

Vote:129 Financial Intelligence Authority (FIA)

VI: Vote Overview

(i) Snapshot of Medium Term Budget Allocations

Table V1.1: Overview of Vote Expenditures

Billion Uganda Shillings	FY2016/17 Outturn	FY2017/18		FY2018/19 Proposed Budget	MTEF Budget Projections			
		Approved Budget	Spent by End Sep		2019/20	2020/21	2021/22	2022/23
Recurrent Wage	2.306	2.306	0.576	2.306	2.537	2.663	2.797	2.936
Non Wage	3.969	5.404	1.215	5.404	6.593	7.581	9.098	10.917
Devt. GoU	0.882	0.465	0.000	0.465	0.567	0.681	0.681	0.681
Ext. Fin.	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
GoU Total	7.156	8.175	1.790	8.175	9.696	10.926	12.575	14.534
Total GoU+Ext Fin (MTEF)	7.156	8.175	1.790	8.175	9.696	10.926	12.575	14.534
<i>A.I.A Total</i>	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Grand Total	7.156	8.175	1.790	8.175	9.696	10.926	12.575	14.534

(ii) Vote Strategic Objective

1. Enhance the identification of the proceeds of crime and the combating of money laundering and financing of terrorism.
2. Ensure compliance with the Anti-money Laundering Act.
3. Enhance public awareness and understanding of matters related to money laundering.
4. Make information collected by it available to competent authorities and to facilitate the administration and enforcement of the laws of Uganda.
5. Exchange, spontaneously or upon request, any information with similar bodies of other countries that may be relevant for the processing and analyzing of information relating to money laundering or terrorism financing.
6. Strengthen the capacity of the Authority to effectively and efficiently deliver its mandate.

V2: Past Vote Performance and Medium Term Plans

Performance for Previous Year FY 2016/17

Under objective to enhance identification of the proceeds of crime and the combating of money laundering the following was achieved.

- (a) The Authority received 367 Suspicious Transactions Reports (STRs) which were analyzed and 39 were found to have criminal elements and were disseminated to Law enforcement Agencies for further investigations and 41 were closed.
- (b) The Authority hosted a goAML technical team from UNODC on a pre-production mission who supported the installation of test platform using virtual servers and trained FIA IT Staff and money laundering control officers
- (c) The Authority Completed the National Risk Assessment (NRA) exercise on AML/CFT Framework and submitted the final draft report and implementation plan to the Hon. MFPED approval. The report was approved by the ministry and submitted it to cabinet for final approval since it covers many other stakeholders.

Under objective to ensure compliance with the Act the following was achieved

Vote:129 Financial Intelligence Authority (FIA)

(a) FIA conducted joint AML/CFT Inspections with Financial sector Regulators to assess the level of Compliance with AMLA 2013. The regulators included Bank of Uganda and Capital Markets Authority and the financial institution inspected include Kenya commercial bank (U) Ltd; Stanbic bank (U) Ltd; and UAP Financial Services Ltd.

(b) The AMLA 2013 was amended and addressed gaps which were identified by both ESAAMLG and ICRG-FATF to ensure compliance with international standards.

(c) Registered 20 accountable persons as required by AMLA 2013

Under objective to enhance public awareness and understanding of matters related to money laundering

(a) FIA conducted public awareness sessions through talk-shows in selected radio and television stations, under the program coordinated by Office of the Prime Minister. The media houses that were engaged include, in the radios; Super FM, UBC, CBS, Radio Maria, Sapientia, Namirembe FM and Akaboozi as well as in the following television stations; Star TV, Record TV and Channel 44 TV.

(b) FIA intensified outreach to stakeholders, especially accountable persons, through training sessions provided upon request. Among the institutions that benefitted from training include; Commercial Bank of Africa, Top Finance Bank, Real Estate Agents, Forex and Money Remitters Association; Diamond Trust Bank, Uganda Bankers' Association, Money laundering Control Officers and IT staff of commercial banks (specifically on the goAML software applications). Staff of the Authority also presented papers at various stakeholders' workshops, which included among Inspectorate of Government, Civil Society Budget Advocacy Group, Institute of Certified Public Accountants of Uganda, Uganda Bankers' Association, and Uganda Revenue Authority.

Under objective make information collected by it available to competent authorities and to facilitate the administration and enforcement of the laws of Uganda

(a) FIA has developed data base of statistics on the money laundering and terrorist financing.

(b) Developed a coordination forum for both accountability and justice law and order sector to share AML/CFT information.

