

# Vote: 141 URA

## VI: Vote Overview

### (i) Vote Mission Statement

*To Provide Excellent Revenue Service with Purpose and Passion*

### (ii) Summary of Past Performance and Medium Term Budget Allocations

**Table VI.1: Overview of Vote Expenditures (US\$ Billion)**

(i) Excluding Arrears, Taxes	2014/15 Outturn	2015/16		MTEF Budget Projections		
		Approved Budget	Rel. by End Dec	2016/17	2017/18	2018/19
Recurrent						
Wage	107.132	107.132	53.566	112.132	112.132	117.738
Non Wage	82.626	84.089	42.066	109.089	109.089	119.997
Development						
GoU	19.225	45.662	23.657	55.662	55.662	64.011
Ext. Fin	0.000	1.652	0.000	2.181	2.087	0.000
<b>GoU Total</b>	<b>208.983</b>	<b>236.882</b>	<b>119.289</b>	<b>276.882</b>	<b>276.882</b>	<b>301.747</b>
<b>Total GoU + Ext Fin (MTEF)</b>	<b>208.983</b>	<b>238.534</b>	<b>119.289</b>	<b>279.063</b>	<b>278.969</b>	<b>301.747</b>
(ii) Arrears						
Arrears	0.000	0.000	0.000	0.000	N/A	N/A
and Taxes						
Taxes	0.000	0.000	0.000	0.000	N/A	N/A
<b>Total Budget</b>	<b>208.983</b>	<b>238.534</b>	<b>119.289</b>	<b>279.063</b>	<b>N/A</b>	<b>N/A</b>

The chart below shows total funding allocations to the Vote by Vote Function over the medium term:

**Chart VI.1: Medium Term Budget Projections by Vote Function (Excluding Taxes, Arrears)**

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## V2: Vote Performance for FY 2015/16 and Planned Outputs for FY 2016/17

*This section describes past vote performance and planned Outputs, in terms of key vote outputs*

### (i) Past Vote Outputs

#### *Preliminary 2015/16 Performance*

Net revenue collections for the month of December 2015 were UGX 1,270.60 Bn against a target of UGX 1,241.44Bn, a performance rate of 102.35% (UGX 29.16 Bn surplus) and a growth of 25.57% (UGX 258.72Bn) compared to the same month last financial year.

On a cumulative basis, net revenue collections for the period July 2015 to December 2015 were UGX 5,511.29Bn against a target of UGX 5,463.76 Bn, a performance rate of 100.87% (UGX 47.54 Bn surplus) and a growth of 20.64% (UGX 942.86 Bn) compared to the same period last financial year.

Net domestic taxes collections for the month of December 2015 were UGX 819.96 Bn against a target of UGX 813.58 Bn, a performance rate of 100.78% (UGX 6.38Bn surplus) and a growth of 25.75 % (UGX 167.88Bn) compared to the same month last financial year. Gross domestic collections were UGX 830.61 Bn with total refunds of UGX 11.09 Bn.

On a cumulative basis, net domestic taxes collections for the period July 2015 to December 2015 were UGX 3,083.75 Bn against a target of UGX 3,107.10Bn a performance rate of 99.25% (UGX 23.34 Bn deficit) and a growth of 23.80% ( UGX 592.95Bn) compared to the same period last financial year. Gross domestic collections were UGX 3,151.75 Bn with total refunds of UGX 73.17 Bn

Surpluses were registered in; withholding tax (UGX 51.04 Bn), corporation tax (UGX 16.13 Bn), rental tax (UGX 8.66Bn),Casino tax (UGX 1.07 Bn) while deficits were registered in local excise duty (UGX 57.81 Bn), VAT (UGX 28.33 Bn), PAYE (UGX 26.91 Bn), and tax on bank interest (UGX 4.84Bn).

Net international trade taxes collections for the month of December 2015 were UGX 450.63Bn against a target of UGX 427.86 Bn, a performance rate of 105.32% (UGX 22.77 Bn surplus) and a growth of 24.63% ( UGX 89.04Bn) compared to the same period last financial year. Gross international trade taxes collections were UGX 451.08 Bn.

On a cumulative basis, net international trade taxes collections for the period July 2015 to December 2015 were UGX 2,428.94 Bn against a target of UGX 2,356.66 Bn, a performance rate of 103.70% (UGX 72.28 Bn surplus) and a growth of 17.00% ( UGX 351.30Bn) compared to the same period last financial year. Gross international trade taxes collections were UGX 2,432.71 Bn

Surpluses were registered in; VAT on imports (UGX 39.39Bn), import duty (UGX 23.12Bn), surcharge on used import (UGX 11.76Bn), withholding taxes (UGX 6.37Bn) and excise duty (UGX 4.36 Bn) while deficits were registered; petroleum duty (UGX 8.21Bn), and export levy (UGX 0.73Bn).

Tax refunds for the month of December 2015 were UGX 11.09Bn against a target of UGX 17.88Bn, a performance rate of 62.01%. On a cumulative basis, tax refunds for the period July to December 2015 were UGX 73.17 Bn against a target of UGX 121.37Bn, a performance rate of 60.29%.

Outlook for the month of January 2016: The net revenue collections target for the month is UGX 937.72 Bn. UGX 229.05Bn has been collected as at 13th January 2016

#### 2.0 Revenue performance

December 2015

Net revenue collections (including ONTR) for December 2015 were UGX 1,270.60Bn against a target of UGX 1,241.44Bn, a performance rate of 102.35% (UGX 29.16Bn, surplus) and a growth of 25.57% (UGX 258.72Bn) compared to the same period last financial year. Gross collections were UGX 1,287.45Bn and total refunds of UGX 11.09 Bn.

Responsiveness:

- The staff development Initiative was implemented, of which

Gender and Equity

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528 Women and 887 men were trained.

- 16 women were promoted to Senior and middle level Management positions from FY2014/15 to 2015/16.
- The proportion of female is 39% and male staff 61%.
- In the FY 2015/16 recruitment, 1 disabled staff was recruited, Overall the Body employs 11 PWDs, 3 female and 8 male.
- 3 out of 11 disabled staff were trained this FY,
- 234 children between the age of 10-21 yrs benefitted from counselling and guidance seminars organized and funded by URA from the four regions of Central, Eastern, Northern and Western.
- A total of UGX.180 million was spent on extra medical care for HIV staff and family members.
- UGX 3.4 billion was spent on staff training which include youth and women.
- We have given back to society through various Corporate Social Responsibility initiatives e.g. car wash drive to raise money for the cancer institute and donating to disadvantage women in Kalamoja Region.
  - Over UGX. 120 million has been spent on training a PWD staff whose is a supervisor in domestic taxes, on a Master's program abroad.

## V3: Detailed Planned Outputs for FY 2016/17

### 2016/17 Planned Outputs

100% Revenue Collection to target.

87% Average Filing Ratio

10% Growth in the general tax payer register.

**Table V3.1: Vote Function Profiles, Programme/Project Profiles and Workplan Outputs**

<b>Vote Function: 1454 Revenue Collection &amp; Administration</b>	
<b>Vote Function Profile</b>	
<i>Responsible Officer:</i>	<i>The Commissioner General - URA</i>
<i>Services:</i>	<i>Through her mandate of facilitating clients to meet their tax obligations, URA's contribution to the National budget has significantly increased thereby enabling Government to finance its programmes and provide goods and services that improve the quality of life of the people of Uganda. Currently, our focus is improving service delivery by rolling out robust business processes and ensuring that there is smooth movement of legitimate trade in goods and services into and out of Uganda.</i>
<i>Vote Function Projects and Programmes:</i>	
<b>Project or Programme Name</b>	<b>Responsible Officer</b>
<b>Recurrent Programmes</b>	
01 Revenue Collection & Administration	Commissioner General
<b>Development Projects</b>	
0653 Support to URA Projects	Commissioner General
<b>Programme 01 Revenue Collection &amp; Administration</b>	
<b>Programme Profile</b>	
<i>Responsible Officer:</i>	<i>Commissioner General</i>
<i>Objectives:</i>	<i>Maximising compliance through leveraging technology and professionalism in revenue services.</i>
<i>Outputs:</i>	<i>100% Revenue Collection to target</i>
	<i>87% Average Filing Ratio</i>
	<i>10% Growth in the tax payer register,</i>

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## Vote Function: 1454 Revenue Collection & Administration

### Programme 01 Revenue Collection & Administration

Recovery of 102 Bn of the collectable arrears at the beginning of the year excluding Government arrears

Reduction of the debt stock of private arrears by UGX 75Bn.

