

Vote:141 URA

Vote Summary

VI: Vote Overview

This section sets out the Vote Mission, Strategic Objectives, and provides a description of the vote's services

(i) Snapshot of Medium Term Budget Allocations

Table V1.1: Overview of Vote Expenditures (US\$ Billion)

	FY2015/16 Outturn	FY2016/17		MTEF Budget Projections				
		Approved Budget	Spent by End Q1	FY2017/18	FY2018/19	FY2019/20	FY2020/21	FY2021/22
Recurrent Wage	107.132	112.132	28.033	133.964	140.662	147.696	155.080	162.834
Non Wage	84.133	108.389	26.752	176.556	218.227	240.050	276.058	317.466
Devt. GoU	47.314	55.662	14.461	52.640	60.536	72.643	87.171	174.343
Ext. Fin.	0.000	2.181	0.000	2.213	0.000	0.000	0.000	0.000
GoU Total	238.579	276.182	69.246	363.160	419.426	460.389	518.309	654.643
Total GoU+Ext Fin (MTEF)	238.579	278.363	69.246	365.372	419.426	460.389	518.309	654.643
<i>A.I.A Total</i>	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Grand Total	238.579	278.363	69.246	365.372	419.426	460.389	518.309	654.643

(ii) Vote Mission Statement

To Provide excellent revenue services with purpose and passion.

Table V1.2: Sector Outcomes and Key Output Indicators

Programme :	49 Administration and Support Services			
Programme Outcome:	Efficient and effective institutional performance			
Objective :	Improve institutional performance			
Responsible Officer:	Doris Akol			
Programme Performance Indicators (Output)	2016/17 Target	2017/18 Target	2018/19 Target	2019/20 Target
<i>Sector Outcome : Sustainable Economic Stability</i>				
N / A				
Programme :	54 Revenue Collection & Administration			
Programme Outcome:	Maximum revenue			
Objective :	Maximise Revenue			
Responsible Officer:	Doris Akol			

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Programme Performance Indicators (Output)	2016/17 Target	2017/18 Target	2018/19 Target	2019/20 Target
<i>Sector Outcome : Sustainable Economic Stability</i>				
• Percentage of Customs tax Revenue collected against target	100	100%	100%	100%
• Average filling ratio	87	87%	88%	89%
• Percentage Growth in taxpayer register	10	10%	10%	10%
• Percentage of Domestic Tax Revenue collected against target	100	100%	100%	100%

V2: Past Vote Performance and Medium Term Plans

Performance for Previous Year FY 2015/16

1. Revenue collection to target was at 96.52%
2. compliance level was at 69%
3. Tax administration cost was at 2.19%

Performance as of BFP FY 2016/17 (Performance as of BFP)

1. Net revenue collections was at UGX 2,8156 Bn posting a growth of 14.26%
2. 35,338 Tax Payers registered growth of 3.92%
3. 1,055 Tax audits carried out yielding UGX 58.96Bn in assessment out of which UGX 13.58Bn collected
4. Total Arrears collected UGX 30.06Bn
5. Enforcement interventions generated UGX 8.96 Bn

Table V2.1 Past and FY 2017/18 Key Outputs

FY2016-2017		FY 2017-2018	
Appr. Budget and Planned Outputs	Expenditures and Achievements by end Q1	Proposed Budget and Planned Outputs	
Vote: 141 URA			
<i>Program :49 Administration and Support Services</i>			
Output : 04 Internal Audit and Compliance			
		1. 65% Audits and Compliance queries verified 2. 80% Audit and Compliance review findings adopted by clients	
Total Output Cost(Ushs Bn):	0.000	0.000	5.052
Output : 05 Administrative Support Services			
		1. Timely revenue reconciliation and reporting strengthened Programme Based Budgeting implemented for 7 departments 2. Average service turnaround time improved to 1.2 days 3. 100% Employee stability Level 4. 85% Staff motivation level	
Total Output Cost(Ushs Bn):	0.000	0.000	55.469

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Output : 06 Public Awareness and Tax Education/Modernization			
			10 Tax education outreaches to University students. Tax education outreaches to Commerce/Entrepreneurship teachers 160 Sector focused Tax clinics/hubs - DT & Customs 16 Tax Literature/materials (Includes taxation handbook) 8 Education strips in Media
Total Output Cost(Ushs Bn):	0.000	0.000	11.400
Output : 07 Legal services			
			UGX 75 Billions of tax arrears collected 60% of cases won/settled in URA's favour
Total Output Cost(Ushs Bn):	0.000	0.000	6.391
Total Program Cost (Ushs Bn):	0.000	0.000	78.312
Program :54 Revenue Collection & Administration			
Output : 01 Customs Tax Collection			

