



## **CSBAG statement on the Q4 budget monitoring exercise FY 2015/16 on 30<sup>th</sup> Sept. 2016 at The Ministry of Finance Planning and Economic Development Conference Hall**

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This is the 8<sup>th</sup> Edition of CSO Budget Performance Monitoring report that is developed every quarter to validate and ascertain the performance and timeliness of release of funds to Universal Primary Education (UPE) schools and Health Centres. This edition covers Q4 (April - June 2016) of the FY 2015/16. In this edition, 254 UPE schools and 46 health centres were monitored in 18 districts of Kibale, Nebbi, Kumi, Namutumba, Kanungu, Kapchorwa, Kween, Lyantonde, Soroti, Serere, Masindi, Kagadi, Mubende, Gulu, Omoro, Amuru and Apac. During the monitoring exercise, quality assurance was key and as such for each monitoring tool that was filled, supporting documents like school, health centre, bank statements and management committee minutes were attached as evidence.

### **FINDINGS**

1. Timelines of FUNDS release: According to the schools' and other institutions calendar - 2016 (**ADM/235/269/01**) issued by the MoEST&S on 18<sup>th</sup> November 2015, the second school term was scheduled to start on the 16<sup>th</sup> June 2016 for Primary Schools. According to the monitoring data collected in 254 schools, it was indicated that 98.8% of the UPE schools had received their funding on the 20<sup>th</sup> May 2016. As such we commend the MoFPED for upholding the decision to send funds to schools in line with the term calendar but more importantly in a timely manner.
2. In addition, 73.9% of the funds were received on the 6<sup>th</sup> May 2016, implying that Health centres received funds one month into the quarter. However, it was noted that funds are meant to be released by the 10<sup>th</sup> day of the first month into the quarter. In some instances, some of the HCs did not receive funds for Q4 as was the case for Kibalinga HC III in Kibalinga Sub County, Mubende district.
3. Staffing Gaps: According to the HC data collected, there was a 26% staffing gap on average from all the HCs that were monitored. Some of the HCs had staffing gaps as high as 75% like Karangara HC II, Kayonza SC, Ntungamo HC II, Butogota SC both in

Kanungu. To note was in Nebbi district Abango HC III in Erussi SC that had a staffing gap of 63% while in the same SC, Orussi HC III was over staffed by 26%. We recommend that as government plans to phase out HC II, the available staff should be distributed in the existing in an equitable manner but on a case by case basis, factors like population of service for HC can be factored in to determine the actual staffing level.

4. Poor Monitoring and Supervision at LG: Effective monitoring and supervision of service delivery centres by responsible officers is very crucial for improving service delivery outcomes. From the monitoring visit, it was found out that only 42.1% of the HCs had been monitored by any of the responsible offices. Some of the HCs like Chegere HC II, Chegere SC in Apac district had not been visited since 18<sup>th</sup> September 2015.

Recommendation: We recommend that the monitoring of HCs and UPE schools for improved service delivery outcomes should be included as one of the KPIs for accounting officers.

5. Inadequate Monitoring and Supervision is also reflected in the education sector too. since 70% of the schools covered under this study were not monitored by any of the responsible departments and offices. This finding illustrates the dire need for the improved monitoring of the schools as it among other things affects the presence of teachers head teachers in schools during working hours. We note that the funding to inspection of schools specifically in the FY 2016/17 is UGX 4.69bn<sup>1</sup> which has been constant for the past 3 FYs.

### **Highlights of the Q1 FY 2016/17**

We wish also to bring to your attention that we successfully participated in the just concluded Local government budget consultative meetings. 14 CSO<sup>2</sup> participated and presented in all the 20 workshops which gave us an opportunity to interact with LGs on key service delivery issues which we hope will be considered in the FY 2017/18 budget. Furthermore, we also successfully participated in the National budget conference at Munyonyo where we also shared the CSO perspectives on the budget strategy FY 2017/18. The CSO consolidated position for the LGBC

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<sup>1</sup> Approved budget estimates FY 2016/17

<sup>2</sup> Transparency International – Uganda, SEATINI, African Centre for Trade & Development, Kick Corruption out of Kigezi, UDN, Rwenzori Anti-Corruption Coalition, Lira NGO Forum, Nebbi NGO Forum, Gulu NGO Forum, SDCODE, Pader NGO Forum, FOCREV, Council for African Policy.

and the Budget Strategy were submitted to your office for fast tracking the issues raised in the FY 2017/18 budget.

In Q1 FY 2016/17, CSBAG in collaboration with the Parliament of Uganda launched the Parliamentary Forum on PFM. We believe this space will be instrumental in advocating for PFM reforms in the parliament.

Mr PS/ST, we also wish to bring to your attention, issue of cost of credit in the economy. For inclusive growth in the Ugandan economy, there is need to exploit all the options available to address the cost of credit to SMEs.

Some of the key issues for the LGBC that we wish to bring to your immediate attention include;

- Un applied EFTs: LGs reported a challenge with the IFMIS where network interruptions disrupt payments to service delivery and this worse towards close of the FY where funds swept for the TSA back to the Consolidated Fund with these pending payments.
- Return of Unspent balances: LGs highlighted the want to have an extension with the previous FYs funds till end of August. Sec17 (3) of the PFM Act 2015, however, advises clearly on the matter and we call upon MoFPED stand by the position in the PFM Act.

We thank you

For God and My Country

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