

File: Circulars

Memorandum

To: All HoDs

C/HRM

C.c. Rt. Hon. 1st DPM/MPS
Hon. MS/PS
Ag. PS

From: C/HRM *Isima*

Date: 15th July 2014

Re: **ESTABLISHMENT NOTICE NO. 2 OF 2014:
GUIDELINES ON PAYROLL AND WAGE BILL
MANAGEMENT**

Please find attached a copy of the Establishment Notice No. 2 of 2014 dated 1st July 2014 on Guidelines on Payroll and Wage Bill Management for your information.

TELEGRAMS: "ESTABS.KLA"
TELEPHONE: 250534/6
: 25055778
: 250565
FAX LINE : 255463/4
E-mail : ps@publicservice.go.ug



THE REPUBLIC OF UGANDA

MINISTRY OF PUBLIC SERVICE
P.O.BOX 7003
KAMPALA, UGANDA

IF ANY CORRESPONDENCE ON

THIS SUBJECT PLEASE QUOTE NO: PMD 80/80/01

1st July 2014

ESTABLISHMENT NOTICE NO. 2 OF 2014

GUIDELINES ON PAYROLL AND WAGE BILL MANAGEMENT

1.0 INTRODUCTION

- 1.1 During the course of Financial Year 2013/2014, a number of payroll and wage bill management challenges; such as delayed/nonpayment of salaries, and placement of staff on wrong payrolls, among others, leading to wage shortfalls and salary arrears, were experienced.
- 1.2 In order to avoid a reoccurrence of these challenges in Financial Year 2014/2015, this Establishment Notice is being issued to provide guidance to the Service on the management of the payroll and wage bill processes.

2.0 WAGE BILL MANAGEMENT

2.1 Clearance to fill vacant posts

- 2.1.1 In FY 2013/2014 it was noted that recruitment of staff was not undertaken in some votes that had resources under the pretext that there was a ban on recruitment. This is to clarify that there is no **ban on recruitment**. However, where new recruitment has to be undertaken the following must be observed:

- a) No recruitment shall take place without confirming availability of wage.

- b) Recruitment shall only be effected after obtaining clearance from the Ministry of Public Service, a copy of which should accompany all submissions to the Service Commissions.

2.2 Filling of Vacant posts on replacement basis

2.2.1 Pursuant to CSI No. 1 of 2014, Accounting Officers have been authorized to fill vacant posts on replacement basis without seeking clearance from the Ministry of Public Service. In so doing, the following guidelines must be adhered to:

- a) The position (s) should have fallen vacant during the running financial year.
- b) The position (s) should be provided for in the approved structure of the respective vote.
- c) A copy of the submission to the relevant Service Commission seeking for replacement of staff should be forwarded to the Ministry of Public Service.
- d) A separate file on submission to Service Commissions on replacement basis should be maintained by all Ministries, Departments, Agencies and Local Governments (MDALGs).
- e) All cases that were cleared for recruitment in FY 2013/2014 but not concluded before the close of the financial year should be re-submitted to the Ministry of Public Service for confirmation of availability of the wage.
- f) Authority for issuance of clearance to recruit will end on **31st December 2014**. Therefore, requests for clearance to fill vacant posts after December 31st will not be considered.

- g) Accounting Officers will be held responsible for any deficit arising out of recruitment beyond the wage bill allocation and without clearance from the Ministry of Public Service.

2.3 Payment of Duty allowance

2.3.1 In accordance with CSI No. 1 of 2014, granting authority for payment of Duty Allowance will be the responsibility of the respective Accounting Officers. In this respect, the following must be observed;

- a) The wage must be adequate to cater for the additional expenditure within the financial year.
- b) The vacant positions must exist in the approved structure.
- c) An Officer is not assigned duties of a post more than two salary scale levels above his or her substantive appointment.
- d) Payment of duty allowance does not continue indefinitely. Accounting Officers are therefore required to ensure that the vacant positions are declared for filling before the lapse of six months. In the event that the vacancy cannot be filled due to special circumstances, such as long term training or failure to attract a suitable candidate, Accounting Officers should renew payment of duty allowance.
- e) Public Officers on probation are not considered for payment of duty allowance.

