersons of Boards and commissions

Heads of Departments and Sections

NGO Representatives

Ladies and Gentlemen

Mr. Speaker Sir, let me take this opportunity to warmly welcome you to this Council meeting particularly when the district budget is being discussed as provided for in the law. It's my great honour to thank you for the achievements so far registered since the Financial Year began and am hopeful that all planned activities shall be implemented.

Mr. Speaker Sir, I also take this opportunity once again to congratulate all the honourable councilors and members of parliament who hail from Rakai for having gone through the electoral period successfully.

Mr. Speaker Sir, this August Council, is special because it is our last sitting in this term of office. I do appreciate all the honourable councilors for the tremendous achievements registered since our term of office began in 2011-2016.

I also appreciate the contribution made by all our key stakeholders in development both private and NGOs, you have made us proud.

### **APPROVAL OF THE FINANCIAL YEAR 2016/ 2017 BUDGET ESTIMATES**

#### **Introduction:**

Mr. Speaker sir, in Accordance to the LG Financial and Accounting manual 2007 it is a requirement that, the budget Estimates shall be presented for consideration and referred to the

respective standing committee's for scrutiny. The standing committee's recommendations are debated and budget approved by 31<sup>st</sup> day of May each Financial Year.

Therefore, on 18<sup>th</sup> March 2016 the District draft budget estimates for FY 2016/2017 were laid before the council. You were given time to scrutinize the budget documents in various Sector Committee's and today we are meeting to discuss and approve the budget.

Mr. Speaker sir, allow me to take this opportunity to highlight some salient issues in the estimates.

## HIGHLIGHTS

### REVENUE

The total District revenue is estimated at shs 48,569,985/= for the FY 2016/2017, 22 Lower Local Governments inclusive. The increase was attributed to the changes in IPFs especially increase in Secondary construction, wages for Primary, tertiary, secondary, PHC wage, PHC Development etc. However, the District IPFs for unconditional grant has reduced by 265m/= for the forth coming financial year and district discretionary development equalization grant (former LGMSDP) reduced by shs. 201m/=

**The table below shows the summary of revenue sources:**

Revenue source	Proposed Budget laid on 18/03/2016	Proposed Budget Est. 2015/2016	%
Local Revenue	1,967,877,000	1,967,877,000	4
Central Gov't Transfers	42,028,752,000	45,102,107,000	93
Donor funds	1,500,000,000	1,500,000,000	3
<b>Totals</b>	<b>45,496,292,000</b>	<b>48,569,985,000</b>	<b>100</b>

### Comments on table

Mr. Speaker Sir, it should be noted from the table above that the Proposed Budget Estimates for FY 2016/2017 have increased from shs. 45,496,629,000/= to shs. 48,569,985,000/= from the period we laid the budget before the Council on 18<sup>th</sup> March 2016. The increase has been attributed to issuance for Final IPFs from Central Government as analyzed above

Mr. Speaker Sir, the increment in final IPFs is majorly attributed to the salary enhancement of primary teachers of 15% and out of shs. 48,569,985,000/= salaries will take shs. 31,399,548,000/= which is 65% share of the total budget as shown in the table below:

	<b>Budget</b>	<b>%</b>
Wages	31,399,548,000	65
Non-wage recurrent	12,553,967,000	25
Domestic Dev't	3,116,670,000	6.5
Donor	1,500,000,000	3
<b>Total</b>	<b>48,569,985,000</b>	<b>100</b>

Key policy issues

### **Irregular recruitment of staff without authorization**

Mr. Speaker Sir, we have received a communication from His Excellency Yoweri K. Museveni, the President of the Republic of Uganda directing us as below:

- (1) There is no recruitment of public officers in the course of the FY when there are no funds approved by him and cabinet and appropriated by Parliament.
- (2) Disciplinary action shall be brought against non-compliant Accounting Officers and Heads of Institutions.
- (3) That any Accounting Officer who goes ahead and recruits staff without a corresponding wage provision shall not be re-appointed.

Mr. Speaker Sir, this implies that we should have to adhere to this directive as stated by His Excellency the President.

### **Accessing the payroll without the National ID numbers**

The Ministry of Finance Planning and Economic Development in its mandate of streamlining the payment of salaries and cleaning of the payroll, has required that all the District employees must submit their National Identification Numbers. There is no employee who will be allowed to access the payroll without the National ID Number effective 1<sup>st</sup> July 2016. I therefore request this August house to inform all the considered parties.

