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this subject please quote No.

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The Permanent Secretary
Ministry of Public Service
KAMPALA



URGENT
George Omukama to
reply. Attached is
list on annex
from

**Restructuring of Government Ministries and Departments, and the
Wage Bill FY 1998/99**

As you may recall budgeting for Government Ministries and Departments for this financial year was done on the basis of new structures for Ministries Headquarters while for the other bodies that were not restructured the budgets were done on the basis of staff in post. It was also agreed to provide for excess staff above the new structures for a period July – December 1998 on the understanding that the structures would have been cleaned up within that period. This point is further emphasized by the implementation strategy circulated to all Permanent Secretaries.

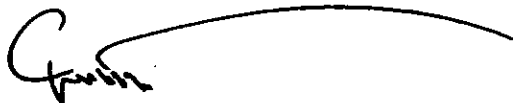
I am concerned that the major activities intended under the implementation strategy are way behind schedule. Specifically on the Voluntary retirement, letters should have been issued at the beginning of September 1998. To date none has been cleared for retirement. Placement of staff in the new structures by the service commissions should also have started on 1st September 1998.

Delays in completing these activities have serious implications on the Government Budget. Already the budget this year is very much constrained and we would want to avoid an overrun on the Wage Bill by ensuring that this exercise is completed as scheduled. There are other problems associated with these delays. In keeping excess staff ministries will incur additional costs for operations and office accommodation. New recruitments in any sector of the service are also dependent on the expeditious completion of this exercise.

Government has recently agreed with the donors to define structures for other departments, which were not undertaken in the last exercise. For Secondary and Tertiary Institutions, the staff establishments were to be completed by 30th December 1998 to coincide with start of the new academic year. Structures for other bodies including Secretariats of Constitutional Commissions, semi autonomous and autonomous bodies like Mulago, IGG etc and departments yet to be divested should have been completed by March 1999. In keeping with the principle this year, the Wage Bill provisions for these bodies next financial year will be on the basis of the new structures. We have already started preparations for the budget for next financial year and therefore we need to get an indication of when we will get new structures.

Under the ESAC agreement, the Government of Uganda should have paid all outstanding arrears to Teachers by April 1999 for the release of the second tranche of US \$ 45m. Up to date we are yet to receive verified teachers salary arrears for FY's 1995/96, 1996/97 and 1997/98. You should appraise us on the progress of the verification process.

In order to exercise prudence in the management of this year's budget and to abide by our commitments with the donors it is important that we quickly attend to the issues I have raised above. If there are any cases that do require extra funding then these should be brought to our attention urgently.



E Tumusiime-Mutebile
Permanent Secretary/ Secretary to the Treasury

- CC Head of Public Service/Secretary to the Cabinet
Office of the President
- CC Deputy Head of Public Service/Secretary Administrative Reform
Ministry of Public Service
- CC Permanent Secretary
Ministry of Education and Sports
- CC Permanent Secretary
Ministry of Local Government