



Q4 BUDGET MONITORING REPORT FY 2015/16

CIVIL SOCIETY BUDGET ADVOCACY GROUP

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List of Acronyms

CSBAG	Civil Society Budget Advocacy Group
FY	Financial Year
HCs	Health centres
HUMCs	Health Unit Management Committee
MoEST&S	Ministry of Education Science Technology & Sports
MoFPED	Ministry of Finance Planning & Economic Development
PHC	Primary Health Care
SMC	School Management Committee
UGX	Uganda Shillings
UPE	Universal Primary Education

Acknowledgments

CSBAG would like to acknowledge the efforts of all its partners in making the Q4 2015/16 budget monitoring exercise a reality. Specifically, special thanks go to Teso Anti-Corruption Coalition (TAC), the Uganda Debt Network and her Partners, Forum for Women in Democracy (FOWODE), ACFODE, SORAK-Mubende, The Apac Anti-Corruption Coalition (TAAC), Gulu Budget Monitoring Group, Amuru Budget Monitoring Group and SD CODE among others, for their active participation in data collection and review of the report.

EXECUTIVE SUMMARY

This is the 8th 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.

In relation to the budget monitoring for health and education at the LG level, we note that for the FY 2015/16, UGX 314.48bn was allocated to the PHC grant while UGX 1,292.16bn was allocated for education at the LG level. 77.8% of the PHC grant for the FY 2015/16 was to be paid out as wages while 13.9% was allocated to none wage and only 8.3% was for development expenditure. By the end of June 2016, 100% of the budget for PHC development was released. The National Medical Stores, whose core function is supply of pharmaceutical and medical supplies to especially HCs in LGs had UGX 14.03bn out of a budget of UGX 218.61bn not released by June 2016.

The Education facilitation for the LGs for the FY 2015/16 was categorised into pre-primary and primary education, secondary education, skill development and education inspection and monitoring. Out of the UGX 1,292.16bn that was allocated, UGX 997.53bn (77.2%) was for wage recurrent expenditure. The development budget (SFG) for the FY 2015/16 was UGX54.198bn and by June 2016, 100% of the funds were released.

According to the data, 73.9% of the funds were received on the 6th May 2015, implying that Health centres received funds one month into the quarter. However, it was noted that funds are meant to be released by the 10th 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 SC, Mubende district.

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.

Effective monitoring and supervision of service delivery centres by responsible officers is very crucial for improving service delivery outcomes. As such for HCs, the monitoring function of the Health Inspectors is very critical. At a higher level, the monitoring by the DHO, RDCs, CAOs and other responsible offices at the district is very important. 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 18th September 2015.

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.

According to the schools' and other institutions calendar - 2016 (**ADM/235/269/01**) issued by the MoEST&S on 18th November 2015, the second school term was scheduled to start on the 16th 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 20th 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.

The question of whether teachers are in class teaching could most likely have negative response since 70% of the schools 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.

With the enactment of the PFM Act 2015, the management of public funds especially at the Local Governments in the various services delivery points will improve with close supervision of these institutions. Important to note is the close relation between accounting for funds and the time of receipt of funds. CSBAG and its partners shall continue to prioritise the monitoring of service delivery and accountability of public funds with a view to have people centred budgets that dignify humanity.

About CSBAG

Civil Society Budget Advocacy Group (CSBAG) is a coalition formed in 2004 to bring together civil society actors at national and district Levels to influence Government decisions on resources mobilization and utilization for equitable, gender responsive and sustainable development. Since 2004, CSOs under the umbrella of CSBAG have engaged Government in influencing the budget process to ensure that both the local and national budgets address the needs and aspirations of the poor and marginalized groups of people in Uganda.

1.0 Introduction

Financial Year 2013/14 marked the beginning of the transfer of funds directly to UPE schools as well as aligning the quarterly releases with the school academic calendar for education. The Financial Year 2014/15, saw this system (of direct transfer of funds) extended to Health Centres. These reforms are, in part, among the efforts by MoFPED to improve service delivery and reduce corruption and generally reform the Finance Management in the Public sector. To augment these efforts by MoFPED, CSBAG monitors schools and health centres using the Participatory Budget Club model¹. Head Teachers have for a long time complained that they did not receive the budgeted releases on time despite the announcement by the PS/ST from the MoFPED that funds are released every 10th day of the first month of every quarter. The management of the released funds at the primary schools and health centres through the School Management Committees (SMC) and the Health Unit Management Committees (HUMCs) is also a concern. The concern is with the capacity² of these accountability institutions to check the actions of the head teachers and health centre in charges. As a matter of concern, the enrolment of the staff who are supposed to provide services at these centres was also low thus negatively impacting service delivery for both those who have received money on time and those who have not received money alike. The inspection function at the LG level in the schools and HCs has also been observed to be weak and where it exists it's a check book exercise but with not positive impact on quality of health and learning outcomes in the communities.