### Workplan Outputs for 2015/16 and 2016/17

Project, Programme	2015/16		2016/17
Vote Function Output <i>US\$ Thousands</i>	Approved Budget, Planned Outputs (Quantity and Location)	Expenditure and Prel. Outputs by End Dec (Quantity and Location)	Proposed Budget, Planned Outputs (Quantity and Location)
<b>145401 Customs Tax Collection</b>	<p>18% Growth in Customs Revenue collection</p> <p>100% Customs Revenue collection to target.</p> <p>30% Reduction in customs collectable Arrears</p> <p>2 Motivational programs held</p> <p>250 Comprehensive Audits 30 Issue Audits</p> <p>100% Evaluation of taxpayer applications for accreditation</p> <p>6 Stakeholder engagements conducted</p> <p>8 Tax clinics held</p> <p>16 Tax shows held</p> <p>90% Of queries accounted for</p> <p>48 Hours average clearance time</p> <p>200 Real-time Alerts/Analysis conducted</p> <p>20% Of goods in transit under ECTS</p> <p>100% Implementation of the Single Customs Clearance Process</p>	<p>Customs revenue collections grew by 16.90 % (UGX 351.02Bn) in the half year period of FY 2015/16 compared to the same period last year.</p> <p>Cumulatively customs revenue collections in the half year of FY 2015/16 were UGX 2,428.66Bn against a target of UGX 2,356Bn, a performance rate of 103.08% (Surplus; UGX 72.64Bn).</p> <p>Customs collectable arrears reduced by 92.13% in the first half of FY 2015/16. It reduced from UGX 14.36Bn as at 1st July 2015 to UGX 1.13Bn as at 31st Dec -2015.</p> <p>100% of the seven (7) taxpayers applications received during the half year for accreditation were evaluated.</p> <p>13 sector based stakeholder engagements were held ; Exporter, UNBS, UCIFA, DRC representatives, BSMART, KRA, Clearing Agents, Manufacturers, Traders and Transporters on various areas; introduction of courier center in Kampala, reshipment inspection and clearance of commercial vehicles, auto notifications, transit goods to DRC, ECT &amp; their payments and duty free sales.</p> <p>11 tax clinics were held in Eastern, Central, Western and South Western Regions during the half year on rules of origin, classification, valuation, customs laws &amp; procedures and SCT.</p> <p>41 talk shows were held in Central, Eastern, Northern, Western and South Western Regions in the half-year period on smuggling and its effects, finance bill amendments and SCT.</p> <p>On average, 69% of the quarterly audit, queries were responded to and accounted for in the first half of FY 2015/16. Reports were compiled and disseminated to responsibility</p>	<p>100% Customs Revenue collection to target.</p> <p>30% Reduction in customs collectable Arrears</p> <p>280 Audits completed.</p>

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## Vote Function: 1454 Revenue Collection & Administration

### Programme 01 Revenue Collection & Administration

Project, Programme	2015/16		2016/17
Vote Function Output <i>US\$ Thousands</i>	Approved Budget, Planned Outputs (Quantity and Location)	Expenditure and Prel. Outputs by End Dec (Quantity and Location)	Proposed Budget, Planned Outputs (Quantity and Location)
		centers.  The average clearance time in first half of FY 2015/16 was 75.6 hours , a performance of 63.5%.  147 real time alerts were issued during the quarter, covering areas of: declaration, goods examination verification reconciliation, regulatory warehousing processes, tariff classification, and misclassification of cholivit animal feeds and surge arrestors and on declarations.  9.1% of the goods went through ECTS by attaching electronic seals on goods under transit in the first half of FY 2015/16.  Implemented 100% of the rolled out Single Customs Clearance Process and a report on the performance were prepared on a monthly basis.	
<b>Total</b>	<b>52,626,173</b>	<b>27,006,940</b>	<b>56,946,173</b>
<i>Wage Recurrent</i>	<i>35,219,453</i>	<i>17,609,726</i>	<i>37,219,453</i>
<i>Non Wage Recurrent</i>	<i>17,406,720</i>	<i>9,397,214</i>	<i>19,726,720</i>
<b>145402 Domestic Tax Collection</b>	<p>19% Growth in Domestic taxes revenue collection</p> <p>100% Domestic taxes revenue collection to target</p> <p>30% Recovery of collectable arrears at the beginning of the year excluding Government arrears.</p> <p>1,573 Compliance Risk based Audits completed and broken down as follows:</p> <p>Whole sale and retail 1,175 cases Manufacturing - 398 cases cases</p> <p>40 Tax hubs held.</p> <p>15% Growth in value taxpayer register.</p> <p>30% Increase in total taxpayer register</p> <p>5% Revenue from new value taxpayers</p> <p>50% Newly registered clients filing returns ontime</p> <p>4 Stakeholder engagements conducted.</p> <p>10% Reduction in offset portfolio</p>	<p>A growth of 23.80 % (UGX 592.78Bn) was realised in domestic taxes revenue collections in the first half of 2015/16.</p> <p>Cumulatively domestic tax revenue collections was UGX 3,083.59Bn against a target of UGX 3,107.10Bn Deficit of UGX 23.51Bn), a performance of 99.25%.</p> <p>17.35% of the collectable arrears were recovered in the period July to Dec of FY 2015/16.Total recoveries in the half year were 160.21Bn against a total collectable arrears of UGX 923.22Bn excluding government arrears as at 31st December -2015.</p> <p>1,355 compliance risk based audits were completed in wholesale &amp; retail sector and other sectors against the half year target of 1140 audits of FY 2015/16 with a total tax assessment of UGX 18.08 Bn.</p> <p>1,355 Compliance Risk based audits were completed including audits from the manufacturing sector.</p> <p>66 -tax clinics/hub were conducted in quarter one and two. These targeted the taxpayers all over the country</p>	<p>100% Domestic taxes revenue collection to target</p> <p>87% Filing ratios as follows:(VAT:87.3%; LED:87%).</p> <p>102 Bn recovered of collectable arrears at the beginning of the year excluding Government arrears.</p> <p>2486 Audits completed.</p> <p>10% Growth in general tax payer register</p>

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<b>Vote Function: 1454 Revenue Collection &amp; Administration</b>			
<b>Programme 01 Revenue Collection &amp; Administration</b>			
<b>Project, Programme</b>	<b>2015/16</b>		<b>2016/17</b>
<b>Vote Function Output</b> <i>US\$ Thousands</i>	<b>Approved Budget, Planned Outputs (Quantity and Location)</b>	<b>Expenditure and Prel. Outputs by End Dec (Quantity and Location)</b>	<b>Proposed Budget, Planned Outputs (Quantity and Location)</b>
		<p>and specific sectors like agriculturalists, transporters, manufacturers, educationists, constructors, retail and wholesalers, among other sectors.</p> <p>The value clients register during the half year period of FY 2015/16 increased by 14.4%. Total value clients as at 1st July -2015 were 80,606 which number increased to 92,197 by end of December-2015.</p> <p>The tax register grew by 9.7% in the first half of of FY 2015/16 against a target of 15%, a performance of 64.66%. The tax register as at 30th June -2015 was 763,150 .This increased to 836,853 as at 31st December -2015.</p> <p>0.20% in revenue was collected from new value clients against a target of 5% in the half year period of FY 2015/16.</p> <p>The report on the proportion of newly registered clients filing returns on time will be produced in the subsequent quarters.</p> <p>Thirty five (35) stakeholder engagements were held against a target of 4, a performance of 875% during the first half of FY 2015/16.</p> <p>VAT Offsets portfolio increased from 164.97 as at 1st July -2015 to 165.11Bn as at 31st December -2015 representing 0.1% increase in the half year period of FY 2015/16.</p>	
	<b>Total</b>	<b>64,151,484</b>	<b>31,690,619</b>
	<i>Wage Recurrent</i>	<i>42,189,685</i>	<i>21,094,843</i>
	<i>Non Wage Recurrent</i>	<i>21,961,799</i>	<i>10,595,777</i>
<b>14 54 03 Tax Investigations</b>	<p>75 Cases investigated to conclusion and 20 recommended for prosecution</p> <p>4 Strategic briefs developed and presented to the board.</p> <p>12 Tactical briefs developed and shared with the relevant stakeholders on time</p> <p>100% Of Quality Service Management Plan (QSMP) executed.</p> <p>100% Of stakeholder engagement plan implemented</p> <p>100% Of the TID process improvement activities executed</p>	<p>45 investigations on fraudulent cases were concluded in a target of 34, a performance of 132% in the first half of FY 2015/15.</p> <p>7 fraudulent cases were getting recommended for prosecution in the two quarters against a target of 8 and a performance of 88.</p> <p>One strategic brief was developed and presented to the board in the first half of FY 20Q5/16</p> <p>Seven (7) out of six planned tactical intelligence briefs were developed and shared : These were; tax on payments to non-resident, fuel industry by</p>	<p>20 Cases recommended for prosecution</p> <p>75.Cases investigated to conclusion</p> <p>4 Strategic briefs developed and presented to the board.</p> <p>12 Tactical briefs developed and shared with the relevant stakeholders on time</p>

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## Vote Function: 1454 Revenue Collection & Administration

