

PARLIAMENT OF UGANDA

**THE REPORT OF THE COMMITTEE ON BUDGET ON THE SUPPLEMENTARY
APPROPRIATION (NO. 3) BILL, 2021**

OFFICE OF THE CLERK
PARLIAMENT BUILDINGS
KAMPALA
UGANDA

March, 2022

1.0 INTRODUCTION

Hon. Speaker and Hon. Members, during the implementation of the Budget for the FY 2019/20, Government sought additional resources and re-allocations to meet its expenditure requirements. The requests were laid before Parliament in three separate Supplementary Schedules No. 1, 2 and 3 including addenda thereto in accordance with the provisions of Article 156 (2) of the Constitution of the Republic of Uganda , and Section 25 of the Public Finance Management Act, 2015 (As Amended). The two schedules 2 and 3 and their respective addenda were considered by the Budget Committee and subsequently approved (with amendments) by Parliament.

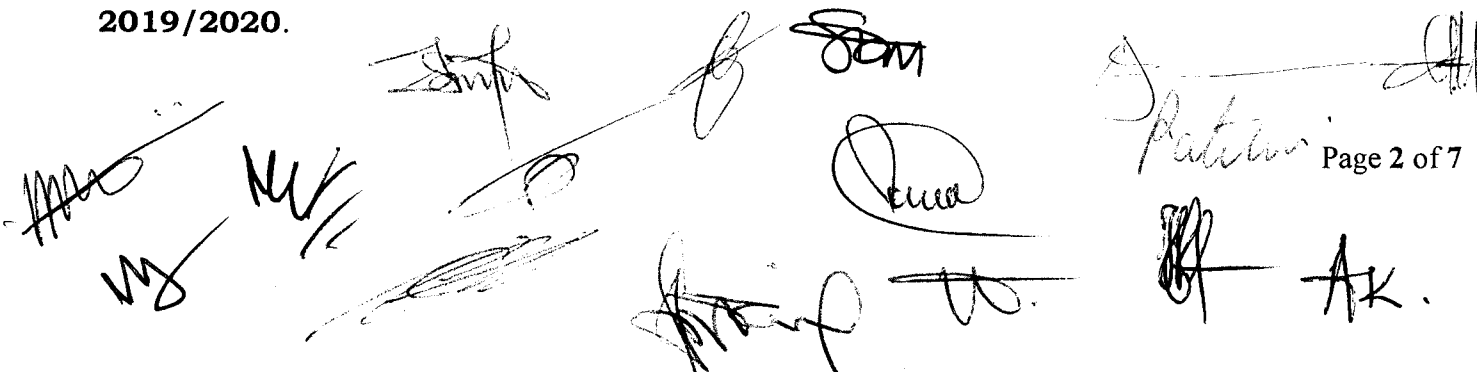
It should be noted that on Tuesday 27th April, 2021 the Minister of Finance, Planning and Economic Development laid on table the Supplementary Appropriation (No. 3) Bill, 2021 for First reading.

Further, the Committee noted that the Bill was not considered by the House as per Article 156(3) of the Constitution of the Republic of Uganda. The Bill was accordingly reintroduced and read for the first time on the 29th September, 2021 and referred to the Budget Committee for scrutiny.

The Committee undertook a verification assessment to ascertain consistency and accuracy of the Supplementary Appropriation Bill estimates against resolutions by Parliament; and hereunder presents its findings.

1.2 OBJECT OF THE BILL

The object of the Bill is to provide for supplementary appropriation out of the Consolidated Fund in accordance with article 156 (3) of the Constitution and section 25 of the Public Finance Management Act 2015, a sum of **a sum of two trillion, one hundred forty-three billion, two hundred seven million, eight hundred twelve thousand, one hundred ninety five shillings only to meet additional expenditure for the Financial Year 2019/2020.**