The total resource inflows for the FY 2015/16 were projected to amount to UGX 23,972.3 billion of which domestic sources would contribute UGX 18,132.2 billion representing 76.4%

¹ A group of 20 community members (60% of whom are women) is trained and equipped with quarterly district work plans and budgets and they, first alone and later with duty bearers, monitor the implementation of the work plan. Feedback is given first to responsible officers (DEO and DHO) and then to the district leadership.

² SMC and HUMC members are not required to have any academic qualification or even basic read or writing skills.

of the total budget resource of the year. To note is that this was lower than the domestic revenue contribution of 82.7% in the FY 2014/15. The Uganda Revenue Authority was set to collect taxes amounting to UGX 10,814 billion³; and Non-Tax Revenues of UGX 519 billion. These projections put the domestic revenue as a percentage of the total budget for the FY 2015/16 at 47.3% compared to the 61.8% in the FY 2014/15. The Budget was also to be financed with Budget and Project Support standing UGX 51.3bn and UGX 5,597.7bn. Domestic financing was set to be UGX 6,368.9bn for the FY 2015/16.

There has been a decline in revenue growth rate in FY 2015/16 compared to that of last year by about 5 percentage points. There are a number of factors that have contributed to this performance and thus a shortfall of UGX 404.54Bn⁴.

It's against this background that CSBAG under took, at the end of Q4 FY 2015/16 a Public Finance Management systems check to assess the timeliness of receipt of funds from the Consolidated Fund to the spending agencies especially the schools and health centres in selected districts to ensure better service delivery.

1.1 General Objective

To assess the timeliness of receipt of funds from the consolidated fund to the spending agencies particularly UPE schools and health centres in selected districts in order to address the needs and aspirations of all Ugandans especially the poor and disadvantaged.

1.2 Specific Objectives

- To assess the release performance of the PHC and Education grants for the Q4 FY 2015/16
- To assess the timeliness of receipt of funds by selected primary schools and health centres visited.
- To assess the adequacy of staffing at the schools and health centres visited
- To assess the functionality of the supervision function in the schools and health centres visited.

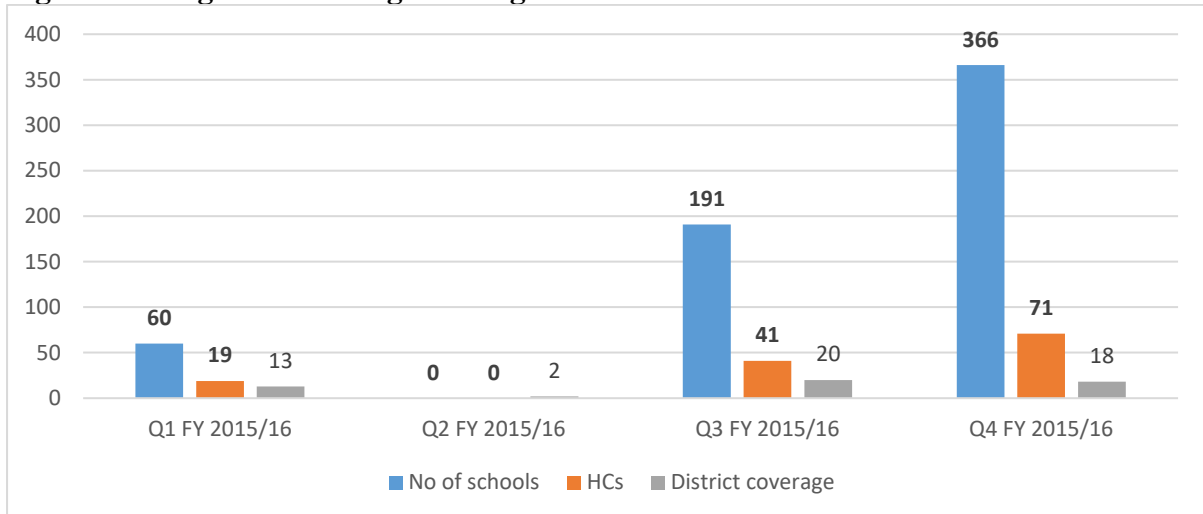
1.3 Scope of the study

During the Q4 FY 2015/16 budget monitoring exercise, a total of 18 districts reached compared to 20 districts were sampled in Q3. 366 UPE schools and 71 health centres visited.