### Programme 01 Revenue Collection & Administration

Project, Programme	2015/16		2016/17
Vote Function Output <i>US\$ Thousands</i>	Approved Budget, Planned Outputs (Quantity and Location)	Expenditure and Prel. Outputs by End Dec (Quantity and Location)	Proposed Budget, Planned Outputs (Quantity and Location)
	as per the Departmental plan.  100% Of staff Development Programms implemented	contractors, non-declaration of supplies made to government, motor vehicle supplies and an assessment of fuel station dealers.  All activities geared towards enhancing the quality of tax investigations services were executed . These include: reviewed procedures for handling case disposal, reviewed laboratory quality manual, developed the financial crime investigations process, fully operationalized e-tax investigations module and reviewed exchange of information and document examinations Processes, developed checklist to vet the credibility of informers and the information and trained staff on the planned investigation module on e-tax roll-out.  Engaged 16 stakeholders . These were; NWSC, Posta Uganda, Global forum for strategic partnership, IGG, FIA, Ministry of Finance Uganda Police, Uganda National Roads Authority, Uganda National Bureau of Standards, Ministry of Agriculture, Animal Husbandry & Fisheries, Financial Intelligence Authority.	
<b>Total</b>	<b>5,918,540</b>	<b>2,895,020</b>	<b>6,008,540</b>
<i>Wage Recurrent</i>	<i>3,672,653</i>	<i>1,836,327</i>	<i>3,672,653</i>
<i>Non Wage Recurrent</i>	<i>2,245,887</i>	<i>1,058,694</i>	<i>2,335,887</i>
<b>145404 Internal Audit and Compliance</b>	100% Planned resource optimisation interventions implemented  36 Investigations carried out  8 Compliance reviews carried out  88 Assurance audits conducted  8 Advisory reports issued  22 Stakeholders engaged  80% Client satisfaction level Value added by IAC  100% Usage of Communication Channels  100% Of process reviews completed and level Automation of the IAC Business  100% Of knowledge sharing sessions held.  100% Of motivation interventions held	two (2) budget review engagement was held in quarter first half of FY 2015/16  21 investigations were conducted out against a half year target of 18 and reports on the investigations were produced for the first half of the FY  Cumulatively 5 compliance reviews were conducted during the first half of FY 2015/16.  38 assurance audits out of a half-year target of 44 were conducted and reports in respect to the audits were produced.  5 Advisory reports out of the expected 4 were produced during the first half.  25 out of the planned 10 stakeholder engagements were held during the first half of FY 2015/16  The level of client satisfaction will be determined in quarter	96 Audit reports completed  36 Investigation cases completed  8 Compliance reviews completed

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<b>Vote Function: 1454 Revenue Collection &amp; Administration</b>			
<b>Programme 01 Revenue Collection &amp; Administration</b>			
<b>Project, Programme</b>	<b>2015/16</b>		<b>2016/17</b>
<b>Vote Function Output</b> <i>US\$ Thousands</i>	<b>Approved Budget, Planned Outputs (Quantity and Location)</b>	<b>Expenditure and Prel. Outputs by End Dec (Quantity and Location)</b>	<b>Proposed Budget, Planned Outputs (Quantity and Location)</b>
	<p>100% Of integrity awareness interventions executed</p> <p>100% Of staff development initiatives executed</p>	<p>three .</p> <p>100 % implementation of the communication programme using five communication channels were used . These were: 12 consultant newsletters, 70 &amp; 55 management and sectional meetings produced 52 copies of statutory reports on audit and compliance and uploaded them on the IAC website.</p> <p>100% IAC process review were completed and 75% of the planned IAC processes automation has been achieved.</p> <p>100% Knowledge sharing sessions were held in quarter two quarters: These include; leadership a learnable skill, financial money matters investing in security's exchange and in insurance.</p> <p>100% motivation interventions were conducted seven groups comprising of 15 staff reward and recognized in first half of the FY.</p> <p>100% integrity awareness inventions were executed. These were; 10 radio announcements, one radio talk show and 05 internal integrity workshops.</p> <p>100% staff development initiatives were implemented; these were: audit tools and technique, staff attended chief audit executives round table conference, enrolled staff for ISACA &amp; ACFE members and CIA certification staff attended seminars for chartered accountants and information security, leadership and management training.</p>	
<b>Total</b>	<b>4,940,083</b>	<b>2,471,410</b>	<b>5,030,083</b>
<b>Wage Recurrent</b>	<b>3,329,874</b>	<b>1,664,937</b>	<b>3,329,874</b>
<b>Non Wage Recurrent</b>	<b>1,610,209</b>	<b>806,474</b>	<b>1,700,209</b>
<b>145405URA Legal and Administrative Support Services</b>	<p>Yearly Debt stock of private arrears reduced by 75 Billion Shillings.</p> <p>2 URA Titles secured</p> <p>100% Af all the properly documented requests drafted within the departmental standards and timelines</p> <p>60% Of cases decided in favour of URA Viz cases lost against URA</p> <p>100% Service enhancement programmes implemented</p>	<p>Cumulatively, private arrears for the first half of FY 2015/16 reduced by 41.08 Bn against the half year target of 37.5 and a performance of 109.55%</p> <p>6 URA office titles were secured in the first half of FY 2015/16.</p> <p>100% of the 115 contracts, 11 bonding agreements, 16 tenancy agreements, 22 M.o.Us were drafted as requested and dispatched within the divisional operational standards.</p>	<p>75 Billion of tax arrears collected.</p> <p>60% Cases won/settled in URA's favour.</p> <p>4% Staff Attrition rate</p> <p>2.3% Cost of tax administration</p>



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<b>Programme 01 Revenue Collection &amp; Administration</b>			
<b>Project, Programme</b>	<b>2015/16</b>		<b>2016/17</b>
<b>Vote Function Output</b> <i>US\$ Thousands</i>	<b>Approved Budget, Planned Outputs (Quantity and Location)</b>	<b>Expenditure and Prel. Outputs by End Dec (Quantity and Location)</b>	<b>Proposed Budget, Planned Outputs (Quantity and Location)</b>
	80% Stake holder engagements conducted	On average 83.9% success rate was attained in the first half of FY 2015/16 .Atotal of 30 cases decided in favour of URA and 3 cases were lost against URA in thr first half of the FY	
	70% Business processes improvement interventions implemented		
	90% Staff Exceeding their performance expectations.	100% Of legal advisory notes issued out within the departmental standards and timelines.LSBA received 86 requests for legal advisory advisory notes.Responses were done within the agreed response times and standards.	
	70% Innovations approved for implementation		
	100% Staff development programmes implemented.	100 % of the LSBA of the eleven (11) instructions/request received on securing URA Property titles were responded too according to the set timelines and standards.	
	100% Motivational Programmes Implemented.		
	100% Planned knowledge management programmes implemented.	100% of the five (5) planned stakeholder engagements were held: These included; Legal Aid Week, ATAF member countries, anti-corruption open week, bankers and contracts management engagements were held.	
		70% of the process improvement interventions were implemented: These were; issuance of legal advisory notes, drafting of pleadings, filing of court process, representations in courts of law, alternative dispute resolution, placement of the caveats and processing titles.	
		The percentage of staff exceeding performance expectation will be reported on in third quarter after the first appraisal cycle in January -2016.	
		70% of planned quarterly Innovations were approved for implementation.	
		100 % of the staff development programs were implemented in which 780 staff was trained in the first half of 2015/16.	
		100% wellness initiatives to motivate staff were implemented .These were; The annual staff party, aerobics sessions, corporate social responsibility with Mulago Cancer Institute, offered comprehensive medical insurance to 7 staff, counseling services, optical refund to 34 staff, provision of staff lunch, medical insurance to all staff, organized URA health week and family day out, aerobics sessions and worker’s compensation.	
		100% of the knowledge management programmes were	

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### Programme 01 Revenue Collection & Administration

Project, Programme	2015/16		2016/17
Vote Function Output <i>US\$ Thousands</i>	Approved Budget, Planned Outputs (Quantity and Location)	Expenditure and Prel. Outputs by End Dec (Quantity and Location)	Proposed Budget, Planned Outputs (Quantity and Location)
		implemented, These include; 171 zones of excellence and knowledge-sharing sessions in different departments were held in the first half of FY 2015/16.	
<b>Total</b>	<b>52,559,026</b>	<b>26,115,916</b>	<b>74,420,026</b>
<i>Wage Recurrent</i>	<i>16,710,129</i>	<i>8,355,288</i>	<i>17,710,129</i>
<i>Non Wage Recurrent</i>	<i>35,848,897</i>	<i>17,760,628</i>	<i>56,709,897</i>
<b>145406 Public Awareness and Tax Education/Modernization</b>	95% Planned activities executed	95% of the planned activities were executed as planned.	16 Tax education/awareness interventions implemented
	100% Of Resource management interventions implemented	100% of the resource and accountability documents were developed. These were; M&E, expenditure reports and plan review engagements were conducted.	8 Show case & visibility interventions implemented.
	100% Of Strategic Partner groups engaged	100% of the strategic partners groups were engaged , These include: 2 EARATC, 2 ATAF, global forum on signing the MAAC, 2 government agencies, government communication officers, 2 business communities and one media group were held in first half of FY 2015/16.	8 Researches & Evaluations interventions conducted.
	100% Of service enhancement interventions executed	100% of the service enhancement interventions were conducted. These included; 2 critical research & evaluations, 13 strategic documents produced, 123 tax education/ awareness conducted and 5 relationship management intervention were implemented during the first half of FY 2015/16.	8 External Relations interventions
	100% Of Communication Channels Utilised	100% of the communication channels were used in communication. These were; 23 feedback engagements held, 5 publications, 86 media communications, 4 virtual & e – communications and 6 showcasing and visibility events were held were used in the first half of FY 2015/16	100% Of planned activities executed.
	100% Of Business process improvement interventions executed	100% business process improvement interventions were conducted. i.e. 2 business process documentation interventions 30 business process review engagements were held.	100% Of Resource management interventions implemented
	100% Of Productivity enhancement interventions implemented	100% productivity enhancement interventions were implemented. These were; 6 performance review engagements with divisional sectional and unit heads in the first half of FY 2015/16.	100% Of Strategic Partners engaged
	100% Of staff motivation interventions executed	Implemented all the planned competence improvement interventions scoring 100% performance. These included; 11 in-house trainings.	100% Of service enhancement interventions executed
	100% Of competence enhancement interventions executed		100% Of Business process improvement interventions executed
	2016/17-2020/2021 Corporate plan developed		
	Joint compliance strategy developed		
	Terminal evaluation of the corporate plan 2011/12-2015/16 conducted		

