



Ministry of Finance, Planning & Economic Development

THE THIRD FINANCIAL MANAGEMENT AND ACCOUNTABILITY PROGRAMME (FINMAP III)



BENEFITS OF IMPROVED PUBLIC FINANCIAL MANAGEMENT AND ACCOUNTABILITY

Uganda has experienced remarkable advances in the area Public Financial Management over the past decade. These have positively impacted the Accountability Cycle bringing the much desired improvement in fiduciary assurance which is a key incentive for investment and business and the resultant improvement in service delivery.

THE ACCOUNTABILITY CYCLE



The Government of Uganda appreciates the contribution of the European Union in partnership with other players and civil society in supporting the enhancing of processes and systems aimed at strengthening the accountability cycle.

Other partners include European Union, USAID, Denmark, KfW, World Bank, DFID, Irish aid and in strong partnership with the Civil Society Budget Advocacy Group (CSBAG).

Automation and Rollout of Financial Management Systems

Uganda has been particularly steadfast in championing the design, acquisition and implementation of a number of systems among them the *Integrated Financial Management System (IFMS)* running on the Oracle E-Business Suite for Ministries, Districts and Agencies (MDAs) currently deployed at over 100 entities, the *Missions Microsoft Dynamics Application* at 32 Embassies and High Commissions and the *Computerized Education Management System (CEMAS)* for Universities and Tertiary institutions.



Commissioning Computer Equipment in Kibaale District Local Government

Benefits of Automation

- Faster processing of payments. From the previous duration of at least three days, the entire process flow from requisition to payment can be completed (electronically) within hours.
- Reports that used to take over three months to prepare can now be produced in under an hour.
- Electronic Bank reconciliation can be done instantly by Ministries and Local Governments operating automated systems upon receipt of bank statements.

- Expenditure data can now be easily compared with budget data and reported more accurately.
- Government has been able to introduce such value-added services like the electronic funds Transfer (EFT) in accordance with the East African Monetary Union and the Treasury Single Account (TSA) in the drive for improved cash management.
- Implemented of the Straight Through Processing (STP) for salary and pension payments which enables payments straight to beneficiary accounts.
- Votes also have enhanced control and the processes are more transparent. Detection of fraud has also been enhanced.
- Accounting Officers have better access to financial data, more effective supervision and monitoring tools and an adaptable reporting mechanism.
- Improved legislative scrutiny of Auditor General's Reports through the Public Accounts Committee (PAC)

The Act has been reviewed to ensure harmony with other legislation notably the Public Finance Management Act (PFMA).

- Establishment of independent Procurement Tribunal: This was instituted to expeditiously arbitrate issues that arise from the procurement process. The Ministry of Finance retains the responsibility for policy.



Chairperson of the Procurement Tribunal (third from left standing) flanked by Officials of the Ministry of Finance at an Orientation Seminar

Training and Institutional Strengthening:

The drive to strengthen the control environment and therefore minimize opportunities for corruption has involved focus on training, capacity building, awareness and institutional strengthening.

Accounting/Finance personnel have been supported to attain professional qualifications. Many have acquired professional qualification in various areas of Accounting and financial Management. To-date government has a vastly improved crop of personnel with professional qualifications.



Accounting Officers attending a Communication and Information Sharing Seminar on the PFMA 2015

Procurement Reforms

Uganda embarked on focused reforms as early as the 2000s through decentralization of the procurement function to the spending entities. Procurement is now decentralized to spending agencies with approximately 284 procuring agencies to date each responsible for procurement.

The following key reforms have been undertaken:

- Rollout of e-learning in Entities.
- E-Government Procurement: Government has recently embarked on automation of the entire procurement process through the introduction of e-Government Procurement (e-GP). When implemented will reduce transaction costs for both Government and the Providers and will streamline the procurement processes.
- Promotion of Local Content: Will result in improved participation by Ugandan firms
- Review of PPDA Act.

Budget Information and Transparency

The Budget process has been the focus of various reform initiatives. The purpose is to establish a realistic and credible budget aligned with the overall national priorities and the strategic objective of allocative efficiency that ensure efficient service delivery.

Key elements of this function include:

- Clear and transparent budget process for allocation of public funds to national and sector priorities;
- Realistic budgeting and costing, with integrated capital and recurrent allocation;
- Public Investment Management,
- Performance monitoring and evaluation to ascertain efficiency in utilization of resources to inform allocation decisions and targets; and

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