2.4 Placement of staff on the Payrolls

2.4.1 For FY 2014/2015, the wage bill for Local Governments has been provided by vote and payroll category. In order to avoid wage shortfalls in FY 2014/2015, Accounting Officers must ensure that their staff are placed on the right pay roll category in accordance with the Budget Estimates.

2.5 Regular monitoring of the wage bill performance

2.5.1 Accounting Officers **must** monitor the wage bill performance on a monthly basis to ensure that expenditure is within the wage bill provision for a particular financial year. They should also submit the reports on wage bill performance to the Ministry of Public Service by 15th of every month.

3.0 MANAGEMENT OF THE PAYROLL

Following completion of migration of the Government Payroll from the Legacy System to the Integrated Personnel and Payroll System (IPPS), management of the payroll across the service will be through the IPPS.

3.1 Data Capture and approvals of monthly payroll transactions on the IPPS

- a) The Votes that are connected to the IPPS will continue to undertake data capture of their payroll transactions, review them, make corrections if any, and approve them.
- b) Other Votes which are not yet connected to IPPS will, effective July 2014, capture their payroll transactions from the Ministry of Public Service Data Centre and Internal Training Facility of the Ministry of Finance, Planning and Economic Development. The monthly scheduling for data capture will be communicated prior to the commencement of the process.
- c) Accounting Officers may however, make administrative arrangements with their counterparts in votes that are already connected to IPPS for purposes of utilizing their facilities for data capture and approval. Attached is **Schedule A** indicating the list of Local Governments that are already connected to IPPS.

- d) Payroll changes will be captured by the Head of Human Resource or a Human Resource Officer designated by the Accounting Officer, based on dully filled and audited Human Resource Data Entry Forms. The approvals of the changes will be effected by the Accounting Officers.
- e) In the event of delegation of the payroll transactional responsibilities, Accounting Officers are required to request Ministry of Public Service in advance to create user accounts for the Officers to whom the responsibilities have been delegated.
- f) Any request for creation of user accounts or update of user account information must be accompanied with the IPPS User Access Form attached as **Schedule B**.
- g) All data capture and approvals must be concluded by the 10th of every month.
- h) Accounting Officers will be required to review their preliminary payroll immediately after data capture for purposes of effecting the necessary corrections.
- i) All Officers undertaking transactions on the IPPS must operate individual user accounts which will be created on request.
- j) The Ministry of Public Service will provide the Final Payroll to all Accounting Officers by 15th of every month to enable them issue payment instructions to Ministry Finance, Planning and Economic Development through the Integrated Financial Management System (IFMS).

3.2 Salary payment on the IFMS

- 3.3.1 In order to strengthen the decentralized payment of salaries, an IFMS-IPPS interface has been created and is being operationalised across MDALGs in a phased manner. The interface enables seamless and automated transfer of the payroll data from the IPPS to the IFMS and ensures consistency in payroll data and salary payment. In this regard, Accounting Officers are notified that, where the IPPS-IFMS interface has been operationalised, the Data Loader will cease to be used for upload of payroll data into IFMS.

3.3 Salary payment to Head Teachers and Deputy Head Teachers in Secondary and Primary Schools

- 3.3.1 During FY 2013/2014, some Head Teachers and Deputy Head Teachers failed to access the payroll due to the fact that they were deployed to schools that were of different grades from the grades of their substantive appointment. In order to address this challenge, and in line with the Scheme of Service for the Teaching Service, School Grades for Primary and Secondary Schools have been dropped.

Consequently, all Head Teachers in Primary Schools have been placed in salary scale U4 Lower and Deputy Head Teachers in U5 Upper. For Secondary Schools, all Head Teachers have been placed in Salary Scale U1E Lower and the Deputy Head Teachers in Salary Scale U2 Lower.