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## Vote Function: 1454 Revenue Collection & Administration

### Programme 01 Revenue Collection & Administration

Project, Programme	2015/16		2016/17
Vote Function Output <i>US\$ Thousands</i>	Approved Budget, Planned Outputs (Quantity and Location)	Expenditure and Prel. Outputs by End Dec (Quantity and Location)	Proposed Budget, Planned Outputs (Quantity and Location)
		<p>The corporate plan for FY 2016/17 to 2020/21 was developed in line with the NDP and the BFP and MPS for 2016/17 were aligned to the plan.</p> <p>The Joint Compliance strategy was developed.</p> <p>The corporate plan terminal evaluation was conducted and a report produced. This report provided input into the the new corporate plan 2016/17 to 2019/20.</p>	
<b>Total</b>	<b>11,024,778</b>	<b>5,452,389</b>	<b>11,032,778</b>
<i>Wage Recurrent</i>	<i>6,009,760</i>	<i>3,004,880</i>	<i>6,009,760</i>
<i>Non Wage Recurrent</i>	<i>5,015,018</i>	<i>2,447,509</i>	<i>5,023,018</i>
<b>GRAND TOTAL</b>	<b>191,220,084</b>	<b>95,632,295</b>	<b>221,220,084</b>
<i>Wage Recurrent</i>	<i>107,131,553</i>	<i>53,566,000</i>	<i>112,131,553</i>
<i>Non Wage Recurrent</i>	<i>84,088,531</i>	<i>42,066,295</i>	<i>109,088,531</i>

# Vote: 141 URA

## Vote Function: 1454 Revenue Collection & Administration

### Project 0653 Support to URA Projects

#### Project Profile

Responsible Officer: Commissioner General

#### Objectives:

1. Infrastructure Development Project (URA headquarter building)
  - To improve service delivery by providing a one stop center for URA operations in Kampala region
  - Improving staff motivation and productivity through better office facilities for URA staff
  - Reducing tax administration costs-No monthly rental outlays-funds will be used to enhance business elsewhere

Outputs: Expected outputs from URA Headquarter building:

- a) Reduction in operational costs and security risk
- b) Increased staff productivity
- c) Consistent service delivery
- d) Improved URA image
- e) Reduced cost of tax administration
- f) Better service delivery
- g) Improved staff motivation
- h) Reduced taxpayer compliance costs

Start Date: 7/1/2015 Projected End Date: 6/30/2020

#### Donor Funding for Project:

Projected Donor Allocations (US\$)	2014/15 Budget	2015/16 Budget	MTEF Projections		
			2016/17	2017/18	2018/19
549 United Kingdom	3.599	0.000	0.529	0.000	0.000
514 Germany Fed. Rep.	0.000	1.652	1.652	2.087	0.000
<b>Total Donor Funding for Project</b>	<b>3.599</b>	<b>1.652</b>	<b>2.181</b>	<b>2.087</b>	<b>0.000</b>

#### Workplan Outputs for 2015/16 and 2016/17

Project, Programme Vote Function Output <i>US\$ Thousand</i>	2015/16		2016/17	
	Approved Budget, Planned Outputs (Quantity and Location)	Expenditure and Prel. Outputs by End Dec (Quantity and Location)	Proposed Budget, Planned Outputs (Quantity and Location)	
<b>145472 Government Buildings and Administrative Infrastructure</b>	URA Headquarter Building Construction  IDEP Project Admin Costs  <b>Total</b>  <i>GoU Development</i>  <i>External Financing</i>	Construction of the URA headquarter building is ongoing as planned  <b>10,150,000</b>  <i>10,150,000</i>  <i>0</i>	URA Headquarter Building Construction  <b>30,900,000</b>  <i>30,900,000</i>  <i>0</i>	
<b>145475 Purchase of Motor Vehicles and Other Transport Equipment</b>	Vehicle Lease  <b>Total</b>  <i>GoU Development</i>  <i>External Financing</i>	The vehicles were leased and the lease is paid yearly.  <b>2,522,424</b>  <i>2,522,424</i>  <i>0</i>	Vehicles (Finance lease-48 double cabins) paid.  <b>6,044,848</b>  <i>6,044,848</i>  <i>0</i>	
<b>145476 Purchase of Office and ICT Equipment, including Software</b>	ERP-HRMS implementation  Document Processing center  Automated Value Control System  Paws Upgrade  Office Equipment (Projectors, Scanners, PCS, etc..)	Staff were sensitized on ERP and user requirements were collected.  The construction of the document processing center is ongoing.  The procurement of the PAW upgrade is still ongoing.	Enterprise Resource Planning software installed.  Computer Equipment procured  Mini Power House procured.  Dataware House and Business Intelligence installed	

# Vote: 141 URA

<b>Vote Function: 1454 Revenue Collection &amp; Administration</b>				
<b>Project 0653 Support to URA Projects</b>				
Project, Programme Vote Function Output <i>US\$ Thousands</i>	2015/16		2016/17	
	Approved Budget, Planned Outputs (Quantity and Location)	Expenditure and Prel. Outputs by End Dec (Quantity and Location)	Proposed Budget, Planned Outputs (Quantity and Location)	
<b>Total</b>	<b>3,240,000</b>	<b>1,620,000</b>	<b>7,750,444</b>	
<i>GoU Development</i>	<i>3,240,000</i>	<i>1,620,000</i>	<i>7,750,444</i>	
<i>External Financing</i>	<i>0</i>	<i>0</i>	<i>0</i>	
<b>145477 Purchase of Specialised Machinery &amp; Equipment</b>	DR System Implementation	DR system implementation is still ongoing.	.DR Annual Maintenance & Other IT Licences	
<b>Total</b>	<b>13,591,667</b>	<b>6,795,834</b>	<b>10,916,828</b>	
<i>GoU Development</i>	<i>13,591,667</i>	<i>6,795,834</i>	<i>10,916,828</i>	
<i>External Financing</i>	<i>0</i>	<i>0</i>	<i>0</i>	
<b>145478 Purchase of Office and Residential Furniture and Fittings</b>	New furniture acquired	N/A	Acquisition Of Furniture & Fittings	
<b>Total</b>	<b>285,606</b>	<b>142,803</b>	<b>50,000</b>	
<i>GoU Development</i>	<i>285,606</i>	<i>142,803</i>	<i>50,000</i>	
<i>External Financing</i>	<i>0</i>	<i>0</i>	<i>0</i>	
<b>145479 Acquisition of Other Capital Assets</b>	100% Of post MCP activities implemented	Implemented 100% of the post MCP activities during the half year period of FY 2015/16. These activities included; MCP closure event, showcasing of the MCP outputs and achievements, held the last steering committee with development partners, mainstreamed the spilling activities into the URA main stream business and produced the closure report.	DFID & KFW Support Towards the DW -HSE	
<b>Total</b>	<b>4,851,926</b>	<b>2,425,963</b>	<b>2,180,667</b>	
<i>GoU Development</i>	<i>3,200,000</i>	<i>2,425,963</i>	<i>0</i>	
<i>External Financing</i>	<i>1,651,926</i>	<i>0</i>	<i>2,180,667</i>	
<b>GRAND TOTAL</b>	<b>47,314,046</b>	<b>23,657,024</b>	<b>57,842,786</b>	
<i>GoU Development</i>	<i>45,662,120</i>	<i>23,657,024</i>	<i>55,662,120</i>	
<i>External Financing</i>	<i>1,651,926</i>	<i>0</i>	<i>2,180,667</i>	

**Table V3.2: Past and Medium Term Key Vote Output Indicators\***

Vote Function Key Output Indicators and Costs:	2014/15 Outturn	2015/16		MTEF Projections		
		Approved Plan	Releases Prel. Actual	2016/17	2017/18	2018/19
<b>Vote: 141 URA</b>						
<b>Vote Function: 1454 Revenue Collection &amp; Administration</b>						
Percentage of Customs tax Revenue collected against target	N/A	100	103	100	100	100
Percentage of Domestic Tax Revenue collected against target	N/A	100	99.25	100	100	100
Percentage Growth in taxpayer register	N/A	30	9.7	10	12	14
<b>Vote Function Cost (US\$ bn)</b>	<b>208.983</b>	<b>238.534</b>	<b>119.289</b>	<b>279.063</b>	<b>278.969</b>	<b>301.747</b>
<i>VF Cost Excluding Ext. Fin</i>	<i>208.983</i>	<i>236.882</i>	<i>119.289</i>	<i>276.882</i>	<i>N/A</i>	<i>N/A</i>
<b>Cost of Vote Services (US\$ Bn)</b>	<b>208.983</b>	<b>238.534</b>	<b>119.289</b>	<b>279.063</b>	<b>278.969</b>	<b>301.747</b>
<i>Vote Cost Excluding Ext Fin.</i>	<i>208.983</i>	<i>236.882</i>	<i>119.289</i>	<i>279.063</i>	<i>N/A</i>	<i>N/A</i>

\* Excluding Taxes and Arrears

## Medium Term Plans

Focus areas for FY 2016/17

To effectively deliver on her mandate, URA will focus on the following interventions;

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## Vote: 141 URA

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Staff Capacity building; Staff need to be equipped with soft skills like negotiation skills and stakeholder management among others. The training programs will be designed in a sector-based approach. Areas of focus under this will be PODITI, PODITRA, e-commerce, telecommunications, transfer pricing, construction, oil and gas, Customer Relations Management, Gaming & Betting, Data Analysis, audit skills, intelligence and risk management, investigations and internal audit, insolvency, Exchange of information and money laundering.

