

General Lines : +256 414 250 534/6
: +256 414 250 557/8
Minister : +256 414 251003
Minister of State : +256 414 251004
Permanent Secretary : +256 414 251002
Email : ps@publicservice.go.ug
Website : www.publicservice.go.ug



THE REPUBLIC OF UGANDA

MINISTRY OF PUBLIC SERVICE
PLOT 12 NAKASERO HILL ROAD
P.O. BOX 7003
KAMPALA
UGANDA

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Responsible Officers,
Ministries, Departments, Agencies, Local Governments

CIRCULAR LETTER NO.3 OF 2022

STRENGTHENING THE MANAGEMENT OF RECRUITMENT, WAGE, PENSION AND GRATUITY IN THE PUBLIC SERVICE

Under Establishment Notice No. 1 of 2022, this Ministry issued Guidelines on the Human Resource Management functions in the Public Service including the management of recruitment, wage, pension and gratuity in the FY 2022/23.

The above guidance notwithstanding, there were gross distortions observed on the payrolls of July and August 2022 for various Ministries, Departments, Agencies and Local Governments that are still on Integrated Personnel and Payroll System (IPPS). The distortions manifested in the following forms:

1. Payment of science salary to non-science personnel and vice versa;
2. Payment of salary amounts that are not aligned to employees' positions, grades and salary scales;
3. Access of Public Officers on the payroll whose recruitment was not cleared by Ministry of Public Service and therefore, wage availability in the budget of FY 2022/23 was not confirmed;
4. Recruitment beyond the cleared number of positions to be filled;
5. Employees on the payroll against positions that are not in the approved structure of the respective MDAs/LGs; and
6. Payment of employees in wrong payroll categories e.g a Secondary School Teacher paid from the wage of Primary Health Care.

The above distortions have occasioned budget shortfalls for wage, pension and gratuity leading to recurrent and unending supplementary requests for additional funds. Sometimes this has caused Public Officers, pensioners and beneficiaries to miss salary, pension and gratuity payments respectively.

During inter-Ministerial engagements convened to deliberate on these irregularities, it was established that the payroll distortions are orchestrated by Human Resource Officers and Responsible Officers who adjust the salary, pension and gratuity payment files that Ministry of Public Service sends to the IPPS/IFMS interface folder. The adjusted files are subsequently loaded onto the Integrated Financial Management System (IFMS) using a Data Loader for eventual payment. This breeds variations in the salary, pension and gratuity processed on the IPPS and what is finally paid on the IFMS.

As a medium to long term strategy, Government is currently implementing an Integrated Human Capital Management System (HCM) that has seamlessly integrated with IFMS. The salary, pension and gratuity payment invoices are transmitted directly from HCM to IFMS thereby eliminating the human-to-system interventions and the resultant alterations. HCM is being implemented in a phased manner with a plan to roll it out to all MDAs and LGs by 30th June 2024.

In the immediate, Government has adopted the following measures to strengthen the management of wage, pension and gratuity among the MDAs and LGs that are still using the IPPS:

1. Effective October 2022, Ministry of Public Service will provide a preliminary payroll for the respective MDAs/LGs to review and concur. Should there be any further changes to be made, the designated Data Entrant and approver will make the necessary changes on IPPS which will be picked in the final calculation. If there are errors identified in the preliminary payment files that might have been occasioned by the calculation process and not rectifiable by users at the Vote, they should be returned to the Ministry of Public Service for correction;
2. Ministry of Finance, Planning and Economic Development will decommission the use of the Data Loader for upload of Salary, Pension and Gratuity payments on IFMS. Therefore, upon making the necessary corrections in the preliminary payrolls, payment files generated from IPPS after the final calculation will be loaded on the IPPS/IFMS interface folder. MDAs/LGs will be able to download the final payment files in a "Read Only" mode for eventual transmission to IFMS. If the records in the final payment file require further corrections, the MDA/LG will drop the payment file in the errors folder for further review by Ministry of Public Service and the MDA/LG.
3. Responsible Officers shall undertake monthly reconciliation of salary, pension and gratuity payments as well as quarterly wage performance analysis which shall be submitted to Ministry of Public Service and copied to the Ministry of Finance, Planning and Economic Development. Local Governments shall also send a copy to Ministry of Local Government;
4. MDAs and LGs must always obtain clearance to recruit from Ministry of Public Service before undertaking any recruitment. To this end, all ongoing and