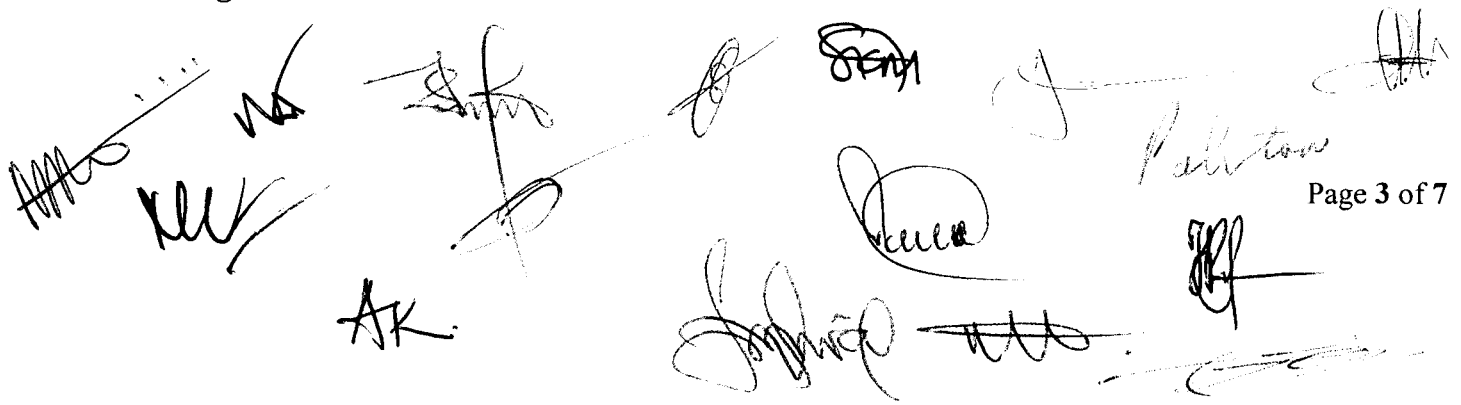


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2.0 BACKGROUND

During the implementation of the Budget for the FY 2019/20, Government sought additional resources to meet its expenditure requirements, as follows;

1. On 3rd December 2019, Government laid before Parliament supplementary expenditure estimates under Schedule No.1 amounting **UGX 437.631 billion** reflecting 1.08 % of the approved budget of **UGX 40,488 billion** for the FY 2019/2020;
2. On 3rd March 2020, Government laid before Parliament supplementary expenditure estimates under Schedule No.2 amounting **UGX 662.337 billion** reflecting **1.64 %** of the approved budget. On 19th March 2020, addendum 1 to Supplementary Schedule 2 amounting to **UGX 749.820 billion of which UGX 638.879 billion** needed prior Parliament approval and **UGX 9.887 billion** was Statutory Vote 101: The Judiciary;
3. On 31st March 2020 Government laid before Parliament Addendum 2 to Schedule 2 amounting to **UGX 284 billion** to cater for interventions in combating the COVID 19 Pandemic. Furthermore, on 31st March 2020 addendum 2A to Schedule 2 for the FY 2019/20 of **UGX 2.408 billion** was also laid to cater for street children under Ministry of Gender, Labour and Social Development (MoGLSD);
4. **UGX 932.765 billion comprising of Addendum 1 UGX 648.765 billion and Addendum 2 UGX 284 billion** was approved by Parliament under Supplementary Schedule 2 addenda 1&2 through a resolution dated 7th April 2020;
5. On 2nd April 2020, the Hon. Minister of Finance, Planning and Economic Development laid before the House Supplementary Expenditure estimates under addendum 3 to Schedule No.2 for FY2019/20 amounting to **UGX 16.576**.
6. **UGX 33.333 billion** was approved by Parliament under Addendum 2A and addendum 3 to Supplementary schedule 2 through a resolution dated 26th May 2020;
7. On 16th June 2020 the Minister of Finance, Planning and Economic Development laid Supplementary Schedule No.3 amounting to **UGX 1,090.48 billion** of which **UGX 1,087.667 billion** was approved by Parliament under Supplementary schedule 3 through a resolution dated 26th June 2020.



3.0 METHODOLOGY

The Committee held consultative discussions with the Minister of Finance, Planning and Economic Development and the Attorney General; and examined the Supplementary Appropriation (No. 3) Bill, 2021 against;

- (a) Resolutions of Parliament on the Supplementary Expenditure Schedules No. 2 and No.3 for the FY2019/20 (inclusive of Addenda);
- (b) the Hansards of 7th April 2020, 25th June 2020 and 26th June 2020 and
- (c) the Budget Committee Reports that were presented to the House on the Supplementary Expenditure Schedules No.2 & No. 3 for the FY2019/20;