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<p>100% Customs revenue collection to target.</p> <p>30% Recovery of collectable Arrears.</p> <p>280 Audits completed.</p>	<p>91.92% quarterly revenue collection to target was achieved; (UGX 1,267.92 Billion Collected against a target of UGX 1,379.37 Billion).</p>	<p>Customs Collection 6.56Trillion</p> <p>Collect 80% of total collectable arrears</p> <p>Complete 250 audits</p> <p>Electronic Cargo trucking extended to Mombasa</p> <p>Improved clearance time for Imports to 2 days</p> <p>Improved clearance time for Exports to 4hours</p> <p>Improved clearance time</p>
	<p>8% reduction collectible arrears achieved against a target of 7.5% (Out of the UGX 32.386 Billion of Collectible Carried Forward Arrears, UGX 2.625 Billion was paid up)</p>	
	<p>59 Comprehensive audits and 3 issue audits were conducted.</p>	
<p>Total Output Cost(Ushs Bn):</p>	<p>56.946</p>	<p>14.237</p>
<p>Output : 02 Domestic Tax Collection</p>		

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<p>100% Domestic taxes revenue collection to target</p> <p>87% Average filing ratio(VAT:87.3%;LED:87%).</p> <p>102 Bn of collectable arrears at the beginning of the year excluding Government arrears.</p> <p>2486 Audits completed</p> <p>10%(100,000) Increase in general taxpayer regi</p>	<p>101.33% revenue collections was achieved against Quarterly Domestic targets. (UGX 1,547.64 Billion was collected against a target of UGX 1,527.33 Billion)</p>	<p>Total DT collections 9.84Trillion</p> <p>87% VAT Filling Ratio</p> <p>87% PAYE Filling Ratio</p> <p>Collect 40% of Total collectable arrears</p> <p>Complete 1500 audits</p> <p>Register an additional 150,000 taxpayers</p>	
	<p>Average filing was VAT: 81%; LED: 81% in Q1.</p>		
	<p>UGX 32.95 Billion of collectable arrears at the beginning of the year was recovered, excluding government arrears.</p>		
	<p>565 Audits were completed in Q1.</p>		
	<p>35, 338 taxpayers registered in Q1.</p>		
<p>Total Output Cost(Ushs Bn):</p>	<p>67.782</p>	<p>16.946</p>	<p>95.540</p>
<p>Output : 03 Tax Investigations</p>			

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20 Cases recommended for prosecution	Evidence was collected on 4 fraudulent persons.	Conduct and conclude Investigations on 75 cases. Recommend 20 cases for Prosecution	
75 Cases investigated to conclusion	One (1) person was recommended for prosecution.		
	Investigations were concluded on 15 fraudulent persons as per the plan drawn for the quarter.		
	One (1) Strategic brief was developed and presented to the Board.		
	Three (3) tactical intelligence reports developed and sent to stakeholders.		
Total Output Cost(Ushs Bn):	6.009	1.502	6.863
Output : 04 Internal Audit and Compliance			
	25 audit reports were produced and issued.		
	8 investigation reports were produced.		
	There was no compliance reports produced.		
Total Output Cost(Ushs Bn):	5.030	1.258	0.000
Output : 06 Public Awareness and Tax Education/Modernization			

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	<p>4 tax education awareness interventions implemented namely;</p> <ul style="list-style-type: none"> • Tax clinics and outreaches, • Taxation announcements on radios, • Tax literature, • Tax exhibitions. <p>2 show case & visibility interventions, i.e.</p> <ul style="list-style-type: none"> • Participated in the Public Relations Association of Uganda (PRAU) event and • Sports and Games activities executed (16 Kids league games, 3 corporate League Outings, 22 URA FC games) <p>1 Researches and evaluation intervention carried out.</p>		
Total Output Cost(Ushs Bn):	10.333	2.583	0.000
Total Program Cost (Ushs Bn):	146.100	36.525	193.790
Total Vote Cost (Ushs Bn):	146.100	36.525	272.102

FY 2017/18 Planned Outputs

1. Revenue collection to target is 100% (UGX 14,256.9Bn)
2. Compliance level 73%
3. Administration cost as percentage of revenue 2.9% (UGX 408.85Bn)
4. Registration of 150,000 tax payers
5. Completion of 1,750 audits(Domestic Taxes and Customs)
6. Collection of UGX 75Bn tax arrears