Staff need to be exposed and build new knowledge in emerging areas like international taxation and steel. This can be achieved through specialised talent sourcing in recruitment and redeployment whilst attaching some staff to organizations with best practice.

Structural review and work load analysis: To effectively execute her strategy, URA will carry out a work load analysis and the structural review. This will have budget implications to cater for additional staff and infrastructure.

Staff Salary and Bonus Payment: In order to retain the high caliber of staff URA has and attract more skilled staff, a case for continuous salary review will be developed in accordance with the cost of inflation index. Following the Public Finance Act 2015, bonus payment will also be included in the budget. This calls for more funding from MTEF allocations.

Strengthen partnerships with withholding tax agents: URA will strengthen partnerships with withholding agents to enhance their compliance. This will be done through continuous tax education on withholding tax and analyzing the impact of tax policies implemented.

Simplifying URA processes: Registration, Filing and Payments Processes will be reviewed to make them simpler. The URA and mobile APPs have been put up. URA will also continue to improve the processes by developing operational processes for flat rates and putting up notices for phased payments.

The Tax Procedures Code (TPC): Implement the Tax Procedures Code (TPC). There is need to accommodate the TPC in e-tax and this will require a budget for change requests.

Strengthen the Risk Management function (JCS & BCM): URA will strengthen the risk management functions through Joint Compliance Strategy and Business Continuity Management. This will be implemented through the real time risk management solution in Customs, strengthening a business intelligence team that picks information from the economy.

Strengthening stakeholder partnerships: URA will strengthen collaboration with stakeholders including KCCA, FIA, NWSC, UMEME, UCC and Ministry of Lands for sharing information on key interventions. Key stakeholders in telecom sector will be engaged regarding Sim-boxing to regulate tax evasion through emerging technologies.

Operationalize the SCT guidelines under the EAC: Strengthen SCT Administration procedures

Reduce revenue leakages: To reduce revenue leakages, Integrity drives including building the URA corporate culture, implementing the electronic fiscal devices, exploring the use of new technology like tax stamps. The research function needs to be strengthened to detect emerging areas like technology and agriculture that provide potential for revenue mobilization. Operational business intelligence will also be implemented. ECTS will be strengthened and extended to Mombasa to enhance cargo tracking. There is also need to strengthen surveillance of operations to include porous borders. A platform for collection of other NTRs will also be prepared.

There is need to acquire science equipment and internal audit tools to increase collections from tax investigation. This will require a budget for equipment and training of staff.

To improve the quality of service: The service management framework will be institutionalized and service roles that champion service across the organization developed. The office concept will be reviewed and updated in relation to the service model. There is need to develop, review existing and institutionalize Standard Operating Procedures (SOPs) across the organization. Additionally, new service areas will be set up in Natete, Kyotera Kyaliwajala and Nansana.

Tax education: Comprehensive and segmented tax education will be carried out during FY 2016/17.

Exchange of Information: To honor the country's international obligations, the multi-lateral agreements on

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tax, URA will implement exchange of information. This will need a budget for administrative costs on implementation of information exchange

## (i) Measures to improve Efficiency

In the financial year 2016/17, the URA revenue target is UGX13,844.60Bn and the following strategies have been developed to realize additional revenue to meet and surpass the target:

URA will focus on the fast growing and risky sectors with high revenue potential as follows:

- Wholesale & Retail sector with revenue projection of UGX.3,438.11Bn
- Manufacturing sector with revenue projection of UGX.3,406.70Bn
- Construction sector with revenue projection of UGX.343.10Bn
- Rental/ Real Estates sector with revenue projection of UGX.184.31Bn

Focus area under each sector include the following:

- Conduct Compliance Risk based Audits
- Conduct Post audit impact assessment
- Proper Receipt utilization/acquisition drives
- Intensify Investigation and Intelligence -
- Taxpayer Registration Expansion Programme-
- Strengthen Tax Education
- Intensify Publicity
- Conduct Stakeholder engagements

To effectively deliver on her mandate, URA will focus on the following interventions;

Staff Capacity building; Staff need to be equipped with soft skills like negotiation skills and stakeholder management among others. The training programs will be designed in a sector-based approach. Areas of focus under this will be PODITI, PODITRA, e-commerce, telecommunications, transfer pricing, construction, oil and gas, Customer Relations Management, Gaming & Betting, Data Analysis, audit skills, intelligence and risk management, investigations and internal audit, insolvency, Exchange of information and money laundering.

Staff need to be exposed and build new knowledge in emerging areas like international taxation and steel. This can be achieved through specialised talent sourcing in recruitment and redeployment whilst attaching some staff to organizations with best practice.

Structural review and work load analysis: To effectively execute her strategy, URA will carry out a work load analysis and the structural review. This will have budget implications to cater for additional staff and infrastructure.

Staff Salary and Bonus Payment: In order to retain the high caliber of staff URA has and attract more skilled staff, a case for continuous salary review will be developed in accordance with the cost of inflation index. Following the Public Finance Act 2015, bonus payment will also be included in the budget. This calls for more funding from MTEF allocations.

Strengthen partnerships with withholding tax agents: URA will strengthen partnerships with withholding agents to enhance their compliance. This will be done through continuous tax education on withholding tax and analyzing the impact of tax policies implemented.

Simplifying URA processes: Registration, Filing and Payments Processes will be reviewed to make them simpler. The URA and mobile APPs have been put up. URA will also continue to improve the processes by developing operational processes for flat rates and putting up notices for phased payments.

The Tax Procedures Code (TPC): Implement the Tax Procedures Code (TPC). There is need to accommodate the TPC in e-tax and this will require a budget for change requests.

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Strengthen the Risk Management function (JCS & BCM): URA will strengthen the risk management functions through Joint Compliance Strategy and Business Continuity Management. This will be implemented through the real time risk management solution in Customs, strengthening a business intelligence team that picks information from the economy.

Strengthening stakeholder partnerships: URA will strengthen collaboration with stakeholders including KCCA, FIA, NWSC, UMEME, UCC and Ministry of Lands for sharing information on key interventions. Key stakeholders in telecom sector will be engaged regarding Sim-boxing to regulate tax evasion through emerging technologies.

Operationalize the SCT guidelines under the EAC: Strengthen SCT Administration procedures

Reduce revenue leakages: To reduce revenue leakages, Integrity drives including building the URA corporate culture, implementing the electronic fiscal devices, exploring the use of new technology like tax stamps. The research function needs to be strengthened to detect emerging areas like technology and agriculture that provide potential for revenue mobilization. Operational business intelligence will also be implemented. ECTS will be strengthened and extended to Mombasa to enhance cargo tracking. There is also need to strengthen surveillance of operations to include porous borders. A platform for collection of other NTRs will also be prepared.

There is need to acquire science equipment and internal audit tools to increase collections from tax investigation. This will require a budget for equipment and training of staff.

To improve the quality of service: The service management framework will be institutionalized and service roles that champion service across the organization developed. The office concept will be reviewed and updated in relation to the service model. There is need to develop, review existing and institutionalize Standard Operating Procedures (SOPs) across the organization. Additionally, new service areas will be set up in Natete, Kyotera Kyaliwajala and Nansana.

Tax education: Comprehensive and segmented tax education will be carried out during FY 2016/17.