³ Approved budget estimates FY 2016/17

⁴ Uganda Revenue Authority FY 2015/16 performance report

Figure 1: Budget Monitoring Coverage FY 2015/16



Source: Civil society Budget Advocacy Group

Figure 1 shows the quarterly progress in the coverage of HCs Schools and districts during the FY 2015/16 budget monitoring. In Q2 CSBAG monitored the Works and Transport Sector in Lira and Masaka.

The grants that were considered were UPE for the primary schools while the Public Health Care grant was considered for the health centres. The health centres considered were II, III, IV, and hospitals in the sub counties that were visited.

1.4 Methodology

The districts in which the Quarter Three Financial Year 2015/16 study was conducted were selected according to the presence of CSBAG members in the locale. In the districts where CSBAG members were, the sub-counties and spending agencies monitored were either among those the members monitor periodically or were close to the centres that members monitored regularly. Data collection tools (questionnaires) used in the previous quarter budget monitoring exercise are reviewed and used to collect data for the next quarter. The monitoring tools employed open ended questions but in other instances multiple choice selections were used as a way of extracting the desired information from the targeted respondents.

The field work and data collection was carried out in March 2016. The collected data was analysed with the use of statistical packages like SPSS for Windows and Excel from which descriptive statistics, were derived.

1.5 Challenges

During the conduct of the Q4 FY 2015/16 budget monitoring report, there were a number of challenges that were faced and these included;

The head teachers and in-charges were sceptical about the need to give us information regarding their institutions financing and management. Some refused to give the data collectors' information due to absence of reference letters from leadership either at Local Governments or National level.

There was also a challenge of insufficient resources to facilitate data collection in all the districts where the exercise took place.

1.6 Quality Assurance

For each monitoring tool that was filled, supporting documents like institutions bank statements and minutes of management committee meetings were attached as evidence. All data that was collected on tools that lacked the requisite evidence were excluded in the compilation of this report. In the Q4 FY 2015/16 budget monitoring exercise, out of the 366 UPE schools visited, data from 254 schools was considered for compiling the report, while from 71 HCs visited, data from only 46 was considered for compiling the report. This highlights our commitment towards providing undisputed evidence to inform decision making at all levels.

2.0 FINDINGS

This section compiles the findings from the Q4 FY 2015/16 budget monitoring exercise. The sections here within are arranged to mirror the specific objectives of the monitoring exercise.

2.1 Release performance of the PHC and Education grants for the Q4 FY 2015/16

In relation to the budget monitoring for health and education at the LG level, we note that for the FY 2015/16, UGX 314.48bn⁵ was allocated to the PHC grant while UGX 1,292.16bn⁶ was allocated for education at the LG level. 77.8% of the PHC grant for the FY 2015/16 was to be paid out as wages while 13.9% was allocated to none wage and only 8.3% was for development expenditure. By the end of June 2016, 106.4%⁷ of the budget for PHC was released. The National Medical Stores, whose core function is supply of pharmaceutical and medical supplies to especially HCs in LGs had UGX 204.58bn out of a budget of UGX 218.61bn released by June 2016 implying UGX 14.03bn was not released for supply of medicine in the FY 2015/16 (93.6% release performance). This among other reasons has a bearing on the drug stock outs in the HCs country wide.

The Education facilitation for the LGs for the FY 2015/16 was categorised into pre-primary and primary education, secondary education, skill development and education inspection and monitoring. Out of the UGX 1,292.16bn that was allocated, UGX 997.53bn (77.2%) was for wage recurrent expenditure. The development budget (SFG) for the FY 2015/16 was UGX54.198bn and by June 2016, 100% of the funds were released.