Medium Term Plans

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1. Implement a joint risk compliance strategy. This is a concerted effort by Customs, Domestic Taxes and Tax Investigations to jointly assess risks, conduct audits and carry out enforcement activities on non-compliant clients.
2. Implement Tax register expansion project; This is a collaboration effort with between URA, URSB, KCCA and Local government to jointly manage the tax payer Identification and registration activities.
3. Implement trade facilitation initiatives including the implementation of One Stop Border Posts at Katuna, enhancing 24 hour service and expansion of the Authorised Economic Operator(AEO) program
4. Strengthen Debt recovery
5. Strengthen litigation
6. Implement tax education programs widening tax education coverage and targeting specific sectors and categories of persons.
7. Implement Taxpayer appreciation initiatives intended to build a culture of voluntary compliance.
8. Implement client support and customisation initiatives by identification segmentation of clients to provide specialised attention to specific needs.
9. Implement model service centre concept for efficient service delivery
10. Implement a comprehensive staff training, capacity development and maintenance programs(PODITRA, PODICA, PODITI, Data Analysis, Risk Analysis and International taxation and transfer pricing methodologies)
11. Implement business process management program. This covers the etax system upgrade and maintenance, Asycuda world and process reviews, documentation & standardisation.
12. Develop and Maintain IT business integrated solutions for business continuity like Data Ware House and the ERP-HR module implementation
13. Implement IT reliability enhancement programs for IT security enhancement and IT service performance management.

Efficiency of Vote Budget Allocations

1. Implement the Program Based Budgeting
2. Implement resource optimisation program for improved utilisation of allocated resources.
3. Implement Revenue management and reporting mechanism
4. Implement the TADAT framework recommendations on identification, registration, filing, payment and compliance processes.
5. Enhanced utilisation of data analysis through the Data Ware House to enhance risk profiling and decision making.
6. Taping more revenues through assessment of key economic sector value chains like agriculture, construction, real estate, tourism and transport.
7. Reviewing and implementing changes to the audit and risk functions.

Table V2.2 Allocations to Key Sector and Service Delivery Outputs Over the Medium Term

<i>Billion Uganda Shillings</i>	(i) Allocation				(ii) % Vote Budget			
	2016/17	2017/18	2018/19	2019/20	2016/17	2017/18	2018/19	2019/20
Key Sector	21.371	85.175	94.131	110.325	14.6%	31.3%	39.7%	42.0%
Service Delivery	124.729	186.927	142.864	152.090	85.4%	68.7%	60.3%	58.0%

Table V2.3 Key Unit Costs of Services Provided and Services Funded (Shs '000)

N / A

Vote Investment Plans

1. URA Headquarter Building
2. Enterprise Resource Planning implementation
3. Infrastructure Development Enhancement Project
4. Vehicles/ Finance lease
5. Disaster Recovery Systems and IT licences
6. Data warehouse
7. Office equipment

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V2.4 Allocations by Class of Output Over the Medium Term

<i>Billion Uganda Shillings</i>	(i) Allocation				(i) % Vote Budget			
	2016/17	2017/18	2018/19	2019/20	2016/17	2017/18	2018/19	2019/20
Consumption Expenditure (Outputs Provided)	220.520	272.102	286.495	316.864	79.2%	82.5%	81.7%	82.1%
Grants and Subsidies (Outputs Funded)	0.000	0.000	0.000	0.000	0.0%	0.0%	0.0%	0.0%
Investment (Capital Purchases)	57.843	57.875	63.982	69.175	20.8%	17.5%	18.3%	17.9%
Total	278.363	329.977	350.477	386.039				

Table V2.5: Major Capital Investment (Capital Purchases outputs over 0.5Billion)

FY 2016/17		FY 2017/18	
Appr. Budget and Planned Outputs	Expenditures and Achievements by end Q1	Proposed Budget and Planned Outputs	
Vote 141 URA			
Programme : 49 Administration and Support Services			
Development Project : 0653 Support to URA Projects			
Output: 75 Purchase of Motor Vehicles and Other Transport Equipment			
		Acquire 90 vehicles	
Total Output Cost(Ushs Thousand):	0.000	0.000	3.022
Gou Dev't:	0.000	0.000	3.022
Ext Fin:	0.000	0.000	0.000
A.I.A:	0.000	0.000	0.000
Output: 76 Purchase of Office and ICT Equipment, including software			
		Implement and maintain the ERP system Implement the Disastor Recovery System Acquire Scanners,Air conditioners etc..	
Total Output Cost(Ushs Thousand):	0.000	0.000	20.830
Gou Dev't:	0.000	0.000	18.617
Ext Fin:	0.000	0.000	2.213
A.I.A:	0.000	0.000	0.000
Output: 79 Acquisition of Other Capital Assets			
		Implement the Data Warehouse & Business Intelligence System	
Total Output Cost(Ushs Thousand):	0.000	0.000	30.900
Gou Dev't:	0.000	0.000	30.900