- 3.3.2 The Permanent Secretary, Ministry of Education and Sports shall therefore make the necessary submissions of the Secondary School Head Teachers and Deputy Head Teachers to Education Service Commission for redesignation by 30th September 2014.
- 3.3.3 Chief Administrative Officers and Town Clerks are required to make the necessary submissions for Primary School Head Teachers and

Deputy Head Teachers to the respective District Service Commissions for redesignation by 30th September 2014.

- 3.3.4 Detailed implementation guidelines relating to the policy change shall be provided by the Ministry of Education and Sports.

3.4 Payment of salaries to contract staff

- 3.4.1 In line with the Third Budget Call Circular BPD 86/107/02 dated 26th May 2014, Contract staff formerly paid from non wage provision, will effective FY 2014/15, be paid through the payroll. In order to facilitate the process of accessing these staff on the payroll, Accounting Officers are required to undertake the following:

- a) Submit a request to access the staff on payroll to Ministry of Public Service indicating the following:
 - i) Justification for engagement and the period for engagement.
 - ii) Confirmation of availability of funding.
 - iii) Evidence of award of non-gratuitable contract appointments to the staff.

- 3.4.2 The Ministry of Public will assess the submissions and accordingly advise the Accounting Officers.

3.5 Printing of Payrolls and Pay Slips

- To facilitate effective management of payrolls and payslips, Accounting Officers are guided as follows:

a) Printing and dissemination of Payrolls

Accounting Officers are reminded that payrolls must be printed on a monthly basis and shared with Heads of Department including Head Teachers and Managers of Health Facilities to enable them authenticate the payroll. This will ensure that the right staff are on the payroll, have correct payroll details and identified anomalies are corrected.

b) Printing and dissemination of pay slips

Accounting Officers are required to ensure that pay slips are printed and distributed to individuals Officers through the Heads of Department/Institutions who should verify the information on the pay slips to confirm accuracy. Any anomalies identified should be drawn to the attention of the Head of Human Resource for appropriate action.

c) Feedback mechanisms

Accounting Officers are advised to establish a feedback mechanism that will facilitate timely correction of any anomalies identified.

4.0 ESTABLISHMENT CONTROL

4.1 The Ministry of Public Service has updated the IPPS Establishment in line with the approved structures for each vote.

4.1.2 In this regard, Accounting Officers are required to deploy staff in line with the approved Staff Establishment to facilitate access on the payroll.

- 4.1.3 Where positions are not provided for in the IPPS establishment, but have a wage provision, Accounting Officers are advised to submit a request for creation.

4.2 Management of Payroll Deductions

- 4.2.1 In view of the emerging concerns raised by various stakeholders relating to Circular letter AGO/288/155/1 dated 1st July 2014 from the Permanent Secretary and Secretary to Treasury, the Ministry of Public Service will issue new guidelines on management of payroll deductions after further consultations. In the mean time, the status quo should be maintained.

5.0 SUBMISSION OF STAFF LISTS

- 5.1 It has been observed that there has been laxity in preparing, and updating of the staff lists.
- 5.2 Accounting Officers are required to prepare and submit soft copies of updated staff lists to Ministry of Public Service on a monthly basis on **email: stafflists@publicservice.go.ug**

6.0 PAYMENT OF SALARY ARREARS

- 6.1 Accounting Officers are reminded that salary arrears that accrue during the running Financial Year must be paid through the payroll using the Human Resource Data Entry Forms.
- 6.2 All salary arrears that accrued prior to Financial Year 2013/2014 were compiled and submitted to Ministry of Finance, Planning and Economic Development for payment.
- 6.3 Ministry of Public Service will no longer receive salary arrears claims for previous Financial Years except for Financial Year 2013/2014 which should be submitted not later than 31st October 2014. Accounting

Officers are required to take note of this deadline and notify all Public Officers so that the arrears claims are submitted in time.