Exchange of Information: To honor the country's international obligations, the multi-lateral agreements on tax, URA will implement exchange of information. This will need a budget for administrative costs on implementation of information exchange

## **Table V3.3: Key Unit Costs of Services Provided and Services Funded (Shs '000)**

### **(ii) Vote Investment Plans**

1.UGX.6.0Bn allocated to Enterprise Resource Planning (-HRMS, Financials, Procurement Component) will help achieve the following benefits:

- Improve productivity and efficiency
- Reduce duplication of data
- Empower staff with the right information at the right time
- Improve task management
- Enhance accuracy of data and information
- Ease sharing of information among the staff
- Eliminate most of the manual processes

2.UGX.30Bn allocated to URA HQ Building will help achieve the following:

- Improve service delivery-One stop center for URA operations in Kampala region
- Improve staff productivity and motivation-Better office facilities for URA staff
- Reduce cost of doing business- No monthly rental outlays-funds will be used to enhance business elsewhere

3.UGX.10.9Bn allocated to Disaster Recovery System & IT Licenses will help achieve the following:

- URA operations are largely automated and rely on IT to be available systems like ASYCUDA WORLD, eTAX, ECTS, PROCNET, Mail. These systems reside in the URA data centre and are behind the various services we provide to our taxpayers, partners and other clients.IT systems will sometimes fail and therefore, given how critical these are to the URA business, it is important that when they go down, they are recovered quickly before the business begins to get negatively impacted.

Disaster recovery (DR) is a mechanism that ensures:



# Vote: 141 URA

- Continuity of IT services in the event of a major disruption
- Reduction of impact from known hazards
- Availability – It is estimated that for every hour when URA systems are off we have a delayed revenue of about 2 Billion shillings

URA has embarked on a project that will see this mechanism kick into play to reduce the time taken to recover. The project will also provide the following:

- Improved visibility into performance of IT systems & Services
- Security enhancement (Prevention, Detection, Correction)

4.UGX.0.7Bn allocated to Plant and machinery(mini power house) will help achieve the following:

-To take care of the increased power needs for Nakawa business complex including the new head quarters

5.UGX.1.0 Bn allocated to computer equipment will help replace some old and absolute computers.This will increase staff motivation and productivity.

**Table V3.4: Allocations by Class of Output over the Medium Term**

Billion Uganda Shillings	(i) Allocation (Shs Bn)				(ii) % Vote Budget			
	2015/16	2016/17	2017/18	2018/19	2015/16	2016/17	2017/18	2018/19
Consumption Expenditure(Outputs Provided)	191.2	221.2	201.9	233.8	80.2%	79.3%	72.4%	77.5%
Investment (Capital Purchases)	47.3	57.8	77.1	68.0	19.8%	20.7%	27.6%	22.5%
<b>Grand Total</b>	<b>238.5</b>	<b>279.1</b>	<b>279.0</b>	<b>301.7</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

**Table V3.5: Major Capital Investments (Outputs of class Capital Purchases over 0.5Billion)**

Project, Programme Vote Function Output <i>UShs Thousand</i>	2015/16		2016/17
	Approved Budget, Planned Outputs (Quantity and Location)	Expenditures and Outputs by End Dec (Quantity and Location)	Proposed Budget, Planned Outputs (Quantity and Location)
<b>Vote Function: 14 54 Revenue Collection &amp; Administration</b> <i>Project 0653 Support to URA Projects</i>			
<b>145472 Government Buildings and Administrative Infrastructure</b>	URA Headquarter Building Construction IDEP Project Admin Costs	Construction of the URA headquarter building is ongonig as planned	URA Headquarter Building Construction
<b>Total</b>	<b>20,300,000</b>	<b>10,150,000</b>	<b>30,900,000</b>
<i>GoU Development</i>	20,300,000	10,150,000	30,900,000
<i>External Financingt</i>	0	0	0
<b>145475 Purchase of Motor Vehicles and Other Transport Equipment</b>	Vehicle Lease	The vehicles were leased and the lease is paid yearly.	Vehicles (Finance lease-48 double cabins) paid.
<b>Total</b>	<b>5,044,848</b>	<b>2,522,424</b>	<b>6,044,848</b>
<i>GoU Development</i>	5,044,848	2,522,424	6,044,848
<i>External Financingt</i>	0	0	0
<b>145476 Purchase of Office and ICT Equipment, including Software</b>	ERP-HRMS implementation Document Processing center Automated Value Control System Paws Upgrade Office Equipment (Projectors, Scanners, PCS, etc..)	Staff were sensitized on ERP and user requirements were collected. The construction of the document processing center is ongoing. The procurement of the PAW upgrade is still ongoing.	Enterprise Resource Planning software installed. Computer Equipment procured Mini Power House procured. Dataware House and Business Intelligence installed
<b>Total</b>	<b>3,240,000</b>	<b>1,620,000</b>	<b>7,750,444</b>
<i>GoU Development</i>	3,240,000	1,620,000	7,750,444
<i>External Financingt</i>	0	0	0
<b>145477 Purchase of Specialised Machinery &amp; Equipment</b>	DR System Implementation	DR system implementation is still ongoing.	.DR Annual Mainetenance & Other IT Licences
<b>Total</b>	<b>13,591,667</b>	<b>6,795,834</b>	<b>10,916,828</b>

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Project, Programme Vote Function Output <i>US\$ Thousands</i>	2015/16		2016/17
	Approved Budget, Planned Outputs (Quantity and Location)	Expenditures and Outputs by End Dec (Quantity and Location)	Proposed Budget, Planned Outputs (Quantity and Location)
<i>GoU Development</i>	13,591,667	6,795,834	10,916,828
<i>External Financing</i>	0	0	0
<b>145479 Acquisition of Other Capital Assets</b>	100% Of post MCP activities implemented	Implemented 100% of the post MCP activities during the half year period of FY 2015/16. These activities included; MCP closure event, showcasing of the MCP outputs and achievements, held the last steering committee with development partners, mainstreamed the spilling activities into the URA main stream business and produced the closure report.	DFID & KFW Support Towards the DW -HSE
<b>Total</b>	<b>4,851,926</b>	<b>2,425,963</b>	<b>2,180,667</b>
<i>GoU Development</i>	3,200,000	2,425,963	0
<i>External Financing</i>	1,651,926	0	2,180,667

### (iii) Priority Vote Actions to Improve Sector Performance

#### -Capacity building :

- PODITI, PODITRA, e-commerce, telecom, transfer pricing , construction, oil & gas, Client Relationship Mgt, Gaming &
- Betting , Data Analysis, Audit skills, Intelligence & Risk Mgt, Investigations and internal audit, Exchange of information and money laundering, insolvency & negotiation skills)
- Exposure & attachments (Steel & international taxation)
- Specialized talent sourcing
- Develop and implement sector led programs
- Work load Analysis and Structural Review
- Strengthen Partnership with withholding tax Agents
- Strengthen the PSO function to cover the whole country
- Implement the Tax Procedures Code (TPC)
- Institutionalize the Service Mgt Framework
- Review and update the Office concept in relation to the Service Model
- Operationalize the Single Point of Contact
- Review the Registration, Filing and Payments Processes to make them simpler
- Strengthen the Risk Management function
  - Implement the Real Time Risk Mgt solution (Customs)
  - Set up a Business intelligence team that picks information from the economy.
  - Implement Business Continuity Mgt (BCM)
- Increase collaboration with KCCA, NWSC, UMEME and Lands for sharing information on rental
- Increase collaboration with UCC & Telecom Companies to share information on Sim boxing
- Operationalize the SCT guidelines under the EAC
- Strengthen SCT Administration procedures
- Conduct specialized Tax Education for prioritized Sectors
- Implement operational business intelligence
- Strengthen and extend ECTS to Mombasa
- Set up 4 Service Centers at Kyotera, Natete, Nansana & Kyaliwajala
- Implement the money laundering act and sensitize taxpayers and staff on it
- Intensify Surveillance operations on porous borders
- Create a platform for collection of other NTRs
- Implement the exchange of information(multi-lateral agreement on tax)
- Roll out TREP to other regions
- Develop and implement Mobile Money Tax Payment module

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- Conduct.Post Audit Impact assessment
- Conduct .Proper Receipt utilization/acquisition drives