2.2 Health sector findings

During the Q4 FY 2016/17 budget monitoring, 46 health centres were visited in 11 districts. 24 (52.2%) of them were grade II, 20 were grade III and 2 were grade IV. The information was given by the in charges of the respective health centres. In terms of district representation, Kanungu had 32.6% (15) of all the health data collected, Nebbi district 19.6% (9) and Lyantonde with 13% (6) health facilities data.

⁵ Approved budget estimates FY 2015/16

⁶ Approved budget estimates FY 2015/16

⁷ Annual Budget Performance Report FY 2015/16

2.2.1 Timelines for receipt of funds at HCs

According to the data, 73.9% of the funds were received on the 6th May 2015, implying that Health centres received funds one month into the quarter. However, it was noted that funds are meant to be released by the 10th 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 SC, Mubende district.

Table 1: Timeliness of receipt of funds by HCs in Q4 FY 2015/16

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	06.5.16	34	73.9	73.9	73.9
	09.5.16	10	21.7	21.7	95.7
	11.5.16	1	2.2	2.2	97.8
	04.7.16	1	2.2	2.2	100.0
	Total	46	100.0	100.0	

Source: CSBAG calculations & Computations

From table 1 above 73.9% of the health centres received the funding on 6th May 2016. This is 5 weeks late in line with government policy that funds should be released by the 10th day into the first month of the quarter.

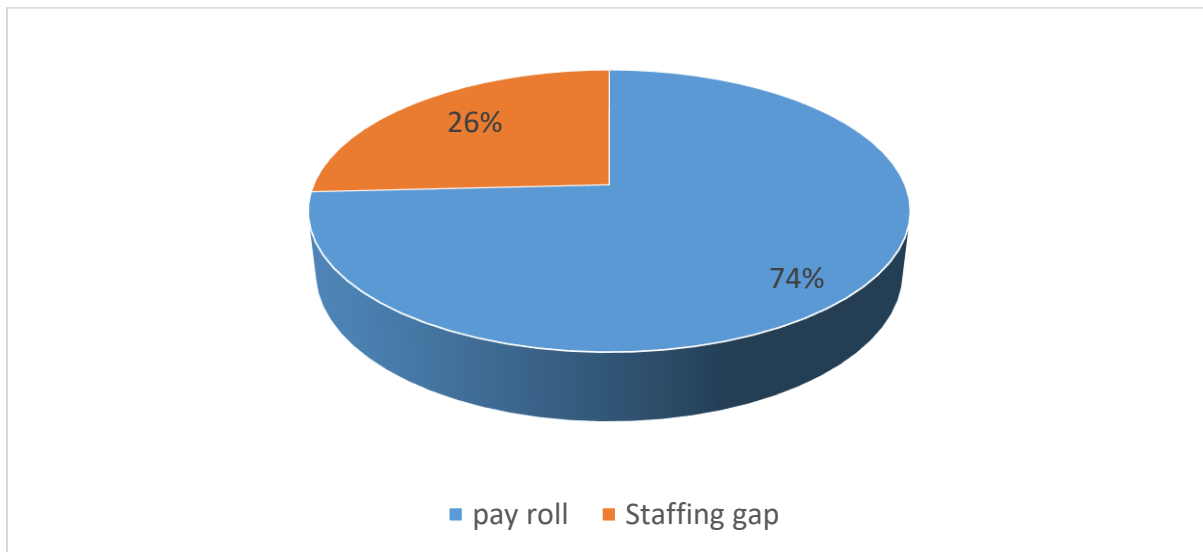
Recommendation

- MoFPED should caution the MoH for delays in submitting the required documentation for release of funds to HCs.

2.2.2 Availability of health workers

From figure 2, 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%.

Figure 2: Staffing level of health workers at selected HCs



Source: CSBAG calculations and computations

Recommendation

- 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.

2.2.3 Monitoring and supervision of HCs

Effective monitoring and supervision of service delivery centres by responsible officers is very crucial for improving service delivery outcomes. As such for HCs, the monitoring function of the Health Inspectors is very critical. At a higher level, the monitoring by the DHO, RDCs, CAOs and other responsible offices at the district is very important. 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 18th September 2015.

Recommendation

- The monitoring of HCs and UPE schools for improved service delivery outcomes should be included as one of the KPIs for accounting officers.