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Ext Fin:	0.000	0.000	0.000
A.I.A:	0.000	0.000	0.000

V3: Proposed Budget Allocations for 2017/18 and the Medium Term Projections

Table V3.1: Past Expenditure Outturns and Medium Term Projections by Programme*

Billion Uganda shillings	FY 2016/17			Medium Term Projections				
	FY 2015/16 Outturn	Approved Budget	Actual Releases by End Q1	2017-18	2018-19	2019-20	2020-21	2021-22
Vote :141 URA								
Programme: 49 Administration and Support Services	0.000	0.000	0.000	171.582	220.812	246.691	344.036	391.953
Programme: 54 Revenue Collection & Administration	238.579	278.363	69.246	193.790	198.614	213.698	174.273	262.690
Total for the Vote	238.579	278.363	69.246	365.372	419.426	460.389	518.309	654.643

Major Expenditure Allocations in the Vote for FY 2017/18

The Ministry of Finance has indicated a total UGX 365.372 Billion as the MTEF allocation to URA for the FY 2017/18.

The budget proposal for the financial year 2017/2018 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 133.96 Billion while nonwage is UGX 176.556 Billion. The development capital is 52.64 Billion and external financing is 2.21 Billion.

PROPOSED RECURRENT EXPENDITURE

A: OPERATIONAL BUDGET

The recurrent expenditure for the financial year 2017/2018 of UGX 310.52 Billion has been allocated as follows:

Staff costs (47.69%)

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 award).

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Transport and Travel (3.09%)

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 (21.40%)

This covers maintenance of building, office equipment including computer equipment, ICT software & licences like ECTS, e-Tax, MS office, parking yards & roads, and furniture maintenance.

Other Charges/staff development (12.8%)

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

15.01 % has been allocated to capital costs to cater for URA Headquarter Building Construction, ERP Implementation, Disaster Recovery Solution, Vehicle Finance Lease etc.

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 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, ERP , Disaster Recovery Solution & Vehicle Finance Lease etc

Below is the summary of the proposed recurrent, capital and strategic expenditure budgets for FY 2017/2018

Staff Costs Ugx144.71 Bn

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Travel & Transport costs Ugx 10.36 Bn

Repairs & Maintenance costs Ugx 20.21Bn

Other charges/staff development costs Ugx.45.21 Bn

Capital/Strategic development costs Ugx.55,66 Bn

Development External Financing Ugx.2.21Bn

Table V3.2: Key Changes in Vote Resource Allocation

Major changes in resource allocation over and above the previous financial year	Justification for proposed Changes in Expenditure and Outputs
<i>Vote :141 URA</i>	
<i>Programme : 49 URA</i>	
Output: 04 Internal Audit and Compliance	
Change in Allocation (UShs Bn) : 5.052	Increase activities towards internal compliance checks.
Output: 05 Administrative Support Services	
Change in Allocation (UShs Bn) : 55.469	1. Enhance IT systems & Maintenance 2. Improving staff benefits and welfare to match the changes in costs if living. 3. Staff capacity building.
Output: 06 Public Awareness and Tax Education/Modernization	
Change in Allocation (UShs Bn) : 11.400	1. Enhancing sector based tax payers education. 2. Conducting researches 3. Facilitation of stakeholder engagements.
Output: 07 Legal services	
Change in Allocation (UShs Bn) : 6.391	Debt recovery and litigation cases facilitation.
Output: 75 Purchase of Motor Vehicles and Other Transport Equipment	
Change in Allocation (UShs Bn) : 6.045	Motor Vehicle lease payments for 90 new vehicles.
Output: 76 Purchase of Office and ICT Equipment, including software	
Change in Allocation (UShs Bn) : 20.830	1. ERP Implementation 2. DR system and IT licenses 3.Data WareHouse and BI Maintenance
Output: 77 Purchase of Specialised Machinery and Equipment	
Change in Allocation (UShs Bn) : 0.050	Purchase of office equipment items
Output: 78 Purchase of Office and Residential Furniture and Fittings	
Change in Allocation (UShs Bn) : 0.050	Purchase of new office furniture and fittings.
Output: 79 Acquisition of Other Capital Assets	
Change in Allocation (UShs Bn) : 30.900	Full filing the URA HQ contractual obligations.
<i>Programme : 54 URA</i>	
Output: 01 Customs Tax Collection	