4.0 OBSERVATIONS

4.1 VARIATION BETWEEN THE SUPPLEMENTARY APPROPRIATION BILL AND THE PARLIAMENTARY RESOLUTIONS.

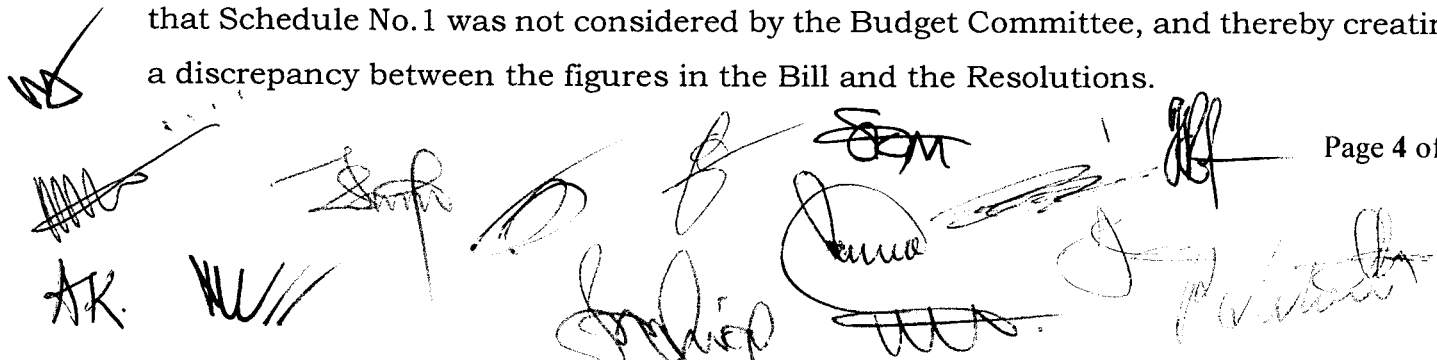
The overall assessment indicates a variation of **UGX 89, 437, 929** between the Bill and the Resolutions of Parliament on supplementary expenditure FY 2019/2020. The total expenditure estimates in the Bill is **UGX 2,143.208bn**, inclusive of both Recurrent - **UGX 917.461bn** and Development Expenditure - **UGX 1,225.747bn**.

However, the total expenditure estimates as per Resolutions of Parliament is **UGX 2,053.770bn**, inclusive of both Recurrent - **UGX 1,355.013bn** and Development Expenditure - **UGX 698.757bn**.

Tables 1 and 2 in Annex 2 highlight an assessment between the Resolutions of Parliament and the Estimates indicated in the Bill, inclusive of reasons for the variations in the two. The Votes not captured in the tables below do not have any variations between the Bill and the Resolutions of Parliament and they were not captured in the Annex 2.

4.2 GENERAL ASSESSMENT FINDINGS

- a) In considering the Schedules, the Budget Committee then deferred consideration of schedule No.2 but resolved to process addenda 1&2 to Schedule No.2. Further note that Schedule No.1 was not considered by the Budget Committee, and thereby creating a discrepancy between the figures in the Bill and the Resolutions.



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- b) Funds under Supplementary Schedule No.3 were approved by Parliament on 26th June 2020 but these were however, not captured in the Bill, thereby creating a discrepancy between the figures in the Bill and the Resolutions. The discrepancy was however explained by the Minister to the fact that not all the sums that were approved by Parliament, were released by Finance due to the cut off effect – being towards end of the financial year.
- c) The Bill erroneously captures in the narration FY2018/19 instead of FY2019/20 that estimates relate to.
- d) Vote 791 Ibanda Municipal Council was erroneously captured as Njeru Municipal Council in the Bill under Recurrent expenditure.
- e) Vote 595 Ntoroko District was erroneously captured as Namayingo District in the Bill under Recurrent expenditure.
- f) Funds under development expenditure were captured as recurrent expenditure especially under the various Missions Abroad and Vote 018: Ministry of Gender, Labour and Social Development (MoGLSD). This was due to presentation of the sums in the supplementary schedules erroneously and Parliamentary Resolutions reflected them as such, but according to the Minister, the net effect is zero.
- g) Some funds that were approved by parliament under Supplementary Schedule No.2 addendum 3 were not captured in the Bill. For example Vote 110 UIRI funds under development expenditure.

It should, however, be noted that during Committee interaction with the Minister, the Committee was informed that funds approved by Parliament but not captured in the Bill represent those funds that were not released to the MDAs due to the closure of the financial year.

It was also noted that Statutory Votes such as Parliamentary Commission were reflected under recurrent estimates, yet the Legislature has a direct charge on the Consolidated Fund. This is included in the proposed amendments below.

It should equally be noted that funds captured in the Bill include the 3% legal limit authorized by the Minister but not processed by Parliament through a Resolution.

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5.0 Conclusion

We noted inconsistencies in the approvals made by Parliament as per the Resolutions against the estimates provided in the Supplementary Appropriations (No.3) Bill, 2021. These are explained by the 3% legal limit authorized under section 25 of the Public Finance Management Act, as amended.

The Committee therefore recommends that the Bill be passed into law with proposed amendments.

ANNEX 1: PROPOSED AMENDMENTS

1. Delete **“Statutory Votes recurrent estimates (Vote 101 – Judiciary & Vote 104 – Parliamentary Commission)”** wherever they appear in the Bill.