#### *Local Government Amendment Act supplement No. 10*

Mr. Speaker Sir, Amendment 64 “(1a) it empowers the Chief Administrative Officer to transfer or post any employee of a local government within the district including an employee in a town council or town boards as applicable.”

### **Budgeting for pensions and gratuities**

Mr. Speaker Sir, Government decentralized budgeting and payments of pensions and gratuity for staff who retired in FY 2014/2015. Pensioners who retired prior to FY 2014/2015 are still currently being paid by the Ministry of Public Service. Effective July 2015, payment of Pension and Gratuity for both old and new pensioners were fully decentralized to the respective institutions where staff had retired from Rakai inclusive.

### *Payment of Pensioners' arrears and gratuity*

Mr. Speaker Sir, the Ministry of Finance Planning and Economic Development has taken on the challenges of paying the pensioners gratuity and arrears. We have provided all the necessary documentation and submitted it to the Ministry of Finance Planning and Economic Development and we are hopeful that pensioners' financial obligations shall be settled once and for all.

### **Linking resource allocation to results**

Mr. Speaker Sir, all activities should be properly linked to the intended results and within the work plans. We are also informed that quarterly cashflow plans and release of funds will be based on our procurement plans. Work plans and recruitment plans approved by Parliament as specified under section 15(1-3) of the PFM Act 2015. As such, procurement, annual and quarterly work plans should be clearly formulated indicating the resource allocation. The outputs to be delivered, key performance indicators and clear timelines for implementation of various activities, to avoid persistent requests for from loading and additional expenditure limits.

Mr. Speaker Sir, in order to avoid delays in project commencements, we are also requested to ensure that procurement plans are prepared at the time of finalizing detailed budget estimates. The Education and Agriculture sectors are reminded to ensure that their work and procurement plans are in conformity with the school calendar and agricultural seasonal requirements respectively.

### **Collecting Enrollment Data on UPE and USE Schools**

Mr. Speaker Sir, following consultations between this Ministry and Ministry of Education and Sports, agreement has been reached to have all LGs provide enrollment information by pupil/student Name, Age and Class for both UPE and USE schools. We were further required to provide the Education Information Management System (EMIS) code of the schools under our jurisdiction as well as the school bank Account details as per Formats provided.

Mr. Speaker Sir, we are requested by Ministry of Finance, Planning and Economic Development to adhere to the policy and administrative guidelines stipulated in this circular as well as requirements of Public Finance and Management Act 2015.

## **RECOMMENDATIONS FROM SECTOR COMMITTEES**

Mr. Speaker sir, let me take this opportunity, to present to you the recommendations made by various sector committees for this August house to discuss and later approve the budget and these include:

### **EDUCATION AND HEALTH**

List of Capital Development projects in Education Department for 2016/2017 that needs to be considered for funding:

#### **(a) Capital Development (SFG)**

- Bulinda toilet was replaced by construction of a toilet at Kyotera Central Muslim Primary School.
- Kisaalizi toilet was replaced by construction of a toilet at Kasankala P/S.
- Nabubaale Primary School was also replaced by construction of 3 classroom block at Nakasenyi P/S in Kacheera S/C.

#### **LGMSD – Desks**

- |                 |   |          |
|-----------------|---|----------|
| - Nabubaale P/S | - | 18 desks |
| - Nakasenyi P/S | - | 18 desks |
| - Nakatoogo P/S | - | 18 desks |
| - Ndolo P/S     | - | 18 desks |
| - Ntalama P/S   | - | 18 desks |

### **WORKS AND TECHNICAL SERVICES**

The following roads were also considered by Works and Technical Services:

- Rehabilitation of Kabano - Kabaale – Kamuganja road
- Rehabilitation of Kyotera – Bethlehem – Kalisizo road

Mr. Speaker Sir, I would like to inform this August House that the above recommendations were considered by the sector committees for Education and Health & Works and Technical Services. However, the rest of the budget was maintained as presented on **18<sup>th</sup> March 2016**.

### **CONCLUSION:**

I wish you successful deliberations and request for your final approval of Budget estimates for FY 2016/2017.

For God and my Country

Lujjumba Chris

**SECRETARY FOR FINANCE, PLANNING & ADMINISTRATION**