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Change in Allocation (US\$ Bn) :	34.440	Procuring 15 Scanners, Deployment of 30 additional staff to Single Customs Territory, Implementation of Customs Valuation Controls
Output: 02 Domestic Tax Collection		
Change in Allocation (US\$ Bn) :	27.758	Anticipated staffing requirements to operate the yet to be established service centres in the newly created districts.
Output: 03 Tax Investigations		
Change in Allocation (US\$ Bn) :	0.855	Enhancing investigations & intelligence
Output: 04 Internal Audit and Compliance		
Change in Allocation (US\$ Bn) :	(5.030)	Proposed increase on internal compliance check activities.
Output: 05 URA Legal and Administrative Support Services		
Change in Allocation (US\$ Bn) :	(74.420)	1. Facilitation of staff capacity building 2. Improving staff benefits and welfare to match the changes in Costs of Living. 3. Enhancing IT systems . 3. Debt recovery and litigation facilitation.
Output: 06 Public Awareness and Tax Education/Modernization		
Change in Allocation (US\$ Bn) :	(10.333)	1. Enhancing sector based tax payers' education 2. Conducting researches 3. Facilitation of stakeholder engagements
Output: 72 Government Buildings and Administrative Infrastructure		
Change in Allocation (US\$ Bn) :	(30.900)	Full filing contractual obligations towards URA HQ building.
Output: 75 Purchase of Motor Vehicles and Other Transport Equipment		
Change in Allocation (US\$ Bn) :	(6.045)	Purchase of 90 new vehicle (lease payments)
Output: 76 Purchase of Office and ICT Equipment, including Software		
Change in Allocation (US\$ Bn) :	(7.750)	1. ERP Implementation 2. Purchase of computer equipment .
Output: 77 Purchase of Specialised Machinery & Equipment		
Change in Allocation (US\$ Bn) :	(10.917)	1. DR system and IT licenses
Output: 78 Purchase of Office and Residential Furniture and Fittings		
Change in Allocation (US\$ Bn) :	(0.050)	Acquisition of new office furniture and fittings.
Output: 79 Acquisition of Other Capital Assets		
Change in Allocation (US\$ Bn) :	(2.181)	DWH and BI Maintenance

V4: Vote Challenges for 2017/18 and the Medium Term

Vote Challenges for FY 2017/18

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1. Inadequate funding for prioritized initiatives
2. Increasing IT disruptions due to obsolescence of IT assets
3. Inadequate staff strength and reach
4. Loss of skilled staff to higher paying institutions
5. Dumping and diversion of cargo
6. Incomplete implementation of EAC customs regional initiatives
7. Increasing stock of obsolete assets
8. Increasing smuggling

Table V4.1: Additional Output Funding Requests

Additional requirements for funding and outputs in 2017/18	Justification of requirement for additional outputs and funding
Vote 141 -- URA	
Programme : 49 -- Administration and Support Services	
Output : 05 Administrative Support Services	
Funding requirement US\$ Bn : 61.690	This will reduce the increasing corruption rate , attrition of experienced staff to other organisations and improve morale
Output : 72 Government Buildings and Administrative Infrastructure	
Funding requirement US\$ Bn : 43.000	The Building will enable us save the high rental costs (USD 4M Annual)
Output : 07 Legal services	
Funding requirement US\$ Bn : 0.200	For legal fees & expenses
Programme : 54 -- Revenue Collection & Administration	
Output : 05 URA Legal and Administrative Support Services	
Funding requirement US\$ Bn : 83.790	Increase staff morale and reduce staff attrition in URA and increase revenue collections eventually.
Output : 06 Public Awareness and Tax Education/Modernization	
Funding requirement US\$ Bn : 9.410	Tax payer education is critical to enhancing tax payer knowledge and awareness of tax matters and eventual compliance
Output : 02 Domestic Tax Collection	
Funding requirement US\$ Bn : 19.660	This will enhance compliance by tax payers, update the taxpayer register and improve system availability and the forward & backward linkages between government agencies that have already been created will be affected and thus not fruitful. The TPC will not be implemented as directed by government.
Output : 01 Customs Tax Collection	
Funding requirement US\$ Bn : 7.640	URA is a member of the WCO and is accredited to the Kyoto Convention that focuses on the use of Risk management and post audit clearance best practices as a key driver for Trade facilitation and Compliance. Effective Revenue Collection and detection of fraud stands to remain a challenge if we continue to ignore the adoption of the framework of standards and practices.