Justification

Statutory Votes have a direct charge on the Consolidated Fund

2. SCHEDULE

- a) Replace the Financial Year **“2018/2019”** with **“2019/2020”**, wherever it appears in the Bill.
- b) Under Recurrent expenditure; Vote 595, replace **“Namayingo District”** with **“Ntoroko District”**
- c) Under Recurrent expenditure Vote 791, replace the words **“Njeru Municipal Council”** with the words **“Ibanda Municipal Council”**.

Justification

- a) The correct FY to which these estimates relate is 2019/2020
- b) Vote 791 belongs to Ibanda Municipal Council and not Njeru Municipal Council
- c) Vote 595, belongs to Ntoroko District and not Namayingo District”

2. Amend the long title of the Bill to read as follows:

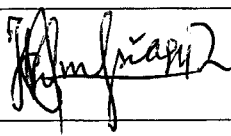

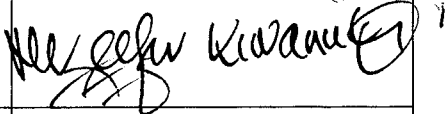
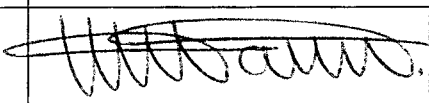
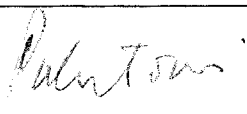
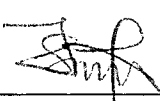
“.....a sum of *Two trillion, one hundred twenty three billion, three hundred twenty one million, one hundred seven thousand one hundred ninety five shillings only* to meet additional expenditure for the Financial Year 2019/2020”


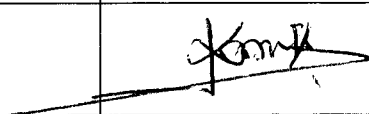
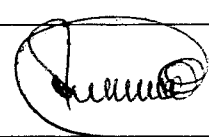
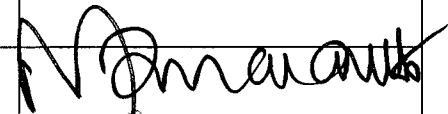
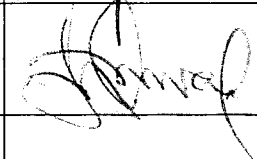
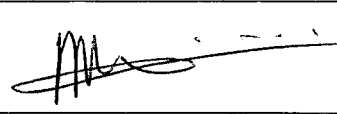
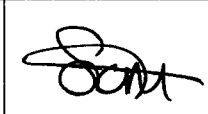
Justification


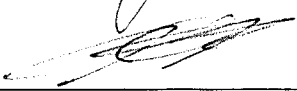
Vote 101 - Judiciary and Vote 104 – Parliamentary Commission are statutory

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**SIGNATURE LIST OF THE COMMITTEE ON BUDGET ON THE
SUPPLEMENTARY APPROPRIATION (NO. 3) BILL, 2021**

Sr. No.	NAME	CONSTITUENCY	SIGNATURE
01	Hon. Opolot Parick Isiagi	Chairman	
02	Hon. Wamakuyu Ignatius Mudimi	Deputy Chairman	
03	Hon. Dr. Keefa Kiwanuka	Member	
04	Hon. Namukuta Brenda	Member	
05	Hon. Magogo Moses	Member	
06	Hon. Kaberuka Ruugi James	Member	
07	Hon. Katalihwa Donald	Member	
08	Hon. Mutono Patrick Lodoi	Member	
09	Hon. Lokii John Baptist	Member	
10	Hon. Akamba Paul	Member	
11	Hon. Mwine Mpaka	Member	
12	Hon. Namuju Cissy Dionizia	Member	
13	Hon. Ssemwanga Gyaviira	Member	
14	Hon. Kateshumbwa Dickson	Member	

15	Hon. Nayebale Sylvia	Member	
16	Hon. Aleper Moses	Member	
17	Hon. Katusiime Annet Mugisha	Member	
18	Hon. Atim Agnes Apea	Member	
19	Hon. Mbabazi Pascal	Member	
20	Hon. Osooru Mourine	Member	
21	Hon. Kankunda Amos Kibwika	Member	
22	Hon. Tinkasiimire Barnabas	Member	
23	Hon. Yeri Ofwono Apollo	Member	
24	Hon. Ndamira Atwakire Catherine	Member	
25	Hon. Kabanda David	Member	
26	Hon. Omara Paul	Member	
27	Hon. Niwagaba Wilfred	Member	
28	Hon. Nakato Mary Annet	Member	
29	Hon. Nyangweso Dennis	Member	
30	Hon. Aciro Paska Menya	Member	
31	Hon. Musherure Nayebare Kutesa Shartsi	Member	