Under objective to exchange information with similar bodies whose countries have treaties, agreements or arrangements with the government of Uganda regarding money laundering and similar offences

(a) FIA officials attended all the Regional Reporting Group (RRG) meetings of the ICRG as well as the FATF plenary meetings to present Uganda's progress in implementing AML/CFT. All the outstanding issues relating to Criminalising the financing of terrorism (SR11), Seizing and freezing of terrorist assets (SR13), Record-keeping (R10), Financial Intelligence Unit (R26), Supervision (R23), and International Cooperation (R40) were addressed.

(b) The Authority have participated in the annual Task Force and Council of Ministers' meetings and reported progress of ML/TF implementation on the technical compliance under the second round of mutual evaluation.

(c) A delegation from the Financial Intelligence Center (FIC) - South Africa (one of Uganda's sponsors for the Egmont application process assessed our readiness to join EGMONT. A report was produced highlighting areas of reform which have been addressed and Uganda is ready to apply for admission.

(d) FIA signed MoUs with other regional FIUs to enhance international cooperation in sharing information. TO that effect, FIA received request from other FIUS and also sent out requests to other FIUs in relation to case of Money laundering and terrorism financing under investigation. The countries include South Africa, Tanzania, Zambia and United Kingdom

Under objective efficiency and effectiveness of FIA to deliver its Mandate

(a) Authority trained its staff and other law enforcement agencies in the following areas, financial analysis, investigations and prosecutions and Asset recovery, crime typologies, Improving financial supervisory measures on AML/CFT, Risk-based approaches to AML/CFT supervision, Asset freezing mutual Evaluation.

(b) The Authority has approved policies and manuals to guide its operations. This include the Audit manual, and

Vote:129 Financial Intelligence Authority (FIA)

information and telecommunication manual

Performance as of BFP FY 2017/18 (Performance as of BFP)

- (a) Received and analyzed 100 Suspicious Transaction Reports (STRs) of which 19 were disseminated to law enforcement Agencies and 25 closed
- (b) Uganda hosted a team from ICRG -FATF to review Implementation of agreed actions with a view to exist the process.
- (c) Cabinet approved the National Risk Assessment (NRA) report and action plan
- (d) GoAML was customized to meet user requirements of Uganda
- (e) A team of selected users from the financial institutions and FIA staff have been trained to use goAML applications
- (f) Conducted Public aware and sensitization on AML/CFT framework
- (g) Capacity building of FIA staff in further analytical and investigative skills

FY 2018/19 Planned Outputs

Under objective to enhance identification of the proceeds of crime and the combating of money laundering

- (a) goAML electronic system Operationalized
- (b) A risk based approach to streamline business areas Adopted and implemented
- (c) A mechanism to coordinate effective implementation of AML/CFT activities including NRA/MER recommendations established
- (d) Typologies/trends analyses undertaken

Under objective to ensure compliance with the Act

- (a) Regulatory bodies to enforce implementation of risk based supervision Risk based AML compliance programs for sectors where there are no regulators established
- (b) Existing gaps in the current AML/CFT legislations addressed
- (c) AML/CFT supervision guidelines to regulatory authorities issued
- (d) AML/CFT onsite undertaken
- (e) Procedures to enforce administrative sanctions established

Under objective to enhance public awareness and understanding of matters related to money laundering

- (a) Training and awareness programs conducted
 - (b) Communication strategy developed and implemented
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Vote:129 Financial Intelligence Authority (FIA)

Under objective make information collected by it available to competent authorities and to facilitate the administration and enforcement of the laws of Uganda

- (a) An electronic data repository system to interface with data bases of key stakeholders developed and installed
- (b) Statistics on AML/CFT collected
- (c) Parallel financial investigations undertaken

Under objective to exchange information with similar bodies whose countries have treaties, agreements or arrangements with the government of Uganda regarding money laundering and similar offences

- (a) Compliance with MER relating to 40 FATF key and core recommendations
- (b) FIA admitted to the EGMONT
- (c) Information exchanged

Under objective efficiency and effectiveness of FIA to deliver its Mandate

- (a) IT business systems modernized
- (b) Internal Control requirements complied with
- (c) Adequate Financial reporting and procurement systems established
- (d) Qualified staff recruited, trained, adequately compensated and facilitated
- (e) FIA budget prepared aligned to the NDPII and Sectoral priorities.
- (f) Modern equipment procured to ensure smooth operations
- (g) FIA strategic Plan developed and approved.