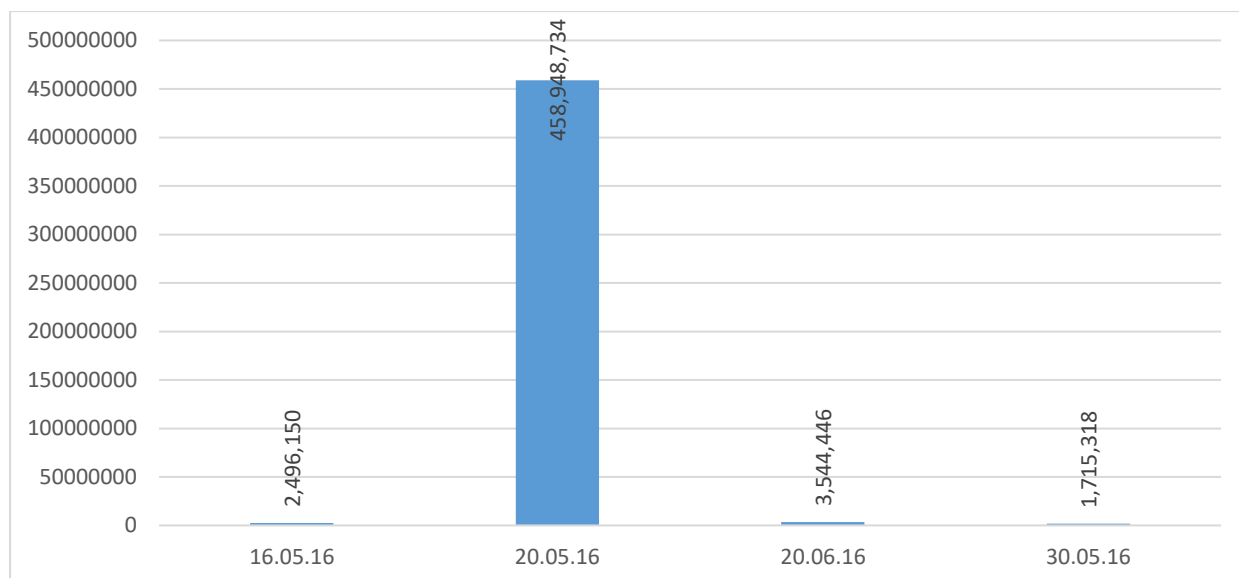
2.3 Education sector findings

254 UPE schools were visited in 18 districts.

2.3.1 Timeliness of release of funds to schools

According to the schools' and other institutions calendar - 2016 (**ADM/235/269/01**) issued by the MoEST&S on 18th November 2015, the second school term was scheduled to start on the 16th 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 20th 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.

Figure 3: Sum of Amount received by Date received



Source: CSBAG

Recommendation

- The MoFPED should continue the efforts towards releasing funds to UPE schools in a timely manner
- A study be commissioned to determine the optimal amount of resources required to educate a child to avoid expenditure in the education sector that is high yet will not create the desired impact.

2.3.2 Monitoring and supervision of UPE schools

Effective monitoring and supervision of service delivery centres by responsible officers is very crucial for improving service delivery outcomes. As such for UPE schools, the monitoring

function of the School and Health Inspectors is very critical. At a higher level, the monitoring by the DEO, RDCs, CAOs and other responsible offices at the district is very important. From findings of the monitoring, 70% of the schools 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.

3.0 General Observations and recommendations

- The funding provided to educate the Ugandan child is inadequate. As such a new study to ascertain the financing level to educate a child is done as we work towards achieving it as way to enhance the learning outcomes.
- It was observed that schools took up to one month from the date when funds were credited onto their school accounts to with draw the money. Some of the concerned are not aware when the money is credited. MoFPED should have a mechanism to inform school Head Teachers that the respective schools accounts have been credited.
- As government plans to phase out HC IIs the existing HC III need to be revamped as converting some of the HC IIs to HC III might not be feasible.

4.0 Conclusion

With the enactment of the PFM Act 2015, the management of public funds especially at the Local Governments in the various services delivery points will improve with close supervision of these institutions. Important to note is the close relation between accounting for funds and the time of receipt of funds. CSBAG and its partners shall continue to prioritise the monitoring of service delivery and accountability of public funds with a view to have people centred budgets that dignify humanity.