32	Hon. Akora Maxwell Ebong Patrick	Member	
33	Hon. Bayigga Michael Philip	Member	
34	Hon. Muwanga Kivumbi Muhammad	Member	
35	Hon. Nambeshe John Baptist	Member	
36	Hon. Ssewanyana Allan	Member	
37	Hon. Nsamba Patrick Oshabe	Member	
38	Hon. Namugga Gorreth	Member	
39	Hon. Adeke Anna Ebaju	Member	
40	Hon. Akol Anthony	Member	
41	Hon. Ssemujju Ibrahim Nganda	Member	
42	Hon. Gen. Mbadi Mbasu Wilson	Member	
43	Hon. Prof. Elijah Dickens Mushemeza	Member	

ANNEXES TO SUPPLEMENTARY APPROPRIATION (NO.2) BILL, 2021 REPORT

Annex 2

Table 1- Assessment of Recurrent Expenditure-FY2019/20

Vote	Vote Name	Supplementary Appropriation Bill 2021 (A)'000	Parliament's Resolutions (B)'000	Variance (A-B) '000	Remarks
001	Office of the President	18,222,201	18,569,367	- 347,166	UGX 347.166bn represents amounts approved by Parliament in Schedule No.3 which included arrears for Office of the President UGX 254,789,325 and arrears for Commission of Land Inquiry matters UGX 92,376,754 but these were not captured in the Supplementary Appropriation Bill.
002	State House	235,893,000	91,465	235,801,535	UGX 235.893bn represents supplementary funding under Supplementary Schedule No.1, No.2 and addendum 1 to No.2. All these funds were within the 3% spent before Parliamentary Approval; however the Committee did not consider these funds, though they appear in the Suppl. Appropriations Bill. UGX 91.465bn approved under Schedule No.3 does not appear in the Bill.
003	Office of the Prime Minister	59,400,000	96,396,483	- 36,996,483	UGX 36.996bn approved by Parliament in Supplementary Schedule No.3 was not included in the Supplementary Bill 2021.
004	Ministry of Defence	76,756,802	103,860,402	- 27,103,600	UGX 27.104bn approved under Supplementary Schedule No.3 not captured in the Supplementary Appropriations Bill.
005	Ministry of Public Service		10,727	- 10,727	Vote not captured in the Supplementary Appropriations Bill. UGX 10,727,007 approved in Supplementary Sch. No.3 but not captured in Bill.
007	Ministry of Justice and	13,655,815	1,722,268	11,933,547	UGX 13.656bn appears in Suppl. Sch No.1 and was not considered by the Committee

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Vote	Vote Name	Supplementary Appropriation Bill 2021 (A)'000	Parliament's Resolutions (B)'000	Variance (A-B) '000	Remarks
	Constitutional Affairs				however, appears in the Supplementary Appropriation Bill. UGX 1.722bn under Suppl. Sch. No.3 was approved by Parliament but is not in the Bill.
008	Ministry of Finance, Planning & Economic Dev.	74,468,060	506,601,232	- 432,133,172	UGX 74.468bn captured in the Supplementary Appropriation Bill includes UGX 73.372Bn under Suppl. Sch. No.2 which was not considered by Committee and UGX 1.090bn that was approved by Parliament under Addendum 3 to Schedule No.2. UGX 455.18bn, UGX 50bn and UGX 0.330bn was approved by Parliament under Schedule No.3 as transfers to UDB, Microfinance Support Center and domestic arrears clearance respectively, however funds were not captured.
010	Ministry of Agriculture, Animal & Fisheries		10,015,400	- 10,015,400	UGX 10.015bn to MAAIF for enhancing household capacity for food security and UGX 15,399,596 arrears under Suppl. Sch. No.3 were approved by Parliament but not captured in the Bill.
011	Ministry of Local Government	1,045,932	1,094,239	- 48,307	UGX 1.045bn was approved under Suppl. Sch. No.2 addendum 1 and is captured in the Bill. UGX 48,306,688 approved to clear arrears under Suppl Sch. No.3 is not captured in the Bill.
012	Ministry of Lands, Housing & Urban Development	5,634,400	-	5,634,400	UGX 5.634bn was for compensation of ranches taken by Government under Suppl. Sch. No.2 and was not considered by Committee but appears in Bill.
013	Ministry of Education and Sports	249,337	351,556	- 102,219	UGX 0.249bn was presented under Suppl. Sch. No.2 and was not considered by the Committee but was captured in

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