**Table V3.6: Vote Actions to Improve Sector Performance**

2015/16 Planned Actions:	2015/16 Actual Actions:	2016/17 Planned Actions:	MT Strategy:
<b>Sector Outcome 1: Efficient service delivery through formulation and monitoring of credible budgets.</b>			
Vote Function: 14 54 Revenue Collection & Administration			
<i>VF Performance Issue: Compliance Management-shall focus on: Implementing intelligence management to support prosecution and strengthen the debt management function, Detecting and Deterring tax fraud and Evasion, identifying tax planning schemes.</i>			
<ul style="list-style-type: none"> <li>-Strengthen litigation and prosecution function</li> <li>-Implement the national audit plan</li> <li>-Operationalize the oil and gas division</li> <li>-Implement the joint compliance strategy</li> <li>-Enhance risk selectivity profiling</li> <li>-Strengthen post clearance audits</li> </ul>	<p>Litigation and prosecution process has been strengthened.</p> <p>Oil and gas unit fully functional</p> <p>The joint compliance strategy was developed with support from the IMF consultant and its being implemented.</p> <p>Risk management profiling has been fully enhanced with frequent risk alerts and risk profiles developed.</p> <p>Post clearance audits have been strengthened with 141 comprehensive audits conducted by half year FY 2015/16.</p>	<ul style="list-style-type: none"> <li>-Strengthen capacity of staff in analysis of returns and follow up on any tax issues.</li> <li>-Strengthen High net worth individuals and VIP sections.</li> <li>-Implement the Real Time Risk Mgt solution (Customs)</li> <li>-Strengthen litigation and prosecution function</li> </ul>	<p>Increase collaboration with KCCA, NWSC, UMEME and Lands for sharing information on rental</p> <p>Increase collaboration with UCC &amp; Telecom Companies to share information on Sim boxing</p>
<i>VF Performance Issue: Enhancing staff competence and building capacity for sustainability of operations to achieve the vision by investing in employee development</i>			
<ul style="list-style-type: none"> <li>Implementation of the training planner</li> <li>Operationalise(STRAMAL) Model that is premised on three pillars namely: Strategy: Maintenance &amp; Leadership.</li> </ul>	<p>100 % of the staff development programs under the STRAMAL model were implemented in which 780 staff was trained in the first half of FY 2015/16.</p>	<ul style="list-style-type: none"> <li>Staff Capacity building in PODITI, PODITRA, and identified sectors based on risk analysis.</li> </ul>	<p>Capacity Building: The capacity building program for medium term strategy has been designed in accordance with the Strategy, Maintenance and Leadership (STRAMAL) Model that is premised on three pillars namely: Strategy: Maintenance &amp; Leadership</p>
<i>VF Performance Issue: Strengthen Taxpayer Service Delivery by increasing e-tax Services available, decentralize motor vehicle and licensing services, implement the AEO (Authorized Economic Operator), review client service standards at corporate and departmental level.</i>			
<ul style="list-style-type: none"> <li>-Decentralise revenue services</li> <li>-Design sector focused service packages</li> <li>-Implement tax education programmes</li> <li>-Conduct industry based familiarization visits.</li> <li>-Develop and implement Service enhancement Programmes</li> <li>-Hold Exhibitions</li> </ul>	<p>All revenue services have been decentralized and automated.</p> <p>All tax revenue services are online inline with the sector priorities for the year.</p> <p>All planned tax education programmes such as :publications,tax clinics/hubs,showcasing and visibility events,radio and tv talk shows were implemented among others.</p> <p>All familiarization visits have been conducted in line with</p>	<ul style="list-style-type: none"> <li>-Implement the Tax Procedures Code (TPC)</li> <li>-Institutionalize the Service Management Framework</li> <li>-Review and update the Office concept in relation to the Service Model</li> <li>-Review the Registration, Filling and Payments Processes to make them simpler</li> </ul>	<p>Managing Copmliance Programme:</p> <ul style="list-style-type: none"> <li>-Service Support Enhancement</li> <li>-Customs Business Systems Enhancement</li> <li>-Integrated Tax Systems</li> <li>-Operationalize the Single Point of Contact</li> </ul>

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2015/16 Planned Actions:	2015/16 Actual Actions:	2016/17 Planned Actions:	MT Strategy:
	the compliance strategy.		
	All planned service enhancement programmes under service management and PCA units were implemented.		
	6 showcasing and visibility events were held in the half year period		

## V4: Proposed Budget Allocations for 2016/17 and the Medium Term

This section sets out the proposed vote budget allocations for 2016/17 and the medium term, including major areas of expenditures and any notable changes in allocations.

**Table V4.1: Past Outturns and Medium Term Projections by Vote Function\***

	2014/15 Outturn	2015/16		MTEF Budget Projections		
		Appr. Budget	Releases End Dec	2016/17	2017/18	2018/19
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1454 Revenue Collection & Administration	208.983	238.534	119.289	279.063	278.969	301.747
<b>Total for Vote:</b>	<b>208.983</b>	<b>238.534</b>	<b>119.289</b>	<b>279.063</b>	<b>278.969</b>	<b>301.747</b>

### (i) The Total Budget over the Medium Term

URA MTEF Allocation for the medium term:

2016/17 -UGX.254.063Bn; The major allocations are to Staff costs, Vehicles(Finance lease-48 double cabins),Office maintenance,Computer equipment & Capital development. The latter includes ; Head quarter construction, Enterprise Resource Planning , Vehicle Maintenance , Plant and machinery(mini power house),DR System & IT licences

2017/18-UGX.266.563Bn. The major allocations are to Staff costs, Vehicles(Finance lease-48 double cabins),Office maintenance,Computer equipment & Capital development. The latter includes ; Head quarter construction, Enterprise Resource Planning , Vehicle Maintenance , Plant and machinery(mini power house),DR System & IT licences

2018/19-UGX.287.959Bn. The major allocations are to Staff costs, Vehicles(Finance lease-48 double cabins),Office maintenance,Computer equipment & Capital development. The latter includes ; Head quarter construction, Enterprise Resource Planning , Vehicle Maintenance , ,DR System & IT licences

### (ii) The major expenditure allocations in the Vote for 2016/17

The Ministry of Finance has allocated a total UGX 254.063 billion to URA for the FY 2016/2017.

The budget proposal for the financial year 2016/2017 has been split into; the operational budget (to cater for the routine activities), the capital budget (to cater for development expenditure) and the strategic budget (to cater for interventions and projects that are initiated to improve on business).

The wage bill is UGX 112.131 billion while nonwage is UGX 84.09 Billion. The development capital is 55.66 billion and external financing is 2.181 Billion.

## PROPOSED RECURRENT EXPENDITURE

### A: OPERATIONAL BUDGET

The recurrent expenditure for the financial year 2016/2017 of UGX 191.22 billion has been allocated as follows:

#### Staff costs (56%)

This will cover the staff salary and related benefits (NSSF, Workmen's compensation, Group Life Assurance, medical expenses, Retirement Benefit Scheme contribution, death benefits, gratuity and service

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award).

## Transport and Travel (4%)

This will cover the costs of transport and travel, including motor vehicles repairs and insurance, fuel, public transport, subsistence allowances, regional and international travel and transfer expenses.

## Maintenance Costs (4.3%)

This covers maintenance of building, office equipment including computer equipment, parking yards, and furniture.

## Other Charges/staff development (13.0%)

This covers items like URANET, rent & utility charges, tax payer education, publicity, property rates, staff recruitment costs, staff training costs, legal costs, printing and stationery and program costs among others.

## B: THE CAPITAL AND STRATEGIC BUDGET

22.0 % has been allocated to capital costs to cater for URA Headquarter Building Construction, Disaster Recovery Solution & Vehicle Finance Lease etc

Below is the summary of the proposed recurrent, capital and strategic expenditure budgets for FY 2016/2017.

Staff Costs Ugx142,754,925,130Mn

Travel & Transport costs Ugx 9,183,841,345Mn

Repairs & Maintenance costs Ugx.11,120,888,365Mn

Other charges/staff development costs Ugx.32,774,496,684Mn

Board Expenses Ugx.436,172,480 Mn

Capital/Strategic development costs Ugx.55,661,675,996Mn

Development External Financing Ugx.2,181,000,000Mn

UGX.6.0Bn has been allocated to Enterprise Resource Planning (-HRMS, Financials, Procurement Component). This will improve sharing of information, elimination of manual processes, enhance data accuracy etc...

UGX.30Bn has been allocated to URA HQ Building. Once complete this will be a one stop center for URA operations in Kampala region and will provide better office facilities for URA staff

UGX.10.9Bn has been allocated to Disaster Recovery System & IT Licenses. This will ensure continuity of IT services in the event of a major disruption Reduction of impact from known hazards . Systems will now be available 24/7 – It is estimated that for every hour when URA systems are off we have a delayed revenue of about 2 Billion shillings.

UGX.0.70 Bn has been allocated to Plant and machinery(mini power house). It will take care of the increased power needs for Nakawa business complex including the new head quarters

### **(iii) The major planned changes in resource allocations within the Vote for 2016/17**

There are no major changes in resource allocation from last financial year over the medium term.

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**Table V4.2: Key Changes in Vote Resource Allocation**

Changes in Budget Allocations and Outputs in 2016/17 from 2015/16 Planned Levels:	Justification for proposed Changes in Expenditure and Outputs
<i>Vote Function: 1401 Revenue Collection &amp; Administration</i>	
<b>Output: 1454 01 Customs Tax Collection</b>	
US\$ Bn: 4.320	
<b>Output: 1454 02 Domestic Tax Collection</b>	
US\$ Bn: 3.631	
<b>Output: 1454 05 URA Legal and Administrative Support Services</b>	
US\$ Bn: 21.861	
<b>Output: 1454 72 Government Buildings and Administrative Infrastructure</b>	
US\$ Bn: 10.600	
<b>Output: 1454 75 Purchase of Motor Vehicles and Other Transport Equipment</b>	
US\$ Bn: 1.000	
<b>Output: 1454 76 Purchase of Office and ICT Equipment, including Software</b>	
US\$ Bn: 4.510	Funds are meant for the e-tax linkage system to enhance revenue mobilisation
Increased mobilisation	
<b>Output: 1454 77 Purchase of Specialised Machinery &amp; Equipment</b>	
US\$ Bn: -2.675	Funds were reallocated to other priority areas.
Reduced purchase of specialised machinery	
<b>Output: 1454 79 Acquisition of Other Capital Assets</b>	
US\$ Bn: -2.671	Funds were reallocated to other priority areas.
Reduced purchase of other capital assets	