concluded uncleared recruitments where the recruited personnel had not accessed the payroll by June 2022 should be submitted to this Ministry for review. In the meantime, all processes including accessing the uncleared newly recruited people on the payroll should be put on halt until the review has been concluded. Continuation of such processes may be resumed upon issuance of clearance by this Ministry based on the availability of funds in the budget of FY 2022/2023. All Service Commissions and other Recruiting Authorities at the National and Local Government levels should give attention to this mandatory requirement for maximum compliance by MDAs and LGs;

5. Where Minutes of appointment for uncleared recruitments have been released but have not been implemented, Responsible Officers should not issue appointment letters until the review in No.4 above is completed and advice given. Review and recommendations for cases under each MDA/LG will be based on merits of each case guided by the wage availability and approved structure/position quotas.
6. This Ministry continues to receive submissions of recruitment plans and wage budget for FY 2023/2024 whose deadline for receipt is by 30th September 2022 as communicated in Establishment Notice No. 1 of 2022. Responsible Officers should ensure that all wage requirements for their MDAs and LGs are included in the submissions. There will be no consideration for wage supplementary requests during FY 2023/24.
7. Ministry of Public Service will issue a Recruitment Calendar to guide the recruitment cycle in the Uganda Public Service starting with FY 2023/24. This will be communicated in due course after consultation with various stakeholders.

To incorporate the changes in No. 1 & 2 above and enable MDAs and LGs to review the preliminary payrolls, the monthly salary and pension payroll processing cycle has been revised as follows:

Table 1: Revised Salary and Pension Processing Cycle 2022

S/N	Activity	Responsibility	Period (Monthly)
1.	Processing Human Resource Data Entry Forms, Data Capture and Approval.	MDAs/LGs	20 th of previous month – 6 th of the pay month
2.	Preliminary Salary/pension payroll calculation	MoPS	7 th – 8 th of the pay month
3.	Review of the preliminary payroll and Corrections on IPPS	MDAs/LGs	9 th to 11 th of the Pay month
4.	Salary/pension payroll final calculation, finalization, batching sending payment files to IPPS/IFMS core ftp folder.	MoPS	12 th to 15 th of the pay month
5.	Generation of Salary and Pension payment Invoices and upload into IFMS	MDAs/LGs	16 th – 19 th of the pay month

6.	Submission of payment instructions to Bank of Uganda for clearance and crediting bank accounts.	MoFPED	20 th of the pay month
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The purpose of this letter therefore is to draw the attention of Responsible Officers to the identified payroll distortions that breed shortages and supplementary requests for wage budget but also to communicate the mitigative measures adopted by Government to address the challenges.



Catherine Bitarakwate Musingwiire (Mrs.)

PERMANENT SECRETARY

Copy: The Rt. Hon. Prime Minister, Office of the Prime Minister

: The Hon. Minister of Public Service

: The Hon. Minister of Finance, Planning and Economic Development

: The Head of Public Service and Secretary to Cabinet, Office of the President

: The Auditor General, Office of the Auditor General

: The Chairperson, Public Service Commission

: The Chairperson, Education Service Commission

: The Chairperson, Health Service Commission

: The Permanent Secretary and Secretary to Treasury/Ministry of Finance, Planning and Economic Development

: The Secretary, Public Service Commission

: The Secretary, Education Service Commission

: The Secretary, Health Service Commission