Medium Term Plans

Vote:129 Financial Intelligence Authority (FIA)

- (a) Enhance identification of the proceeds of crime and the combating of money laundering and terrorist financing
- (b) Increase compliance with the AML Act
- (c) Increase public awareness and understanding of matters related to money laundering related to money laundering
- (d) Improve collection, Analysis and dissemination of information to competent Authorities
- (e) Strengthen international cooperation
- (f) Strengthen capacity of the Authority to effectively and efficiently deliver its mandate
- (g) Modernize ICT Platforms and business systems
- (h) Strengthen internal control
- (i) recruited, train, equip and adequately compensated staff

Efficiency of Vote Budget Allocations

The efficiency of vote allocation is based on principles of Equity, rationalization and value for money

Vote Investment Plans

- (a) Procurement of 8 motor vehicles
- (b) Procurement of goAML Electronic system
- (c) Procurement of office furniture
- (d) Procurement of ICT infrastructure
- (e) Procurement of office equipment

Major Expenditure Allocations in the Vote for FY 2018/19

Wage	UGX 4.8Bn
Transport Equipment	UGX1.6Bn
information gathering	UGX 1.0Bn
Subscriptions	UGX.0.3Bn
Capacity building	UGX 0.5 Bn

V3: PROGRAMME OUTCOMES, OUTCOME INDICATORS AND PROPOSED BUDGET ALLOCATION

Table V3.1: Programme Outcome and Outcome Indicators

Vote Controller :

Programme : 58 Prevention of ML/CFT, Prosecution and confiscation of proceeds of crime

Vote:129 Financial Intelligence Authority (FIA)

Programme Objective :							
Ensure that Accountable/Reporting entities comply with AMLA and ATA and their respective Regulations and Guidelines, provide legal representation, enforce administrative sanctions, and ensure that proceeds of crime are confiscated. Undertake analysis of financial transactions and disseminate financial intelligence reports to Law Enforcement Agencies and ensure that IT infrastructure supports FIA operations and provides safety and integrity of FIA information							
Responsible Officer: David Ngobi							
Programme Outcome: Uganda rated technically compliant with 40 FATF key and core recommendations on AML/CFT framework							
<i>Sector Outcomes contributed to by the Programme Outcome</i>							
1. Sustainable Macroeconomic Stability							
Performance Targets							
Programme Performance Indicators (Output)	2016/17 Actual	2017/18 Target	Base year	Baseline	2018/19 Target	2019/20 Target	2020/21 Target
• Level of compliance with FATF recommendations	0				Largely compliant	Largely compliant	largely compliant
Programme Outcome: Increased levels of Accountable/Reporting entities compliant with AMLA 2013 as amended							
<i>Sector Outcomes contributed to by the Programme Outcome</i>							
N / A							
Performance Targets							
Programme Performance Indicators (Output)	2016/17 Actual	2017/18 Target	Base year	Baseline	2018/19 Target	2019/20 Target	2020/21 Target
• Level of compliance	0				30%	50%	80%
Programme Outcome: Increased level of public awareness on ML/TF matters on targeted entities							
<i>Sector Outcomes contributed to by the Programme Outcome</i>							
N / A							
Performance Targets							
Programme Performance Indicators (Output)	2016/17 Actual	2017/18 Target	Base year	Baseline	2018/19 Target	2019/20 Target	2020/21 Target
• Level of awareness of targeted entities	0				50%	75%	90%

Table V3.2: Past Expenditure Outturns and Medium Term Projections by Programme

Billion Uganda shillings	2016/17	2017/18		2018-19	MTEF Budget Projections			
	Outturn	Approved Budget	Spent By End Q1	Proposed Budget	2019-20	2020-21	2021-22	2022-23
Vote :129 Financial Intelligence Authority (FIA)								
58 Prevention of ML/CFT, Prosecution and confiscation of proceeds of crime	0.459	1.629	0.390	1.627	1.984	2.282	2.738	3.286
59 Policy, International Cooperation and Mutual Legal Assistance	6.563	6.546	1.400	6.548	7.712	8.644	9.837	11.248
Total for the Vote	7.021	8.175	1.790	8.175	9.696	10.926	12.575	14.534

Vote:129 Financial Intelligence Authority (FIA)

V4: SUBPROGRAMME PAST EXPENDITURE OUTTURNS AND PROPOSED BUDGET ALLOCATIONS

Table V4.1: Past Expenditure Outturns and Medium Term Projections by SubProgramme