- 6.4 The arrears should be submitted using the format attached as **Schedule C.**

7.0 PAYMENT OF HARDSHIP ALLOWANCE

- 7.1 In line with Circular Standing Instruction No.2 of 2010 on payment of Hardship Allowance, Accounting Officers are reminded that Public Officers deployed and working in Urban areas (District Headquarters, Town & Municipal Councils) should not benefit from the payment of Hardship Allowance.

- 7.2 In this regard, Accounting Officers are required to:

- a) Effect payment of Hardship Allowance for staff who have been transferred to Hard to Reach Areas.
- b) Immediately stop payment of Hardship Allowance to staff transferred away from Hard to Reach Areas.
- c) Institute recoveries where hardship allowances have been paid to ineligible officers.
- d) Strengthen monitoring of the payment of Hardship Allowance to ensure payments are within the available funds and that the right beneficiaries are being paid.

8.0 IMPLEMENTATION OF THIS CIRCULAR


The effective date for implementation of this Circular is 1st July 2014. Accounting Officers should therefore bring the contents of this Circular to the attention of all Public Officers for information and/or implementation.

Accounting Officers who do not adhere to the provisions of this Establishment Notice shall be held accountable and be sanctioned in accordance with the regulations.

This Circular can be accessed on the Ministry of Public Service Website:
www.publicservice.go.ug.

The following schedules are attached:

Schedule A	Local Governments connected to IPPS
Schedule B	IPPS User Access Form
Schedule C	Residual Salary Arrears Claim Form


Adah K. Muwanga (Mrs.)
FOR: PERMANENT SECRETARY

Distribution "B"

Schedule A

LOCAL GOVERNMENTS THAT ARE CONNECTED TO IPPS

S.No	Local Government
1	Bushenyi District Local Government
2	Jinja District Local Government
3	Lira District Local Government
4	Masaka District Local Government
5	Mbale District Local Government
6	Mbarara District Local Government
7	Mpigi District Local Government
8	Soroti District Local Government

IPPS USER ACCESS FORM



The Republic of Uganda

Our Ref:
 Ministry/Department/Agency/Local Govt:
 Date:

To: **THE PERMANENT SECRETARY, MINISTRY OF PUBLIC SERVICE**
 Please update the IPPS user profile as set out below:

Name of Employee:

User Name :

Contacts: (Mandatory)

Telephone :

(IPPS) Email address :

Position and Placement Unit:

Which IPPS Training have you undertaken? (Tick Appropriately)

 Executive ☐ Functional Modules ☐ None ☐

Responsibilities to be assigned to / deactivated from the User

Responsibility	Start Date	End Date

Remarks

Action required : (Tick where appropriate)

Reset Password	Modify User's IPPS	Set-Up New User	Set-Up Win O/S	Change Win domain
Responsibility				
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

NOTE: If new user, attach proof of appointment

Signed.....	Signed	Signed
User	Head of Dept	Accounting Officer OFFICIAL STAMP

FOR OFFICIAL USE ONLY

Approved Not Approved	Signed Date
<input type="checkbox"/> <input type="checkbox"/>	Name OFFICIAL STAMP

Remarks

Schedule C

SUMMARY OF CASES TO ACCESS THE PAYROLL IN THE MONTH OF

S/No	MINISTRY/DEPARTMENT/LOCAL GOVERNMENT	VOTE	OLD COMP.NO	NEW COMP.NO	NAME	DESIGNATION	RECORD CODE	BASIC PAY	CALCULATION OF ARREARS
1.									
2.									
3.									
4.									
5.									
6.									
7.									

Please note that the following:-

1. Hard and Soft copies should be provided
2. The submissions should be for the following cases:-
 - i. New
 - ii. Reactivations
 - iii. Transfers to the Centre as well as Conditional Grant
3. Submission should be by payroll categories e.g. New on its own schedule, reactivations on its own schedule etc.
4. Calculation of arrears should be indicated in this format (234142 X 10)

.....
Name and Signature of the Accounting officer