

# **MINORITY REPORT**

**ON**

**THE SUPPLEMENTARY APPROPRIATION BILL 2014**

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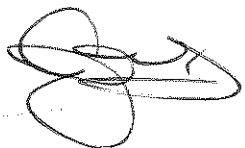

**September 2014**

## 1.0 INTRODUCTION

The Rt. Hon. Speaker, whereas the Supplementary Schedule No.1 & 2 FY 2013/2014 of the Government of Uganda was laid before Parliament and referred to the Budget Committee for thorough scrutiny, analysis and reporting; as a Member of the Committee I dissent from the main report. I therefore move under Rule 194 of the Rules of Procedure of Parliament that the House considers and adopts this Minority Report which is moved in good spirit to save the reputation of this parliament.

The Constitution of the Republic of Uganda, the Budget Act, 2001 and Public Finance and Accountability Act, 2003 therein give checklist considerations before passing Supplementary budget expenditure and among other questions to be raised are;

1. Is the Supplementary budget request legal- within the limit?
2. What are the sources of funding?-Is it additional resources? Suppression or reallocation or borrowing?
3. Is it characterised of budget items occasioned by unforeseen circumstances or emergencies that could not have been captured under the normal budgeting process?
4. Whether the budget items are the most urgent in nature and which cannot be postponed without detriment to the public interest?
5. When request is based on money spent is there evidence on the ground to show the value for money expenditure?
6. Whether the Supplementary Estimates indicate any effect on the financing requirements of Government submitted under paragraph (a) of subsection (1) of subsection 15 and any expected changes to the statement provided under sub



paragraph (iii) of paragraph (c) of subsection (1) of section 15.  
of the Public Finance and Accountability Act,2003

In view of the above checklist, the Budget Committee was informed of the sources of funding being borrowing and reallocation.

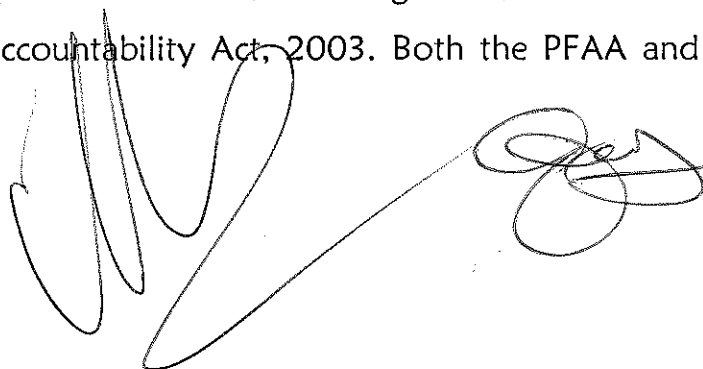
## **2.0 KEY CONTENTIOUS AREAS**

We would like to draw your attention to the specific areas we have identified and analysed:

1) **Borrowing as the source of funding,** Rt. Hon. Speaker, it is unfortunate that Parliament is being used to pass fraud which will blight the reputation of the institution. We should strongly not ever think of attempting to pass this fraud, the Ministry of Finance informed the Budget Committee that the sources of funding for this Supplementary expenditure. The resolution to borrow was referred to the Committee of National economy and borrowing was not approved. It is sadly and disrespectful to the institution of Parliament, that officers in the Ministry of Finance self-appointed themselves and turned to themselves the powers to approve borrowing and appropriate the spending of public Money and they want Parliament to endorse illegality. This is a test to Parliament, whether we took oath to defend constitutionalism or not.

2) **Legal Requirements not adhered to.**

In the consideration of supplementary expenditure under schedule 2, two fundamental laws were breached and not at all adhered to as required. These are; the Budget Act, 2001 and the Public finance and accountability Act, 2003. Both the PFAA and the Budget Act

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operationalize Article 156(2) of the Constitution of Uganda. Once all the laws governing supplementary expenditure are read together, the following guidelines emerge, contrary to what the executive has presented in this supplementary request,

Section 16 (2) of the Public finance and accountability Act, 2003, states that: 'A supplementary estimate prepared under subsection (1) shall indicate any effect on the financing requirements of Government submitted under paragraph (a) of sub-section (1) of section 15 and any expected changes to the statement provided under sub paragraph (iii) of paragraph (c) of sub-section of section 15.

While the Budget Act, 2001, under section 12 (3) states that: 'Any reallocation of funds shall be made in consultation with all the affected, Ministries, Departments, Institutions or Organizations.

There was clear evidence in the committee deliberations and interaction with the Ministry of Finance, Planning and Economic Development, that the referred to consultations never took place, instead, there were arbitrary reallocation of sector budgets to finance activities that were not of any emergency as required by the law. This is a total violation of the law including the Constitution (Article 156(2)) which sanctions supplementary expenditures on unforeseen and unpredictable expenditures

### 3.0 RECOMMENDATIONS

1. That Parliament rejects this Supplementary Schedule No. 2 on the basis of the aforementioned above reasons.

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