Billion Uganda shillings	2016/17	FY 2017/18		2018-19	Medium Term Projections			
	Outturn	Approved Budget	Spent By End Sep	Proposed Budget	2019-20	2020-21	2021-22	2022-23
<i>Programme: 58 Prevention of ML/CFT, Prosecution and confiscation of proceeds of crime</i>								
02 Legal, Inspection and Compliance	0.110	0.238	0.028	0.238	0.290	0.333	0.400	0.480
03 Operational Analysis	0.330	0.796	0.225	0.796	0.970	1.115	1.338	1.606
04 Information Systems Administration and Security	0.048	0.595	0.137	0.593	0.725	0.834	1.000	1.200
Total For the Programme : 58	0.489	1.629	0.390	1.627	1.984	2.282	2.738	3.286
<i>Programme: 59 Policy, International Cooperation and Mutual Legal Assistance</i>								
01 Headquarters	5.022	5.490	1.300	5.490	6.423	7.133	8.160	9.373
05 International Relations and Strategic Analysis	0.604	0.427	0.074	0.427	0.522	0.600	0.720	0.864
06 Internal Audit	0.135	0.164	0.026	0.166	0.200	0.230	0.276	0.331
1423 Support to Financial Intelligence Authority	0.882	0.465	0.000	0.465	0.567	0.681	0.681	0.681
Total For the Programme : 59	6.643	6.546	1.400	6.548	7.712	8.644	9.837	11.248
Total for the Vote :129	7.131	8.175	1.790	8.175	9.696	10.926	12.575	14.534

N / A

Table V4.3: Major Capital Investment (Capital Purchases outputs over 0.5Billion)

N/A

V5: VOTE CHALLENGES FOR 2018/19 AND ADDITIONAL FUNDING REQUESTS

Vote Challenges for FY 2018/19

Vote:129 Financial Intelligence Authority (FIA)

- (a) Inadequate resources to recruit key staff to carry out fully our mandate. The current technical number is 18 as opposed to 40 as per the approved structure.
- (b) Inadequate AML/CFT related statistics due to inefficiency in data management practices occasioned by manual processes in many government departments.
- (c) Limited awareness programmes about AML/CFT
- (d) Implementation of the cross boarder currency movement is a requirement within the AMLA however to enforce declaration is still a major challenge.
- (e) Some key sectors where ML is taking place is not properly regulated like Real Estate and yet AMLA provides FIA to undertake a regulatory role
- (f) Uganda is cash based economy where it is very difficult to trace financial transactions which do not go through the financial sector coupled with a large informal sector and porous borders where criminals can enter and exit Uganda without being noticed by law enforcement agencies.
- (g) The AML/CFT legal framework still has gaps which make it uncompliant with international standards.
- (h) Enforcement of a risk based supervision of AML/CFT due to lack of specific Sector risk assessment reports

Table V5.1: Additional Funding Requests

Additional requirements for funding and outputs in 2018/19	Justification of requirement for additional outputs and funding
Vote : 129 Financial Intelligence Authority (FIA)	
Programme : 58 Prevention of ML/CFT, Prosecution and confiscation of proceeds of crime	
OutPut : 01 Compliance with AML and CFT laws and Regulations	
Funding requirement US\$ Bn : 0.526	The AMLA 2013 as amended require FIA to be the overall supervisor of AML/CFT compliance across all the accountable entities. The task is enormous and requires a lot of skills and techniques to ensure financial and non financial institutions are not used for money laundering and financing of terrorism.
OutPut : 02 Legal Representation and Litigation	
Funding requirement US\$ Bn : 0.549	FIA is an autonomous institution which can be sued in course of duty. therefore we need to establish a fully fledged functional legal team.
OutPut : 03 Analysis and Reporting Financial Operations	
Funding requirement US\$ Bn : 0.740	The programme contributes to analysis of suspicious transactions report on ML/TF, Analysis of cross border movement of currency and BNI, Large cash transactions and any information from whistle blowers and therefore supports NDPII objectives of increasing Revenue to GDP by reducing financial crimes which affect government revenue base.
OutPut : 05 Ensure safety and integrity of FIA information	

Vote:129 Financial Intelligence Authority (FIA)

<p>Funding requirement US\$ Bn : 0.529</p>	<p>FIA is a new Government institution and has not yet established its ICT infrastructure to secure its vital information. The information collected and stored by FIA is sensitive and require secure IT systems</p>
<p>Programme : 59 Policy, International Cooperation and Mutual Legal Assistance</p>	
<p><i>OutPut : 02 Financial Intelligence Research and Strategic Development</i></p>	
<p>Funding requirement US\$ Bn : 5.578</p>	<p>The AML/CFT framework is dynamic and requires regular review. The Mutual evaluation report has specific recommendations made to address compliance with international standards and the national risk assessment has recommendation and action approved by cabinet to be implemented. Also includes for FIA Administration and support services of Wage: 2.4928, Non Wage: 1.7346 and Development of 0.6 (FIA has inadequate staff in terms of numbers operating below 50%.)</p>
<p><i>OutPut : 03 Development and Management of Internal Audit and Controls</i></p>	
<p>Funding requirement US\$ Bn : 0.230</p>	<p>FIA is engaged in analyzing financial transactions which require specialized training in areas of forensic examinations and fraud detection.</p>