**Table V4.3: 2016/17 and 2017/18 Budget Allocations by Item**

Million Uganda Shillings	2015/16 Approved Budget			2016/17 Draft Estimates		
	GoU	Ext. Fin	Total	GoU	Ext. Fin	Total
<b>Output Class: Outputs Provided</b>	<b>191,220.1</b>	<b>0.0</b>	<b>191,220.1</b>	<b>221,220.1</b>	<b>0.0</b>	<b>221,220.1</b>
211101 General Staff Salaries	0.0	0.0	0.0	112,131.6	0.0	112,131.6
211102 Contract Staff Salaries (Incl. Casuals, Temp	107,131.6	0.0	107,131.6	0.0	0.0	0.0
211103 Allowances	3,181.2	0.0	3,181.2	5,621.2	0.0	5,621.2
212101 Social Security Contributions	18,533.6	0.0	18,533.6	18,533.6	0.0	18,533.6
213001 Medical expenses (To employees)	3,901.6	0.0	3,901.6	3,901.6	0.0	3,901.6
213002 Incapacity, death benefits and funeral expen	348.2	0.0	348.2	348.2	0.0	348.2
213004 Gratuity Expenses	3,218.6	0.0	3,218.6	4,218.6	0.0	4,218.6
221001 Advertising and Public Relations	1,860.4	0.0	1,860.4	1,860.4	0.0	1,860.4
221002 Workshops and Seminars	1,081.6	0.0	1,081.6	1,181.6	0.0	1,181.6
221003 Staff Training	3,000.0	0.0	3,000.0	3,000.0	0.0	3,000.0
221004 Recruitment Expenses	50.0	0.0	50.0	50.0	0.0	50.0
221006 Commissions and related charges	436.2	0.0	436.2	436.2	0.0	436.2
221007 Books, Periodicals & Newspapers	91.2	0.0	91.2	91.2	0.0	91.2
221008 Computer supplies and Information Technol	7,859.0	0.0	7,859.0	21,170.0	0.0	21,170.0
221009 Welfare and Entertainment	520.0	0.0	520.0	520.0	0.0	520.0
221010 Special Meals and Drinks	5,820.9	0.0	5,820.9	5,817.5	0.0	5,817.5
221011 Printing, Stationery, Photocopying and Bind	1,641.5	0.0	1,641.5	1,641.5	0.0	1,641.5
221014 Bank Charges and other Bank related costs	118.9	0.0	118.9	118.9	0.0	118.9
221017 Subscriptions	320.4	0.0	320.4	320.4	0.0	320.4
222001 Telecommunications	720.0	0.0	720.0	720.0	0.0	720.0
222002 Postage and Courier	144.0	0.0	144.0	244.0	0.0	244.0
222003 Information and communications technolog	5,100.0	0.0	5,100.0	5,100.0	0.0	5,100.0
223001 Property Expenses	19.5	0.0	19.5	19.5	0.0	19.5
223002 Rates	293.2	0.0	293.2	293.2	0.0	293.2
223003 Rent – (Produced Assets) to private entities	5,394.0	0.0	5,394.0	5,391.4	0.0	5,391.4
223004 Guard and Security services	2,246.9	0.0	2,246.9	2,413.4	0.0	2,413.4
223005 Electricity	1,443.0	0.0	1,443.0	1,470.0	0.0	1,470.0
223006 Water	436.6	0.0	436.6	409.6	0.0	409.6

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Million Uganda Shillings	2015/16 Approved Budget			2016/17 Draft Estimates		
	GoU	Ext. Fin	Total	GoU	Ext. Fin	Total
224004 Cleaning and Sanitation	604.4	0.0	604.4	604.4	0.0	604.4
225001 Consultancy Services- Short term	356.0	0.0	356.0	356.0	0.0	356.0
226001 Insurances	2,354.3	0.0	2,354.3	2,954.3	0.0	2,954.3
227001 Travel inland	2,713.4	0.0	2,713.4	4,842.4	0.0	4,842.4
227002 Travel abroad	1,302.6	0.0	1,302.6	1,386.0	0.0	1,386.0
227003 Carriage, Haulage, Freight and transport hir	308.1	0.0	308.1	334.1	0.0	334.1
227004 Fuel, Lubricants and Oils	2,723.8	0.0	2,723.8	2,723.8	0.0	2,723.8
228001 Maintenance - Civil	513.0	0.0	513.0	2,463.0	0.0	2,463.0
228002 Maintenance - Vehicles	2,138.9	0.0	2,138.9	2,938.9	0.0	2,938.9
228003 Maintenance – Machinery, Equipment & Fu	2,696.7	0.0	2,696.7	4,996.7	0.0	4,996.7
228004 Maintenance – Other	157.6	0.0	157.6	157.6	0.0	157.6
273102 Incapacity, death benefits and funeral expen	150.0	0.0	150.0	150.0	0.0	150.0
282102 Fines and Penalties/ Court wards	289.0	0.0	289.0	289.0	0.0	289.0
<b>Output Class: Capital Purchases</b>	<b>45,662.1</b>	<b>1,651.9</b>	<b>47,314.0</b>	<b>55,662.1</b>	<b>2,180.7</b>	<b>57,842.8</b>
281504 Monitoring, Supervision & Appraisal of cap	3,200.0	1,651.9	4,851.9	0.0	2,180.7	2,180.7
312101 Non-Residential Buildings	20,300.0	0.0	20,300.0	30,900.0	0.0	30,900.0
312104 Other Structures	3,030.0	0.0	3,030.0	0.0	0.0	0.0
312201 Transport Equipment	5,044.8	0.0	5,044.8	6,044.8	0.0	6,044.8
312202 Machinery and Equipment	13,801.7	0.0	13,801.7	18,667.3	0.0	18,667.3
312203 Furniture & Fixtures	285.6	0.0	285.6	50.0	0.0	50.0
<b>Grand Total:</b>	<b>236,882.2</b>	<b>1,651.9</b>	<b>238,534.1</b>	<b>276,882.2</b>	<b>2,180.7</b>	<b>279,062.9</b>
<i>Total Excluding Taxes and Arrears</i>	<i>236,882.2</i>	<i>1,651.9</i>	<i>238,534.1</i>	<i>276,882.2</i>	<i>2,180.7</i>	<i>279,062.9</i>

## V5: Vote Cross-Cutting Policy and Other Budgetary Issues

This section discusses how the vote's plans will address and respond to the cross-cutting policy, issues of gender and equity; HIV/AIDS; and the Environment, and other budgetary issues such as Arrears and NTR..

### (i) Cross-cutting Policy Issues

#### (a) Gender and Equity

##### **Objective:** 3. Promote Gender Sensitivity

*Issue of Concern :* Gap in Gender sensitivity in Tax education

##### *Proposed Interventions*

- Conduct Tax education targeting women in Business
- Conduct Tax Clinic targeting PWDs
- Conduct Tax Clinics targeting youth between 10 -21 years
- Conduct sensitization on tax issues targeting elderly persons

*Budget Allocations* UGX billion 0.24

*Performance Indicators*

- Proportion of women trained
- Number of PWDs trained
- Number of youth between 10 -21 years trained
- Number of elderly persons engaged on tax issues

##### **Objective:** 2.. Promote Gender responsiveness

*Issue of Concern :* Gap on Gender responsiveness

##### *Proposed Interventions*

- Conduct 6 sensitizations on Sexual harassment
- Conduct 4 sensitizations to staff on Gender and Equity in the workplace in the Central, Eastern, Western and Northern Regions.
- Conduct 4 Gender equity tax clinics targeting PWDs in Business in the Central, Eastern, Western and Northern Regions.

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•Conduct 4 Gender equity tax clinics targeting youth and women in the Central, Eastern, Western and Northern Regions.

*Budget Allocations* UGX billion 3.3

*Performance Indicators* Number of Gender responsiveness interventions held

**Objective:** 1.. Promote equity responsiveness

*Issue of Concern* : Gap on equity responsiveness in Tax Administration

*Proposed Interventions*

•Next year URA will hold tax clinic specifically targeting the disabled in Business, the youth and women.

•Equal opportunities employment program which is not gender biased will be implemented.

•An average of 100 youth will be employed on the annual Graduate trainee recruitment Program.

*Budget Allocations* UGX billion 0.13

*Performance Indicators* 1. Number of equity Responsive intervention held

## (b) HIV/AIDS

**Objective:** Improve support to staff and their family members who are affected with HIV/AIDS

*Issue of Concern* : Staff and their family members affected with HIV/AIDS need extra support besides the general medical insurance provided to staff.

*Proposed Interventions*

Provide a special fund to cater for staff and their family members affected with HIV/AIDS.

*Budget Allocations* UGX billion 0.3

*Performance Indicators* The amount of money from MTEF allocated to support staff and their family members affected with HIV/AIDS.  
Number of staff and their family members affected with HIV/AIDS supported

## (c) Environment

**Objective:** Improve staff sensitisation on preserving the environment

*Issue of Concern* : Some staff do not appreciate the importance of preserving the environment

*Proposed Interventions*

Develop and implement environmental protection initiatives

*Budget Allocations* UGX billion 0

*Performance Indicators* Number of environmental protection initiatives implemented

## (ii) Non Tax Revenue Collections